Registration Document

including the Annual Financial Report

2016

CNP assurances

CONTENTS

Registration Document

including the Annual Financial Report 2016

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*); and
- 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.

CNP Assurances

Registered office: 4, place Raoul Dautry, 75716 Paris Cedex 15, France
Société anonyme (joint-stock company) with fully paid-up share capital of €686,618,477
Registered in the Paris Trade and Companies Register under no. 341 737 062
Company governed by the French Insurance Code *(Code des assurances)*
Tel.: +33 (0)1 42 18 88 88
www.cnp.fr
Member of the CAISSE DES DÉPÔTS GROUP

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version of this Registration Document (*Document de Référence*) was filed with the AMF on 6 April 2017, in accordance with Article 212-13 of the AMF's General Regulation. 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.

Only the French language version is binding on the Company.

CNP assurances

CNP Assurances designs, distributes and manages personal risk, protection, savings and pension products.

Its mission is to offer across-the-board insurance protection in keeping with the Group's proud heritage and deeply-held values.

PROFILE

Founded over **160 years** ago

A comprehensive range of **social protection solutions**

Operations in **Europe** and **Latin America**, with a strong presence 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. 4 in Europe for personal insurance (excluding health) [(4)]

No. 5 in Brazil for insurance [(5)]

35 million [(6)] insureds under personal risk/protection policies [(7)]

14 million [(6)] savings and pensions policyholders worldwide

5,035 employees worldwide

€1,200 million in attributable group net profit in 2016

€31.5 billion in premium income in 2016

€308.7 billion in average technical reserves in 2016

(1) Source: FFSA 2015 data, June 2016

(2) Source: Argus de l'Assurance "Les bancassureurs", April 2016

(3) Source: Argus de l'Assurance "Pensions Top 20", April 2016

(4) Source: Argus de l'Assurance "2015 results European Top 20", December 2016

(5) Source: Brazilian insurancer supervisor SUSEP, December 2016

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

(7) Personal risk, health, term creditor and property & casualty insurance

SELECTED FINANCIAL AND NON-FINANCIAL DATA

2016 key financial data

(Source: CNP Assurances 2016 annual results)

(In € millions)	2016	2015	% change	% change (like-for-like) [(1)]
Premium income	31,536	31,585	-0.2%	+1.4%
APE margin	13.9%	14.5%	-0.6 pts	-
Total revenues	3,553	3,288	+8.1%	+11.7%
Administrative costs	(916)	(862)	+6.3%	+8.5%
EBIT	2,638	2,426	+8.7%	+12.8%
Attributable net profit	1,200	1,130	+6.2%	+9.2%
ROE	7.9%	7.9%	-	-
Consolidated SCR coverage ratio	177%	192%	-15 pts	-
Net operating free cash flow (€/share)	1.54	1.39	+10.5%	-
Dividend (€/share)	0.80 [(2)]	0.77	+3.9%	

(1) Average exchange rates:

- *at 31 December 2016: Brazil: €1 = BRL 3.86; Argentina: €1 = ARS 16.35*
- *at 31 December 2015: Brazil: €1 = BRL 3.70; Argentina: €1 = ARS 10.25*

For the determination of like-for-like comparatives, the contributions of CNP BVP (Europe excluding France) and La Banque Postale Prévoyance (France) have been excluded from 2015 figures and the contributions of CNP Caution (France), Arial CNP Assurances (France) and YOUSE have been excluded from 2016 figures

(2) Recommended at the Annual General Meeting to be held on 13 April 2017

2016 key non-financial data

OFFER PROTECTION FOR EVERYONE

- Our term creditor insurance rejection rate is still below **0.2%**
- Number of unit-linked contracts deemed to be socially responsible investments: **157,000**
- Analysis of the needs of 18-25 year olds with 400 young people through CNP Assurances' Generation Y Observatory

CONTRIBUTE TO A SUSTAINABLE ECONOMY

- **€276 billion** in assets managed by the Group under ESG criteria (up 4% on 2015)
- Our commitment to a low-carbon economy: a **20%** reduction in CO_2 equivalent emissions in our listed equity and investment property portfolios by 2020, more than two-thirds met at end-2016
- **51%** of CNP Assurances' suppliers audited on their environmental, social and ethical performance

BE AN ATTRACTIVE EMPLOYER

- Employees: **5,035**

  Of which CNP Assurances Group: **2,992**

  Of which consolidated French and international subsidiaries: **2,043**
- Proportion of women senior managers in the Group: **33%**
- Employees with disabilities at CNP Assurances: **7.4% (versus 6.4% in 2015)**

FOSTER A SUSTAINABLE SOCIETY AND ENVIRONMENT

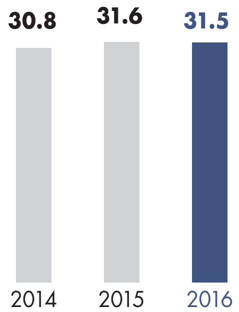
- Reduction in paper use for the Group's internal purposes: **down 9%** in 2016
- Forests in France used as a carbon sink to capture and store **529,191 t.CO_2eq**, or nearly 16 times the carbon emissions generated by the Group's activities
- **€5.5 million** donated by Group entities to health, social inclusion and community research projects in 2016

€31.5
billion in premium income in 2016

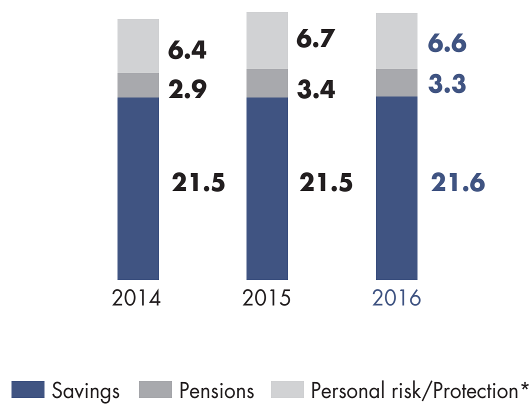
5,035
employees worldwide

No.1
personal insurer in France

PREMIUM INCOME
(In € billions)

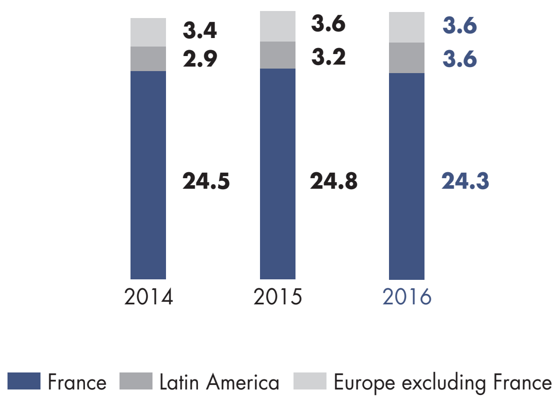


PREMIUM INCOME BY SEGMENT
(In € billions)

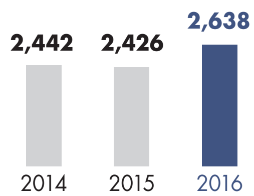


** Personal risk, health, term creditor and property & casualty insurance*

PREMIUM INCOME BY GEOGRAPHICAL AREA
(In € billions)



EBIT
(In € millions)

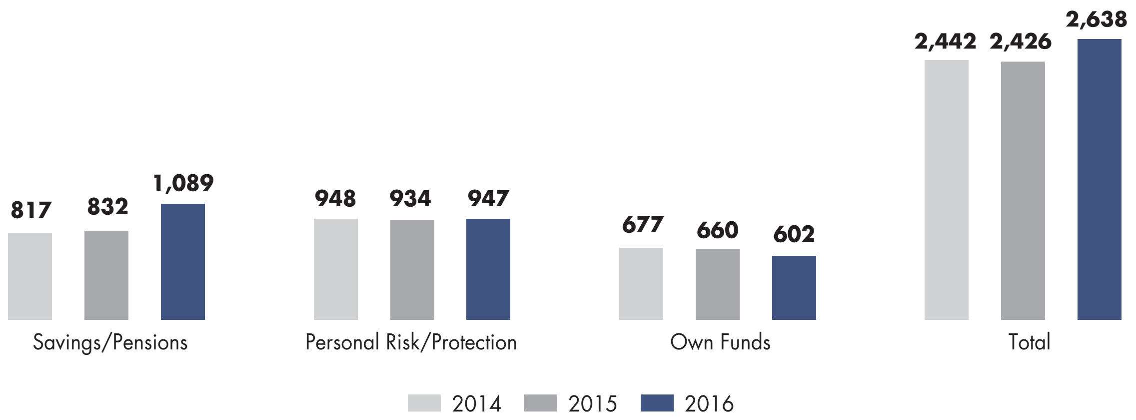


No.5
in Brazil
in insurance

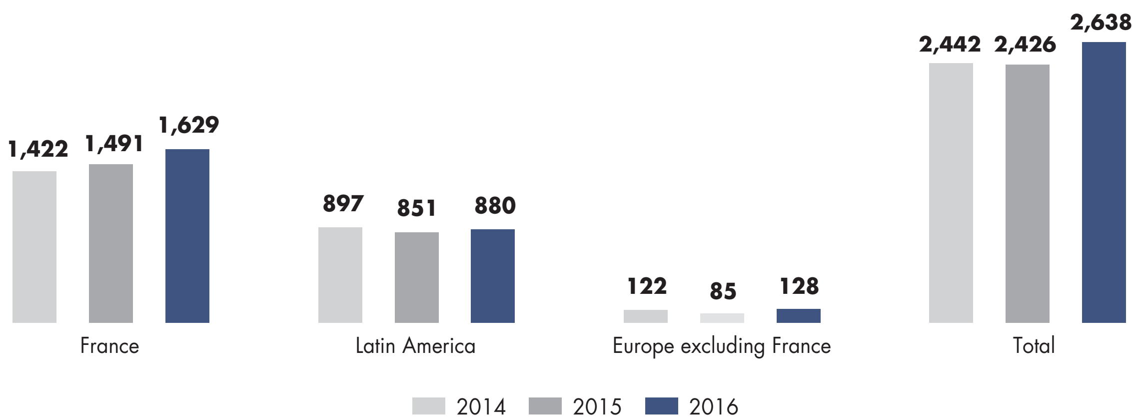
35
million personal risk/ protection insureds worldwide

14
million savings and pensions policyholders worldwide

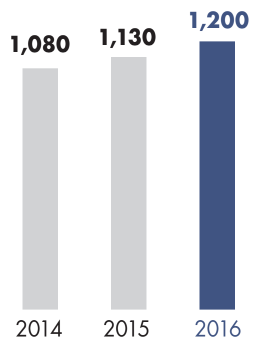
EBIT BY SEGMENT
(In € millions)



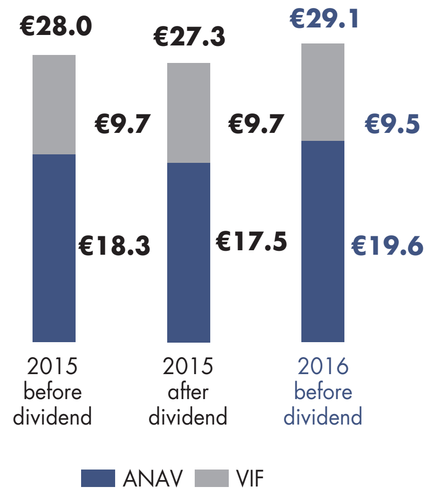
EBIT BY GEOGRAPHICAL AREA
(In € millions)



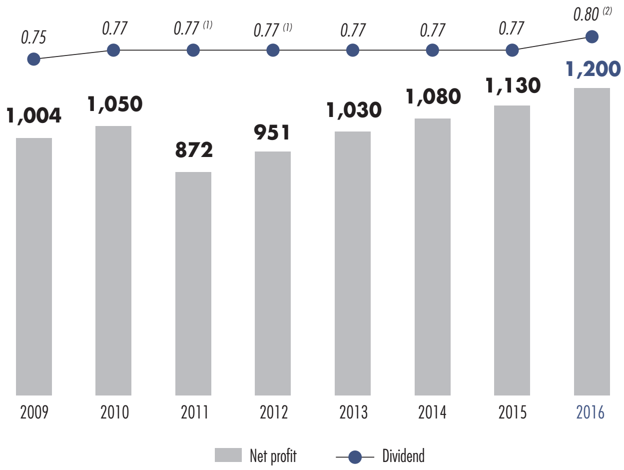
ATTRIBUTABLE NET PROFIT
(In € millions)



MARKET CONSISTENT EMBEDDED VALUE
(In €/share)



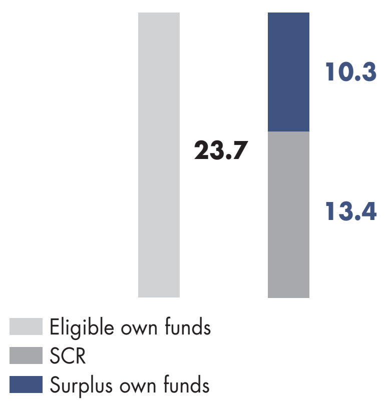
OVERVIEW OF NET PROFIT AND DIVIDENDS
(In € millions, in €/share)



(1) With scrip dividend option

(2) Submitted to a shareholders' vote at the Annual General Meeting on 13 April 2017

CONSOLIDATED SCR COVERAGE RATIO AT 177% [(3)] **AT 31 DECEMBER 2016**
(In € billions)



(3) Standard formula without applying transitional measures (except for grandfathering of subordinated debt)

Ratings

(Source: Standard & Poor's report – March 2017)

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

Objective

In light of the strong 12.8% like-for-like increase in EBIT reported in 2016, **CNP Assurances has upgraded its EBIT target for 2018**, with the Group now aiming to deliver average annual organic EBIT growth of at least 5% over the 2017-2018 period compared with the 2016 baseline.

1

COMPANY OVERVIEW

1.1 Providing insurance for over 160 years

For over 160 years, CNP Assurances has been committed to meeting the demand for affordable personal insurance products offering protection against future risk.

Thanks to this long experience, we are ideally placed to track and keep pace with economic and social trends.

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. This is where insurance companies play a critical role, by enabling policyholders to protect their own future and that of their loved ones.

The personal insurer's business is to meet these needs by leveraging several overlapping areas of expertise. By assessing and pooling risks among groups of insured persons with similar characteristics and ensuring that risks are securely covered from both an administrative and a financial viewpoint, we attenuate the financial and day-to-day impact of adverse life events.

In keeping with the strong public 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, medical 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 pension 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 life insurance fund.
1959	Creation of Caisse Nationale de Prévoyance (CNP), a state institution combining the above three funds within Caisse des Dépôts.
1960	Launch of the first individual insurance policies invested in mutual funds, distributed by La Poste (the French Post Office) and the French Treasury.
1988	Creation of Ecureuil Vie with the Caisses d'Epargne savings banks.
1992	CNP becomes CNP Assurances, a société anonyme (joint-stock company) governed by the Insurance Code *(Code des assurances)*.
1995	Creation of CNP Assurances Compañia de Seguros in Argentina.
1998	Stock market flotation. Signing of the CNP Assurances shareholders' agreement with La Poste, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State.
1999	Acquisition of controlling interests in Global SA and Global Vida SA in Portugal.
2001	Acquisition of a controlling stake in Caixa Seguros in Brazil, now renamed Caixa Seguradora. Creation of Filassistance International in conjunction with Azur-GMF, dedicated to the provision of local services.
2005	Entry into the Italian market through the acquisition of a 57.5% stake in Fineco Vita, renamed Capitalia Vita in 2006, then CNP UniCredit Vita in 2008.
2006	Extension of the shareholders' agreement with La Poste, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State until the end of 2015. Entry into the Spanish market 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 Caisses d'Epargne.
2008	Expansion into Cyprus and Greece through the acquisition of a 50.1% stake in Marfin Insurance Holdings.
2009	Signing in June of a long-term, exclusive partnership agreement with Barclays, followed in September by the creation of a joint venture – Barclays Vida y Pensiones Compañia de Seguros (BVP) – to distribute a full range of life insurance and pension products in Spain, Portugal and Italy.
2012	Creation of Groupe Assuristance, 66% owned by CNP Assurances and 34% by Swiss Life. Groupe Assuristance is the parent company of the sub-group made up of Filassistance International and Garantie Assistance, which provides services across all segments of the assistance market.
2013	Through Caixa Seguros, its Brazilian subsidiary, CNP Assurances continues to expand in South America, acquiring Previsul, a personal insurance specialist in Southern Brazil, and Tempo Dental, one of the country's largest dental insurance companies.

2014	Renewal of the partnership agreement between BPCE Group and CNP Assurances for a seven-year period starting on 1 January 2016, focused on developing the Protection Insurance business. Signing of a strategic agreement with the Santander Group, providing for the acquisition of 51% of Santander Consumer Finance's life and non-life insurance subsidiaries and a long-term exclusive agreement for the distribution of protection insurance products in ten European countries.
2015	Signing in December 2015 of a partnership framework contract between AG2R LA MONDIALE and CNP Assurances to create the market leader in retirement savings. Sale of CNP Assurances' interest in CNP BVP to Barclays Bank. Extension of the shareholders' agreement until 31 December 2017.
2016	Renewal of the distribution agreement with La Banque Postale for a ten-year period starting on 1 January 2016. The agreement's scope was widened to include distribution of life and endowment insurance through La Banque Postale's wealth management arm, BPE, and a direct partnership has been established to offer term creditor insurance to home buyers. Partnership between AG2R LA MONDIALE and CNP Assurances cemented with the acquisition by CNP Assurances of a 39.95% stake in Arial Assurance, a subsidiary of AG2R LA MONDIALE that has been renamed Arial CNP Assurances. Launch in September of YOUSE, Brazil's first 100%-digital insurance platform.

1.2 Business and strategy overview

As an insurer, co-insurer and reinsurer, CNP Assurances provides its customers and partners with unique expertise in protection insurance and savings solutions. Thanks to a multi-partner, multi-channel business model, the Group's solutions are distributed in Europe and Latin America by its many banking and social economy partners.

Our business, providing personal insurance cover

CNP Assurances plays a major role in meeting the social protection needs of individuals and professionals. New protection needs are emerging as families become more scattered and the population ages. Increasing life expectancy in Europe and demand for insurance among Brazil's expanding middle class are also driving demand for personal risk insurance solutions in Europe and Latin America.

The CNP Assurances Group is responding to these practical imperatives by enabling people to protect their future and that of their loved ones, to confidently undertake projects, and to safely pass on their wealth to future generations.

Providing solutions across the needs spectrum

One distinguishing feature of our Group is that we work closely with our distribution partners to develop offers geared to the profiles of their respective customer bases in terms of age, risk appetite and income. The wide-ranging challenges include helping policyholders to prepare for retirement, pass on their assets to the next generation, finance long-term care, maintain their standard of living following the death of a partner or access dental care. Whatever the need, we offer comprehensive, innovative solutions to our millions of policyholders around the world thanks to our expertise in insuring various types of risk.

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

To enable people with health issues to obtain a mortgage in order to buy their own home, we participated actively in discussions to drive further improvement in the Aeras convention on insurance and loans for people representing an aggravated health risk. 2016 marked a decisive turning point for cancer survivors, with the legal recognition of a "right to be forgotten" and the adoption by professional bodies of a grid standardising the conditions governing their access to insurance. Our term creditor insurance rejection rate is very low, standing at less than 0.2% for the past eight years (see section 4.2.1.2. – Risk selection adapted to each policyholder's health profile).

Two continents with complementary growth drivers

By addressing the growing needs of today's society, our business model offers considerable development potential, backed by a robust, balanced geographic presence on two continents.

We are the market leader in France, in a wealthy and mature Europe where the ageing population offers significant scope for business growth.

We also have a strong position in Brazil, in a growing South American market. The Brazilian market is experiencing a rapid increase in demand for insurance among the expanding middle class while, at the other end of the scale, our microinsurance offer meets the needs of the millions of Brazilians who have very low incomes.

Transforming the business model

We are stepping up our strategic diversification, in terms of partnerships and product mix, and also in terms of geographic reach in Europe and Latin America.

Determinedly refocusing on the personal risk/protection insurance market and on the unit-linked segment of the savings market, during 2016 we renewed the distribution agreements with our two leading partners, BPCE and La Banque Postale. We also signed agreements with two new partners in France, AG2R LA MONDIALE and Klésia, and moved up a gear in open model distribution of term creditor insurance through our partnership with Santander Consumer Finance, the leading consumer finance company in ten European countries.

The ramp-up of digitization taking place in both Europe and Latin America is having a clear impact on local people, their ways of life and their jobs. This force for change has led to a rethink of personal protection solutions and the design of new types of services and new methods of delivering them.

In 2016 we affirmed our digital strategy through such initiatives as the inauguration of YOUSE, Brazil's first 100% online insurance platform, and the launch in France of an ambitious programme of investments and partnerships with innovative start-ups in the areas of Assurtech, Fintech, Healthcare and the Silver Economy and Insurance-on-demand.

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

France

A comprehensive offering to meet everyone's needs

In the French individual insurance market, CNP Assurances has focused for more than a century on the bancassurance model, marketing insurance products through the banking networks of our two long-standing partners, La Banque Postale and the savings bank network (BPCE Group). La Banque Postale and the BPCE Group are also shareholders, together owning 36.25% of CNP Assurances. The two networks, which have a deep presence in France, accounted for 60.3% of our Group's 2016 premium income (based on IFRS). The original distribution agreements with CNP Assurances were signed in 2006. They were renewed and reconfigured in 2015 and 2016 in line with the strategies of the Group and each partner. The agreement with the BPCE Group was renewed for an initial period of seven years starting in 2016. It provides for an exclusive term creditor insurance partnership covering all BPCE networks (Caisses d'Epargne, Banques Populaires and Crédit Foncier), specific partnerships in employee benefit plans and mechanisms to align the two parties' interests concerning the management of savings and pensions policies in force at the end of 2015.

In March 2016, we renewed our partnership with La Banque Postale for a further 10-year period. The agreement's scope has been widened to include distribution of life and endowment insurance through La Banque Postale's wealth management arm, BPE, and a direct partnership has been established to offer term creditor insurance to home buyers, with CNP Assurances taking over from La Banque Postale Prévoyance in this latter segment. In June 2016, La Banque Postale bought out CNP Assurances' interest in La Banque Postale Prévoyance, which continues to write individual personal risk insurance.

The year was devoted to adapting the organisation and processes of the BPCE and La Banque Postale business units to the changes resulting from the renewed partnerships. Improving service quality was also a key focus in 2016.

During the year, we continued to focus our development strategy on the private banking segment, leveraging the new wealth management products introduced in 2015 and 2016 for the customers of our various distribution partners including private banks, high street banks, family offices, asset management firms, brokers and independent financial advisors. We have developed a new concept for traditional savings contracts with a unit-linked formula, allowing policyholders to benefit from the stock market's dynamic performance while enjoying the protection of a flexible, personalised capital guarantee. An innovative private equity fund is also available to savers, combining the performance potential of this asset class with the guaranteed liquidity offered by instant access savings products. Early 2016 saw the launch of a high-end offering in Luxembourg. Alongside personal risk and protection insurance, this line of business forms an integral part of the Open Model Business Unit.

Since 2004, products have also been distributed *via* our own in-house network, Amétis (formerly CNP Trésor), comprising 250 insurance advisors, 70 of whom are certified financial and social insurance advisors. An expert in personal protection solutions that initially served only the individual insurance market, Amétis has evolved into a social protection expert serving the SME, micro-enterprise, free-lance and personal markets. Products are distributed either directly or through partners under distribution agreements like the one signed in 2016 with employee benefits institution Klésia. Amétis' strategy focuses on building a loyal policyholder base by selling several different products to each customer. As such, it represents a good fit with the other distribution networks that generally focus more on customer acquisition strategies. Changes in Amétis' business model have been encouraged by the development of digital solutions, in addition to the demand for local advice that highlights the legitimate importance of human relations.

Contributing to the social safety net

CNP Assurances has been a benchmark in the personal protection market for many years and has established solid relations with many of the market players. To respond more effectively to the challenges created by increasing life expectancy, changes in the pension system, the introduction of new rules governing supplementary social protection insurance and the impact of the current economic environment on public finances, as well as on the finances of employers and employees, in 2014 we set up a dedicated Social Protection and Services business unit. With its multi-disciplinary teams representing some 550 people (including the Amétis network of local insurance advisors), the business unit offers a wide range of personal insurance, customer relationship management, service, assistance and support services through companies, local authorities, employee benefits institutions and mutual insurers (covering the public sector, multiple industries, the professions and veterans).

With our recognised social engagement, vast underwriting expertise and robust financial position, CNP Assurances offers a wide range of guarantees including death, temporary and permanent disability, long-term care, funeral, pension and term creditor insurance.

Insureds include some three million civil servants working in national or local government or in public hospitals. For these people, we offer products through participatory agreements and have also developed certified contracts. We also provide statutory health, death and disability insurance cover for the employees of more than 22,000 local authorities, while our subsidiary MF Prévoyance SA writes death and disability cover on behalf of the civil service mutuals that are its partners and joint shareholders.

We also work with other mutual insurers, for example by reinsuring the employee benefits scheme providing temporary and permanent disability and death cover for the 220,000 professionals working for in-home personal service providers.

In the corporate sector, we offer group insurance solutions for the employees or senior management of some 4,600 companies either directly or in partnership with brokers, employee benefits institutions and mutual insurers.

CNP Assurances was one of the first French insurance companies to address the problem of financing long-term care. We are now one of the market leaders in this segment, with a range of compulsory and voluntary participation products that anticipate the financial costs and care needs resulting from a loss of autonomy. In an increasingly digital society where ties between generations are being stretched and transformed, we are developing guarantees, services and a distribution model that break the mould.

In the area of pensions, we develop bespoke company plans ("Article 39" and "Article 83" tax-advantaged plans, insured plans covering the length-of-service awards payable to employees on retirement, etc.), and we also manage the Préfon-Retraite voluntary participation pension plan for civil servants. Our PERCO retirement savings plans are distributed through our interest in Inter Expansion Humanis. In December 2015, our Group – France's third largest employee savings and retirement savings plan manager [(1)] – and AG2R LA MONDIALE – number two in the French private pensions market – signed an agreement to create the market leader in retirement savings. The partnership was cemented in 2016 with the acquisition by CNP Assurances of a 39.95% stake in Arial Assurance, a subsidiary of LA MONDIALE. The joint subsidiary, renamed Arial CNP Assurances, has brought together our two groups' respective expertise, resources and business portfolios in this area. See section 2.1 "Significant events of the year".

Ranked No. 1 in France's term creditor insurance market, we partner over 300 financial institutions, social economy lenders and mutual banks. We also write guarantee insurance through our specialised subsidiary CNP Caution. Changes to the regulatory framework in France, including the introduction of the Lagarde and Hamon Acts, have provided increased consumer protection to buyers of insurance, particularly in terms of the advice they must be given. This trend supports our vision of term creditor insurance as a way of offering real protection to borrowers in case they fall on hard times. We provide death, temporary and permanent disability, unemployment and loss of income cover, backed by support services and assistance. Our high value-added solutions draw on our product innovation capabilities, risk management expertise, high quality administrative processes and leading edge technologies. At the vanguard of this market, we have introduced a fully online process with an electronic signature system. Successful deployment of the process with one partner (a pure player in online banking) in 2014 and signature of a second partnership with another leading online bank in 2015 to support rollout of its home loan offer, have consolidated our advance in this area.

Personal services that make a real difference

We pay close attention to the services offered with our products, for partners and policyholders alike. Through our dedicated subsidiaries, we constantly expand and adapt our expertise in this area. For example, Filassistance International, part of the Assuristance Group that is 66%-owned by CNP Assurances, is continuing to develop its range of local personal assistance services. More than 8 million people currently take advantage of this offering which includes all types of assistance, from the most mainstream to the most innovative combining new information and communication technologies with Filassistance International's expertise and strategic focus on human relations. In this way, Filassistance fulfils 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 their commitment to offering a warm and welcoming service to customers. The Assuristance Group is in the process of developing a comprehensive catalogue of assistance services. It is supported by Âge d'Or Services, a member of the CNP Assurances Group since 2001, which currently operates a network of 180 franchisees. In 2016, Âge d'Or's 1,600 carers assisted some 40,000 clients (elderly, disabled and people requiring long-term care) in their home or in institutions.

When we launch new employee benefits products, we support our partners at each stage in the process. To strengthen the service dynamic, following a trial phase, we launched our Lyfe digital health, wellness and ageing well services platform in late 2015. In creating Lyfe, our ambition was to develop a new vision of personal insurance as a companion of daily life. Designed for participants in benefits schemes set up by partner mutual insurers, employee benefits institutions and companies, Lyfe proposes an innovative set of services to be offered with health insurance and death/disability insurance products, and also adds to the assistance services offering. The aim is to communicate more interactively with customers and provide users with lifelong support at their place of work, at home or during a hospital stay, for example, through services in the areas of prevention, coaching, access to professional healthcare and care for carers. The platform will be regularly enhanced with the addition of new services.

Our main personal insurance markets in France

In 2016, CNP Assurances' core personal insurance market accounted for 75% of the total insurance market in France [(2)]. 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

(1) *Source:* Le marché de la retraite et de l'épargne salariale, *Xerfi, September 2016*

(2) *Source:* Tableau de bord de l'assurance, *2016, FFA, December 2016*

injury insurance has grown steadily since 2006, topping 10% since 2012 and climbing to 13.9% in 2016.

Life/savings market [(1)]

The number of players competing in the French life insurance and endowment market remained limited in 2015, with the five biggest players accounting for 57% of the market, including 31% in the hands of the top two.

Most of the leading companies in these two segments are bancassurers, who have stolen the lead on traditional insurance companies and mutual insurers [(2)].

In 2015, almost two-thirds of new life business (64.2%) was generated by financial advisors employed by the banks and 14.7% by the insurance companies' in-house insurance advisors. General agents, insurance brokers and independent financial advisors together accounted for 16.7% of distribution, with broadly similar market shares (5% to 6%).

Funeral insurance markets [(3)]

A total of 4.1 million funeral contracts were in force at 31 December 2015, a year-on-year increase of 5% that was nonetheless below the prior year's 7% growth. This market is highly concentrated, with five companies sharing half of the market.

The insurance networks accounted for 56% of In-Force funeral insurance business in 2015, but this proportion is declining year by year, as the bancassurance networks increase their market share.

"GAV" accident insurance market [(4)]

Around thirty insurance companies wrote "GAV" accident insurance business in 2015.

A total of 4.7 million contracts were in force as of 31 December 2015, representing an increase of 5% compared with end-2014. This was the slowest growth observed since the "GAV" contracts were launched.

The bancassurance networks had a 48% market share in 2015. However, year by year they are losing ground to the insurance networks (general agents, brokers, in-house insurance advisors) which held more than half of the market for the first time in 2015, with 52%. This market is fairly concentrated, with the market leader accounting for around 28% of In-Force business at 31 December 2015 and the top four accounting for 71%. CNP Assurances is not a key player in this market.

Long-term care insurance market [(5)]

In all, 3.4 million people were covered by long-term care insurance at the end of 2015, up 1% year-on-year. 47% of these contracts are for long-term care insurance only, while 53% correspond to other policies that include a long-term care formula.

CNP Assurances has a 7.3% share of the individual insurance segment of the long-term care market and 53.2% of the group insurance segment.

A specific market: term creditor insurance [(6)]

The term creditor insurance market represented annual premiums of almost €9 billion in 2015, an increase of 4% on the back of 2% growth in 2014. Outstanding loans to individuals rose from €330 billion in 2003 to €1,218 billion at end-2015. Accidental death cover accounted for 70% of term creditor insurance premiums in 2015, temporary and permanent disability cover for 28% and unemployment cover for 2%.

In 2015, 88% of term creditor insurance premiums were generated by group policies with banks and 12% by delegation of insurance contracts, alternative policies or individual policies. Despite the large number of participants, including around forty insurance companies and various brokers, the bulk of the market is shared between four main players – led by CNP Assurances – which together account for around two-thirds of total premiums.

See also CNP Assurances' Business Overview, Premium Income in France – Premium Income by Distribution Network, section 2.2.2.

Europe

CNP Assurances was Europe's 4th biggest insurer at end-2015 [(7)], with more than 700 employees serving this market (excluding France). The Group's development in Europe, covering 14 countries, has been based on our historical model, which consists of setting up long-term partnerships with well-established distribution networks, preferably banking groups, and giving partners a stake in results through ownership of shares in the partnership vehicle. Savings, term creditor insurance and personal risk policies are distributed through the Group's subsidiaries and branches.

We are also diversifying our distribution methods by developing an open model based on multi-channel distribution and a direct sales capability to offer white-label insurance products to targeted partners.

Multi-partner growth in Europe

Our products are distributed through partner networks that have a deep presence in their respective markets.

With UniCredit in Italy

In our exclusive distribution region in Italy, UniCredit has 1,650 agencies and around two million customers. We offer a comprehensive range of insurance products through our joint

(1) *Source: 2015 Key Indicators, FFSA, June 2016*
(2) *Source: Breakdown of life and endowment insurance new business in 2015, FFSA, July 2016*
(3) *Source: Funeral insurance policies in 2015, FFSA, July 2016*
(4) *Source: "GAV" accident insurance contracts in 2015, FFSA, July 2016*
(5) *Source: Long-term care insurance in 2015, FFSA, July 2016*
(6) *Source: Term creditor insurance in 2015, FFSA, June 2016; 2015 Key Indicators, FFSA, June 2016; "Les Bancassureurs", Argus de l'assurance, April 2016*
(7) *Source: "Europe Top 20, 2015 results", Argus de l'assurance, December 2016*

subsidiary, CNP UniCredit Vita, which has over 170 employees. CNP UniCredit Vita derives most of its premium income from savings products, particularly unit-linked contracts. The Italian personal risk insurance market is still relatively small, but Italians are waking up to the need to purchase insurance against the risks of everyday life as benefits under government-sponsored welfare programmes are scaled back. CNP Assurances has anticipated this need and is offering personal risk products through UniCredit in this market.

With Santander Consumer Finance in ten European countries

In 2014, we set up a long-term partnership spanning ten European countries with Santander Consumer Finance, a leading provider of consumer finance. This partnership has increased the pace of growth in open model term creditor insurance distribution (currently through more than 120,000 points of sale). It has also expanded our European footprint. In 2016, the new joint subsidiary, CNP Santander Insurance, generated premium income of €605 million, a performance in line with its business plan objectives. Germany accounted for over half of the total, while Spain, Poland and the Nordic countries accounted for most of the rest. See also CNP Assurances' Business Overview, Premium Income in Europe – Premium Income by Subsidiary, section 2.2.2.

Diversified distribution channels

Our term creditor insurance, personal risk and savings products are offered to a variety of distribution partners, including full service, specialised and Internet banks, private banks, independent financial advisors and consumer finance companies. We share with these partners our technical expertise and our mass processing and innovation capabilities. In this way, we aim to step up the pace of growth in Southern Europe (Italy, Spain and Portugal) through our subsidiary CNP Partners [(1)] based on an open model that is determinedly multi-partner and multi-channel. CNP Partners is supported by a servicing subsidiary (CNP Partners Solutions), a call centre capable of responding to calls in six languages, four associated insurance branches and over 200 employees. The two product development priorities concern traditional savings products with a unit-linked formula designed for the wealth management market and personal risk/protection insurance. The preferred distribution channels are private banks and independent financial advisors for high-end savings products, particularly in Italy, and bancassurers and brokers for personal risk/protection insurance.

We are also present in Cyprus and Greece, with more than 286 employees at CNP Cyprus Insurance Holdings, a subsidiary owned jointly with the country's biggest bank, the Bank of Cyprus.

CNP Cyprus Insurance Holdings offers life insurance to residents of Cyprus, as well as property and casualty insurance written by CNP Asfalistiki, the local market leader in this segment. The products are generally distributed by independent agents.

We are also setting our sights on expanding in buoyant new markets in Northern and Continental Europe. In 2015, we opened a representation office in Munich to develop a term creditor insurance offer for home buyers. The first products were sold in 2016 and we plan to develop the business in 2017.

Our main European markets other than France

The Italian life market [(2)]

The Italian life insurance market contracted by 11% in the twelve months to end-November 2016 compared to the prior-year period. CNP UniCredit Vita's share of the market rose by 0.2 points to 2.1%.

The Spanish life market [(3)]

The Spanish life insurance market totalled €31.1 billion at end-2016, a year-on-year increase of 21.8%, and the risk insurance market was up 11.40% at €4.2 billion.

See also CNP Assurances' Business Overview, Premium Income in Europe – Premium Income by Subsidiary, section 2.2.2.

A STRONG POSITION IN BRAZIL, IN A GROWING LATIN AMERICAN MARKET

Premiums in Latin America totalled €3.6 billion in 2016, with year-on-year growth of 11.5% held back by an unfavourable currency effect. Like-for-like growth came to 16.9% for the year compared to 2015, reflecting solid momentum across all business segments. In Brazil, we increased our share of a growing market by 0.5 points to 5.9%. Products distributed through our local partners consist mainly of pension solutions and personal risk, health and term creditor insurance.

We have been operating in Latin America since 1995. The acquisition in 2001 of Caixa Seguradora (formerly Caixa Seguros), our Brazilian subsidiary, enabled us to move up several gears in our development in the region.

Brazil [(4)]

We have operated in Brazil since 2001 through Caixa Seguradora, a subsidiary owned jointly with our local distribution partner Caixa Econômica Federal, which is Brazil's third-biggest bank and the second-biggest state-owned bank.

Caixa Econômica Federal plays a major social and economic role in Brazil. The bank is present throughout the country with some 60,000 points of sale, including 4,200 bank branches and 25,000 banking correspondents and lottery sales booths that sell the most affordable products.

Caixa Seguradora employs over 1,200 people in Brazil. With over 10 million personal risk/protection policyholders and

(1) In 2014, CNP Vida was renamed CNP Partners Seguros y Reaseguros ("CNP Partners")

(2) Source: Italian insurance supervisor (IAMA)

(3) Source: Spanish insurance supervisor (ICEA)

(4) Source: Brazilian insurance supervisor (SUSEP), December 2016

3 million holders of savings/pensions contracts, it is Brazil's 5th biggest insurer.

Affordable products for the growing middle class

Caixa Seguros offers life insurance, pension, savings and health insurance products for companies and individuals, as well as insurance for *consórcio* contracts that pool the savings of future home buyers. Most of its individual insurance offerings target members of the Brazilian middle class which has been expanding rapidly over the last ten years.

In 2016, savings and pension products *(previdência)* accounted for 51% of the Brazilian insurance market (excluding health insurance). In home buyer term creditor insurance, Caixa Seguradora is the market's unchallenged leader with a share of 61% in 2016.

CNP Assurances is developing the personal risk business in response to the emerging needs of the Brazilian population, through Caixa Seguradora, which is currently ranked fifth in the market with 5.9% in 2016. We also offer innovative dental insurance solutions.

Offering microinsurance solutions

Caixa Seguradora has played a pioneering role in developing affordable insurance and was the first Brazilian company to enter the microinsurance segment, obtaining a license to write this class of business from Brazil's insurance supervisor, SUSEP, in February 2013.

Easy to purchase and with affordable premiums, microinsurance policies are designed to preserve the socio-economic situation of low income individuals. Caixa Seguradora holds 8.7% of this market, which more than doubled in 2016 to reach BRL 233.5 million, representing cover for some 110 million Brazilians.

Long-term goals

Caixa Seguradora is aiming to grow its life insurance and protection insurance businesses in Brazil. Its goal is to offer insurance solutions to members of the constantly growing Brazilian middle class along with affordable products for low income households. Caixa Seguradora is partnering Caixa Econômica Federal's strategic growth by developing alternative distribution channels and multi-channel distribution, and by distributing microinsurance and mass-market products. It is also forging alliances with insurance brokers, particularly through the 3,000 brokers at its subsidiary in Southern Brazil, Prévisul.

In 2015, Caixa Seguradora prepared to seize a unique opportunity to become Brazil's first fully online distributor of insurance products. The new sales platform copies the best practices of the world's leading Internet companies, with an agile and constantly changing corporate culture. It does business under the YOUSE brand launched at the end of 2015. YOUSE started writing insurance in September 2016 and is determined to transform the Brazilian market by offering an innovative customer experience.

Our main Brazilian markets

The Brazilian insurance market (excluding health insurance) represented premiums of BRL 230 billion in 2016, up 9.4% compared with BRL 210 million in 2015. In a highly concentrated market, Caixa Seguradora's market share rose by 0.5 points to 5.9%, driven by growth in pension contracts and personal risk and protection insurance.

Argentina

A key player in the personal risk segment

The Group's oldest foreign subsidiary, CNP Assurances Compañia de Seguros, is cementing its position as one of the country's main providers of personal risk insurance thanks to its 3.4 million policyholders. The Company specialises in personal risk and term creditor insurance. It is owned jointly by CNP Assurances and Credicoop Bank, the Group's longstanding commercial partner. After growing by a very strong 44.4% in 2015, premium income contracted by 26.9% in 2016 to stabilise at €47.5 million.

CNP Assurances Compañia de Seguros has developed many distribution partnerships and its products are currently sold in over 450 bank branches throughout Argentina, as well as through a network of brokers, cooperatives, mutual insurance companies and non-profits. The company has also ventured into direct selling, with a team of insurance advisors on hand to advise prospective customers by phone.

See also CNP Assurances' Business Overview, Premium Income in Latin America – Premium Income by Subsidiary, section 2.2.2.

A responsible insurer

Trust is 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 because insurance policies are complex financial products due to their legal and tax framework and their very long duration. While the average life of a policy is ten years, some remain in force for 30 to 40 years or even longer. 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 contract is settled.

Our longstanding expertise and the size of the insurance book stand us 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 the business model, we have used leading edge technologies to develop unique expertise allowing us to combine a highly personalised service with industrial efficiency (15.4 million individual savings and personal risk contracts were managed in France in 2016).

Our high-quality financial management has nurtured a strong base of trust and the expertise and diligence of our teams are widely recognised. This is a particularly important issue for traditional life insurance products, which offer policyholders a capital guarantee plus a capitalised annual yield.

Financial management must therefore combine long-term security with competitive yields in the knowledge that policyholders expect rate increases at regular intervals over the term of their project that also reflect gains in the market, and that they generally have the right to surrender their contracts at any time.

Effective financial management is also essential in other business, since investment performance is anticipated to some extent in the technical rate for pension contract annuities and help optimise premium rates in Protection Insurance business (personal risk, term creditor and health insurance).

Because of the specific features of the insurance business, CNP Assurances' approach to financial management is different from that of a fund manager, a bank or a pension fund, which generally knows when liabilities will fall due. We pursue a financial strategy with very long investment horizons matched to the duration of our liabilities. For more than ten years now, we have been deploying a socially responsible investment strategy, by applying environmental, social and governance (ESG) screens during the asset selection and management processes, and since 2015 we have also followed a low carbon strategy. To enable policyholders to contribute in their own way to sustainable development, we encourage them to invest in socially responsible investment (SRI) products.

With investments of €129.1 billion at 31 December 2016, we play a major role in financing the real economy by investing in such asset classes as government bonds, large corporates, SMEs and mid-tier companies, and real estate and infrastructure projects. With 81% of our financial assets screened using ESG criteria aligned with each asset class, we actively supported the energy and ecological transition in 2016. At 31 December 2016, we did not hold any direct investments in the listed shares or debt of companies that derive more than 25% of their revenue from thermal coal. We are on track to reduce by 20% the carbon footprint of our equity portfolio (excluding equity funds) by 2020, and also to meet our target of reducing the energy use of the buildings in our property portfolio. And we have met our target of doubling investment in the energy and ecological transition sector in one year instead of two, with assets reaching €1.7 billion at 31 December 2016.

1.3 Corporate governance

MEMBERS OF THE BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND EXECUTIVE MANAGEMENT AT 1 FEBRUARY 2017

Board of Directors

Directors

Jean-Paul Faugère *, Chairman

Frédéric Lavenir, Chief Executive Officer

Caisse des Dépôts et Consignations, represented by Pierre-René Lemas

Virginie Chapron du Jeu

Pauline Cornu-Thénard

Olivier Mareuse

Delphine de Chaisemartin

Franck Silvent

Sopassure, represented by Florence Lustman

Jean-Yves Forel

François Pérol

Philippe Wahl

Rémy Weber

French State, represented by Bertrand Walckenaer

Laurence Guitard

Marcia Campbell *

Stéphane Pallez *

Rose-Marie Van Lerberghe *

Non-voting directors

Pierre Garcin (until 9 February 2017)

Jean-Louis Davet

Works Council representatives

Bruno Chamboncel

Nita Naprix

Pascal Oliveau

Nadia Remadna

Secretary to the Board of Directors

Huguette Rellier

Committees of the Board

Audit and Risk Committee

Stéphane Pallez *, Chairman

Marcia Campbell *

Jean-Yves Forel

Olivier Mareuse

Florence Lustman

Remuneration and Nominations Committee

Rose-Marie Van Lerberghe *, Chairman

Jean-Paul Faugère *

François Pérol

Pierre-René Lemas

Philippe Wahl

Strategy Committee

Jean-Paul Faugère *, Chairman

Marcia Campbell *

Rémy Weber

Jean-Yves Forel

Olivier Mareuse

Stéphane Pallez *

Franck Silvent

Executive Management

Frédéric Lavenir, Chief Executive Officer

Yves Couturier, Deputy Chief Executive Officer, Head of the Open Model Business Unit

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer

Antoine Lissowski, Deputy Chief Executive Officer and Finance Director

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

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2016

Changes in the composition of the Board in 2016

Date	Term expired	Resigned	Elected/appointed	Re-elected
17.03.2016			Bertrand Walckenaer, appointed to take over from Antoine Saintoyant to represent the French State (by ministerial order dated 17 March 2016)	
28.04.2016	Philippe Baumlin		Laurence Guitard	Caisse des Dépôts et Consignations, represented by Pierre-René Lemas French State, represented by Bertrand Walckenaer Marcia Campbell Stéphane Pallez Anne-Sophie Grave
27.06.2016		Odile Renaud-Basso		
07.07.2016		Anne-Sophie Grave		
08.11.2016			Delphine de Chaisemartin Pauline Cornu-Thénard	

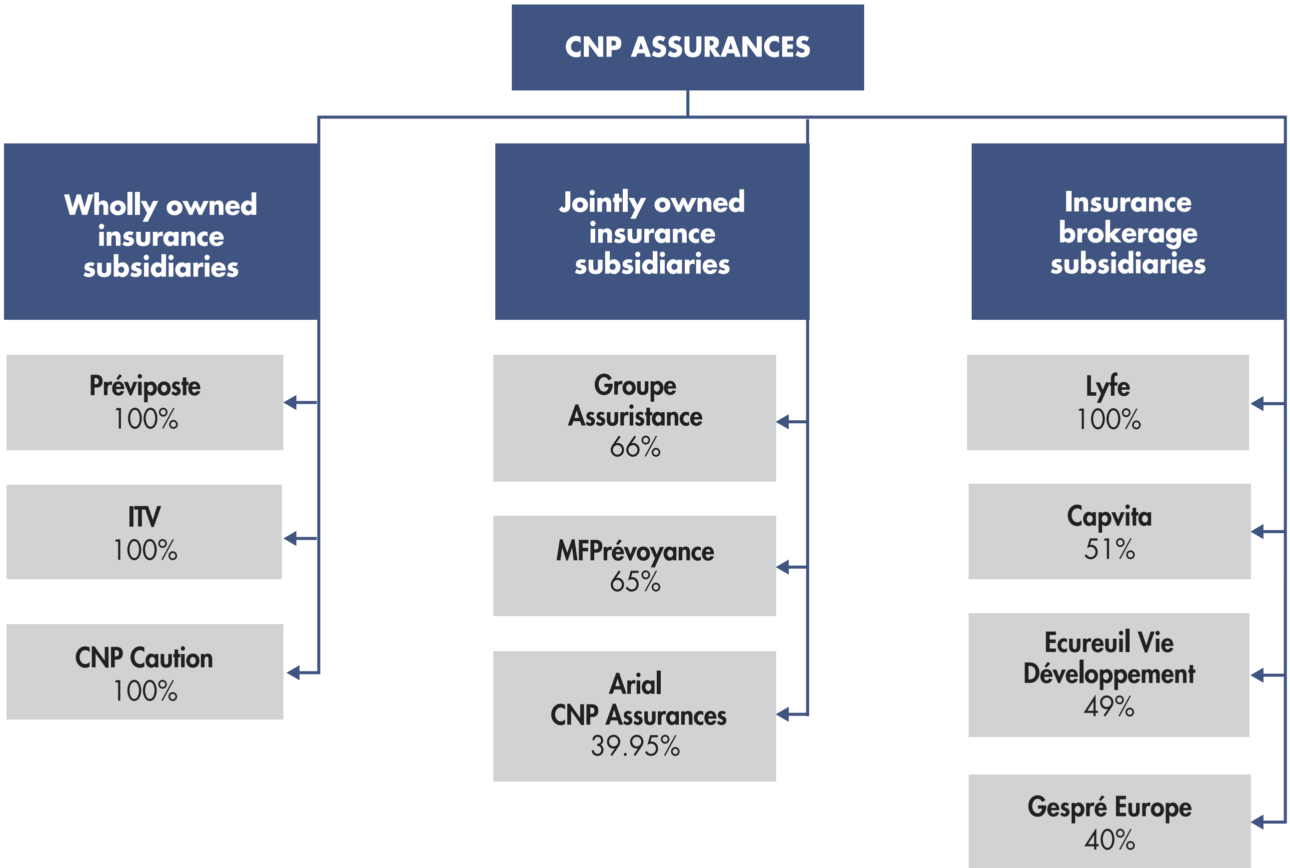
COMPOSITION OF THE BOARD OF DIRECTORS AT THE CLOSE OF THE ANNUAL GENERAL MEETING HELD ON 13 APRIL 2017

	Date of birth	Term expires
French State *, represented by Bertrand Walckenaer	22.08.1980	30.06.2020
Marcia Campbell	30.03.1959	30.06.2020
Virginie Chapron du Jeu *	13.10.1961	30.06.2021
Jean-Paul Faugère *, Chairman	12.12.1956	30.06.2021
Sopassure, represented by Florence Lustman	20.01.1961	30.06.2021
Jean-Yves Forel	17.05.1961	30.06.2018
Pauline Cornu-Thénard *	30.11.1979	30.06.2021
Frédéric Lavenir *, Chief Executive Officer	11.06.1960	30.06.2021
Caisse des Dépôts, represented by Pierre-René Lemas	23.02.1951	30.06.2020
Olivier Mareuse	24.10.1963	30.06.2018
Stéphane Pallez	23.08.1959	28.06.2020
François Pérol	06.11.1963	30.06.2018
Delphine de Chaisemartin *	14.07.1970	30.06.2021
Franck Silvent	01.08.1972	30.06.2018
Rose-Marie Van Lerberghe *	07.02.1947	30.06.2021
Philippe Wahl	11.03.1956	30.06.2018
Rémy Weber	18.11.1957	30.06.2018
Laurence Guitard	22.04.1961	30.06.2020

* *Election, ratification or re-election subject to the approval of the Annual General Meeting to be held on 13 April 2017*

1.4 Group organisational structure

SIMPLIFIED ORGANISATIONAL STRUCTURE OF CNP ASSURANCES' MAIN SUBSIDIARIES IN FRANCE AT 31 DECEMBER 2016 *

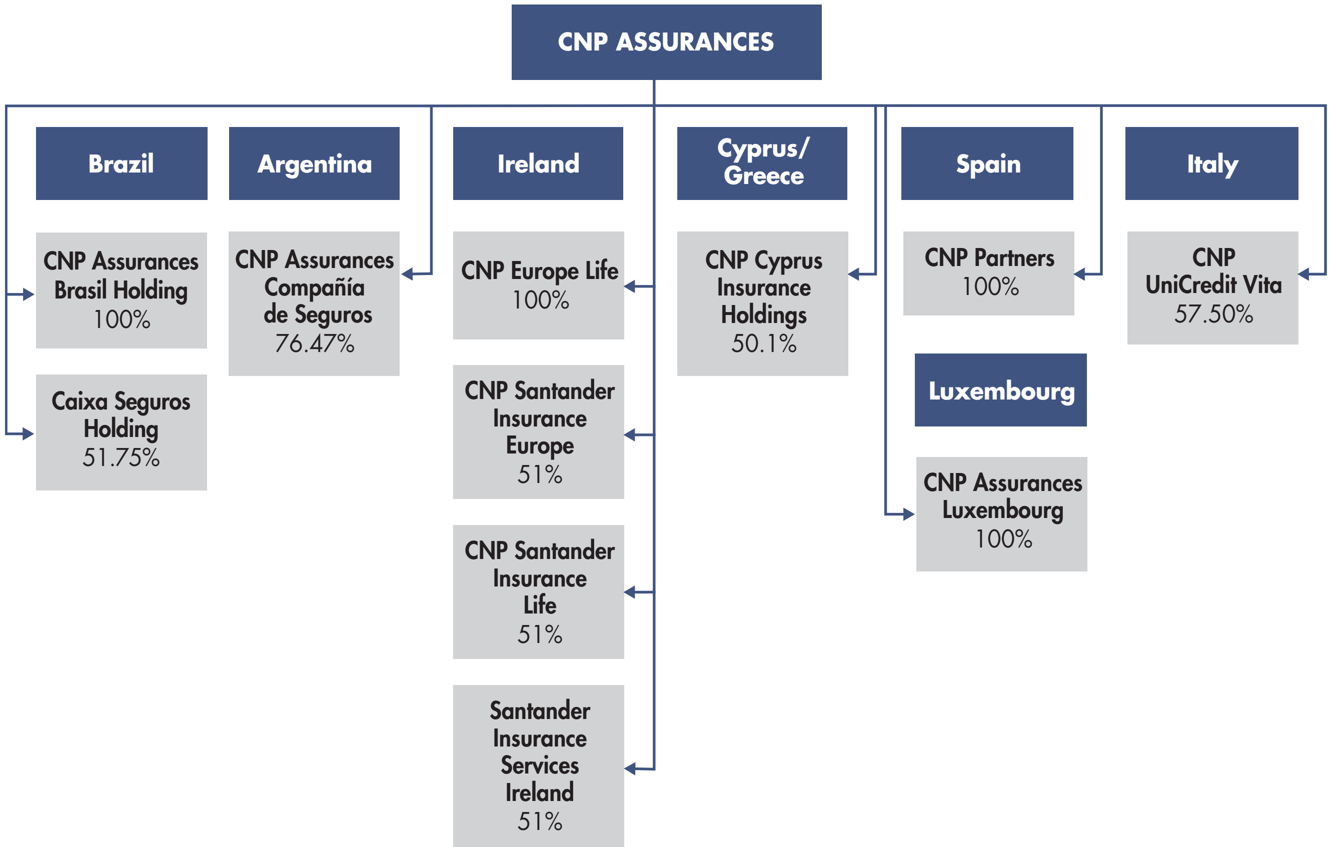


CNP Assurances has signed shareholders' agreements in relation to Assuristance, MFPrévoyance, Arial CNP Assurances, Capvita, Ecureuil Vie Développement and Gespré Europe

For information about the risks to which the CNP Assurances Group is exposed, see notes 22 to 24 to the consolidated financial statements (pages 159 to 171) and the description of risk factors (pages 344 to 355)

* *The percentages shown indicate both the interest in share capital and the voting rights directly and indirectly held in each subsidiary. A more detailed presentation of CNP Assurances' main subsidiaries is provided in notes 5.1 to 5.3 to the consolidated financial statements*

SIMPLIFIED ORGANISATIONAL STRUCTURE OF CNP ASSURANCES' MAIN SUBSIDIARIES OUTSIDE FRANCE AT 31 DECEMBER 2016 *



For information about the risks to which the CNP Assurances Group is exposed, see notes 22 to 24 to the consolidated financial statements (pages 159 to 171) and the description of risk factors (pages 344 to 355)

The senior executives of CNP Assurances do not exercise the same executive duties in the Group's main subsidiaries.
Jean-Paul Faugère, Chairman of the Board of Directors, and Frédéric Lavenir, Chief Executive Officer are directors of the Brazilian subsidiary Caixa Seguros Holding

The strategic partnerships in Latin America and Europe (excluding France) are discussed in pages 13 to 15

CNP Assurances has signed shareholders' agreements in relation to Caixa Seguros Holding, CNP Assurances Compañía de Seguros, CNP Santander Insurance Europe, CNP Santander Insurance Life, CNP Cyprus Insurance Holdings and CNP UniCredit Vita

* *The percentages shown indicate both the interest in share capital and the voting rights directly held in each subsidiary.*
A more detailed presentation of CNP Assurances' main subsidiaries is provided in notes 5.1 to 5.3 to the consolidated financial statements

2 BUSINESS AND FINANCIAL REVIEW

2.1 Significant events of the year

2.1.1 First half

US$500 MILLION PRIVATE PLACEMENT

On 15 January 2016, CNP Assurances placed a US$500 million subordinated note with a major institutional investor. The note was issued in response to a specific request from the investor. The proceeds will support business growth and strengthen the Group's balance sheet. This success once again demonstrates the quality of CNP Assurances' signature.

The fixed-for-life issue will pay a 6% coupon in dollars which, after being swapped for euros, is in line with the interest rate of the last notes issued by CNP Assurances in December 2015. The final maturity is 33 years, with a first call date after 13 years.

The issue has been structured to qualify as equity and will be eligible as Tier 2 capital under Solvency II.

CNP ASSURANCES' A RATING AFFIRMED WITH A STABLE OUTLOOK

Following its annual rating review, Standard & Poor's affirmed CNP Assurances' A rating with a stable outlook.

In its report, Standard & Poor's highlighted the Group's strong competitive position as leader of France's life insurance market, its significant financial headroom evidenced by the capital support of its core shareholders and its proven ability to raise funds on the bond markets. The A rating with a stable outlook extends to CNP Caution, which is wholly owned by CNP Assurances and is considered as a core subsidiary by Standard & Poor's.

DEVELOPMENTS CONCERNING THE PARTNERSHIP WITH THE CRÉDIT AGRICOLE GROUP

On 9 March 2016, the Credit Agricole Group announced its "Strategic ambitions for 2020" plan, which includes in-sourcing the Regional Banks' term creditor insurance business.

For information, regarding CNP Assurances, the average contribution from the partnership with Crédit Agricole to the recurring EBIT of CNP Assurances has been €30 million over the last three years, *i.e.*, around 2% of EBIT France.

DISTRIBUTION PARTNERSHIPS BETWEEN CNP ASSURANCES AND LA BANQUE POSTALE

In December 2015, CNP Assurances and La Banque Postale announced the signature of a preliminary memorandum of understanding for the renewal of their partnership as of 2016 for a further period of 10 years. The framework partnership agreement was signed on 25 March 2016.

The framework agreement covers the following aspects:

- in life insurance:
  - renewal of the partnership for a period of 10 years as of 1 January 2016, with the scope widened to include BPE, La Banque Postale's wealth management subsidiary;
- in personal risk/protection insurance:
  - implementation with La Banque Postale of a 10 year direct partnership in term creditor insurance for mortgage loans, with CNP Assurances substituted for La Banque Postale Prévoyance for this segment,
  - sale to La Banque Postale on 28 June 2016, after the conditions precedent were met, of CNP Assurances' stake in La Banque Postale Prévoyance, which will continue to write individual Personal Risk business.

The renewed partnership between CNP Assurances and La Banque Postale is fully in keeping with their respective strategies.

DEVELOPMENTS CONCERNING THE PARTNERSHIP BETWEEN AG2R LA MONDIALE AND CNP ASSURANCES

Following the signature of a framework contract on 11 December 2015, CNP Assurances and AG2R LA MONDIALE announced on 4 April 2016 the start of operations in the field of private pensions of their strategic partnership joint venture, Arial CNP Assurances.

The operation has been approved by France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and anti-trust authorities (*Autorité de la Concurrence* – ADLC).

The partnership has taken the form of a 39.95% investment by CNP Assurances in Arial Assurance, a subsidiary of LA MONDIALE.

Renamed Arial CNP Assurances, the company combines the teams, resources and business portfolios of the two partners, who have also signed management agreements covering support services. The employees of CNP Assurances' Pension Solutions business unit (excluding Préfon) will be made available to Arial CNP Assurances, which aims to become the leading company retirement savings plan provider. The purpose of the joint venture is to manage private pension schemes for nearly 20,000 companies ranging from SMEs to companies leading the CAC 40, *i.e.*, almost €12 billion in technical reserves. For its development, Arial CNP Assurances will take advantage of the financial strength and expertise of its two shareholders: AG2R LA MONDIALE, the number-one social protection group and leader in the field of private pensions, and CNP Assurances, the number-one provider of personal insurance in France.

The governance of Arial CNP Assurances reflects the balance between the two groups within the joint venture, with the composition of the Board of Directors representing the respective stake of each partner. Frédéric Lavenir, CEO of CNP Assurances, serves as Chairman and André Renaudin, CEO of AG2R LA MONDIALE, as Vice-Chairman. Operational governance is shared between the two groups.

SIGNATURE OF AN AGREEMENT TO ACQUIRE 51% OF PAN SEGUROS AND PAN CORRETORA

On 21 April 2016, CNP Assurances announced that it had entered into an agreement to acquire a 51% stake in Pan Seguros (excluding its large risks P&C portfolio) and Pan Corretora from Banco BTG Pactual (BTGP). Caixa Econômica Federal (CEF) indirectly holds 49% in both companies.

ACQUISITION OF BARCLAYS VIDA & PENSIONES BUSINESS IN ITALY

In June 2016, CNP Partners, the Spanish subsidiary of CNP Assurances which also has operations in Italy through its CNP Partners Italia branch, announced that it had completed the acquisition of the insurance book of BVP Italia, the Italian branch of Barclays Vida & Pensiones.

The transaction concerns BVP Italia's entire business, which mainly comprises the Savings business (including unit-linked contracts for 40%) and a term creditor insurance book managed on a run-off basis, representing total assets of some €700 million.

It is in line with CNP Partners' strategic goal of stepping up the pace of growth in Italy, in both the protection segment (term creditor insurance, personal risk insurance) and the premium savings market. Representing an investment of less than €10 million, the transaction will make a positive contribution to CNP Partners' bottom line from day one.

ARBITRATION WITH THE BANK OF CYPRUS

Following the financial crisis in Cyprus in March 2013 and the subsequent restructuring of the banking sector, including the winding up of Laiki Bank, a dispute arose when the Bank of Cyprus refused to recognise the agreements in place with CNP Assurances and to distribute CNP CIH products *via* its network. The dispute was put to arbitration and was heard by the International Court of Arbitration (ICA) in London in June 2016.

The ruling handed down by the ICA in September 2016 dismissed CNP Assurances' claim.

2.1.2 Second half

MEMORANDUM OF UNDERSTANDING WITH KLESIA CONCERNING A PROPOSED DISTRIBUTION AGREEMENT

On 7 July 2016, CNP Assurances and Klesia, a multi-occupational social insurance provider, announced that they had signed a memorandum of understanding concerning a future agreement for the distribution of insurance products and services based on a shared understanding of the two groups' strategic concerns.

Through this agreement, Amétis – CNP Assurances' in-house network of 230 insurance advisors spanning the whole of France, including 70 qualified wealth managers – will offer a comprehensive range of pension, personal risk and health insurance products and related services to self-employed individuals and to Klesia's client base of very small enterprises.

CLOSING OF MERIDIAM TRANSITION, A PIONEERING NEW FUND SET UP TO MAKE LONG-TERM INVESTMENTS IN THE ENERGY TRANSITION

On 23 August 2016, Meridiam, a leading French asset management company specialised in long-term private investment in public infrastructure in Europe and North America, and CNP Assurances announced the closing of the Meridiam Transition fund, after raising €425 million from French institutional investors in six months. The fund's objective is to invest in infrastructure projects dedicated to the environmental and energy transition.

SUCCESSFUL TIER 3 SUBORDINATED NOTES ISSUE

On 12 October 2016, CNP Assurances successfully completed the first issue of Tier 3 euro-denominated subordinated notes by a European insurer, raising €1 billion.

The 6-year, 1.875% subordinated bullet notes due October 2022 are rated BBB+ by Standard & Poor's and rank *pari passu* with the Tier 2 subordinated notes issued in first-half 2016. The interest rate is the lowest fixed rate paid since the Group's inaugural subordinated notes issue in 1999. It is also the lowest rate ever paid by a European insurer for a subordinated notes issue denominated in euros.

The issue is designed to increase the capital available to support asset growth in Europe and Latin America, by taking advantage of the Solvency II directive which came into effect on 1 January 2016 and recognised Tier 3 notes as the least expensive form of regulatory capital. It has reduced the Group's average cost of debt by around 40 bps to 4.5%.

The notes were placed with 335 investors and the order book totalled €7 billion.

CNP ASSURANCES NAMED SECOND BEST SBF 120 COMPANY FOR THE QUALITY OF ITS DIGITAL COMMUNICATIONS

The Silver Medal awarded by *Le Revenu* magazine recognised the quality of the Individual Shareholder pages of the Group's website.

At the awards ceremony held at Palais Brongniart on 1 December 2016 and attended by representatives of the largest companies listed on the Paris stock exchange, CNP Assurances received the Silver Medal for Best Digital Communications among companies included in the SBF 120 index of the 120 largest French market capitalisations.

CNP ASSURANCES NAMED "BEST FRENCH LP, REGIONAL STRATEGY" FOR ITS PERFORMANCE IN PRIVATE EQUITY

At the 7th Private Equity Exchange & Awards ceremony organised by the Leaders League on 8 December 2016, CNP Assurances was named Best French LP in the Regional Strategy category, in recognition of the long-term performance of its private equity portfolios. CNP Assurances is a responsible investor dedicated to financing the economy. It is one of the world's top 50 private equity investors and one of the largest in France. The results achieved through its long-term private equity strategy and the expertise of its private equity team were once again recognised at the Private Equity Exchange & Awards, with the jury of 80 international experts naming the company as Best French LP in the Regional Strategy category.

PRIZE FOR THE "BEST INTERNAL DIGITAL TRANSFORMATION STRATEGY" AWARDED TO CNP ASSURANCES AT THE *TROPHÉES ARGUS DE L'ASSURANCE DIGITALE* 2016

At the 2nd *Argus de l'Assurance Digitale* awards ceremony, organised by *L'Argus de l'Assurance magazine* on 13 December 2016, CNP Assurances received the prize for the "Best Internal Digital Transformation Strategy".

For the second year in a row, *L'Argus de l'Assurance* recognised the insurance companies with the most successful digital innovation strategies. The "Best Internal Digital Transformation Strategy" prize awarded to CNP Assurances recognises the contribution of groundbreaking actions and initiatives by individual people, teams and departments in driving the Group's digital transformation.

The Group was singled out for its innovative approach that consists primarily of considering individual employees as the main driver of the transformation process.

SIGNATURE BY EDF, CAISSE DES DÉPÔTS AND CNP ASSURANCES OF A BINDING AGREEMENT FOR THE ACQUISITION BY CAISSE DES DÉPÔTS AND CNP ASSURANCES OF A COMBINED 49.9% STAKE IN RÉSEAU DE TRANSPORT D'ELECTRICITÉ (RTE)

On 14 December 2016, EDF entered into a binding agreement with Caisse des Dépôts and CNP Assurances setting the terms and conditions of the acquisition by Caisse des Dépôts and CNP Assurances of a 49.9% indirect stake in RTE (with 29.9% to be held by Caisse des Dépôts and 20% by CNP Assurances), as well as the terms and conditions of a long-term partnership to foster the development of RTE.

The final agreed value for 100% of RTE's equity was set at €8.2 billion. Under the proposed deal structure, Caisse des Dépôts and CNP Assurances will become core shareholders of RTE alongside EDF, through the creation of a joint venture that will be 50.1%-owned by EDF and 49.9%-owned by Caisse des Dépôts and CNP Assurances.

EDF transferred all the shares making up RTE's issued capital to the new joint venture before the end of the year. The joint venture will partly finance this operation with external debt. EDF will then sell 49.9% of the joint venture's capital to Caisse des Dépôts and CNP Assurances. This second stage is expected to be completed in the first half of 2017, once anti-trust approval has been obtained.

2.1.3 Subsequent event

NEGOTIATIONS WITH BANCO BTG PACTUAL IN BRAZIL CONCERNING THE ACQUISITION OF 51% OF PAN SEGUROS AND PAN CORRETORA

On 2 February 2017, the two parties noted that their agreement was no longer valid because some of the conditions precedent had not been met.

2.2 Market and business review

2.2.1 Economic and financial environment

2016: the start of a new era?

A CHAOTIC START TO THE YEAR SHAPED BY A STEEP CORRECTION OF HIGH RISK ASSET PRICES

2016 was a year of uncertainty. Hopes of an improved economic environment that were glimpsed in late 2015 were dashed once again and fears of a recession dominated the first part of 2016. The early January announcement of a further devaluation of the yuan combined with a sharp drop in commodity prices (with oil falling to below $30 a barrel in February 2016) and slower US growth triggered a wave of panic on the stock markets which lost 15% to 20% by mid-February 2016. The steep correction was accompanied by widening credit spreads, especially in the US mining and energy sectors and in emerging markets.

A SPRING REBOUND DRIVEN BY CENTRAL BANK INTERVENTION

As has regularly been the case in recent years, it took central bank intervention to bring volatility back under control. The announcement in mid-February 2016 by the governor of the People's Bank of China that the Chinese authorities were determined to stabilise the yuan represented a turning point. Then in March 2016, the Fed's decision to leave interest rates unchanged, followed by the ECB's decision to step up its bond purchases and increase its lending provided a measure of relief to investors. These decisions, combined with resilient US employment figures and improved European growth (0.7% in the first quarter) helped to drive a recovery in the prices of assets that had been under the greatest pressure (stocks, commodities and emerging market assets).

RENEWED FEARS TRIGGERED BY THE UK REFERENDUM ALLAYED BY A MACRO-ECONOMIC UPTURN

The spring revival quickly came up against escalating political risks in the run-up to the UK referendum and, above all, the lack of momentum in the manufacturing sector which weighed heavily on global economic activity due to massive inventory drawdowns and a decline in international trade. These two components – inventories and exports – adversely affected growth statistics for the second quarter and depressed leading indicators, triggering fears of a post-referendum slump in economic activity in the event of a vote in favour of Brexit.

With the announcement of the UK's decision to leave the European Union, stock prices did indeed fall as investors switched to safe-haven assets (gold, government bonds) in the last week of June 2016. Fortunately, the sharp rebound in the real economy, as illustrated by indicators such as the 270,000 jobs created in the United States, acted as a counter-weight to this period of political uncertainty as from early July. In addition, the strong improvement in leading indicators (ISM manufacturing index, Purchasing Managers Index, IFO business climate index) and retail sales figures presaged a marked improvement in third-quarter growth not only in the United States (where annualised growth was 3.2% versus 1.2% in the first half) but also in Japan and in the UK despite the vote in favour of Brexit. The trend continued in September 2016 and gained momentum in November 2016 when global PMIs reached their highest level for the year.

A PROMISING OUTLOOK SUPPORTED BY DONALD TRUMP'S PROGRAMME TO REVIVE THE US ECONOMY

The macro-economic rebound enabled the markets to overcome the political risks and enter a new phase during the summer, shaped by higher inflation (led by commodity prices), steeper yield curves (due to rising long-term interest rates) and renewed growth in corporate earnings projections. The trend accelerated with the surprise victory of Donald Trump whose budgetary and fiscal stimulus programme is viewed as having the potential to drive faster growth in 2017 and 2018.

AN OUTPERFORMANCE BY BOND MARKETS, WHICH WAS LESS PRONOUNCED IN THE LATTER PART OF THE YEAR

The bond markets significantly outperformed the other financial markets in first-half 2016 before losing part of their advance following the increase in US rates. The 10-year rate rose from 1.35% in July 2016 to 2.45%, while the 2-year rate surged from 0.58% at the end of June 2016 to 1.20%, reflecting a 25-bp hike in the Fed Funds rate in December 2016. The uptick spread to all of the world's yield curves, even though the ECB announced in December 2016 a 9-month extension of its bond-buying programme to December 2017, albeit with a reduced monthly ceiling (€60 billion versus €80 billion previously). The OAT rate increased from 0.10% in July 2016 to 0.69% (after peaking at 0.80%) and the 2/10-year spread widened from 65 to 135 bps. Credit indices fell consistently from their mid-February peaks, with the euro Investment Grade index narrowing from 120 bps to 72 bps (versus 80 bps at the end of 2015) and the euro High Yield index falling from 480 bps to 288 bps (versus 320 bps at end-2015). The trend was amplified in the dollar credit market, with High Yield bond prices gaining 15%.

A SPURT IN STOCK PRICES AT THE END OF THE YEAR, WITH US INDICES HITTING NEW RECORD HIGHS

The US stock markets took off following Donald Trump's election as President, beating one record after another. The SP500 gained nearly 12%, the Dow Jones gained 14% and midcap indices were up 20%. The rally spread to other regions, allowing core stock indices to post gains over the year (0.7% for the Eurostoxx index, 5% for France's CAC 40 index, and 3.6% for Japan's Nikkei index) despite spending most of the year in negative territory. The recovery was accompanied by a strong shift in investor focus away from defensive stocks and towards cyclical stocks, and by the outperformance of industry stocks that had previously fallen out of favour (energy, metals, financial services). Lastly, investors turned their backs on Europe in the early part of the year to invest in emerging markets. However, part of the gain in these markets was lost following the US elections and they ended the year up 9%, with the surge in the Brazilian and Russian markets offsetting the fall in the Chinese market.

VOLATILITY WAS VERY HIGH IN THE CURRENCY AND COMMODITY MARKETS WITH THE RETURN TO A STRONG DOLLAR

Part of the fluctuation in stock values was due to exchange rates. The dollar's weakness in first-half 2016 penalised European and Japanese stocks, while its rebound at the end of the year (hitting a 15-year high against the dollar index) was good news for developed market stocks but bad news for emerging markets. The US currency ended the year up 4% against the euro and 15% against sterling but down 3% against the yen.

Lastly, the recovery in global market activity supported commodity prices, particularly energy (with oil prices rising 52% to $56) and metals (with gains of 81% for iron ore, 20% for copper and 15% for aluminium). After rallying strongly in the first half, gold prices fell back in the second and ended the year up by just 8%, while agricultural commodity prices (excluding sugar and soya) were adversely affected by last year's abundant crops. Commodity-producing emerging countries looked a lot healthier, particularly Brazil, which was helped by an 18% gain in the real against the dollar and a 50-bp decrease in the prime interest rate to 13.75%. Conversely, some countries were hit by the dollar's strength. They included Mexico, which was affected by retaliatory trade measures implemented by the United States (leading to a 15% fall in the peso and a 125-bp rise in the prime interest rate), and Turkey, which was exposed to geopolitical risks and experienced a 17% fall in its currency against the dollar.

A YEAR THAT ENDED BETTER THAN IT HAD STARTED DESPITE SOME POLITICAL SURPRISES

2016 will go down as a year of political surprises, with the UK's vote in favour of Brexit and Donald Trump's election victory. Paradoxically, a year that started in a climate of economic and financial anxiety and stress ended with an economic upturn and a rally in high risk asset prices, fuelling optimistic predictions about global economic growth in 2017 that have yet to be confirmed.

2.2.2 2016 business review

Consolidated premium income amounted to €31.5 billion, down by a slight 0.2% as reported (but up 1.4% like-for-like).

In France, premium income dipped by 2.1% to €24.3 billion, primarily due to the deconsolidation of La Banque Postale Prévoyance (LBPP). Led by the new CNP One range of innovative wealth management products, CNP Patrimoine's premium Savings business generated premium income of €958 million (up 121%), of which 33% came from unit-linked sales to this new customer segment. Savings/Pensions net new money reflected a €1.9 billion net inflow to unit-linked contracts and a €2.1 billion net outflow from traditional savings/pensions products. In group death/disability insurance, the continuing drive to improve underwriting results led to certain employee benefits policies being terminated. The margin on new business (APE margin) held up well in an environment shaped by historically low interest rates, standing at 10.0% thanks to the improved contribution of operations.

In Latin America, premium income totalled €3.6 billion, an increase of 11.5% (16.9% like-for-like), reflecting robust demand across all business segments. In a Brazilian insurance market [(1)] up 9%, Caixa Seguradora increased its market share to 5.9%. Savings/Pensions net new money rose by 13% to €0.8 billion, substantially all of which came from sales of unit-linked contracts. The 100%-digital insurance platform, YOUSE [(2)], was successfully launched in Brazil. The new business margin (APE margin) increased by 3 points to 29.1%.

In Europe excluding France, premium income came to €3.7 billion, an increase of 3% (5.9% like-for-like). Savings/Pensions net new money reflected a €0.5 billion net inflow to unit-linked contracts and a €0.1 billion net outflow from traditional savings/pensions products. The new business margin (APE margin) stood at 19.3%, reflecting the solid performance by CNP Santander.

PREMIUM INCOME BY COUNTRY

	Premium income and revenue from other activities			
(In € millions)	**2016**	2015	% change (reported)	% change (like-for-like)
France	24,251.3	24,776.7	-2.1	-1.3
Italy	2,770.7	2,756.2	+0.5	+2.7
Brazil	3,548.6	3,161.1	+12.2	+16.9
Germany	431.2	357.2	+20.7	+20.7
Spain	242.0	217.7	+11.1	+18.0
Cyprus	139.0	137.0	+1.4	+1.4
Poland	56.8	47.4	+20.0	+20.0
Argentina	47.5	65.0	-26.9	+16.5
Denmark	12.9	5.8	+124.5	+124.5
Norway	11.9	14.2	-16.1	-16.1
Portugal	7.5	36.7	-79.7	-17.8
Austria	7.5	1.2	+516.5	+516.5
Ireland	0.1	0.9	-92.6	-92.6
Other International	9.3	7.7	+20.9	+20.9
TOTAL INTERNATIONAL	**7,284.9**	**6,808.1**	**+7.0**	**+11.2**
TOTAL	**31,536.2**	**31,584.8**	**-0.2**	**+1.4**

Average exchange rates:

At 31 December 2016: Brazil: €1 = BRL3.86; Argentina: €1 = ARS16.35.

At 31 December 2015: Brazil: €1 = BRL3.70; Argentina: €1 = ARS10.25.

(1) Source: SUSEP

(2) www.youse.com.br

PREMIUM INCOME BY SEGMENT

(In € millions)	Premium income and revenue from other activities 2016	2015	% change (reported)	% change (like-for-like)
Savings	21,629.4	21,493.0	+0.6	+1.1
Pensions	3,299.7	3,358.7	-1.8	+0.7
Personal Risk	1,762.6	2,056.3	-14.3	-5.6
Term Creditor Insurance	4,001.0	3,806.8	+5.1	+7.2
Health Insurance	498.1	531.8	-6.4	-0.8
Property & Casualty	345.4	338.2	+2.1	+5.9
TOTAL	**31,536.2**	**31,584.8**	**-0.2**	**+1.4**

Average exchange rates:

At 31 December 2016: Brazil: €1 = BRL3.86; Argentina: €1 = ARS16.35.

At 31 December 2015: Brazil: €1 = BRL3.70; Argentina: €1 = ARS10.25.

2.2.3 Acquisitions of controlling and other interests (Article L.233-6 of the French Commercial Code)

In 2016, the Company acquired the following controlling and other interests within the meaning of Article L.233-6 of the French Commercial Code:

	% interest at 31.12.2016	% interest at 31.12.2015
HIT 2	5.00%	0.00%
SAGARD 3	5.01%	0.00%
ALVEN CAPITAL V	6.00%	0.00%
MBO CAPITAL 4 FPCI	6.00%	0.00%
XPANSION 2	6.25%	0.00%
EMZ 8	6.67%	0.00%
ACTIPIERRE EUROPE	7.20%	1.56%
ABENEX V	8.24%	0.00%
SCPI PIERRE PLUS	8.90%	0.60%
CEREA CAPITAL II	10.00%	0.00%
NOVESS - LE FONDS ESS	10.00%	0.00%
LDX SME II	14.00%	0.00%
ARIAL CNP ASSURANCES	39.95%	0.00%

	% interest at 31.12.2016	% interest at 31.12.2015
GEOSUD	98.00%	0.00%
RESIDAVOUT	99.90%	0.00%
SONNE	99.95%	0.00%
IRELAND PROPERTY INVESTMENT FUND	99.99%	0.00%
107 BOÉTIE ÉLYSÉES	100.00%	0.00%
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	100.00%	0.00%
DAS GOETHE	100.00%	0.00%
INFRA-INVEST FRANCE	100.00%	0.00%
KLEBER 46	100.00%	0.00%
LYFE	100.00%	0.00%
NEUILLY PILOT	100.00%	0.00%
NEW SIDE	100.00%	0.00%
OPCI RASPAIL	100.00%	0.00%
OPEN CNP	100.00%	0.00%
PANTIN LOGISTIQUE	100.00%	0.00%
YBRY PONT DE NEUILLY	100.00%	0.00%

2.3 2016 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) formulated 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 undertakings, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance undertakings (see notes to the consolidated financial statements).

REVIEW OF RESULTS

Key earnings figures are as follows:

(In € millions)	Geographical area: France	Latin America	Europe excluding France	Own-funds portfolios	**Total 2016**	Total 2015	Change *(%)*	Like-for-like change *(%)* [(1)]
Premium income	**24,251**	**3,596**	**3,689**	-	**31,536**	**31,585**	**-0.2**	**+1.4**
Net insurance revenue	1,599	938	245		2,782	2,514	+10.7	+14.9
Revenue from own-funds portfolios				771	771	774	-0.3	+1.4
Administrative costs					(916)	(862)	+6.3	+8.5
EBIT					**2,638**	**2,426**	**+8.7**	**+12.8**
Finance costs					(248)	(192)	+29.1	+29.1
Share of profit of equity accounted companies					6	3	+83.9	+49.6
Income tax expense					(865)	(811)	+6.7	+12.8
Non-controlling interests					(293)	(303)	-3.3	+14.5
Fair value adjustments and net gains and losses					159	319	n/a	n/a
Non-recurring items					(195)	(312)	n/a	n/a
ATTRIBUTABLE PROFIT FOR THE YEAR					**1,200**	**1,130**	**+6.2**	**+10.7**

(1) For the determination of like-for-like comparatives the contributions of CNP Caution (France), Arial CNP Assurances (France), Voronezh (Brazil) and the digital company (Brazil) have been excluded from 2016 figures. The contributions of CNP BVP (Europe excluding France), La Banque Postale Prévoyance (France) and the digital company (Brazil) have been excluded from 2015 figures

EBIT is a key performance indicator used by the Group, because it is not affected by the timing and magnitude of profit-taking on equities and investment property (as reflected in realised capital gains attributable to owners of the parent) or by changing market prices.

EBIT corresponds to attributable net profit before:

- finance costs;
- share of profit of equity accounted companies;
- income tax expense;
- non-controlling interests;
- fair value adjustments and capital gains and losses;
- non-recurring items.

The two main business indicators are:

- **premium income** (and revenue from other activities), representing €31.5 billion in 2016 (see comments in section 2.2);
- **average technical reserves** (excluding the deferred participation reserve but including ceded reserves), which rose by 2.8% in 2016. The increase reflected premium income for the year, the amount set aside for policyholder dividends, claim and benefit payments and contract withdrawals.

Net insurance revenue rose by 10.7% as reported (14.9% like-for-like), to €2,782 million in 2016. Net insurance revenue increased 15.4% in France, 1.8% (7.1% like-for-like) in Latin America and 18.2% (25.1% like-for-like) in Europe excluding France.

Net insurance revenue France

Net insurance revenue generated in France rose by €213 million to €1,599 million in 2016. The increase reflected growth in the contributions of the Savings/Pensions businesses of €141 million and €104 million respectively, which offset the €34 million decline in net insurance revenue from Term Creditor Insurance business.

In 2015, Savings and Pensions net insurance revenue was affected by significant transfers to guaranteed yield reserves, which had a negative impact of €234 million.

Term Creditor Insurance net insurance revenue for 2016 was weakened by a €41 million transfer to general administrative expense reserves.

Net insurance revenue Latin America

Net insurance revenue in Latin America amounted to €938 million, an increase of just 1.8% due to unfavourable exchange rates for the Brazilian real and Argentine peso. Excluding the currency effect, the year-on-year increase was 7.1%.

Like-for-like growth was led by the Personal Risk/Protection and Savings/Pensions businesses. Net insurance revenue from Personal Risk/Protection business was up 7.0% overall, with the 16.2% growth reported for the Term Creditor Insurance business partly offset by flat net insurance revenue from Personal Risk business, while Savings and Pensions net insurance revenue was 7.8% higher.

Net insurance revenue Europe excluding France

Excluding the effects of the 2015 divestment of the Group's stake in CNP BVP, net insurance revenue in the Europe excluding France region rose 25.1% in 2016 to €245 million. Net insurance revenue generated by Term Creditor Insurance business was 110.6% higher like-for-like, reflecting the expansion of CNP Santander Insurance's business which accounted for 96% of the increase.

The €771 million in **revenue from own-funds portfolios** was down by just 0.4% on 2015 as reported, while the like-for-like change was an increase of 1.3%:

- in France, revenue from own-funds portfolios contracted by 6.2%, reflecting a decline in revenue from the bond portfolio (due to lower interest rates) and the portfolio of forward financial instruments, and increased impairment losses;
- in Latin America, the increase was 26.4% as reported (29.5% like-for-like), reflecting income from the reinvestment of Caixa Seguradora dividends in Brazil;
- in the Europe excluding France region, the improvement was primarily due to the lower amortisation charge on intangible assets recognised on first-time consolidation of CNP Santander Insurance.

Administrative costs

Administrative costs were 6.3% higher than in 2015 as reported (8.5% like-for-like).

In France, excluding Operational Excellence Plan costs, administrative expenses contracted by 3.3% as reported (0.9% like-for-like) to €577 million. The decline was mainly attributable to a reduction in information system costs for the individual insurance business, which was partly offset by an increase in development costs.

In Latin America, administrative costs amounted to €175 million, an increase of 7.5% as reported (7.4% like-for-like). In Brazil, excluding costs associated with developing the digital company, the underlying increase of 6.5% was in line with the country's inflation rate of 6.3%. Digital company costs were €13 million higher than in 2015.

In the Europe excluding France region, administrative costs increased 9.9% as reported (13.7% like-for-like), due mainly to the creation of a European economic interest grouping and the acquisition of BVP Italia.

EBIT

Consolidated EBIT rose by 8.7% as reported (12.8% like-for-like).

Finance costs

Higher finance costs reflected 12 months of interest on the €750 million subordinated notes issue carried out in December 2015 as well as interest from the issue date on the subordinated notes issued in January 2016 (US$500 million) and October 2016 (€1 billion).

Income tax expense

The effective tax rate was stable, at 36.2% in 2016 vs. 36.3% in 2015, with the downward effect of a reduction in the French statutory rate to 34.43% from 38% offsetting the upward effect of a 5-point rise in the Brazilian rate to 45%.

Net gains and losses on equities and property and non-recurring items

The main capital gain was on the sale of the Group's interest in La Banque Postale Prévoyance, representing €161 million after tax.

Non-recurring items

Non-recurring items in 2016 corresponded primarily to additions to technical reserves for €195 million (€299 million before tax). Similarly, in 2015 the main non-recurring items consisted of additions to technical reserves for €309 million (€498 million before tax).

Profit attributable to owners of the parent

Attributable net profit for the year totalled €1,200 million, an increase of 6.2% compared with 2015. The like-for-like increase was 9.2%.

Operations in France contributed €904 million, up 9.1% on 2015.

Attributable net profit from the Latin American businesses contracted by 6.5% as reported (0.3% like-for-like), to €249 million, representing 21% of the consolidated total. At €48 million, attributable net profit from the Europe excluding France region represented approximately 4% of the total.

Consolidated balance sheet at 31 December 2016

Total assets amounted to €419.1 billion at 31 December 2016 vs. €393.7 billion at 31 December 2015, representing a 6.5% increase.

Insurance investments

Insurance investments grew 3.3% year-on-year to €383.3 billion at 31 December 2016.

Available-for-sale financial assets at 31 December 2016 represented 78.1% of total insurance investments and financial assets at fair value through profit (trading securities) represented 19.4%. Held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.5%.

For more information, see Notes 8 and 9 to the consolidated financial statements.

Equity

Equity attributable to owners of the parent rose by €420.5 million over the year, to €17,533.5 million at 31 December 2016. The net increase mainly reflected recognition of profit for the year (€1,200.3 million increase), payment of dividends (€528.7 million decrease), fair value adjustments recognised directly in equity (€482.2 million increase), deeply-subordinated debt repayments (€870 million decrease) and exchange differences on translating foreign operations (€237.9 million increase).

Equity includes €1,765.2 million in deeply-subordinated debt reclassified from debt in accordance with the IFRIC's interpretation published in November 2006.

For more information, see Notes 4 and 9 to the consolidated financial statements.

Technical reserves

Insurance and financial liabilities totalled €361.7 billion, a 3.4% increase compared with 31 December 2015.

Excluding the change in the deferred participation reserve, the increase was 3.2% vs. a 2.5% rise in average insurance and financial liabilities over the year.

For more information, see Note 10 to the consolidated financial statements.

Financing liabilities

Financing liabilities amounted to €5,427.1 million at 31 December 2016 versus €3,996.0 million at the previous year-end. The increase corresponded to the subordinated notes issues carried out in January 2016 (US$500 million) and October 2016 (€1 billion).

For more information, see Note 11 to the consolidated financial statements.

Solvency capital

At 31 December 2016, the Group's SCR coverage ratio was 177% (192% at 31 December 2015). This ratio is determined in accordance with directive 2009/138/EC of the European Parliament and Council dated 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) and the guidelines issued by France's insurance supervisor (ACPR).

Asset portfolio and financial management

Insurance investments grew 3% year-on-year to €383.3 billion at 31 December 2016.

Available-for-sale financial assets at 31 December 2016 represented 78.1% of total insurance investments and financial assets at fair value through profit (trading securities) represented 19.4%. Held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.5%.

2.3.2 Financial statements of the Company (French GAAP)

PREMIUM INCOME

(In € millions)	**31.12.2016**	31.12.2015	2016/2015	31.12.2014
Individual insurance premiums	19,480	19,354	+0.6%	19,030
Group insurance premiums	4,564	4,990	-9.3%	2,959
TOTAL	**24,044**	**24,344**	**-1.2%**	**21,989**

Individual insurance products

Individual insurance premiums remained stable in 2016 compared with the previous year.

Group insurance products

The 9.3% decline in group insurance premiums in 2016 was primarily due to three factors:

- in pensions:
  - an increase in quota share for a pensions contract in 2015, which created a high basis of comparison,
  - the non-renewal of a plan that expired at 31 December 2015;
- in death/disability insurance:
  - cancellation of certain mutual insurers' portfolios in late 2015.

GROUP INSURANCE PREMIUMS BY BUSINESS SEGMENT

(In € millions)	**31.12.2016**	31.12.2015	2016/2015	31.12.2014
Death	1,819	1,966	-8.1%	1,905
Pensions	669	953	-42.5%	1,034
Bodily harm	2,076	2,071	+0.2%	20
TOTAL	**4,564**	**4,990**	**-9.3%**	**2,959**

Profit for the year

The net profit of CNP Assurances contracted by 14% to €1,094.9 million in 2016, from €1,274.8 million the previous year.

Note that 2015 profit included the €442 million merger surplus arising from the merger of CNP IAM into CNP Assurances SA.

Equity

Equity at 31 December 2016 amounted to €10,492.5 million vs. €9,911.8 million at the previous year-end. The year-on-year change primarily reflected payment of the 2015 dividend (€528.5 million negative impact), inclusion of 2016 profit (€1,094.9 million positive impact) and changes in the capitalisation reserve (€14.3 million positive impact).

Supplier payment terms

Suppliers are paid within 45 days of the month end, in accordance with the law. Shorter payment terms may be agreed depending on the circumstances.

2

SUMMARY OF INVESTMENTS

At 31.12.2016 *(In € thousands)*	Cost	Carrying amount	Realisable value
Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	11,274,064	10,955,624	13,810,166
2) Equities and other variable income securities, other than mutual fund units	25,113,972	22,437,019	27,331,378
3) Mutual fund units (other than those in 4)	27,772,899	27,320,752	32,711,097
4) Mutual fund units invested exclusively in fixed-income securities	27,218,961	27,218,961	27,429,807
5) Bonds and other fixed income securities	195,875,282	197,620,316	221,887,463
6) Mortgage loans	69	69	69
7) Other loans	168,000	168,000	178,011
8) Deposits with ceding insurers	0	0	0
9) Cash deposits (other than those in 8) and guarantees and other investments	624,730	624,730	624,730
10) Assets backing unit-linked contracts	29,833,560	29,833,560	29,833,560
11) Other forward financial instruments	0	0	0
TOTAL	**319,208,916**	**316,885,435**	**353,269,275**

The share of investments held to back the Company's commitments towards insureds and policy beneficiaries that would be transferred if the underlying policies were to be transferred amounted to €317,119,346 thousand at 31 December 2016, representing 89.77% of total insurance investments at realisable value.

2.3.3 Review of subsidiaries

CAIXA SEGURADORA

The Caixa Seguradora group's contribution to consolidated premium income for 2016 totalled €3.5 billion, up 12% as reported (17% like-for-like) compared with 2015. The increase reflected dynamic Pensions business (up 20% like-for-like) and Personal Risk business (with increases of 13% like-for-like for risk insurance and 14.4% like-for-like for term creditor insurance despite a slowdown in this latter segment due to the below-market cap on loan originations applied during a few months in 2016).

Over the year, Caixa Seguradora outperformed the Brazilian market, delivering 21% growth in new money vs. 9% for the market. This translated into a 0.5-point increase in market share to 5.9%.

Caixa Seguradora's contribution to consolidated profit was adversely affected by the 4.1% depreciation of the Brazilian real against the euro. In 2016, the average euro/real exchange rate was BRL3.86 versus BRL3.70 in 2015.

Net insurance revenue generated by the Caixa Seguradora group increased by 2.4% (6.6% like-for-like), led by 19.6% like-for-like growth in Pensions and 16.3% like-for-like growth in Term Creditor Insurance business. Revenue from own-funds portfolios was 22.7% higher, reflecting income from CNP Assurances dividends reinvested in Brazil. Administrative costs rose by 11.3% as reported (6.5% like-for-like, excluding digital company costs). EBIT was 3% higher at €862 million.

The sub-group's contribution to attributable profit for the year amounted to €236 million. The 8.7% decline compared with 2015 was due to higher income tax expense and unfavourable exchange rates.

CNP UNICREDIT VITA

CNP UniCredit Vita's premium income was relatively stable compared with 2015 at €2.5 billion, in an Italian market that contracted by 11% over the first eleven months of 2016. The €224 million increase in premiums from traditional savings contracts was offset by a €234 million decline in unit-linked sales. CNP UniCredit Vita's market share rose by 0.2 points to 2.1% at end-November 2016.

In last year's low interest rate environment in Europe, CNP UniCredit Vita's contribution to consolidated net insurance revenue dipped by 0.1% to €90 million. Administrative costs amounted to €33 million, an increase of 2.9% due to IT spending. EBIT came in at €66 million, up 3.2% on 2015 as a result of higher revenue from own-funds portfolios.

The company's contribution to consolidated net profit attributable to owners of the parent (under IFRS) stood at €30 million, a decrease of 4% compared with 2015 due to the non-recurring tax expense recorded in 2016.

CNP SANTANDER INSURANCE

CNP Santander Insurance generated premium income of €605 million in 2016, an increase of 23% compared with the previous year. The strongest growth rates were recorded in the Nordic countries and the new Austrian market.

Net insurance revenue, in the amount of €68 million, was derived primarily from business written in Germany (62% of net insurance revenue), Spain (25%) and Poland (7%). Administrative costs were 27.8% higher at €15.1 million, reflecting an increase in employee numbers and the cost of moving to new offices. EBIT before amortisation of acquired In-Force business and distribution agreements amounted to €55 million. EBIT after amortisation of these intangibles was €33 million.

The company's contribution to attributable profit under IFRS, after amortisation of intangibles and earn-out liabilities, was €3 million.

CNP CYPRUS INSURANCE HOLDINGS

CNP Cyprus Insurance Holdings' premium income totalled €142 million in 2016, an increase of 1.2% that was led by growth in Personal Risk, Property & Casualty and health insurance business. Savings premium income was stable.

Net insurance revenue declined by 3% to €36 million, with revenue from own-funds portfolios unchanged from 2015. Administrative costs increased by 0.8% over the year. In all, EBIT after amortisation of acquired In-Force business was down 8% at €13 million.

The company's contribution to attributable profit under IFRS, after amortisation of acquired In-Force business, was €5.2 million.

2.3.4 Growth outlook

Following 2016's renewal of the distribution agreements with its two leading partners, BPCE and La Banque Postale, and signature of two new partnership agreements with AG2R LA MONDIALE and Klesia, the Group is in good shape to continue pursuing its strategic objectives.

Its strategic growth priorities are to:

- support development of the Personal Risk/Protection Insurance business;
- strengthen operations in the Group's second largest geographical market, Brazil;
- continue to expand the business in Europe.

Deployment of the digital action plan and continuing investment in innovative value-creating start-ups will also help to drive business growth.

2.4 Embedded value report

2.4.1 Introduction

2.4.1.1 REPARATION BASES & KEY PRINCIPLES

Presentation of the report

This report presents the results, methods and assumptions used to determine the Embedded Value of the CNP Assurances Group (the "Group") at 31 December 2016. The Embedded Value (referred to variously by the terms "Market Consistent Embedded Value", "MCEV©", "Embedded Value" or "EV") is established in accordance with the "European Insurance CFO Forum Market Consistent Embedded Value© Principles" (the "MCEV© principles") published in June 2008, amended in October 2009 then updated in April 2016.

The report contains a reconciliation between the Group's IFRS equity and the Group's EV at 31 December 2016. However, the information contained in this report is not directly comparable to the financial information produced in accordance with the IFRS standards. Nor is it a valuation of the Group or of a part of the Group as might be established in the context of an acquisition: other valuation methods would then be used.

The Group nevertheless considers that the information on Embedded Value is such as to provide valuable components to analyse the Group's economic performance in the financial year.

The different terms used in this report to analyse the Group's activities may differ from the definition used by other insurance companies or groups. A glossary at the end of the document gives details on the definition of the main terms used in this report.

The methodology, assumptions and results of the 2016 MCEV© have been reviewed jointly by Auditors PWC and Mazars, which also audit CNP Assurances's financial reports and whose opinion is appended at the end of the report.

Presentation of MCEV©

The Market Consistent Embedded Value is a measure of the economic value of life insurance activities and related activities, on the basis of a fair value valuation of assets and liabilities. It comprises on the one hand the adjusted value of shareholders' equity and on the other hand the value of the portfolio of policies at the financial year-end. This last component is estimated using projection models and is the present value of future distributable profits after making sufficient allowance for risks and constraints related to insurance activities in a market-consistent financial environment. In particular, it takes into account:

- the cost of time value of options and financial guarantees given to policyholders ("TVOG") in addition to their embedded value;

- the Frictional Cost of Required Capital ("FCRC"), arising from the obligation to permanently maintain the Required Capital;
- the Cost of Residual Non-hedgeable Risks not fully valued elsewhere (CRNHR).

The Adjusted Net Asset Value ("ANAV") breaks down into Required Capital and Free Surplus. The Required Capital is the market value of the assets that the insurer must hold in respect of its business, whose distribution to shareholders is restricted. The Free Surplus refers to the surpluses available. The "Operating Free Cash-Flow" indicator ("OFCF") shows the release of Free Surplus related to operating activities. This release can be used to pay dividends and develop business *via* marketing new business or through external growth operations.

The contribution to MCEV© from new policies in the current year (referred to variously by the terms "Value of New Business" or "VNB") is analysed specifically, and is a measure of the performance of the Group's underwriting activity.

The MCEV© and VNB are calculated net of minority interests, net of reinsurance and net of tax.

2.4.1.2 CONTENT AND PERIMETER

Description of the report

This report presents the results, methods and assumptions used to calculate the Group's Embedded Value and prepare information on Embedded Value at 31 December 2016. It is structured around the following sections:

- Section 1: preparation bases & key principles;
- Section 2: results at 31 December 2016;
- Section 3: results detailed by geographic area;
- Section 4: method;
- Section 5: assumptions;
- Section 6: changes in MCEV© since 2009;
- Section 7: external opinion on Market Consistent Embedded Value;
- Section 8: appendices.

Scope

The Group's business is concentrated on life insurance in the three geographic areas: France, Latin America and Europe excluding France. The main products are:

- individual traditional savings and unit linked accounts;
- pension products including immediate and deferred annuities;
- credit insurance (consumer credit and mortgage);
- capital accumulation products;
- protection and health products;
- other products linked to the above products.

The business covered by MCEV© concerns all Group entities' life insurance business and related business that contributes significantly to the value. The scope covered and changes to it compared to the MCEV© scope at 31 December 2015 are detailed in Appendix 2.4.8.

2.4.1.3 ADAPTING THE METHODOLOGY TO THE REGULATORY AND ECONOMIC ENVIRONMENT

Information on Embedded Value in this report differs in some ways when compared to publications in previous financial years, with two main causes:

1) **the entry into force of Solvency II on 1 January 2016** resulted in a number of changes:
   - the use of a Solvency II Required Capital: MCEV© and associated indicators such as OFCF are determined by taking into account the new capital calculated in compliance with the Solvency II regulation in European entities whereas previous publications were based on calculations in accordance with the earlier regulations;
   - the change for MCEV© for Latin America business: the publication of a specific Brazilian rate curve for work related to Solvency II drove to replace the former methods of valuing business with a traditional methodology. The MCEV© methodology is now used on the Latin America;
   - aligning the rate curve with Solvency II: the rate curve used for each of the segments is the one that is used in the Solvency II framework taking account of the "credit risk adjustment" and "volatility adjustment" allowed within the framework set by local supervisory authorities.
2) **the negative rates in the Eurozone in 2016** have led to the Group adapting its economic scenario generators and models to enable the consequences of this unprecedented financial situation to be taken into account.

2

2.4.2 Results at 31 December 2016

2.4.2.1 INTRODUCTION

Main events in the year

2016 was marked by several major events:

- **the worsening of the low rate environment in the Eurozone**

  The continued deterioration in rates in the Eurozone has resulted in the need to explicitly model negative interest rates. This has led to modifying the projection models and economic scenario generators used for Embedded Value calculations. The actions that would be taken by management if the low rate situation is prolonged have thus been taken into account;

- **decrease in interest rates in Brazil**

  The environment has been marked with a significant dip of over – 600 bps in the rate curve published by EIOPA on which the Embedded Value calculation are based in Brazil;

- **the renewal of partnership agreements in France**

  The implementation of agreements with BPCE became effective in 2016; In addition, discussions with La Banque Postale were finalised and are taken into account in the Embedded Value. Discussions with partner Crédit Agricole on credit insurance insured with CNP Assurances are being finalised;

- **changes to the consolidation scope**

  In France, the 2016 financial year was marked by the disposal of La Banque Postale Prévoyance following the finalisation of discussions initiated as part of the renegotiation of partnership agreements, but also by the integration of the Arial CNP Assurances subsidiary specialising in the corporate pension plans and owned by CNP Assurances and AG2R LA MONDIALE. In Europe excluding France, BVP Italia business has been acquired by CNP Partners. In Latin America, the project to develop sales *via* a digital channel was launched in Brazil.

Overall results

The value of the Group's 2016 new business comes to +€436 million, down -6% compared to 2015. The decrease in VNB is mainly due to the particularly low rates environment. Actions were undertaken in the year to adapt the product offer to the new environment with the limitation in options and guaranties of new traditional savings policies, as well as by limiting remuneration for sellers of less profitable policies. Even if the effect of these actions is already partially evident during the 2016 financial year, it will only be fully seen in subsequent financial years.

The Group's Embedded Value amounts to +€19,951 million, or an increase of +€708 million (+4%) in the period including +€1,402 million due to operational impacts and -€796 million due to economic effects and the decrease in normal corporation tax rates. Dividends paid were +€529 million.

The main vectors in the change in VNB and MCEV© are described in the following sections, and information detailed by country is given in Section 2.4.3 of the report.

The following table gives the main results in terms of VNB and MCEV©:

(In € millions, %)		**2016**	2015
VNB	**Value of New Business**	**436**	**463**
APE	Annual Premium Equivalent	3,129	3,195
PVNBP	Present Value of New Business Premiums	27,463	27,741
	Margin rate	**13.9%**	**14.5%**
	PVNBP ratio	1.6%	1.7%

(In € millions, %)		**2016**	2015
MCEV©	**Market Consistent Embedded Value**	**19,951**	**19,243**
VIF	Value of In-Force	6,509	6,685
ANAV	Adjusted Net Asset Value	13,442	12,558
	Return on MCEV©	7.4%	11.2%
IDR	Implied Discount Rate	7.4%	5.6%
OFCF	**Operating Free Cash Flow**	**1,632**	**1,706**
Of which subordinated debt		576	750

2.4.2.2 VALUE OF NEW BUSINESS

The following table gives a detailed breakdown of the Group's VNB. The VNB is valued in accordance with a marginal method that takes account of interactions between new products and stock (see Section 2.4.4.3). It is valued on the basis of assumptions reviewed at the year-end, after taking taxes and minority interests into account.

		2016		2015		Change	
		€m	€ per share (1)	€m	€ per share (1)	€m	%
PVFP	Present Value of Future Profits	825	1.20	779	1.13	45	5.8%
TVOG	Time Value of Options and Guarantees	(283)	(0.41)	(195)	(0.28)	(88)	45.2%
FCRC	Frictional Cost of Required Capital	(32)	(0.05)	(44)	(0.06)	12	-27.4%
CRNHR	Cost of Non-Hedgeable Risks	(75)	(0.11)	(77)	(0.11)	3	-3.7%
VNB	**Value of New Business**	**436**	**0.63**	**463**	**0.67**	**(28)**	**-6.0%**
APE	Annual Premium Equivalent	3,129		3,195		(66)	-2.1%
PVNBP	Present Value of New Business Premiums	27,463		27,741		(278)	-1.0%
	Margin rate	13.9%		14.5%		-0.6%	-4.1%
	PVNBP ratio	1.6%		1.7%		-0.1%	-5.1%

(1) Number of shares at 31 December 2015 and at 31 December 2016: 686,618,477

Group VNB is down by -€28 million (-6%). The decrease is due to changes in the following components:

- the Present Value of Future Profits (PVFP) up +5.8% compared to 2015; the Value of New Business applying a central assumption of the change in financial markets is higher compared to the 2015 financial year. It reflects the work done by the Group to favour growth in the most profitable segments and adapt financial guarantees and the commission structure to the low rate environment;
- the Time Value of Options & Guarantees (TVOG) is sharply up because of uncertainties related to the economic environment which is resulting in increased asymmetry in favour of policyholders on traditional savings policies; they benefit from profit sharing options and surrender options on their traditional savings. Extremely low rates and market volatility are leading the options to approach the in-the-money position, whereas the explicit modelling of negative rates undertaken in 2016 resulted in the projecting a broader spectrum of trajectories that for the 2015 financial year generating an increase in the time value of financial options;
- frictional Cost of Required Capital (FCRC) is down -27.4% mainly because of two same-way effects : (i) the low rate environment in the Eurozone and the decrease in rates in Latin America, which reduces the opportunity cost of retaining the capital for regulated insurance business, whereas (ii) the change to a Required Capital calculation in the Solvency II standard for European entities and the adjustment for business in Latin America enable the actual cost of capital immobilisation to be better captured;
- cost of Residual Non-hedgeable Risks (CRNHR) is down -3.7% which reflects the fall in non-financial risks related to new policies in the 2016 financial year and illustrates their better quality compared to 2015.

Group APE volume (+€3,129 million), is down -2.1% compared to 2015. It is typified by:

- receipts down -1.7% in France due to the disposal of La Banque Postale Prévoyance, offset in part by a rise in increased written premium on traditional savings;
- receipts slightly up in Latin America (+1%), but adversely affected by an unfavourable exchange rate;
- receipts up in Europe excluding France, driven by all entities of the zone but more particularly by the Irish and Italian entities.

The Group's margin rate is down -0.6% and amounted to +13.9% in 2016 against +14.5% in 2015. The decrease in margin rate is mainly due to the increase in the TVOG linked to traditional savings products.

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

(In € millions, %)	VNB	Change	Margin rate
Value of New Business 2015	**463**		**14.5%**
Updated model and scope	418	(45)	13.3%
Change in the APE volume	418	0	13.3%
Change in the product mix	500	82	15.8%
Change in experience	534	34	16.9%
Change in financial market conditions	427	(107)	13.5%
Updated taxation	443	16	14.1%
Change in the foreign exchange rate	436	(8)	13.9%
Value of New Business 2016	**436**	**(28)**	**13.9%**

Results

The VBN amounted to +€436 million at end 2016 against +€463 million in 2015, the main items explaining changes in it are as follows:

- updated model and scope (-€45 million) represent the impact of all changes in models and scope occurred during the 2016 financial year; they mainly concern the effects of the disposal of La Banque Postale Prévoyance (-€37 million), explicitly taking negative rates in the Eurozone into account with associated management's actions and adaptation of the split of initial unrealised gains between new business and in-force policies on a prolonged low rate environment, as well as the impact of the change in method in Latin America with modelling in a market-consistent environment. The changes implemented have also enabled more exact modelling of expense assumptions in France, aiming at taking better account of the origin of the different expenditure types;
- change in the APE volume (+€0 million) mainly represents the effects of variations in the overall amount of premiums received by the Group, without taking into account changes in distribution per segment and per product. The amounts used are the APE amounts and are established from premiums written in accordance with local accounting standards;
- change in the Product Mix (+€82 million) takes account of difference in distribution of sales between different segments and different products. It results mainly from France with a more favourable change in receipts on distribution networks and products with better margin rates;
- change in experience (+€34 million) reflects the impacts from changes in non-economic assumptions, mainly claims assumptions, behavioural assumptions and expenses assumptions. It mainly concerns the updating experienced laws on credit insurance and collective protection, where claims improved over the year;
- change in financial markets (-€107 million) reflects the impacts due to changes in market conditions over 2016 and especially the decrease in rates in the Eurozone partially compensated by the evolution of interests rates in Brazil with a fall of nearly -600 bps in rates on the liabilities horizon. The Eurozone countries and France in particular have been particularly affected because of the decrease in rates and heightened volatility to a level where financial options are getting close to in-the-money position. The decrease in the rates in Brazil has a positive effect mainly because of lower discount rates on risk products with regular premium and because of absence of guarantied rates;
- updated taxation (+€16 million) reflects the impact of changes in tax rates including in particular the decrease in tax rates in Italy as well as the decrease in tax rates in France;
- change in foreign exchange rate (-€8 million) reflects the change in average exchange rates of the Brazilian Real against the € since the previous VNB reference calculations. The principal exchange rate, BRL/€ changed slightly unfavourably in the financial year, with a daily average of BRL3.8562/€ in 2016 against BRL3.7038/€ in 2015, or a +4% increase.

The following table gives the duration of new business:

Duration *(years)*	**2016**	2015
Savings and Pensions	13.3	13.1
Risk and Protection	11.9	9.4

2.4.2.3 MCEV© AT 31 DECEMBER 2016

The following table gives a breakdown of the different components of the Group's MCEV© at 31 December 2016 and a comparison with the MCEV© at 31 December 2015:

	MCEV© 2016 before payment of 2016 dividend		MCEV© 2015 after payment of 2015 dividend		Change before payment of 2016 dividend		MCEV© 2015 before payment of 2015 dividend	
	€m	**€ per share ***	€m	€ per share *	€m	%	€m	€ per share *
ANAV – Adjusted Net Asset Value	**13,442**	**19.6**	**12,029**	**17.5**	**1,412**	**11.7%**	**12,558**	**18.3**
Required Capital	5,412	7.9	6,722	9.8	(1,310)	-19.5%	6,722	9.8
Free Surplus	8,030	11.7	5,307	7.7	2,722	51.3%	5,836	8.5
VIF – Value of In-Force	**6,509**	**9.5**	**6,685**	**9.7**	**(175)**	**-2.6%**	**6,685**	**9.7**
Present Value of Future Profits	11,927	17.4	11,206	16.3	721	6.4%	11,206	16.3
Time Value of Options and Guarantees	(4,199)	(6.1)	(2,960)	(4.3)	(1,239)	41.8%	(2,960)	(4.3)
Frictional Cost of Required Capital	(673)	(1.0)	(811)	(1.2)	139	-17.1%	(811)	(1.2)
Cost of Non Hedgeable Risks	(546)	(0.8)	(750)	(1.1)	204	-27.2%	(750)	(1.1)
MCEV© - Market Consistent Embedded Value	**19,951**	**29.1**	**18,714**	**27.3**	**1,237**	**6.6%**	**19,243**	**28.0**

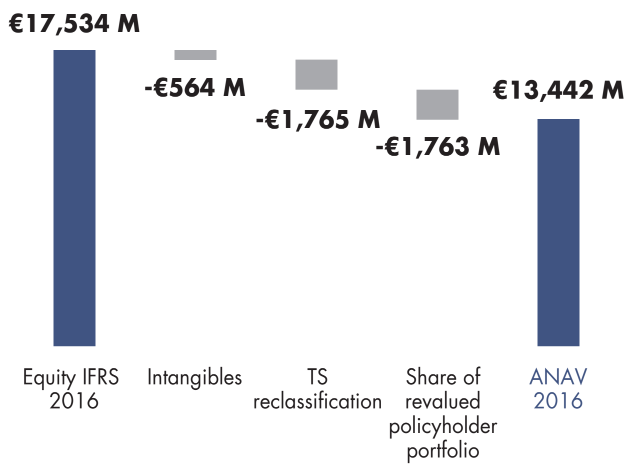
* *Number of shares at 31 December 2015 and at 31 December 2016: 686,618,477*

The MCEV© consists of (i) Adjusted Net Asset Value ("ANAV"), in other words the market value of assets not backing insurance liabilities, and (ii) the Value of In-Force ("VIF"), in other words the value of future profits emerging from insurance liabilities and back assets minus all costs relative to non-hedgeable risks and required capital.

Adjusted Net Asset Value

Adjusted Net Asset Value ("ANAV") is the market value of assets that do not back insurance liabilities. It is derived from the IFRS shareholders' book equity after deducting intangible assets, subordinated liabilities and the share of revalued policyholder portfolio. The ANAV is determined at the valuation date at consolidated level, excluding minority interests and breaks down into the Required Capital and the Free Surplus.

The following diagram gives the reconciliation of the IFRS shareholders' book equity with the ANAV at 31 December 2016:



The ANAV is reconciled with the IFRS shareholders' equity as follows:

- **cancellation of intangible assets:** the various intangible assets whose amortisation is not projected in the VIF are restated. These intangible assets do not have a commercial value and they are assigned a nil value for the needs of determining the ANAV.

  It concerns:

  - accounting goodwills which represents a book entry in accordance with the IFRS standards related to the acquisition cost of an entity,
  - deferred acquisition costs (DIR/DAC) being the non-amortized part of acquisition costs incurred at inception of insurance policies,
  - value of business acquired representing the VIF crystallised on the acquisition date of an external portfolio and amortised over time;
- **reclassification of subordinated debts:** subordinated debts are considered to be components of shareholders' equity in the IFRS standards, but do not belong to the shareholders. So their value is not included when determining the ANAV;
- **share of revalued policyholder portfolio:** a fraction of the unrealised gains or losses on financial assets is deemed to belong to the shareholders under the IFRS standards in accordance with specific keys whereas the residual part is deemed to belong to the policyholders. Modelling in MCEV© results in a more accurate approach in determining the part due to shareholders, which is reincorporated into the portfolio value modelling.

2

Analysis of change in MCEV©

The following table gives the analysis of change, distinguishing VIF and ANAV, itself composed of the Free Surplus and Required Capital:

(In € millions)	ANAV	Free surplus	Required Capital	VIF	MCEV©
MCEV© 2015	**12,558**	**5,836**	**6,722**	**6,685**	**19,243**
Opening adjustments	(531)	2,996	(3,527)	314	(217)
Adjusted opening MCEV© 2015	**12,028**	**8,832**	**3,195**	**6,998**	**19,026**
New business value	(41)	(661)	620	476	436
Expected existing business contribution	146	146	0	703	849
Transfers from the VIF and required capital to free surplus	1,173	1,533	(360)	(1,173)	0
Experience variances	(143)	38	(180)	257	114
Changes in assumptions relating to operating activities	0	0	(0)	(17)	(17)
Other operating variance	0	576	(576)	20	20
Operating MCEV© Earnings	**1,135**	**1,632**	**(497)**	**267**	**1,402**
Economic variances	147	(2,245)	2,392	(1,243)	(1,096)
Other non-operating variance	(36)	(293)	257	336	300
Total MCEV© earnings	**1,246**	**(906)**	**2,152**	**(640)**	**606**
Closing adjustments	168	104	65	151	319
MCEV© 2016	**13,442**	**8,030**	**5,412**	**6,509**	**19,951**

Opening adjustments cover:

- movements of capital and especially payment of the 2015 dividend which affects the ANAV;
- changes in the scope (disposal of La Banque Postale Prévoyance; acquisition of BVP business in Italy by CNP Partners; consolidation of the Arial CNP Assurances subsidiary);
- changes in methodology: the inclusion of an S2 capital in the Required Capital calculation for European entities has resulted in a sharp increase in the Free Surplus, partially offset by the inclusion of 110% of the Solvency Capital Requirement into local standards in Brazil, against 100% previously. The FCRC is also down in line with the fall in Required Capital;
- changes to models linked especially to taking into account negative rates in the Eurozone with management's associated actions on a prolonged low rate environment in France and improvements in the modelling of expenses in France as well.

The Value of New Business contributes +€436 million to changes in MCEV©. This value incorporates the net result generated in 2016 by new business for -€41 million allocated to ANAV and the contribution to the year-end VIF. The corresponding increase in Required Capital amounts to +€620 million.

The expected existing business contribution (+€849 million) results from the capitalisation of the VIF (+€703 million) calculated at 31 December 2015 and the interests projected on the Free Surplus (+€146 million) at 31 December 2015. In addition, the 2016 result attached to the 31 December 2015 VIF is transferred to the ANAV without impact on the MCEV©, and increases the Free Surplus both because of externalised VIF profits and the reduction in capital required.

The experience variances affect the VIF to the tune of +€257 million and arise mainly from differences between the 2016 anticipated result in the context of modelling of the VIF and the actual result posted in the 2016 financial year.

The changes in assumptions relating to operating activities result in a -€17 million decrease in VIF. Various assumptions have been changed in the light of accumulated experience which is incorporated into forecasts for the future but also of changes in anticipations linked to events occurring in 2016, the effects of which have not been fully reflected in the book result. The assumptions concerned are behavioural assumptions and especially surrender, biometric assumptions, assumptions on aggregated claims and assumptions on management costs for the business modelled.

Other operating variances represent the impacts from repayments and issue of subordinated debt in 2016.

The result is a contribution from operating activities of +€1,402 million on MCEV©. As regards the Free Surplus, the cash-flow available of +€1,632 million generated by operating activities corresponds to the "Operating Free Cash-Flow" indicator. Its interpretation and details of changes are given in paragraph 2.3.3.

Economic variances (-1,096 million) cover:

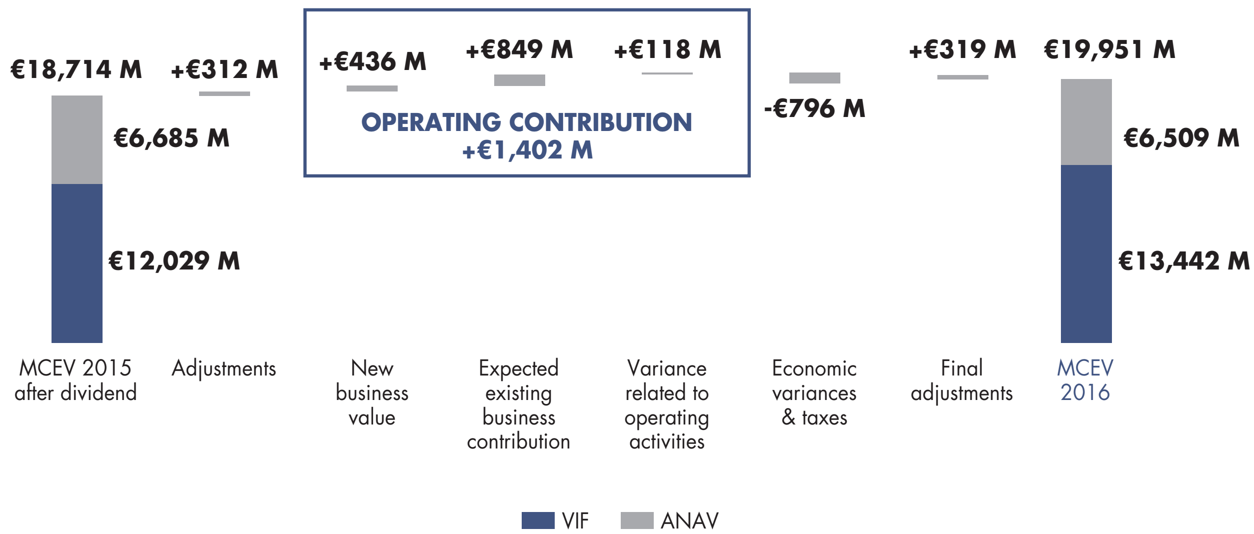
- a decrease in rates and the increase in their volatility in the Eurozone;
- a decrease in rates in Brazil;
- movements on stock markets and property and their volatility;
- evolution of assets portfolio.

Other non-operating variances are the effects of the decrease in the normal rate of corporation tax in France from 2020 and the decrease in tax rate in Italy.

Closing adjustments (+€319 million) are foreign exchange effects, mainly those of Brazilian Real. Unlike the average rate used for VNB calculations, that is up, the spot rate for end 2016 is down by -20%. The Real is fortified against €, the exchange rate is of BRL3.4305/€ for end 2016 versus BRL4.31178/€ for end 2015.

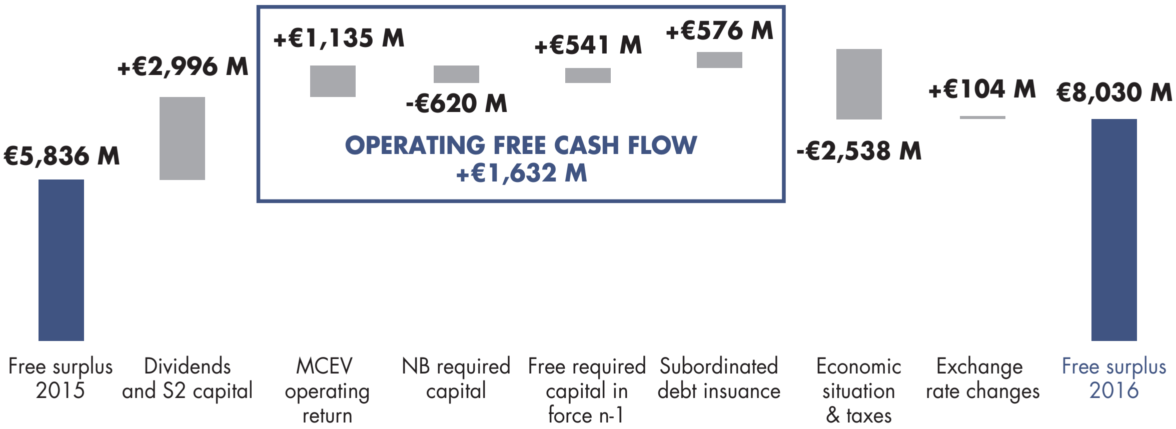
A detailed analysis by geographic area is given in Section 3.

The following graph shows the change in value between MCEV© and its components (VIF and ANAV) between 31 December 2015 and 31 December 2016, grouping different impacts together:



Analysis of variances in Free Surplus

The following graph details the change in Free Surplus between 31 December 2015 and 31 December 2016, grouping different impacts together:



The Free Surplus comes to +€8,030 million, up +€2,194 million compared to 2015.

The opening adjustment is +€2,996 million, including +€3,188 million relating to France. The main reasons for this change are (i) the payment of Group dividends for the 2015 financial year and (ii) the inclusion from now on of a S2 capital in the Required Capital calculation, resulting in a sharp increase in the Free Surplus for France partially offset by the -€219 million decrease in Free Surplus for Latin America.

The operational contribution amounts to +€1,632 million:

- a 2016 operational result of +€1,135 million;
- a change in the Required Capital of +€79 million breaks down into an amount of +€620 million linked to new business and a -€541 million release of capital on the portfolio in stock at 31 December 2015;
- a fall in the TS net Required Capital of -€576 million subsequent to 2016 repayments and new issues.

This available Cash-flow generated by operational activities, called "Operating Free Cash-Flow", shows the Group's ability to generate the Free Surplus to pay its dividends and develop through marketing new business or by external growth operations.

The economic contribution is -€2,538 million mainly driven by the impact on France of the new definition of Required Capital: the decrease in VIF in the economic situation at end 2016 results in a decrease in funding for Required Capital (defined according to the SCR).

The final adjustment mainly corresponds to exchange rate effects.

The following table gives an analysis of the OFCF, distinguishing its various components at 31 December 2016 and 2015:

(In € millions)	**2016**	2015
VIF transfers to Free Surplus	1,173	1,036
Financial income from Free Surplus	146	79
Release of required capital to Free Surplus	360	669
Experience variances	614	700
Expected contribution of In-Force	**2,293**	**2,485**
Capital required for new business	(620)	(740)
Earnings attributable to new business	(41)	(38)
Capital required for new business	**(661)**	**(779)**
OPERATING FREE CASH FLOW	**1,632**	**1,706**
Of which subordinated debt	*576*	*750*

Operating Free Cash-flow is down at +€1,632 million, or up at +€1,056 million excluding subordinated securities.

2.4.2.4 IMPLIED DISCOUNT RATE

In an alternative way to the traditional approach in which the VIF and VNB result from an update of future distributable revenue with a discount rate, the MCEV© approach can also be used to deduce an implied discount rate to directly value the VIF and VNB. The implied discount rate (IDR), is defined as the discount rate as such, when used with a traditional model of embedded value, the values produced (VIF, VNB) are equal to those that result from a market-consistent valuation. This IDR is thus a result of the valuation work rather than a basic MCEV© assumption. The IDR calculation requires a deterministic projection of future profits resulting from stock on a "real world" basis as for a traditional embedded value.

At 31 December 2016, the IDR is calculated on the basis of a spread of 0 bps on the reference rate curve and a spread of 20 bps on corporate type bonds. Shares and property benefit from a risk premium of 310 bps and 230 bps (same as at 31 December 2015) respectively.

The IDR comes to +7.4% for the Group at 31 December 2016 against +5.6% at 31 December 2015.

2.4.2.5 SENSITIVITIES

MCEV© sensitivities are based both on the economic and underlying non-economic assumptions. It should be noted that sensitivities are often correlated, so it is unlikely that the impact of two events occurring simultaneously would be equal to the sum of the individual sensitivities for each event. For events whose impact is considered symmetrical, only sensitivities in one sense are presented.

The meaning of the different sensitivities is described in the comments beneath the table below which gives the results of sensitivities:

(In € millions)	ANAV	VIF	MCEV©	VNB
MCEV© - Market Consistent Embedded Value	**13,442**	**6,509**	**19,951**	**436**
Interest rate curve +50 bps	(310)	1,452	1,142	120
Interest rate curve -50 bps	308	(1,449)	(1,141)	(183)
No volatility adjustment (VA = 0)		(478)	(478)	(42)
25% decrease in equity capital values	(1,185)	(1,702)	(2,887)	
Surrenders -10%		103	103	29
Costs -10%		325	325	42
Regulatory Minimum Capital Requirement		59	59	4
Claims rates -5% - Risk of longevity		(65)	(65)	(1)
Claims rates -5% - Risk of mortality & disability		151	151	57
25% increase in swaption implied volatilities		(830)	(830)	(74)
25% increase in equity implied volatilities		(809)	(809)	(50)

In each of the sensitivity calculations, all other assumptions remain unchanged. No specific additional action by management has been included in the sensitivities above.

Interest rate curve +/-50 bps

This sensitivity is a translation of the swap rate curve by 50 bps up or down. In particular, it results in:

- a revaluation of the market value of bonds;
- an adjustment of reinvestment rates for all classes of assets of 50 bps;
- and an update of the discount rate.

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

Only the liquid part of the yield curve is subject to translation with a stable ultimate forward rate (UFR), in line with its definition under Solvency II.

Because of the asymmetrical, non-linear impact of options and financial guarantees on MCEV©, the drop in financial markets usually has a bigger impact on MCEV© than the rise in interest rates, the impact gets greater with every additional drop.

In the new method used, yield rates are no longer floored at 0.

No volatility adjustment (VA)

This sensitivity is used to value the impact where there is no correction for volatility ("volatility adjustment") on activities where such a correction is used.

25% decrease in equity capital values

This sensitivity is used to value the impact on value of an immediate 25% in equity indices. This shock results in a 25% fall in the market value of financial assets in equity, and a decrease in the mathematical provisions on unit-linked policies for their share invested in those assets.

25% increase in swaption/equity implied volatilities

These sensitivities are used to value the impact on Time Value of options and financial guarantees of the 25% increase in swaption and equity volatility.

Surrenders -10%

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

Costs -10%

This sensitivity is used to value the impact of a 10% decrease in all costs: acquisition, management, claim and structure costs.

Claims -5%

This sensitivity measures the impact of a fall in claims: the incidence rate, loss ratios, disability and incapacity rate and mortality tables have been reduced by 5%. Sensitivities to longevity risk, mortality risk and long term disability risk are measured separately.

Regulatory minimum Required Capital

This sensitivity consists of defining Required Capital as 100% of the required regulatory solvency margin, considering as stable the share of subordinated securities, and of measuring the impact of this change of assumption on value.

2

2.4.3 Results detailed by geographic area

The following section gives an analysis of the main indicators and main vectors for change by geographic area.

2.4.3.1 OVERVIEW

The following tables give the overall results and contribution for different geographic areas in the CNP Assurances Group's MCEV© and VNB results. The analysis is detailed for each of the following areas.

			France	Latin America	Europe excluding France	Group
VNB *(€m)*		2015	271	138	54	463
		2016	**232**	**146**	**58**	**436**
	change		(39)	8	3	(28)
Share in Group VNB *(%)*		2015	59%	30%	12%	100%
		2016	**53%**	**33%**	**13%**	**100%**
APE *(€m)*		2015	2,369	529	297	3,195
		2016	**2,328**	**501**	**300**	**3,129**
	change		(41)	(28)	4	(66)
Margin rate *(%)*		2015	11.4%	26.1%	18.3%	14.5%
		2016	**10.0%**	**29.1%**	**19.3%**	**13.9%**
	change		-1.5%	3.1%	0.9%	-0.6%

			France	Latin America	Europe excluding France	Group
MCEV© *(€m)*		2015	17,117	1,218	908	19,243
		2016	**17,136**	**1,824**	**991**	**19,951**
	change		19	606	83	708
Share in Group MCEV© *(%)*		2015	89%	6%	5%	100%
		2016	**86%**	**9%**	**5%**	**100%**
VIF *(€m)*		2015	5,916	543	225	6,685
		2016	**5,359**	**878**	**272**	**6,509**
	change		(557)	335	47	(175)
ANAV *(€m)*		2015	11,201	675	683	12,558
		2016	**11,777**	**946**	**719**	**13,442**
	change		576	271	36	883

The following table gives VIF sensitivities by geographic area:

(In € millions)	France	Latin America	Europe excluding France	Group
VIF 2016	**5,359**	**878**	**272**	**6,509**
Interest rate curve +50 bps	1,443	(1)	11	1,452
Interest rate curve -50 bps	(1,435)	1	(14)	(1,449)
No volatility adjustment (VA = 0)	(475)	0	(3)	(478)
25% decrease in equity capital values	(1,665)	0	(38)	(1,702)
Surrenders -10%	54	45	4	103
Costs -10%	306	10	10	325
Regulatory Minimum Capital Requirement	59	0	0	59
Claims rates -5% - Risk of longevity	(61)	0	(5)	(65)
Claims rates -5% - Risk of mortality & disability	108	35	9	151
25% increase in swaption implied volatilities	(828)	0	(3)	(830)
25% increase in equity implied volatilities	(797)	0	(12)	(809)

The following table gives VNB sensitivities by geographic area:

(In € millions)	France	Latin America	Europe excluding France	Group
VNB 2016	**232**	**146**	**58**	**436**
Interest rate curve +50 bps	115	1	5	120
Interest rate curve -50 bps	(179)	(1)	(4)	(183)
No volatility adjustment (VA = 0)	(42)	0	0	(42)
Surrenders -10%	15	12	1	29
Costs -10%	35	4	3	42
Regulatory Minimum Capital Requirement	4	0	0	4
Claims rates -5% - Risk of longevity	(1)	0	(0)	(1)
Claims rates -5% - Risk of mortality & disability	46	6	4	57
25% increase in swaption implied volatilities	(73)	0	(0)	(74)
25% increase in equity implied volatilities	(48)	0	(2)	(50)

2.4.3.2 FRANCE

Business in France is marked by the implementation of agreements with BPCE effective in 2016 and the finalising of discussions with La Banque Postale. Pensions business was marked by the conclusion of a new partnership with AG2R LA MONDIALE, considering CNP Assurances accepting a portion of the business done by the Arial CNP Assurances entity.

Lastly, the continued deterioration of rates in the Eurozone has resulted in the need to explicitly model negative interest rates.

€232 million	**2016 VNB**
10.0%	**MARGIN RATE ON NEW BUSINESS**
53%	**OF GROUP VNB**

Value of New Business

The following table gives a breakdown of VNB:

				Change	
(In € millions, %)		**2016**	2015	€m	%
PVFP	Present Value of Future Profits	599	573	26	5%
TVOG	Time Value of Options and Guarantees	(275)	(193)	(82)	42%
FCRC	Frictional Cost of Required Capital	(23)	(34)	10	-31%
CRNHR	Cost of Non-Hedgeable Risks	(69)	(75)	6	-8%
VNB	**Value of New Business**	**232**	**271**	**(39)**	**-15%**
APE	Annual Premium Equivalent	2,328	2,369	(41)	-2%
PVNBP	Present Value of New Business Premiums	22,952	23,421	(469)	-2%
	Margin Rate	**10.0%**	**11.4%**	**-1.5%**	**-13%**
	PVNBP ratio	1.0%	1.2%	-0.1%	-13%

The APE volume in France (+€2,328 million), down -2% compared to 2015, is typified by an increase in traditional savings written premium offset by lower volumes on individual protection and credit insurance subsequent to the disposal of La Banque Postale Prévoyance.

The Value of New Business amounted to +€232 million at end 2016 against +€271 million in 2015, or a fall of -15%.

The following table gives a detailed analysis of the main factors in changes in the Value of New Business:

(In € millions, %)	VNB	Change	Margin rate
Value of New Business 2015	**271**		**11.4%**
Updated model and scope	225	(46)	9.6%
Change in the APE volume	224	(2)	9.6%
Change in the product mix	308	84	13.2%
Change in experience	330	22	14.2%
Change in financial market conditions	218	(112)	9.4%
Updated taxation	232	14	10.0%
Change in the foreign exchange rate	232	0	10.0%
Value of New Business 2016	**232**	**(39)**	**10.0%**
Change	(39)		- 1.5%

- Updated model and scope (-€46 million) represent the impact of all changes occurring during the 2016 financial year and changes in scope especially the disposal of La Banque Postale Prévoyance.

Changes to the projection model mainly concern:

  - the explicit inclusion of negative rates and associated management actions, and adaptation of the split of initial unrealised gains between new production and stock of policies in an extended low rate environment;
  - the incorporation of new partnership arrangements;
  - the incorporation from now on of a Required Capital in a Solvency II environment.

The changes implemented have also enabled more accurate modelling of expense assumptions in France, designed to take better account of the origin of the various cost types.

- Change in the APE volume (-€2 million) adjusts the fall seen on APE volume in 2016, without taking into account changes in the distribution per segment and per product.
- Change in the Product Mix (+€84 million) takes account of the difference in the distribution of sales between different products. It is driven by the favourable mix/volume on credit insurance, especially because the scope is extended, and the improvement in margin rate on traditional savings subsequent to the fall in written premium on products with guaranteed rates.
- Change in experience (+€22 million) reflects the impacts of changes in non economic assumptions, mainly claims assumptions, behavioural assumptions and expense assumptions. It is explained, this year, by the effects of the improvement of loss ratios on collective protection.
- Change in financial markets (-€112 million) reflects impacts related to changes in market conditions and especially the fall in rates in the Eurozone of about -40 centimes in 2016 which has resulted in a significant increase in the cost of Required Capital on traditional savings policies.
- Updated taxation (+€14 million) reflects the impacts of the drop to 28% of the normal corporation tax rate from 2020.

The following table gives the duration of new business:

Duration *(years)*	**2016**	**2015**
Savings and Pensions	13.3	13.6
Risk and Protection	12.4	10.9

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The following table gives a breakdown of In-Force values for France, excluding TS cost:

	2016		2015		Change	
	€m	€/share	€m	€/share	€m	%
VALUE OF IN-FORCE	**5,359**	**7.8**	**5,916**	**8.6**	**(557)**	**- 9.4%**
Present Value of Future Profits	10,654	15.5	10,368	15.1	286	2.8%
Time Value of Options and Guarantees	(4,159)	(6.1)	(2,951)	(4.3)	(1,208)	40.9%
Frictional Cost of Required Capital	(623)	(0.9)	(762)	(1.1)	139	- 18.3%
Cost of Non-Hedgeable Risks	(513)	(0.7)	(738)	(1.1)	225	- 30.5%

The VIF for France (+€5,359 million), is down -9.4% compared to 2015 because of the fall in rates seen in 2016.

The following table gives an analysis of variances on MCEV©, VIF and ANAV, itself broken down between Free Surplus and Required Capital:

(In € millions)	ANAV	Free Surplus	Required Capital	VIF	MCEV©
MCEV© 2015	**11,201**	**5,019**	**6,182**	**5,916**	**17,117**
Opening adjustments	(316)	3,188	(3,504)	305	(12)
Adjusted opening MCEV© 2015	**10,884**	**8,206**	**2,678**	**6,221**	**17,105**
New business value	(22)	(462)	440	254	232
Expected existing business contribution	120	120	0	543	662
Transfers from the VIF and required capital to *free surplus*	880	1,108	(228)	(880)	0
Experience variances	(137)	39	(176)	251	114
Changes in assumptions relating to operating activities	0	0	0	(38)	(38)
Other operating variance	0	576	(576)	20	20
Operating MCEV© earnings	**840**	**1,380**	**(541)**	**150**	**990**
Economic variances	82	(2,250)	2,331	(1,340)	(1,258)
Other non-operating variance	0	(257)	257	328	328
Total MCEV© earnings	**922**	**(1,126)**	**2,048**	**(862)**	**59**
Closing adjustments	(29)	(29)	0	0	(29)
MCEV© 2016	**11,777**	**7,051**	**4,726**	**5,359**	**17,136**

Opening adjustments affect the ANAV (-€316 million) subsequent to the contribution from France to payment of the Group dividend for the 2015 financial year. The switch to a Solvency II Required Capital with especially the inclusion of VIF eligible components enables the amount of the Required Capital to be reduced. In that respect, the Required Capital is down -€3,504 million on the economic conditions in Q4 2015. The FCRC is also down explaining in part the increase seen on VIF. VIF is also affected by improvements in the model. They relate, firstly, to the inclusion of negative rates in stochastic modelling specific to traditional savings and pensions. This exercise has required the identification on future management actions that will be take by management if interest rates remain low for an extended period. The particular economic situation thus envisaged also required anticipating reactions of policyholders that may be seen if negative rates persist. The changes implemented have also allowed more accurate modelling of expense assumptions and the inclusion of new partnership agreements.

The Value of New Business is +€232 million. This value includes the net result generated in 2016 by new business for -€22 million charged to ANAV. The corresponding increase in the Required Capital amounts to +€440 million.

The expected existing business contribution (+€662 million) results from capitalisation of the VIF (+€543 million) and the projected yield on the Free Surplus (+€120 million). For VIF and Required Capital transfers to Free Surplus, the 2016 result on the 31 December 2015 VIF is transferred to the ANAV without impact on the MCEV©.

The experience variances affect the VIF to the tune of +€251 million and mainly come from allocations to provisions and surplus reserves insufficiently anticipated in the end 2015 economic situation.

The changes in assumptions relating to operating activities result in a -€38 million decrease in VIF.

Other operating variances represent the impacts of repayments and issues of subordinated debt in 2016.

The result is a contribution from operating activities of +€990 million on MCEV© (Operating MCEV© return of +5.8%). As regards Free Surplus, the Cash-flow available of +€1,380 million generated by operational activities correspond to the "Operating Free Cash-Flow" indicator.

Economic variances result in a -€1,258 million decrease in MCEV©, the positive effects on ANAV do not compensate for the sharp fall in VIF due to the current levels of interest rates and volatilities which penalise the profitability of Savings/Pensions. This also results in a lower funding capacity on the Required Capital which, automatically, is sharply up.

Other non-operating variances are the effects of the decrease in the normal corporation tax rate from 2020.

Closing adjustments correspond to a foreign exchange effect on the ANAV.

2.4.3.3 LATIN AMERICA

The Latin America zone covers the activities of the Caixa Seguradora Group in Brazil and CNP Assurances Compañia de Seguros in Argentina.

2016 is marked by a fall in MCEV© reference risk free interest rates in Brazil. Note that for 2016 the Latin America perimeter is valued in accordance with the MCEV© principles, against a traditional method used previously.

€146 million	**2016 VNB**
29.1%	**MARGIN RATE ON NEW BUSINESS**
33%	**OF GROUP VNB**

Value of New Business

The following table gives a breakdown of VNB and the main volume and profitability indicators:

(In € millions, %)		**2016**	2015	Change €m	Change %
PVFP	Present Value of Future Profits	158	147	10	7%
TVOG	Time Value of Options and Guarantees	0	0	0	
FCRC	Frictional Cost of Required Capital	(8)	(9)	1	- 13%
CRNHR	Cost of Non-Hedgeable Risks	(4)	0	(4)	
VNB	**Value of New Business**	**146**	**138**	**8**	**6%**
APE	Annual Premium Equivalent	501	529	(28)	- 5%
VAP	Present Value of New Business Premiums	2,150	2,086	64	3%
	Margin Rate	**29.1%**	**26.1%**	**3.1%**	**12%**
	PVNBP Ratio	6.8%	6.6%	0.2%	3%

The APE volume is down -5% compared to 2015 resulting from generally stable written premium (+1% at constant exchange rates and post restatement) but penalised by an unfavourable exchange rate. The average exchange rate used on all cash-flow in Latin America went up +4% in 2016.

Written premium are typified by good performance of Pensions business counterbalanced by a downturn in sales of mortgage insurance in line with the market situation in Brazil.

PVNBP is up (+3%) overall resulting from a weaker update effect partially offset by a fall in premiums on long branches such as credit insurance and an unfavourable exchange rate.

The Value of New Business is up +6%, or +€8 million.

The following table gives a detailed analysis of the main factors for change in the Value of New Business:

(In € millions, %)	VNB	Change	Margin rate
Value of New Business 2015	**138**		**26.1%**
Updated model and scope	139	1	26.7%
Change in the APE volume	140	1	26.7%
Change in the product mix	135	(5)	25.7%
Change in experience	141	6	26.9%
Change in financial market conditions	153	12	29.2%
Updated taxation	153	0	29.2%
Change in the foreign exchange rate	146	(8)	29.1%
Value of New Business 2016	**146**	**8**	**29.1%**
Change	8		3.1%

- Updated model and scope (+€1 million) mainly related to the change to MCEV© modelling and minor improvements to the model.
- Change in the APE volume (+€1 million) mainly represents the effects of variations in the overall amount of written premiums without taking into account changes in allocation per segment and per product. The amounts used are the APE amounts and are established from premiums measured in accordance with local accounting standards.
- Change in the Product Mix (-€5 million) results in a negative impact especially because of the relative fall in amounts of credit insurance.
- Change in experience (+€6 million) is positive because of the combined effects of:
  - a new positive product mix between sales of consumer credit and property products in Brazil;
  - updating operational assumptions and especially expense assumptions subsequent to an update of their reallocation;
  - neutralisation of losses in health insurance appeared in 2016 thanks to a reinsurance treaty put in place.
- Change in financial markets (+€12 million) with the fall in rates in Brazil in particular being a positive effect mainly because of the less marked discounting of risk products with periodic premiums and because of absence of guarantied rates.
- Change in foreign exchange rate (-€8 million). The average exchange rate is BRL3.8561/€ in 2016 against BRL3.7038/€ in 2015, or an increase of +4%.

The following table gives the duration of new business:

Duration *(years)*	**2016**	2015
Savings and Pensions	5.4	4.9
Risk and Protection	4.0	3.4

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The following table gives a breakdown of In-Force values:

	2016		2015		Change	
	€m	**€/share**	€m	€/share	€m	%
Value of In-Force	**878**	**1.3**	**543**	**0.8**	**335**	**61.8%**
Present Value of Future Profits	949	1.4	587	0.9	362	61.8%
Time Value of Options and Guarantees	(2)	(0.0)	0	0.0	(2)	
Frictional Cost of Required Capital	(47)	(0.1)	(44)	(0.1)	(3)	6.4%
Cost of Non-Hedgeable Risks	(22)	(0.0)	0	0.0	(22)	

VIF (+€878 million) is up +61.8% compared to 2015, mainly due to the fall in reference rates and a favourable exchange rate effect (+€151 million). This is because the rate at end December 2016 used for closing values comes to BRL3.4305/€ against BRL4.3117/€ at end 2015.

Note that the 2015 results were compiled using the traditional embedded value method, whereas the 2016 results are now compiled using the MCEV© method. The result is the appearance of Cost of Residual Non-Hedgeable Risks and Time Value of Options & Guarantees components. The Frictional Cost of Required Capital now represents the cost of taxation friction.

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down between Free Surplus and Required Capital:

(In € millions)	ANAV	Free surplus	Required capital	VIF	MCEV©
MCEV© 2015	**675**	**444**	**231**	**543**	**1,218**
Opening adjustments	(192)	(219)	27	(8)	(200)
Adjusted opening MCEV© 2015	**483**	**225**	**258**	**535**	**1,018**
New business value	4	(68)	71	142	146
Expected existing business contribution	20	20	0	139	158
Transfers from the VIF and required capital to free surplus	217	262	(45)	(217)	0
Experience variances	5	9	(4)	5	10
Changes in assumptions relating to operating activities	0	0	0	0	0
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**246**	**223**	**22**	**69**	**315**
Economic variances	60	60	(0)	123	184
Other non-operating variance	(41)	(41)	0	0	(41)
Total MCEV© *earnings*	**265**	**243**	**22**	**192**	**458**
Closing adjustments	197	133	65	151	349
MCEV© 2016	**946**	**600**	**345**	**878**	**1,824**

Opening adjustments affect the MCEV© (-€200 million) because of:

- payment of the 2015 dividend;
- change of method with the switch to MCEV©;
- the adjustment to the Required Capital due to the change to 110% of the local capital requirement (against 100% previously) and the inclusion of the component linked to market risk in its calculation.

The Value of New Business is +€146 million to the change in MCEV©. This value incorporates the net result generated in 2016 by new business for +€4 million charged to ANAV. The corresponding increase in the Required Capital amounts to +€71 million.

The expected existing business contribution (+€158 million) results from capitalisation of the VIF (+€139 million) and the projected yield from the Free Surplus (+€20 million). For Transfers of VIF and Required Capital to free surplus, the 2016 result attached to the VIF for 31 December 2015 is transferred to the ANA without impact on the MCEV©.

The experience variances affect the VIF to the tune of +€5 million.

The result is a contribution from operational activity of +€315 million on the MCEV©. As regards the Free Surplus, the available Cash- flow of +€223 million generated by operational activities corresponds to the "Operating Free Cash-Flow" indicator.

Economic variances have an +€184 million impact on the MCEV©, including +€60 million on the ANAV. This last impact is mainly linked to capital gains on equity. The significant fall in rates in Brazil affects the VIF positively.

Closing adjustments correspond to exchange rate effects. The Brazilian exchange rate is favourable, being BRL3.4305/€ at end December 2016 against BRL4.3117/€ at end 2015.

2.4.3.4 EUROPE EXCLUDING FRANCE

The Europe excluding France geographic area covers the activities of CNP UniCredit Vita, CNP Santander Insurance with operations in Germany, Italy, Spain, Poland and Scandinavia, CNP Partners and CNP Cyprus Insurance Holdings.

As for France, 2016 is typified by a low rate environment and the start of the Solvency II regulations.

€58 million	**2016 VNB**
19.3%	**MARGIN RATE ON NEW BUSINESS**
13%	**OF GROUP VNB**

2

Value of New Business

The following table gives a breakdown of the VNB:

(In € millions, %)		**2016**	2015	Change €m	Change %
PVFP	Present Value of Future Profits	68	59	9	15%
TVOG	Time Value of Options and Guarantees	(8)	(1)	(6)	431%
FCRC	Frictional Cost of Required Capital	(0)	(1)	0	- 44%
CRNHR	Cost of Non-Hedgeable Risks	(2)	(2)	0	- 18%
VNB	**Value of New Business**	**58**	**54**	**3**	**6%**
APE	Annual Premium Equivalent	300	297	4	1%
PVNBP	Present Value of New Business Premiums	2,361	2,234	127	6%
	Margin rate	19.3%	18.3%	0.9%	5%
	PVNBP ratio	2.5%	2.4%	0.0%	1%

The APE volume in Europe excluding France (+€300 million) is stable and results from the effects of receipts differing by country including in particular a fall in sales for CNP UniCredit Vita and an increase in business for CNP Santander.

The Value of New Business is up +6%, or +€3 million.

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

(In € millions, %)	VNB	Change	Margin rate
Value of New Business 2015	**54**		**18.3%**
Updated model and scope	54	(1)	18.7%
Change in the APE volume	58	4	19.3%
Change in the product mix	57	(1)	19.0%
Change in experience	63	6	21.1%
Change in financial market conditions	55	(8)	18.4%
Updated taxation	58	3	19.3%
Change in the foreign exchange rate	58	(0)	19.3%
Value of New Business 2016	**58**	**3**	**19.3%**
Change	3		0.9%

- Updated model and scope (-€1 million) mainly relate to the incorporation of negative rates and the switch to the S2 Required Capital.
- Change in the APE volume (+€4 million) represents the effects of variations in the overall volume of premiums received without incorporating changes in distribution per segment and per product. The volumes included are the APE volumes compiled from premiums measured in accordance with local accounting standards. The increase mainly results from CNP Santander's activities.
- Change in the product mix (-€1 million) results in a negative impact in spite of the growth of traditional unit-linked savings in Spain and the stopping of € receipts in Italy in the 2nd half.
- Change in experience (+€6 million): is positive especially following the updating of assumptions on Santander.
- Change in financial markets (-€8 million): with especially the fall in rates and increase in volatility.
- Updated taxation (+€3 million): reflects the impact of the reduction in the tax rate in Italy.

The following table gives the duration of new business:

Duration *(years)*	**2016**	2015
Savings and Pensions	5.9	5.8
Risk and Protection	2.8	3.0

MCEV© at 31 December 2016

The following table gives a breakdown of In-Force values:

	2016		2015		Change	
	€m	€/share	€m	€/share	€m	%
Value of In-Force	272	0.4	225	0.3	47	20.7%
Present Value of Future Profits	324	0.5	252	0.4	72	28.6%
Time Value of Options and Guarantees	(39)	(0.1)	(10)	(0.0)	(29)	293.2%
Frictional Cost of Required Capital	(3)	(0.0)	(5)	(0.0)	2	-39.7%
Cost of Non-Hedgeable Risks	(10)	(0.0)	(12)	(0.0)	1	-10.9%

The VIF Europe excluding France (+€272 million), is up +20.7% compared to 2015. The increase in PVFP (+28.6%) is partially offset by the TVOG which is up sharply due to uncertainties related to the economic environment.

The following table gives an analysis of variances, distinguishing the VIF and the ANAV, itself broken down between Free Surplus and Required Capital:

(In € millions)	ANAV	Free surplus	Required Capital	VIF	MCEV©
MCEV© 2015	**683**	**374**	**309**	**225**	**908**
Opening adjustments	(22)	28	(50)	17	(5)
Adjusted opening MCEV© 2015	**660**	**401**	**259**	**242**	**903**
New business value	(22)	(131)	109	80	58
Expected existing business contribution	6	6	0	22	28
Transfers from the VIF and required capital to free surplus	75	163	(88)	(75)	0
Experience variances	(10)	(10)	(0)	0	(10)
Changes in assumptions relating to operating activities	0	0	(0)	21	21
Other operating variance	0	0	0	0	0
Operating MCEV© earnings	**49**	**28**	**21**	**48**	**97**
Economic variances	5	(56)	61	(27)	(21)
Other non-operating variance	4	4	0	8	13
Total MCEV© earnings	**59**	**(23)**	**82**	**30**	**89**
Closing adjustments	0	(0)	0	(0)	(0)
MCEV© 2016	**719**	**378**	**341**	**272**	**991**

Opening adjustments affect the ANAV (-€22 million) mainly because of payment of the dividend in Italy (-€14 million) and Cyprus (-€7 million). The adjustment on the VIF +€17 million is mainly because of the acquisition of BVP Italy (VIF +€18 million).

The Value of New Business in MCEV© is +€58 million, driven by the CNP Santander subsidiary and the Italian subsidiary CNP UniCredit Vita. It includes the net result generated in 2016 by new business for -€22 million charged to ANAV, almost exclusively resulting from the Italian subsidiary because of the deduction on traditional savings policies. The corresponding increase in the Required Capital amounts to +€109 million, largely due to CNP Santander's non-life business.

The expected existing business contribution (+€28 million) results from capitalisation of the VIF (+€22 million) and the projected yield on the Free Surplus (+€6 million). The change in VIF enables €88 million to be released as regards the Required Capital and +€75 million to be transferred to the ANAV, driven by the results of stocks at the Italian subsidiary and the CNP Santander subsidiary. For Transfers of VIF and Required Capital to free surplus, the 2016 result on the VIF for 31 December 2015 is transferred to the ANAV without impact on the MCEV©.

Changes in assumptions related to operating activities affect the VIF to the tune of +€21 million and arise mainly from the revue on the allocation of costs at CNP Partners. Variances recognised relating to operational activity affect the ANAV mainly from activation of the amortisation of DIRs and DACs.

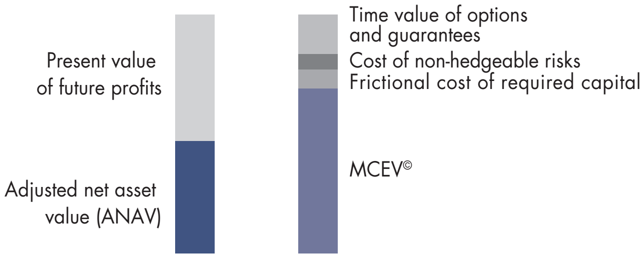
The result is a contribution from operational activity of +€97 million on the MCEV©. As regards Free Surplus, the available Cash-flow of +€28 million generated by operational activities corresponds to the "Operating Free Cash-Flow" indicator.

Economic variances have an impact of -€21 million on the MCEV©, including +€5 million for the ANAV, mainly due to capital gains on CNP Partners equity. The impact on the VIF of -€27 million is mainly driven by Spain and Italy, where traditional savings portfolios are penalised by the economic situation.

Other non-operating variances are the effects of the decrease in the tax rate in Italy.

2.4.4 Method

Embedded Value represents the consolidated value of shareholders' interests generated by insurance business in portfolio on the date of valuation. It is calculated before the payment of dividends and taxes related to such dividends. This value excludes any incorporation of future business, in other words policies incepted after the valuation date. The method used by the CNP Assurances Group is based on the MCEV© principles. This chapter provides information on the way in which those principles are applied by the CNP Assurances Group.



2.4.4.1 ADJUSTED NET ASSET VALUE

Adjusted Net Asset Value ("ANAV") represents the fair value of assets that do not back insurance liabilities minus the fair value of liabilities other than insurance liabilities. The ANAV is reconciled with the IFRS shareholders' equity as follows:

- the elimination of intangible assets especially acquisition variances, the value of sales agreements, portfolios acquired and deferred acquisition costs, except for acquisition costs that have already been amortised in the VIF;
- the reincorporation of the shareholders' portion in unrealised gains not included in IFRS (especially for property assets and securities in the books at amortised cost) and the deduction of the portion of revaluations of financial assets included in the portfolio value modelling;
- the restatement of subordinated securities.

The ANAV is determined at the date of valuation for consolidated figures and for each of the subsidiaries by excluding minority interests and is split into Required Capital and Free Surplus.

Required Capital

The Required Capital corresponds to the market value of assets representing equity that the insurer must isolate as regards its business and the distribution of which to shareholders is restricted.

The Required Capital reflects the level of capital that the Group sets to attain a target rating and control its own risks as well as all other fixed components.

For European countries, the Required Capital is 110% of the regulatory Solvency Capital Requirement in accordance with the Solvency II standard, net of all other sources of funding such as subordinated securities and Future Profits on policies in stock valued in a Solvency II universe. The Required Capital for each entity is calculated on the basis of its individual SCR.

For Latin America, the Required Capital chosen by the CNP Assurances Group is 110% of the Solvency Capital Requirement under the local standard, which from this year includes a component linked to market risk.

Free Surplus

The Free Surplus is the value the ANAV minus the Required Capital.

2.4.4.2 VALUE OF IN-FORCE (VIF)

The VIF consists of the Present Value of Future Profits (PVFP) minus the following components:

- the Time Value of Options and Guarantees (TVOG);
- the Frictional Cost of Required Capital (FCRC);
- the Cost of Residual Non-Hedgeable Risks (CRNHR) .

Present value of Future Profits (PVFP)

The PVFP is the present value of Future Profits net of tax generated by policies in portfolio at the date of valuation and with a central assumption of changes in financial markets aligned with the reference rate curve on the basis of a market-consistent method. The Group' choice as regards the reference rate curve is described in the "Assumptions" section of this report.

The PVFP included the intrinsic value of options and financial guarantees on policies in portfolio. The main options and financial guarantees included are as follows:

- credited rate guarantees (Minimum Guaranteed Rate);
- floor guarantees on unit-linked policies;
- technical rate guarantees on annuities being paid and guarantee resulting from the point acquisition tariff for the Préfon portfolio and other L441 products;
- profit sharing options;
- surrender options.

The time value of options and financial guarantees is incorporated separately in the TVOG.

Time Value of Options and Guarantees (TVOG)

The Time Value of Options and financial Guarantees ("TVOG") is generated by the asymmetry of risk sharing between shareholders and policyholders in accordance with the diverse changes on financial markets. Stochastic calculations are used, on the basis of multiple simulations, to scan the field of possibles in terms of changes on financial markets and so capture the cost linked to financial options held by policyholders.

The valuation is based on a stochastic model itself based on a neutral-risk approach. This approach consists of setting the price of an asset as the expected future yield updated at the reference rate. The scenarios are from the Barrie & Hibbert generator, which is used to generate 1,000 scenarios projecting:

- the change in equities indices;
- the change in the property index;
- the actual rate curves for whole maturities between 1 year and 50 years;
- the nominal rate curve for whole maturities between 1 year and 50 years;
- the corporate credit spread curves (AAA to CCC ratings) for whole maturities between 1 year and 50 years.

Inflation is obtained by the difference between actual rates and nominal rates for 1 year maturity. The share dividend rate and property rent rate are set at 2.5% of the fair value of shares and property assets respectively and are supposed constant.

The techniques used by the Group to calibrate the economic generator are described in the "Assumptions" section of this report. In addition, the projection model incorporates a competitive surrender component that represents the propensity of policyholders to surrender their policies when the actual return deteriorates compared to a market reference.

Frictional Cost of Required Capital (FCRC)

The need to block the Required Capital in respect of business covered results in a carry cost to be allocated to the value of Embedded Value and new business. In market-consistent modelling, Frictional Costs are the cost of taxation friction and financial costs related to backing that capital.

The cost of interest paid to holders of subordinated debt is included in the value of business in portfolio. The approach used is as follows:

- the reference value of subordinated securities is determined in reference to the method given in the Article 75 of Solvency II directive and the 5th Orientation Paper by EIOPA. It consists of using a valuation of subordinated securities taking account of the spread on issue and the exact characteristics of the securities.

The Frictional Cost of Required Capital also includes the charge linked to funding a part of the Required Capital by subordinated securities; this charge is valued as the difference between the economic value of subordinated securities and their nominal. The CNP Assurances Group defines this economic value as being the Present Value net of future amounts paid to holders of securities calculated taking account, in the discount rate, of the spread on issue of each security. The Required Capital for new production is deemed to be funded by subordinated securities in the same proportions as the stock of policies; the funding is achieved by newly issued securities, for which the economic value is equal to the nominal.

Cost of residual non-hedgeable risks (CRNHR)

The cost allocated to non-hedgeable financial and nonfinancial risks results from:

- the inclusion of risks also not valued in the PVFP or TVOG such as the counterparty default risks and operational risks;
- the asymmetrical impact of particular non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses;
- the uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

The Group has used a cost of capital approach to value these residual non-hedgeable risks. The capital allocated as regards these risks is defined as the contribution of each of the specified risks to a level of capital considered necessary.

2.4.4.3 VALUE OF NEW BUSINESS (VNB)

Definition of new business

Projections made to estimate the value of a year's new production are based on the profile and volume of new business done in 2016.

- **Individual traditional and unit-linked savings and pensions:**

New production consists of new policies and unscheduled payments on existing policies, without assumption on the recurrence of premiums.

- **Collective pensions:**

New production of Collective Pension policies consists of new policies and unscheduled payments on existing policies. It concerns L441 and corporate pension policies in France and PGBL/VGBL policies (unit-linked pensions) in Brazil.

- **Individual protection:**

New production consists only of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

- **Collective protection:**

As collective protection policies are annual from 1st January to 31 December with a inception date prior to 1st January, new production in a year consists policies whose cover period is the year following the current year.

- **Credit Insurance:**

New production consists of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

- **Other Products:**

New production consists only of new policies and future premiums attached to those policies, projected periodically and split as annual, monthly or one-off policies. Future periodic premiums on existing policies are valued in the value of stock for the year.

Valuation method

The approach used for valuing new business consists of determining aggregates identical to those of the Value of New Business: it is defined as the Present Value of projected results for polices written in the year after deducting of the Time Value of Financial Options and Guarantees, Frictional Cost of Required Capital, and the Cost of Residual Non-hedgeable Risks. The Value of New Business is based on a projection of its contribution to results as from the date of sales.

Traditionally, there are two methods of measuring its contribution:

- the "stand alone" method: the Value of New Business is measured without taking into account the pooling effect with policies in stock and part of the unrealised gains or losses on assets representing stock;
- the "marginal" method: the Value of New Business is measured taking into account pooling between new policies and policies in stock, and taking into account part of the unrealised gains or losses on assets representing stock.

  The Group uses:

  - **a marginal method for valuing its VNB but that varies operationally depending on the product:**
  - for all portfolios excluding traditional savings, no unrealised gains and losses is taken into account in determining the VNB, and premiums on new business are deemed to be invested in new assets available at the date of valuation in accordance with the buying policy applied in the year; because there are no significant interactions between new business and stock, using a "standalone" is method equivalent for these products to using a "marginal" method and is preferred operationally,
  - for traditional savings portfolios, in France, Italy and Spain, the revaluation of policies does not distinguish different generations of identical policies, and depends on the financial performance linked to financial assets representing generations overall without distinction: a "marginal" method is applied operationally. For those portfolios, the method consists of taking into account a fraction of the Group's unrealised capital gains or losses and supposing that it is used for new business alone.

2.4.5 Assumptions

2.4.5.1 ECONOMIC ASSUMPTIONS

Embedded Value calculations are based on financial assumptions determined from market conditions at 31 December 2016.

Interest rate reference curve

The MCEV© principles state that the reference rate curve can be determined from the swap rate curve, potentially adjusted and especially to enable convergence with the Solvency II regulatory requirements.

The swap rate curves minus the "credit risk adjustment" in euros and Brazilian reals used for determining the reference rate curves for France, Europe excluding France and Latin America are given in the following table.

Maturity	**€ rate 31.12.2016**	€ rate 31.12.2015	**BRL rate 31.12.2016**	BRL rate 31.12.2015
1	- 0.30%	- 0.16%	10.41%	15.54%
2	- 0.26%	- 0.13%	10.01%	16.28%
5	- 0.02%	0.23%	10.38%	17.14%
10	0.57%	0.92%	10.44%	16.99%
15	0.96%	1.34%	10.10%	16.29%
20	1.12%	1.53%	9.50%	15.05%
30	1.76%	2.09%	8.42%	12.59%
Ultimate forward rate	**4.20%**	**4.20%**	**5.20%**	**5.20%**
Point of entry of the extrapolation	**20 years**	**20 years**	**10 years**	**10 years**
Convergence	**40 years**	**40 years**	**50 years**	**50 years**

For the Eurozone, the rate curve is extrapolated with an entry point at 20 years which converges on 40 years according to the Smith-Wilson technique, to the ultimate forward rate which comes to 4.2%. For Brazil, the entry point is at 10 years and the rate curve converges on 50 years to the ultimate forward rate of 5.2%.

To determine the reference rate curve, the Group has chosen to align itself with the Solvency II prudential regulatory requirements, and adjust the rate swap curve – when allowed – with a credit risk adjustment and a volatility adjustment, in accordance with the prudential regulatory requirements. No matching adjustment has been used for Group entities. The levels of credit risk adjustment and volatility adjustment for different zones within the Eurozone are given in the following table:

Adjustments	France	Italy	Spain	Ireland	Cyprus	Brazil
CRA	10	10	10	10	10	35
VA	13	-	13	-	-	n.a

At 31.12.2015 the volatility correction was of 22 bps for Eurozone and the credit risk adjustment of 10 bps. Depending on the requirements of local supervisory authorities, adjustments to rate curves and especially the application of a volatility adjustment is submitted to the supervisory authority in the Solvency II context. If the reference curve remains the same per monetary zone, the application of a volatility adjustment depends on local requirements and business and is not routine across the Group.

In the Eurozone, 2016 featured the appearance of negative rates on the swaps rate curve. This new situation has lead the Group to alter its economic scenario generators and models so that the consequences of this unprecedented financial situation are taken into account with two different approaches within the Group:

- in France: the economic scenario generators have been reworked to allow negative rates on the different trajectories and the models have been adapted so that they can be taken into account;
- in Europe excluding France: the models have not always been adapted to negative rate situations. When it has not been possible, the economic scenario generators used have incorporated an adjustment known as a "Moment Matching Adjustment" so as to allow the play of economic scenarios to present satisfactory statistical properties.

Calibrating the rate model

The generation model used for nominal rates is based on the two factor Libor Market Model Plus (LMM+). The 10Y ATM swaption volatilities for markets used for calibration are as follows:

Terms	1 year	2 years	5 years	10 years	20 years
MCEV© 31.12.2015 (log normal)	52.5%	47.9%	38.4%	33.8%	42.4%
MCEV© 31.12.2015 (normal)	0.64%	0.69%	0.76%	0.75%	0.65%
MCEV© 31.12.2016 (normal)	0.65%	0.69%	0.75%	0.73%	0.65%

Note the reference change in implied volatilities used, the first line of the table corresponding to log-normal (Black) volatilities and the last two lines to normal (Bachelier) volatilities. This change is justified by the low and negative rate context.

Actual rates are generated by means of the two factor Vasicek model, which has been calibrated on Treasury bonds indexed for inflation. The rate scenarios from the economic scenario generator have been capped so as not to lead to investment situations in a negative rate environment. This aspect marginally deteriorates the martingale character of the scenarios.

Calibrating the equity model

A different level of volatility for each projection horizon between 1 and 10 years was used to generate the equity index (determinist volatility model) . The levels used are given in the following table.

The volatility parameters were calibrated from implied ATM forward volatilities on the Eurostoxx 50 index at 31 December 2016.

Terms	1 year	2 years	5 years	10 years
MCEV© 31.12.2015	21.4%	21.6%	21.6%	21.6%
MCEV© 31.12.2016	20.3%	21.4%	22.3%	22.8%

The correlation coefficients between the different factors (equity, actual interest rates and nominal interest rates) are determined by Barrie & Hibbert from econometric analyses and experts' opinions. Similarly, property volatility is fixed at 12.77%.

Calibrating the corporate credit spread model

In 2015 the CNP Assurances Group added a corporate credit spread diffusion model, the Credit G2 (JLT) model. The model's parameters are calibrated so as to reproduce the spread of an A rated bond of 7 year maturity (64 bps at 31 December 2016) with the following historic transition matrix:

	AAA	AA	A	BBB	BB	B	CCC	Default
AAA	93.4%	6.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
AA	2.5%	89.8%	6.8%	0.3%	0.2%	0.2%	0.0%	0.1%
A	1.4%	3.2%	89.6%	4.7%	0.4%	0.4%	0.0%	0.2%
BBB	1.4%	1.4%	5.0%	88.5%	2.2%	0.5%	0.5%	0.4%
BB	0.1%	0.4%	1.4%	6.9%	82.2%	6.9%	0.6%	1.5%
B	0.0%	0.1%	1.4%	2.0%	6.1%	80.2%	5.9%	4.3%
CCC	0.0%	0.0%	1.4%	1.8%	2.8%	7.7%	76.6%	9.7%
Default	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Exchange rate

The following table gives the exchange rates for the CNP Assurances Group business zones outside the Eurozone:

	Spot		Average	
	31.12.2015	**31.12.2016**	31.12.2015	**31.12.2016**
Brazil (BRL/EUR)	4.3117	3.4305	3.7038	3.8561
Argentina (ARS/EUR)	14.097	16.7049	10.2538	16.3463
Norway (NOK/EUR)	0.1041341	0.1100558	na	na
Sweden (SEK/EUR)	0.1088198	0.1046846	na	na
Poland (PLN/EUR)	0.2345271	0.2267419	na	na
Denmark (DKK/EUR)	0.1340016	0.1345098	na	na

The spot rate is a period-end rate, it is applied to VIF calculations. The average rate is the average daily rate for the year, it is applied for VNB calculations.

Tax rate

The tax rate used in Embedded Value is the standard rate in the country in which the Group is operating:

	France	Italy	Spain	Cyprus	Brazil	Argentina	Ireland
MCEV© 31.12.2015	34.43%	34.32%	25%	12.50%	45% *	35%	12.50%
MCEV© 31.12.2016	30.25%	30.82%	25%	12.50%	45% *	35%	12.50%

* *The tax rate is 45% up to 2018 then goes back to 40%. Except for CAIXA Consorcios whose tax rate has been maintained at 34%*

Tax credits recognised for France enabling the standard tax to be reduced are taken into account.

Cost of capital allocated to residual non-hedgeable risks

The rate applied to capital allocated to non-modelled risks and asymmetrical risks has been set at 5%. The capital allocated to uncertainty on establishing assumptions suffers a frictional cost.

On average, the rate applied to capital is 2.5% at 31 December 2016 (2.7% at 31.12.2015) .

Subordinated securities finance rate

Those cover 63% (average for the Group) of the Solvency Capital Requirement at 31 December 2016 for the CNP Assurances entity.

2.4.5.2 NON ECONOMIC ASSUMPTIONS

Expenses assumptions

Every year-end, the Group produces an analysis of expenses by object: acquisition, management, claims, investment costs and other technical and non technical charges as well as a breakdown by company, product family and network. These expenses bases are then projected by means of relevant drivers. At 31 December 2016, an annual rate of inflation between 1% and 1.5% was used for European entities for the drivers not yet containing implicit inflation. In Latin America an inflation curve is used in line with the local market situation.

Claims and persistence assumptions

Non-economic assumptions, mortality experience, surrender laws and claims assumptions are determined by each entity on the basis of their best estimate at the date of valuation. They derive from an analysis of actual and past experience seen on each of the portfolios valued.

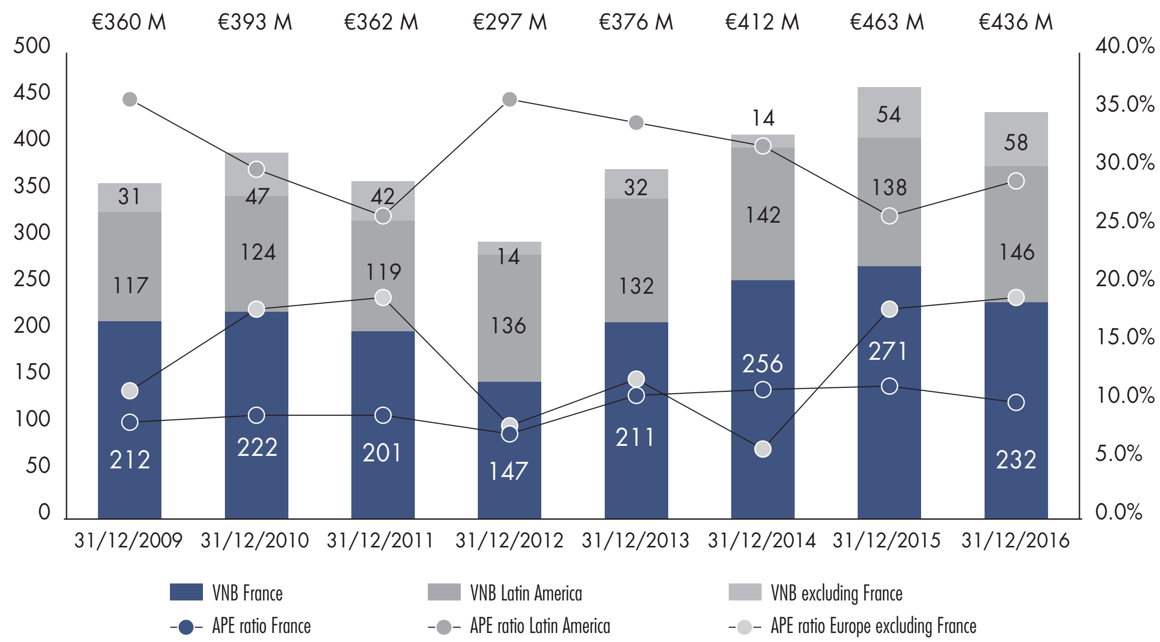
Future management decisions and reactions by insured parties

The calculation of MCEV© metrics needs the incorporation of future management actions. Enabling management of the Company to be tailored according to the financial and economic situation, they are represented in particular by the strategies on investment and the revaluation of amounts outstanding and specific actions on liabilities. The most singular environments, such as persistent negative rate situations, are thus better controlled.

Taking future management decisions into account should also be supplemented by consistent anticipation of the reactions of the policyholders.

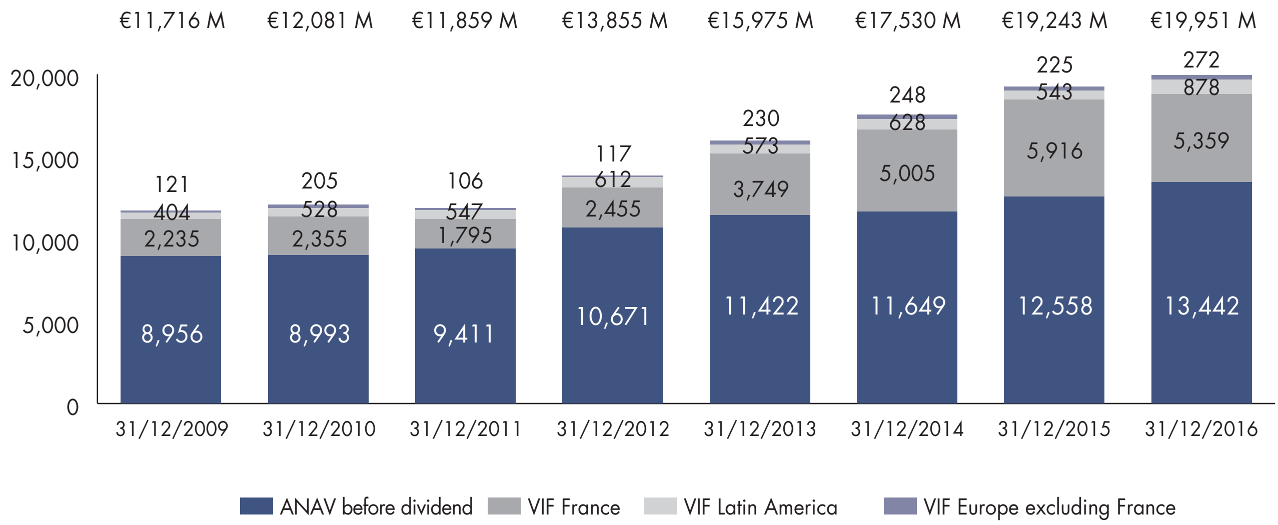
2.4.6 Changes in MCEV© since 2009

2.4.6.1 VNB HISTORY *(€m and margin rate as %)*



The above graph shows changes over time in the Group's VNB, compiled in accordance with the CFO Forum principles. Since 2014 the VNB has benefitted from pooling the unrealised gains in stock, with use of the marginal method.

2.4.6.2 MCEV© HISTORY *(In €m)*



2.4.7 External opinion on Market Consistent Embedded Value

Year-ended 31 December 2016

CNP ASSURANCES
4, place Raoul Dautry
75716 Paris Cedex 15

To the Group Financial Director of CNP Assurances

As Statutory Auditors of CNP Assurances and in accordance with your request, we have examined the Market Consistent Embedded Value (MCEV©) information regarding MCEV© and its components, the Value of New Business, the analysis of movements in MCEV© and MCEV© sensitivities (hereinafter referred to as "the MCEV© Information") at 31 December 2016 of the CNP Assurances Group, presented in the attached document ("Embedded Value Report at 31 December 2016", hereinafter referred to as "the EV Report").

The MCEV© Information and the underlying assumptions upon which the information relies have been established under the responsibility of management. The methods and significant assumptions adopted are detailed in the EV Report.

We are required, based on our work, to express a conclusion on the consistency of the results of the MCEV© Information with the methodology and assumptions adopted by management, with the MCEV© principles, with the guidance published by the CFO Forum in May 2016, as well as on the consistency of the accounting information used with the consolidated financial statements as at 31 December 2016.

Our work, which does not constitute an audit, nor a limited review, has been performed in accordance with the professional standards applicable in France and the professional guidance issued by the French Institute of Statutory Auditors, and aims at forming a conclusion based on appropriate procedures.

Our work included the following procedures:

- understanding the process used by management to prepare the MCEV© Information;
- checking the "market consistent" approach used by management and described in the EV Report, with regards to its consistency with the MCEV© principles and guidance published by the CFO Forum;
- checking the compliance of the methodology applied with that described in the EV Report;
- checking the economic assumptions used and their consistency with observable market data;
- checking the consistency of the operational assumptions used with regards to past, current and expected future experience; and the realism of future management actions;
- checking the consistency of the results presented in the MCEV© Information with the methodology and assumptions described in the EV Report;
- checking the consistency of the accounting data and other relevant underlying data used in preparing the MCEV© Information with the annual consolidated financial statements and underlying accounting records at 31 December 2016;
- obtaining the information and explanations deemed necessary to deliver our conclusion.

We note that the Embedded Value calculation is based on a number of assumptions and thus by nature includes an element of uncertainty. As a result, actual outcomes may differ significantly from those expected in the MCEV© Information. We do not express any conclusion relating to the possibility of such outcomes.

Based on our work, we do not have any observations regarding:

- the consistency of the results of the MCEV© Information at 31 December 2016 as presented in the EV Report with the methodology and assumptions adopted by management, which are consistent with MCEV© principles 1 to 16, with the guidance published by the CFO Forum in May 2016;
- the consistency of the accounting information used with the CNP Assurances Group's consolidated financial statements at 31 December 2016, upon which we expect to issue our audit report on 3 March 2017.

This report is governed by the French law.

Neuilly-sur-Seine and Courbevoie, 23 February 2017

PRICEWATERHOUSE COOPERS AUDIT | **MAZARS**

Bénédicte Vignon | Benoît Courmont | Olivier Leclerc | Grégory Boutier

2.4.8 Appendices

2.4.8.1 PERIMETER

Geographical Area	Country	Entity	Shares Owned
France	France	CNP Assurances	Consolidating Entity
	France	CNP Caution	100.00%
	France	Préviposte	100.00%
	France	ITV	100.00%
	France	MFPrévoyance	65.00%
	France	Arial CNP Assurances	40.00%
Latin America	Brazil	Caixa Seguradora	51.75%
	Argentina	CNP Assurances Compañia de Seguros	76.47%
Europe excluding France	Italiy	CNP Unicredit Vita	57.50%
	Spain	CNP Partners	100.00%
	Cyprus/Greece	CNP Cyprus Insurance Holdings	50.10%
	Ireland	CNP Santander Insurance	51.00%

The main changes in the Group's scope of consolidation in 2016 are:

- the disposal of La Banque Postale Prévoyance following the finalisation of discussions initiated as part of the renegotiation of partnership agreements;
- the integration of the Arial CNP Assurances subsidiary specialising in the supplementary corporate pensions field and owned by CNP Assurances and AG2R LA MONDIALE;
- the digital channel sales development project in Brazil (Youse).

Entities not covered have been valued on the basis of their IFRS equity restated for intangible components.

2.5 Solvency

The Solvency II directive defines the prudential regime applicable to European insurers and reinsurers from 1 January 2016 (the Solvency II effective date). It sets the minimum capital required by each insurance undertaking and insurance group in order to be able to fulfil their commitments towards insureds and the beneficiaries of their insurance policies. The directive also describes the risk management principles to be applied by these undertakings and groups, as well as their reporting obligations towards the public and the insurance supervisor.

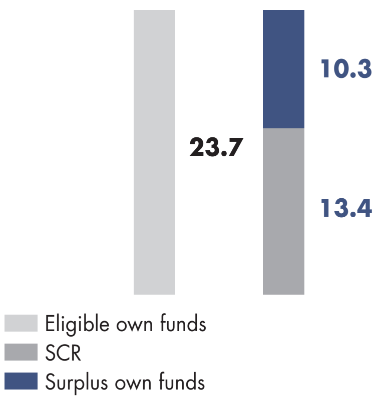
The new prudential regime represents a major change in the European insurance industry's regulatory environment. CNP Assurances has adapted its systems and processes to comply with the new requirements. Since 1 January 2016, the Group's regulatory solvency capital has been measured using the standard formula in Solvency II, without any internal model or any transitional plan, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

The Solvency Capital Requirement (SCR) is the level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5% over a one-year period. At 31 December 2016, CNP Assurances' Group SCR coverage ratio was 177%. The excess of own funds eligible for inclusion in capital available to cover the SCR (€23.7 million) over the SCR (€13.4 billion) represented a regulatory surplus of €10.3 billion.

The Minimum Capital Requirement (MCR) corresponds to the minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time. At 31 December 2016, CNP Assurances' Group MCR coverage ratio was 300%. The excess of own funds eligible for inclusion in capital available to cover the MCR (€20.0 billion) over the MCR (€6.7 billion) represented a regulatory surplus of €13.3 billion.

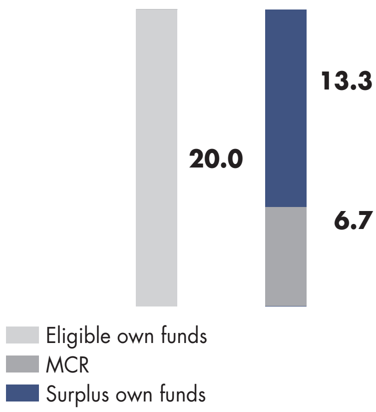
CONSOLIDATED SCR COVERAGE RATIO AT 177% AT 31 DECEMBER 2016

(In € billions)



CONSOLIDATED MCR COVERAGE RATIO AT 300% AT 31 DECEMBER 2016

(In € billions)



3

FINANCIAL STATEMENTS

3.1 Consolidated financial statements

3.1.1 Consolidated balance sheet

ASSETS

(In € millions)	Notes	**31.12.2016**	31.12.2015
Goodwill	*7*	309.5	258.8
Value of In-Force business	*7*	22.2	25.5
Other intangible assets	*7*	534.8	505.0
Total intangible assets		**866.5**	**789.2**
Investment property	*8*	2,926.5	2,757.6
Held-to-maturity investments	*9*	766.3	641.5
Available-for-sale financial assets	*9*	299,428.6	287,908.1
Securities held for trading	*9*	74,540.6	69,492.6
Loans and receivables	*9*	4,945.3	5,686.8
Derivative instruments	*9*	654.3	4,417.2
Insurance investments		**383,261.6**	**370,903.7**
Other investments		**10.9**	**12.8**
Investments in equity-accounted companies	*5*	**67.4**	**186.5**
Reinsurers' share of insurance and financial liabilities	*10*	**23,032.6**	**11,290.8**
Insurance or reinsurance receivables	*12*	3,142.9	2,695.3
Current tax assets		455.6	461.3
Other receivables	*12*	4,236.3	3,644.2
Owner-occupied property and other property and equipment	*8*	309.3	307.1
Other non-current assets		2,052.8	1,656.8
Deferred participation asset	*10*	0.0	0.0
Deferred tax assets	*13*	294.4	278.6
Other assets		**10,491.3**	**9,043.3**
Non-current assets held for sale and discontinued operations		**0.0**	**177.9**
Cash and cash equivalents		**1,399.9**	**1,328.0**
TOTAL ASSETS		**419,130.3**	**393,732.2**

EQUITY AND LIABILITIES

(In € millions)	Notes	31.12.2016	31.12.2015
Share capital	*4*	686.6	686.6
Share premium account		1,716.8	1,716.8
Revaluation reserve		3,846.4	3,364.2
Cash flow hedge reserve	*9*	(41.9)	(4.9)
Undated subordinated notes reclassified in equity	*4*	1,765.2	2,635.2
Retained earnings		8,491.1	7,953.6
Profit for the period		1,200.3	1,130.5
Translation reserve		(131.1)	(369.0)
Equity attributable to owners of the parent		**17,533.5**	**17,113.0**
Non-controlling interests		1,763.1	1,457.8
Total equity		**19,296.6**	**18,570.7**
Insurance liabilities (excluding unit-linked)	*10*	152,601.4	144,326.3
Insurance liabilities (unit-linked)	*10*	39,506.1	32,826.6
Insurance liabilities		**192,107.4**	**177,152.9**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	*10*	130,379.3	135,219.9
Financial liabilities – financial instruments without DPF (excluding unit-linked)	*10*	727.5	605.9
Financial liabilities – unit-linked financial instruments	*10*	7,820.4	7,652.4
Financial liabilities		**138,927.2**	**143,478.2**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	*10*	30,713.6	29,176.2
Insurance and financial liabilities		**361,748.3**	**349,807.3**
Provisions	*14*	**250.6**	**243.1**
Subordinated debt	*11*	5,427.1	3,996.0
Financing liabilities		**5,427.1**	**3,996.0**
Operating liabilities represented by securities		8,645.4	6,360.1
Operating liabilities due to banks		143.2	41.9
Liabilities arising from insurance and reinsurance transactions	*15*	14,884.0	1,808.9
Current taxes payable		291.7	237.2
Current account advances		45.5	42.9
Liabilities towards holders of units in controlled mutual funds		767.5	769.3
Derivative instruments	*9*	1,244.9	4,834.1
Deferred tax liabilities	*13*	1,287.2	1,330.0
Miscellaneous payables	*15*	5,098.3	5,690.8
Other liabilities		**32,407.8**	**21,115.1**
Liabilities related to assets held for sale and discontinued operations		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**419,130.3**	**393,732.2**

3.1.2 Consolidated income statement

(In € millions)	Notes	31.12.2016	31.12.2015
Premiums written		31,779.6	31,760.3
Change in unearned premiums reserve		(284.8)	(431.1)
Earned premiums	*16*	**31,494.7**	**31,329.2**
Revenue from other activities	*16*	**124.3**	**126.6**
Other operating revenue		**0.1**	**0.0**
Investment income		9,315.4	9,660.0
Gains and losses on disposal of investments		836.9	1,351.1
Change in fair value of financial assets at fair value through profit or loss		1,442.3	1,806.4
Change in impairment losses on financial instruments		14.9	174.1
Investment income before finance costs	*20*	**11,609.5**	**12,991.6**
Income from ordinary activities		**43,228.7**	**44,447.4**
Claims and benefits expenses	*17*	(35,731.8)	(37,009.3)
Investment and other financial expenses, excluding finance costs	*20*	(1,113.8)	(863.1)
Reinsurance result	*19*	375.1	89.2
Expenses of other businesses		(2.9)	(0.1)
Acquisition costs	*18*	(3,796.0)	(3,616.8)
Amortisation of value of acquired In-Force business and distribution agreements	*7*	(24.5)	(30.7)
Contract administration expenses	*18*	(186.3)	(168.1)
Other recurring operating income and expense, net	*18*	(261.0)	(541.5)
Total other recurring operating income and expense, net		**(40,741.2)**	**(42,140.4)**
Recurring operating profit		**2,487.5**	**2,307.0**
Other non-recurring operating income and expense, net		(5.8)	1.8
Operating profit		**2,481.7**	**2,308.8**
Finance costs	*20*	(248.2)	(192.2)
Change in fair value of intangible assets	*7*	1.6	1.5
Share of profit of equity-accounted companies	*5*	6.2	25.1
Income tax expense	*21*	(744.4)	(708.1)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Profit for the period		**1,497.0**	**1,435.2**
Non-controlling interests		(296.6)	(304.7)
Profit attributable to owners of the parent		**1,200.3**	**1,130.5**
Basic earnings per share (in €)		1.64	1.54
Diluted earnings per share (in €)		1.64	1.54

3.1.3 Consolidated statement of income and expense recognised in equity

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED IN EQUITY – 2016

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**1,200.3**	**296.6**	**1,497.0**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**718.8**	**215.0**	**933.8**
Available-for-sale financial assets			
Change in revaluation reserve during the period	2,569.3	77.4	2,646.6
Reclassification of proceeds from disposals to profit or loss	(1,253.3)	(11.6)	(1,264.9)
Reclassification of impairment losses to profit or loss	617.9	0.8	618.8
Sub-total including deferred participation and deferred taxes	*1,933.9*	*66.6*	*2,000.5*
Deferred participation including deferred taxes	(1,380.9)	(19.3)	(1,400.2)
Deferred taxes	(35.1)	(25.3)	(60.5)
Of which, change in revaluation reserve for non-current assets held for sale	0.0	0.0	0.0
Sub-total net of deferred participation and deferred taxes	*517.9*	*21.9*	*539.8*
Cash flow hedge reserve	(37.0)	0.0	(37.0)
Change in cash flow hedge reserve during the period	(99.7)	0.0	(99.7)
Cash flow hedge reserve recycled through profit or loss during the period	43.3	0.0	43.3
Deferred taxes	19.4	0.0	19.4
Translation differences	238.0	193.1	431.0
Amounts not recycled through profit or loss	**(0.3)**	**0.0**	**(0.3)**
Actuarial gains and losses	(0.3)	0.0	(0.3)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**718.5**	**215.0**	**933.6**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**1,918.9**	**511.6**	**2,430.5**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED IN EQUITY – 2015

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**1,130.5**	**304.7**	**1,435.2**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**(35.8)**	**(229.2)**	**(265.0)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(1,930.6)	(73.3)	(2,003.9)
Reclassification of proceeds from disposals to profit or loss	(1,268.2)	(15.0)	(1,283.2)
Reclassification of impairment losses to profit or loss	289.1	2.6	291.7
Sub-total including deferred participation and deferred taxes	*(2,909.7)*	*(85.7)*	*(2,995.4)*
Deferred participation including deferred taxes	2,993.2	17.5	3,010.7
Deferred taxes	154.9	30.2	185.0
Of which, change in revaluation reserve for non-current assets held for sale	(2.3)	0.0	(2.3)
Sub-total net of deferred participation and deferred taxes	*238.4*	*(38.1)*	*200.3*
Cash flow hedge reserve	6.9	0.0	6.9
Change in cash flow hedge reserve during the period	82.5	0.0	82.5
Cash flow hedge reserve recycled through profit or loss during the period	(71.0)	0.0	(71.0)
Deferred taxes	(4.6)	0.0	(4.6)
Translation differences	(281.0)	(191.2)	(472.2)
Amounts not recycled through profit or loss	**(5.9)**	**0.0**	**(5.9)**
Actuarial gains and losses	(6.0)	0.0	(6.0)
Other movements	0.1	0.0	0.1
Total income and expense recognised directly in equity	**(41.7)**	**(229.2)**	**(270.9)**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**1,088.8**	**75.4**	**1,164.2**

3.1.4 Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2016

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjust-ments	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Equity at 01.01.2016 – IFRS	**686.6**	**1,716.8**	**3,364.2**	**(4.9)**	**2,635.2**	**9,084.0**	**(369.0)**	**17,113.0**	**1,457.8**	**18,570.7**
Net profit and unrealised and deferred gains and losses for the period			**517.9**	**(37.0)**	**0.0**	**1,200.1**	**238.0**	**1,918.9**	**511.6**	**2,430.5**
■ Dividends paid						(528.5)		(528.5)	(207.3)	(735.9)
■ Issue of shares										
■ Subordinated notes, net of tax					(870.0)	(75.9)		(945.8)		(945.8)
■ Treasury shares, net of tax						12.1		12.1		12.1
■ Changes in scope of consolidation			(35.7)			0.4		(35.3)	(0.9)	(36.2)
■ Other movements						(0.7)		(0.7)	1.9	1.1
EQUITY AT 31.12.2016	**686.6**	**1,716.8**	**3,846.4**	**(41.9)**	**1,765.2**	**9,691.4**	**(131.1)**	**17,533.5**	**1,763.1**	**19,296.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2015

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at 01.01.2015 – IFRS	**686.6**	**1,716.8**	**3,162.4**	**(11.7)**	**2,635.3**	**8,578.5**	**(88.0)**	**16,679.9**	**1,619.6**	**18,299.5**
Net profit and unrealised and deferred gains and losses for the period			**238.4**	**6.9**		**1,124.6**	**(281.0)**	**1,088.8**	**75.4**	**1,164.2**
■ Dividends paid						(528.4)		(528.4)	(243.4)	(771.8)
■ Issue of shares										
■ Subordinated notes, net of tax					(0.1)	(74.4)		(74.6)		(74.6)
■ Treasury shares, net of tax						(10.1)		(10.1)		(10.1)
■ Changes in scope of consolidation			(36.5)			(7.5)		(44.0)	6.8	(37.2)
■ Other movements						1.4		1.4	(0.7)	0.7
EQUITY AT 31.12.2015	**686.6**	**1,716.8**	**3,364.2**	**(4.9)**	**2,635.2**	**9,084.0**	**(369.0)**	**17,113.0**	**1,457.8**	**18,570.7**

3.1.5 Consolidated statement of cash flows

The consolidated statement of cash flows includes:

- cash flows of fully consolidated companies;
- 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) 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, owner-occupied 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 shares;
- dividends paid to owners of the parent and non-controlling shareholders of subsidiaries.

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

(In € millions)	**31.12.2016**	31.12.2015
Cash and cash equivalents (reported in the consolidated balance sheet)	1,399.9	1,328.0
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(143.2)	(41.9)
Securities held for trading	17,459.6	13,893.9
TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)	**18,716.3**	**15,180.0**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	**31.12.2016**	31.12.2015
Operating profit before tax	**2,481.7**	**2,308.8**
Gains and losses on disposal of investments	(913.8)	(1,179.0)
Depreciation and amortisation expense, net	122.6	120.6
Change in deferred acquisition costs	(246.3)	(381.4)
Impairment losses, net	(11.9)	(168.1)
Charges to technical reserves for insurance and financial liabilities	(4,556.2)	10,817.2
Charges to provisions, net	(8.1)	15.9
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(1,497.0)	(1,810.5)
Other adjustments	688.5	396.0
Dividends received from equity-accounted companies	20.2	13.0
Total adjustments	**(6,402.1)**	**7,823.8**
Change in operating receivables and payables	10,726.7	3,195.5
Change in securities sold and purchased under repurchase and resale agreements	2,285.3	(3,959.1)
Change in other assets and liabilities	(90.0)	(51.6)
Income taxes paid, net of reimbursements	(699.7)	(436.7)
Net cash provided by (used by) operating activities	**8,301.9**	**8,880.6**
Acquisitions of subsidiaries and joint ventures, net of cash acquired (1)	(78.8)	0.0
Divestments of subsidiaries and joint ventures, net of cash sold (2)	291.6	131.8
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash provided by (used by) divestments and acquisitions	**212.9**	**131.8**
Proceeds from the sale of financial assets	71,523.0	82,896.4
Proceeds from the sale of investment properties	284.3	112.3
Proceeds from the sale of other investments	1.9	2.2
Net cash provided by (used by) sales and redemptions of investments	**71,809.2**	**83,010.9**
Acquisitions of financial assets	(77,188.4)	(92,075.6)
Acquisitions of investment properties	(185.5)	(388.8)
Acquisitions of other investments	0.0	0.0
Net cash provided by (used by) acquisitions of investments	**(77,373.9)**	**(92,464.4)**
Proceeds from the sale of property and equipment and intangible assets	6.8	29.1
Purchases of property and equipment and intangible assets	(86.4)	(95.6)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	**(79.7)**	**(66.5)**
Net cash provided by (used by) investing activities	**(5,431.5)**	**(9,388.3)**
Issuance of equity instruments (3)	0.7	3.8
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	12.8	(10.9)
Dividends paid	(732.6)	(770.7)
Net cash provided by (used by) transactions with owners	**(719.1)**	**(777.8)**

(In € millions)	**31.12.2016**	31.12.2015
New borrowings	1,474.3	750.0
Repayments of borrowings	(870.0)	(33.7)
Interest paid on borrowings	(364.0)	(312.2)
Net cash provided by (used by) other financing activities	**240.4**	**404.1**
Net cash provided by (used by) financing activities	**(478.7)**	**(373.7)**
Cash and cash equivalents at beginning of period	**15,180.0**	**14,514.3**
Net cash provided by (used by) operating activities	8,301.9	8,880.6
Net cash provided by (used by) investing activities	(5,431.5)	(9,388.3)
Net cash provided by (used by) financing activities	(478.7)	(373.7)
Effect of changes in exchange rates	39.5	37.9
Effect of changes in accounting policies and other changes [(4)]	1,105.0	1,509.2
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**18,716.3**	**15,180.0**

(1) Acquisition of the Italian life insurance business of Barclays Bank Plc (BVP) by CNP Partners for €7 million, acquisition of the Brazilian holding company Voronezh Empreedimentos e Participações for €28 million net of the cash acquired, and acquisition of Arial CNP Assurances for €43 million

(2) Proceeds, net of dividends, from the sale of La Banque Postale Prévoyance to La Banque Postale. The total sale price was €306.9 million including a special dividend of €15.3 million

(3) Share issue by CNP Seguros de Vida for €0.7 million

(4) Corresponding mainly to the reclassification by CNP Assurances France as "Ordinary money market funds" of €0.9 billion worth of units in dynamic funds that are highly sensitive to changes in market prices. The balance reflects the first-time consolidation of CNP Caution, representing a cash inflow of €137 million

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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 IMPACTS OF NEW PARTNERSHIP AGREEMENTS IN FRANCE

Developments concerning the partnership between CNP Assurances and La Banque Postale

Following the authorisation given by the Board of Directors on 16 February 2016, CNP Assurances and La Banque Postale signed a framework agreement on 25 March 2016 renewing their partnership in the areas of term creditor insurance, savings products and personal risk insurance.

Various contracts have been signed in application of the framework agreement. The new agreement, which came into effect on 1 January 2016, is for a 10-year term and its scope has been widened to include La Banque Postale's wealth management subsidiary, BPE.

The partnership with La Banque Postale represents premium income of €8.7 billion.

In term creditor insurance, the new contracts include a 5% quote-share reinsurance treaty with La Banque Postale Prévoyance covering standard term creditor insurance policies for La Banque Postale customers written by CNP Assurances and a financial contract describing the commission arrangements for La Banque Postale and BPE.

In savings, the new contracts give La Banque Postale and BPE an exclusive right to distribute CNP Assurances products.

In personal risk insurance, the framework agreement provided for the sale by CNP Assurances of its 50% stake in La Banque Postale Prévoyance (LBPP) to La Banque Postale for €306.9 million less dividends of €15.3 million. LBPP will notably continue to write personal risk insurance. The sale was subject to approval from France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and anti-trust authorities. Approval from ACPR and the anti-trust authorities was obtained on 6 June 2016 and 21 June 2016, respectively. The sale netted an after-tax gain of €160.6 million, which was included in consolidated profit for first-half 2016.

1.2 SIGNING OF A PARTNERSHIP FRAMEWORK CONTRACT BETWEEN AG2R LA MONDIALE AND CNP ASSURANCES

The partnership framework contract signed on 15 December 2015 between CNP Assurances and AG2R LA MONDIALE came into effect in 2016.

The contract covered the following main aspects:

- acquisition by CNP Assurances of a 40% stake in Arial Assurance, a subsidiary of AG2R LA MONDIALE;
- a commitment to reinsure the new business written by the partnership vehicle, renamed Arial CNP Assurances, *pro rata* to each partner's ownership interest;
- contribution of each of the partners' group pensions contracts (traditional and unit-linked funds). The contributions would be subject to the condition precedent of the signature of a reinsurance treaty between the partnership vehicle, Arial Assurance, and each partner, so that the transferred contracts are reinsured on a 100% basis.

Following the signature of a shareholders' pact on 1 April 2016 between CNP Assurances and LA MONDIALE, to which Arial Assurance and AG2R Réunica Prévoyance are also parties, on 4 April 2016 CNP Assurances and AG2R LA MONDIALE announced the start of operations of their strategic partnership. The operation has been approved by France's insurance supervisor (ACPR) and anti-trust authorities (ADLC).

The stake in Arial Assurance was acquired by CNP Assurances for €43.3 million.

The new subsidiary, renamed Arial CNP Assurances, is accounted for by the equity method in the consolidated financial statements, adding €45.0 million to total assets at 31 December 2016 and €1.4 million to consolidated profit for the year.

1.3 NEW PARTNERSHIP AGREEMENTS WITH BPCE

The new 7-year partnership agreement between the BPCE Group and CNP Assurances has been in full force and effect since 1 January 2016. It includes implementation of an exclusive partnership with Natixis Assurances (co-insurance at the level of 66% for CNP Assurances and 34% for Natixis Assurances in group creditor insurance distributed in Banques Populaires (excluding BRED, Crédit Coopératif and CASDEN), Caisses d'Epargne, Banque Palatine and Crédit Foncier networks as well as specific partnerships in individual and group death/disability and health insurance. It also establishes a mechanism to align the interests of both partners concerning the contracts purchased by Caisses d'Epargne clients up until 31 December 2015 that will continue to be managed by CNP Assurances, as well as a 10%-quota share reinsurance treaty with Natixis Assurances, representing ceded technical reserves of €12.0 billion) – see Note 19.

The partnership with BPCE contributed €10.3 billion to CNP Assurances' consolidated premium income for 2016.

Implementation of the reinsurance treaty covering new business written by Natixis Assurances (tranche 1) generated €603 million in inward reinsurance premiums for the year. CNP Assurances' share of premium income for the year from the new term creditor insurance offer totalled €27.5 million for the Caisse d'Epargne network.

The Group's share of premium income from the co-insured offers sold to customers of the new Banques Populaires and Crédit Foncier networks since January 2016 amounted to €23.2 million.

1.4 SIGNATURE OF AN AGREEMENT BETWEEN EDF, CAISSE DES DÉPÔTS AND CNP ASSURANCES

On 14 December 2016, EDF, Caisse des Dépôts and CNP Assurances signed a binding agreement for the acquisition by Caisse des Dépôts and CNP Assurances of a combined 49.9% stake in Réseau de Transport d'Électricité (RTE). The aim of the transaction is to provide RTE with a new governance structure to support the group over the long term as it invests in building a smart transmission system that will help drive the energy transition.

An off-balance sheet commitment of €1,080 million was recorded in respect of the agreement at 31 December 2016, corresponding to the price for 20% of the capital of the joint holding company that will own 100% of RTE's capital. The joint holding company will partly finance this operation with external debt.

1.5 $500 MILLION PRIVATE PLACEMENT ISSUE

On Friday, 15 January 2016, CNP Assurances placed a $500 million subordinated note with a major institutional investor. The note was issued in response to a specific request from the investor. The proceeds will support business growth and strengthen the Group's balance sheet.

The fixed-for-life issue will pay a 6% coupon in dollars. The final maturity is 33 years, with a first call date after 13 years.

The note has been structured to qualify as equity and is eligible for inclusion in Tier 2 capital under Solvency II. The currency risk is hedged by a derivative instrument qualifying as a cash flow hedge under IFRS.

1.6 €1 BILLION SUBORDINATED NOTES ISSUE

On 12 October 2016, CNP Assurances raised €1 billion through a 6-year, 1.875% subordinated notes issue due October 2022. The notes are rated BBB+ by Standard & Poor's and are eligible for inclusion in Tier 3 capital under Solvency II.

The issue is designed to finance asset growth in Europe and Latin America while also reducing the Group's average cost of debt to 4.5% by diversifying its bond investor base.

1.7 ACQUISITION OF BVP ITALIA'S BUSINESS BY CNP PARTNERS

On 11 December 2015, CNP Partners signed an agreement with Barclays Bank for the acquisition of BVP Italia's insurance business. The agreement notably gave CNP Partners the right to manage BVP Italia's portfolio of In-Force business, with an obligation to provide related policyholder services, together with distribution rights for the CheBanca! traditional savings product with a unit-linked formula.

The acquisition was completed on 1 June 2016 for a price of €7.13 million.

1.8 CNP CIH/BANK OF CYPRUS ARBITRATION

CNP Cyprus Insurance Holdings (CNP CIH) had an exclusive distribution agreement with Laiki Bank for the sale of its insurance products in Laiki Bank branches. Following the restructuring of Cyprus's banking sector in 2013, Bank of Cyprus merged with Laiki Bank and took over its assets and liabilities.

However, a dispute arose after the Bank of Cyprus refused to recognise the agreement and distribute CNP CIH's policies through Bank of Cyprus branches of the former Laiki Bank network.

The dispute was submitted to arbitration in March 2015 and was heard by the International Court of Arbitration (ICA) in London in June 2016. In a ruling handed down on 15 September 2016, the ICA dismissed CNP Assurances' claim for compensation from the Bank of Cyprus. The ruling is binding and the matter is now closed.

Note 2 Subsequent events

CANCELLATION OF THE PLAN TO ACQUIRE 51% OF PAN SEGUROS AND PAN CORRETORA

On 21 April 2016, CNP Assurances announced that it had signed an agreement to acquire a 51% stake in Pan Seguros (excluding its large risks P&C portfolio) and Pan Corretora from Banco BTG Pactual ("BTGP"). Caixa Econômica Federal ("CEF") holds indirectly 49% in both companies.

At 31 December 2016, completion of the transaction remained subject to regulatory and anti-trust approval, as well as to the agreement of CEF, Pan Seguros and Pan Corretora's other shareholder.

On 2 February 2017, the two parties noted that the agreement was no longer valid because some of these conditions precedent had not been met.

ASSETS, EQUITY 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 (*Code des assurances*). 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 2016 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 22 February 2017.

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 2016.

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

New accounting standards adopted since 1 January 2016

- Amendments to the following standards:
  - annual amendment to IAS 1 – Presentation of Financial Statements, concerning the use of professional judgement in deciding what information is needed;
  - annual amendment to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation;
  - annual amendment to IFRS 11 – Acquisition of an Interest in a Joint Operation;
  - annual amendment to IAS 16 and IAS 41 – Agriculture: Bearer Plants;

- annual amendment to IAS 27 – Use of the Equity Method in Separate Financial Statements;
- annual amendment to IAS 19 – Defined Benefit Plans: Employee Contributions;
- amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Application of the Consolidation Exception.

CNP Assurances is not concerned by these amendments that are applicable for accounting periods beginning on or after 1 January 2016.

IFRS annual improvements, 2010-2012 cycle: the amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16 and IAS 38, and IAS 24 have no impact on CNP Assurances' consolidated financial statements.

IFRS annual improvements, 2012-2014 cycle: the amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 have no impact on CNP Assurances' consolidated financial statements.

- Approval of French accounting standards authority regulation ANC 2016-09:

  Regulation ANC 2016-09 on mandatory disclosures in the notes to consolidated financial statements prepared in accordance with IFRS was adopted for use in France on 26 December 2016.

  The main disclosures to be provided in the notes in addition to those required under IFRS are as follows:

  - details of the scope of consolidation;
  - details of investments in companies not included in the scope of consolidation;
  - breakdown of employees of fully consolidated companies by category;
  - details of fees paid to the Statutory Auditors.

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

- The final version of IFRS 9 – Financial Instruments was published on 24 July 2014 and is applicable for accounting periods beginning on or after 1 January 2018. It was adopted by the European Union on 22 November 2016.

  This standard, which replaces IAS 39 – Financial Instruments, sets down accounting principles and disclosure requirements for financial assets and liabilities. This comprehensive final version of IFRS 9 follows three earlier partial publications:

  - on 12 November 2009, the IASB published the first (partial) version of IFRS 9 – Financial Instruments, focusing exclusively on "classification and measurement" of financial assets;
  - on 28 October 2010, the IASB published the second (partial) version of IFRS 9 – Financial Instruments, incorporating requirements on accounting for financial liabilities;
  - on 19 November 2013, the IASB published a new section of IFRS 9 – Financial Instruments, focusing on hedge accounting and amendments to IFRS 9, IFRS 7 – Disclosures and IAS 39 – Financial Instruments: Recognition and Measurement. This new section includes the definition of a business model that more closely reflects an insurance company's strategy for holding and managing financial assets.

  The final version consolidates the three core phases, *i.e.*, classification and measurement, impairment and hedge accounting. Macro hedge accounting is covered in a separate IASB project. This has not yet been finalised but a discussion paper was published on 17 April 2014.

Main provisions of IFRS 9

a) Classification and measurement

IFRS 9 introduces a standard approach to classification and measurement of financial assets and contains only three classification categories: amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

In the case of debt instruments, the assessment is based around two criteria that determine how a financial asset should be classified and measured:

- the business model that the entity uses for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

IFRS 9 introduces two types of business model as follows:

- the financial asset is held within a business model whose objective is to collect the contractual cash flows. If this is the case, the financial asset is measured at amortised cost;
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If so, the financial asset must be measured at FVTOCI.

All other financial assets must be measured at fair value through profit or loss (FVTPL). An entity may designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an inconsistency in valuation methods or accounting treatment (sometimes referred to as an accounting mismatch).

Equity instruments are always measured at FVTPL with the exception of those not held for trading. An entity may 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). Only dividends received from such investments are to be recognised in profit or loss.

IFRS 9 retains the accounting treatment of financial liabilities 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.

b) Impairment

IFRS 9 also introduces a new debt instrument impairment model that involves writing off expected credit losses at initial recognition. Under IAS 39, impairment losses were only taken if there was a recognised risk due to the existence of one or more objective indicators of impairment.

Under the new model, assets move through three stages:

- at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument;
- stage 2: if there has been a significant increase in credit risk since initial recognition, lifetime expected credit losses are recognised, but interest income is still calculated on the gross carrying amount of the asset;
- stage 3: if a credit event affects the issuer, lifetime expected credit losses are recognised and interest income is calculated on the net carrying amount.

c) Hedge accounting

IFRS 9 broadens hedge accounting eligibility criteria in exchange for greater transparency in risk management disclosure.

The new model marks an important change that aligns hedge accounting more closely with risk management and enables entities to disclose these activities more effectively in their financial statements. For example, IFRS 9 allows entities to hedge the risk components of non-financial items and homogeneous groups of items for all types of risk on a net basis.

IFRS 9 changes certain aspects relating to hedging instruments. In particular, changes in the fair value of the time value of an option used as a hedging instrument may be recognised in OCI. Eligibility also extends to the forward element of a forward contract or the foreign currency basis spread, thus reducing volatility in the income statement.

The standard also makes hedge effectiveness testing less rigid. Retrospective and prospective testing (using the 80% to 125% bright line) is replaced by a single prospective test based on three effectiveness requirements: there is ‘an economic relationship’ between the hedged item and the hedging instrument; the effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship; and the hedge ratio is consistent with the entity’s risk management approach.

IFRS 9 transition arrangements

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. However, the Group plans to defer application until 2021.

In light of the publication on 12 September 2016 by the IASB of an amendment to IFRS 4 – Insurance Contracts describing how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. This amendment, which is in the process of being adopted by the European Commission, was issued in response to the need to align first-time adoption of IFRS 9 with that of the new insurance standard (IFRS 17). It provides for:

- application of an “overlay approach” by insurance companies that choose to apply IFRS 9 as from 1 January 2018. This approach consists of reclassifying from profit or loss to “Income and expense recognised directly in equity” the additional volatility caused by applying IFRS 9 to assets previously accounted for as available-for-sale financial assets or financial assets at amortised cost under IAS 39. Insurers will have the option of applying this approach throughout the period until the effective date of the new insurance standard;
- the second option consists of deferring adoption of IFRS 9 for a period of three years until 1 January 2021 (the “deferral approach”).

All traditional insurance companies have the automatic right to apply the deferral approach.

The IASB has also introduced an option to simplify application of IFRS 9 by allowing associates and joint ventures accounted for by the equity method to continue to prepare their consolidation packages in accordance with IAS 39 if they are not required to adopt IFRS 9 in their separate financial statements. Application of this option by CNP Assurances would enable the Group to continue accounting for financial assets in accordance with IAS 39 until 2021.

CNP Assurances fulfils the eligibility criteria for adopting the deferral approach.

- first, its insurance business represents more than the 90% threshold for applying this approach;
- second, it is accounted for by the equity method in the consolidated financial statements of its three main shareholders which are financial institutions and are required to apply IFRS 9 as from 2018. As a result, it will not be required to prepare its consolidation package in accordance with IFRS 9;

- the amendment to IFRS 4 requires additional disclosures in the notes during the transition period (2018-2021), concerning the classification of assets and the reporting entity's exposure to credit risk on assets meeting the criteria in IFRS 9 (assets for which the contractual cash flows consist solely of payments of principal and interest).

Estimated impact for CNP Assurances of applying IFRS 9

The Group is currently reviewing the basis of application and the potential impact of the new standard. The information presented below corresponds to overall estimates of the impact of applying IFRS 9 as it currently stands.

However, confirmation of these estimates will depend on:

- the examination and interpretation of the final published version of IFRS 17 – Insurance Contracts that will replace IFRS 4;
- the adoption of IFRS 17 by the European Commission.

In the meantime, preparing estimates is a complex process and the degree of estimation uncertainty is high.

As part of its preparation for IFRS 9, the Group has taken part in several field tests organised by the European Financial Reporting Advisory Group (EFRAG). EFRAG was created in order to assist the European Commission in approving the international financial reporting standards published by the IASB by providing technical advice on accounting matters. These field tests suggest that the standard's main impact will be a possible material increase in securities classified as "Financial assets at fair value through profit or loss". The final impact of these reclassifications on profit or loss will depend on the options for applying IFRS 17.

The Group has launched a project for the limited application of IFRS 9 asset classification criteria in order to prepare the additional disclosures required under the amendment to IFRS 4 as from 2018.

- IFRS 15 – Revenue from Contracts with Customers: published on 28 May 2014 and applicable for accounting periods beginning on or after 1 January 2018 was adopted by the European Union on 22 September 2016. This standard provides a single model to be applied to all contracts with customers. It replaces the standards that currently deal with revenue recognition, namely IAS 18 – Revenue and IAS 11 – Construction Contracts and related interpretations, along with the following interpretations: IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services.

  Specific types of contracts dealt with in other standards, such as leases, insurance policies and financial instruments, are excluded from the scope of IFRS 15.

  The Group is currently reviewing the basis of application and the potential impacts of IFRS 15. However, further to the review of existing contracts recognised in accordance with IAS 18 (representing 0.23% of consolidated premium income, see Note 16, Premium income and revenue from other activities), the Group believes that application of IFRS 15 will not have a material impact on its consolidated financial statements.

- Clarifications of IFRS 15

The amendments clarifying IFRS 15 published on 12 April 2016 are also applicable for accounting periods beginning on or after 1 January 2018 but have not yet been adopted by the European Union. The amendments to the standard, which was published in 2014, do not alter the underlying principles but simply clarify the way in which they should be applied. Amendments to the body of the standard are limited. Most of the changes concern the Basis for Conclusions and Illustrative Examples.

These amendments are applicable retrospectively in accordance with IAS 8, as if they had formed an integral part of IFRS 15 on the date of first-time adoption. Early application is permitted.

Main standards and interpretations published but not yet approved by the European Union

- IFRS 14 – Regulatory Deferral Accounts

This standard was published by the IFRS Foundation on 30 January 2014. It is applicable for accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. Pending the definitive version, the European Commission has decided not to launch an adoption process for the provisional standard. This provisional standard allows first-time adopters of IFRSs to continue to account for rate-regulated activities in accordance with its previous GAAP until such time as the IASB can complete its comprehensive project on rate regulated activities. These amendments do not have any impact on the Group's consolidated financial statements at 31 December 2016.

- IFRS 16 – Leases

On 13 January 2016, the IASB published IFRS 16 – Leases, which replaces IAS 17 and the related interpretations (IFRIC 4, SIC 15 and SIC 27). IFRS 16 has not yet been approved for use in the European Union. The principal aims of the new standard are to present the assets and liabilities of lessors and lessees more fairly, provide more transparent information, and improve the comparability of financial information presented by entities that lease assets and those that borrow funds to acquire assets outright. The main changes compared to IAS 17 are as follows:

- all leases will be recognised in the lessees' balance sheet, providing better visibility of their assets and liabilities;
- IFRS 16 introduces a single lease accounting model for lessors, in which all leases are treated as finance leases;

- lessees may elect not to apply IFRS 16 to short-term leases and leases for which the underlying asset is of low value (such as laptops);
- a new definition of leases: "A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration";
- the accounting treatment of service contracts is not modified by IFRS 16. However, the standard provides guidance on separating the "service" component of a complex contract from the "lease" component.

IFRS 16 is applicable for annual periods beginning on or after 1 January 2019, with early adoption permitted. The effects of applying IFRS 16 are currently being analysed by the Group.

- Amendments to the following standards

  The amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture published on 11 September 2014 have not yet been adopted by the European Union. In addition, the IASB has decided to postpone their application date.

  The amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses and disclosure initiative amendments to IAS 7 – Statement of Cash Flows are applicable for accounting periods beginning on or after 1 January 2017, subject to adoption by the European Union which is expected to take place in the second quarter of 2017.

  Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions, IFRS 4 – Applying IFRS 9 – Financial Instruments with IFRS 4 – Insurance Contracts, IFRIC 22 – Foreign Currency Transactions and Advance Consideration, and IAS 40 – Transfers of Investment Property are applicable for accounting periods beginning on or after 1 January 2018, subject to adoption by the European Union which is expected to take place in the second half of 2017.

  IFRS annual improvements, 2014-2016 cycle: the amendments are applicable for accounting periods beginning on or after 1 January 2017 or 1 January 2018 and are expected to be adopted by the European Union in the second half of 2017.

  The Group is currently studying the potential impact of the amendments not applicable from 1 January 2016.

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 2015 and the related Statutory Auditors' report, as presented on pages 58 to 159, and pages 160 to 161, respectively, of the Registration Document filed with the AMF on 5 April 2016;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2014 and the related Statutory Auditors' report, as presented on pages 55 to 161, and pages 162 to 163, respectively, of the Registration Document filed with the AMF on 9 April 2015.

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) 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, which are measured using the fair value model.

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 acquired In-Force business, 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 effects 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. Other than the regulatory capital requirements of the insurance subsidiaries, the Group does not have any restrictions limiting its access to assets or settling the liabilities of the entities within its scope of consolidation.

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is a function of three elements: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

Power results from existing rights that give the current ability to direct an investee's relevant activities. The rights that confer power may differ depending on the investee's purpose and design, structure, the nature of its relevant activities or the way in which decisions about the investee are taken. It is generally voting or similar rights that give an investor power, either individually or in combination with other arrangements. If contractual arrangements have a bearing on the relevant activities, they need to be analysed to determine whether rights held are sufficient to confer power. In circumstances where it is difficult to determine whether an investor's rights are sufficient to give it power over an investee, it may be necessary to consider evidence of whether it has the practical ability to direct the relevant activities unilaterally.

Exposure or rights to variable returns from involvement with the investee are assessed based on the investor's returns from existing arrangements which have the potential to vary as a result of the investee's performance. An investor assesses whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement and regardless of the legal form of the returns.

Control results not merely from power over the investee and exposure to variable returns, but from the ability to use power over the investee to affect the amount of the investor's returns from its involvement with the investee. Thus, an investor with decision-making rights must determine whether it is acting as a principal or an agent.

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.

Non-controlling interests represent the interests of minority shareholders in the Group's subsidiaries. The materiality of these non-controlling interests is assessed based on the percentage interest in the share capital of the subsidiary, as well as their impact on the consolidated financial statements.

Jointly-controlled entities (joint arrangements)

A jointly-controlled entity is a contractual arrangement whereby the Group and one or more other parties exercise joint control.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangement:

- joint operations: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Each joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operation and in accordance with the applicable IFRSs;
- joint ventures: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Each joint venturer recognises its interest in the joint venture as an investment using the equity method.

The consolidated financial statements include the Group's interest in the joint venture, recognised by the equity method, from or up to the date when the Group exercises or ceases to exercise joint control.

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 are 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 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 international operations – mainly international 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 international 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, the last available exchange rate for the month preceding the transaction date 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

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 IFRS3. 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 12 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, unless they concern errors whose correction leads to an adjustment of the purchase price allocation.

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 method;
- included in investments accounted for using the equity method 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 an international 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 weighted average 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 acquired In-Force business") representing the difference between the fair value of these contracts and the amount described above.

The value of acquired In-Force business 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 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 periods of 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 owner-occupied 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 owner-occupied 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 the Group's Brazilian subsidiary;
- 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.

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for by the equity method (in accordance with IAS 28). The level of control of mutual funds is assessed separately for each fund based on the following criteria:

- the relationship between the principal and the agent;
- the Group's power over the fund manager;
- the Group's exposure to variable returns, as assessed by applying a specific threshold.

Non-controlling interests in fully consolidated mutual funds are reported on a separate line of the consolidated balance sheet, "Liabilities towards holders of units in controlled mutual funds". Units in mutual funds are measured using the fund's most recently published net asset value. The underlying financial assets are reported in the consolidated balance sheet under "Insurance investments" based on their contribution to the fund's net asset value.

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 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 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.

For all hedging instruments, the Group (i) documents the hedging relationship and the risk management objective and strategy for undertaking the hedge, and (ii) assesses 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.

3.10.6 Structured entities

CNP Assurances' business involves investing in different types of financial assets both in policyholder and own-fund portfolios as part of asset allocation and financial risk diversification strategies.

Under IFRS 12, structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. In the Group's case, mutual funds and asset-backed security funds fulfil the criteria for classification as structured entities.

Details of CNP Assurances' investments in non-consolidated structured entities are disclosed in Note 9.1.4.

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 the consolidated level.

At 31 December 2016, the insurance subsidiaries and the Group as a whole complied with these minimum solvency capital requirements.

Compliance with these requirements is regularly monitored, primarily through the Own Risk and Solvency Assessments (ORSA) conducted at Group level and at the level of the insurance subsidiaries in accordance with Solvency II. This information and the solvency capital calculations are reported to France's insurance supervisor (ACPR).

3.12 TREASURY SHARES

The Group may acquire treasury shares *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 shares are 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 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 with death 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 with death 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.

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 reserves.

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

An outstanding claims 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 acquired In-Force business 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 at the level of 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. Loading on premiums is 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

Post-employment benefits

Post-employment benefits include:

(a) pension plans;

(b) other post-employment benefits.

They are classified as defined contribution or defined benefit plans based on their main terms.

Defined benefit pension plan

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 long-term 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, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Carrés Bleus SA, Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ and US Real Estate 270.

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.

At 31 December 2016, CNP Assurances chose to align its profit and loss indicator for each segment with the internal reporting, which now favours the geographical sectors more on the technical characteristics of the products distributed by the Group.

This choice of geographical segmentation is based on a multi-criteria organisation linked to the Group's strategic priorities (geography, activities, networks) and the allocation of goodwill to mainly geographical Cash Generating Units.

The three geographic segments are:

- France;
- Latin America;
- Europe excluding France.

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

- premium income and revenue from other activities: earned premiums and revenue from other activities, including non-controlling interests and ceded premiums. Premium income and revenue from other activities is an indicator of underwriting volume;
- total revenue: net insurance revenue plus revenue from own-funds portfolios, including non-controlling interests but net of ceded premiums. It is the margin before deducting administrative expenses;
- net insurance revenue: sum of insurance loading, underwriting results and reinsurance results, net of commission paid to distribution partners, including non-controlling interests but net of ceded premiums. It is the margin generated by the insurance business before deducting administrative expenses;
- general expenses: expenses allocated to each reportable segment based on customary cost allocation keys;
- EBIT: operating profit adjusted for net fair value adjustments to financial assets (*i.e.*, excluding sensitivity to changing market prices), finance costs, taxes and non-controlling interests. EBIT is a key indicator of profit by reportable segment

based on analyses by Group senior management. It is the margin generated by the insurance business after deducting administrative expenses. EBIT corresponds to attributable profit for the period adjusted for:

- finance costs,
- share of profit of equity-accounted companies,
- non-recurring items,
- income taxes on the above items,
- non-controlling interests, net of tax,
- fair value adjustments to the trading portfolio (corresponding to unrealised gains and disposal gains on financial instruments recognised at fair value through profit or loss), net of tax, 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), net of tax;

- segment assets and liabilities: until 31 December 2015, assets and liabilities under IFRS were broken out by reportable segment and presented in the notes to the consolidated financial statements. On the assets side, only "Goodwill and the value of acquired In-Force business" and "Financial investments and investments in associates" were tracked by reportable segment on a regular basis. Effective from 30 June 2016, the segment balance sheet is no longer presented; this is in accordance with paragraph 23 of IFRS 8 which bases the presentation of operating segments on indicators regularly provided to the chief operating decision maker.

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 Capital

4.1 UNDATED SUBORDINATED NOTES RECLASSIFIED IN EQUITY

(In € millions)	Issuance date	31.12.2016 Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,765.2**
CNP Assurances	June 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 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
	June 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
	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	EUR	108.0
	October 2012	7.5% until October 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	379.9
	November 2014	4% until November 2024 then reset at the 5-year fixed swap rate +410 bps	EUR	493.6
TOTAL				**1,765.2**

(In € millions)	Issuance date	31.12.2015 Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**2,635.2**
CNP Assurances	June 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 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
	June 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
	December 2006	4.75% until 22 December 2016, then 3-month Euribor +184 bps	EUR	870.0
	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	EUR	108.0
	October 2012	7.5% until October 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	379.9
	November 2014	4% until November 2024 then reset at the 5-year fixed swap rate +410 bps	EUR	493.6
TOTAL				**2,635.2**

4.2 OWNERSHIP STRUCTURE

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,615,340	40.87%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%
French State	7,645,754	1.11%
Total shares held in concert	**537,188,080**	**78.24%**
Private investors	149,430,397	21.76%
of which: CNP Assurances (treasury shares) *	121,661	0.02%
TOTAL	**686,618,477**	**100.00%**

* *The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the resolution submitted to the 2016 Annual General Meeting included in the 2015 Registration Document*

4.3 EQUITY

	Ordinary shares	
Issued capital	**31.12.2016**	31.12.2015
Number of shares outstanding at the beginning of the period	686,618,477	686,618,477
Shares issued during the period	0	0
Number of shares outstanding at the end of the period	**686,618,477**	**686,618,477**

4.4 2016 DIVIDENDS

The recommended 2016 dividend amounts to €0.80 per share, representing a total payout of €549.3 million.

The 2015 dividend approved by the Annual General Meeting amounted to €0.77 per share, representing a total payout of €528.7 million. It was paid in 2016.

4.5 BASIC AND DILUTED EARNINGS PER SHARE

(In € millions)	**31.12.2016**	31.12.2015
Profit attributable to owners of the parent	1,200.3	1,130.5
Charge on deeply-subordinated notes, net of tax	(75.9)	(74.4)
Profit attributable to ordinary shares	**1,124.4**	**1,056.1**
Number of ordinary shares at 1 January	686,618,477.0	686,618,477.0
New shares (weighted number)	0.0	0.0
Weighted average number of shares at end of reporting period	**686,618,477.0**	**686,618,477.0**
Treasury shares	(311,094.25)	(744,140.4)
Weighted average number of shares at end of reporting period	**686,307,382.8**	**685,874,336.6**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares	**1.64**	**1.54**

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.

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.

The renewed partnership agreement between CNP Assurances and La Banque Postale provided for the sale by CNP Assurances to La Banque Postale of its stake in La Banque Postale Prévoyance.

For this reason, La Banque Postale Prévoyance was classified under "Non-current assets held for sale and discontinued operations" at 31 December 2015, in accordance with IFRS 5.

The sale agreement was signed on 25 March 2016 and the conditions precedent were fulfilled in the second quarter of the year. The sale was therefore recognised in the 2016 consolidated financial statements.

For information, CNP Assurances received a total of €300.4 million in dividends from subsidiaries in 2016, comprising €117.2 million from its French subsidiaries, €162.2 million from its Brazilian subsidiaries, €14.4 million from CNP UniCredit Vita and €6.6 million from CNP Cyprus Insurance Holdings.

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

4.6.1 Transactions with shareholders and their subsidiaries

(In € millions)	Transaction (income statement)	Balance (balance sheet)
Commissions	(1,560.9)	0.0
Claims and benefits	(42.6)	(11.5)
Reinsurance	(10.9)	0.0
Employee benefits expense	(9.1)	(1.5)
Financial income and loans	29.3	0.0
Financial expenses and borrowings	(9.2)	(491.3)
Dividends	(407.7)	0.0
Other	307.9	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.

2015 dividends paid to the Group's shareholders in 2016 amounted to €407.7 million, comprising amounts of €216.1 million, €95.8 million and €95.8 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

4.6.2 Transactions with equity-accounted entities

Following the sale of La Banque Postale Prévoyance, the Group no longer has any related party transactions with equity-accounted entities.

4.6.3 Transactions with other related parties

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

(In € millions)	Transaction (income statement)	Balance (balance sheet)
Commissions	0.0	0.0
Claims and benefits	0.9	1.2
Reinsurance	0.0	0.0
Employee benefits expense	2.1	0.9
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

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 2016

- 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 €2,722,364.90.
- 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 totalled €7,437,759.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2016 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2015

- 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 €2,424,876.16.
- 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 totalled €6,700,104.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2015 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

				31.12.2016		31.12.2015	
Company	Consolidation method	Country/City	Business	% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Préviposte	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
ITV	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
La Banque Postale Prévoyance (1)	Not consolidated	France/Paris	Insurance	0.00%	0.00%	50.00%	50.00%
CNP Caution (2)	Full	France/Paris	Insurance	100.00%	100.00%	0.00%	0.00%
Arial CNP Assurances (3)	Equity method	France/Mons en Barœul	Insurance	39.95%	39.95%	0.00%	0.00%
MFPrévoyance SA	Full	France/Paris	Insurance	51.00%	65.00%	51.00%	65.00%
CNP Assurances Compañia de Seguros	Full	Argentina/ Buenos Aires	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/fines determinados	Full	Argentina/ Buenos Aires	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil/Brasilia	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil/Brasilia	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Vida e Previdência	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Consórcios	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil/Porto Alegre	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguros Participações Do Sul Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
FPC Par Corretora de Seguros SA	Equity method	Brazil/Brasilia	Brokerage	25.00%	12.94%	25.00%	12.94%
Odonto Empresas Convenios Dentarios Ltda	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Holding Caixa Seguros Participações em Saude Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
CNP UniCredit Vita	Full	Italy/Milan	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Partners (formerly Vida de Seguros y Reaseguros) (4)	Full	Spain/Madrid	Insurance	100.00%	100.00%	99.50%	99.50%
CNP Partners Solutions	Full	Spain/Madrid	Insurance	100.00%	100.00%	100.00%	99.50%
CNP Cyprus Insurance Holdings	Full	Cyprus/Nicosia	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Cyprus Tower Ltd	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Zois	Full	Greece/Athens	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Praktoriaki	Full	Greece/Athens	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Cyprialife	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Asfalistiki	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
Santander Insurance Life Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%
Santander Insurance Europe Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%
Santander Insurance Services Ireland Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%

Company	Consolidation method	Country/City	Business	31.12.2016 % rights	31.12.2016 % interest	31.12.2015 % rights	31.12.2015 % interest
CNP Europe Life	Full	Ireland/Dublin	Insurance	100.00%	100.00%	100.00%	100.00%
Voronezh Empreedimentos e Participações (5)	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	0.00%	0.00%
2. Mutual fund units							
Ecureuil Profil 30	Full	France	Mutual fund units	93.41%	93.41%	96.04%	96.04%
Univers CNP 1 FCP	Full	France	Mutual fund units	99.03%	99.03%	99.68%	99.68%
CNP ACP Oblig FCP	Equity method	France	Mutual fund units	54.70%	54.70%	48.99%	48.99%
Natixis Ionis	Full	France	Mutual fund units	99.93%	99.93%	100.00%	100.00%
CNP ACP 10 FCP	Equity method	France	Mutual fund units	54.95%	54.95%	49.79%	49.79%
Ecureuil Profil 90	Full	France	Mutual fund units	53.96%	53.96%	55.67%	55.67%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	81.50%	81.50%	79.92%	79.92%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalizaçao SA	Full	Brazil	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdencia	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	Not consolidated	France	Property	0.00%	0.00%	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 AEP 247	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%
Ecureuil Vie Développement (6)	Equity method	France	Brokerage	49.00%	49.00%	51.00%	51.00%
Outlet Invest	Full	France	OPCI	99.95%	99.95%	99.95%	99.95%

(1) La Banque Postale Prévoyance (LBPP) was sold to La Banque Postale by CNP Assurances in 2016. LBPP was previously accounted for by the equity method. It was reclassified under "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5. The total sale price was €306.9 million including a special dividend of €15.3 million. The net price, excluding the dividend, was €291.6 million. The consolidated capital gain amounted to €160.6 million

(2) CNP Caution was consolidated as from 31 March 2016, after acquiring a complete line of business from CNP IAM in exchange for shares

(3) Arial CNP Assurances, which is 60% owned by AG2R LA MONDIALE and 40% owned by CNP Assurances, was accounted for by the equity method at 30 June 2016, based on its balance sheet at 1 April 2016

(4) Following the buyout of non-controlling interests, CNP Partners is now wholly owned by the Group (99.5% by CNP Assurances and 0.5% by CNP Caution)

(5) The Brazilian company Voronezh Empreedimentos e Participações was acquired by CNP Assurances in July 2016 and consolidated for the first time at 31 December 2016

(6) In connection with the new shareholder agreement between CNP Assurances, BPCE and Natixis, in 2016, CNP Assurances transferred to Natixis Assurances 2% of the capital and voting rights of Ecureuil Vie Développement (EVD), in order to enable Natixis Assurances to own 51% of EVD The impact of this transfer is not material. CNP Assurances' analysis shows that EVD will be controlled jointly, justifying the use of the equity method to account for this entity since the transfer

5.2 NON-CONSOLIDATED COMPANIES

Company	Country/City	31.12.2016 % interest
1. Other subsidiaries		
23-25 Marignan SAS	France/Paris	100.00%
36 Marboeuf SAS	France/Paris	100.00%
107 Boétie Élysées	France/Paris	100.00%
270 Investments	France/Paris	100.00%
3i Growth Capital	United Kingdom/London	76.92%
Âge d'Or Expansion	France/Troyes	99.98%
Alpinvest Feeder VCV	Netherlands/Amsterdam	99.98%
Assuristance	France/Paris	66.00%
Avenir Santé	France/Paris	100.00%
Bridgepoint Europe IV	United Kingdom/London	83.34%
Capvita	France/Paris	51.00%
Carrés Bleus	France/Paris	100.00%
Cartera Pbtamsi	Spain/Madrid	100.00%
CBPE VIII	United Kingdom/London	100.00%
Cleantech Europe II	United Kingdom/London	100.00%
CNP Formation	France/Paris	100.00%
CNP International	France/Paris	100.00%
CNP Luxembourg	Luxembourg/Luxembourg	100.00%
CNP Private Equity for Personal Savings	France/Paris	100.00%
CNP Technologies de l'Informat.	France/Paris	99.70%
Cœur Méditerranée	France/Paris	70.00%
Commercial Real Estate Loans	Luxembourg/Luxembourg	61.69%
Das Goethe	France/Paris	100.00%
DIF Infrastructure II	Netherlands/Schiphol	53.33%
Domus Co-Invest	France/Paris	100.00%
Ecureuil Vie Investment	France/Paris	100.00%
Filassistance Services	France/Paris	65.00%
Foncière HID	France/Paris	100.00%
FSN Capital IV (B) LP	Norway/Oslo	100.00%
Futurimmo	France/Paris	99.90%
GCK	France/Paris	80.00%
Geosud	France/Rueil Malmaison	98.00%
Green Quartz	France/Paris	99.90%
Holding Infrastructures Gazier	France/Paris	54.41%
Immaucom	France/Paris	80.00%
Infra-Invest	Luxembourg/Luxembourg	100.00%
Infra-Invest France	France/Paris	100.00%
Infrastructure Partners (MS)	France/Paris	64.94%
Ireland Property Investment Fund	Ireland/Dublin	100.00%
Kleber 46	France/Paris	100.00%

Company	Country/City	31.12.2016 % interest
Laiki Brokers (Insurance & Consultancy Services) Ltd	Cyprus/Nicosia	100.00%
Laiki Insurance Agencies Ltd	Cyprus/Nicosia	100.00%
LCYL Dramas Properties Limited	Cyprus/Nicosia	100.00%
LCYL Karpenisiou Properties Limited	Cyprus/Nicosia	100.00%
LCYL Properties Limited	Cyprus/Nicosia	100.00%
Lux Gare	France/Paris	100.00%
Lyfe	France/Paris	100.00%
Malthazar	France/Paris	50.00%
Montagu IV	United Kingdom/London	100.00%
Naturim	France/Levallois-Perret	100.00%
Neuilly Pilot	France/Paris	100.00%
New Side	France/Paris	100.00%
Open CNP	France/Paris	100.00%
Pantin Logistique	France/Paris	100.00%
Pays-Bas Retail 2013 BV	Netherlands/Amsterdam	100.00%
Pial 34	France/Paris	100.00%
Prévimut	France/Paris	100.00%
Reldon SAS	France/Paris	100.00%
SAS Alleray - Square 15	France/Paris	100.00%
SMCA	France/Paris	50.00%
Sogestop K	France/Paris	100.00%
Sogestop L	France/Paris	50.00%
Sunlight	France/Paris	50.62%
Theemin	France/Paris	100.00%
US Real Estate 270 SAS	France/Paris	100.00%
US Real Estate EVJ SAS	France/Paris	100.00%
Ybry Pont de Neuilly	France/Paris	100.00%
Yellowalto	France/Courbevoie	100.00%
2. Property companies		
5-7 rue Scribe	France/Paris	100.00%
67-69 Victor Hugo	France/Paris	100.00%
83 Avenue Bosquet	France/Paris	100.00%
A9B Paris	France/Paris	100.00%
Assurécureuil Pierre	France/Paris	99.99%
Assurécureuil Pierre 2	France/Paris	100.00%
Assurécureuil Pierre 5	France/Paris	100.00%
Assurécureuil Pierre 7	France/Paris	99.99%
Axe France	France/Paris	50.00%
Baudry Ponthieu	France/Paris	99.91%
Bercy Crystal	France/Paris	100.00%
Broussais Collange SCI	France/Paris	99.90%
Cicoge	France/Paris	100.00%
Cottages du Bois aux Daims	France/Paris	100.00%

3

Company	Country/City	31.12.2016 % interest
Farman	France/Paris	50.00%
Farmoric	France/Courbevoie	100.00%
Foncière Cnp	France/Paris	100.00%
Foncière ELBP	France/Paris	100.00%
FPIP	France/Paris	100.00%
Gf De Brèves	France/Paris	50.00%
Green Rueil	France/Paris	50.00%
Habimmo	France/Paris	99.90%
Holdipierre	France/Paris	100.00%
Ilot 13	France/Paris	50.00%
Issy Desmoulins	France/Paris	100.00%
Issy Vivaldi	France/Paris	100.00%
Jesco	France/Levallois-Perret	55.00%
Lancosme	France/Vendoeuvres	80.00%
Lesly	France/Paris	100.00%
Liberté	France/Paris	50.00%
Maestrimmo	France/Paris	100.00%
Ofelia	France/Paris	66.66%
OPCI Raspail	France/Paris	100.00%
OREA	France/Levallois-Perret	100.00%
Paris 08	France/Paris	100.00%
Parvis Belvedère	France/Paris	100.00%
Passage du Faidherbe	France/Paris	100.00%
Pierre et Labruyère	France/Paris	100.00%
Pierre Quentin Bauchard	France/Paris	99.99%
Pyramides 1	France/Paris	100.00%
Renaissance François 1er (SCI)	France/Paris	100.00%
Residavoult	France/Paris	99.90%
Residential	France/Paris	100.00%
Rueil Newton	France/Paris	50.00%
SA Le Marquis	France/Paris	60.00%
Saphirimmo	France/Paris	100.00%
SAS Pyramides 2	France/Paris	100.00%
SAS Richelieu Vivienne	France/Paris	50.00%
SASU Assurhélène	France/Paris	100.00%
SASU Foz Participations	France/Paris	100.00%
SCI Assurecureuil Pierre 8	France/Paris	100.00%
SCI Canopée	France/Paris	99.98%
SCI De La Cnp	France/Paris	100.00%
SCI Éole Rambouillet	France/Paris	100.00%
SCI Equinox	France/Paris	99.99%
SCI Jasmin	France/Paris	99.95%
SCI Les Chevrons	France/Paris	50.00%

Company	Country/City	31.12.2016 % interest
SCI Max	France/Paris	100.00%
SCI Rueil Apollo	France/Paris	100.00%
SCI Yvoire	France/Paris	50.00%
Secrets et Boétie	France/Paris	100.00%
Sonne	France/Neuilly-sur-Seine	99.95%
Terre Neuve 4 Immo	France/Paris	100.00%
Triangle Montaigne	France/Paris	100.00%
Vendome Europe	France/La Défense	50.00%
Victor Hugo 147	France/Paris	99.98%
Wagram 92	France/Paris	100.00%

French standard ANC 2016-09 requires details of controlled companies that are excluded from the scope of consolidation to be disclosed in the notes to the consolidated financial statements. The table above presents companies that are over 50% owned by the Group but whose key indicators do not exceed the materiality thresholds for inclusion in the scope of consolidation. The materiality thresholds used by the Group are applied to companies that are over 50% owned and to other companies that qualify as controlled entities based on the following criteria in IFRS 10: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. In addition, economic reality is taken into account when applying the thresholds, with the result that certain subsidiaries whose indicators are below the thresholds are nevertheless consolidated.

The list of non-consolidated companies and investments in which CNP Assurances holds a direct interest of more than 10% is presented in the Registration Document (in Note 5.4.4 to the Company financial statements).

5.3 AVERAGE NUMBER OF EMPLOYEES OF CONSOLIDATED COMPANIES

(Headcount)	31.12.2016
Management-grade	2,208
Non-management-grade	2,981
TOTAL	**5,189**

5.4 SUMMARY FINANCIAL INFORMATION: CONSOLIDATED ENTITIES WITH MATERIAL NON-CONTROLLING INTERESTS

	Caixa Seguros Group		CNP UniCredit Vita		CNP Santander Insurance		CNP Cyprus Insurance Holdings		MFPrévoyance SA	
(In € millions)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Earned premiums/Revenue	3,548.6	3,161.1	2,549.0	2,555.9	605.4	492.1	141.5	139.9	134.2	231.2
Net profit (100%)	**482.7**	**503.4**	**49.1**	**51.6**	**47.8**	**22.9**	**27.2**	**16.4**	**12.4**	**25.7**
Net profit – non-controlling interests	237.2	247.9	20.9	21.9	23.4	11.2	13.6	8.2	4.3	9.0
OCI (100%)	(21.1)	(101.4)	40.3	132.4	3.5	1.0	3.3	0.9	13.4	13.9
Comprehensive income (100%)	**461.5**	**402.1**	**89.5**	**184.0**	**51.3**	**23.8**	**30.5**	**17.2**	**25.8**	**39.6**
Comprehensive income – non-controlling interests	225.3	192.0	38.0	78.2	25.1	11.7	15.2	8.6	9.0	13.8
Assets	16,405.3	10,886.7	13,979.4	13,630.4	2,092.3	1,897.0	778.8	781.8	693.8	890.8
Liabilities	14,405.1	9,511.6	13,137.7	12,720.7	1,849.7	1,704.7	487.5	492.7	474.3	683.3
Net assets (100%)	**2,000.2**	**1,375.1**	**841.7**	**909.6**	**242.6**	**192.3**	**291.3**	**289.1**	**219.4**	**207.5**
Net assets – non-controlling interests	990.4	674.8	357.7	386.6	118.9	94.2	145.4	144.3	76.8	72.6
Net cash provided by (used by) operating activities	1,417.0	1,251.8	475.9	644.0	144.5	151.4	25.0	21.5	(175.0)	37.0
Net cash provided by (used by) investing activities	(1,090.7)	(915.3)	(428.4)	(673.9)	(143.5)	(132.9)	(9.2)	(9.0)	185.7	(11.2)
Net cash provided by (used by) financing activities	(326.4)	(388.4)	(26.0)	(21.0)	0.0	5.6	(25.7)	(8.0)	0.0	0.0
Dividends paid to non-controlling interests	(18.2)	(11.3)	(10.6)	(8.4)	0.0	0.0	(6.6)	(4.9)	0.0	0.0

5.5 SUMMARY FINANCIAL INFORMATION: MATERIAL JOINT ARRANGEMENTS

Following the sale of La Banque Postale Prévoyance, the Group no longer has any material joint arrangements.

5.6 SUMMARY FINANCIAL INFORMATION: NON-MATERIAL JOINT ARRANGEMENTS

	Joint ventures		Associates	
(In € millions)	**2016**	2015	**2016**	2015
Carrying amount of investments accounted for using the equity method in CNP Assurances' balance sheet	0.0	168.9	67.4	17.6
Contribution to CNP Assurances' net profit	0.0	0.0	6.2	3.4
Contribution to CNP Assurances' OCI	0.0	0.0	4.4	(2.0)
Contribution to CNP Assurances' comprehensive income	**0.0**	**0.0**	**10.7**	**1.4**

5.7 INFORMATION RELATING TO ENTITIES ACCOUNTED FOR BY THE EQUITY METHOD

5.7.1 Summary financial information on a 100% basis

	31.12.2016			
(In € millions)	**Total assets**	**Equity**	**Premium income**	**Profit/(Loss)**
Arial CNP Assurances *	11,831.5	112.6	741.2	2.1
Ecureuil Vie Développement	11.5	0.3	0.0	0.0
FPC Par Corretora de Seguros SA	54.4	33.8	103.7	42.3
CNP ACP OBLIG FCP	918.3	918.3	0.0	0.0
CNP ACP 10 FCP	888.2	888.2	0.0	0.0

* *The data of ARIAL CNP Assurances refer to temporary data*

	31.12.2015			
(In € millions)	Total assets	Equity	Premium income	Profit/(Loss)
La Banque Postale Prévoyance	2,226.0	310.0	521.6	43.4
FPC Par Corretora de Seguros SA	39.0	25.7	94.8	26.2
PB6	22.2	18.4	0.0	(1.3)
CNP ACP OBLIG FCP	845.8	845.8	0.0	0.0
CNP ACP 10 FCP	823.6	823.6	0.0	0.0

5.7.2 Investments accounted for by the equity method

(In € millions)	**31.12.2016**	31.12.2015
At 1 January	**186.5**	**358.8**
Increase in investment	0.0	0.0
Change in accounting method	0.1	0.0
Newly-consolidated companies	43.3	0.0
Increase in capital	0.0	0.0
Share in earnings	6.2	25.1
Share in identifiable net assets	5.0	(6.6)
Other movements *	(168.9)	(177.9)
Dividends received	(4.9)	(13.0)
At 31 December	**67.4**	**186.5**

* *"Other movements" in 2015 concern La Banque Postale Prévoyance which was reclassified in "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5*
In 2016, "Other movements" relate to the liquidation of PB6

Note 6 Segment information

Effective from 31 December 2016, the segment balance sheet is no longer presented in accordance with paragraph 23 of IFRS 8 which bases the presentation of operating segments on indicators regularly provided to the chief operating decision maker. Segment information is now presented by geographical area.

6.1 2016 INCOME STATEMENT BY GEOGRAPHIC SEGMENT

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income	24,251.3	3,596.1	3,688.8	31,536.2
Total revenue	**2,257.4**	**1,056.3**	**239.7**	**3,553.4**
General expenses	(628.2)	(175.8)	(111.6)	(915.6)
EBIT	**1,629.2**	**880.5**	**128.1**	**2,637.8**
Finance costs				(248.2)
Share of profit of equity-accounted companies				6.2
Non-recurring items				(195.4)
Income tax expense (effective tax rate)				(865.4)
Non-controlling interests				(293.3)
Fair value adjustments and net gains (losses)				158.7
Profit attributable to owners of the parent				**1,200.3**

(In € millions)	Desensitised income statement 31.12.2016
EBIT	**2,637.8**
Net fair value adjustments	(51.1)
Net gains on equities and property	192.2
Non-recurring items	(297.1)
Operating profit	**2,481.7**

(In € millions)	Income tax expense 31.12.2016
Income tax expense (desensitised income statement)	**(865.4)**
Tax on the following items:	
Net fair value adjustments	21.4
Net gains on equities and property	(2.7)
Non-recurring items	102.4
Income tax expense (reported)	**(744.4)**

(In € millions)	Non-controlling interests 31.12.2016
Non-controlling interests (desensitised income statement)	**(293.3)**
Impact of non-controlling interests on the following items:	
Net fair value adjustments	(3.4)
Net gains on equities and property	0.7
Non-recurring items	(0.6)
Non-recurring interests (reported)	**(296.6)**

6.2 RESTATED 2015 INCOME STATEMENT BY GEOGRAPHIC SEGMENT

In 2015, segment information includes CNP Assurances' proportionate share (50%) in its subsidiary La Banque Postale Prévoyance (LBPP). Given the Group's shared ability to direct the activities of LBPP with the second shareholder, the Group considers that this presentation, in accordance with standard possibilities and arrangements of IFRS 8.27, reflects the information provided to management to enable it to oversee the Group's performance and businesses. La Banque Postale Prévoyance was sold during the first half year of 2016.

	Reconciliation to IFRS financial statements					
(In € millions)	France	Latin America	Europe excl. France	Total	LBPP adjustment	Total IFRS
Premium income	24,776.7	3,226.0	3,582.0	31,584.8	(213.2)	31,371.6
Total revenue	**2,087.1**	**1,014.6**	**186.4**	**3,288.1**	**(50.7)**	**3,237.4**
General expenses	(596.6)	(163.5)	(101.6)	(861.6)	16.4	(845.2)
EBIT	**1,490.5**	**851.1**	**84.9**	**2,426.5**	**(34.4)**	**2,392.1**
Finance costs				(192.2)	0.0	(192.2)
Share of profit of equity accounted companies				3.4	21.7	25.1
Non-recurring items				(312.2)	0.0	(312.2)
Income tax expense (effective tax rate)				(810.9)	13.6	(797.3)
Non-controlling interests				(303.2)	0.0	(303.2)
Fair value adjustments and net gains (losses)				319.2	(0.9)	318.3
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT				**1,130.5**	**0.0**	**1,130.5**

(In € millions)	Desensitised income statement 31.12.2015	o/w LBPP
EBIT	**2,426.5**	**34.4**
Net fair value adjustments	22.9	0.4
Net gains on equities and property	339.3	0.9
Non-recurring items	(444.1)	0.0
Operating profit	**2,344.6**	**35.8**

Note 7 Intangible assets

7.1 INTANGIBLE ASSETS BY CATEGORY

	31.12.2016				
(In € millions)	**Cost**	**Amortisation**	**Impairment**	**Reversals**	**Carrying amount**
Goodwill	702.7	0.0	(393.2)	0.0	309.5
Value of In-Force business	355.4	(174.5)	(158.8)	0.0	22.2
Distribution agreements	390.7	(39.8)	0.0	0.0	350.9
Software	423.6	249.4	0.0	0.0	174.2
Internally-developed software	199.2	(123.3)	0.0	0.0	75.9
Other software	224.4	(126.1)	0.0	0.0	98.3
Other	26.9	(13.4)	(3.6)	0.0	9.8
TOTAL	**1,899.3**	**(477.2)**	**(555.6)**	**0.0**	**866.5**

	31.12.2015				
(In € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	652.0	0.0	(393.2)	0.0	258.8
Value of In-Force business	337.4	(153.1)	(158.8)	0.0	25.5
Distribution agreements	390.0	(19.6)	0.0	0.0	370.4
Software	339.7	(215.7)	0.0	0.0	124.1
Internally-developed software	173.8	(107.0)	0.0	0.0	66.9
Other software	165.9	(108.7)	0.0	0.0	57.2
Other	26.0	(11.9)	(3.6)	0.0	10.5
TOTAL	**1,745.1**	**(400.2)**	**(555.7)**	**0.0**	**789.2**

7.2 GOODWILL

7.2.1 Goodwill by company

(In € millions)	Original goodwill	**Goodwill: investments held at 31.12.2016**	Goodwill: investments held at 31.12.2015
Caixa Seguros Group	389.9	213.2	169.6
CNP UniCredit Vita	366.5	0.0	0.0
CNP Partners	7.2	7.2	0.0
CNP Cyprus Insurance Holdings	81.6	34.8	34.8
CNP Santander Insurance	54.4	54.4	54.4
TOTAL	**899.6**	**309.5**	**258.8**

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

Expected future cash flows were taken from the 2017-2021 business projections approved by management. These projections were then extrapolated using an average new business growth rate of zero between 2022 and 2040 and discounted to present value using an after-tax discount rate of approximately 14.7%.

At 31 December 2016 and 31 December 2015, the recoverable amount of Caixa Seguros goodwill was greater than its carrying amount, and a reasonable change in the discount rate applied to future cash flows would not have resulted in the recognition of any impairment loss.

Similarly, an analysis based on projected cash flows through to the end of the current distribution agreement (2021) would not result in an impairment loss being recognised and the same would apply in the case of a reasonable change in the discount rate and projected business volumes used for the test.

CNP Cyprus Insurance Holdings

At 31 December 2016, expected future cash flows were taken from the 2017-2021 business projections approved by management. These projections were then extrapolated using a stable average new business growth rate of around 2% for non-life business and 3% for life business for the period between 2021 and 2028 (the final year of the agreement with Cyprus Popular Bank) and discounted to present value using an after-tax discount rate of approximately 9% for operations in Cyprus. The Greek subsidiary has not been valued since June 2013.

At 31 December 2016, the recoverable amount of CNP Cyprus Insurance Holdings goodwill was greater than its carrying amount, and a reasonable change in the discount rate applied to future cash flows or a significant decline in future business volumes in Greece and Cyprus would not have resulted in the recognition of any impairment loss.

CNP Santander Insurance

At 31 December 2016, expected future cash flows were taken from the 2017-2021 business projections approved by management. These projections were then extrapolated using an average new business growth rate of 1% per year until 2018 and 2.5% from 2019 to 2024, with the rate then remaining stable until 2034 (the final year of the distribution agreement). The projected cash flows were discounted to present value using an after-tax discount rate of 7.3%.

At 31 December 2016, the recoverable amount of CNP Santander Insurance goodwill was greater than its carrying amount and no impairment loss was recognised.

The CNP Santander Insurance acquisition agreement includes an earn-out/earn-in clause based on the performance of the three entities included in the deal. During the purchase price allocation process, the earn-out was estimated based on the business projections available at the time. These projections were updated in 2016, leading to the recognition in the Group's accounts of an expense for the year of €11.7 million – covering the projection period ending in 2020 – and a liability towards the vendor in the same amount.

CNP Partners – BVP Italia

The acquisition was completed on 1 June 2016 for a price of €7.25 million, less the amount of any surrenders that were due to take place within 60 days of the completion date, as defined by Italy's insurance supervisor (€122 thousand).

The acquisition was initially recognised as an intangible asset by CNP Partners at the adjusted price, pending completion of the purchase price allocation process. In accordance with IFRS, the purchase price allocation will be completed during the first quarter of 2017.

BVP Italia's acquisition balance sheet was included in CNP Partners' financial statements at 30 June 2016.

7.2.2 Changes in goodwill for the period

(In € millions)	**31.12.2016**	31.12.2015
Carrying amount at the beginning of the period	**258.8**	**473.8**
Goodwill recognised during the period	7.2	0.0
Adjustments to provisional accounting [(1)]	0.0	(137.0)
Adjustments resulting from changes in earn outs	0.0	(20.8)
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustments on gross goodwill [(2)]	43.6	(57.3)
Other movements	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
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	**309.5**	**258.8**

(1) Adjustments to provisional accounting in 2015 mainly concern CNP Santander Insurance and correspond primarily to the recognition of newly identified intangible assets, in accordance with IFRS 3 (paragraph 45)

(2) Translation adjustments on gross goodwill, in the amount of €43.6 million, concern the Brazilian companies Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda

7.3 VALUE OF ACQUIRED IN-FORCE BUSINESS AND DISTRIBUTION AGREEMENTS

7.3.1 Value of In-Force business

(In € millions)	Original value	**Carrying amount at 31.12.2016**	Carrying amount at 31.12.2015
Caixa Seguros Group	123.5	5.1	4.9
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	0.0	0.0
CNP Assurances Compañia de Seguros	0.9	0.0	0.0
CNP Cyprus Insurance Holdings	44.4	12.3	13.9
MFPrévoyance SA	8.3	0.0	0.0
CNP Santander Insurance	14.7	4.7	6.8
TOTAL	**391.0**	**22.2**	**25.5**

7.3.2 Changes in the value of In-Force business

(In € millions)	**31.12.2016**	31.12.2015
Gross amount at the beginning of the period	**337.4**	**343.8**
Newly-consolidated companies	0.0	17.2
Translation adjustments	18.1	(23.6)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Gross amount at the end of the period	**355.4**	**337.4**
Accumulated amortisation and impairment at the beginning of the period	(311.9)	(323.0)
Translation adjustments	(16.9)	22.2
Amortisation for the period	(4.5)	(11.0)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Accumulated amortisation and impairment at the end of the period	**(333.3)**	**(311.9)**
CARRYING AMOUNT AT THE END OF THE PERIOD	**22.2**	**25.5**

7.3.3 Distribution agreements

(In € millions)	**31.12.2016**	31.12.2015
Carrying amount at the beginning of the period	**370.4**	**2.6**
Acquisitions for the period	0.0	388.2
Amortisation for the period	(20.1)	(19.6)
Adjustments	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	0.6	(0.8)
Other movements	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	**350.9**	**370.4**

7.4 SOFTWARE AND OTHER INTANGIBLE ASSETS

7.4.1 Internally developed software

(In € millions)	**31.12.2016**	31.12.2015
Carrying amount at the beginning of the period	**66.9**	**61.9**
Acquisitions for the period	22.9	24.1
Amortisation for the period	(13.9)	(11.3)
Impairment losses	0.0	(2.1)
Translation adjustments	0.0	0.0
Other movements	0.0	(5.8)
CARRYING AMOUNT AT THE END OF THE PERIOD	**75.9**	**66.9**

7.4.2 Other software and other intangible assets

(In € millions)	**31.12.2016**	31.12.2015
Carrying amount at the beginning of the period	**67.7**	**58.4**
Acquisitions for the period	42.1	36.8
Amortisation for the period	(15.1)	(13.4)
Impairment losses	(0.8)	(6.0)
Translation adjustments	14.4	(12.3)
Other movements	(0.3)	4.2
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**108.0**	**67.7**

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 amounts 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 an international transaction 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)*	**31.12.2016**	31.12.2015
Investment property measured by the cost model		
Gross value	2,097.6	2,083.8
Accumulated depreciation	(289.0)	(333.7)
Accumulated impairment losses	(3.2)	(5.1)
Carrying amount	**1,805.4**	**1,745.0**
Investment property measured by the fair value model		
Gross value	1,121.1	1,012.6
TOTAL INVESTMENT PROPERTY	**2,926.5**	**2,757.6**

Investment property (other than property held in unit-linked portfolios) *(In € millions)*	**31.12.2016**	31.12.2015
Carrying amount at the beginning of the period	**1,745.0**	**1,763.4**
Acquisitions	55.6	40.5
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(98.3)	(34.2)
Depreciation for the period	(36.0)	(40.5)
Impairment losses recognised during the period	(1.2)	(2.4)
Impairment losses reversed during the period	3.5	12.8
Translation adjustments	2.0	(1.3)
Other movements	135.0	6.7
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,805.4**	**1,745.0**

Investment property held in unit-linked portfolios *(In € millions)*	31.12.2016	31.12.2015
Carrying amount at the beginning of the period	**1,012.6**	**645.0**
Acquisitions	129.9	343.5
Post-acquisition costs included in the carrying amount of property	0.1	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(42.9)	(6.4)
Net gains arising from remeasurement at fair value	19.1	31.5
Translation adjustments	2.6	(1.2)
Other movements	(0.3)	0.2
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,121.1**	**1,012.6**

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)*	31.12.2016	31.12.2015
Carrying amount at the beginning of the period	**263.9**	**304.6**
Acquisitions	1.8	16.2
Post-acquisition costs included in the carrying amount of property	0.2	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(4.5)	(20.2)
Depreciation for the period	(7.6)	(7.4)
Impairment losses recognised during the period	0.0	(0.7)
Impairment losses reversed during the period	0.9	0.0
Translation adjustments	12.7	(20.3)
Other movements	(2.0)	(8.3)
CARRYING AMOUNT AT THE END OF THE PERIOD	**265.3**	**263.9**

Other property and equipment *(In € millions)*	31.12.2016	31.12.2015
Carrying amount at the beginning of the period	**43.2**	**44.4**
Acquisitions for the period	19.5	17.9
Depreciation for the period	(17.1)	(17.3)
Disposals for the period	(3.8)	(1.2)
Translation adjustments	2.4	(2.4)
Other movements	(0.2)	1.8
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**44.0**	**43.2**

Note 9 Investments by category

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 2016

(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					11,408.6	
	Variable-rate bonds					20,877.4	
	TCNs (money market securities)					242.9	
	Equities					3,606.1	
	Investment funds					37,266.0	
	Shares in non-trading property companies					1,028.7	
	Other (including lent securities and repos)					110.9	
	Total					**74,540.6**	
Derivative instruments	Derivative instruments (positive fair value)					654.3	
	Derivative instruments (negative fair value)					(1,244.9)	
	Total					**(590.6)**	
Available-for-sale financial assets	Fixed-rate bonds	155,900.3	2,091.0	(7.5)	18,602.2	176,586.1	
	Variable-rate bonds	26,960.3	755.9	(31.7)	2,609.6	30,294.2	
	TCNs (money market securities)	3,184.2	0.0	0.0	2.1	3,186.3	
	Equities	15,163.9	0.0	(5,000.4)	7,561.9	17,725.3	
	Investment funds	45,068.9	0.0	(315.2)	3,041.1	47,794.8	
	Shares in non-trading property companies	5,063.9	0.0	(274.8)	1,641.6	6,430.7	
	Non-voting loan stock	42.9	0.0	(4.0)	21.0	59.9	
	Other (including lent securities and repos)	15,442.8	(291.3)	(127.4)	2,327.1	17,351.2	
	Total	**266,827.3**	**2,555.7**	**(5,761.0)**	**35,806.6**	**299,428.6**	
Held-to-maturity investments	Fixed-rate bonds	334.9				334.9	8.4
	Variable-rate bonds	259.6				259.6	23.4
	Other (including lent securities and repos)	171.8				171.8	10.0
	Total	**766.3**				**766.3**	**41.8**
Loans and receivables	Loans and receivables	4,962.4		(17.1)		4,945.3	0.0
	Total	**4,962.4**		**(17.1)**		**4,945.3**	**0.0**
Investment property	Investment property at amortised cost	2,097.6	(289.0)	(3.2)		1,805.4	942.8
	Investment property measured by the fair value model	1,121.1	0.0	0.0		1,121.1	
	Total	**3,218.6**	**(289.0)**	**(3.2)**		**2,926.5**	**942.8**
TOTAL				**(5,781.3)**	**35,806.6**	**382,016.7**	**984.6**

UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2016

	Carrying amount		
(In € millions)	**Unit-linked**	**Traditional savings**	**Total**
Fixed-rate bonds	6,597.8	4,810.8	11,408.6
Variable-rate bonds	9,723.7	11,153.6	20,877.4
TCNs (money market securities)	75.6	167.3	242.9
Equities	278.0	3,328.2	3,606.1
Investment funds	25,235.5	12,030.5	37,266.0
Shares in non-trading property companies	0.0	1,028.7	1,028.7
Other	110.3	0.6	110.9
TOTAL	**42,021.0**	**32,519.6**	**74,540.6**

9.1.2 Investments at 31 December 2015

(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					9,908.9	
	Variable-rate bonds					18,877.4	
	TCNs (money market securities)					142.9	
	Equities					3,592.5	
	Investment funds					35,841.8	
	Shares in non-trading property companies					960.2	
	Other (including lent securities and repos)					168.8	
	Total					**69,492.6**	
Derivative instruments	Derivative instruments (positive fair value)					4,417.2	
	Derivative instruments (negative fair value)					(4,834.1)	
	Total					**(416.9)**	
Available-for-sale financial assets	Fixed-rate bonds	152,806.0	2,018.1	(0.5)	18,232.9	173,056.5	
	Variable-rate bonds	28,244.3	847.0	(32.9)	2,374.1	31,432.4	
	TCNs (money market securities)	3,499.6	0.0	0.0	17.6	3,517.3	
	Equities	14,584.4	0.0	(4,833.6)	6,608.3	16,359.2	
	Investment funds	38,854.3	0.0	(326.8)	2,668.0	41,195.5	
	Shares in non-trading property companies	4,082.6	0.0	(269.3)	1,346.8	5,160.2	
	Non-voting loan stock	42.9	0.0	(2.8)	19.9	60.0	
	Other (including lent securities and repos)	15,190.6	(279.4)	(323.2)	2,539.1	17,127.1	
	Total	**257,304.7**	**2,585.8**	**(5,789.1)**	**33,806.7**	**287,908.1**	
Held-to-maturity investments	Fixed-rate bonds	376.7				376.7	(10.9)
	Variable-rate bonds	264.7				264.7	17.3
	Total	**641.5**				**641.5**	**6.5**
Loans and receivables	Loans and receivables	5,703.9		(17.1)		5,686.8	43.2
	Total	**5,703.9**		**(17.1)**		**5,686.8**	**43.2**
Investment property	Investment property at amortised cost	2,083.8	(333.7)	(5.1)		1,745.0	897.3
	Investment property measured by the fair value model	1,012.6	0.0	0.0		1,012.6	0.0
	Total	**3,096.4**	**(333.7)**	**(5.1)**		**2,757.6**	**897.3**
TOTAL				**(5,811.3)**	**33,806.7**	**366,069.6**	**947.0**

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

Until 31 December 2015, the amounts recorded under assets and liabilities were determined by analysing the two legs of each instrument separately.

Effective from 1 January 2016, each derivative instrument is presented as a single instrument without analysing the two legs separately. If the new presentation had been adopted at 31 December 2015, it would have had the effect of reducing the carrying amount of instruments with a positive fair value from €4,417.2 million to €699.2 million and reducing the carrying amount of instruments with a negative fair value from €4,834.1 million to €1,116.0 million.

UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2015

	Carrying amount		
(In € millions)	Unit-linked	Traditional savings	Total
Fixed-rate bonds	4,583.7	5,325.2	9,908.9
Variable-rate bonds	7,307.4	11,569.9	18,877.4
TCNs (money market securities)	81.5	61.4	142.9
Equities	99.7	3,492.8	3,592.5
Investment funds	23,437.8	12,404.0	35,841.8
Shares in non-trading property companies	0.0	960.2	960.2
Other	167.2	1.6	168.8
TOTAL	**35,677.4**	**33,815.2**	**69,492.6**

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)	**31.12.2016**	31.12.2015
Analysis of investments	382,016.7	366,069.6
Balance sheet – Liabilities – Derivative instruments (negative fair value) *	(1,244.9)	(4,834.1)
Balance sheet – Assets – Insurance investments	383,261.6	370,903.7
VARIANCE	**0.0**	**0.0**

* *At 31 December 2015, applying the new presentation method would have had the effect of reducing the negative fair value from €4,834.1 million to €1,116.0 million*

9.1.4 Non-consolidated structured entities

9.1.4.1 Non-consolidated structured entities at 31 December 2016

	Investment funds (excluding unit-linked)		**Asset-backed security funds (excluding unit-linked)**		**Structured entities held in unit-linked portfolios**	
(In € millions)	**Carrying amount**	**Gains/(losses) over the period**	**Carrying amount**	**Gains/(losses) over the period**	**Carrying amount**	**Gains/(losses) over the period**
Securities held for trading	12,329.8	266.4	665.5	26.9		
Financial assets designated on initial recognition as being at fair value through profit or loss	14.6	0.4	3.7	0.1	25,246.8	33.9
Available-for-sale financial assets	47,794.8	597.8	1,480.1	21.3		
Held-to-maturity investments						
TOTAL ASSETS	**60,139.2**	**864.6**	**2,149.3**	**48.3**	**25,246.8**	**33.9**

At 31 December 2016, the Group's maximum exposure to structured entities was limited to the amounts invested and no financial support was provided during the period.

9.1.4.2 Non-consolidated structured entities at 31 December 2015

	Investment funds (excluding unit-linked)		Asset-backed security funds (excluding unit-linked)		Structured entities held in unit-linked portfolios	
(In € millions)	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period
Securities held for trading	12,531.1	231.3	853.2	30.4		
Financial assets designated on initial recognition as being at fair value through profit or loss	10.1	1.3	3.6	0.1	23,449.9	873.6
Available-for-sale financial assets	41,195.5	476.7	2,020.3	48.5		
Held-to-maturity investments						
TOTAL ASSETS	**53,736.7**	**709.3**	**2,877.2**	**78.9**	**23,449.9**	**873.6**

At 31 December 2015, the Group's maximum exposure to structured entities was limited to the amounts invested and no financial support was provided during the period.

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 2016

(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 *	65,069.1	10,125.8	0.0	75,194.9
Available-for-sale financial assets	275,448.3	23,974.9	5.4	299,428.6
TOTAL FINANCIAL ASSETS	**340,517.3**	**34,100.8**	**5.4**	**374,623.5**
Investment property at amortised cost	0.0	2,728.2	20.0	2,748.2
Investment property measured by the fair value model	0.0	1,104.9	16.1	1,121.1
TOTAL INVESTMENT PROPERTY	**0.0**	**3,833.1**	**36.2**	**3,869.3**
Financial liabilities at fair value through profit or loss				
Financial liabilities – financial instruments without DPF (excluding unit-linked)	727.5	0.0	0.0	727.5
Financial liabilities (linked liabilities) – financial instruments without DPF	4,073.2	0.0	0.0	4,073.2
Derivative instruments	0.0	1,244.9	0.0	1,244.9
TOTAL FINANCIAL LIABILITIES	**4,800.7**	**1,244.9**	**0.0**	**6,045.7**

* *Includes derivative financial instruments (assets)*

9.2.2 Valuation methods at 31 December 2015

(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 [(1)]	59,952.7	13,957.0	0.0	73,909.7
Available-for-sale financial assets	265,757.6	22,132.2	18.3	287,908.1
TOTAL FINANCIAL ASSETS	**325,710.3**	**36,089.2**	**18.3**	**361,817.8**
Investment property at amortised cost	0.0	2,621.4	20.9	2,642.3
Investment property measured by the fair value model	0.0	1,005.5	7.2	1,012.6
TOTAL INVESTMENT PROPERTY	**0.0**	**3,626.8**	**28.1**	**3,654.9**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	
Financial liabilities – financial instruments without DPF (excluding unit-linked)	605.9	0.0	0.0	605.9
Financial liabilities (linked liabilities) – financial instruments without DPF	4,187.5	0.0	0.0	4,187.5
Derivative instruments [(2)]	0.0	4,834.1	0.0	4,834.1
TOTAL FINANCIAL LIABILITIES	**4,793.4**	**4,834.1**	**0.0**	**9,627.4**

(1) Including derivative instruments with a positive fair value of €4,417.2 million or €699.2 million based on the new presentation

(2) At 31 December 2015, applying the new presentation method would have had the effect of reducing the reported amount from €4,834.1 million to €1,116.0 million

Insofar as all of the Group's derivatives are collateralised, counterparty risk is extremely limited, and credit and debit valuation adjustments have no impact on the measurement of these derivatives.

9.2.3 Reconciliation of movements for the period in securities measured using a valuation model not based solely on observable market inputs

	31.12.2016											
(In € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	18.3	16.5	0.0	0.0	(28.8)	0.0	(0.6)	(0.5)	0.0	0.0	0.5	5.4
TOTAL FINANCIAL ASSETS	**18.3**	**16.5**	**0.0**	**0.0**	**(28.8)**	**0.0**	**(0.6)**	**(0.5)**	**0.0**	**0.0**	**0.5**	**5.4**
Investment property at fair value	7.2	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	16.1
Investment property at amortised cost	20.9	0.0	0.0	1.8	(7.3)	0.0	0.0	0.0	0.0	0.0	4.7	20.1
TOTAL INVESTMENT PROPERTY	**28.1**	**6.4**	**0.0**	**1.8**	**(7.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.3**	**36.2**
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**

	31.12.2015												
(In € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value through profit or loss	Impact of sales of available-for-sale financial assets		Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	69.5	7.3	0.0	0.0	(58.3)	0.0	0.0	0.0	0.5	0.0	0.0	(0.6)	18.3
TOTAL FINANCIAL ASSETS	**69.5**	**7.3**	**0.0**	**0.0**	**(58.3)**	**0.0**	**0.0**	**0.0**	**0.5**	**0.0**	**0.0**	**(0.6)**	**18.3**
Investment property at fair value	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	7.2
Investment property at amortised cost	1.7	0.0	0.0	23.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.7)	20.9
TOTAL INVESTMENT PROPERTY	**1.7**	**8.3**	**0.0**	**23.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(4.8)**	**28.1**
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**	**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:

		Carrying amount	
(In € millions)		**31.12.2016**	31.12.2015
Available-for-sale financial assets	Fixed-rate bonds	8,488.8	6,560.8
	Equities	0.0	0.0
TOTAL		**8,488.8**	**6,560.8**

9.4 LENT SECURITIES

The following table analyses the carrying amount of lent securities, by asset category and intended holding period:

		Carrying amount	
(In € millions)		**31.12.2016**	31.12.2015
Available-for-sale financial assets	Fixed-rate bonds	8,627.6	9,430.8
	Equities (quoted)	183.1	1,087.4
TOTAL		**8,810.8**	**10,518.1**

9.5 MOVEMENTS FOR THE PERIOD

9.5.1 2016

(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	Closing carrying amount
Securities held for trading	69,492.6	30,641.9	(29,880.6)	1,529.5	0.0	0.0	386.6	2,370.7	74,540.6
Derivative instruments	(416.9)	87.0	(46.5)	(212.4)	0.0	0.0	(0.0)	(1.7)	(590.6)
Available-for-sale financial assets	287,908.1	116,637.2	(107,871.3)	1,948.3	(618.8)	631.7	430.1	363.2	299,428.6
Held-to-maturity investments	641.5	444.0	(445.2)	0.0	0.0	0.0	0.0	125.9	766.3
Loans and receivables	5,686.8	280.0	(1,025.1)	0.0	0.0	0.0	6.7	(3.0)	4,945.3
Investment property	2,757.6	141.9	(133.5)	19.4	(0.3)	2.2	0.0	139.1	2,926.5
TOTAL	**366,069.6**	**148,232.1**	**(139,402.2)**	**3,284.8**	**(619.1)**	**634.0**	**823.3**	**2,994.2**	**382,016.7**

* *See Note 20.3.*

9.5.2 2015

(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	Closing carrying amount
Securities held for trading	68,775.3	36,076.6	(34,303.6)	1,653.8	0.0	0.0	(24.4)	(2,685.2)	69,492.6
Derivative instruments	(633.4)	108.9	(38.2)	145.8	0.0	0.0	0.0	0.0	(416.9)
Available-for-sale financial assets	285,235.5	92,392.9	(86,328.5)	(2,986.6)	(291.7)	436.8	(85.1)	(465.1)	287,908.1
Held-to-maturity investments	564.4	381.9	(183.6)	0.0	0.0	18.5	0.0	(139.8)	641.5
Loans and receivables	4,984.4	1,414.2	(790.5)	0.0	0.0	0.0	80.5	(2.0)	5,686.8
Investment property	2,408.4	348.3	(41.4)	33.1	(2.4)	12.8	0.0	(1.2)	2,757.6
TOTAL	**361,334.6**	**130,722.8**	**(121,685.7)**	**(1,154.0)**	**(294.1)**	**468.2**	**(29.0)**	**(3,293.3)**	**366,069.6**

* *See Note 20.3*

9.6 DERIVATIVE INSTRUMENTS

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity:

	31.12.2016											
	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	47.7	(251.8)	145.4	(388.4)	7.2	(414.1)	0.0	(152.6)	0.0	(3.8)	200.4	(1,210.8)
Cap/floor	0.0	0.0	142.0	0.0	91.0	0.0	0.0	0.0	0.0	0.0	232.9	0.0
Equity	4.7	0.0	96.6	0.0	119.7	(33.9)	0.0	(0.3)	0.0	0.0	221.0	(34.2)
TOTAL	**52.4**	**(251.8)**	**384.0**	**(388.4)**	**217.9**	**(448.0)**	**0.0**	**(152.9)**	**0.0**	**(3.8)**	**654.3**	**(1,244.9)**

	31.12.2015											
	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	48.4	(57.2)	1,320.0	(1,435.9)	1,386.6	(1,522.9)	475.4	(584.6)	153.3	(226.0)	3,383.7	(3,826.6)
Cap/floor	10.0	(12.7)	216.8	(302.5)	657.5	(553.0)	0.2	(55.7)	1.0	(75.8)	885.4	(999.7)
Equity	28.4	(7.8)	10.7	0.0	109.0	0.0	0.0	0.0	0.0	0.0	148.0	(7.8)
TOTAL	**86.7**	**(77.7)**	**1,547.4**	**(1,738.4)**	**2,153.1**	**(2,075.9)**	**475.6**	**(640.3)**	**154.3**	**(301.8)**	**4,417.2**	**(4,834.1)**

Until 31 December 2015, the amounts recorded under assets and liabilities were determined by analysing the two legs of each instrument separately.

Effective from 1 January 2016, each derivative instrument is presented as a single instrument without analysing the two legs separately. If the new presentation had been adopted at 31 December 2015, it would have had the effect of reducing the carrying amount of instruments with a positive fair value from €4,417.2 million to €699.2 million and reducing the carrying amount of instruments with a negative fair value from €4,834.1 million to €1,116.0 million.

The breakdown by maturity at 31 December 2015 based on the new presentation would have been as follows:

	31.12.2015											
	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	2.9	(13.9)	212.4	(434.3)	19.1	(398.7)	0.2	(87.6)	33.1	(180.9)	267.8	(1,115.5)
Cap/floor	0.0	(0.5)	122.9	0.0	168.2	0.0	0.0	0.0	0.0	0.0	291.1	(0.4)
Equity	20.6	0.0	14.2	0.0	105.5	0.0	0.0	0.0	0.0	0.0	140.3	0.0
TOTAL	**23.5**	**(14.4)**	**349.5**	**(434.3)**	**292.8**	**(398.7)**	**0.2**	**(87.6)**	**33.1**	**(180.9)**	**699.2**	**(1,116.0)**

9.7 DERIVATIVE INSTRUMENTS QUALIFYING FOR HEDGE ACCOUNTING

	Currency swap	
(In € millions)	**31.12.2016**	31.12.2015
Notional amount	**1,184.4**	**722.7**
Cash flow hedge reserve	**(37.0)**	**6.9**
Change in cash flow hedge reserve during the period	(99.7)	82.5
Cash flow hedge reserve recycled through profit or loss during the period	43.3	(71.0)
Deferred taxes	19.4	(4.6)

CNP Assurances has set up three hedges against currency risk on issues of subordinated notes denominated in foreign currencies:

- the first hedges against fluctuations in the sterling-euro exchange rate through to 30 September 2021 that could impact interest and principal repayments on sterling-denominated notes issued by the Group in 2011;
- the second concerns subordinated notes issued in US dollars in 2013 and hedges payments on the notes through to 18 July 2019;
- the third concerns subordinated notes issued in US dollars in January 2016 and hedges payments on the notes through to 22 January 2029.

These derivatives are eligible for cash flow hedge accounting (see Note 3.10.3). At 31 December 2016, no amount had been recognised in profit or loss for the ineffective portion of the hedges.

9.8 CREDIT RISK

9.8.1 Analysis of the bond portfolio at 31 December 2016 by issuer rating

Rating *(in € millions)*	**Bond portfolio at fair value**	**%**
AAA	21,468.1	8.2%
AA	109,552.3	42.1%
A	44,638.9	17.1%
BBB	55,257.1	21.2%
Non-investment grade	19,031.7	7.3%
Not rated	10,390.0	4.0%
TOTAL	**260,338.1**	**100.0%**

9.8.2 Analysis of the bond portfolio at 31 December 2015 by issuer rating

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	23,057.3	9.1%
AA	108,857.2	42.9%
A	46,638.3	18.4%
BBB	50,686.2	20.0%
Non-investment grade	13,598.5	5.4%
Not rated	10,737.3	4.2%
TOTAL	**253,574.8**	**100.0%**

9.9 CLASSIFICATION OF INVESTMENTS BY CATEGORY AND BY GEOGRAPHIC REGION

9.9.1 Classification of investments by geographic region at 31 December 2016

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	96,023	9,253	16,888	46,930	13,907	2,379	24,687	210,067
	Investment funds	33,961	360	47	12,045	5	0	1,377	47,795
	Equities	10,649	3,229	769	2,474	1	13	590	17,725
	Other	22,012	(54)	26	1,821	0	0	36	23,842
Held-for-trading and FVO	Debt securities	13,499	1,091	856	3,131	396	11,752	1,804	32,529
	Investment funds	28,895	11	52	7,766	41	476	25	37,266
	Equities	654	466	126	760	1,178	127	295	3,606
	Other	1,031	0	56	52	0	0	0	1,140
Held-to-maturity investments	Debt securities	172	0	42	0	0	553	0	766
Loans and receivables		4,124	0	0	803	0	0	18	4,945
Derivative instruments		(193)	38	0	(207)	(96)	0	(132)	(591)
Investment property		2,836	0	0	64	0	27	0	2,926
TOTAL		**213,664**	**14,394**	**18,863**	**75,638**	**15,431**	**15,327**	**28,700**	**382,017**

	31.12.2016			31.12.2015		
List of countries (for information)	**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	68,237.8	80,303.9	5,411.3	66,591.5	77,735.6	4,941.1
Italy	9,769.1	11,135.7	667.6	9,134.8	10,708.0	1,234.7
Belgium	7,438.7	8,603.8	475.5	7,402.4	8,621.0	494.4
Spain	7,487.5	8,154.5	672.0	3,751.0	4,390.8	344.9
Austria	4,274.3	4,935.9	162.5	4,434.0	5,197.8	219.3
Brazil	2,086.0	2,059.0	1,235.7	1,448.8	1,265.6	759.5
Portugal	271.7	297.6	7.8	271.4	310.8	7.6
Netherlands	181.7	206.5	8.3	179.5	204.2	15.5
Ireland	604.0	696.0	36.2	617.1	724.3	31.8
Germany	1,929.7	2,277.3	182.2	2,481.7	2,823.0	240.8
Greece	3.9	1.5	0.1	3.9	2.2	0.1
Finland	79.4	81.5	2.6	16.3	19.7	3.2
Poland	377.2	413.3	69.8	346.7	391.9	43.1
Luxembourg	50.3	55.2	21.8	50.4	56.3	20.8
Sweden	82.5	83.7	47.6	11.4	12.4	0.3
Denmark	0.0	0.0	0.0	45.2	60.1	4.5
Slovenia	140.5	155.8	4.8	140.6	158.7	3.5
United Kingdom	0.0	0.0	0.0	78.1	233.0	0.0
Canada	667.0	729.3	91.9	649.0	710.8	85.9
Cyprus	36.5	39.0	18.9	16.6	18.5	6.1
Other	5,910.5	6,911.4	686.8	6,401.8	7,459.8	735.2
TOTAL	**109,628.2**	**127,140.8**	**9,800.4**	**104,072.3**	**121,104.4**	**9,192.0**

* *Carrying amount, including accrued coupon*

At 31 December 2016, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €127.1 billion, or an estimated exposure net of deferred participation and deferred taxes of €9.8 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 3.19 and 3.13.2, respectively, regarding the Group's accounting policies for more information). The relatively low weighting of contracts with a guaranteed yield 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 7.7% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 65.3% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (11.8% factor, supplementing the effective participation rate and corresponding to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a ratio of 7.7% (65.3% multiplied by 11.8%) 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. In particular, the recoverability of successive losses on sovereign debt is limited by the following:

- the policyholder surplus reserves which totalled €9.1 billion at 31 December 2016 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 0.4% for a projected DPF rate of around 1.4% at end-2015, whereas in Italy, Spain and Portugal this ability is limited by the guaranteed yields on policies in these countries;
- unrealised gains, especially on property (€3.1 billion) and on equities (€13.2 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 of investments by geographic region at 31 December 2015

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	95,212	10,563	16,833	45,316	12,786	1,588	25,707	208,006
	Investment funds	29,144	285	39	11,378	102	0	248	41,195
	Equities	10,131	2,601	659	2,393	0	7	569	16,359
	Other	20,403	523	39	1,339	0	6	38	22,347
Held-for-trading and FVO	Debt securities	12,447	1,088	829	3,758	428	7,879	2,526	28,956
	Investment funds	28,619	17	58	6,785	18	244	74	35,815
	Equities	489	417	102	975	1,216	88	305	3,593
	Other	961	0	105	62	0	0	1	1,129
Held-to-maturity investments	Debt securities	50	0	42	0	0	550	0	641
Loans and receivables		5,332	0	0	344	0	4	7	5,687
Derivative instruments		(411)	(4)	0	(2)	0	0	0	(417)
Investment property		2,676	25	0	42	0	14	0	2,758
TOTAL		**205,053**	**15,516**	**18,706**	**72,390**	**14,551**	**10,380**	**29,475**	**366,070**

9.10 FOREIGN CURRENCY BALANCES

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 2015 and 2016.

Following the Brexit vote, the Group identified all of its direct sterling exposures. It has no direct exposure to sterling-denominated equities. CNP Assurances' sterling exposure is very limited in relation to its total assets of €383.3 billion.

It is marginally exposed through a portfolio of sterling-denominated infrastructure investments totalling €35.4 million and settled capital calls of €156.9 million made by private equity funds. The Group no longer has any exposure to UK gilts and the portfolio of sterling-denominated corporate bonds, in the amount of €908.6 million, is hedged against currency risk.

A €300 million loan in sterling that was obtained in April 2011 is hedged against currency risk.

All calculations concerning financial assets and liabilities (revaluations, impairments) have been performed using 31 December 2016 prices and exchange rates and therefore take into account the impact of the Brexit vote.

On the liabilities side, at 30 June 2016 sterling exposure in relation to insurance liabilities was very limited at just €535 million. At 31 December 2016, this exposure had been reduced to €77 million following termination on 15 December 2016 by the Group and its local subsidiary of the principal contract involving sterling-denominated liabilities. The after-tax impact of terminating this contract was a favourable €11 million.

9.11 COMMITMENTS GIVEN AND RECEIVED

Under IFRS, forward financial instruments are recognised in the balance sheet.

Reported commitments given and received now include the value of collateralised debt obligations transferred under securities lending/borrowing and repurchase/resale transactions.

Commitments given *(in € millions)*	**31.12.2016**	31.12.2015
Financing commitments	182.4	208.9
Guarantees	54.2	11,026.0
Securities commitments	4,210.1	4,848.6

Guarantees in 2015 mainly concern the guarantee that CNP Assurances gives to Crédit Immobilier de France in respect of CNP Caution's maximum exposure. Effective from 2016, this guarantee is eliminated in consolidation because CNP Caution is now fully consolidated.

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

In addition, CNP Assurances' commitment to acquire 20% of the capital of the joint holding company that will own 100% of RTE's capital (see "Significant events of the year") is also included in this category.

Commitments received *(in € millions)*	**31.12.2016**	31.12.2015
Financing commitments	0.0	0.0
Guarantees *	11,148.5	22.3
Securities commitments	12,282.1	10,974.2

* *At 31 December 2015, applying the new presentation method would have had the effect of increasing the reported amount from €22.3 million to €9,766.0 million*

Securities commitments correspond to securities pledged by ceding insurers under the terms of inward reinsurance contracts.

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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 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,372.9**	**6,917.1**	**1,455.8**
Unearned premium reserves	892.0	802.8	89.2
Outstanding claims reserves	5,480.8	4,400.1	1,080.7
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	43.9	42.3	1.6
Other technical reserves	1,956.2	1,672.0	284.2
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**183,734.5**	**166,998.6**	**16,735.9**
Unearned premium reserves	1,495.9	1,367.0	128.9
Life premium reserves	175,339.1	158,949.2	16,390.0
Outstanding claims reserves	2,263.7	2,086.9	176.8
Policyholder surplus reserves	3,978.5	3,948.6	29.9
Other technical reserves	657.3	647.0	10.3
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**134,126.5**	**129,617.8**	**4,508.6**
Life premium reserves	126,670.6	122,442.6	4,228.0
Outstanding claims reserves	2,566.7	2,450.2	116.5
Policyholder surplus reserves	4,889.1	4,725.0	164.2
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,800.7**	**4,468.5**	**332.3**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**30,713.6**	**30,713.6**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**361,748.3**	**338,715.7**	**23,032.6**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.1.2 Analysis of insurance and financial liabilities at 31 December 2015

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,372.2**	**7,033.8**	**1,338.4**
Unearned premium reserves	676.6	558.1	118.5
Outstanding claims reserves	5,917.1	4,953.6	963.6
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	41.5	40.6	0.8
Other technical reserves	1,737.0	1,481.6	255.4
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**168,780.7**	**158,975.5**	**9,805.2**
Unearned premium reserves	1,199.6	1,012.4	187.1
Life premium reserves	161,156.9	151,729.1	9,427.7
Outstanding claims reserves	2,021.8	1,845.5	176.4
Policyholder surplus reserves	3,766.0	3,761.0	5.0
Other technical reserves	636.5	627.4	9.1
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**138,684.8**	**138,684.8**	**0.0**
Life premium reserves	132,834.6	132,834.6	0.0
Outstanding claims reserves	2,453.1	2,453.1	0.0
Policyholder surplus reserves	3,397.0	3,397.0	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	**4,793.4**	**4,646.3**	**147.1**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**29,176.2**	**29,176.2**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**349,807.3**	**338,516.5**	**11,290.8**
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 – at 31 December 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**293,987.3**	**284,559.5**	**9,427.7**
Premiums	27,029.7	13,657.2	13,372.5
Extinguished liabilities (benefit payments)	(26,483.8)	(24,387.0)	(2,096.8)
Locked-in gains	6,903.8	6,412.8	491.0
Change in value of linked liabilities	409.1	409.1	0.0
Changes in scope (acquisitions/divestments)	685.9	687.1	(1.2)
Outstanding fees	(1,763.6)	(1,686.1)	(77.5)
Surpluses/deficits	(2.4)	(2.4)	0.0
Currency effect	2,014.7	2,014.7	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(770.9)	(273.1)	(497.8)
Mathematical reserves at the end of the period	**302,009.7**	**281,391.8**	**20,618.0**

10.2.1.2 Changes in mathematical reserves – life insurance – at 31 December 2015

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**287,621.9**	**278,478.8**	**9,143.1**
Premiums	26,871.5	26,524.6	346.9
Extinguished liabilities (benefit payments)	(24,445.3)	(24,148.4)	(296.8)
Locked-in gains	7,052.0	6,747.6	304.4
Change in value of linked liabilities	922.9	922.9	0.0
Changes in scope (acquisitions/divestments)	38.4	38.4	0.0
Outstanding fees	(1,667.3)	(1,667.3)	0.0
Surpluses/deficits	(4.8)	(4.8)	0.0
Currency effect	(2,173.4)	(2,173.4)	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(228.7)	(158.9)	(69.8)
Mathematical reserves at the end of the period	**293,987.3**	**284,559.5**	**9,427.7**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance – at 31 December 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,911.7**	**4,948.1**	**963.6**
Claims expenses for the period	2,210.3	1,959.8	250.5
Prior period surpluses/deficits	(0.0)	(0.0)	(0.0)
Total claims expenses	**2,210.2**	**1,959.8**	**250.4**
Current period claims settled during the period	(2,645.5)	(2,508.8)	(136.6)
Prior period claims settled during the period	(40.0)	(37.4)	(2.6)
Total paid claims	**(2,685.5)**	**(2,546.2)**	**(139.3)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	38.4	32.4	6.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**5,474.9**	**4,394.1**	**1,080.7**

10.2.2.2 Changes in technical reserves – non-life insurance – at 31 December 2015

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,740.4**	**4,847.6**	**892.8**
Claims expenses for the period	1,713.3	1,488.9	224.3
Prior period surpluses/deficits	(0.2)	(0.1)	(0.1)
Total claims expenses	**1,713.0**	**1,488.8**	**224.2**
Current period claims settled during the period	(1,451.0)	(1,309.7)	(141.3)
Prior period claims settled during the period	(43.2)	(35.0)	(8.2)
Total paid claims	**(1,494.2)**	**(1,344.7)**	**(149.5)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(47.6)	(43.6)	(3.9)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**5,911.7**	**4,948.1**	**963.6**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

(In € millions)	31.12.2016 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**4,793.4**	**4,646.3**	**147.1**
Premiums	451.8	447.2	4.6
Extinguished liabilities (benefit payments)	(885.2)	(852.6)	(32.6)
Locked-in gains	45.8	45.8	0.0
Change in value of linked liabilities	386.1	395.7	(9.6)
Changes in scope (acquisitions/divestments)	(67.8)	(67.8)	0.0
Currency effect	151.4	151.4	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(74.8)	(297.5)	222.8
Mathematical reserves at the end of the period	**4,800.7**	**4,468.5**	**332.3**

(In € millions)	31.12.2015 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**5,179.1**	**5,015.3**	**163.8**
Premiums	474.2	467.4	6.9
Extinguished liabilities (benefit payments)	(811.0)	(775.4)	(35.6)
Locked-in gains	47.3	47.3	0.0
Change in value of linked liabilities	182.4	170.3	12.0
Changes in scope (acquisitions/divestments)	(72.0)	(72.0)	0.0
Currency effect	(204.7)	(204.7)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(2.0)	(2.0)	0.0
Mathematical reserves at the end of the period	**4,793.4**	**4,646.3**	**147.1**

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 asset/reserve	31.12.2016			31.12.2015		
(In € millions)	**DPA**	**DPR**	**Total**	DPA	DPR	Total
Deferred participation on remeasurement of assets at fair value through profit or loss	0.0	336.9	(336.9)	0.0	222.3	(222.3)
Deferred participation on remeasurement of assets at fair value through equity	0.0	30,376.7	(30,376.7)	0.0	28,953.8	(28,953.8)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**30,713.6**	**(30,713.6)**	**0.0**	**29,176.2**	**(29,176.2)**

The following table analyses year-on-year changes:

(In € millions)	31.12.2016 DPA	31.12.2016 DPR	31.12.2015 DPA	31.12.2015 DPR
Deferred participation at the beginning of the period	**0.0**	**29,176.2**	**0.0**	**31,783.1**
Deferred participation on remeasurement of securities at fair value through profit or loss	0.0	114.5	0.0	421.0
Deferred participation on remeasurement of securities at fair value through equity	0.0	1,422.9	0.0	(3,027.8)
Other movements	0.0	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0	0.0	0.0
Deferred participation at the end of the period	**0.0**	**30,713.6**	**0.0**	**29,176.2**

10.4 CHANGES IN FINANCIAL LIABILITIES – LINKED LIABILITIES

10.4.1 Changes in 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**36,291.5**	**36,291.5**	**0.0**
(+) Entries (new contracts, transfers between contracts, replacements)	6,581.4	6,581.4	0.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,492.1	1,492.1	0.0
(-) Exits (paid benefits and expenses)	(3,032.8)	(3,032.8)	0.0
(+/-) Entries/exits related to portfolio transfers	41.4	41.4	0.0
(-) Outstanding fees deducted	(264.9)	(264.9)	0.0
(+/-) Surpluses/deficits	0.0	0.0	0.0
(+/-) Effect of changes in assumptions	(1.8)	(1.8)	0.0
(+/-) Translation adjustment	1,976.8	1,976.8	0.0
(+/-) Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	169.6	169.6	0.0
Linked liabilities at the end of the period *	**43,253.3**	**43,253.3**	**0.0**

* *Refer to reconciliation table in Note 10.4.2*

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10.4.2 Changes in 2015

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**34,138.3**	**34,138.3**	**0.0**
(+) Entries (new contracts, transfers between contracts, replacements)	6,647.5	6,647.5	0.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,698.2	1,698.2	0.0
(-) Exits (paid benefits and expenses)	(2,800.4)	(2,800.4)	0.0
(+/-) Entries/exits related to portfolio transfers	(1,104.5)	(1,104.5)	0.0
(-) Outstanding fees deducted	(196.9)	(196.9)	0.0
(+/-) Surpluses/deficits	0.0	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0	0.0
(+/-) Translation adjustment	(2,092.3)	(2,092.3)	0.0
(+/-) Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	1.7	1.7	0.0
Linked liabilities at the end of the period *	**36,291.5**	**36,291.5**	**0.0**

* *Refer to reconciliation table below*

(In € millions)	**31.12.2016**	31.12.2015
Financial liabilities – linked liabilities – balance sheet	**47,326.5**	**40,479.0**
Changes in financial liabilities – linked liabilities other than IAS 39	43,253.3	36,291.5
Changes in financial liabilities – linked liabilities – IAS 39	4,073.2	4,187.5
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.

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 2016

	Ceded technical reserves		
(In € millions)	**Credit rating**	**Amount**	**%**
First reinsurer	A	4,231.3	18.37%
Second reinsurer	BBB+	2,678.5	11.63%
Third reinsurer	AA -	1,363.3	5.92%
Fourth reinsurer	A	928.9	4.03%
Other reinsurers	-	13,830.6	60.05%
TOTAL		**23,032.6**	**100.00%**

10.5.2 Credit risk on reinsured business at 31 December 2015

	Ceded technical reserves		
(In € millions)	Credit rating	Amount	%
First reinsurer	A+	4,117.0	36.46%
Second reinsurer	BBB+	2,644.7	23.42%
Third reinsurer	AA	1,339.1	11.86%
Fourth reinsurer	A	776.7	6.88%
Other reinsurers	-	2,413.3	21.38%
TOTAL		**11,290.8**	**100.00%**

Note 11 Subordinated debt

11.1 SUBORDINATED DEBT AT 31 DECEMBER 2016

(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 *
Dated subordinated notes					**4,724.7**	**0.0**	**0.0**	**1,200.0**	**0.0**	**3,524.7**	**0.0**	**5,084.2**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bps		EUR	700.0					700.0		828.3
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	350.4					350.4		392.3
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		845.8
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bps from 24 June 2013		EUR	200.0			200.0				205.6
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365)		EUR	500.0					500.0		516.4
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bps		EUR	750.0					750.0		772.2
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	474.3					474.3		506.9
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0			1000.0				1,016.7
Undated subordinated notes					**702.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**702.3**	**703.8**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bps		EUR	45.0						45.0	42.1
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bps from 15 Nov. 2016		EUR	90.0						90.0	77.4
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016, then 3-month Euribor +160 bps		EUR	93.0						93.0	79.9
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	474.3						474.3	504.5
TOTAL					**5,427.0**	**0.0**	**0.0**	**1,200.0**	**0.0**	**3,524.7**	**702.3**	**5,788.0**

* *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 or loss instead of at amortised cost, the impact on 2016 profit would have been an increase of €122.7 million before tax. The fair values of 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*

At 31 December 2016, none of the Group's subordinated debt issues was subject to financial covenants.

The Group has contracted three cash flow hedges, on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2013 and 2016.

11.2 SUBORDINATED DEBT AT 31 DECEMBER 2015

(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 *
Dated subordinated notes					**3,951.0**	**0.0**	**0.0**	**200.0**	**0.0**	**3,108.7**	**642.3**	**4,194.0**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bps		EUR	700.0					700.0		819.4
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	408.7					408.7		457.9
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		837.2
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016, then 3-month Euribor +160 bps		EUR	93.0						93.0	90.5
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bps from 15 Nov. 2016		EUR	90.0						90.0	91.0
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bps from 24 June 2013		EUR	200.0			200.0				181.3
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	459.3						459.3	494.0
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365)		EUR	500.0					500.0		493.7
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bps		EUR	750.0					750.0		729.0
Undated subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**40.4**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bps		EUR	45.0						45.0	40.4
TOTAL					**3,996.0**	**0.0**	**0.0**	**200.0**	**0.0**	**3,108.7**	**687.3**	**4,234.3**

* *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 or loss instead of at amortised cost, the impact on 2015 profit would have been a decrease of €148.6 million before tax. The fair values of 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*

At 31 December 2015, none of the Group's subordinated debt issues was subject to financial covenants.

Note 12 Insurance and reinsurance receivables

12.1 INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of insurance and reinsurance receivables at 31 December 2016 and 31 December 2015.

(In € millions)	**31.12.2016**	31.12.2015
Earned premiums not yet written	1,871.7	2,293.6
Other insurance receivables	548.7	288.4
Reinsurance receivables	722.5	113.3
TOTAL	**3,142.9**	**2,695.3**
Of which, doubtful receivables	4.7	4.8

ANALYSIS BY MATURITY

	31.12.2016		
(In € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**
Earned premiums not yet written	1,871.7	0.0	0.0
Other insurance receivables	541.8	5.1	1.8
Reinsurance receivables	713.3	2.8	6.3
TOTAL	**3,126.8**	**7.9**	**8.1**

	31.12.2015		
(In € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,293.6	0.0	0.0
Other insurance receivables	269.6	7.8	11.1
Reinsurance receivables	108.5	4.8	0.0
TOTAL	**2,671.6**	**12.6**	**11.1**

12.2 OTHER RECEIVABLES

(In € millions)	**31.12.2016**	31.12.2015
Receivables from employees	1.1	1.0
Prepaid payroll charges and other taxes	750.6	745.9
Sundry receivables	3,484.6	2,897.2
TOTAL	**4,236.3**	**3,644.2**

Note 13 | Deferred taxes

This note presents total deferred tax assets and liabilities by type of temporary difference.

Sources of temporary differences *(in € millions)*	31.12.2016 Assets	Liabilities	Net
Goodwill	14.7	(1.0)	13.7
Value of In-Force business	0.0	(2.4)	(2.4)
Distribution agreements	0.0	(43.5)	(43.5)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(77.0)	(77.0)
Financial assets	19.1	(10,904.6)	(10,885.5)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	175.0	0.0	175.0
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	1.8	0.0	1.8
Other assets	269.8	0.0	269.8
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(31.1)	(31.1)
Provisions for liabilities and charges	207.7	0.0	207.7
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(0.6)	(0.6)
Deferred participation asset/reserve	9,381.3	0.0	9,381.3
Other liabilities	0.0	(1.0)	(1.0)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(9,774.9)	9,774.9	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**294.4**	**(1,287.2)**	**(992.8)**

Sources of temporary differences *(in € millions)*	31.12.2015		
	Assets	Liabilities	Net
Goodwill	17.3	(1.0)	16.3
Value of acquired In-Force business	0.0	(2.9)	(2.9)
Distribution agreements	0.0	(46.0)	(46.0)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(94.7)	(94.7)
Financial assets	76.5	(11,613.5)	(11,537.1)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	171.9	0.0	171.9
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	0.0	(7.5)	(7.5)
Other assets	217.0	0.0	217.0
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(27.6)	(27.6)
Provisions for liabilities and charges	227.9	0.0	227.9
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	0.0	0.0
Deferred participation asset/reserve	10,033.1	0.0	10,033.1
Other liabilities	0.0	(0.9)	(0.9)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(10,465.0)	10,465.0	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**278.6**	**(1,330.0)**	**(1,051.4)**

France's 2017 Finance Act (Act dated 29 December 2016 published in the 30 December 2016 edition of the *Journal Officiel*) provides for a reduction in the corporate income tax rate applicable to CNP Assurances and other French companies as from 2020, from 33 1/3% (excluding surtaxes) to 28%.

Note 14 Provisions for liabilities and charges

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 FOR LIABILITIES AND CHARGES – 2016

(In € millions)	**Provisions for claims and litigation**	**Other**	**Total**
Carrying amount at 1 January 2016	**73.2**	**170.0**	**243.1**
New provisions set up during the period and increases in existing provisions	63.7	10.2	73.9
Amounts utilised during the year	0.0	(8.7)	(8.7)
Surplus provisions released during the period	(69.2)	(4.1)	(73.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	14.8	0.8	15.6
Changes in scope of consolidation	0.0	0.1	0.1
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2016	**82.5**	**168.2**	**250.6**

14.2 PROVISIONS FOR LIABILITIES AND CHARGES – 2015

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2015	**93.7**	**156.4**	**250.1**
New provisions set up during the period and increases in existing provisions	72.8	163.9	236.7
Amounts utilised during the year	0.0	(139.5)	(139.5)
Surplus provisions released during the period	(72.3)	(9.0)	(81.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(21.0)	(2.0)	(23.0)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2015	**73.2**	**170.0**	**243.1**

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 2016 and at 31 December 2015.

(In € millions)	**31.12.2016**	31.12.2015
Cash deposits received from reinsurers	12,347.4	315.8
Liabilities arising from insurance transactions	1,069.5	588.6
Liabilities arising from reinsurance transactions	1,336.7	698.2
Deferred acquisition costs	130.4	206.3
TOTAL	**14,884.0**	**1,808.9**

ANALYSIS BY MATURITY

	31.12.2016			31.12.2015		
(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	12,235.7	111.7	0.0	166.2	149.6	0.0
Liabilities arising from insurance transactions	1,069.3	0.2	0.0	588.0	0.6	0.0
Liabilities arising from reinsurance transactions	1,334.7	2.0	0.0	697.1	0.1	1.0
Deferred acquisition costs	15.6	81.6	33.3	4.4	64.3	137.6
TOTAL	**14,655.3**	**195.5**	**33.3**	**1,455.7**	**214.6**	**138.6**

15.2 OTHER LIABILITIES

(In € millions)	**31.12.2016**	31.12.2015
Wages, salaries and bonuses payable	398.4	390.2
Accrued payroll charges and other taxes	1,276.7	1,205.0
Sundry payables	3,423.3	4,095.5
TOTAL	**5,098.3**	**5,690.8**

15.3 EMPLOYEE BENEFITS – IAS 19

15.3.1 Main assumptions

Discount rate

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 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 the measurement of obligations.

Plan	Duration *(years)*	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	13	1.28%	2.00%	Included in salary increases	N/A
Jubilees	9	0.80%	2.00%	Included in salary increases	N/A
Article 39 of the French Tax Code	6	0.45%	2.00%	Included in salary increases	0.45%
New early retirement plan – Option 1	2	-0.14%	2.00%	Included in salary increases	N/A
New early retirement plan – Option 2	2.5	-0.08%	2.00%	Included in salary increases	N/A
Other plans: Italy	23	1.40%	3.00%	1.00%	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 benefit plans	
(In € millions)	**31.12.2016**	31.12.2015
Projected benefit obligation	199.7	194.3
Fair value of plan assets	0.0	0.0
Projected benefit obligation net of plan assets	**199.7**	**194.3**
Unrecognised past service cost	0.9	0.0
Liability recognised in the balance sheet – defined benefit plans	**200.7**	**194.3**
Liability recognised in the balance sheet – defined contribution plans	60.5	57.8
Total liability recognised in the balance sheet for post-employment benefit plans	**261.2**	**252.1**
Other long-term benefit obligations	19.4	19.8
Of which length-of-service and jubilee awards	*19.4*	*19.8*
Total liability recognised in the balance sheet for long-term benefit obligations *	**280.6**	**271.9**

* *Benefit obligations are mainly carried in the books of the French and Italian entities (€278.8 million and €1 million, respectively)*

15.3.3 Analysis of long-term benefit costs

	Post-employment benefit plans	
(In € millions)	**31.12.2016**	31.12.2015
Current service cost (net of employee contributions)	**11.0**	**9.7**
Interest cost	2.3	2.1
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	0.0
Post-employment benefit expense – defined benefit plans	**13.3**	**11.8**
Post-employment benefit expense – defined contribution plans	17.6	13.8
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**30.9**	**25.6**

15.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

	Post-employment benefit plans	
(In € millions)	**31.12.2016**	31.12.2015
At 1 January (1)	**194.3**	**184.2**
Effect of changes in exchange rates (2)	0.0	0.0
Post-employment benefit expense	13.4	11.9
Employer's contributions (3)	(4.0)	(1.8)
Benefits paid (4)	(3.5)	(2.6)
Actuarial gains and losses recognised directly in equity (5)	0.4	2.6
Actuarial gains and losses recognised through profit	0.0	0.0
Changes in scope of consolidation	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0
AT 31 DECEMBER	**200.7**	**194.3**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans
(2) Defined benefit plan (costs)/income
(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

15.3.5 Change in actuarial gains

	Post-employment benefit plans	
(In € millions)	**31.12.2016**	31.12.2015
Actuarial gains and losses recognised in equity at the beginning of the period	**136.2**	**133.6**
Actuarial gains and losses related to changes in discount rates	5.4	0.2
Actuarial gains and losses related to changes in retirement age assumptions	(11.6)	0.0
Actuarial gains and losses related to changes in technical rates	3.3	2.7
Actuarial gains and losses related to annuity contributions	0.0	0.0
Actuarial gains and losses related to historical loss adjustments	3.4	(0.3)
Actuarial gains and losses recognised in equity at the end of the period	**136.6**	**136.2**

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, valuation rates of interest and mortality tables. Accrued employee benefit obligations are most sensitive to changes in the discount rate and the rate of salary increases. A 25 bps change in these two rates, for the French entities, would result in a 3% increase or decrease in employee benefit obligations.

ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

Note 16 Premium income and revenue from other activities

Premium income comprises:

- earned premiums;
- loading 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)*	**31.12.2016**	31.12.2015
Insurance contracts	**26,968.6**	**26,911.5**
▪ Life	**24,012.6**	**24,001.6**
Pure premiums	22,349.0	22,322.8
Loading	1,663.6	1,678.8
▪ Non-life	**2,955.9**	**2,909.9**
Pure premiums	2,015.6	1,994.1
Loading	940.4	915.8
Financial instruments with DPF	**4,526.2**	**4,417.7**
Pure premiums	4,475.6	4,356.3
Loading	50.5	61.4
Earned premiums	**31,494.7**	**31,329.2**

Revenue from other activities *(in € millions)*	**31.12.2016**	31.12.2015
Financial instruments without DPF	**58.4**	**54.0**
Loading on financial instruments without DPF (IAS 39)	41.5	42.4
On outstanding	16.9	11.6
Services (IAS 18)	**73.8**	**75.7**
Other activities	**(7.8)**	**(3.2)**
TOTAL	**124.4**	**126.5**

16.2 RECONCILIATION TO REPORTED PREMIUM INCOME

(In € millions)	**31.12.2016**	31.12.2015
Earned premiums	31,494.7	31,329.2
Premium loading on financial instruments without DPF (IAS 39)	41.5	42.4
TOTAL	**31,536.2**	**31,371.6**

16.3 PREMIUM INCOME BY DISTRIBUTION PARTNER

(In € millions)	**31.12.2016**	31.12.2015
La Banque Postale	8,758.3	8,768.6
Caisses d'Epargne	10,261.0	10,705.2
Amétis	404.8	460.3
CNP Patrimoine	957.9	434.2
Financial institutions	1,488.7	1,449.0
Companies and local authorities	1,637.5	1,896.8
Mutual insurers	559.9	808.0
International subsidiaries	7,284.9	6,373.9
Other	183.3	475.6
TOTAL PREMIUM INCOME	**31,536.2**	**31,371.6**

16.4 PREMIUM INCOME BY BUSINESS SEGMENT

(In € millions)	**31.12.2016**	31.12.2015
Savings	**21,629.4**	**21,493.0**
Pensions	**3,299.7**	**3,358.7**
Personal Risk	1,762.6	1,902.0
Term Creditor Insurance	4,001.0	3,771.6
Health insurance	498.1	508.2
Property & Casualty	345.4	338.2
Sub-total Personal Risk and other	**6,607.1**	**6,519.9**
Other business segments	**0.0**	**0.0**
TOTAL PREMIUM INCOME	**31,536.2**	**31,371.6**

16.5 PREMIUM INCOME BY COMPANY

(In € millions)	**31.12.2016**	31.12.2015
CNP Assurances	23,939.3	24,243.9
Préviposte	121.6	129.9
ITV	9.2	14.7
CNP Caution	96.1	0.0
MFPrévoyance SA	134.1	224.5
CNP Assurances Compañia de Seguros	47.5	65.0
Caixa Seguros Group	3,548.6	3,161.1
CNP UniCredit Vita	2,549.0	2,555.9
CNP Partners	343.8	243.2
CNP Cyprus Insurance Holdings	141.5	139.9
CNP Europe Life	0.1	1.9
CNP Barclays Vida y Pensiones	0.0	99.5
CNP Santander Insurance	605.4	492.1
TOTAL PREMIUM INCOME	**31,536.2**	**31,371.6**

16.6 PREMIUM INCOME BY COUNTRY

	Under IFRS		**Under French GAAP**	
(In € millions)	**31.12.2016**	31.12.2015	**31.12.2016**	31.12.2015
France	24,251.3	24,563.5	24,301.2	24,618.8
Italy	2,770.6	2,756.2	2,822.2	2,827.6
Portugal	7.5	36.7	7.5	44.3
Brazil	3,548.6	3,161.1	3,812.1	3,435.3
Argentina	47.5	65.0	47.5	65.0
Spain	242.0	217.7	242.0	217.7
Cyprus	138.9	137.0	144.6	138.0
Ireland	0.1	0.9	0.1	0.9
Germany	431.2	357.2	431.2	357.2
Norway	11.9	14.2	11.9	14.2
Poland	56.8	47.4	56.8	47.4
Denmark	12.9	5.8	12.9	5.8
Austria	7.5	1.2	7.5	1.2
Other	9.4	7.7	9.6	8.0
TOTAL PREMIUM INCOME	**31,536.2**	**31,371.6**	**31,907.0**	**31,781.4**

16.7 DIRECT AND INWARD REINSURANCE PREMIUMS

(In € millions)	**31.12.2016**	31.12.2015
Direct business premiums	30,206.0	30,470.5
Inward reinsurance premiums	1,330.2	901.1
TOTAL PREMIUM INCOME	**31,536.2**	**31,371.6**

Note 17 Claims and benefits

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)*	**31.12.2016**	31.12.2015
Incurred claims	11,333.1	11,065.1
Endowments due	212.3	188.9
Benefits due	1,052.8	927.5
Surrenders	15,599.8	13,927.2
Credited interest and policyholder dividends included in paid benefits	(83.6)	(32.8)
Benefit and claim handling expenses	162.8	150.9
Claims and benefits	**28,277.1**	**26,226.8**
Change in technical reserves – insurance contracts	7,944.6	10,254.8
Change in technical reserves – financial instruments with DPF	(8,466.2)	(8,213.9)
Change in other technical reserves	45.8	54.4
Change in technical reserves	**(475.7)**	**2,095.3**
Credited interest	1,125.2	1,304.2
Policyholder dividends	6,805.2	7,383.0
Credited interest and policyholder dividends	**7,930.4**	**8,687.2**
Claims and benefits expenses	**35,731.8**	**37,009.3**

Note 18 Administrative expenses and business acquisition costs

18.1 EXPENSES ANALYSED BY FUNCTION

(In € millions)	**31.12.2016**	31.12.2015
Commissions	(3,806.6)	(3,683.5)
Expenses analysed by function	10.6	66.7
Acquisition costs	**(3,796.0)**	**(3,616.8)**
Contract administration expenses	**(186.3)**	**(168.1)**
Other underwriting income and expenses	(88.8)	(327.2)
Other income and expenses	(147.4)	(189.9)
Employee profit-sharing	(24.8)	(24.4)
Other recurring operating income and expense, net	**(261.0)**	**(541.5)**
TOTAL	**(4,243.3)**	**(4,326.4)**

18.2 EXPENSES ANALYSED BY NATURE

(In € millions)	**31.12.2016**	31.12.2015
Depreciation and amortisation expense and impairment losses	(42.2)	(39.0)
Employee benefits expense	(459.7)	(441.9)
Taxes other than on income	(64.8)	(67.7)
Other *	(365.1)	(327.6)
TOTAL	**(931.8)**	**(876.1)**

* *Information about the fees paid to the Statutory Auditors is provided in Note 6.5 of the Registration Document, in accordance with regulation ANC 2016-09*

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)	**31.12.2016**	31.12.2015
Contract administration costs, net (1)		
■ Excluding international subsidiaries and other businesses	628.2	596.4
■ Including international subsidiaries and other businesses	915.5	861.6
Ratio (1)		
$\dfrac{\text{Contract administration costs}}{\text{Technical reserves}^{(2)}}$		
■ Excluding international subsidiaries and other businesses	0.21%	0.20%
■ Including international subsidiaries and other businesses	0.28%	0.27%

(1) Excluding Amétis network expenses
(2) Insurance and financial liabilities, excluding deferred participation

18.4 ANALYSIS OF COMMISSION EXPENSE

(In € millions)	**31.12.2016**	31.12.2015
Caisses d'Epargne	984.1	886.1
La Banque Postale	612.8	583.8
Other	2,209.7	2,213.6
TOTAL	**3,806.6**	**3,683.5**

Note 19 Reinsurance result

(In € millions)	**31.12.2016**	31.12.2015
Ceded premiums	(14,128.3)	(1,108.8)
Change in ceded technical reserves	14,426.5	1,198.3
Reinsurance commissions received	344.5	279.4
Investment income	(267.5)	(279.7)
TOTAL	**375.1**	**89.2**

All reinsurance income and expenses arising under the partnership agreement with BPCE are combined in a single caption.

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 2016 and 2015.

(In € millions)		31.12.2016	31.12.2015
	Income from debt securities	(45.0)	(17.4)
	Interest income	6,318.2	6,704.9
	Income from other financial assets	1,750.4	1,494.3
	Capital gains and losses on disposals	598.5	878.8
	Impairment	13.0	145.1
Available-for-sale financial assets	**Net income from available-for-sale financial assets**	**8,635.2**	**9,205.6**
	Income from debt securities	0.0	0.0
	Interest income	53.1	87.7
	Other income	35.8	(17.9)
	Impairment	0.0	18.5
Held-to-maturity investments	**Net income from held-to-maturity investments**	**88.9**	**88.4**
	Interest income	(29.0)	9.3
	Other income	0.0	0.0
	Impairment	0.0	0.0
Loans and receivables	**Net income from loans and receivables**	**(29.0)**	**9.3**
	Profit (loss) on securities held for trading	2,284.7	2,562.9
	Profit (loss) on derivative instruments held for trading and hedging	(228.7)	(123.9)
	Capital gains and losses on disposals	51.7	419.3
Financial assets at fair value through profit or loss	**Net income (expense) from financial assets at fair value through profit or loss**	**2,107.7**	**2,858.3**
	Rent and other revenue	91.8	115.6
	Fair value adjustments	35.0	32.3
	Capital gains and losses on disposals	150.8	70.9
Investment property	**Net income from investment property**	**277.7**	**218.8**
Other investment expenses		**(584.8)**	**(251.8)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**10,495.7**	**12,128.5**
Interest on subordinated debt at amortised cost		(248.2)	(192.2)
Interest on subordinated debt at fair value		0.0	0.0
Total finance costs		**(248.2)**	**(192.2)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**10,247.5**	**11,936.3**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(In € millions)	31.12.2016	31.12.2015
Investment income before finance costs	11,609.5	12,991.6
Investment and other financial expenses, excluding finance costs	(1,113.8)	(863.1)
Finance costs	(248.2)	(192.2)
TOTAL	**10,247.5**	**11,936.3**

20.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2016 and 2015.

20.2.1 Fair value adjustments to assets – 2016

(In € millions)		Investments held at 31.12.2016	Investments held at 31.12.2015	Movements in 2016
	Fixed-rate bonds	11,408.6	9,908.9	1,499.7
	Variable-rate bonds	20,877.4	18,877.4	2,000.0
	TCNs (money market securities)	242.9	142.9	100.0
	Equities	3,606.1	3,592.5	13.6
	Investment funds	37,266.0	35,841.8	1,424.2
	Shares in non-trading property companies	1,028.7	960.2	68.5
	Other (including lent securities and repos)	110.9	168.8	(57.9)
Assets at fair value through profit or loss	**Total**	**74,540.6**	**69,492.6**	**5,048.0**
	Derivative instruments (positive fair value)	654.3	4,417.2	(3,762.9)
	Derivative instruments (negative fair value)	(1,244.9)	(4,834.1)	3,589.2
Derivative instruments	**Total**	**(590.6)**	**(416.9)**	**(173.7)**
	Fixed-rate bonds	176,586.1	173,056.5	3,529.6
	Variable-rate bonds	30,294.2	31,432.4	(1,138.2)
	TCNs (money market securities)	3,186.3	3,517.3	(331.0)
	Equities	17,725.3	16,359.2	1,366.1
	Investment funds	47,794.8	41,195.5	6,599.3
	Shares in non-trading property companies	6,430.7	5,160.2	1,270.5
	Non-voting loan stock	59.9	60.0	(0.1)
	Other (including lent securities and repos)	17,351.2	17,127.1	224.1
Available-for-sale financial assets	**Total**	**299,428.6**	**287,908.1**	**11,520.5**
	Fixed-rate bonds	343.3	365.9	(22.6)
	Variable-rate bonds	282.9	282.1	0.8
	Other (including lent securities and repos)	181.8	0.0	181.8
Held-to-maturity investments	**Total**	**808.0**	**648.0**	**160.0**
	Loans and receivables	4,945.3	5,730.0	(784.7)
Loans and receivables	**Total**	**4,945.3**	**5,730.0**	**(784.7)**
	Investment property at amortised cost	2,748.2	2,451.7	296.5
	Investment property measured by the fair value model	1,121.1	1,102.6	18.5
Investment property	**Total**	**3,869.3**	**3,464.3**	**405.0**
TOTAL		**383,001.3**	**366,826.0**	**16,175.3**

20.2.2 Fair value adjustments to assets – 2015

(In € millions)		Investments held at 31.12.2015	Investments held at 31.12.2014	Movements in 2015
	Fixed-rate bonds	9,908.9	12,224.1	(2,315.2)
	Variable-rate bonds	18,877.4	18,082.8	794.6
	TCNs (money market securities)	142.9	115.0	27.9
	Equities	3,592.5	3,867.1	(274.6)
	Investment funds	35,841.8	33,094.6	2,747.2
	Shares in non-trading property companies	960.2	1,219.6	(259.4)
	Other (including lent securities and repos)	168.8	172.0	(3.2)
Assets at fair value through profit or loss	**Total**	**69,492.6**	**68,775.3**	**717.3**
	Derivative instruments (positive fair value)	4,417.2	5,173.0	(755.9)
	Derivative instruments (negative fair value)	(4,834.1)	(5,806.4)	972.4
Derivative instruments	**Total**	**(416.9)**	**(633.4)**	**216.5**
	Fixed-rate bonds	173,056.5	179,008.4	(5,951.9)
	Variable-rate bonds	31,432.4	31,827.6	(395.2)
	TCNs (money market securities)	3,517.3	3,556.2	(38.9)
	Equities	16,359.2	14,110.7	2,248.5
	Investment funds	41,195.5	37,237.8	3,957.7
	Shares in non-trading property companies	5,160.2	4,606.2	554.0
	Non-voting loan stock	60.0	88.9	(28.9)
	Other (including lent securities and repos)	17,127.1	14,799.6	2,327.5
Available-for-sale financial assets	**Total**	**287,908.1**	**285,235.5**	**2,672.6**
	Fixed-rate bonds	365.9	151.1	214.8
	Variable-rate bonds	282.1	414.8	(132.7)
Held-to-maturity investments	**Total**	**648.0**	**565.9**	**82.0**
	Loans and receivables	5,730.0	4,988.9	741.1
Loans and receivables	**Total**	**5,730.0**	**4,988.9**	**741.0**
	Investment property at amortised cost	2,451.7	2,587.5	(135.8)
	Investment property measured by the fair value model	1,102.6	645.0	457.6
Investment property	**Total**	**3,464.3**	**3,232.5**	**231.8**
TOTAL		**366,826.0**	**362,164.7**	**4,661.3**

20.2.3 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

(In € millions)	**31.12.2016**	31.12.2015
Fair value of investments	383,001.3	366,826.0
Unrealised gains and losses, net	(984.6)	(756.4)
Carrying amount of investments	**382,016.7**	**366,069.6**

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)	**31.12.2016**	31.12.2015
Available-for-sale financial assets	**(618.8)**	**(291.7)**
Fixed-rate bonds	(9.3)	0.0
Variable-rate bonds	(4.5)	(7.7)
TCNs (money market securities)	0.0	0.0
Equities	(475.2)	(177.0)
Equity funds	(83.6)	(2.5)
Non-voting loan stock	(1.3)	(0.0)
Other (including mutual fund units)	(44.8)	(104.6)
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(618.8)**	**(291.7)**
Available-for-sale financial assets	**631.7**	**436.8**
Fixed-rate bonds	2.4	0.0
Variable-rate bonds	5.7	18.1
TCNs (money market securities)	0.0	0.0
Equities	292.8	288.6
Equity funds	44.1	44.5
Non-voting loan stock	0.1	0.0
Other (including mutual fund units)	286.6	85.7
Held-to-maturity investments	**0.0**	**18.5**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**631.7**	**455.4**
NET CHANGE IN IMPAIRMENT PROVISIONS	**13.0**	**163.7**

Reversals of writedowns on equities as a result of disposals relate to shares in Arcelormittal MT and Commerzbank AG.

Note 21 Income tax expense

The purpose of the table below is to disclose the main components of income tax expense (benefit).

(In € millions)	**31.12.2016**	31.12.2015
Current tax	(742.9)	(637.2)
Deferred tax	(1.5)	(70.9)
INCOME TAX EXPENSE	**(744.4)**	**(708.1)**
Profit for the period	1,497.0	1,435.2
Tax rate	33.21%	33.04%
INCOME TAX EXPENSE	**(744.4)**	**(708.1)**

Tax proof *(In € millions)*	**31.12.2016**		31.12.2015	
	Rate	**Amount**	Rate	Amount
Profit before tax		2,241.3		2,143.2
Income tax at the standard French tax rate (1)	34.43%	(771.7)	38.00%	(814.4)
Permanent differences	-2.71%	60.7	-1.09%	23.4
Effects of changeover to the equity method	-0.10%	2.1	-0.45%	9.6
Capital gains and losses taxed at reduced rate	-3.39%	76.1	-5.66%	121.4
Effects of changes in tax rates (2)	5.68%	(127.2)	1.43%	(30.7)
Tax credits and tax loss carryforwards used	-1.26%	28.3	-1.37%	29.5
Other	0.56%	(12.6)	2.18%	(46.8)
TOTAL	**33.21%**	**(744.4)**	**33.04%**	**(708.1)**

(1) Including the current additional contribution of 3.3%, the theoretical tax rate for 2016 is 34.43%

(2) Including the effects of differences in foreign tax rates and changes in statutory tax rates. The effects of the change in the French tax rate provided for in the 2017 Finance Act are recognised in the 2016 consolidated financial statements and are also included under this caption

The reduced rate of 28% (versus 33 1/3% currently) will be phased in over the period until 2020, depending on the Company. As from 2020, the 28% rate will apply to all profits whatever the taxpayer's revenue (the 3.3% *contribution sociale* surtax will continue to apply).

The resulting adjustments to deferred taxes recorded in 2016 included recognition of additional deferred tax expense of €29.3 million and a €191.7 million deferred tax benefit, reported under "Other income and expenses recognised directly in equity". The main source of deferred taxes affecting profit for the year concerned non-deductible provisions (giving rise to a difference between reported and taxable profit). A deferred tax asset was recognised for this timing difference. The reduction in the tax rate therefore gives rise to an expense corresponding to the reduction in the value of the deferred tax asset.

The main source of deferred taxes affecting equity concerned the remeasurement of available-for-sale financial assets at fair value. The reduction in the tax rate has the effect of reducing the resulting deferred tax liability, leading to a corresponding increase in consolidated equity.

The caption "Effects of changes in tax rates" also reflects the impact of the increase in the Brazilian tax rate, from 40% to 45%, phased in over two years.

Deferred taxes on: *(in € millions)*	**31.12.2016**	31.12.2015
Fair value adjustments to financial assets held for trading	(104.2)	(13.5)
Deferred participation asset/reserve	85.2	22.6
Fair value adjustments to other financial assets	21.3	28.5
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	(0.8)	33.3
TOTAL	**1.5**	**70.9**

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 on 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 the insurance company's functional currency. As a result, portfolio exposure to currency risks is limited (*e.g.*, net-of-hedging exposure to a currency other than the euro represents less than 5% of the investments of French companies of the CNP Assurances Group).

However, the Group has set up an annual hedging programme to limit its exposure to changes in the exchange rate for the Brazilian real, arising mainly from translation of its local subsidiaries' financial statements. The programme consists of using derivative financial instruments to hedge part of the estimated risk from potential exchange rate changes. The programme's effectiveness is tracked on an ex-post basis during the annual and interim closing processes. The derivative instruments do not qualify for hedge accounting under IFRS.

In addition, the Group performs currency stress tests to assess the impact on profit and equity of a 10% increase in the euro-dollar and euro-sterling exchange rates as it is marginally exposed 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 2% of recurring operating profit.

The impact of the euro's appreciation against the dollar and sterling is analysed at half-yearly intervals and commented on when the amounts involved are material.

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 notional amount of caps and floors by strike price and residual life at 31 December 2016 and 31 December 2015.

22.3.1.1 Caps and floors at 31 December 2016

	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%	4,560	4,590	2,510	6,495	11,430	10,670	1,594	0	0	0	41,849
>= 5% < 6%	5,754	940	313	300	0	1,850	1,910	0	0	0	11,067
>= 6% < 7%	0	0	0	0	0	0	0	0	0	0	0
>= 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	0	0	0
TOTAL	**10,314**	**5,530**	**2,823**	**6,795**	**11,430**	**12,520**	**3,504**	**0**	**0**	**0**	**52,916**

22.3.1.2 Caps and floors at 31 December 2015

	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%	3,638	3,337	5,693	2,540	6,445	11,480	5,070	1,594	0	0	39,797
>= 5% < 6%	3,590	3,514	2,410	883	300	200	1,850	1,910	0	0	14,657
>= 6% < 7%	0	0	0	0	0	0	0	0	0	0	0
>= 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	0	0	0
TOTAL	**7,228**	**6,851**	**8,103**	**3,423**	**6,745**	**11,680**	**6,920**	**3,504**	**0**	**0**	**54,454**

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

	31.12.2016		31.12.2015	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	3.11%	EUR	3.35%
Italy	EUR	2.58%	EUR	3.14%
Brazil	BRL	12.37%	BRL	11.65%
Spain	EUR	2.58%	EUR	3.32%

22.3.2.2 Effective interest rates at balance sheet date

	31.12.2016		31.12.2015	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	0.18%	EUR	0.66%
Italy	EUR	2.65%	EUR	3.03%
Brazil	BRL	12.17%	BRL	15.11%
Spain	EUR	0.61%	EUR	1.66%

22.3.3 Carrying amounts by maturity

22.3.3.1 Carrying amounts by maturity at 31 December 2016

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	Due beyond 5 years	Total
Fixed-rate bonds	19,989.4	15,191.9	20,499.1	22,062.7	25,019.6	82,571.0	185,333.7
Zero coupon bonds	1,147.3	709.0	2,214.6	682.2	663.0	13,556.4	18,972.6
Adjustable-rate bonds	15.3	8.6	4.6	40.0	2.1	1,631.8	1,702.3
Variable-rate bonds	2,680.5	2,086.5	2,945.4	1,366.1	2,108.4	2,052.4	13,239.4
Fixed-rate inflation-indexed bonds	1,339.1	167.2	697.4	1,546.6	964.4	8,842.8	13,557.5
Other bonds	2,486.7	1,973.9	1,721.5	2,755.8	1,374.1	7,966.7	18,278.7
TOTAL	**27,658.3**	**20,137.1**	**28,082.7**	**28,453.3**	**30,131.7**	**116,621.1**	**251,084.3**

22.3.3.2 Carrying amounts by maturity at 31 December 2015

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	Due beyond 5 years	Total
Fixed-rate bonds	16,252.1	13,948.9	14,907.8	19,546.8	21,662.4	91,517.1	177,835.1
Zero coupon bonds	4,008.9	1,024.2	702.5	2,190.5	679.8	11,042.9	19,648.8
Adjustable-rate bonds	29.5	6.0	3.3	3.1	79.2	1,278.3	1,399.4
Variable-rate bonds	1,920.4	2,640.0	1,391.1	2,609.2	1,256.0	2,625.8	12,442.5
Fixed-rate inflation-indexed bonds	603.2	1,345.2	174.0	681.3	1,540.7	9,320.8	13,665.2
Other bonds	2,156.1	1,929.8	1,786.9	1,445.8	2,467.1	7,910.2	17,695.9
TOTAL	**24,970.3**	**20,894.0**	**18,965.6**	**26,476.7**	**27,685.3**	**123,695.1**	**242,686.9**

22.3.4 Carrying amounts by maturity – held-to-maturity investments

22.3.4.1 Carrying amount at 31 December 2016

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	Due beyond 5 years	Total
Held-to-maturity investments	186.5	102.9	65.0	41.8	109.7	88.6	594.5
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**186.5**	**102.9**	**65.0**	**41.8**	**109.7**	**88.6**	**594.5**

22.3.4.2 Carrying amount at 31 December 2015

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	Due beyond 5 years	Total
Held-to-maturity investments	215.2	142.3	48.3	45.3	41.8	148.5	641.5
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**215.2**	**142.3**	**48.3**	**45.3**	**41.8**	**148.5**	**641.5**

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 life of securities at 31 December 2016

France	Italy	Brazil	Spain
5.66	3.52	1.12	4.34

22.3.5.2 Average life of securities at 31 December 2015

France	Italy	Brazil	Spain
5.9	3.6	1.5	5.2

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 European Insurance CFO Forum Market Consistent Embedded Value© Principles (MCEV© Principles [(1)]) introduced in June 2008, as amended in October 2009 and updated in April 2016.

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 2016.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other factors, 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. Adjusted net asset value is determined on the valuation date at consolidated level excluding non-controlling interests and breaks down into required capital and Free Surplus;
- the value of acquired In-Force business, corresponding to the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For all Group subsidiaries within the eurozone area, the data used to determine the reference rate curve come from the smoothed zero-coupon swap curve. The extrapolation method has been adjusted since 2015 in line with the approach being currently developed within the framework of the Solvency II reform. The yield curve is extrapolated using the Smith-Wilson method from a last liquid point at 20 years with convergence on the ultimate forward rate of 4.2% at 40 years. For the determination of the reference yield curve, the Group has chosen to adapt to Solvency II requirements, by applying a credit risk adjustment and a volatility adjustment to the swap curve where permitted.

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 rest of Europe and Latin America. The sensitivities analysed in 2016 were aligned with Solvency II requirements and were as follows:

- the impact of an immediate positive or negative 50-basis point change in the swap curve. This would result in:
  - a revaluation of bond prices,
  - a 50-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 25% fall in equity and property prices. This shock implies a 25% fall in the market value of equities and property assets, as well as a decrease in the mathematical provisions of unit-linked business for the proportion invested in equity and property.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2016

(In € millions)	50 bps increase in interest rates	50 bps decrease in interest rates	25% decrease in equity prices
Impact on MCEV© *	1,142.0	(1,141.0)	(2,887.0)

* *The calculation of the impact on MCEV© is based on estimated data*

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2015

(In € millions)	100 bps increase in interest rates	100 bps decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	970.0	(1,489.0)	(1,185.0)

Sensitivity to insurance risks is presented in Note 24.

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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 2016

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	25,584	102,520	79,597	25,594
Assets held for trading and assets measured at FV	3,961	6,440	3,988	1,545
Held-to-maturity investments	195	507	0	89
Loans and receivables	43	0	0	0

23.1.1.2 Future cash flows from assets at 31 December 2015

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	24,015	93,623	81,250	22,465
Assets held for trading and assets measured at FV	2,890	7,326	4,980	1,614
Held-to-maturity investments	328	533	82	66
Loans and receivables	0	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 2016

(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)	21,394.9	65,731.5	63,583.4	44,511.7	125,731.1

23.1.2.2 Payment projections by maturity at 31 December 2015

(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)	16,798.3	57,194.9	60,810.6	44,389.5	149,056.3

23.1.3 Contracts with immediate surrender option

(In € millions)	**31.12.2016**	31.12.2015
Contracts with immediate surrender option	269,735.4	253,996.6
Contracts with no immediate surrender option	61,299.3	66,634.5

Contracts with an immediate surrender option represented a total liability of €269.7 billion at 31 December 2016 (€254.0 billion at 31 December 2015). 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 employee benefits 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 ALM policy is presented in section 5 of this Registration Document on Corporate Governance and Internal Control (Note 5.6.2).

23.3 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

(In € millions)	**31.12.2016**	31.12.2015
Investment properties held to cover linked liabilities	1,339.6	1,110.4
Financial assets held to cover linked liabilities	45,757.5	39,292.5
Investments accounted for by the equity method 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	**47,097.1**	**40,402.9**
Linked liabilities – financial instruments without DPF	7,820.4	7,652.4
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	39,506.1	32,826.6
TOTAL LINKED LIABILITIES	**47,326.5**	**40,479.0**
Guaranteed capital reserves	2.0	2.0
TOTAL LINKED LIABILITIES	**47,328.5**	**40,481.0**

The asset/liability mismatch on unit-linked contracts mainly relates to outstanding claims reserves and other reserves included in linked liabilities for which no related assets are included in the above table.

Note 24 ▌ Risks related to insurance and financial liabilities

24.1 MANAGEMENT OF RISKS RELATED TO INSURANCE AND FINANCIAL LIABILITIES

CNP Assurances' 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 objectives.

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 reserving strategies;
- track risks with a technical component;
- optimise reinsurance strategies.

These routine analyses are supported 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 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, employee benefits plans 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, new 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 paying a guaranteed minimum 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. For example, 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.

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 man-made catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, the following events could also significantly impact the Group's earnings and business, aside from the immediate damage that such events would cause: a wave of global extreme weather events, acts of terrorism, the spread of pandemics such as the H5N1 or H1N1 viruses, or fallout from global warming.

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 as only the number of units is guaranteed. The exception is contracts that also include death and/or disability cover. For these 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

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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;
- general 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;
- capitalisation 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

Technical reserves are modelled based on current accounting standards. In particular, mortality tables, discount rates and investment yield assumptions may be selected based on a Solvency II approach.

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 stated net of deferred participation and withdrawals, in accordance with the applicable 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 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.

The keys used to allocate unrealised gains between technical reserves and own-funds were re-calibrated in 2016. A method has been developed based on historical payments to insureds and referral agents, representing a robust and simple approach that is consistent with the Group's practices.

In addition, the related documentation has been enhanced to provide a better audit trail.

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 2016, a 10% fall in surrender rates would have a positive impact of €103 million on MCEV©. A 5% fall in observed losses would have a positive impact of €151 million on MCEV© for mortality and disability risks, and a negative impact of €65 million for longevity risks.

24.4 RISK ASSOCIATED WITH 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 minimum yield and a guaranteed profit participation when the contract matures;
- contracts offering an enhanced yield (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed minimum yield 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)*	31.12.2016	
	Technical reserves	**%**
0% (1)	186,867.0	56.4%
]0%-2%]	15,210.5	4.6%
]2%-3%]	16,363.1	4.9%
]3%-4%]	1,451.6	0.4%
]4%-4.5%]	6,097.2	1.8%
>4.5% (2)	1,502.6	0.6%
Linked liabilities	47,327.8	14.3%
Other (3)	56,214.8	17.0%
TOTAL	**331,034.7**	**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 11% (see Note 22.3)
(3) Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

Guaranteed yield *(in € millions)*	31.12.2015	
	Technical reserves	%
0% (1)	179,518.8	56.0%
]0%-2%]	19,456.5	6.1%
]2%-3%]	19,122.4	6.0%
]3%-4%]	1,431.9	0.4%
]4%-4.5%]	6,186.5	1.9%
>4.5% (2)	1,357.7	0.4%
Linked liabilities	40,477.7	12.6%
Other (3)	53,079.7	16.6%
TOTAL	**320,631.1**	**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 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 catastrophe and per occurrence

All portfolios are covered by catastrophe/accident 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 La Banque Postale Prévoyance, UniCredit Vita and CNP Partners 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 (€38,616 in 2016) and the reinsurers cover 270 times this ceiling per event and 540 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, €600 million in co-insurance cover (of which CNP Assurances' share is 30%) and reinsurance cover purchased by the pool from external reinsurers. This external reinsurance cover exists in five layers (of which CNP Assurances has only underwritten mandatory layers 2, 3 and 4): layer 1: 20 XS €30 million; layer 2: 150 XS €50 million; layer 3: 300 XS €200 million; layer 4: 100 XS €500 million; layer 5: 100 XS €600 million. A loss event is defined as involving three or more victims;
  - **b)** catastrophic risks insured 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 risks, and nuclear, biological and chemical (NBC) terrorism risks, for which the ceiling is €37 million per loss year.

All portfolios are also covered beyond €2 million 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.

All term creditor insurance portfolios have been reinsured against partial losses from pandemic risks since 2016 under a treaty arranged through the *Bureau Commun des Assurances Collectives*. The treaty covers a 0.05% increase in the mortality rate beyond an average rate of 0.20% (based on number of deaths), subject to a 0.10% deductible and a maximum reinsurance payout of €50 million. It kicks in after any payouts made by the catastrophe/accident reinsurance pool under the excess of loss treaty and therefore covers only pandemic risk.

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 BBB+ and AA- (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 on Corporate Governance and Internal Control (Note 5.6.3).

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3.2 Statutory Auditors’ report on the consolidated financial statements

For the year ended 31 December 2016

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 Meeting, we hereby report to you, for the year ended 31 December 2016, on:

- the audit of the accompanying consolidated financial statements of CNP Assurances;
- the justification of our assessments;
- the specific verification 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 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - JUSTIFICATION OF OUR ASSESSMENTS

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:

- the consolidated balance sheet includes certain specific insurance and reinsurance assets and liabilities that are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves and contractual customer relationships. The methods used to determine these items are discussed in Note 3.13 to the consolidated financial statements. We verified that the assumptions used in the calculation models, particularly in relation to interest rate decreases, were reasonable, and the overall consistency of the assumptions used, in particular in view of the Group’s past experience as well as its regulatory and economic environment;
- financial assets and derivative instruments are recognised and measured in accordance with the methods described in Notes 3.10.2, 3.10.3 and 3.10.4 to the consolidated financial statements. We obtained assurance that these methods had been properly applied and that the classifications used were consistent with the underlying documentation. We verified that the methods used to calculate impairment of available-for-sale equity instruments were appropriate and properly applied.

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

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law about the information of the Group, given in the management report of the Board of Directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements, it being specified that it is not our responsibility to comment on the fair presentation and consistency with the consolidated financial statements of the supervisory information (solvency capital requirements) given in the management report in accordance with Article L.356-23.

Neuilly-sur-Seine and Courbevoie, 8 March 2017

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	**MAZARS**
Bénédicte Vignon	Olivier Leclerc

3.3 Company financial statements

3.3.1 Balance Sheet

3.3.1.1 ASSETS

(In € thousands)	**31.12.2016**	31.12.2015	Year-on-year change *(in %)*
Intangible assets	**85,558**	**77,270**	**10.7%**
Investments	**286,622,125**	**281,441,149**	**1.8%**
Land and buildings	10,983,824	9,213,237	19.2%
Investments in subsidiaries and affiliates	5,536,270	4,939,471	12.1%
Other investments	269,897,521	267,203,199	1.0%
Cash deposits with ceding insurers	204,510	85,243	139.9%
Assets held to cover linked liabilities	**29,833,560**	**27,563,203**	**8.2%**
Reinsurers' share of technical reserves	**22,708,198**	**10,543,581**	**115.4%**
Unearned premium and unexpired risks reserves	0	0	0.0%
Life premium reserves	19,444,425	9,193,343	111.5%
Outstanding life claims reserves	276,099	155,723	77.3%
Outstanding non-life claims reserves	999,122	931,261	7.3%
Policyholders surplus reserve – life	192,722	4,914	3,821.9%
Bonus and rebate reserve – non-life	1,608	822	95.6%
Claims equalisation reserve	11,256	13,137	-14.3%
Other life technical reserves	0	0	0.0%
Other non-life technical reserves	272,924	244,381	11.7%
Linked liabilities	1,510,042	0	0.0%
Receivables	**6,504,858**	**5,992,925**	**8.5%**
Insurance receivables	**2,050,848**	**2,986,201**	**-31.3%**
Earned premiums not yet written	*1,788,033*	*2,213,023*	*-19.2%*
Other insurance receivables	*262,815*	*773,179*	*-66.0%*
Reinsurance receivables	**694,714**	**97,516**	**612.4%**
Other receivables	**3,759,296**	**2,909,207**	**29.2%**
Prepaid payroll costs	*204*	*263*	*-22.4%*
Prepaid and recoverable taxes	*822,055*	*876,982*	*-6.3%*
Other	*2,937,037*	*2,031,963*	*44.5%*
Other assets	**549,999**	**841,185**	**-34.6%**
Property and equipment	173,582	117,353	47.9%
Current accounts and cash on hand	374,329	711,125	-47.4%
Treasury shares	2,087	12,706	-83.6%
Accrued income and prepaid expenses	**8,688,894**	**8,591,361**	**1.1%**
Accrued interest and rental revenue	2,935,723	3,126,455	-6.1%
Deferred acquisition costs	149	201	-25.9%
Other accrued income and prepaid expenses	5,753,023	5,464,705	5.3%
Translation differences	**0**	**0**	**0.0%**
TOTAL ASSETS	**354,993,192**	**335,050,673**	**6.0%**

3.3.1.2 EQUITY AND LIABILITIES

(In € thousands)	**31.12.2016**	31.12.2015	Year-on-year change *(in %)*
Equity	**10,492,457**	**9,911,795**	**5.9%**
Share capital	686,618	686,618	0.0%
Additional paid-in capital	1,716,846	1,716,846	0.0%
Revaluation reserve	38,983	38,983	0.0%
Other reserves	5,815,552	5,801,231	0.2%
Retained earnings	1,139,573	393,299	189.7%
Net profit for the year	1,094,883	1,274,817	-14.1%
Subordinated debt	**7,248,159**	**6,671,974**	**8.6%**
Technical reserves	**265,615,779**	**262,306,289**	**1.3%**
Unearned premium and unexpired risks reserves	61,956	62,416	-0.7%
Life premium reserves	245,184,634	243,777,157	0.6%
Outstanding life claims reserves	4,010,210	3,826,109	4.8%
Outstanding non-life claims reserves	4,994,222	5,426,686	-8.0%
Policyholders surplus reserve – life	9,197,301	7,237,405	27.1%
Bonus and rebate reserve – non-life	37,352	41,455	-9.9%
Claims equalisation reserves	337,469	322,532	4.6%
Other life technical reserves	198,081	213,515	-7.2%
Other non-life technical reserves	1,594,555	1,399,015	14.0%
Linked liabilities	**29,972,337**	**27,563,203**	**8.7%**
Provisions for liabilities and charges	**153,283**	**143,286**	**7.0%**
Cash deposits received from reinsurers	**12,235,682**	**166,706**	**7,239.7%**
Other liabilities	**25,964,684**	**25,124,767**	**3.3%**
Liabilities arising from insurance transactions	854,530	886,461	-3.6%
Liabilities arising from reinsurance transactions	1,259,551	731,997	72.1%
Bank borrowings	134,188	39,631	238.6%
Other liabilities:	**23,716,415**	**23,466,677**	**1.1%**
Other borrowings, deposits and guarantees received *	9,611,247	42,002	22,782.8%
Accrued payroll costs	380,124	377,189	0.8%
Accrued payroll and other taxes	603,089	730,289	-17.4%
Other payables *	13,121,955	22,317,197	-41.2%
Deferred income and accrued expenses	**3,310,811**	**3,162,653**	**4.7%**
Translation differences	**0**	**0**	**0.0%**
TOTAL EQUITY AND LIABILITIES	**354,993,192**	**335,050,673**	**6.0%**

* *In 2016, securities received as collateral carried in the balance sheet at 31 December 2015 under "Other payables" for €11.3 billion were reclassified as "Other borrowings, deposits and guarantees received" for €9.6 billion*

3.3.2 Income statement

3.3.2.1 NON-LIFE TECHNICAL ACCOUNT

Non-life technical account *(in € thousands)*	31.12.2016 Gross	31.12.2016 Reinsurance	31.12.2016 Net	31.12.2015 Net	Year-on-year change (in %)
Earned premiums	**2,040,327**	**(443,395)**	**1,596,932**	**1,756,045**	**-9.1%**
Premiums	2,039,866	(443,395)	1,596,471	1,748,897	-8.7%
Change in unearned premiums reserve and unexpired risks reserve	460	0	460	7,148	-93.6%
Allocated investment income	**151,041**	**0**	**151,041**	**181,637**	**-16.8%**
Other underwriting income	**2,023**	**0**	**2,023**	**1,638**	**23.5%**
Paid claims and benefits and change in claims reserves	**(1,519,190)**	**306,496**	**(1,212,695)**	**(1,271,954)**	**-4.7%**
Paid claims and expenses	(1,977,279)	238,635	(1,738,644)	(791,140)	119.8%
Change in outstanding claims reserves	458,088	67,861	525,949	(480,814)	-209.4%
Change in other technical reserves	**(188,344)**	**39,799**	**(148,545)**	**(221,750)**	**-33.0%**
Policyholder rebates	**(35,414)**	**1,531**	**(33,883)**	**(79,847)**	**-57.6%**
Acquisition costs and administrative expenses	**(617,773)**	**179,359**	**(438,414)**	**(404,571)**	**8.4%**
Business acquisition costs	(542,348)	0	(542,348)	(490,998)	10.5%
Policy administration expenses	(75,425)	0	(75,425)	(79,466)	-5.1%
Reinsurance commissions received	0	179,359	179,359	165,893	8.1%
Other underwriting expenses	**(19,853)**	**0**	**(19,853)**	**(39,109)**	**-49.2%**
Changes in claims equalisation reserve	**14,032**	**(13,137)**	**895**	**(14,934)**	**-106.0%**
NON-LIFE UNDERWRITING RESULT	**(173,153)**	**70,653**	**(102,500)**	**(92,846)**	**10.4%**

3.3.2.2 LIFE TECHNICAL ACCOUNT

Life technical account *(in € thousands)*	31.12.2016 Gross	31.12.2016 Reinsurance	31.12.2016 Net	31.12.2015 Net	Year-on-year change *(in %)*
Premiums	**22,004,334**	**(13,219,534)**	**8,784,800**	**21,723,861**	**-59.6%**
Investment income	**10,320,615**	**(296,075)**	**10,024,540**	**11,360,181**	**-11.8%**
Investment income	8,024,399	(296,075)	7,728,324	8,195,105	-5.7%
Other investment income	722,172	0	722,172	1,047,885	-31.1%
Profits on disposal of investments	1,574,044	0	1,574,044	2,117,191	-25.7%
Mark-to-market gains on assets held to cover linked liabilities	**2,913,598**	**(89,490)**	**2,824,108**	**3,882,724**	**-27.3%**
Other underwriting income	**309,881**	**(184)**	**309,697**	**36,121**	**757.4%**
Paid claims and benefits and change in claims reserves	**(20,986,108)**	**1,489,971**	**(19,496,137)**	**(19,520,010)**	**-0.1%**
Paid claims and expenses	(20,802,037)	1,369,595	(19,432,442)	(19,615,117)	-0.9%
Change in outstanding claims reserves	(184,071)	120,376	(63,695)	95,107	-167.0%
Change in life premium reserves and other technical reserves	**1,734,657**	**11,758,731**	**13,493,387**	**(339,260)**	**-4,077.3%**
Life premium reserves	4,157,638	10,247,468	14,405,106	1,312,392	997.6%
Linked liabilities	(2,409,134)	1,510,042	(899,092)	(1,702,442)	-47.2%
Other technical reserves	(13,847)	1,221	(12,626)	50,789	-124.9%
Policyholder dividends	**(7,550,661)**	**188,346**	**(7,362,315)**	**(7,504,755)**	**-1.9%**
Acquisition costs and administrative expenses	**(2,233,475)**	**146,890**	**(2,086,585)**	**(2,116,501)**	**-1.4%**
Business acquisition costs	(988,674)	0	(988,674)	(979,963)	0.9%
Policy administration expenses	(1,244,801)	0	(1,244,801)	(1,222,356)	1.8%
Reinsurance commissions received	0	146,890	146,890	85,818	71.2%
Investment expenses	**(2,736,863)**	**9,191**	**(2,727,672)**	**(2,920,198)**	**-6.6%**
Internal and external investment management expenses and interest	(619,067)	0	(619,067)	(547,936)	13.0%
Other investment expenses	(1,281,076)	9,191	(1,271,885)	(1,647,960)	-22.8%
Losses on disposal of investments	(836,720)	0	(836,720)	(724,301)	15.5%
Mark-to-market losses on assets held to cover linked liabilities	**(2,311,192)**	**56,846**	**(2,254,345)**	**(3,003,155)**	**-24.9%**
Other underwriting expenses	**(276,272)**	**18**	**(276,254)**	**(216,807)**	**27.4%**
Investment income transferred to the non-technical account	**0**	**0**	**0**	**0**	**0.0%**
LIFE UNDERWRITING RESULT	**1,188,513**	**44,711**	**1,233,224**	**1,382,200**	**-10.8%**

3.3.2.3 NON-TECHNICAL ACCOUNT

Non-technical account *(in € thousands)*	31.12.2016	31.12.2015	Year-on-year change *(in %)*
Non-life underwriting result	**(102,500)**	**(92,846)**	**10.4%**
Life underwriting result	**1,233,224**	**1,382,200**	**-10.8%**
Investment income	**535,213**	**583,865**	**-8.3%**
Investment revenue	412,617	421,194	-2.0%
Other investment income	38,557	53,857	-28.4%
Profits on disposal of investments	84,039	108,815	-22.8%
Allocated investment income	**0**		**0.0%**
Investment expenses	**(145,631)**	**(150,086)**	**-3.0%**
Internal and external investment management expenses and interest	(33,052)	(28,162)	17.4%
Other investment expenses	(67,906)	(84,698)	-19.8%
Losses on disposal of investments	(44,673)	(37,226)	20.0%
Investment income transferred to the technical account	**(151,041)**	**(181,637)**	**-16.8%**
Other income	**12,715**	**33,562**	**-62.1%**
Other expenses	**(12,678)**	**(31,909)**	**-60.3%**
Non-recurring items	**(8,317)**	**(17,547)**	**-52.6%**
Non-recurring income	8,344	26,301	-68.3%
Non-recurring expenses	(16,661)	(43,848)	-62.0%
Employee profit-sharing	**(17,819)**	**(17,365)**	**2.6%**
Income tax expense	**(248,283)**	**(233,421)**	**6.4%**
NET PROFIT FOR THE YEAR	**1,094,883**	**1,274,817**	**-14.1%**

3.3.3 Commitments received and given

(In € thousands)	**31.12.2016**	31.12.2015
1. Commitments received	**62,777,867**	**63,187,740**
1a. Commitments related to securities, other assets or revenue (1)	62,127,759	61,964,180
1b. Other commitments received	650,108	1,223,560
2. Commitments given	**60,836,639**	**66,025,203**
2a. Sureties, bonds and guarantees provided	11,083,174	11,870,200
2b. Securities and other assets purchased under resale agreements	5,218	5,052
2c. Other commitments related to securities, other assets or revenue (1)	45,343,887	49,779,552
2d. Other commitments given (2)	4,404,360	4,370,400
3. Securities lodged as collateral by reinsurers	**12,977,269**	**10,974,227**

Effective from 2016, commitments received and commitments given are disclosed separately

(1) Commitments related to forward financial instruments are presented in Note 7

(2) Other commitments given correspond mainly to assets pledged as collateral under inward reinsurance treaties

DETAILED CONTENTS

3.3.4 Notes to the Company financial statements

CNP Assurances is a French *société anonyme* (joint-stock 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 accidental injury and health insurance;
- hold majority interests in insurance companies.

For this purpose, it may:

- hold interests in undertakings whose business contributes to fulfilling the Company's corporate purpose; and generally
- carry out any and all directly or indirectly related operations that facilitate development of the business or fulfilment of the corporate purpose.

Note 1 Significant events of the year

1.1 IMPACTS OF NEW PARTNERSHIP AGREEMENTS IN FRANCE

Developments concerning the partnership between CNP Assurances and La Banque Postale

Following the authorisation given by the Board of Directors on 16 February 2016, CNP Assurances and La Banque Postale signed a framework agreement on 25 March 2016 renewing their partnership in the areas of term creditor insurance, savings products and personal risk insurance.

Various contracts have been signed in application of the framework agreement. The new agreement, which came into effect on 1 January 2016, is for a 10-year term and its scope has been widened to include La Banque Postale's wealth management subsidiary, BPE.

The partnership with La Banque Postale represents premium income of €8.7 billion.

In term creditor insurance, the new contracts include a 5% quote-share reinsurance treaty with La Banque Postale Prévoyance covering standard term creditor insurance policies for La Banque Postale customers written by CNP Assurances and a financial contract describing the commission arrangements for La Banque Postale and BPE.

In savings, the new contracts give La Banque Postale and BPE an exclusive right to distribute CNP Assurances products.

In personal risk insurance, the framework agreement provided for the sale by CNP Assurances of its 50% stake in La Banque Postale Prévoyance to La Banque Postale for €306.9 million less dividends of €15.3 million. La Banque Postale Prévoyance will notably continue to write personal risk insurance. The sale was subject to approval from France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and anti-trust authorities. Approval from ACPR and the anti-trust authorities was obtained on 6 June 2016 and 21 June 2016, respectively. The sale netted an after-tax gain of €189.4 million, which was included in profit for first-half 2016.

Signing of a partnership framework contract between AG2R LA MONDIALE and CNP Assurances

The partnership framework contract signed on 15 December 2015 between CNP Assurances and AG2R LA MONDIALE came into effect in 2016.

The contract covered the following main aspects:

- acquisition by CNP Assurances of a 40% stake in Arial Assurances, a subsidiary of AG2R LA MONDIALE;
- a commitment to reinsure the new business written by the partnership vehicle, renamed Arial CNP Assurances, *pro rata* to each partner's ownership interest;
- possible contribution of each of the partners' group pensions contracts (traditional and unit-linked funds) in 2017. The contributions would be subject to the condition precedent of the signature of a reinsurance treaty between Arial Assurances and each partner, with each transferred contract being reinsured on a 100% basis.

Following the signature of a shareholders' pact on 1 April 2016 between CNP Assurances and LA MONDIALE, to which Arial Assurances and AG2R Réunica Prévoyance are also parties, on 4 April 2016 CNP Assurances and AG2R LA MONDIALE announced the start of operations of their strategic partnership. The operation has been approved by France's insurance supervisor

(*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) and anti-trust authorities (*Autorité de la Concurrence* – ADLC).

The stake in Arial Assurance was acquired by CNP Assurances for €43.3 million.

New partnership agreements with BPCE

The new seven-year partnership agreement between the BPCE Group and CNP Assurances has been in effect since 1 January 2016. It includes implementation of an exclusive group term creditor insurance partnership with Natixis Assurances covering the Banques Populaires network (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne savings banks, Banque Palatine and Crédit Foncier, as well as specific partnerships in individual and group death/disability and health insurance, with risks co-insured 66% by CNP Assurances and 34% by Natixis Assurances. It also establishes a mechanism to align the interests of both partners concerning the contracts purchased by Caisses d'Epargne clients up until 31 December 2015 that will continue to be managed by CNP Assurances, as well as a 10%-quota share reinsurance treaty with Natixis Assurances, representing ceded technical reserves of €12.0 billion.

The partnership with BPCE contributed €10.3 billion to CNP Assurances' premium income for 2016.

Implementation of the reinsurance treaty covering new business written by Natixis Assurances (tranche 1) generated €603 million in inward reinsurance premiums for the year. CNP Assurances' share of premium income for the year from the new term creditor insurance offer totalled €27.5 million for the Caisse d'Epargne network.

Its share of premium income from the co-insured offers sold to clients of the new Banques Populaires and Crédit Foncier networks since January 2016 amounted to €23.2 million.

1.2 SIGNATURE OF AN AGREEMENT BETWEEN EDF, CAISSE DES DÉPÔTS AND CNP ASSURANCES

On 14 December 2016, EDF, Caisse des Dépôts and CNP Assurances signed a binding agreement for the acquisition by Caisse des Dépôts and CNP Assurances of a combined 49.9% stake in Réseau de Transport d'Électricité (RTE). The aim of the transaction is to provide RTE with a new governance structure to support the group over the long term as it invests in building a smart transmission system that will help drive the energy transition.

An off-balance sheet commitment of €1,080 million was recorded in respect of the agreement at 31 December 2016, corresponding to the price for 20% of RTE's capital.

1.3 $500 MILLION PRIVATE PLACEMENT ISSUE

On 15 January 2016, CNP Assurances placed a $500 million subordinated note with a major institutional investor. The note was issued in response to a specific request from the investor. The proceeds will support business growth and strengthen the Group's balance sheet.

The fixed-for-life issue will pay a 6% coupon in dollars. The final maturity is 33 years, with a first call date after 13 years.

The note has been structured to qualify as equity and is eligible for inclusion in solvency capital under Solvency II. The debt is hedged against currency risk.

1.4 €1 BILLION SUBORDINATED NOTES ISSUE

On 12 October 2016, CNP Assurances raised €1 billion through a 6-year, 1.875% subordinated notes issue due October 2022. The notes are rated BBB+ by Standard & Poor's and are eligible for inclusion in solvency capital under Solvency II.

The issue is designed to finance asset growth in Europe and Latin America while also reducing the Group's average cost of debt to 4.5% by diversifying its bond investor base.

Note 2 Subsequent events

Cancellation of the plan to acquire 51% of Pan Seguros and Pan Corretora

On 21 April 2016, CNP Assurances announced that it had signed an agreement to acquire a 51% stake in Pan Seguros (excluding its large risks P&C portfolio) and Pan Corretora from Banco BTG Pactual ("BTGP"). Caixa Econômica Federal ("CEF") indirectly holds a 49% stake in both companies.

At 31 December 2016, completion of the transaction remained subject to regulatory and anti-trust approval, as well as to the agreement of CEF, Pan Seguros and Pan Corretora's other shareholder.

On 2 February 2017, the two parties noted that the agreement was no longer valid because some of these conditions precedent had not been met.

Note 3 Change in accounting policies

None.

Note 4 Accounting policies and principles

CNP Assurances' financial statements are prepared in accordance with French generally accepted accounting principles (ANC Regulation 2015-11 dated 26 November 2015 as amended by ANC Regulation 2016-12 dated 12 December 2016) and the French Insurance Code (*Code des assurances*).

The financial year runs from 1 January to 31 December.

CNP Assurances is the consolidating entity for the CNP Assurances Group.

4.1 EQUITY

4.1.1 Capital and reserves

Share issuance costs are deducted from the related premiums.

In their statutory accounts, French insurers are required to accumulate realised gains on bonds in a capitalisation reserve that can be used to offset realised losses in order to smooth revenues from bond portfolios classified under Article R.343-9 of the French Insurance Code. Up until 1 January 2010, gains credited to the reserve were excluded from the calculation of taxable profit. Effective from 1 January 2010, gains credited to the reserve are included in taxable profit and losses charged against the reserve are deducted.

4.1.2 Treasury shares

Treasury shares, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded in "marketable securities".

4.2 INTANGIBLE ASSETS

Intangible assets, including the cost of integrating business applications and purchased software licenses, are measured and recognised in accordance with ANC Regulation 2014-03 dated 5 June 2014 (book I, title II, chapter I, section 3) on the general chart of accounts.

Intangible assets are amortised over five or eight years, corresponding to the best estimate of the assets' useful lives.

Internally developed software is amortised from the date on which it is put in production. Licences are amortised from the date of purchase.

Assets no longer used by the Company are scrapped.

4.3 INVESTING ACTIVITIES

4.3.1 Measurement

Investments are measured at historical cost less transaction costs, with the exception of:

- investments held in unit-linked portfolios, which are measured at their period-end realisable value in accordance with Article 222-5 of ANC Regulation 2015-11 dated 26 November 2015 with a corresponding adjustment to the linked liability;
- investments subject to legal revaluation requirements.

Investment property

In accordance with ANC Regulation 2014-03 dated 5 June 2014, each significant part of a building is measured separately at cost less accumulated depreciation and any accumulated impairment losses.

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 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.

Rental income is recognised in the income statement on an accruals basis.

Accumulated depreciation was calculated retrospectively in the opening balance sheet at 1 January 2005: by allocating the original cost of each property among its significant parts, and recalculating depreciation for the period from the date of acquisition to 1 January 2005, based on the estimated useful life of each part.

A simplified approach was used to allocate the amortised cost of each building at 1 January 2005 to its significant parts, based on the breakdown observed for similar reference buildings in the following eight categories:

- "Haussmann" style residential buildings;
- modern and semi-modern residential buildings;
- "old" office buildings;
- modern and semi-modern office buildings;
- shopping centres and cinemas;
- business premises;
- high-rise residential buildings;
- high-rise office buildings.

The percentage of a building's value represented by each significant part was determined based on the observed average percentage for buildings in each of the eight reference categories.

Fixtures and fittings were allocated to the other significant parts in view of their non-material amounts.

Equity investments

Equities are recognised at their purchase price excluding transaction costs. Dividends are recognised in the payment period, excluding tax credits which are netted against income tax expense.

Bonds, notes and other fixed income securities

Bonds and other fixed income securities are recognised at their purchase price less accrued interest which is posted to the income statement at the end of the reporting period.

For all portfolios, the positive or negative difference between the redemption price and the purchase price, excluding accrued interest, is recognised over the remaining life of the securities by the yield-to-maturity method for fixed rate securities and the straight-line method for variable rate securities.

In accordance with Article 122-1 of ANC Regulation 2015-11 of 26 November 2015, the same basis of calculation is used for amortisable securities covered by Articles R.343-9 and R.343-10 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 owner-occupied 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 Specific provisions for impairment of property and securities

Provisions for impairment are recorded in accordance with ANC Regulation 2015-11 dated 26 November 2015 (book I, title II, chapter 3).

Securities classified under Article R.343-9 of the French Insurance Code

In accordance with Article 123-1, CNP Assurances assesses “whether or not there is a recognised counterparty risk arising from one or a number of events that have occurred since initial recognition, and whether the related impairment loss can be estimated reliably”.

Debt securities classified under Article R.343-9 are written down when there is a recognised risk of issuer default. The potential impairment loss arising from 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.

Securities classified under Article R.343-10 of the French Insurance Code

Securities classified under Article R.343-10 of the French Insurance Code are reviewed at each period-end to determine whether they have suffered an other-than-temporary impairment in value, in accordance with Article 123-6 of ANC Regulation 2015-11.

This regulation represents a continuation of the rules that applied prior to its adoption, including the “other-than-temporary impairment” rule which has been applicable since 1 January 1995. The provisions for other-than-temporary impairment of assets recorded at that date were recognised directly in opening equity, with no impact on profit.

Property

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 fall in value to more than 20% below cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the property concerned.

The recoverable amount of a property is the higher of its value in use and its appraisal value, as determined by annual independent valuations of the entire property portfolio. The recoverable amount is prorated between the land and shell components based on the property’s carrying amount.

Securities classified under Article R.343-10

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 depend on the nature of the asset and the associated risk:

Equity investments classified under Article R.343-10

A range of indicators such as sustained losses or negative business plan projections are considered as objective evidence of other-than-temporary impairment.

Other non-amortisable securities classified under Article R.343-10

Article 123-10 states that one criterion supporting the presumption of other-than-temporary impairment is a steep fall in the securities’ market value over a long period in sharp contrast to the performance of the securities’ market. In the case of French equities, there is a presumption of other-than-temporary impairment if their market value is more than 20% below cost, or 30% if the market is highly volatile. These rules are transposed and adapted as necessary to the characteristics of the investments concerned, particularly mutual funds and foreign securities.

After the volatility caused by the 2008 crisis, in 2012 the threshold for the presumption of other-than-temporary impairment was reduced back to 20%, for both French and foreign securities. The 20% threshold continued to be applied in 2016.

The following securities must also be tested for impairment:

- securities for which a provision has already been recognised;
- securities for which there is objective evidence that the Company may not be able to recover all or part of the carrying amount of the investment;
- securities that have been trading consistently over the past six months at a discount of at least 30% in a highly volatile market;
- 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.

Amortisable securities classified under Article R.343-10

In accordance with Article 123-7-1, amortisable securities classified under Article R.343-10 that CNP Assurances has the positive intention and ability to hold to maturity are only written down if there is a recognised credit risk.

In accordance with Article 123-7-2, amortisable securities classified under Article R.343-10 that CNP Assurances does not have the positive intention or the ability to hold to maturity are tested for impairment taking into account all the identified risks 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.

Therefore, if the asset is intended to be sold in the short-term, the recoverable amount is the market price.

If the Company has the positive intention and ability to hold onto the assets, given the stability of its insurance liabilities and its asset rotation policy, the recoverable amount takes account of the intended holding period.

The recoverable amount of investments in subsidiaries and affiliates takes account of the investees' earnings outlook and business plan projections. It is based on the value in use of the securities determined using a multi-criteria approach and a long-term perspective.

The recoverable amount of other equities and mutual fund units is based on their fair value as determined 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.

4.3.4 General provisions for impairment of property, equities and other securities

The Company has set up a liquidity risk reserve.

In accordance with Article R.343-5 of the French Insurance Code amending certain rules applicable to investor insurance companies, this reserve is used to record any overall decline in the aggregate carrying amount of (i) amortisable assets classified under Article R.343-10 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.343-10, when the impairment is covered by Article R.343-5 of the code.

The Company elected to defer recognition of the liquidity risk reserve, as allowed by Article R.343-6 of the French Insurance Code.

Article A.343-12 of the French Insurance Code stipulates that the duration of liabilities should be measured based on year-by-year projections of cash outflows (total and partial surrenders and death benefit) over a 50-year period. The timing of cash outflows may vary for a number of different reasons, notably due to policyholders' surrender options, and the cash flows are not discounted. The duration determined by the above method has been limited to eight years and has been rounded in order to obtain a whole number of years.

Based on this duration, the liquidity risk reserve is deferred over an eight-year period. The deferred expense is recorded in the non-technical account, by crediting account 753 "increase in the deferred liquidity risk reserve" and debiting account 379 "deferred liquidity risk reserve". For more information, refer to Note 5.10.

In accordance with Article R.322-6 of the French Insurance Code, the expense deferred pursuant to Article R.343-6 is deducted from distributable profit as defined in Article L.232-11 of the French Commercial Code and from the profit defined in Article L.232-12-2 of the code.

Realisable value

Realisable value is defined as follows for the purposes of calculating the liquidity risk reserve:

- the realisable value of marketable securities and listed shares is the average of the prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price;
- the realisable value of mutual fund units is the average of the bid prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price.
- the realisable value of property and shares in unlisted property companies is determined on the basis of five-year valuations performed by an independent expert recognised by the insurance supervisor. In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by an independent 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 Company's entire property portfolio;

- the sale value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction, taking into account their value in use for the Company.

In accordance with Article R.343-5 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 reserve includes "unrealised losses on forward financial instruments provided for under Articles R.332-45 to R.332-47 of the French Insurance Code that have as their underlying the assets referred to in Article R.343-10". These unrealised losses are included for the portion that exceeds the value of the securities or cash put up as collateral. Unrealised gains are only included if they are guaranteed as 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.

Forward financial instruments not secured by collateral are excluded from the calculation of unrealised gains and losses not covered by provisions.

4.3.5 Disposals and exchanges

Gains and losses on disposals of investments are calculated using the FIFO method as if they were held in a single portfolio in accordance with the applicable regulations.

They are recognised in profit or loss on the actual date of sale.

Gains or losses realised on shares tendered to a public exchange offer are calculated based on the best estimate of the offerer's share price which may correspond to:

- the average share price over the offer period, or
- the closing share price on the date the results of the offer are published by the competent regulatory body.

4.3.6 Allocation of financial income

Net investment income (excluding adjustments to assets held in unit-linked portfolios) is split between (i) income generated by the investment of funds corresponding to technical reserves (including the capitalisation reserve) which is recorded in the technical account, and (ii) income generated by own-funds portfolios (excluding the capitalisation reserve), recorded in the non-technical account.

4.3.7 Translation of foreign currency transactions

CNP Assurances applies ANC Regulation 2005-11 (book II, title IV) concerning the translation of foreign currency transactions by insurance undertakings.

Foreign currency transactions include:

- expenses billed or contractually denominated in foreign currencies;
- income billed or contractually denominated in foreign currencies;
- technical reserves denominated in foreign currencies in application of Article R.343-2 of the French Insurance Code;
- debts and other payables denominated in foreign currencies;
- loans and other receivables denominated in foreign currencies;
- acquisitions, disposals and other transactions involving i) properties located in countries where transactions are normally denominated in a currency other than the euro, and ii) shares in unlisted property companies whose assets include such properties, *pro rata* to the properties' value;
- transactions involving non-amortisable debt securities and property rights other than those involving the properties referred to above, where the transaction currency is not the euro;
- commitments given and received, where settlement of the commitment will involve a foreign currency transaction within the meaning of this article;
- amortisation, depreciation, impairment losses, provisions and repayments related to foreign currency transactions within the meaning of this article.

They are recognised in the transaction or settlement currency in the foreign currency accounts (use of multi-currency accounting system) in accordance with Article 241-2 of ANC Regulation 2015-11.

In application of Article 241-5 of this Regulation, a distinction is made between:

- asset and liability transactions that generate a "structural" position. For insurers, these mainly consist of net investments in strategic foreign operations, the dotation capital provided to foreign branches and the financing of both in foreign currency. These assets are not intended to be sold and their measurement should not be affected by fluctuations in exchange rates;
- other transactions denominated in foreign currency that generate an "operational" position. These operational positions represent the insurance undertaking's short- or medium-term foreign exchange exposure arising in the normal course of business that is affected by fluctuations in exchange rates.

Separate accounts are also used to record both structural and operational positions in each currency both on- and off-balance sheet.

In the balance sheet, the foreign currency accounts 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 rate on the transaction date (historical rate) and the closing rate, are recognised both on and off-balance sheet.

Translation differences on operational positions are recorded in account 665 "Exchange losses" or account 765 "Exchange gains".

In accordance with Article 241-6, unrealised gains and losses on operational positions at 31 December 2016 were recognised in the income statement.

4.3.8 Forward financial instruments

CNP Assurances manages its exposure to financial risks using financial instruments traded over the counter or on organised markets. These instruments are used solely for macro-hedging strategies.

Since 1 January 2003, the Company has applied standard CRC 2002-09 relating to forward financial instruments.

Hedges have been set up to manage exposure to:

- interest rate risk on the bond portfolio and the portfolio of insurance policies with a yield guarantee;
- the risk of a fall in equity prices;
- 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 increases as bond prices rise.

Equity risk

Part of the Company's equities portfolio is hedged by options that increase in value as stock prices fall.

In light of the volumes and the resulting financial impact, partial hedging of the 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.

Currency risk

Currency hedging strategies were set up:

- for the Brazilian real when Caixa Seguros was acquired;
- for the pound sterling when sterling-denominated subordinated notes were issued in 2011;
- for the US dollar when dollar-denominated undated subordinated notes were issued in 2013;
- for the US dollar when dollar-denominated undated subordinated notes were issued in 2016.

Accounting treatment

- All forward financial instruments held at the reporting date are disclosed in the summary of investments included in the notes to the financial statements, immediately below the hedged investment.
- Securities pledged or received as collateral without any transfer of title are measured at their realisable value in the schedule of commitments given or received.
- The time value and intrinsic value of the initial premium are not recognised separately, whatever the type of instrument.

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, premiums on caps and floors are deferred over the life of the hedge.
- The portion of the premium corresponding to the time value is deferred over the life of the hedge.
- The settlement 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 or sale price of the investment.

Yield strategy

- Income and expenses received or receivable and paid or payable on forward financial instruments are recognised in the income statement over the planned life of the hedge by the effective yield method.
- Alternatively, they are recognised on a straight-line basis if the effect of the difference of method is not material.
- Gains and losses from yield strategies are recognised over the life of the forward financial instrument and any residual flows are recognised in profit when the hedge is unwound.

4.4 PROPERTY AND EQUIPMENT

Property and equipment consist mainly of office and computer equipment and miscellaneous installations.

They are recognised at cost and depreciated over their estimated useful lives ranging from three years for office systems equipment to ten years for fixtures, fittings and technical installations.

4.5 LIFE INSURANCE AND SAVINGS CONTRACTS

4.5.1 Premiums

Premiums on contracts in force during the period are recognised in revenue.

The amount recorded includes the estimated earned portion of premiums not yet written.

4.5.2 Technical and mathematical reserves

Reserves for contracts that provide death 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 Company 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 the effects of such a change 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 premium loading 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 (*i.e.,* the difference between the mathematical reserves carried in the balance sheet in accordance with Article L.343-1 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), in accordance with Article 151-2 of ANC Regulation 2015-11.

A matching deferred acquisition costs reserve is recognised in liabilities in accordance with Article R.343-3-7 of the French Insurance Code.

Future contract administration costs not covered by the premium loading or by the fees charged on financial products are covered by a future expense reserve.

This reserve is governed by Article R.343-3-4 of the French Insurance Code. It complies with Article 142-6 of ANC Regulation 2015-11 and is deductible from taxable profit in accordance with the provisions of the amended Finance Act of 30 December 1998.

Amounts due to holders of with-profits policies that are not paid out in policyholder dividends during the reporting period are accumulated in the policyholder surplus reserve.

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

Reserves for claims handling expenses correspond to costs that will be incurred by the insurer or its representative for the settlement of claims.

For contracts with a yield guarantee, if the actual asset yield at the reporting date, reduced by one-fifth, is less than the rate obtained by multiplying total guaranteed interest by average mathematical reserves for the contracts, a financial contingency reserve is recorded in accordance with Article R.343-3-5 of the French Insurance Code and Article 142-8 of ANC Regulation 2015-11.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide death 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 (IBNR).

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 ceding insurers or on estimates if the information received is incomplete.

4.8 THIRD-PARTY ACCOUNTS AND ACCRUAL ACCOUNTS

These accounts are governed by ANC Regulation 2015-11 (chapter IV) dated 26 November 2015 on the financial statements of insurance undertakings.

The presentation of these accounts in the balance sheet was changed in 2016.

The impact of these changes is presented below.

BALANCE SHEET - ASSETS

(In € thousands)	31.12.2015	31.12.2015 2016 presentation	**31.12.2016**	Change
Receivables	**5,992,925**	**5,514,491**	**6,504,858**	**18%**
Insurance receivables	**2,986,201**	**2,838,444**	**2,050,848**	**-28%**
Earned premiums not yet written	*2,213,023*	*2,213,023*	*1,788,033*	*-19%*
Other insurance receivables	*773,179*	*625,421*	*262,815*	*-58%*
Reinsurance receivables	**97,516**	**142,257**	**694,714**	**388%**
Other receivables	**2,909,207**	**2,533,790**	**3,759,296**	**48%**
Prepaid payroll costs	*263*	*263*	*204*	*-22%*
Prepaid and recoverable taxes	*876,982*	*884,894*	*822,055*	*-7%*
Other	*2,031,963*	*1,648,634*	*2,937,037*	*78%*
Other assets	**841,185**	**993,145**	**549,999**	**-45%**
Property and equipment	117,353	117,353	173,582	48%
Current accounts and cash on hand	711,125	863,086	374,329	-57%
Treasury shares	12,706	12,706	2,087	-84%
Accrued income and prepaid expenses	**8,591,361**	**8,592,992**	**8,688,894**	**1%**
Accrued interest and rental revenue	3,126,455	3,126,455	2,935,723	-6%
Deferred acquisition costs	201	201	149	-26%
Other accrued income and prepaid expenses	5,464,705	5,466,336	5,753,023	5%
Translation differences	**0**	**0**	**0**	

BALANCE SHEET – EQUITY AND LIABILITIES

(In € thousands)	31.12.2015	31.12.2015 2016 presentation	**31.12.2016**	Change
Cash deposits received from reinsurers	**166,706**	**166,706**	**12,235,682**	**7,240%**
Other liabilities:	**25,124,767**	**24,798,294**	**25,964,684**	**5%**
Liabilities arising from insurance transactions	886,461	738,704	854,530	16%
Liabilities arising from reinsurance transactions	731,997	776,738	1,259,551	62%
Bank borrowings	39,631	191,592	134,188	-30%
Other liabilities:	**23,466,677**	**23,091,260**	**23,716,415**	**3%**
Other borrowings, deposits and guarantees received	42,002	42,002	9,611,247	22,782%
Accrued payroll costs	377,189	377,189	380,124	1%
Accrued payroll and other taxes	730,289	738,200	603,089	-18%
Other payables	22,317,197	21,933,868	13,121,955	-40%
Deferred income and accrued expenses	**3,162,653**	**3,164,284**	**3,310,811**	**5%**
Translation differences	**0**	**0**	**0**	

4.9 EMPLOYEE BENEFITS

Employee benefit obligations are covered in full by provisions.

4.9.1 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.

4.9.2 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.

4.9.3 Accounting treatment

Actuarial gains and losses on long-term benefit obligations are recognised directly in profit or loss.

The cost recognised in profit for defined-benefit plans comprises two elements:

- current service cost and past service cost, included in operating expenses;
- interest cost less the expected return on plan assets, included in financial expenses.

4.10 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 costs include all internal and external costs of managing asset portfolios together with 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 cost centre and are then reallocated by function;
- the allocation is based on rules that depend on the activity performed by the cost centre.

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.

4.11 *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 ANC Regulation 2015-11 (book II, title III). A special segregated portfolio has been set up for these operations to safeguard the policyholder's right to make withdrawals following the occurrence of certain events. A set of subsidiary accounts is kept for each PERP and PERE plan.

The separate PERP and PERE plan accounts are presented to the Supervisory Board.

Transfers between the plan portfolios and the Company's general portfolio are recognised as a sale/purchase in the respective portfolios and the gain or loss on disposal is recognised using the FIFO method.

In the plan accounts:

- the underwriting profit and financial income generated on the plan during the year are accumulated in the policyholder surplus reserve;
- in the case of an aggregate unrealised loss on the non-amortisable assets in the segregated portfolio, an amount corresponding to the loss is 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 above.

When a liquidity risk reserve is recorded in the subsidiary accounts of a PERP or a PERE plan, the expense deferral recorded pursuant to Article R.343-6 of the French Insurance Code is recognised in the Company accounts and has no impact on the plan's subsidiary accounts.

4.12 ADDITIONAL SPECIAL TECHNICAL RESERVES FOR THE FRENCH CIVIL SERVANT PENSION PLAN ("L.441-1 PRÉFON RETRAITE" PLAN)

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 theoretical mathematical reserve required to meet annuity payments is calculated based on the number of points earned at the reporting date. If the special technical reserve (*i.e.*, cumulative premiums net of cumulative benefits in the segregated portfolio) is less than the theoretical mathematical reserve, an additional special technical reserve is recorded for the difference. If the special technical reserve subsequently represents at least the amount of the theoretical mathematical reserve, the additional special technical reserve previously recognised is reversed. These reserves are recorded in the plan's subsidiary accounts in accordance with Article 232-7 of ANC Regulation 2015-11.

When plan assets exceed plan obligations, the surplus may be reallocated to the insurer's general portfolio.

4.13 POOLED DEFERRED DIVERSIFICATION RESERVE

CNP Assurances has decided to use the mechanism for temporarily transferring assets that are a source of unrealised gains from general reserves to the *eurocroissance* reserve, as allowed by Decree 2016-959 dated 13 July 2016 and the government order of the same date concerning the option of temporarily transferring assets to commitments that give rise to the recognition of a diversification reserve. An asset is a source of an unrealised gain if its immediate sale under current market conditions would generate a profit compared to its value in the balance sheet. This mechanism, which may be applied until 31 December 2018, is designed to facilitate the development of *eurocroissance* funds through the transfer, within the limits specified in the Decree, of part of the unrealised gain on traditional funds not yet allocated to policyholders with rights to these funds.

4.14 TAXATION

4.14.1 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, Préviposte, Investissement Trésor Vie (ITV), Montparvie 2, CNP Caution, Carrés Bleus SA, Prévimut, Cicoge SA (property investment company), Âge d'Or Expansion, SAS Theemim, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ, US Real Estate 270, SAS Pial 34, SAS Foz Participations, SCI Passage du Faidherbe, Cobee, Fonds Privé d'Investissements Parisiens (FPIP), SCI Pavot, Pierre et Matignon, Pierre et Taitbout, Bleuet, Pierre et Surene, Yellowalto, Foncière HID, SAS 36 Marbeuf, SAS 23-25 Marignan, SAS Alleray, SAS Lyfe, Sogestop K, 46 Kleber Holding and 46 Kleber.

4.14.2 Tax credit to aid competitiveness and promote employment (*Crédit impôt compétitivité emploi* – CICE)

The CICE tax credit scheme is designed to boost the competitiveness of French businesses.

The tax credit is assessed on total payroll subject to payroll taxes for the calendar year, excluding the portion of salaries representing more than 2.5 times the national minimum wage and excluding overtime pay. For 2016, the tax credit amounted to 6% of payroll calculated as described above.

In accordance with ANC guidelines dated 28 February 2014, the CICE tax credit is recorded in a special sub-account of "Payroll costs" and deducted from taxable profit.

The €1.5 million CICE tax credit for 2016 was used to finance competitiveness improvements through investments, training and exploration of new markets.

4.14.3 Deferred taxes

No provisions for deferred taxes are recorded in the Company's accounts.

4.15 CONSOLIDATION

CNP Assurances, the parent company, is fully consolidated by CNP Assurances Group.

Note 5 Notes to the balance sheet

5.1 CHANGES IN INTANGIBLE ASSETS, BUILDINGS, AND INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

Gross *(in € thousands)*	Gross at 01.01.2016	Additions	Disposals	Transfers	Gross at 31.12.2016
Intangible assets	**286,848**	**29,722**			**316,570**
Software	286,848	29,722			316,570
Land and buildings	**9,577,976**	**3,180,899**	**1,465,200**	**8,591**	**11,302,266**
Forests	103,507	2,165	1,621	(432)	103,619
Developed property	305,921	464	68,043	(6,484)	231,858
Shares in unlisted property companies	9,119,356	3,173,222	1,392,093	50,296	10,950,780
Property investments in progress	49,192	5,049	3,443	(34,789)	16,008
Investments in subsidiaries and affiliates	**5,443,764**	**1,429,299**	**730,509**	**(197,190)**	**5,945,364**
Investments in subsidiaries	4,216,227	1,197,304	482,667	(254,200)	4,676,664
Investments in affiliates	1,227,538	231,994	247,842	57,010	1,268,700
TOTAL	**15,308,588**	**4,639,920**	**2,195,709**	**(188,599)**	**17,564,200**

Depreciation, amortisation and provisions *(in € thousands)*	Gross at 01.01.2016	Increases	Decreases	Transfers	Gross at 31.12.2016
Amortisation of software	209,578	21,136		298	231,012
Depreciation of buildings	159,251	7,591	24,820	(41,705)	100,317
Provisions for impairment of buildings	2,088	311	452		1,947
Provisions for impairment of shares in property companies	203,401	15,601	2,823		216,179
Provisions for impairment of investments in subsidiaries	431,303	13,307	86,510	475	358,575
Provisions for impairment of other investments	72,991	5,596	28,548	480	50,519
TOTAL	**1,078,611**	**63,542**	**143,152**	**(40,452)**	**958,549**

Carrying amount (gross amount less depreciation, amortisation and provisions) *(in € thousands)*	Net at 01.01.2016	Increases	Decreases	Transfers	Net at 31.12.2016
Intangible assets	**77,270**	**8,586**	**0**	**(298)**	**85,558**
Software	77,270	8,586	0	(298)	85,558
Land and buildings	**9,213,237**	**3,157,397**	**1,437,106**	**50,296**	**10,983,824**
Forests	103,507	2,165	1,621	(432)	103,619
Developed property	144,582	(7,437)	42,771	35,221	129,595
Shares in unlisted property companies	8,915,956	3,157,621	1,389,271	50,296	10,734,601
Property investments in progress	49,192	5,049	3,443	(34,789)	16,008
Investments in subsidiaries and affiliates	**4,939,471**	**1,410,396**	**615,451**	**(198,145)**	**5,536,270**
Investments in subsidiaries	3,784,924	1,183,997	396,158	(254,675)	4,318,089
Investments in affiliates	1,154,547	226,399	219,294	56,530	1,218,182
TOTAL	**14,229,977**	**4,576,378**	**2,052,557**	**(148,147)**	**16,605,651**

5.2 INVESTMENTS

5.2.1 Summary of investments

At 31 December 2016 *(in € thousands)*	Gross amount	Carrying amount	Realisable value
I - Investments (balance sheet captions 3 & 4)			
1) Property investments and property in progress	**11,274,064**	**10,955,624**	**13,810,166**
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	**25,113,972**	**22,437,019**	**27,331,378**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	198,438	174,591	187,102
3) Mutual fund units (other than those in 4)	**27,772,899**	**27,320,752**	**32,711,097**
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	**27,218,961**	**27,218,961**	**27,429,807**
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	**195,875,282**	**197,620,316**	**221,887,463**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,128,940	531,811	(724,109)
6) Mortgage loans	**69**	**69**	**69**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
7) Other loans	**168,000**	**168,000**	**178,011**

At 31 December 2016 *(in € thousands)*	Gross amount	Carrying amount	Realisable value
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	**624,730**	**624,730**	**624,730**
10) Assets backing unit-linked contracts	**29,833,560**	**29,833,560**	**29,833,560**
Property investments			
Variable income securities other than mutual fund units			
Mutual funds invested exclusively in fixed-income securities			
Other mutual fund units			
Bonds and other fixed income securities			
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 of lines 1 to 11	**319,208,916**	**316,885,435**	**353,269,275**
a) of which:			
Investments measured in accordance with Article R.343-19	191,562,131	192,717,880	215,732,989
Investments measured in accordance with Article R.343-10	97,810,790	94,331,560	107,700,291
Investments measured in accordance with Article R.343-13	29,833,560	29,833,560	29,833,560
Investments measured in accordance with Article R.343-11	2,434	2,434	2,434
b) of which:			
Securities representing technical reserves other than those listed below	290,295,067	287,853,526	321,112,361
Securities pledged to cover commitments to employee benefits institutions or covering managed investment funds	0	0	0
Securities deposited with ceding insurers (including ceding insurers whose commitments are guaranteed by the Company)	2,441,225	2,441,225	2,441,225
Securities allocated to special technical reserves for other business in France	8,701,775	9,005,287	10,931,146
Other allocated or unallocated investments	17,770,849	17,585,397	18,784,543
c) of which:			
Investments and forward financial instruments in OECD member countries	317,745,232	315,469,222	350,897,883
Investments and forward financial instruments in countries that are not members of the OECD	1,463,685	1,416,213	2,371,392
II - Assets representing technical reserves (other than investments and reinsurers' share of technical reserves)			
Accrued interest	2,956,930	2,956,930	2,956,930
Cash at bank	240,142	240,142	240,142
Other	1,262,256	1,262,256	1,262,256
Total assets representing technical reserves	**4,459,328**	**4,459,328**	**4,459,328**
TOTAL	**323,668,244**	**321,344,763**	**357,728,603**

5.2.2 Investments in government bonds

Issuer government *(in € millions)*	Gross exposure – carrying amount (1)	Net exposure (2)
France	66,222	4,358
Italy	6,181	369
Belgium	7,074	365
Spain	7,035	542
Austria	4,156	126
Brazil	2	1
Portugal	271	7
Netherlands	134	4
Ireland	549	15
Germany	1,850	145
Greece	4	0
Finland	13	0
Poland	319	33
Luxembourg	33	15
Sweden	81	47
Denmark	0	0
Slovenia	140	4
Canada	654	82
Supranational issuers	5,449	500
Other	308	34
TOTAL	**100,477**	**6,648**

(1) Carrying amount, including accrued interest

(2) 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	Less than 1 year	Between 1 and 5 years	More than 5 years
Insurance receivables	**2,050,848**	**2,046,156**	**4,692**	
Earned premiums not yet written	1,788,033	1,788,033		
Other insurance receivables	262,815	258,123	4,692	
Reinsurance receivables	**694,714**	**694,714**		
Other receivables	**3,759,296**	**3,759,296**		
Prepaid payroll costs	204	204		
Prepaid and recoverable taxes	822,055	822,055		
Other	2,937,037	2,937,037		
Called and unpaid capital	**0**	**0**		
TOTAL	**6,504,858**	**6,500,166**	**4,692**	

Payables *(in € thousands)*	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Cash deposits received from reinsurers	**12,235,682**	**12,235,682**		
Other liabilities	**25,964,684**	**25,920,012**	**44,672**	
Liabilities arising from insurance transactions	854,530	854,530		
Liabilities arising from reinsurance transactions	1,259,551	1,259,551		
Bank borrowings	134,188	134,188		
Other liabilities	23,716,415	23,671,743	44,672	
Negotiable debt securities issued by the Company	0	0		
Other borrowings, deposits and guarantees received	9,611,247	9,566,575	44,672	
Accrued payroll costs	380,124	380,124		
Accrued payroll and other taxes	603,089	603,089		
Other payables	13,121,955	13,121,955		
TOTAL	**38,200,366**	**38,155,694**	**44,672**	

5.4 SUBSIDIARIES AND AFFILIATES

5.4.1 Investments in subsidiaries and affiliates

	Total at 31 December 2016				Affiliates				Subsidiaries			
(In € thousands)	**Shares**	**Other**	**Impairment**	**Carrying amount**	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	Carrying amount
Insurance companies												
ARIAL CNP ASSURANCES	43,326			43,326	43,326			43,326				
ASSURISTANCE	13,427			13,427					13,427			13,427
AVENIR SANTÉ	1,099	401		1,500					1,099	401		1,500
CAIXA SEGUROS HOLDING	434,906			434,906					434,906			434,906
CAPVITA	26			26					26			26
CNP ASSURANCES BRASIL HOLDING LTDA	8,128			8,128					8,128			8,128
CNP ASSURANCES COMPANIA DE SEGUROS	20,788			20,788					20,788			20,788
CNP CAUTION	464,917		1,916	463,001					464,917		1,916	463,001
CNP CYPRUS INSURANCE HOLDINGS LIMITED	145,915		22,396	123,519					145,915		22,396	123,519
CNP EUROPE LIFE LIMITED	62,240			62,240					62,240			62,240
MONTPARVIE 2	675			675					675			675
CNP LUXEMBOURG	32,000			32,000					32,000			32,000
CNP PARTNERS	129,154			129,154					129,154			129,154
CNP UNICREDIT VITA S.p.A.	726,775		322,223	404,552					726,775		322,223	404,552
ITV	22,410			22,410					22,410			22,410
LYFE	100			100					100			100
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					
SANTANDER INSURANCE EUROPE LIMITED	105,790			105,790					105,790			105,790
SANTANDER INSURANCE LIFE LIMITED	191,806			191,806					191,806			191,806
SANTANDER INSURANCE SERVICES IRELAND LIMITED	2,400			2,400					2,400			2,400
SINO-FRENCH LIFE INSURANCE COMPANY LIMITED	6,125		6,125		6,125		6,125					
Sub-total	**2,613,089**	**401**	**360,119**	**2,253,370**	**56,911**	**0**	**13,585**	**43,326**	**2,556,179**	**401**	**346,535**	**2,210,045**
Other companies												
270 INVESTMENTS	125,573	244,050		369,623					125,573	244,050		369,623
3i GROWTH CAPITAL F	28,369			28,369					28,369			28,369
ÂGE D'OR EXPANSION	2,448	2,200	1,522	3,126					2,448	2,200	1,522	3,126
ALPINVEST FEEDER (EURO) V C.V.	44,291			44,291					44,291			44,291
AXA INFRASTRUCTURE PARTNERS	50,902			50,902	50,902			50,902				
BRIDGEPOINT EUROPE IV G	10,943			10,943					10,943			10,943
CANTIS	0	62		62	0	62		62				
CARRÉS BLEUS	2,363	2,200	3,863	700					2,363	2,200	3,863	700
CARTERA PBTAMSI	15,000			15,000					15,000			15,000

(In € thousands)	**Total at 31 December 2016**				Affiliates				Subsidiaries			
	Shares	**Other**	**Impairment**	**Carrying amount**	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	Carrying amount
CBPE CAPITAL VIII SPECIAL INVESTORS	11,676			11,676					11,676			11,676
CLEANTECH EUROPE II SPECIAL INVESTORS	17,230			17,230					17,230			17,230
CNP FORMATION	37		37						37		37	
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	24,943			24,943					24,943			24,943
CNP TECHNOLOGIES DE L'INFORMATION	914	4,000		4,914					914	4,000		4,914
COMMERCIAL REAL ESTATE LOANS	95,333			95,333					95,333			95,333
DIF INFRASTRUCTURE II	36,017			36,017					36,017			36,017
DOMUS CO-INVEST	35,000			35,000					35,000			35,000
ECUREUIL VIE DEVELOPPEMENT	18	1,000		1,018	18	1,000		1,018				
ECUREUIL VIE INVESTMENT	328,338	50,000		378,338					328,338	50,000		378,338
EQUASANTÉ	805		73	732	805		73	732				
FILASSISTANCE SERVICES	228		13	215					228		13	215
FORESTIÈRE CDC	2,567	1,858		4,424	2,567	1,858		4,424				
FSN CAPITAL IV (B) L.P.	21,493			21,493					21,493			21,493
GEOSUD	139,488			139,488					139,488			139,488
GESPRE EUROPE	3,000		1,020	1,980	3,000		1,020	1,980				
GROUPEMENT PROPRIÉTÉS CDC CNP	6			6	6			6				
HOLDING D'INFRASTRUCTURES GAZIÈRES	349,103			349,103					349,103			349,103
INFRA VIA	18,985			18,985	18,985			18,985				
INFRA-INVEST	5,018			5,018					5,018			5,018
INFRA-INVEST FRANCE	102,001	138,350		240,351					102,001	138,350		240,351
INFRASTRUCTURE PARTNERS (MORGAN STANLEY)	47,078		5,698	41,380					47,078		5,698	41,380
INTER EXPANSION-FONGEPAR	7,977		2,895	5,081	7,977		2,895	5,081				
LANCOSME (SNC)	61	80		141					61	80		141
MEIF III SCOTLAND LP	12,725			12,725	12,725			12,725				
MERIDIAM INFRASTRUCTURE	97,516			97,516	97,516			97,516				
MERIDIAM TRANSITION	149,944			149,944	149,944			149,944				
MONTAGU IV (SCOTS FEEDER)	20,918			20,918					20,918			20,918
OPEN CNP	10,000			10,000					10,000			10,000
PREVIMUT	1,058		830	228					1,058		830	228
SMCA	2,000			2,000					2,000			2,000
SOGESTOP K	156		78	78					156		78	78
SOGESTOP L	18,626			18,626					18,626			18,626
VORONEZH EMPREENDIMENTOS E PARTICIPACOES LTDA	183,505			183,505					183,505			183,505
Other companies *	**864,426**		**32,946**	**831,480**	**864,426**		**32,946**	**831,480**				
Sub-total	**2,888,074**	**443,800**	**48,974**	**3,282,900**	**1,208,870**	**2,919**	**36,934**	**1,174,856**	**1,679,204**	**440,880**	**12,040**	**2,108,044**
Total by type	5,501,164	444,200	409,094	5,536,270	1,265,781	2,919	50,519	1,218,182	4,235,383	441,281	358,575	4,318,089
TOTAL	**5,945,364**		**409,094**	**5,536,270**	**1,268,700**		**50,519**	**1,218,182**	**4,676,664**		**358,575**	**4,318,089**

* *Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital*

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5.4.2 Financial income and expenses received from and paid to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	**31.12.2016**	31.12.2015
Financial expenses	55,524	28,057	83,581	87,693
Financial income	708,668	67,020	775,688	1,055,239

5.4.3 Receivables from and payables to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	**31.12.2016**	31.12.2015
Receivables	**68,823**	**1**	**68,824**	**27,916**
Other receivables	68,823	1	68,824	27,916
Prepaid and recoverable taxes	*14,400*		*14,400*	*14,400*
Other	*54,423*	*1*	*54,424*	*13,516*
Other liabilities	**392,231**	**641,278**	**1,033,509**	**903,728**
Other payables	*392,231*	*641,278*	*1,033,509*	*903,728*

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	Cost of investment	Carrying amount of investment (o/w unpaid)	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)													
23-25 MARIGNAN SAS [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	31,291	6,682	101,406	85,726	85,726	100.00%	59,097	6,393	1,825	0	Property company
270 INVESTMENTS [6]	4 place Raoul Dautry – 75015 Paris – France	EUR	32,128	77,945	299,521	125,573	125,573	100%	244,050	0	20,265	16,064	Investment fund
36 MARBOEUF SAS [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	27,067	(10,993)	52,361	43,194	43,194	100%	34,245	1,574	(297)	0	Property company
3i GROWTH CAPITAL F	16 Palace Street – London SW1E 5JD – UK	EUR	NC	NC	NC	28,369	5,156	76.92%	0	NC	NC	0	Investment fund
67-69 VICTOR HUGO [1]	128 boulevard Raspail – 75006 Paris – France	EUR	5,000	45,026	126,054	50,000	50,000	100%	72,400	3,862	413	0	Property company
A9B PARIS [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	10,000	86,114	153,547	99,991	99,991	100%	13,809	28	1,451	0	Property company
AEP 247 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	172,291	(3,982)	182,820	161,102	161,102	100%	0	6,580	5,082	6,657	Property company
AEW IMCOM 1 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	119,282	(1,296)	114,764	102,119	102,119	100%	21,389	4,828	4,195	6,831	Property company
AEW IMCOM 6 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	354,242	(11,812)	545,017	258,699	258,699	83.33%	145,832	32,854	25,057	15,389	Property company
ALPINVEST FEEDER (EURO) V C.V.	Jachthavenweg 118 – 1081 KJ Amsterdam – Netherlands	EUR	NC	NC	NC	44,291	29,042	99.98%	0	NC	NC	0	Investment fund
ASSURBAIL PATRIMOINE [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	183,233	80,527	347,067	214,588	214,588	99.99%	40,967	13,824	27,402	19,850	Property company
ASSURECUREUIL PIERRE [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	19,312	10,293	45,985	58,138	58,138	85.83%	0	7,741	6,825	4,379	Property company
ASSURECUREUIL PIERRE 3 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	199,624	168,096	701,884	252,165	252,165	77.98%	212,015	6,984	20,937	38,279	Property company
ASSURECUREUIL PIERRE 4 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	101,740	73,636	228,654	168,599	168,599	100%	42,782	0	8,470	9,523	Property company
ASSURECUREUIL PIERRE 5 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	3,362	756	7,623	8,225	8,225	100%	500	1,458	1,026	1,146	Property company
ASSURIMMEUBLE [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	345,000	359,870	730,015	796,951	796,951	100%	0	3,220	21,671	19,200	Property company
ASSURISTANCE [6]	4 place Raoul Dautry – 75015 Paris – France	EUR	20,344	440	21,451	13,427	13,427	66%	0	0	4,011	0	Insurance
AXE France [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	5,001	56,510	149,022	43,085	43,085	50%	40,018	10,907	2,629	1,467	Property company

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
BAUDRY PONTHIEU [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	4,460	36,558	99,276	44,559	44,559	99.9%	54,270	5,300	437	1,515	Property company
BERCY CRYSTAL [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	5,000	45,049	96,839	50,000	50,000	100%	42,936	0	1,203	0	Property company
BRIDGEPOINT EUROPE IV G	30 Warwick Street – London W1B 5AL – UK	EUR	NC	NC	NC	10,943	8,099	81.67%	0	NC	NC	0	Investment fund
CAIXA SEGUROS HOLDING	SCN Quadra 01 Lote A Ed.N°1 – 15°,16° e 17° Andares – Brasilia – Brazil	EUR	801,632	(175,874)	1,201,400	434,906	434,906	50.75%	0	0	570,170	162,155	Insurance
CANOPÉE [1]	20 rue Quentin Bauchart – 75008 Paris – France	EUR	47,210	0	95,439	47,200	47,200	99.98%	45,107	8,537	2,598	2,545	Property company
CARTERA PBTAMSI	Almagro, 36, 2ª planta – 28010 Madrid – Spain	EUR	NC	NC	NC	15,000	14,000	100%	0	NC	NC	0	Investment fund
CBPE CAPITAL VIII SPECIAL INVESTORS	2 George Yard – London EC3V 9DH – UK	GBP	NC	NC	NC	11,676	10,339	100%	0	NC	NC	0	Investment fund
CICOGE [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	37,320	57,748	119,320	200,646	200,646	99.99%	0	7,161	18,466	2,911	Property company
CIMO [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	213,022	164,890	425,180	573,513	573,513	93.03%	0	17,746	35,297	28,934	Property company
CLEANTECH EUROPE II SPECIAL INVESTORS	140 Brompton Road – London SW3 1HY – UK	EUR	NC	NC	NC	17,230	16,211	100%	0	NC	NC	0	Investment fund
CNP ASSURANCES BRASIL HOLDING LTDA	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edifi cio n°1, CEP 70710 – 900 Brasilia – Brazil	EUR	7,054	21,201	33,904	8,128	8,128	100%	0	0	5,393	0	Insurance
CNP ASSURANCES COMPAÑIA DE SEGUROS	M.T. de Alvear 1541 (C1060AAC) – 1001 Buenos Aires – Argentina	EUR	10,169	7,723	47,472	20,788	20,788	76.47%	0	47,472	11,163	0	Insurance
CNP CAUTION [6]	4 place Raoul Dautry – 75015 Paris – France	EUR	258,735	192,610	665,834	464,917	463,001	100%	0	87,273	(15,072)	0	Insurance
CNP CYPRUS INSURANCE HOLDINGS LIMITED	64 Arch. Makarios III ave. & 1 Karpenisiou Str. – 1077 Nicosia – Cyprus	EUR	90	132,034	160,848	145,915	123,519	50.1%	0	0	15,025	6,647	Insurance
CNP EUROPE LIFE LIMITED	Embassy House, Herbert Park Lane, Ballsbridge – Dublin 4 – Ireland	EUR	52,523	23,006	253,837	62,240	62,240	100%	0	140	(591)	0	Insurance
CNP Luxembourg [6]	10 rue de Reims L-2417 Luxembourg – Luxembourg	EUR	32,000	0	32,178	32,000	16,000	100%	0	0	(496)	0	Insurance

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CNP PARTNERS	El Plantio Calle Ochandiano n°10 Planta 2a – 28023 Madrid – Spain	EUR	93,287	66,917	2,176,977	129,154	129,154	99.5%	0	343,766	5,078	0	Insurance
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	20 place Vendôme – 75001 Paris – France	EUR	NA	NA	NA	25,000	25,000	100%	0	NA	NA	0	Investment fund
CNP UNICREDIT VITA S.p.A.	Piazza Durante 11 – 20131 Milan – Italy	EUR	381,699	410,901	13,979,449	726,775	404,552	57.5%	0	2,549,012	49,126	14,350	Insurance
CŒUR MÉDITERRANÉE [(5)]	128 boulevard Raspail – 75006 Paris – France	EUR	42,120	277	62,719	28,619	28,619	70%	12,933	1,851	1,632	2,330	Property company
COMMERCIAL REAL ESTATE LOANS	21 boulevard Grande Duchesse Charlotte – L-1331 Luxembourg – Luxembourg	EUR	NC	NC	NC	95,333	95,333	61.69%	0	NC	NC	0	Diversification
COTTAGES DU BOIS AUX DAIMS [(1)]	11-13 avenue de Friedland – 75008 Paris – France	EUR	1,131	9,964	26,695	11,301	11,301	100%	15,100	1,790	(140)	0	Property company
DIF INFRASTRUCTURE II	WTC Schiphol Airport, Tower D, 10th Floor Schiphol Boulevard 269 – 1118 BH Schiphol – Netherlands	EUR	NA	NA	NA	36,017	36,017	53.33%	0	NA	NA	6,682	Infrastructure
DOMUS CO-INVEST	232 rue de Rivoli – 75054 Paris Cedex 01 – France	EUR	NC	NC	NC	35,000	33,833	100%	0	NC	NC	0	Investment fund
ECUREUIL VIE INVESTMENT [(6)]	4 place Raoul Dautry – 75015 Paris – France	EUR	10,935	325,648	418,037	328,338	328,338	100%	50,000	0	49,998	34,008	Investment fund
ÉQUINOX [(1)]	20 rue Quentin Bauchart – 75008 Paris – France	EUR	41,404	219	91,416	41,400	38,650	99.98%	47,637	5,102	(1,728)	0	Property company
FARMAN [(1)]	4 rue Auber – 75009 Paris – France	EUR	25,000	135,745	230,211	80,872	80,872	50%	30,414	15,784	8,803	4,461	Property company
FARMORIC [(1)]	Cœur Défense – Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92400 Courbevoie – France	EUR	218,565	1,590	254,556	176,604	176,604	100%	29,294	0	5,021	4,748	Property company
FONCIÈRE CNP [(1)]	4 rue Auber – 75009 Paris – France	EUR	2,250	62,905	152,340	29,603	29,603	100%	52,784	6,218	29,130	1,000	Property company
FONCIÈRE ELBP [(1)]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	14,614	125,637	401,016	146,131	146,131	100%	261,312	15,580	4,005	0	Property company
FONCIÈRE HID [(1)]	11-13 avenue de Friedland – 75008 Paris – France	EUR	4,370	6,957	57,114	11,300	11,300	100%	44,900	3,893	285	219	Property company
FSN CAPITAL IV (B) LP.	Akersgaten 20 NO-0158 – Oslo – Norway	SEK	NC	NC	NC	21,493	15,867	100%	0	NC	NC	0	Investment fund
GCK [(6)]	4 rue Auber – 75009 Paris – France	EUR	10,529	1,706	21,744	100,994	100,994	80%	0	12,658	5,064	3,901	Property company

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Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
GEOSUD	2 rue des Martinets – 92569 Rueil Malmaison – France	EUR	NA	NA	NA	139,488	139,488	98%	0	NA	NA	0	Infrastructure
GREEN RUEIL [(1)]	11-13 avenue de Friedland – 75008 Paris – France	EUR	9,110	77,970	215,473	45,546	45,546	50%	60,525	15,358	4,000	1,184	Property company
HOLDING D'INFRASTRUCTURES GAZIÈRES [(2)]	4 place Raoul Dautry – 75015 Paris – France	EUR	526,370	131,798	715,008	349,103	349,103	52.73%	0	0	56,818	28,869	Infrastructure
HOLDIPIERRE [(6)]	128 boulevard Raspail – 75006 Paris – Paris	EUR	108,778	(4,341)	109,699	95,030	95,030	100%	300	3,920	4,908	4,761	Property company
I.T.V [(6)]	4 place Raoul Dautry – 75015 Paris – France	EUR	22,418	29,462	602,347	22,410	22,410	100%	0	14,682	2,938	5,542	Insurance
ILOT 13 [(1)]	50-56 rue de la Procession – 75015 Paris – France	EUR	45,000	0	89,853	22,500	22,500	50%	19,589	10,243	3,997	813	Property company
IMMAUCOM [(6)]	4 rue Auber – 75009 Paris – France	EUR	14,538	168	37,112	132,776	132,776	80%	0	2,636	650	2,536	Property company
INFRA-INVEST FRANCE	4 place Raoul Dautry – 75015 Paris – France	EUR	NA	NA	NA	102,001	102,001	100%	138,350	NA	NA	0	Infrastructure
INFRASTRUCTURE PARTNERS (MORGAN STANLEY) [(6)]	6 place de la République Dominicaine – 75017 Paris – France	USD	14,186	1	35,447	47,078	20,203	64.94%	0	21,351	21,205	0	Infrastructure
IRELAND PROPERTY INVESTMENT FUND	George's Court, 54-62 Townsend Street – Dublin 2 – Ireland	EUR	0	0	0	314,450	314,450	99.99%	0	0	0	0	Property company
ISSY VIVALDI [(1)]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	3,310	28,633	72,109	33,010	33,010	100%	35,852	4,444	1,190	0	Property company
JASMIN [(1)]	20 rue Quentin Bauchart – 75008 Paris – France	EUR	19,010	0	45,180	19,000	19,000	99.95%	23,245	3,300	1,758	1,747	Property company
JESCO [(6)]	41 rue Louise Michel – 92594 Levallois Perret Cedex – France	EUR	40,801	7,042	92,975	28,051	28,051	55%	21,035	5,016	2,379	0	Property company
KLEBER 46 [(5)]	4 rue Auber – 75009 Paris – France	EUR	15,058	198	38,958	45,858	45,858	100%	22,704	0	629	597	Property company
LBP ACTIFS IMMO [(6)]	43/47 avenue de la Grande Armée – 75116 Paris – France	EUR	423,628	(2,320)	480,505	384,251	384,251	100%	35,720	23,244	6,954	7,081	Property company
LESLY [(1)]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	102,071	564	103,842	102,071	102,071	100%	196	2,237	(522)	0	Property company
LIBERTÉ [(1)]	4 rue Auber – 75009 Paris – France	EUR	25,350	63,120	233,352	51,003	51,003	50%	60,878	19,181	11,535	6,751	Property company
LUX GARE [(1)]	11-13 avenue de Friedland – 75008 Paris – France	EUR	435	7,157	23,850	12,219	12,219	100%	15,798	1,616	(88)	308	Property company
MAESTRIMMO [(1)]	128 boulevard Raspail – 75006 Paris – France	EUR	33,381	(762)	32,792	33,381	33,381	100%	0	1,863	(306)	0	Property company

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
MALTHAZAR [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	6,135	49,493	110,524	52,688	52,688	50%	22,096	10,368	4,971	3,804	Property company
MFPRÉVOYANCE [6]	62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	81,773	72,009	840,425	67,853	67,853	51%	0	222,174	15,309	0	Insurance
MONTAGU IV (SCOTS FEEDER)	2 More London Riverside – London SE1 2AP – UK	EUR	NC	NC	NC	20,918	17,914	100%	0	NC	NC	0	Investment fund
MTP INVEST [5]	128 boulevard Raspail – 75006 Paris – France	EUR	304,734	68,194	726,671	394,112	394,112	100%	248,605	16,983	13,251	11,154	Property company
NEUILLY PILOT [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	150	(486)	17,337	8,504	8,504	100%	16,935	824	(362)	0	Property company
NEW SIDE [1]	4 rue Auber – 75009 Paris – France	EUR	1,947	36,931	99,781	38,939	38,939	100%	57,959	4,901	2,708	0	Property company
OPCI RASPAIL [1]	128 boulevard Raspail – 75006 Paris – France	EUR	122,381	(587)	171,280	123,440	123,440	100%	47,909	1,647	1,172	0	Property company
OPEN CNP	4 place Raoul Dautry – 75015 Paris – France	EUR	10,000	0	0	10,000	10,000	100%	0	0	0	0	Diversification
OREA [6]	41 rue Louise Michel – 92594 Levallois Perret Cedex – France	EUR	91,198	(1,908)	101,883	86,829	86,829	100%	3,265	8,477	4,773	3,821	Property company
PANTIN LOGISTIQUE [4]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	10	(747)	120,624	70,687	70,687	100%	70,383	9,725	249	0	Property company
PARIS 08 [1]	4 rue Auber – 75009 Paris – France	EUR	42,091	792	51,094	42,091	42,091	100%	5,660	1,950	692	0	Property company
PAYS-BAS RETAIL 2013 BV [3]	Naritaweg 165, Telestone 8 – 1043 BV Amsterdam – Netherlands	EUR	17,500	(240)	46,726	17,500	17,500	100%	28,500	0	642	0	Property company
PIAL 34 [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	15,001	91,803	216,154	141,001	141,001	100%	102,717	0	4,566	0	Property company
PREVIPOSTE [6]	4 place Raoul Dautry – 75015 Paris – France	EUR	125,813	236,473	6,972,596	125,770	125,770	100%	0	129,946	19,526	40,755	Insurance
RENAISSANCE FRANÇOIS IER (SCI) [1]	128 boulevard Raspail – 75006 Paris – France	EUR	3,450	31,211	87,440	34,500	34,500	100%	50,818	3,202	364	0	Property company
RESIDENTIAL [1]	4 rue Auber – 75009 Paris – Paris	EUR	33,801	(376)	34,824	33,801	33,801	100%	205	2,042	(522)	0	Property company
RUE DU BAC [1]	4 rue Auber – 75009 Paris – France	EUR	25,240	143,143	241,774	86,192	86,192	50.01%	30,958	12,993	5,837	5,480	Property company
RUEIL NEWTON [1]	11-13 avenue de Friedland – 75008 Paris – France	EUR	3,115	28,002	67,509	15,508	15,508	50%	18,930	0	(2,601)	0	Property company
SANTANDER INSURANCE EUROPE LIMITED	Block 8 Harcourt Centre,Charlotte Way – Dublin 2 – Ireland	EUR	53,000	8,240	802,386	105,790	105,790	51%	0	174,644	5,393	0	Insurance
SANTANDER INSURANCE LIFE LIMITED	Block 8 Harcourt Centre,Charlotte Way – Dublin 2 – Ireland	EUR	103,600	29,340	1,282,374	191,806	191,806	51%	0	430,756	14,794	0	Insurance

3

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
SAPHIRIMMO (1)	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	6,767	102,452	229,240	109,205	109,205	99.99%	116,096	6,309	1,011	251	Property company
SAS ALLERAY - SQUARE 15 (1)	128 boulevard Raspail – 75006 Paris – France	EUR	10,000	64,251	188,632	118,592	118,592	100%	112,655	0	(856)	4,500	Property company
SCI DE LA CNP (6)	4 place Raoul Dautry – 75015 Paris – France	EUR	59,711	36,778	104,416	141,628	141,628	100%	5,000	5,948	2,238	2,224	Property company
SECRETS ET BOÉTIE (1)	11-13 avenue de Friedland – 75008 Paris – France	EUR	3,901	26,393	81,570	39,001	39,001	100%	50,206	2,499	(581)	0	Property company
SILK HOLDING (1)	11-13 avenue de Friedland – 75008 Paris – France	EUR	27,592	9,755	89,169	27,437	27,437	100%	77,564	0	(1,156)	0	Property company
SOGESTOP L (6)	62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	22,896	19,764	42,669	18,626	18,626	50%	0	0	(17)	0	Diversification
SONNE	66 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	NA	NA	NA	14,127	14,127	99.95%	42,000	NA	NA	0	Property company
SUNLIGHT (3)	128 boulevard Raspail – 75006 Paris – France	EUR	85,772	98	89,148	38,269	38,269	50.62%	0	3,294	3,207	2,228	Property company
TERRE NEUVE 4 IMMO (1)	11-13 avenue de Friedland – 75008 Paris – France	EUR	6,601	59,443	163,860	66,001	66,001	100%	93,361	9,933	3,346	3,234	Property company
THEEMIM (1)	11-13 avenue de Friedland – 75008 Paris – France	EUR	26,636	55,849	86,389	84,646	84,646	100%	0	0	3,375	0	Property company
TRIANGLE MONTAIGNE (1)	128 boulevard Raspail – 75006 Paris – France	EUR	9,000	78,727	132,123	87,700	87,700	100%	41,294	2,864	1,328	0	Property company
US REAL ESTATE 270 SAS (6)	4 place Raoul Dautry – 75015 Paris – France	EUR	198	(16)	130,332	120,012	120,012	100%	99,899	0	824	820	Property company
US REAL ESTATE EVJ SAS (6)	4 place Raoul Dautry – 75015 Paris – France	EUR	137	10	130,294	120,063	120,063	100%	99,910	0	824	789	Property company
VORONEZH EMPREENDIMENTOS E PARTICIPACOES LTDA	na Alameda Santos 1293 conj. 63 CEP 01419-904 São Paulo – Brazil	EUR	0	0	0	183,505	183,505	100%	0	0	0	0	Diversification
WAGRAM 92 (1)	4 rue Auber – 75009 Paris – France	EUR	7,925	(2,884)	22,622	17,717	17,717	100%	16,392	1,630	256	0	Property company
YELLOWALTO	Cœur Défense – Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92400 Courbevoie – France	EUR	NA	NA	NA	66,325	66,325	100%	90,155	NA	NA	0	Property company
II – Affiliates (10% to 50% owned)													
17 CAPITAL FUND 3	32 Grosvenor Gardens – London SW1 W0DH – UK	EUR	NC	NC	NC	50,000	25,974	10%	0	NC	NC	0	Investment fund
17 CAPITAL FUND 4	32 Grosvenor Gardens – London SW1 W0DH – UK	EUR	NC	NC	NC	80,000	0	10.01%	0	NC	NC	0	Investment fund

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
5/7 RUE SCRIBE [(1)]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	479	30,805	81,188	7,302	7,302	15%	6,414	4,637	2,652	363	Property company
ALVEN CAPITAL IV	1 pl. André Malraux – 75001 Paris – France	EUR	NC	NC	NC	9,600	4,380	10.26%	0	NC	NC	0	Investment fund
ARIAL CNP ASSURANCES	32 avenue Emile Zola – 59370 Mons-en-Baroeul – France	EUR	10,848	0	0	43,326	43,326	39.95%	0	0	0	0	Insurance
AUGUST EQUITY PARTNERS III A	10 Slingsby Place – St Martin's Courtyard – Covent Garden – London WC2E 9AB – UK	GBP	NC	NC	NC	15,574	10,441	10%	0	NC	NC	0	Investment fund
AXA DBIO	40 rue du Colisée – 75008 Paris – France	EUR	NA	NA	NA	16,454	10,485	15.48%	0	NA	NA	0	Investment fund
AXA INFRASTRUCTURE PARTNERS [(6)]	20 place Vendôme – 75001 Paris – France	EUR	319,834	0	320,159	50,902	33,143	12.9%	0	13,993	311	0	Infrastructure
CABESTAN CAPITAL	47 rue du Faubourg Saint-Honoré – 75008 Paris – France	EUR	NC	NC	NC	8,845	8,245	12.5%	0	NC	NC	0	Investment fund
CDC CAPITAL III	148 rue de l'Université – 75007 Paris – France	EUR	NC	NC	NC	20,867	9,844	35.42%	0	NC	NC	0	Investment fund
CDC CAPITAL III B	148 rue de l'Université – 75007 Paris – France	EUR	NC	NC	NC	14,692	1,006	45.27%	0	NC	NC	0	Investment fund
CEREA CAPITAL II	23 avenue de Neuilly – 75116 Paris – France	EUR	NC	NC	NC	20,186	4,834	10%	0	NC	NC	0	Investment fund
CERTIVIA SICAV [(6)]	128 boulevard Raspail – 75006 Paris – France	EUR	5,277	3	10,937	20,000	2,400	13.33%	0	0	(425)	0	Property company
CHINA EQUITY LINKS	TX Private Equity 9 avenue de l'Opéra – 75001 Paris – France	EUR	NC	NC	NC	7,008	4,001	15.83%	0	NC	NC	0	Investment fund
CLEARSIGHT TURNAROUND FUND I	Carinthia House, 9-12 The Grange – St Peter Port GY1 4BF – Guernsey – Channel Islands	EUR	NC	NC	NC	7,719	6,664	16.32%	0	NC	NC	0	Investment fund
CLEARSIGHT TURNAROUND FUND II	Carinthia House, 9-12 The Grange – St Peter Port GY1 4BF – Guernsey – Channel Islands	EUR	NC	NC	NC	23,353	19,082	15.62%	0	NC	NC	0	Investment fund
CLEARSIGHT TURNAROUND FUND III	Churerstrasse 23 – CH-8808 Pfäffikon – Switzerland	EUR	NC	NC	NC	24,727	11,144	11.02%	0	NC	NC	0	Investment fund
CLEARSIGHT TURNAROUND FUND IV	Churerstrasse 23 – CH-8808 Pfäffikon – Switzerland	EUR	NC	NC	NC	25,000	2,270	10%	0	NC	NC	0	Investment fund

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
D&P PME IV	152 avenue de Malakoff – 75116 Paris – France	EUR	NC	NC	NC	17,604	7,138	28.71%	0	NC	NC	0	Investment fund
DBAG FUND VI FEEDER GMBH & CO KG	Handelsregister B 90813 – Amtsgericht Frankfurt a. M. – Germany	EUR	NC	NC	NC	15,997	13,323	26.56%	0	NC	NC	0	Investment fund
DÉFENSE CB3 [1]	12 Place des États-Unis – 92545 Montrouge – France	EUR	4,500	41,882	135,232	31,328	23,083	25%	19,376	15,645	4,954	980	Property company
EMZ 7-I	11 rue Scribe – 75009 Paris – France	EUR	NC	NC	NC	57,455	38,081	11.9%	0	NC	NC	0	Investment fund
EPF IV	152 avenue des Champs-Élysées – 75008 Paris – France	EUR	NC	NC	NC	8,750	6,350	10.2%	0	NC	NC	0	Investment fund
EPL [6]	167 quai de la Bataille Stalingrad – 92867 Issy les Moulineaux cedex – France	EUR	67,003	(1,317)	67,122	38,238	38,238	38.2%	25,399	0	4,512	1,633	Property company
EUROFFICE [1]	1-3 rue des Italiens – 75009 Paris – France	EUR	83,402	(33,201)	80,862	24,119	9,837	18.48%	2,315	0	17,820	0	Property company
FLI [6]	100-104, avenue de France – 75013 Paris – France	EUR	4,490	39,869	88,019	24,533	13,908	11.48%	0	0	(1,342)	119	Property company
FONCIÈRE ECUREUIL II [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	45,188	(5,087)	78,643	13,729	9,166	21.77%	7,571	0	3,427	0	Property company
FONDINVEST VII	33 rue de La Baume – 75008 Paris – France	EUR	NC	NC	NC	12,669	11,142	40.85%	0	NC	NC	0	Investment fund
FONDS DE CONSOLIDATION ET DE DÉVELOPPEMENT DES ENTREPRISES II	59 rue de la Boétie CS 10017 – 75008 Paris – France	EUR	NC	NC	NC	19,998	4,444	10%	0	NC	NC	0	Investment fund
GF FRANCE EST	8 bis rue de Châteaudun – 75009 Paris – France	EUR	NA	NA	NA	7,092	7,092	28.97%	0	NA	NA	279	Forests
INDUSTRIE & FINANCE INVESTISSEMENTS 3	4 Avenue Marceau – 75008 Paris – France	EUR	NC	NC	NC	12,000	4,025	10%	0	NC	NC	0	Investment fund
INFRA VIA [6]	20-22 rue Vernier – 75017 Paris – France	EUR	185,619	13,454	234,475	18,985	17,530	11.84%	0	21,680	6,774	0	Infrastructure
INITIATIVE & FINANCE II	96 avenue d'Iéna – 75783 Paris – France	EUR	NC	NC	NC	16,000	4,160	11.43%	0	NC	NC	0	Investment fund
INTER EXPANSION-FONGEPAR [6]	141 rue Paul Vaillant-Couturier – 92240 Malakoff – France	EUR	22,790	(9,261)	41,118	7,977	5,081	35%	0	21,699	(9,261)	0	Diversification
INVISION V FEEDER	Grafenaustrasse 7 – 6300 Zug – Switzerland	EUR	NC	NC	NC	18,000	9,120	23.38%	0	NC	NC	0	Investment fund
IPH CO-INVEST	232 rue de Rivoli – 75054 Paris cedex 01 – France	EUR	NC	NC	NC	20,063	20,063	22.7%	0	NC	NC	0	Investment fund
LDX SME II	41 rue Delizy – 93500 Pantin – France	EUR	NC	NC	NC	7,000	2,804	14%	0	NC	NC	0	Investment fund

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
LOGISTIS [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	748,065	1,758	812,337	71,034	71,034	11.64%	15,777	51,521	33,540	1,468	Property company
LOGISTIS LUX [1]	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	121,772	79,340	612,659	24,446	24,446	15.27%	34,884	15,718	134	0	Property company
MEIF III SCOTLAND LP	Carinthia House, 9-12 The Grange – St Peter Port GY1 4BF – Guernsey – Channel Islands	EUR	NA	NA	NA	12,725	12,725	36.46%	0	NA	NA	0	Infrastructure
MERIDIAM INFRASTRUCTURE [6]	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	507,767	388,551	1,010,764	97,516	97,516	16.67%	0	0	113,824	4,994	Infrastructure
MERIDIAM TRANSITION	4 Place de l'Opéra – 75002 Paris – France	EUR	NA	NA	NA	149,944	2,129	42.84%	0	NA	NA	0	Infrastructure
NIBC GROWTH CAPITAL FUND II	Carnegieplein 4 – 2517 KJ The Hague – Netherlands	EUR	NC	NC	NC	11,760	8,131	10.64%	0	NC	NC	0	Investment fund
OFELIA [1]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	12,609	23,081	48,173	11,916	11,916	33.33%	45,731	13,156	12,478	4,812	Property company
OFFICE CB 21 [6]	10 avenue Kleber – 75016 Paris – France	EUR	314,809	13,041	336,191	82,553	82,553	25%	0	0	8,312	2,073	Property company
OPC 1 [6]	43/47 avenue de la Grande Armée – 75116 Paris – France	EUR	70,331	(1,345)	107,000	13,990	13,990	19.56%	0	6,933	4,130	777	Property company
OPC 2 [6]	43/47 avenue de la Grande Armée – 75116 Paris – France	EUR	76,136	6	108,492	27,505	27,505	42.14%	0	7,883	5,774	2,594	Property company
ORKOS III	34 boulevard Haussman – 75009 Paris – France	EUR	NC	NC	NC	7,942	3,530	10%	0	NC	NC	0	Investment fund
PARTECH GROWTH	12 rue de Penthièvre – 75008 Paris – France	EUR	NC	NC	NC	40,000	16,600	14.4%	0	NC	NC	0	Investment fund
PARTECH INTERNATIONAL VI	12 rue de Penthièvre – 75008 Paris – France	EUR	NC	NC	NC	9,697	7,467	10%	0	NC	NC	0	Investment fund
PARTECH VENTURES V	49 avenue Hoche – 75008 Paris – France	EUR	NC	NC	NC	8,166	6,155	13.92%	0	NC	NC	0	Investment fund
PBW II REAL ESTATE FUND [3]	5 allée Scheffer – L2520 Luxembourg – Luxembourg	EUR	31	125,311	217,743	51,946	18,000	14.57%	0	9,622	(1,817)	0	Property company
PLACEMENT CILOGER 3 [6]	43/47 avenue de la Grande Armée – 75116 Paris – France	EUR	108,302	15,189	123,554	49,050	49,050	36.24%	0	18,481	7,106	2,484	Property company
POLARIS PRIVATE EQUITY IV	Malmøgade 3 – DK-2100 Copenhagen – Denmark	DKK	NC	NC	NC	40,353	9,544	10%	0	NC	NC	0	Investment fund
CREDICOOP AFAVyDC [7]	Adolfo Alsina N°633 Piso 3 – Ciudad Autónoma de Buenos Aires – Argentina	EUR	3,431	(2,071)	1,742	7,460	0	29.84%	0	0	302	0	Insurance

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
PYRAMIDES 1 [(1)]	8-12 rue des Pirogues de Bercy – 75012 Paris – France	EUR	19,603	3,926	63,195	9,706	9,706	45%	16,915	2,774	1,190	1,374	Property company
QUADRILLE TECHNOLOGIES III	16 place de la Madeleine – 75008 Paris – France	EUR	NC	NC	NC	15,000	6,000	15%	0	NC	NC	0	Investment fund
REIM EUROCORE 1 [(6)]	10 boulevard Royal – Luxembourg B118,089 – Luxembourg	EUR	10,224	(24,248)	46,890	16,471	0	32.22%	1,143	171	(655)	0	Property company
SG AM AI PRIVATE VALUE A	2 place de la Coupole – 92078 Paris-La Défense – France	EUR	NC	NC	NC	7,101	6,082	19.61%	0	NC	NC	0	Investment fund
SILVERSTONE [(5)]	128 boulevard Raspail – 75006 Paris – France	EUR	113,650	24,885	140,623	20,000	20,000	17.69%	0	2,110	2,037	61	Property company
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE	7 place du Chancelier-Adenauer – 75016 Paris – France	EUR	3,048	1	352,567	27,567	27,567	22%	32,515	83,521	55,007	11,495	Property company
SOFINNOVA CAPITAL VII	16-18 rue du 4 Septembre – 75002 Paris – France	EUR	NC	NC	NC	25,000	18,750	10.42%	0	NC	NC	0	Investment fund
SOFINNOVA CAPITAL VIII	17 rue de Surène – 75008 Paris – France	EUR	NC	NC	NC	25,000	5,000	10%	0	NC	NC	0	Investment fund
TRILANTIC CAPITAL PARTNERS V (EUROPE)	375 Park Avenue 30th Floor – NY 10152 – New-York – USA	EUR	NC	NC	NC	49,984	11,550	12.77%	0	NC	NC	0	Investment fund
UNICAPITAL INVESTMENTS V – GLOBAL PRIVATE EQUITY	12 avenue Matignon – 75008 Paris – France	EUR	NC	NC	NC	12,092	12,092	21.47%	0	NC	NC	0	Investment fund
VERDANE CAPITAL IX (D) AB	PO Box 1216 Vika NO-0110 – Oslo – Norway	SEK	NC	NC	NC	26,171	2,699	10%	0	NC	NC	0	Investment fund
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries			–	–	–	29,166	24,321	–	530,242	–	–	17,308	
International subsidiaries			–	–	–	7,418	7,418	–	418,590	–	–	0	
French affiliates			–	–	–	72,432	47,260	–	38,840	–	–	3,981	
Foreign affiliates			–	–	–	27,602	14,044	–	14,044	–	–	2,341	
C - Aggregate information (A+B)													
French subsidiaries			–	–	–	8,972,784	8,935,231	–	4,099,198	–	–	381,912	–
Foreign subsidiaries			–	–	–	2,681,643	2,267,732	–	447,090	–	–	189,835	–
French affiliates			–	–	–	1,242,416	795,494	–	210,854	–	–	34,492	–
Foreign affiliates			–	–	–	626,804	296,673	–	55,899	–	–	7,334	–

(1) Provisional data at 31 December 2016
(2) Data at 3 November 2016
(3) Data at 30 September 2016
(4) Provisional data at 29 September 2016
(5) Data at 30 June 2016
(6) Data at 31 December 2015
(7) Data at 30 June 2015

5.4.5 Entities of which CNP Assurances is a general partner

Company	Legal form	Headquarters
107 BOÉTIE ÉLYSEES	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
13/15 VILLE L'EVÊQUE	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
5/7 RUE SCRIBE	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
67-69 VICTOR HUGO	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
A9B PARIS	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
AIC LA DAME BLANCHE	Non-trading property company	139/147 Rue Paul Vaillant Couturier – 92240 Malakoff – France
AMIRAL BRUIX	Non-trading property company	6 place de la Pyramide - Tour Majunga - 92908 La Défense – France
AMP Capital Wagram 92 Property Investment (WAGRAM 92)	Non-trading property company	4 rue Auber – 75009 Paris – 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	11-13 avenue de Friedland – 75008 Paris – France
BAUME MIROMESNIL	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
BERCY CRYSTAL	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
BROUSSAIS COLLANGE	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
CANOPÉE	Non-trading property company	20 rue Quentin Bauchart – 75008 Paris – France
CANTIS	Intercompany partnership	16-18 place du Général-Catroux – 75017 Paris – France
CAPTIVA CAPITAL PARTNERS II	Partnership limited by shares	39 rue Alphonse Munchen – L-2172 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	39 rue Alphonse Munchen – L-2172 Luxembourg – Luxembourg
CIMO	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
CITY HALL	Non-trading property company	11-13 avenue de Friedland – 75008 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
COTTAGES DU BOIS AUX DAIMS	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
CRYSTAL DÉFENSE	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
DALLE 3	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
DAS GOETHE	Non-trading property company	66 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
DISTRIPÔLE PORTE DE FRANCE	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
DOMAINE DE LANCOSME	Partnership	Château Robert – 36500 Vandoeuvre – France
EdR REAL ESTATE	Partnership limited by shares	20 boulevard Emmanuel Servais – L 2535 Luxembourg – Luxembourg
ÉOLE RAMBOUILLET	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
EQUINOX	Non-trading property company	20 rue Quentin Bauchart – 75008 Paris – France
FARMAN	Non-trading property company	4 rue Auber – 75009 Paris – France
FLI	Non-trading property company	100-104, avenue de France – 75013 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
FUTURIMMO	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
GF BEAUFFREMONT	Non-trading property company	8 bis rue de Châteaudun – 75009 Paris – France
GF DE BREVES	Non-trading property company	8 bis rue de Châteaudun – 75009 Paris – France
GF DE LA GRANDE HAYE	Non-trading company	8 bis rue de Châteaudun – 75009 Paris – France
GF FRANCE EST	Non-trading property company	8 bis rue de Châteaudun – 75009 Paris – France
GF SELLIERES VAUCHASSIS	Non-trading property company	8 bis rue de Châteaudun – 75009 Paris – France
GREEN QUARTZ	Non-trading property company	4 rue Auber – 75009 Paris – Paris
GREEN RUEIL	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
GROUPEMENT PROPRIÉTÉS CDC CNP	Non-trading company	45 avenue Victor-Hugo – 93530 Aubervilliers – France
HABIMMO	Non-trading property company	4 rue Auber – 75009 Paris – France

Company	Legal form	Headquarters
ISSY DESMOULINS	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
ISSY ILOT 13	Non-trading property company	50-56 rue de la Procession – 75015 Paris – France
ISSY VIVALDI	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
JASMIN	Non-trading property company	20 rue Quentin Bauchart – 75008 Paris – France
JESCO	Non-trading property company	41 rue Louise Michel – 92594 Levallois Perret Cedex – France
JULIE	Non-trading property company	91-93 Boulevard Pasteur – 75015 Paris – France
LA FORÊT GÉRÉE III GF DE L'ÎLE DE FRANCE	Non-trading property company	41 rue du Capitaine Guynemer – 92400 Courbevoie – France
LA FORÊT GÉRÉE IV GF PICARDIE NAVARRE	Non-trading property company	41 rue du Capitaine Guynemer – 92400 Courbevoie – France
L'AMIRAL	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
LESLY	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
LIBERTÉ	Non-trading property company	4 rue Auber – 75009 Paris – Paris
MAESTRIMMO	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
MASSÉNA NICE	Non-trading property company	6 place de la Pyramide – Tour Majunga – 92908 La Défense – France
MAX	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
MONTAGNE DE LA FAGE	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
MTP ERLON	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
NATURE ÉQUIPEMENTS 1	Non-trading property company	28 rue Dumont d'Urville – 75116 Paris – France
NATURIM	Non-trading property company	41 rue Louise Michel – 92594 Levallois Perret Cedex – France
NEW SIDE	Non-trading property company	4 rue Auber – 75009 Paris – France
NEXT ESTATE INCOME FUND	Partnership limited by shares	44 avenue J-F Kennedy – L-1855 Luxembourg – Luxembourg
PANTIN LOGISTIQUE	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
PARIS 08	Non-trading property company	4 rue Auber – 75009 Paris – France
PARVIS BELVÉDÈRE	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
PASSAGE DU FAIDHERBE	Non-trading property company	8-12 rue des Pirogues de Bercy – 75012 Paris – France
PB 10	Non-trading property company	167 quai de la Bataille Stalingrad – 92867 Issy les Moulineaux Cedex – France
PÉGASE	Non-trading property company	7 place du Chancelier-Adenauer – 75016 Paris – France
RASPAIL	Non-trading property company	4 rue Auber – 75009 Paris – France
REIM EUROCORE 1	Partnership limited by shares	44 avenue J-F Kennedy – L-1855 Luxembourg – Luxembourg
RENAISSANCE FRANÇOIS 1er	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
RESIDAVOUT	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
RESIDENTIAL	Non-trading property company	4 rue Auber – 75009 Paris – France
RSS IMMO	Non-trading property company	4 rue Auber – 75009 Paris – France
RUE DE RENNES (136)	Non-trading property company	6 place de la Pyramide – Tour Majunga – 92908 La Défense – France
RUE DU BAC	Non-trading property company	12 Place des États-Unis – 92545 Montrouge – France
RUEIL NEWTON	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – 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 ALLERAY	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
SCI DE LA CNP	Non-trading property company	4 place Raoul Dautry – 75015 Paris – France
SECRETS ET BOÉTIE	Non-trading property company	11-13 avenue de Friedland – 75008 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
SONNE	Non-trading property company	66 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
TERRE NEUVE 4 IMMO	Non-trading property company	11-13 avenue de Friedland – 75008 Paris – France
TRIANGLE MONTAIGNE	Non-trading property company	128 boulevard Raspail – 75006 Paris – France
VENDÔME EUROPE	Non-trading property company	6 place de la Pyramide – Tour Majunga – 92908 La Défense – France
VICTOR HUGO 147	Non-trading property company	4 rue Auber – 75009 Paris – France
WEINBERG REAL ESTATE PARTNERS	Partnership limited by shares	46A avenue J.F. Kennedy – L-1855 Luxembourg – Luxembourg
WHITEHALL 2008	Partnership limited by shares	2 rue du Fosse – L-1536 Luxembourg – Luxembourg

5.5 OWNERSHIP STRUCTURE

5.5.1 Composition of share capital

Number of shares	31.12.2016	31.12.2015
Number of ordinary shares outstanding	686,618,477	686,618,477
Number of shares held in treasury	(121,661)	(1,023,067)
Number of ordinary shares with dividend rights	686,496,816	685,595,410

5.5.2 Treasury shares

Movements over the reporting period:

Movements	Number of shares
Acquisitions	9,199,624
Disposals	10,101,030

Number of treasury shares and value at period end:

Movements	31.12.2016	31.12.2015
Number of treasury shares	121,661	1,023,067
Carrying amount of treasury shares in euros	2,087,497	12,706,169

5.6 RESERVES, EQUITY, REVALUATION RESERVE

(In € thousands)	Type of reserve	31.12.2015	Appropriation of 2015 profit	2016 profit	Share issue	Change for the period	31.12.2016
Share capital	Statutory	686,618					686,618
Additional paid-in capital	Statutory	1,716,846					1,716,846
Forest revaluation reserve	Tax-regulated	38,983					38,983
Long-term capital gains reserve	Tax-regulated	1,396,309					1,396,309
Capitalisation reserve	Tax-regulated	1,832,504				14,321	1,846,825
Guarantee fund reserve	Tax-regulated	61,180	2,278				63,458
Discretionary reserves	Other	2,281,574	(2,278)				2,279,295
Contingency reserve	Other	338,850					338,850
Impact on property-based equity	Other	(109,185)					(109,185)
Provisions for other-than-temporary impairment	Tax-regulated						0
Retained earnings		393,299	746,274				1,139,573
Net profit for the year		1,274,817	(1,274,817)	1,094,883			1,094,883
TOTAL		**9,911,795**	**(528,543)**	**1,094,883**	**0**	**14,321**	**10,492,457**

5.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

5.7.1 Accrued income and prepaid expenses/Accrued expenses and deferred income

Accrual accounts *(in € thousands)*	31.12.2016		31.12.2015	
	Assets	**Liabilities**	Assets	Liabilities
Accrued interest	2,935,723		3,126,455	
Deferred acquisition costs	149		201	
Deferred expenses	0			
Prepaid expenses	1,049,229		1,068,895	
Accrued income	65,250		63,608	
Amortisation by the effective interest method (income)	4,638,543		4,332,202	
Deferred income		476,259		649,888
Amortisation by the effective interest method (expense)		2,829,889		2,505,736
Unearned interest income		4,663		7,029
TOTAL	**8,688,894**	**3,310,811**	**8,591,361**	**3,162,653**

5.7.2 Accrued receivables and payables

Balance sheet items *(in € thousands)*	Accrued income		Accrued expenses	
	31.12.2016	31.12.2015	**31.12.2016**	31.12.2015
Other receivables	**286,637**	**290,197**	**189,229**	**270,095**
▪ Prepaid payroll costs				
▪ Other	286,637	290,197	189,229	270,095
Accrued income and prepaid expenses	**3,000,973**	**3,190,063**		
▪ Accrued interest and rental revenue	2,935,723	3,126,455		
▪ Deferred acquisition costs				
▪ Other accrued income and prepaid expenses	65,250	63,608		
Other liabilities			**2,035,408**	**2,071,186**
▪ Accrued payroll costs			377,393	368,016
▪ Other payables			1,658,015	1,703,170
TOTAL	**3,287,610**	**3,480,260**	**2,224,637**	**2,341,282**

Balance sheet items *(in € thousands)*	Deferred income		Prepaid expenses	
	31.12.2016	31.12.2015	**31.12.2016**	31.12.2015
Accrued income and prepaid expenses			**5,687,921**	**5,401,298**
▪ Deferred acquisition costs			149	201
▪ Amortisation by the effective interest method			4,638,543	4,332,202
▪ Other accrued income and prepaid expenses			1,049,229	1,068,895
Deferred income and accrued expenses	**3,310,811**	**3,162,653**		
▪ Deferred income	476,259	649,888		
▪ Amortisation by the effective interest method	2,829,889	2,505,736		
▪ Unearned interest income	4,663	7,029		
TOTAL	**3,310,811**	**3,162,653**	**5,687,921**	**5,401,298**

5.7.3 Provisions for liabilities and charges

Type of provision *(in € thousands)*	Purpose	31.12.2016	31.12.2015
Revaluation provision	Revaluation of the property portfolio	2,444	2,465
Other provisions	Provisions for litigation and miscellaneous risks	150,840	140,821
TOTAL		**153,283**	**143,286**

5.7.4 Assets denominated in foreign currency

Balance sheet item	Currency	Foreign currency amount *(in thousands)*	Equivalent value *(in € thousands)*
Other investments			**4,523,143**
	US dollar	2,035,780	1,931,296
	Swedish krona	419,723	43,939
	Swiss franc	235,928	219,692
	Canadian dollar	55,781	39,316
	Pound sterling	1,746,577	2,039,964
	Japanese yen	30,718,600	248,935

5.8 CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

(In € thousands)	31.12.2016	31.12.2015
In the income statement		
1. Change in life premium reserves	**(4,157,638)**	**(1,485,044)**
2. Effect of changes in exchange rates	**(1,639)**	**276**
3. Credited interest and policyholder dividends paid directly out of investment income for the year	**4,073,446**	**4,826,521**
Credited interest	1,071,805	1,227,886
Policyholder dividends	3,001,641	3,598,636
4. Use of policyholder surplus reserve	**1,493,307**	**1,521,459**
TOTAL	**1,407,477**	**4,863,212**
In the balance sheet		
Change in mathematical reserves		
1. Life premium reserves – end of period	**245,184,634**	**243,777,157**
2. Life premium reserves – start of period	**(243,777,157)**	**(238,913,945)**
TOTAL	**1,407,477**	**4,863,212**

5.9 MATHEMATICAL RESERVES FOR PERP PLANS

(In € thousands)	**31.12.2016**	31.12.2015
Insurance liabilities (excluding linked liabilities) – mathematical reserves for annuity payments	1,004,129	942,634
Linked liabilities	151,277	142,247
Special mathematical reserves for points-based pension liabilities	348,399	314,394
TOTAL	**1,503,805**	**1,399,275**

5.10 LIQUIDITY RISK RESERVE

(In € thousands)	**31.12.2016**	31.12.2015
Total net unrealised gain or loss – Article R.343-5 assets	13,368,731	12,150,585
Liquidity risk reserve included in other technical reserves	0	0
Deferred charge to the liquidity risk reserve	0	0
Actual net profit, excluding impact of transfers to liquidity risk reserve	1,094,883	1,274,817

Note 6 Notes to the income statement

6.1 INVESTMENT INCOME AND EXPENSES

(In € thousands)	31.12.2016 Income and expenses from investments in subsidiaries and affiliates	31.12.2016 Other financial income and expenses	31.12.2016 2016 total	31.12.2015
Investment income				
Income from investments in subsidiaries and affiliates	346,638	(277,183)	69,455	326,112
Income from property investments	1,689	394,695	396,384	480,474
Income from other investments	22,942	6,925,117	6,948,059	7,120,710
Other financial income (commissions, fees)	61,331	665,712	727,043	689,004
Investment income	**432,601**	**7,708,340**	**8,140,941**	**8,616,299**
Other investment income	**115,058**	**645,672**	**760,729**	**1,101,742**
Profits on disposal of investments	**228,029**	**1,430,053**	**1,658,083**	**2,226,006**
Total investment income	**775,688**	**9,784,065**	**10,559,753**	**11,944,046**
Investment expenses				
Financial expenses (fees, commissions, interest, bank charges, etc.)	8,600	643,519	652,119	576,098
Other investment expenses	18,903	1,320,888	1,339,791	1,732,658
Losses on disposal of investments	56,078	825,314	881,393	761,527
Total investment expenses	**83,581**	**2,789,722**	**2,873,303**	**3,070,283**
NET INVESTMENT INCOME	**692,106**	**6,994,344**	**7,686,450**	**8,873,763**

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6.2 UNDERWRITING INCOME AND EXPENSES

LIFE

Classes 1 – 19 *(in € thousands)*	Single or flexible premium endowment policies	Individual term life policies (and voluntary participation group policies)	Other individual single or flexible premium life policies (and voluntary participation group policies)	Other individual regular premium life policies (and voluntary participation group policies)	Group death insurance
Earned premiums	686,019	99,768	14,729,565	75,257	1,775,557
Claims and benefits	68,109	32,941	18,139,789	72,393	605,759
Change in life premium reserves and other technical reserves [(2)]	625,584	776	(4,965,417)	9,759	(2,274)
Mark-to-market adjustments for gains and losses on assets held to cover linked liabilities	0	0	0	0	0
Underwriting profit (loss)	**(7,673)**	**66,050**	**1,555,192**	**(6,895)**	**1,172,072**
Business acquisition costs	1,210	13,562	154,792	7,626	728,735
Other contract administration costs, net	11,266	2,535	805,847	1,705	168,943
Acquisition and contract administration costs, net	**12,476**	**16,097**	**960,638**	**9,331**	**897,678**
Net investment income	48,470	1,386	6,416,458	19,765	51,937
Credited interest and policyholder dividends	14,744	670	6,586,108	21,198	15,094
Net	**33,726**	**717**	**(169,649)**	**(1,433)**	**36,843**
Ceded premiums	99,264	146	11,090,783	14,175	188,815
Reinsurers' share of claims and benefits	16,984	0	811,877	4,147	54,651
Reinsurers' share of change in life premium reserves and other technical reserves	72,230	0	10,286,552	9,898	16,263
Reinsurers' share of policyholder surplus	11,035	0	176,202	153	98
Reinsurance commissions received	343	0	55,657	21	75,740
Reinsurance result	**1,328**	**(146)**	**239,506**	**44**	**(42,063)**
UNDERWRITING RESULT	**14,904**	**50,525**	**664,410**	**(17,615)**	**269,175**
Other information					
Policy surrenders	3,964	173	10,392,930	52,529	0
Gross credited interest	28	317	962,554	11,917	726
Technical reserves – end of period	2,038,110	48,618	229,635,164	697,619	1,177,661
Technical reserves – start of period	1,497,574	46,477	227,643,144	698,824	1,137,459

(1) Including "Article L.441" PERP contracts

(2) On the recommendation of the French banking and insurance supervisor (ACPR), the administrative expense reserve for a branch 26 contract at 31 December 2016 has been folded into the CNP Assurances general reserve (transfer from "ministerial category 10" at 31 December 2015 to "ministerial category 7" at 31 December 2016)

Group life insurance	Single or flexible premium unit-linked life or endowment policies	Regular premium unit-linked life or endowment policies	"Article L.441-1" group policies (1)	PERP	Policies giving rise to transfers to the euro-croissance diversification reserve	Inward reinsurance (life)	TOTAL
194,048	3,010,783	60,266	402,471	120,863	737	849,000	22,004,333
102,724	1,109,680	49,821	713,038	35,962	91	55,799	20,986,107
51,433	2,235,892	33,819	(526,020)	70,722	835	730,233	(1,734,657)
0	546,418	20,260	0	3,081	0	3	569,763
39,890	**211,629**	**(3,114)**	**215,453**	**17,260**	**(189)**	**62,970**	**3,322,645**
1,324	60,179	679	20,405	0	2	160	988,674
23,898	173,217	2,232	(58)	15,309	0	6,464	1,211,358
25,222	**233,396**	**2,910**	**20,348**	**15,309**	**2**	**6,623**	**2,200,032**
206,720	213,889	23,260	252,942	42,428	189	19,425	7,296,868
192,924	130,931	18,668	513,535	44,379	0	12,411	7,550,661
13,796	**82,957**	**4,592**	**(260,593)**	**(1,951)**	**189**	**7,013**	**(253,792)**
54,408	1,564,183	0	207,718	0	0	42	13,219,534
57,055	55,986	0	368,894	0	0	0	1,369,595
(18,297)	1,520,309	0	(7,848)	0	0	0	11,879,107
(476)	1,308	0	27	0	0	0	188,346
548	14,581	0	0	0	0	0	146,890
(15,579)	**28,001**	**0**	**153,355**	**0**	**0**	**(42)**	**364,404**
12,885	**89,191**	**(1,433)**	**87,866**	**0**	**(2)**	**63,317**	**1,233,224**
38,477	664,585	18,363	35,726	29,984	91	7,442	11,244,263
88,036	55	7,805	0	0	0	366	1,071,805
6,673,982	29,014,252	1,001,289	15,677,647	1,550,715	2,846	1,249,327	288,767,230
6,405,005	26,623,589	958,501	15,797,099	1,436,395	1,232	545,835	282,791,134

NON-LIFE

Classes 20 – 39 *(in € thousands)*	Individual bodily injury policies	Group bodily injury policies	Inward reinsurance	Total
Earned premiums	**9,307**	**1,515,275**	**515,744**	**2,040,326**
1a. Earned premiums	9,435	1,515,583	514,848	2,039,866
1b. Change in earned premium and unexpired risks reserve	128	307	(896)	(460)
Claims and benefits	**16,429**	**1,104,558**	**572,515**	**1,693,503**
2a. Paid claims and expenses	3,284	896,265	1,084,427	1,983,976
2b. Change in outstanding claims reserves	13,145	208,293	(511,911)	(290,473)
Underwriting profit (loss)	**(7,122)**	**410,717**	**(56,771)**	**346,823**
Business acquisition costs	1,329	541,019	0	542,348
Other contract administration costs, net	2,361	86,765	4,130	93,255
Acquisition and contract administration costs, net	**3,690**	**627,784**	**4,130**	**635,604**
Investment income	648	107,414	42,979	151,041
Policyholder dividends	11	24,297	11,106	35,414
Net	**637**	**83,117**	**31,872**	**115,627**
Reinsurers' share of earned premiums	0	439,703	3,692	443,395
Reinsurers' share of paid claims	0	225,986	12,649	238,635
Reinsurers' share of outstanding claims reserves	0	104,207	(9,684)	94,523
Reinsurers' share of policyholder dividends	0	1,531	0	1,531
Reinsurance commissions received	(1)	179,135	225	179,359
Reinsurance result	**(1)**	**71,155**	**(502)**	**70,653**
UNDERWRITING RESULT	**(10,175)**	**(62,795)**	**(29,530)**	**(102,500)**
Other information				
Earned premiums reserve and unexpired risks reserve – end of period	162	16,733	45,061	61,956
Earned premiums reserve and unexpired risks reserve – start of period	34	62,382	0	62,416
Outstanding claims reserve – end of period	7,180	3,559,906	1,427,136	4,994,222
Outstanding claims reserve – start of period	1,102	3,427,796	1,997,788	5,426,686
Other technical reserves – end of period	29,658	1,416,081	316,903	1,762,642
Other technical reserves – start of period	22,581	1,315,600	247,056	1,585,237

6.3 TRANSFER OF UNREALISED GAINS TO THE *EUROCROISSANCE* RESERVE

Information about the temporary mechanism for the transfer of assets to the diversification reserve for *eurocroissance* insurance liabilities:

In 2016, €646,307 in net new money was invested in *eurocroissance* contracts.

In accordance with the government order dated 13 July 2016 (paragraph 1), unrealised gains representing 0.000210% were transferred from the general reserve to the *eurocroissance* reserve.

Unrealised capital gains before the transfer represented 12.386283% (information disclosed in accordance with paragraph 2 of the above order).

Unrealised capital gains after the transfer represented 12.386269% (information disclosed in accordance with paragraph 3 of the above order).

6.4 PAYROLL COSTS

Payroll costs break down as follows:

(In € thousands)	**31.12.2016**	31.12.2015	Year-on-year change
Wages and salaries	179,089	175,097	2.3%
Payroll taxes	84,427	87,533	-3.5%
Other	9,563	9,120	4.9%
TOTAL	**273,079**	**271,750**	**0.5%**

6.5 COMMISSIONS

Direct insurance and inward reinsurance commissions for the year amounted to €2,495,495 thousand.

The total includes all types of commissions paid to the Company's distribution partners.

6.6 BREAKDOWN OF NON-RECURRING, NON-TECHNICAL INCOME AND EXPENSES

Income statement items *(in € thousands)*	**31.12.2016**	31.12.2015
Other (non-technical) income	**12,715**	**33,562**
Interest income from miscellaneous loans	60	25
Other non-technical income	50	155
Reversals from the capitalisation reserve credited to the non-technical account	12,606	33,382
Other (non-technical) expenses	**12,678**	**31,909**
Transfers to the capitalisation reserve from the non-technical account	5,141	2,619
Other non-technical expenses	7,537	29,290
Non-recurring income	**8,344**	**26,301**
Income relating to prior years	1,320	114
Other non-recurring income	1,046	1,455
Reversals of provisions for contingencies	5,978	24,732
Gains on disposal of owner-occupied property		
Non-recurring expenses	**16,661**	**43,848**
Losses relating to prior years	98	4,943
Other non-recurring expenses	120	5,691
Impairment expense	467	111
Additions to provisions for contingencies	15,975	33,104

6.7 INCOME TAX EXPENSE

Income tax expense (in € thousands)	31.12.2016	31.12.2015	Year-on-year change
Tax expense on recurring profit	248,283	233,421	
Tax (benefit) expense on non-recurring items	0	0	
Income tax expense	**248,283**	**233,421**	**6.4%**

6.8 POLICYHOLDER PARTICIPATION IN UNDERWRITING PROFIT AND INVESTMENT INCOME

Description (in € thousands)	31.12.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012
A. Policyholder participation	**7,586,075**	**7,889,060**	**8,157,002**	**8,582,471**	**8,094,578**
A1. Policyholder dividends and credited interest	5,630,283	6,397,087	6,918,687	7,743,761	7,516,356
A2. Change in the policyholder surplus reserve	1,955,793	1,491,973	1,238,315	838,710	578,222
B. Policyholder participation – "Article A.132-10" policies					
B1. Average mathematical reserves [(1)]	240,486,098	237,085,421	230,820,659	224,669,386	220,325,197
B2. Minimum policyholder participation	4,218,763	4,569,340	4,901,854	5,024,096	4,609,769
B3. Actual policyholder participation [(2)]	5,410,830	5,711,896	6,067,746	6,260,975	5,923,946
B3a. Policyholder dividends and credited interest	3,471,829	4,299,236	4,830,193	5,425,611	5,359,900
B3b. Change in the policyholder surplus reserve	1,939,000	1,412,659	1,237,553	835,364	564,046

(1) Half of the sum of opening and closing mathematical reserves for "Article A.132-10" contracts
(2) Actual participation (expense for the period, including credited interest) for "Article A.132-10" contracts

6.9 EMPLOYEE INFORMATION

The number of employees by category as of 31 December 2016 was as follows:

Status (number of employees)	31.12.2016	31.12.2015	Year-on-year change
Management-grade	1,794	1,746	2.7%
Non-management-grade	1,089	1,151	-5.4%
TOTAL	**2,883**	**2,897**	**-0.5%**

The above figures do not include employees of the CNP TI intercompany partnership.

6.10 MANAGEMENT REMUNERATION

The following disclosures present the cumulative remuneration and the remuneration categories of the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors, Jean-Paul Faugère, and the Chief Executive Officer, Frédéric Lavenir.

In 2016

- 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 2016, amounted to €1,576,850;
- Long-term benefits: no provisions or expenses were recorded during the year in respect of pension and other retirement benefit plans for the Chief Executive Officer or the Chairman of the Board of Directors;
- Termination benefits: no termination benefits were paid during the year to the Chief Executive Officer or the Chairman or members of the Board of Directors;
- Share-based payments: no share-based payments were made by the Company in 2016. No stock options or performance shares were granted to any senior executives or members of the Board in 2016.

In 2015

- 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, and the Chief Executive Officer in 2015 amounted to €1,336,900;
- Long-term benefits: no provisions or expenses were recorded during the year in respect of pension and other retirement benefit plans for the Chief Executive Officer or the Chairman of the Board of Directors;
- Termination benefits: no termination benefits were paid to the Chief Executive Officer or the Chairman or members of the Board of Directors in 2015;
- Share-based payments: no share-based payments were made by the Company in 2015. No stock options or performance shares were granted to any senior executives or members of the Board in 2015.

6.11 PREMIUM INCOME BY GEOGRAPHICAL SEGMENT

Gross premiums

Premium income by geographical segment (in € thousands)	**31.12.2016**	31.12.2015	%
France	23,981,390	24,257,285	-1.1%
International	63,270	86,988	-27.3%
Italian branch	*61,263*	*84,510*	*-27.5%*
Spanish branch	*2,089*	*2,478*	*-15.7%*
Cofidis European Union	*(185)*		*-100.0%*
Germany (premiums written under EU freedom of services directive)	*103*	*0*	*100.0%*
TOTAL	**24,044,660**	**24,344,274**	**-1.2%**

6.12 FEES PAID TO THE AUDITORS

Fees paid to the Auditors in 2016
(in € thousands)

Audit	Mazars	%	PricewaterhouseCoopers	%
Audit of the financial statements of the Company and the Group	**847**	**51%**	**865**	**52%**
CNP Assurances	847		865	
Other audit and special engagements *	**807**	**49%**	**814**	**48%**
TOTAL	**1,654**	**100%**	**1,679**	**100%**

* *"Other audit and special engagements" cover services relating to the issue of subordinated notes, and reviews of MCEV© calculations, the English translation of the Registration Document, sustainable development indicators and internal controls over the processing of unclaimed life insurance settlements*

Note 7 Off-balance sheet commitments

Strategy Categories by type of forward financial instrument *(in € thousands)*	Amounts at 31.12.2016		Remaining life		
	Commitments received	Commitments given	1 year or less	1 to 5 years	Over 5 years
Yield strategy					
Equity instruments					
Purchases of calls and puts	(192,544)		1,579,753	(214,766)	(1,557,531)
Sales of calls and puts		470,256			(470,256)
Interest rate instruments					
Purchases of caps	53,748,000		6,226,000	21,838,000	25,684,000
Sales of caps		37,002,000	4,110,000	12,808,000	20,084,000
Swaps					
Receive positions	8,572,303		597,850	3,870,117	4,104,336
Pay positions		8,812,143	607,502	3,844,629	4,360,012
TOTAL RECEIVED	**62,127,759**		**8,403,603**	**25,493,351**	**28,230,805**
TOTAL GIVEN		**45,343,887**	**4,717,502**	**16,652,629**	**23,973,756**
NET COMMITMENT	**16,783,872**		**3,686,101**	**8,840,722**	**4,257,049**

Note 8 Disclosures related to subordinated debt

REDEEMABLE SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue (in millions of issue currency)	Total issue (in € millions)	Interest rate	First call date	Tiering	Maturity
07.04.2011	Subordinated notes Fixed/variable rate	FR0011034065	GBP	300	350	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	30.09.2021	Tier 2	30.09.2041
07.04.2011	Subordinated notes Fixed/variable rate	FR0011033851	EUR	700	700	6.875% until Sept. 2021, then 12-month Euribor +440 bps	30.09.2021	Tier 2	30.09.2041
24.06.2003	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	200	200	4.7825% until 24 June 2013, then Euribor +200 bps	Passed	Tier 2	23.06.2023
15.11.2014	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	90	90	4.93% until 15 Nov. 2016, then Euribor +160 bps	15.11.2016	Tier 1	Undated
15.11.2004	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	93	93	3-month Euribor + 70 bps until 15 Nov. 2016, then 3-month Euribor +160 bps	15.11.2016	Tier 1	Undated
14.09.2010	Subordinated notes Fixed/variable rate	FR0010941484	EUR	750	750	6% until Sept. 2020, then 3-month Euribor +447.2 bps	14.09.2020	Tier 2	14.09.2040
05.06.2014	Subordinated notes Fixed/variable rate	FR0011949403	EUR	500	500	4.25% until June 2025, then reset at the 5-year fixed swap rate +360 bps	05.06.2025	Tier 2	05.06.2045
10.12.2015	Subordinated notes Fixed/variable rate	FR0013066388	EUR	750	750	4.5% until June 2027, then 3-month Euribor +460 bps	10.06.2027	Tier 2	10.06.2047
22.01.2016	Subordinated notes Fixed/variable rate	FR0013101599	USD	500	474	6% throughout the life of the notes	22.01.2029	Tier 2	22.01.2049
20.10.2016	Subordinated notes Fixed/variable rate	FR0013213832	EUR	1,000	1,000	1.875% until October 2022		Tier 3	20.10.2022
TOTAL REDEEMABLE SUBORDINATED NOTES				**4,883**	**4,908**				

SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue *(in millions of issue currency)*	Total issue *(in € millions)*	Interest rate	First call date	Tiering	Maturity
21.06.2004	Subordinated notes Variable rate	FR0010093328	EUR	250	250	Tec 10 +10 bps, capped at 9%	Passed	Tier 1	Undated
24.09.2004	Subordinated notes Variable rate	FR0010093328	EUR	50	50	Tec 10 +10 bps, capped at 9%	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167296	EUR	23.75	23.75	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167247	EUR	225	225	6.5% until Mar. 2008, then 3% + (10-year EUR CMS*22.5%)	Passed	Tier 1	Undated
27.06.2005	Subordinated notes Variable rate	FR0010203026	EUR	75	75	7% until June 2010, then 10-year CMS +30 bps	Passed	Tier 1	Undated
16.05.2006	Subordinated notes Variable rate	FR0010318386	EUR	160	160	5.25% until 16 May 2036, then 3-month Euribor +185 bps (including 100 bps step-up at call date)	16.05.2036	Tier 1	Undated
20.12.2006	Subordinated notes Variable rate	FR0010406082	EUR	108	108	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	20.12.2026	Tier 1	Undated
18.10.2012	Subordinated notes Fixed rate	FR0011345552	USD	500	474	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	18.10.2018	Tier 1	Undated
18.07.2013	Subordinated notes Fixed rate	FR0011538461	USD	500	474	6.875% until July 2019, then reset at the 6-year fixed swap rate 500 bps	18.07.2019	Tier 1	Undated
18.11.2014	Subordinated notes Fixed rate	FR0012317758	EUR	500	500	4% until Nov. 2024, then reset at the 5-year fixed swap rate +410 bps	18.11.2024	Tier 1	Undated
TOTAL SUBORDINATED NOTES				**2,392**	**2,340**				
TOTAL SUBORDINATED LIABILITIES				**7,275**	**7,248**				

3.4 Other information

3.4.1 Proposed appropriation of 2016 profit

Net profit for the year ended 31 December 2016 totalled €1,094,883,425.37 and retained earnings brought forward from the prior year amounted to €1,139,573,237.24, resulting in distributable profit of €2,234,456,662.61. The Annual General Meeting approved the Board of Directors' recommendations concerning the appropriation of profit and the amount of the dividend:

- to pay a total dividend of €549,294,781.60;
- to transfer the balance of €1,685,161,881.01 to retained earnings.

Based on the 686,618,477 shares making up the share capital at the date of the General Meeting, the dividend per share will amount to €0.80.

The shares will trade ex-dividend on Euronext Paris as from 20 April 2017 and the dividend will be paid as from 24 April 2017.

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 distributed will be reduced by the dividends not payable on any treasury shares held by the Company, which will be credited to retained earnings in accordance with Article L.225-210 of the French Commercial Code.

3.4.2 Five-year financial summary

Capital at 31 December *(in € thousands)*	**31.12.2016**	31.12.2015	31.12.2014	31.12.2013	31.12.2012
Share capital *(in € thousands)*	686,618	686,618	686,618	686,618	643,500
Number of ordinary shares outstanding	686,618,477	686,618,477	686,618,477	686,618,477	643,500,175
Results of operations *(in € thousands)*					
Premium income excluding tax	24,044,660	24,344,274	21,988,755	18,985,447	19,042,303
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	1,343,167	1,508,238	1,035,412	1,062,203	739,281
Income tax expense	248,283	233,421	285,006	332,235	94,740
Net profit	1,094,883	1,274,817	714,073	735,289	554,702
Per share data *(in €)*					
Earnings per share before tax, depreciation, amortisation and provisions (EBTDA)	1.96	2.20	1.51	1.55	1.15
Earnings per share	1.59	1.86	1.04	1.07	0.86
Dividend per share (1)	0.80	0.77	0.77	0.77	0.77
Employee data					
Average number of employees	2,883	2,897	2,908	2,998	3,118
Total payroll and benefits *(in € thousands)*	273,079	271,750	287,594	288,911	307,929

(1) 2016 dividend subject to shareholder approval at the Annual General Meeting on 13 April 2017

3.5 Statutory Auditors' report on the financial statements

For the year ended 31 December 2016

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 Meeting, we hereby report to you, for the year ended 31 December 2016, 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 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

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:

- the balance sheet includes certain specific insurance and reinsurance assets and liabilities that are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves. The methods used to determine these items are discussed in Notes 4.5, 4.6, 4.7, 4.11 and 4.12 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 Company'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.343-10 of the French Insurance Code (*Code des assurances*) 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.343-9 of the French Insurance Code.
- 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.

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

Neuilly-sur-Seine and Courbevoie, 8 March 2017

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Bénédicte Vignon	Olivier Leclerc

4

CORPORATE SOCIAL RESPONSIBILITY

Labour, social and environmental information included in the management report

The following report presents the Group's Corporate Social Responsibility (CSR) action plan, including the priorities for each component of the CSR policy and related additional initiatives, with the corresponding figures. Information on governance and CSR risks is provided in Chapter 5 "Corporate Governance and Internal Control".

The report covers all consolidated entities in the CNP Assurances Group and therefore features examples of initiatives carried out across all Group entities (see "Methodology"). 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. An independent third party has performed an analysis to verify the existence and fair presentation of information that falls within the scope of Article 225 of the French Commercial Code. The most material data were subject to tests of details, including those identified by the √ symbol to show that they were reviewed to obtain reasonable assurance as to their accuracy. The other data were reviewed for overall consistency as indicated in the concordance table at the end of the section.

The CSR indicators are broken down by entity and published in the appendix to our 2016 CSR Report. The Caixa Seguradora group also publishes a sustainable development report that is available online at: http://www.caixaseguradora.com.br/institucional/Paginas/relatorios-de-sustentabilidade.aspx.

4.1 Corporate Social Responsibility at CNP Assurances

4.1.1 The story of our CSR commitment

2003: THE FUNDAMENTAL FIRST STEP, PLEDGING TO UPHOLD THE GLOBAL COMPACT

NOUS SOUTENONS LE PACTE MONDIAL

CNP Assurances has always upheld human rights and citizens' rights, in line with the Universal Declaration of Human Rights, and more specifically has always complied with the labour standards of the International Labour Organization and the national labour laws of each host country.

In pledging to uphold the Global Compact in 2003, we reaffirmed our commitment to respecting these fundamental principles, and also to combating corruption and protecting the environment. CNP Assurances Compañia de Seguros, the Caixa Seguradora group and CNP UniCredit Vita have also pledged to uphold the Global Compact.

2009: HELPING TO PROMOTE THE ADOPTION OF THESE PRINCIPLES THROUGHOUT THE INSURANCE SECTOR

We played an active role in launching the *Association française de l'assurance*'s sustainable development charter in 2009 and have pledged to pursue its core aims of reducing social vulnerability, combating climate change, supporting economic development and promoting socially responsible investment.

2011: DEEPENING OUR COMMITMENT TO ACTING AS A RESPONSIBLE INSURER AND A RESPONSIBLE INVESTOR

In 2011, we pledged to uphold the United Nations' Principles for Responsible Investment (PRI), ushering in a new phase in our commitment as a responsible investor. In 2015, Caixa Seguradora signed the Principles for Sustainable Insurance (PSI).

2015: COMMITMENTS IN FAVOUR OF THE ENERGY AND ENVIRONMENTAL TRANSITION

A signatory of the Montreal Carbon Pledge, CNP Assurances published the carbon footprint of the financial portfolio of directly held listed equities in December 2015. It also made a public commitment to reduce its footprint by 20% by 2020. Ambitious commitments were also made in respect of its real estate portfolio and its "coal" assets.

COORDINATED DEPLOYMENT IN SUBSIDIARIES ALONGSIDE OUR PARTNERS

Under the Group's business model, each subsidiary develops CSR policies in line with Group principles. They are shared with shareholders and local partners, generally the banks that distribute their products.

The ten principles of the Global Compact

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

4.1.2 Components of the CSR approach

For CNP Assurance, being a responsible insurer means acting as a value-adding financial intermediary for policyholders looking to protect themselves by minimising their exposure to the risks of everyday life and for the economy by providing funding. Our excellent risk assessment skills and our responsible and long-term investment strategy nurture these commitments, which are central to our insurance offer.

CNP Assurances offers genuine social value-added built on four strong commitments:

- offer protection for everyone:
  - promote access to insurance;
  - design socially responsible products and services;
  - better satisfy policyholders.
- contribute to a sustainable economy:
  - be a responsible investor;
  - be a responsible purchaser.
- be an attractive employer:
  - develop skills in line with the Group's strategy;
  - create a working environment that fosters well-being and performance;
  - pursue a robust policy on gender equality in the workplace.
- foster a sustainable society and environment:
  - optimise the environmental footprint of the Group's internal workings;
  - reduce the carbon and environmental impact of products;
  - manage the local impact.

4.1.2.1 STAKEHOLDER DIALOGUE

CNP Assurances maintains regular dialogue with its main stakeholders, and conducts periodic surveys.

In 2015, CNP Assurances launched *La Fabrique d'Assurance*, which brings together insurers and experts in various fields to discuss trends in social issues and their impact on insurance. The resulting white paper outlines several avenues for action to develop the microinsurance market in Western countries, and particularly in France.

Satisfaction surveys are conducted regularly among policyholders and our distribution partners in France and worldwide. These surveys help enhance the Company's customer service process. In addition, CNP Assurances and its main subsidiaries conduct qualitative and quantitative studies to anticipate the needs resulting from social and demographic change (see Better satisfying policyholders).

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 Shareholders' Meetings. CNP Assurances plays an active role in the work of the French Insurance Association (*Association française de l'assurance* - AFA) on CSR issues. We are also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders (NGOs and unions). In 2014, CNP Assurances joined the Institutional Circle of Novethic, a French media and research centre specialising in responsible investment. In addition, CNP Assurances' Data Protection Officer is the Secretary General of the French association of personal data officers, while our Director of Sustainable Development has been appointed to the SRI Certification Committee established by the Ministry of Economy and Finance.

The cnp.fr website, which is accessible to all, had nearly 465,000 unique visitors in 2016, nearly a third of which to the section devoted to individuals. In 2016, CNP Assurances put great emphasis on promoting interaction with stakeholders on social networks. Having opened Twitter, LinkedIn, Viadeo and Facebook accounts in late 2015, it was managing a community of 33,000 Facebook fans on topics relating to living better together for longer by the end of December 2016. Caixa Seguradora also uses social networks to raise awareness about sustainable development and conscious consumption. CNP Assurances Compañia de Seguros uses them to air short films devoted to prevention, health, sustainable mobility and protection of the environment.

In addition to institutional labour relations, diagnostic reviews of psychosocial risks performed in 2015 helped improve our understanding of how employees perceive their work environment. In 2016, CNP Assurances rolled out its "Dialog" approach to all employees with a view to encouraging exchanges on working conditions between each manager and his or her team.

The international subsidiaries also participate in local professional bodies. In 2016, the Caixa Seguradora group joined *Forum Alança Cerrado*, which brings together companies and stakeholders to discuss environmental issues. Similarly, CNP Assurances Compañia de Seguros joined the "Sustainable Mobility" group in Buenos Aires.

Generation Y Observatory

To increase its visibility among digital natives and meet their emerging needs in terms of protection and support, CNP Assurances has implemented a "test and learn" approach to co-construct new solutions, notably with the launch of an online community platform. It has initiated a dialogue with 400 young people by launching a platform for exchanges and conversations around themes of protection and customer service. Accessible 24/7 for an initial period of seven months on tablets, computers and smartphones, the new platform permits the creation, hosting and sharing of all types of content. SRI and CSR surveys have been conducted to gain a clearer view of how this generation perceives these issues. The results of the work of the Generation Y Observatory will be used in designing CNP Assurances' future offers.

4.1.2.2 THE CSR MANAGEMENT BODIES

CNP Assurances has a Sustainable Development department, which reports directly to the Chief Executive Officer and relies on support departments. It also reports to the Board of Directors and the Chairman on its activities and its objectives.

CNP UniCredit Vita set up a CSR department in 2015. It boasts an ideas laboratory, *l'Orto delle idee*, made up of volunteer employees. Sustainable development indicators are included in the quarterly indicators reviewed by the Management Committee.

In 2013, the Caixa Seguradora group established the Caixa Seguradora Institute, in addition to its Sustainable Development Committee, thereby reinforcing its social, environmental and cultural programmes.

Since the end of 2014, the CSR actions undertaken by CNP Assurances Compañia de Seguros have been blended with broader strategic objectives. In July 2015, the Company launched its "Multiplicar" CSR programme and created a Sustainability Committee.

As part of a pilot talent development initiative, a group of CNP Partners employees has worked on defining the Group's CSR strategy.

4.1.3 A measure of CSR performance

4.1.3.1 KEY CSR OBJECTIVES AND INDICATORS

We strive to create value for all CNP Assurances stakeholders as a responsible insurer and investor.

2020 climate targets: a very satisfactory performance in the period to end-2016

Objective	% of target achieved at end-2016
20% reduction of the carbon footprint of the portfolio of directly held listed equities between 2014 and 2020	70%
Double green investments to €1.6 billion between 2015 and 2017	117%
Reduce energy consumption of real estate assets by 20% between 2006 and 2020	68%
Prohibit the acquisition of businesses deriving over 25% of their revenue from thermal coal	100%

Significant progress was made on the key planks of the CSR approach in 2016

Examples of the integration of ESG criteria:

- in the business units:
  - disclosure of the environmental impact of product digitisation in borrower insurance,
  - training on the requirement under Article 173 of the French Energy Transition law to communicate on responsible investing,
  - creation of a laboratory on "CSR and digital strategy in the insurance sector" at CNP UniCredit Vita.
- in investment policy:
  - preparation of the responsible investment report pursuant to Article 173 of the French Energy Transition law,
  - publication of a first moot climate report shortlisted for the 2 Degrees Invest Award by the 2 Degrees Investing Initiative in 2016.
- in purchasing and subcontracting:
  - evaluation of suppliers' CSR performance (51% of purchases rated at end-2016).

4.1.3.2 THE EXTERNAL CSR EVALUATION

The quality of CNP Assurances' Corporate Social Responsibility policy has been recognised by SRI rating agencies. We obtained particularly high scores for our performance in the areas of Human Resources management and community outreach.

Summary of CSR ratings of CNP Assurances shares (unsolicited)

Rating agency	CSR rating	Comment	Methodology
Sustainalytics	83/100 (2014)	5/94 (global insurance)	http://www.sustainalytics.com/
Oekom	Prime C+ (2015)	1/128 (global insurance)	http://www.oekom-research.com/index_fr.php?content=corporate-rating
Vigeo	54/100 (2016)	6/42 (European insurance)	http://www.vigeo.com
MSCI	AAA (2016)		
CDP	B (2016)		

SRI indices that include CNP Assurances shares

CNP Assurances' shares are included in several European SRI indices. In particular, its presence in the Ethibel Sustainability Index Excellence Europe, the Euronext Vigeo - Eurozone 120 and Europe 120 indexes and the MSCI Global Sustainability Indexes has been confirmed. Since 2015, the share has been part of the FTSE4Good Index.

Awards and other external recognition in 2016

Caixa Seguradora was designated by the *Negocios da Communicacao* magazine as one of the insurance companies that communicates best with journalists on the basis of such criteria as access, the availability of information and the ease of verification.

International Award for Best Climate Reporting Investors - 2 Degrees Investing Initiative: CNP Assurances was awarded a special mention for its first report on the integration of CSR factors in asset management (pursuant to Article 173-VI of the French Energy Transition law on its data for the year ended 31 December 2015).

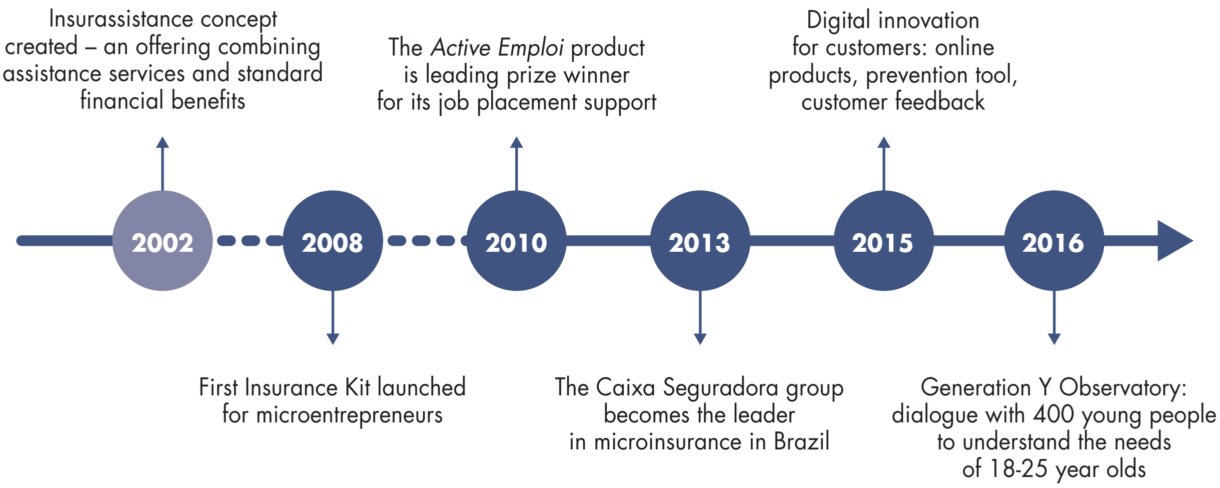
CNP Cyprus Insurance Holdings was recognised for the transparency of its products and the implementation of an innovative method to personalise the needs of its policyholders.

4.2 Offer protection for everyone

CNP Assurances aims to offer all policyholders guarantees that match their daily lives, needs and budgets as closely as possible. This is an ambitious goal because of the very wide-ranging situations in our various markets.

By applying this approach to everyone, CNP Assurances contributes to the fight against the financial exclusion of the most disadvantaged. In some cases, that means going beyond simply settling an insurance claim to offer policyholders innovative services to help them overcome difficulties.

- Priority No. 1: promote access to insurance.
- Priority No. 2: design socially responsible products and services.
- Priority No. 3: better satisfy policyholders.



4.2.1 Priority No. 1: promote access to insurance

4.2.1.1 PRODUCTS FOR ALL

In France, an offer aligned with the needs of people with low incomes

In agreement with our distribution partners, we deliberately offer products with low minimum premiums or investment amounts, despite the weight of fixed administrative costs. The €30 tranche represented 19% of new money invested in life insurance contracts in 2016, and 45% of regular deposits.

Since 2010, CNP Assurances has been the insurer for loans granted by Procilia, a partner to the French government's *1% Logement* low-income housing loan scheme. This cooperation with social economy stakeholders such as *Action Logement*, local welfare committees (*comités sociaux*) and microfinance institutions operating according to the pawnbroker principle (*crédits municipaux*) was pursued in 2016, with the launch of a term creditor insurance offer with Crédit Municipal de Marseille.

As the leader in the group life insurance segment, CNP Assurances enables companies, non-profits, local authorities and hospitals to offer all their employees the same insurance cover at the same price, by pooling risks and covering different generations under the same policy.

CNP Assurances is a founding member of the Entrepreneurs de la Cité foundation, which aims to help microentrepreneurs obtain insurance. It is also one of the co-insurers for the foundation's Basic Insurance Kit contracts offering death/disability and health cover. A total of 193 new Basic Insurance Kit contracts were sold in 2016. In view of the slow take-up of this offer, CNP Assurances launched La Fabrique d'Assurance in 2015, which brings together insurers and experts in various fields to discuss trends in social issues and their impact on insurance. The first workshop focused on microinsurance, identifying needs, and examining obstacles and levers for development.

2016 was marked by the launch by ATD Quart Monde and CNP Assurances of a funeral insurance contract for people living below the poverty line. Having been drawn up with the help of the persons concerned, this contract takes into account their real needs, offering a basket of guarantees necessary to finance dignified funerals. The challenge was to set a monthly fee within the budgets of very poor people (€0.50 per month for young people up to 30 years old, €13 per month for people aged over 70). Unlike conventional contracts, the monthly payments do not change according to the policyholder's age. People aged up to 80 can take out this insurance, and the guarantee comes to an end when the policyholder turns 90, when the solidarity fund created for the contract takes over.

In Brazil, innovative microinsurance products

In Brazil, the Caixa Seguradora group was the first insurer to enter the Brazilian funeral microinsurance market, with the *Amparo* contract launched in 2011. More than 200,000 *Amparo* contracts have been sold to date. In 2015, Caixa Seguradora launched a microcredit insurance product, *Familia Tranquila*, which covered 61,200 microentrepreneurs at 31 December 2016.

4.2.1.2 RISK SELECTION ADAPTED TO EACH POLICYHOLDER'S HEALTH PROFILE

CNP Assurances draws on its exceptionally deep understanding of risks, acquired over its many years' experience in personal insurance, to regularly update and refine its risk selection policy. A key aim of this policy, which takes into account the state of health of individual policyholders, is to accept and pool invalidity and disability cover to as great an extent as possible. In addition, since 2012, the conditions of eligibility for the premium cap applicable to low-income borrowers have been relaxed.

Our creditor insurance rejection rate has been less than 0.2% for the past eight years.

CNP Assurances, covering aggravated health risks

We are resolutely committed to ensuring that individuals representing an aggravated risk have access to credit and insurance in line with the provisions of the AERAS Convention. Disability cover is being offered on the terms laid down in the convention to customers denied incapacity or disability cover under standard policies. In addition to these regulatory obligations, we offer disability cover to civil servants and self-employed workers.

CNP Assurances has also been involved in the implementation of the revised AERAS Convention to incorporate the provisions of the January 2016 French Health Act on the right to be forgotten. 2016 marked a decisive turning point for cancer patients, with the legal recognition of a "right to be forgotten" and the adoption by professional bodies of a grid standardising the conditions governing their access to insurance. These new schemes should under certain conditions avoid their having to declare in the future an old disease that has since been cured, thereby saving them from higher premiums or exclusions. As such, when taking out creditor insurance, former cancer patients are covered in accordance with the general conditions of the contract, without being imposed a higher rate or being excluded, five years after the end of the treatment protocol for cancers diagnosed in people aged under 18, and ten years after the end of the treatment protocol for other cancers. Health questionnaires have been modified so as to draw the attention of customers to this scheme. Moreover, CNP Assurances applies a reference grid allowing it to bring the rates offered to people having been affected by certain diseases, including cancer, closer to the standard rate, and is working with other insurance companies to draw up a new, extended version.

4.2.1.3 ACCESS TO INFORMATION

Information and product transparency

In 2015, CNP Assurances drew up a standard creditor insurance information leaflet. In accordance with regulations, this customised leaflet, provided to prospects before the contract is signed, sets out the guarantees offered in a clear and legible manner so as to improve the future policyholder's understanding and to facilitate comparison with policies offered by other companies.

On all CNP Assurances products, the level of transparency in respect of the information provided to the public is subject to specific validation by the Compliance department. Since 2015, the inclusion of a legible and balanced presentation of the benefits and risks has been a further requirement. Moreover, a dedicated survey has been carried out since 2015 on the degree of clarity of the letters sent to policyholders. Assuristance was in this way able to improve and simplify the communication of guarantees to policyholders in 2016.

CNP Partners was selected in 2015 in the category of Best B2C campaign for its communication around the customised *Tu Vida* life insurance solution designed for women in Spain, where family solidarity rests heavily on their shoulders. The winning website allows users to test the product's various options in a quirky, modern and colourful way.

CNP Assurances Compañia de Seguros has been awarded a prize for its promotion of the social role played by life insurance in protecting families.

Access to communication

Insuring all our futures also means providing access to information for all. After audit, the cnp.fr website was declared 95%-compliant with France's RGAA web accessibility standards, which cover such aspects as colour contrasts, keyboard accessibility, alternative texts to images, infobubbles, page titles and prioritisation of information.

4.2.2 Priority No. 2: design socially responsible products and services

CNP Assurances continuously updates its offer to adapt to the latest developments in society, by enhancing existing offers and developing targeted prevention services.

4.2.2.1 AN OFFER ALIGNED WITH CUSTOMER NEEDS

Anticipating policyholder needs

In addition to studies carried out with distribution partners, the Group's entities analyse the needs arising from emerging social and demographic trends in order to anticipate them. For CNP Assurances, these studies focused in large part in 2015 and 2016 on how the heads of microenterprises perceive their activity and their environment, as well as on their expectations in respect of online service. The Generation Y Observatory set up in 2016 aims to increase knowledge of the 18-25 age bracket so as to identify the associated risks and offer appropriate protection solutions.

Assuristance took a number of actions in 2016, ranging from an analysis of reasons for application refusals to the use of customer survey feedback, to redesign an innovative and comprehensive health assistance offer.

Innovative guarantees are available covering the problems of loss of autonomy, job loss and ageing. In France, for example, in addition to the preventive advice issued by Filassistance International and Lyfe, we offer an unemployment insurance product with a reduced premium or with advisory services to help the policyholder find a new job. *Protection Active Emploi* provides financial support for 6 or 24 months, plus personalised assistance, such as career reviews, training and logistical support.

Since 2016, CNP Assurances has offered psychological support service for the return to work. It also offers a preferential tariff for entrepreneurs and young self-employed workers.

Since 2014, Caixa Seguradora has offered assistance in finding a new job to policyholders who lose their jobs, including distribution of CVs and online career advice. Policyholders in the late stages of a critical illness can claim benefits without reducing the capital built up under their policy, as well as free medication in the event of hospitalisation or emergency care.

A major innovation: in July 2016, Caixa Seguradora launched a fully digital company, YOUSE.

Built with Brazil's leading InsurTech in a collaborative entrepreneurship model, YOUSE offers 100% online car and life insurance policies, with over 1,000 possible combinations to suit each customer.

4.2.2.2 PROMOTING GOOD HEALTH

A structure dedicated to prevention: Filassistance International

Making life-long support for policyholders its mission, in 2003 CNP Assurances pioneered the integration of targeted assistance and prevention services in life insurance and long-term care insurance contracts, in particular through its Filassistance International subsidiary.

Filassistance offers insurance against the loss of autonomy and cardiovascular risks. It also provides listening and support services for carers and people with long-term illnesses – specifically women with cancer – both medically and socially. In 2015, Filassistance International implemented solutions designed to prevent absenteeism among the 12,000 employees of a large company. Solutions include assistance in the event of unexpected unavailability of childcare to allow employees to get to work. Moreover, its *Aide aux Aidants* (Assistance to Caregivers) offer was included on SIACI's "My Prevention" website, which has received numerous awards for innovation. In 2016, Filassistance International continued to digitise its offerings by creating, developing and promoting 24 digital sites for its partners.

Lyfe, the CNP Assurances health services platform

More than a year after its launch, the Lyfe platform, an e-health prototype, offers nine exclusive services around health, well-being and ageing well, such as 24/7 health advice giving policyholders access to a doctor online and *Allo Expert Dépendence*, a preventative support service targeting loss of independence in the elderly. Its new partnership with MonDocteur.fr allows Lyfe to offer online registration for appointments throughout France.

Eighty-two percent of members are satisfied with the site according to a survey carried out in 2016.

Specific prevention campaigns

CNP Assurances deploys numerous workplace programmes to promote the health and well-being of local government employees. The Caixa Seguradora dental care subsidiary runs a programme to prevent tooth decay among young children. In Argentina, CNP Assurances Compañia de Seguros uses social networks to post prevention information.

Prevention for everyone in everyday life

In 2015, CNP Assurances launched cespetiteschoses.fr, a digital platform offering information and support and spreading awareness on the theme of "living better together for longer". It was designed to raise awareness, in a fun and interactive manner, of the impact that small, seemingly insignificant everyday gestures can have on people's lives.

4.2.2.3 SERVICE QUALITY AIDS

Shared applications: the workstations used by distribution partners of the Group's entities enhance the quality and efficiency of policyholder services, while incorporating the duty to provide advice. New shared and convergent quality initiatives have been developed with CNP Assurances' partners to improve the quality of service for insurance advisors and policyholders.

A single platform for processing health questionnaires: the use of the CNPNet platform by banking partners over the last seven years enabled 69% of health questionnaires to be processed electronically in 2016. Since 2013, policyholders have been able to complete the questionnaire at home. In 2016, the application once again saw numerous technical developments aimed at facilitating its use. This is how we make life easier for customers, particularly those who do not have time to visit their bank branch, who need their personal medical file to fill out the form, or who are joint borrowers.

The deployment of new technologies makes life easier for policyholders. For example, a website for filing term creditor insurance claims set up in 2012 allows policyholders to submit scanned claim documents electronically and to track the claim's status, including by text message.

Stealing a lead on the competition, CNP Assurances has since January 2014 offered a full-online term creditor insurance purchasing process for home-buyers who obtain finance from Boursorama Banque, with a legally valid electronic signature system. As well as reducing the time required to complete the process, the system also offers a secure storage solution for insurance applications and the related documents.

Recognised as a pioneer of full-online service in creditor insurance, CNP Assurances was selected in 2015 by ING Direct, France's leading online bank, for the launch of an online mortgage.

On top of its fully digital YOUSE solution (see text box on page 239), the Caixa Seguradora group has expanded online assistance at the request of customers. Service delivery and subscriptions are possible on the Internet, with specialists available *via* a forum to assist customers during the process.

CNP UniCredit Vita's website gives policyholders direct access to their insurance accounts, as well as to downloadable information and claim forms.

A business continuity plan has been drawn up to prepare for the risk of downtime following an incident. Tests are performed each year, using different scenarios, to ensure that in all the various departments, normal business operations can be quickly and efficiently restored.

4.2.3 Priority No. 3: better satisfy policyholders

4.2.3.1 DOUBLING UP SATISFACTION MONITORING

Group entities periodically carry out surveys among both policyholders and distribution partners so as to obtain a comprehensive picture of customer satisfaction.

In 2016, CNP Assurances conducted three quantitative satisfaction surveys on individual policy administration processes.

Whether they are carried out as part of a quality certification process, pursuant to a service level agreement or for other purposes, these surveys help to improve customer responsiveness and to provide feedback to our distribution partners. This year, the survey on the substance and form of the annual statements of the Amétis network yielded a satisfaction rate of 86%.

In 2016, an online survey software package allowed the Group to conduct simple surveys of policyholders from a computer, tablet or smartphone. The software is also used by Amétis advisers to send weekly questionnaires to improve the new contract acquisition process.

CNP Assurances carries out an annual satisfaction survey of over 1,000 local authorities and hospitals holding health, death and disability insurance contracts. Average satisfaction scores are stable at between 7 and 8 out of 10 depending on the local authority.

Satisfaction surveys are also conducted in the CNP UniCredit Vita and CNP CIH subsidiaries, and as often as monthly in all the business units in South America. CNP Partners has for several years held monthly meetings with distribution partners in order to gauge their view of service quality. The customer satisfaction score averaged 4.3 out of 5 in 2016.

4.2.3.2 FOLLOWING UP POLICYHOLDER REQUESTS

CNP Assurances regularly reviews a sample of letters sent to customers in response to requests for information or complaints in order to assess the quality of such letters. Fifteen checkpoints on their substance and form are used to identify any anomalies. The results are presented in reports that are given to the departments that issued the letters to help them constantly improve their service quality. The system's digitisation is planned in 2017.

Processing complaints more quickly

In 2013, CNP Assurances committed to replying within two months of a complaint being filed. A complaint is any expression of discontent by a customer as regards the perceived quality of a product or service, whether justified or not.

Processing times have been reduced thanks to a major reorganisation carried out in coordination with our distribution partners. Tools have been implemented to fine-tune follow-up, to improve the analysis of complaints and to identify ways to enhance service quality. Complaints received by CNP Assurances mainly concern the purchase and claim management processes.

With 10,800 complaints lodged in personal insurance in the first half of 2016 (a similar volume to 2015), the number of grievances remains marginal, involving less than 0.1% of policyholders. Nonetheless, each one is analysed in order to understand how we can improve our service quality using the tools referred to above. In 60% of cases, CNP Assurances' position was maintained.

In accordance with the marketplace decision, mediation involving CNP Assurances has since this year been provided by the French Insurance Federation (*Fédération française de l'assurance* - FFA).

Unclaimed contracts at CNP Assurances

The entry into force of the French Eckert law on 1 January 2016 reinforced provisions in respect of unclaimed contracts. In practice, the new provisions have prompted insurance companies to increase their efforts to find beneficiaries when policyholders die.

In addition to continuing the efforts and maintaining the resources deployed since 2014 to settle unclaimed contracts, CNP Assurances has developed an internal mechanism to consolidate and publish data, allowing it to prepare the regulatory reports required under the Eckert law as of the first quarter of 2017.

In addition to this work and in order to comply with the obligation to transfer to the Caisse des Dépôts any amounts unclaimed ten years after the death of policyholders or the expiry of contracts, CNP Assurances this year fulfilled its obligation to inform policyholders of these provisions. It transferred 19,334 insurance contracts or capitalisation stocks in the amount of €156.1 million to the Caisse des Dépôts in 2016. Transfers to the Caisse des Dépôts will continue on a monthly basis in 2017.

The publication of the first Eckert report on CNP Assurances' website is scheduled for April 2017, as required by the law.

Disputes

There were 1,488 disputes in progress at CNP Assurances at the end of 2016. Seventy-two percent of cases were won in the first instance in 2016, 71% on appeal and 73% on submission to the highest court of appeal.

4.2.4 Other initiatives

4.2.4.1 PROTECTING POLICYHOLDERS

Protecting policyholders' personal data

Personal insurance is based on knowledge of sensitive personal data. At CNP Assurances, protecting the confidentiality of policyholder data is central to our administrative processes and the obligations laid down in our code of conduct. Customers' medical and personal information is protected by procedures that comply with local regulations in each host country, and a dedicated system has been set up to keep abreast of regulatory changes. A privacy-by-design approach is being mainstreamed when designing new products. The new version of the CNPNet platform is a prime example: the requirements of the French Data Protection Act were factored in from the outset.

Requests by policyholders for access to their personal information are facilitated by an application available on the cnp.fr website.

CNP Assurances has a Data Protection Officer tasked with ensuring the protection of the personal data of its prospects, customers and employees. Systematically consulted before any application involving personal data is launched, the Data Protection Officer takes part in industry discussions, leads an in-house network and circulates procedures, notably through a dedicated Intranet. Controls are performed to ensure that the procedures are applied, and the Data Protection Officer presents an Annual Report to the Executive Committee. The work performed by the Data Protection Officer increased further in 2016, with the organisation of a conference on social networks and the presence of an information stand on protecting corporate and personal data in a showroom. A dedicated "data protection" panel discussion emerged on the Yammer corporate network.

In addition, policyholders must give their consent to the use of their personal email address for communications managed in a dedicated information system. The Company has undertaken, through the signing of the French Union of Advertisers' Charter on Responsible Communication, to "respect customers' private data when used for marketing and commercial purposes".

Cybersecurity

CNP Assurances, which has boasted a structured approach to securing its information system for over ten years, uses a security framework aligned with the best practices of ISO 27001 and the associated guidelines. Each new IT project is subject to an analysis of the information security risks, which is reviewed and validated by a dedicated committee before the new service goes into production. All health data are encrypted for storage in all information systems and for all transfers to our partners. Since 2008, customers have been able to make contact with the Data Protection Officer *via* the cnp.fr corporate website.

In 2015, CNP Assurances undertook a major shift in its cybersecurity approach with a view to addressing the sharp increase in cybercrime without undermining its digital transformation. In 2016, this process was reflected importantly in the strengthening of defensive mechanisms geared towards fighting new threats, the contribution of the digital management team to all new projects, a review of governance arrangements and the running of numerous communication campaigns for users.

In 2016, the Group also updated the charter governing the use of the information system resources to take into account the numerous technological, usage, regulatory and legal developments, and to set out the rights and duties of information system users. Moreover, in its new information systems policy, the Group outlines its security approach and the key provisions thereof at Group-level and sets out governance principles. The policy can therefore be applied across the Group.

Implementation in subsidiaries

The European subsidiaries comply with the European Data Protection directive (95/46/EC) as transposed into national law. Some, such as CNP Cyprus Insurance Holdings, have included its provisions in their code of conduct. All employees in Cyprus received IT security training in 2016. MFPrévoyance, where medical confidentiality is a particular concern, has a dedicated Data Protection Officer. Employees must sign a formal pledge to uphold their obligation to maintain professional secrecy. Medical confidentiality training courses are regularly given to MFPrévoyance employees by the medical officer.

The data security policy at Caixa Seguradora is also regularly updated, and all information is categorised by level of confidentiality to ensure appropriate treatment. Regular intrusion tests are conducted to assess the efficacy of the security measures. Its health subsidiary has established exclusive channels for the exchange of sensitive information with partners.

CNP Assurances Compañia de Seguros has drawn up a good practice guide on data privacy, notably including its legal aspects, in the aim of entrenching a culture of personal data protection as a component of service quality.

CNP UniCredit Vita updates its security policy governing the protection of customer data in its data protection document on an annual basis. It has a Chief Information Security Officer (CISO). In 2016, its Compliance department commissioned further internal and external checks.

Product and service compliance

All of the Group's entities verify that contractual, marketing and advertising documents are compliant at every stage of the development of new products. Dedicated teams, working closely with legal experts, ensure that insurance products are compliant, and that changes in the legal framework are taken into account.

CNP Assurances and several subsidiaries have obtained ISO 9001 certification of their main business processes. The scope of certification is expanded every year, while ensuring that previously acquired certifications are renewed (in 2016, two activities upgraded to ISO 9001 V 2015). At Caixa Seguradora, the quality management system is subject to regular audits.

Measures in support of policyholder health

The CNP Assurances Group's core business does not have a direct effect on customers' health. Nevertheless, the Filassistance International subsidiary has developed a series of preventive measures to assist individuals in everyday health and safety issues, in the form of loss of independence and memory loss prevention assessments, as well as ergonomic assistance, information services and psychological support (see section 4.2.2.2 for a discussion of all health prevention services).

4.2.4.2 ENCOURAGING POLICYHOLDER COMMITMENT TO SUSTAINABLE DEVELOPMENT

SRI offering

In personal insurance, direct action by policyholders in support of a responsible economy and the fight against climate change is reflected in the selection of 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, such as:

- LBPAM Responsable (http://www.labanquepostale-am.fr/isr/notre_offre_isr.html);
- Ecureuil Bénéfice (https://www.caisse-epargne.fr/ecureuil-benefices-resp.aspx);
- CNP développement durable (http://www.fongepar.fr/DOCS/na_400001.pdf).

SRI funds were once again promoted by CNP Assurances' two major partners in 2016. At the end of the year, nearly 157,000 life insurance policies included an SRI fund. SRI assets totalled €592 million at that date, an increase of more than 9% compared with 2015.

The inclusion of environmental, social and governance criteria in the management of the assets underlying all our traditional savings products and own funds portfolios is highlighted to policyholders (see section 4.3.1). A brochure on "CNP Assurances' CSR Commitment" was sent to several thousand policyholders and included in the main materials used to present CNP Assurances' offers to its partners.

In its wealth management offering developed in 2015, CNP Assurances offers unit-linked products comprising directly held securities. Eligible securities offered to policyholders are also selected by taking into account exclusion rules on environmental (coal), social (Global Compact) and governance (sensitive countries) issues applicable to financial assets (see section 4.3.1 – Be a responsible investor).

Solutions to raise awareness among policyholders and partners

- The Caixa Seguradora group describes the social and environmental challenges it is facing and presents its results on its website. For several years, it has provided its policyholders with information on responsible consumption. In 2015, it extended the process to social networks.
- The launch of the fully digital company YOUSE in 2016 allowed Caixa Seguradora to promote collaborative entrepreneurship by donating R$1 for every policy sold to a fund financing entrepreneurship projects.
- CNP Assurances Compañia de Seguros also uses social networks to raise the awareness of policyholders and brokers on the issues of prevention and health, as well as sustainable mobility and protection of the environment.
- Every year, CNP Assurances' pledge to uphold the United Nations Global Compact and its responsible investing strategy are highlighted in more than 19 million letters sent to policyholders (postal mail, email or position papers available online). Since 2011, the message is communicated to all holders of endowment policies (other than unit-linked contracts), including on the annual policyholder statements. Similarly, Caixa Seguradora places the "Carbon Free" seal on its printed materials, thereby informing its policyholders that the CO_2 emissions of its operations are offset.
- In 2014 for SRI Week, we organised an awareness campaign for investors with our partner La Banque Postale. We proposed a special offer for any investment in products from the SRI range. Our network of 300 travelling advisors also got involved in explaining the Group's investment approach and its SRI offer.
- In 2016, CNP Assurances rolled out a new communications tool, dubbed the *Lettre de CNP Patrimoine*, to showcase its responsible investor approach and support for the energy transition to partners.

4.3 Contribute to a sustainable economy

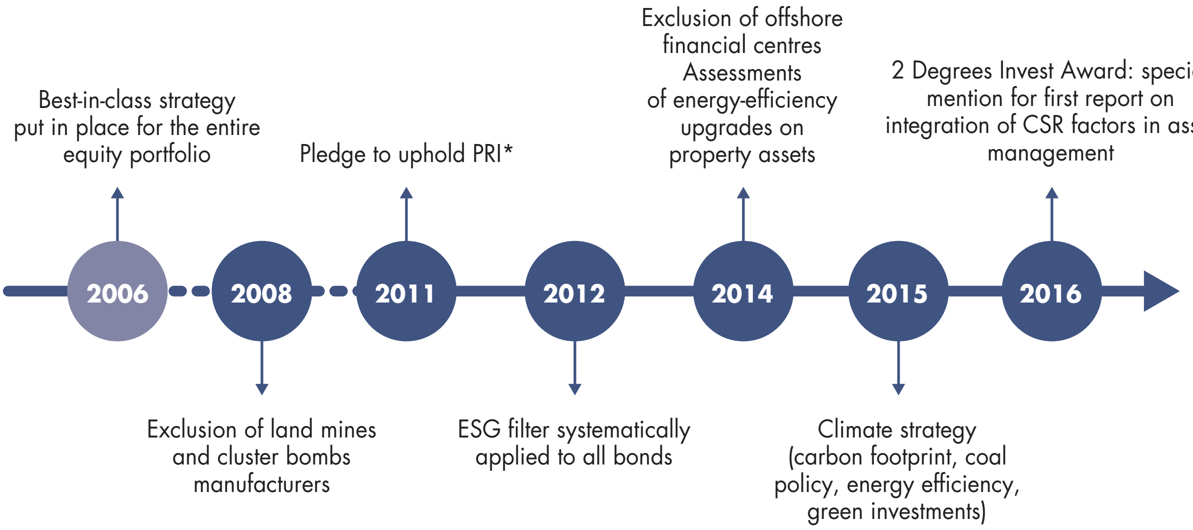
Our Group's primary financial responsibility is to secure the commitments made to policyholders. The second is to guarantee a steady, optimised performance year after year. In line with the belief that including socially responsible investment criteria in the investment selection process optimises the yield-to-risk ratio over the long term, ESG screens have for many years been applied to the majority of CNP Assurances' assets and those of its French subsidiaries.

This commitment also extends to suppliers. An audit and improvement programme has been launched by CNP Assurances to steadily enhance its suppliers' CSR performance.

- Priority No. 1: be a responsible investor.
- Priority No. 2: be a responsible purchaser.

4.3.1 Priority No. 1: be a responsible investor

TIMELINE OF CNP ASSURANCES' RESPONSIBLE INVESTOR APPROACH



* *PRI: the United Nations' Principles for Responsible Investment*

4.3.1.1 IN FRANCE, A STRATEGY COMBINING ESG AND CARBON MONITORING DEFINED BY CNP ASSURANCES AND IMPLEMENTED BY ASSET MANAGERS

CNP Assurances is an insurance group. As such, it manages the assets backing the rights of its policyholders and its own assets, but does not manage assets for third parties and delegates their operational management to external management companies. For CNP Assurances, the responsible investor approach is defined and managed internally by drawing on the SRI expertise of asset management companies Natixis AM and LBPAM. CNP Assurances' strategy is applied to all of its assets and those of its French subsidiaries. The Group's commitment to socially responsible investing was strengthened in 2011 when we pledged to uphold the Principles for Responsible Investment (PRI).

In line with our responsible investing strategy, ESG screens are gradually being applied to all asset classes across the entire portfolio, rounded out in 2015 by the integration of a low-carbon strategy. At 31 December 2016, the ESG filter covered 81% of the financial assets held by CNP Assurances and its French subsidiaries (for details of policyholder investments in SRI funds, see section 4.2.4.2).

Listed equities

The approach is based on best-in-class management. The establishment of a quarterly monitoring process has facilitated dialogue on securities at risk and the prevailing challenges with SRI analysts at Natixis AM since 2006 and LBPAM since 2009. Dialogue is engaged with companies held in these funds when ESG issues are identified, either through our asset managers or directly during the lead-up to the Shareholders' Meetings. When dialogue fails to produce results, other measures can be taken, potentially including a suspension of purchases of the Company's securities or even their sale or exclusion.

CNP Assurances' responsible investor approach in the listed equity compartment supports the goal of energy and environmental transition, particularly through the development of a carbon risk and opportunity approach.

Since 2008, CNP Assurances has chosen to exclude equities issued by arms manufacturers whose products include land mines or cluster bombs from its portfolios. Since 2015, it has additionally excluded all extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal.

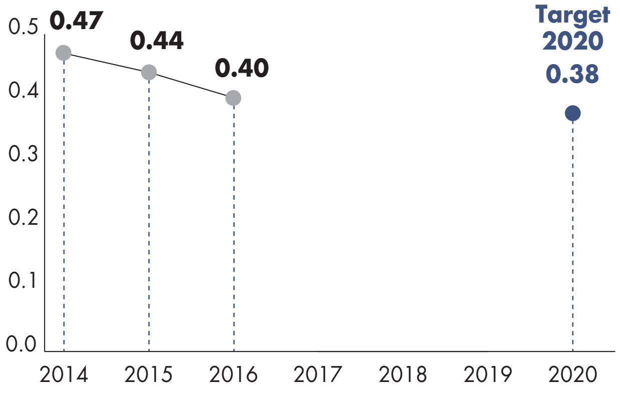
Carbon footprint of the financial portfolio

In line with its commitment under the Montreal Carbon Pledge in May 2015, CNP Assurances measures and publishes the carbon footprint of its financial portfolio. The measure initially concerns the portfolio of directly held listed equities.

At 31 December 2016, the footprint is estimated at 0.405 tonnes of CO_2 equivalent per thousand euros invested. CNP Assurances has set the goal of reducing the end-2014 level by 20% by 2020 (a slightly faster pace than the commitments made by the European Union in the Paris agreement), notably through dialogue with the companies whose shares it holds. While this indicator is useful for tracking the reduction in the portfolio's carbon footprint, it is flawed by the fact it does not necessarily reflect the positive action taken by companies to further the energy transition. CNP Assurances therefore supports methodological developments in measuring companies' carbon impact and their impact in respect of the environmental and energy transition, including those related to avoided emissions.

Note: This calculation is an estimate of Scope 1 and 2 greenhouse gas emissions by portfolio companies at the end of 2015 (most recent published data) without adjustment for overlap, based on the portfolio's asset value. These estimates are volatile, and depend notably on the scope and data collection methods used in the various companies and changes in reference emission factors. As such, while the 2016 results are very encouraging, CNP Assurances remains vigilant and is pursuing its carbon reduction efforts.

ESTIMATE OF THE CARBON FOOTPRINT OF THE PORTFOLIO OF DIRECTLY HELD LISTED EQUITIES (IN T.CO_2EQ./€ THOUSANDS INVESTED)



Bonds

- Government bonds and equivalents: ESG screening excludes sensitive countries rated as "not free" and "partly free" by Freedom House, and countries rated as "corrupt" by Transparency International, as well as tax havens.
- Corporate bonds: issuers are given quarterly ESG ratings, and can be excluded from the portfolio or have their weighting limited on the basis of their compliance with the principles of the Global Compact. Since 2008, CNP Assurances has chosen to exclude bonds issued by arms manufacturers whose products include land mines or cluster bombs. Since 2015, it has additionally excluded all extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal.

Withdrawal from the coal sector

Since 2015, CNP Assurances has sold nearly €300 million in corporate bonds issued by companies that extract coal and produce coal-based energy. Since end-2015, its portfolio has included no directly held listed entities or bonds issued by companies deriving more than 25% of their revenue from thermal coal.

Mutual fund units

The decision on which mutual funds to include in the portfolio is made by taking into account management companies' ESG commitments and by complying with the Group's general investment principles: companies speculating on agricultural commodities and producers of cluster bombs and land mines are excluded. Since 2015, exclusion has been extended to the securities of companies that fail to comply with the principles of the Global Compact and to the issue of coal, as described in the approach taken on bonds (see above).

The issue of sensitive countries is also monitored: investigation on the treatment of tax havens and embargoes in 2015, inclusion in the due diligence questionnaire and exclusion from new dedicated mutual funds.

Furthermore, CNP Assurances has purchased SRI mutual funds in the amount of €2.8 billion, or 10% of assets of all non-dedicated mutual funds held at 31 December 2016. For details of policyholder investments in SRI funds (unit-linked), see section 4.2.4.2.

4.3.1.2 A RESPONSIBLE SHAREHOLDER

Since 2005, CNP Assurances has followed a policy of shareholder activism by systematically voting at the Shareholders' Meetings of the listed companies in its portfolio. In 2016, CNP Assurances voted at the Shareholders' Meetings of 99.9% of the French companies in its portfolio. The voting scope was extended in 2016 to European companies presenting environmental and carbon risks, reaching 57.5% of assets held. It reviewed 1,726 resolutions proposed at 92 meetings, voting against 19.4% of them. When we had issues with proposed resolutions, we endeavoured to talk to the companies concerned ahead of the meetings.

Voting principles are laid down by senior management. The core objective is to protect the rights of minority shareholders who are investing to support the investee's long-term growth. Shaped in part by investor concerns, these principles are pragmatically applied to all companies in the portfolio, taking into account each one's characteristics, industry and regulatory environment.

4.3.1.3 SUSTAINABLY MANAGING PROPERTY ASSETS

With €12 billion in property assets in France based on net book values, CNP Assurances is an important player in this market. Management of its property assets is entrusted to specialised companies on the basis of strict specifications that address the need to preserve the environment and ensure the safety of the properties' users. These include the Sustainable Property Management Charter adopted with Icade in 2008, and the establishment in 2014 of a "green works charter" to factor in the impact of all co-owned property management agreements on the environment, and on the health and safety of users.

Property assets: improved energy performance

CNP Assurances' maintenance and renovation programmes for the property assets in its portfolio constantly aim to make the properties more energy efficient. Renovation projects are carried out to the highest environmental standards (21% of property assets under direct management were certified to HQE, THPE, BBC or Bream Very Good standards at the end of 2016, a significant increase compared with 2015).

Since 2009, an environmental audit has been systematically carried out on all newly acquired properties. In 2015, as part of its low-carbon strategy, CNP Assurances signed the Energy Efficiency Charter for Commercial Buildings, thereby illustrating its desire to become more involved in the green building sector.

A general audit to determine an energy performance target

In advance of the requirements introduced by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 143 of CNP Assurances' wholly owned property assets have already been assessed to measure their energy efficiency. Action plan scenarios adapted to each building have been defined in order to reduce CO_2 emissions and energy use.

CNP Assurances has already rolled out a €150 million work programme within this framework. Ultimately, this work will reduce the energy consumption of the entire property portfolio by 20% by 2020, in comparison with 2006.

In 2016, CNP Assurances launched a pilot scheme to track health, safety and environment (HSE) compliance by one of its property management companies. Following a five-pronged diagnostic, the Company's response to the observations made during the diagnostic was monitored, yielding a completion rate of 44% at end-2016. The objective is to carry out an audit of all assets over three years and track the work that is subsequently carried out.

4.3.1.4 INFRASTRUCTURE AND UNLISTED EQUITIES, THE RIGHT VEHICLES FOR FUTURE CHALLENGES

Social information used to manage private equity and infrastructure investments since 2010

ESG ratings are awarded based on the due diligence process carried out ahead of any investment in a new private equity fund. A total of 27 private equity funds were rated in 2016. In addition, CNP Assurances had invested in several socially beneficial funds in a total amount of nearly €135 million at 31 December 2016. Examples include financing small businesses that have trouble raising capital due to social barriers, and supporting SMEs facing financial hardship.

CSR reporting is also used for new infrastructure investments. In 2016, 56% of our infrastructure funds took part in this reporting or voluntarily provided us with their own CSR reporting.

Investments in funds supporting the energy and environmental transition

At 31 December 2016, CNP Assurances had €34 million invested in private equity funds in the clean energy, clean industry and cleantech sectors. Direct and indirect investments in renewable energy infrastructure, sustainable mobility and water and waste treatment represented total assets of €651 million at 31 December 2016. An additional €902 million is invested directly in green bonds funding specific environmental projects.

At the end of 2015, with management company Meridiam, CNP Assurances launched the "Meridiam Transition" infrastructure fund to finance innovative development projects related to the energy transition, local services such as heating systems or energy from recovered waste, electricity and gas networks, and innovative renewable energy. A total of €100 million had been committed at 31 December 2015, plus an additional €49 million in 2016.

Thanks to progress in its low-carbon strategy, CNP Assurances achieved its initial goal of tripling its investments in the energy and environmental transition sector a full year ahead of target, with assets reaching €1.7 billion at 31 December 2016.

MFPrévoyance has meanwhile invested €5 million in funds supporting renewable energy projects.

CNP Assurances received a special mention in the first international awards for the best climate reporting for investors in October 2016.

Support for SMEs

Operating in the private equity business since 1992, CNP Assurances is one of the world's top 50 institutional investors (number two in France) in private equity funds (2015 EPI ranking). Be they innovative start-ups or SMEs with an established presence in their market, operating in the high-tech sector or established industrial segments, these companies play a strategic role in strengthening France's economic fabric, creating jobs and attracting foreign investment. Under the OPEN CNP programme launched in 2016, CNP Assurances plans to devote €100 million over five years to developing partnerships with innovative start-ups in businesses close to its own. Three investments of various kinds were made in 2016. After supporting a crowdlending platform for SMEs, CNP Assurances chose to support a telemedicine solution to fight against social and geographical inequalities in access to healthcare. Lastly, a few months ago, it gave support to a new online health insurance company dedicated to start-ups and SMEs.

CNP Assurances also supports businesses in difficulty through specific funds, with €128 million committed in 2016. Again in 2016, CNP Assurances partnered with a long-term loan fund on behalf of around 100 European SMEs. It also supports the NovESS fund, whose objective is to support the transition and change of dimension of the Social and Solidarity Economy.

4.3.1.5 FORESTS: AN ENVIRONMENTAL OPPORTUNITY

Integrating environmental issues in woodland management processes

CNP Assurances is France's largest private owner of woodland, with 54,077 hectares at 31 December 2016. Société Forestière, a 50%-owned subsidiary, applies sustainable management techniques that help to prevent fires, promote biodiversity and anticipate the effects of climate change. In 2003, in addition to ISO 9001 certification, all of CNP Assurances' woodland assets were certified by the Pan European Forest Council (PEFC), which guarantees that the timber comes from sustainably managed forests.

Carbon sinks in France and Brazil

In 2016, the growth of CNP Assurances' trees served to sequester 529,191 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 236,988 tonnes of carbon dioxide was added to the sequestered total.

Since 2007, the Caixa Seguradora group has been offsetting its carbon emissions by financing NGO Green Initiative's tree-planting programmes in the Atlantic forest. The Carbon Free programme has planted nearly 40,000 trees in the space of seven years. The management of these forests in accordance with biodiversity principles also provides an income for disadvantaged local communities and an opportunity for them to acquire new skills. Operations organised by CNP Assurances with employees have added 5,704 trees to these plantations.

Anticipating climate change

In 2001, in compliance with France's Forestry Act, CNP Assurances approved a sustainable management charter defining the commitments of Société Forestière, the company in charge of managing its woodland. These commitments include managing woodland sustainably, protecting biodiversity and proactively planning for the impact of climate change.

The climate change issue is a key factor in managing our forests. In order to ensure the long-term health and value of the woodland, the management company selects transitional tree species adapted to current and future climates and pays increasing attention to the soil moisture reserves in areas where new trees are being planted.

Protecting biodiversity

Société Forestière continued its actions in favour of biodiversity in 2016. It regularly strives to maintain dead trees in forests, whether they are still standing or have fallen. Dead trees are home to very specific biodiversity – more than a quarter of animal and fungal forest species – and are of major interest for scientists and NGOs working to protect nature. Another example is the management of the Fayez forest in north-eastern France, which aims to gradually renew beech stands, which are representative of habitats that must be protected on this site.

CNP Assurances' woodland management also prevents soil erosion and ensures water filtration and purification. The Caixa Seguradora group's reforestation operations promote biodiversity, protect water resources and contribute to soil conservation.

4.3.1.6 DEPLOYING ESG SCREENING IN INTERNATIONAL SUBSIDIARIES

The Caixa Seguradora group excludes certain industries from its equity and government and corporate bond portfolios. At CNP Assurances Compañia de Seguros, when choosing between investments with equivalent risk and yield profiles, priority is given to those with the best social and/or environmental profile. At end-2016, 16% of its assets were dedicated to supporting SMEs or social infrastructure projects. CNP UniCredit Vita has applied the exclusion rules defined by CNP Assurances covering sensitive securities and countries to its euro-denominated portfolio, representing 46% of financial assets at end-2016, as has MFPrévoyance.

4.3.2 Priority No. 2: be a responsible purchaser

The Group's larger entities, CNP Assurances and the Caixa Seguradora group, were the first to integrate CSR principles into their sourcing policy.

4.3.2.1 CNP ASSURANCES – FULFILLING A COMMITMENT ON AN EVERYDAY BASIS

CNP Assurances' CSR principles are also put into practice by the Purchasing department, with all buyers aware of these issues and most of them trained in CSR compliance. The Group's Ethical Purchasing Charter and the code of ethics govern buying practices.

The main calls for tenders and consultations include a CSR component that proposals must address in order to be considered.

Having pledged to uphold 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. A CSR assessment of key suppliers is performed by EcoVadis (see section 4.3.2.3).

Nearly all CNP Assurances' suppliers of goods and intellectual and other services are located in France. The use of subcontractors is mostly limited to intellectual services, as well as printing, mailing, enveloping, archiving, bulk data entry, call centre and maintenance services.

Average supplier payment terms were 49 days in 2016, a gain of two days compared with 2015, thanks to the various optimisation measures undertaken, such as indexing invoices when received and sending targeted reminders depending on the payment deadline. This puts CNP Assurances' "supplier payment terms" indicator for 2016 within the standard period of "45 days end of month" (*i.e.*, 45 days from the end of the month in which the invoice is issued, for a maximum payment term of 75 days), which shows that CNP Assurances respects its commitments to its suppliers by paying them within a reasonable time.

4.3.2.2 THE CAIXA SEGURADORA GROUP – CSR CLAUSES IN ALL CONTRACTS

The Caixa Seguradora group includes CSR clauses in its supplier contracts based on the Global Compact principles (ILO, the fight against organised crime and drug trafficking, the environment, combating fraud and money laundering).

4.3.2.3 A PLATFORM FOR SUPPLIER ESG AUDITS

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 on a collaborative platform that includes 150 business sectors and 95 countries.

Following the audit, suppliers receive detailed feedback on their CSR practices, including a rating in four categories (environment, social, ethics, and responsible purchasing) and a list of their strengths and areas for improvement.

The main suppliers in the Top 200 (CNP Assurances' 200 biggest suppliers) are subject to assessment by EcoVadis. In 2016, 145 suppliers representing 51% of total purchases were assessed. The average rating was 58/100. In 2017, with the deployment of the e-purchasing tool, major tenders and listings will be systematically asked for an EcoVadis rating, which has become one of the rating criteria of our offers.

The "CNP Assurances' CSR Commitment" leaflet has also been included in tender documents since last December.

4.3.3 Other initiatives

4.3.3.1 COMBATING MONEY LAUNDERING, TERRORISM AND FRAUD

A shared requirement

As a player in the financial sector, CNP Assurances is deeply involved in the fight against money laundering, the financing of terrorism and fraud. Our business model, in which a lot of transactions are performed by intermediaries, has shaped the related controls. The tasks entrusted by the Group to intermediaries are described in the distribution agreements between CNP Assurances and its partners. Caixa Seguradora, the Group's main subsidiary, carries out an annual external audit of the risk of fraud.

Dedicated teams

Supported by 22 employees, a specific unit is dedicated to these controls at CNP Assurances, and any employee can check the Group-wide anti-money laundering procedures on the Intranet. Similar arrangements are in place in all subsidiaries, in compliance with local constraints and the principles adopted by the Group. CNP Partners has an anti-money laundering committee.

Work to bolster the system

As part of the new guidelines in the fight against money laundering and the financing of terrorism, CNP Assurances has launched a project aimed at bolstering its system with all of its partners. The aim is to consolidate the organisation of operations controls and to implement the new requirements set out in the fourth and fifth directives.

CNP UniCredit Vita adopted an organisation and management model consistent with the new Italian rules in 2016. The application is monitored by a specialised committee.

Specific training

Newcomers and employees who have changed jobs are systematically trained at CNP Assurances (72 employees in 2016). Moreover, an e-learning module developed in partnership with the French Insurance Federation (*Fédération française de l'assurance* - FFA) and several major insurers, taken in 2014 by CNP Assurances employees in accordance with their exposure profile, has been rolled out to partners offering high-end products.

Training on money laundering has been extended to subsidiaries in recent years. The Cypriot subsidiary annually trains the relevant employees and the branch network on KYC procedures.

4.3.3.2 ETHICS AND ANTI-CORRUPTION MEASURES

All subsidiaries provide ethical guidelines through their standard operating procedures, charters or codes.

Codes for all entities

The prevention of corruption requires the establishment of procedures and training.

CNP Assurances' code of conduct, appended to the internal rules, is one of the Group's tools in the fight against corruption. It notably contains rules governing gifts and benefits within the Company. It is posted on the Intranet and features in the Employee Orientation Guide for new hires. Flashes are regularly placed on the Intranet to remind employees of the main rules. All other entities in the Group also have guidelines, specifications and regulations.

Some more exposed professions have specific codes (purchasing management and sales management):

- an ethical purchasing guide provides practical guidance for key situations encountered by the Company's purchasers;
- similarly, a specific code of ethics spells out standards for sales representatives of the Amétis network.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries specifically prohibit them in their code of ethics or conduct.

Furthermore, a new anti-corruption policy is being implemented at Group level to round out the existing system in accordance with the provisions of the French Sapin 2 law.

In addition to ethics training, which has been in place for many years, corruption risk training was increasingly offered in subsidiaries in 2016, notably in Brazil and Italy following the enactment of new anti-corruption laws.

Procedures governing financial management and purchases

This ethical vigilance also applies to CNP Assurances' asset management, particularly for government bonds where the country's position in the Transparency International index is one of three exclusionary criteria.

At CNP Assurances, the fight against corruption extends to purchasing, and purchasing contracts include a standard CSR clause requiring suppliers to commit to combating corruption, including on the part of their own suppliers and subcontractors.

4.3.3.3 CORPORATE INCOME TAX

The CNP Assurances Group is primarily made up of insurance companies and companies that provide services to individuals, as well as a number of financial investment vehicles.

Corporate income tax payments

2016 *(in € millions)*	France	Latin America	Europe excluding France	Total
Corporate income tax	(353)	(366)	(25)	(744)

In addition, the Group's insurance companies in France paid more than €800 million in taxes on behalf of policyholders in 2016.

Exclusion of sensitive countries

CNP Assurances formalised its policy of excluding offshore financial centres at the end of 2014. In line with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of prohibited countries covering all of its activities, extending the exclusion beyond the list of countries prohibited as part of the fight against money laundering, terrorist financing and non-cooperation in tax matters to include countries identified as tax havens based on the Tax Justice Network indices, as well as those posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International.

All operations in these countries are excluded, and purchases are prohibited across all asset segments. The divestment of the remaining assets is planned by 2017.

4.4 Be an attractive employer

By promoting each employee's professional development as part of a Human Resources planning process, CNP Assurances develops the skills that will make the Group successful today and tomorrow. The Group's active professional equality policy is used to train young people, notably through combined work-study programmes, to help people with disabilities enter the workforce and to promote gender equality within teams.

- Priority No. 1: develop skills in line with the Group's strategy.
- Priority No. 2: create a working environment that fosters well-being and performance.
- Priority No. 3: pursue a robust policy on gender equality in the workplace.

4.4.1 Priority No. 1: develop skills in line with the Group's strategy

The Human Resources planning process, initiated in 2014 and involving all stakeholders, took shape in the autumn of 2016 with the signing of CNP Assurances' maiden Human Resources planning agreement.

The Human Resources planning agreement irrigates a wide range of HR policies, including three-year employment management, career development and management training.

4.4.1.1 HUMAN RESOURCES PLANNING - PRUDENT EMPLOYEE MANAGEMENT

Number of Group employees

The CNP Assurances Group had a total of 5,035 employees at 31 December 2016, representing an increase of 4.8% compared with 2015 (at constant scope).

Headcount by entity √	Country	2016	2015	2014
CNP Assurances	France	2,992	3,006	3,009
Caixa Seguradora group	Brazil	1,179	863	799
CNP UniCredit Vita	Italy	170	163	163
CNP Cyprus Insurance Holdings	Cyprus/Greece	284	285	283
CNP Partners	Spain, Italy, France	204	176	164
MFPrévoyance	France	75	76	76
CNP Santander Insurance	Ireland, Italy	61	44	-
CNP Assurances Compañia de Seguros	Argentina	62	65	69
CNP Europe Life	Ireland	8	8	10
CONSOLIDATED TOTAL - GROUP		**5,035**	**4,740**	**4,705**

√ *Data reviewed to obtain reasonable assurance*

CNP Assurances manages its workforce carefully in line with its Human Resources planning process. CNP Assurances' permanent workforce contracted by 0.9% in 2016, although targeted recruitments and higher qualifications mean that this did not undermine the Group's capacity to continue growing in line with its strategy.

The decline in the permanent workforce resulted from contrasting trends:

- a persistently sizeable number of retirements in view of the age structure and changes in regulations relating to pensions;
- constant vigilance in replacing people who leave the Company, depending on changes within the Company, in a constrained and swiftly changing economic environment;
- external recruitment targeting new or specific technical and commercial skills relating to digital and skills-based developments and changes in our growth strategy;
- an active policy of internal mobility, with most vacant positions filled by internal candidates.

Caixa Seguradora data now include its Odonto subsidiary, which explains the increase in its workforce between 2015 and 2016. For CNP Santander Insurance, the increase reflects business growth.

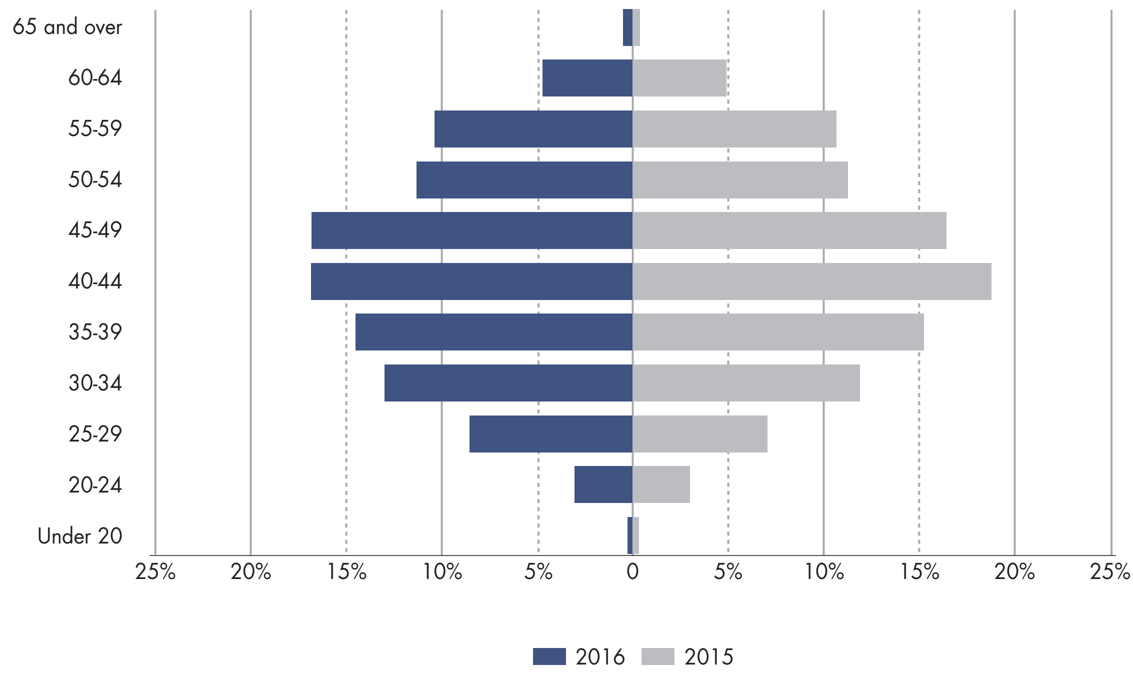
Characteristics of the Group's workforce

	2016	2015	Change	Level of coverage
Percentage of employees with permanent employment contracts √	96%	96%	0%	98%
Percentage of women √	59%	60%	-2%	100%
Average age of permanent employees	43.2 years	43.4 years	-0.5%	100%

√ *Data reviewed to obtain reasonable assurance*

Virtually all of the Group's employees (98%) are covered by local insurance industry collective bargaining agreements.

AGE PYRAMID √



√ *Date reviewed to obtain reasonable assurance*

CNP Assurances' workforce includes 117 civil servants seconded from Caisse des Dépôts, 60% of whom have management status. The average length of service within the Group is 13 years, and is stable compared with 2015.

With the age pyramid showing a mean age of 46.2 years for employees with permanent contracts, CNP Assurances strives to employ young people and retain seniors. The share of young people in the workforce is edging up, while the rate of employees aged over 55 exceeds 21%. The end-of-career measurement included in the Human Resources planning agreement will increase CNP Assurances' visibility on projected retirements in coming years, thereby increasing its capacity to manage the transition.

A targeted hiring policy for CNP Assurances

CNP Assurances has for several years had a policy focused on internal mobility. Its twofold objective is to combine the need to manage the workforce in a more constrained environment that requires more careful management of internal career paths and to capitalise on in-house knowledge and expertise. This policy is reflected by the fact that the vast majority of vacant positions are filled by drawing on the skills available within the organisation. Any skills that are lacking are recruited externally.

As such, internal mobility is boosted by helping employees to develop and implement their career plans, particularly those who wish to pursue a degree (see section 4.4.1.2 on training) or those who wish to move to or train for a new position. In 2016, 68% of permanent positions were filled by internal candidates, leaving scope for external hiring to strengthen core skills in order to fill new positions or open up new areas of development (high-end digital skills), or to secure processes and comply with tougher regulatory requirements.

In 2016, most of the positions open to external candidates related to sales, finance, policy management, actuarial analysis, risk management and compliance.

With a view to ensuring growth in digital technologies, CNP Assurances increased its visibility as an employer brand on social networks in 2016, and is now present on LinkedIn, Twitter and Viadeo. It has also integrated the practice of remote job interviews.

Entries into the Group

	2016	2015	Change	Level of coverage
Number of new hires √	651	535	+22%	100%
Percentage of new hires with permanent employment contracts	73%	67%	+9%	100%

√ *Data reviewed to obtain reasonable assurance*

Departures from the Group

	2016	2015	Change	Level of coverage
Total departures √	**440**	**462**	**-5%**	**100%**
■ dismissals √	95	88	+8%	100%
■ terminations by mutual agreement	14	21	-33%	100%
■ resignations	112	125	-10%	100%
■ retirements	67	64	+5%	100%
■ departures at the end of fixed-term contracts	137	154	-11%	100%
Turnover rate √	**5.8%**	**6.4%**	**-9%**	**98%**

√ *Data reviewed to obtain reasonable assurance*

Turnover within the Group's entities reflects varying situations. It is low at CNP Assurances (4.1%), and declined within several entities in 2016. CNP Assurances Compañia de Seguros, for instance, saw the rate slow from 22% in 2015 to 13%, while CNP Partners logged a drop from 13% to 5% (a rate which is well below the 2015 average for the Spanish insurance sector, which was 8.12%). CNP Cyprus Insurance Holdings reported a turnover rate of 3%, the same as in 2015, despite the economic climate. More than one departure of a permanent employee out of every two at CNP Assurances was a retirement, which is consistent with the age structure.

Mergers/acquisitions/disposals/restructuring

As part of the merger between AG2R LA MONDIALE and CNP Assurances, 31 employees were seconded to Arial CNP Assurances.

Under the Pergolesi project, all employees at the Italian branch CNP Italia on 31 May 2016 were transferred to the CNP Partners group as of 1 June 2016 through the transfer of individual employment contracts between the two companies, with the prior consent of each employee.

4.4.1.2 SKILLS DEVELOPMENT - CONTINUOUS INVESTMENT IN LINE WITH CHANGES TO JOBS

The Human Resources planning agreement lists the commitments made by CNP Assurances to develop the skills essential to the implementation of its strategy and to support its employees in their career development. Various mechanisms are in place to make each employee an actor in his or her skills development, to foster dynamic career management and to ensure that the age structure remains unconstrained.

Constant monitoring of changes to jobs

Analysis of the impact on jobs of the Group's growth strategy and economic, regulatory, technological (particularly *via* process digitisation) and socio-demographic changes has allowed stable jobs not exposed to noteworthy change to be ring-fenced from those in which significant quantitative or qualitative changes have been observed or are likely within a three-year timeframe.

Jobs defined at being "at risk" receive special attention, depending on whether the underlying challenge is to learn new skills within the Company, to upgrade skills or to redeploy employees. All affected employees receive personalised support.

The construction of career paths

Alongside the stated policy of opening vacant positions to internal candidates, the professional development of all employees is backed up by a set of mechanisms focused on making each employee an actor in his or her own skills development. Every year, managers are asked to conduct a performance review with each member of their team.

Across the Group, 92% of employees had a performance review in 2016. At CNP Assurances, for instance, the annual appraisal interview, now paperless, is a special opportunity for dialogue between manager and employee. It allows participants to summarise the events of the past year, to highlight strengths and areas for improvement, and to agree on expectations and objectives for the coming year.

At CNP Assurances, in 2016 323 employees benefited from internal mobility and 110 were promoted.

In order to update the skills base, CNP Assurances supports its employees in developing their career paths and drawing up training plans. In 2016, it focused on management professions and managerial skills. Employees' professional practices are key in this approach.

Sustained efforts to bolster the professional skills of employees and managers

	2016	2015	Change	Level of coverage
Number of training hours	112,055	103,346	+8%	100%
Percentage of employees who received training	84%	88%	-5%	100%

At CNP Assurances, the total number of training hours was stable in 2016 compared with 2015, despite the non-inclusion this year of training delivered within the framework of the qualitative criterion in the incentive agreement, which provides for an awareness/training module on a negotiated topic.

The development of employees' skills is central to CNP Assurances' priorities, as a means of capitalising on its image and expertise, and facilitating internal mobility. This is evidenced by training budgets, which average approximately 5% of the payroll. In 2016, almost 75% of employees attended a training course, and 43 employees were able to work towards a diploma, with a view to achieving their professional goals. Over the past two years, nearly 4% of permanent employees across all levels of the Company and all areas have benefited from individual training leading to a diploma.

At CNP Assurances, training provided in 2016 covered:

- managerial topics, including the launch of the first class of the new management training course for the digital age (ULM);
- support for the implementation of strategic development and for the commercial business lines and the associated customer relationship workshops; training for new CRM tools and products; and particular support this year for management profiles through technical insurance training;
- personal skills training for employees through a range of cross-cutting courses.

An online training platform was launched in the autumn of 2016. At the end of the year, 38 training courses had been delivered to various audiences *via* this channel. Their content was varied, ranging from anti-money laundering to support for people with disabilities to events in the life of contracts in individual management.

Lastly, the 2016 incentive scheme resulted in further awareness raising for all employees about digital culture *via* a MOOC deployed in partnership with the Caisse des Dépôts.

Elsewhere in the Group, more people received training in all entities in 2016. The main training areas were insurance techniques and Solvency II, followed by computer/office systems, sales and marketing, personal development, management skills and languages. In addition, during the last four years, targeted training initiatives have been organised to expand the risk management skills base. Individual training needs and requests are generally discussed during annual performance reviews. Group training needs are analysed when the annual training plans are drawn up.

Since 2015, the Caixa Seguradora group has offered training programmes in behavioural studies, in organisational culture and in an online course system.

In 2016, CNP Partners developed training courses in project management, IT security and management following the establishment of working groups with employees. CNP UniCredit Vita also continues to provide mandatory training, notably in the fields of anti-money laundering, ethics and compliance. The number of training hours increased considerably in Cyprus due to the delivery of two mandatory training courses for all staff (anti-money laundering and IT security).

4.4.1.3 USE OF OUTSIDE CONTRACTORS – LIMITED AND SUPERVISED OUTSOURCING

CNP Assurances makes limited use of outside contractors for non-core business activities. There are 44 security staff, 65 cleaners (regional offices included), 23 maintenance workers and nine receptionists. The total was 149 people, compared with 157 in 2015. IT operations have been transferred to an intercompany partnership established in 2012 (CNP TI), which employs 367 people.

The use of temporary staff has increased in volume since 2015 to support internal teams in the many changes planned within the Company.

Use of outside contractors is largely confined to the Caixa Seguradora group and CNP Partners, which outsource their IT operations (249 contractors). Like CNP Assurances, both entities ensure that the employees concerned are accorded the full protection of applicable labour legislation (see section 4.3.2 – Be a responsible purchaser).

4.4.2 Priority No. 2: create a working environment that fosters well-being and performance

The Group's Human Resources policy focuses consistently on developing conditions that foster employee well-being at work and promoting personal enrichment and group performance. It relies on a significant social component and the deployment of personalised support measures for employees, and employee/employer relations combining a variety of channels.

4.4.2.1 EMPLOYEE/EMPLOYER RELATIONS COMBINING A VARIETY OF CHANNELS

Employee representation and protection

Social dialogue is a priority throughout the CNP Assurances Group. There is at least one employee representative in all subsidiaries except CNP Europe Life, which has only eight employees, and the new subsidiary CNP Santander Insurance, acquired in 2014, which has 61 employees. The Caixa Seguradora group does not have a staff delegate. However, in accordance with the rules set out in the union of insurance workers' agreement, an employee representative and the union president participate in meetings between employee and management representatives. Ninety-eight percent of the Group's employees are covered by an insurance industry collective bargaining agreement (except in Ireland and for some employees in Argentina due to local regulations). A total of 120 meetings between employees and management were held at the Group's various entities.

Working with employee representative bodies at CNP Assurances

In keeping with CNP Assurances' tradition and past agreements on union rights, the Human Resources department maintains regular, high-quality dialogue with the various employee representative bodies (National and European Works Councils, employee representatives and Occupational Health, Safety and Working Conditions Committee) and with union representatives, giving due consideration to the roles of everyone involved and going beyond compliance with regulatory requirements.

Employee representative elections were held at CNP Assurances in the autumn of 2016.

Agreements to improve employment conditions

CNP Assurances has agreements covering the main areas, including classification and remuneration through the labour adjustment agreement, working hours (ARTT agreement), gender equality, employees with disabilities, union resources, psychosocial risks, a PERCO voluntary pension plan and profit-sharing. In 2016, CNP Assurances signed a new discretionary profit-sharing agreement, an agreement on Human Resources planning and agreements relating to the coverage of healthcare costs for managers and non-managers.

MFPrévoyance signed an intergenerational contract in 2016. It has 14 collective agreements covering such key social issues as working hours, the exercise of union rights, work-life balance and profit-sharing. In 2016, CNP UniCredit Vita signed an agreement with union representatives on variable bonuses and the Caixa Seguradora group signed a profit-sharing agreement.

Spending on social matters for Group employees represented 1.5% of the payroll in 2016.

The European dimension

The European Works Council met twice in 2016 to present the report on the Group's activities, projects and results.

CNP Assurances' focus on managerial communication

Since 2015, four principles of action, namely initiative, creativity, customer focus and trust, have guided the behaviour of managers and their teams.

In addition to the HR Intranet, which centralises information from the Group on its various Human Resources activities, managerial communication is crucial for fostering relations with employees. Over the last three years, CNP Assurances has rolled out a number of initiatives to promote the role of managers and help them to communicate with their teams. As such, various management circles have been identified and communication processes established. They include conference calls with the Chief Executive Officer, special seminars and employee discussion forums. In 2016, the CEO twice had the opportunity to take part in online chats with all employees.

In 2016, a new management approach was rolled out to all employees, called "Dialog" in reference to the principle it promotes. Based on a short questionnaire containing eight questions focused on each employee's experience at work, this agile approach encourages managers to open dialogue three times a year with their teams on eight different dimensions of quality of work life, as they relate to expected performance.

From the very outset of the campaign, and to help managers appropriate the process, 23 workshops bringing together 143 managers were held in December. This support will continue with each campaign throughout 2017.

4.4.2.2 PREVENTION OF PSYCHOSOCIAL RISKS AND PROMOTION OF SUPPORT SYSTEMS AT CNP ASSURANCES

As a service company, CNP Assurances has paid particular attention to preventing stress and psychosocial risks over the last ten years. Through its various managerial training and other more specific initiatives (in-house social mediation, outside counselling available to all employees, independent occupational health service, etc.), it has created an environment that helps limit the occurrence of situations of risk. Since 2016, the new management training offer has included a chapter on "quality of work life and prevention of psychosocial risks" offered by the Human Resources department.

CNP Assurances remains attentive to trends in business conduct, both in terms of information systems and expected behaviour – as regards digitisation for instance – in a changing work environment. The results of the 2012-2015 agreement with trade unions on this subject highlight the actions taken to identify, prevent and manage psychosocial risks, including support for organisational change, communication processes that ensure fairness in Human Resources practices, and opportunities for telecommuting subject to certain conditions.

In addition, the in-house mediation service aims to prevent and deal with allegations of harassment and discrimination, stress and everyday conflicts. In 2016, it received approximately 40 referrals concerning requests for advice and support.

Lastly, all employees also have 24/7 access to a toll-free hotline (Filassistance) all year round if they need to talk to someone.

In 2016, CNP Assurances initiated negotiations on the quality of work life aimed notably at factoring in its commitments in terms of psychosocial risks, the right to disconnect and professional equality. A telecommuting experiment is also underway.

The "Dialog" approach described above (see section 4.4.2.1) now contributes to this vigilance on working conditions.

4.4.2.3 MULTIPLE INITIATIVES IN EACH SUBSIDIARY

All CEOs worldwide follow stress management training. The Caixa Seguradora group has developed broad well-being at work programmes, and organises a "health in the workplace" week every year. It also has an internal committee tasked with preventing accidents, identifying risks and implementing preventive actions.

MFPrévoyance's Occupational Health, Safety and Working Conditions Committee pays particular attention to psychosocial risks, and a special training course has been included in the management training programme. CNP Assurances Compañia de Seguros' code of ethics provides for the implementation of accident and occupational illness prevention programmes. The subsidiary also assesses its workplace health monitoring programme annually. CNP Cyprus Insurance Holdings has a team dedicated to regularly communicating on workplace health and safety risks, and has supported the Ministry of Labour's "health and safety week" for several years. CNP UniCredit Vita introduced stress management workshops in 2016, organised by a group of volunteer employees. Lastly, a mutual insurer covers occupational risk prevention measures for CNP Partners employees.

4.4.2.4 ORGANISATION OF WORKING HOURS

Annual number of hours

Annual working hours within the Group range from 1,575 to 2,007, depending on local legislation. At CNP Assurances and MFPrévoyance, full-time corresponds to 1,575 hours per year (ARTT agreement of November 2001).

	2016	2015	Change	Level of coverage
Percentage of employees working part time	13%	14%	-7%	100%
Number of overtime hours	31,122	30,534	+2%	100%
Percentage of overtime hours	0.37%	0.38%	-3%	100%

Overtime hours doubled at MFPrévoyance due to the migration of the management IT system and a period of heightened activity resulting from the renegotiation of loan rates.

Development of part-time work and flexitime

Apart from one employee at CNP Partners, all employees who work part time within the Group's entities choose to do so. At Group level, part-time employees represent 13% of the workforce. For CNP Assurances, 20.9% of the employees worked part time in 2016, with almost all of them choosing to work 80% or more of the total working time. Part-time employees are entitled to all of the same benefits as full-time employees.

In addition, 63.6% of the workforce at CNP Assurances have personalised working hours to help them achieve a better work-life balance and organise their working hours in accordance with their professional obligations.

In 2016, CNP UniCredit Vita experimented with a new way of working, called smart working. Its aim is to increase productivity while promoting a better work-life balance. The experiment involved allowing beneficiaries to work from a place of their choice four days every six months. This could be their home, a private place (a friend's house, a holiday house) or a co-working space located anywhere in the country. Each employee is provided with the necessary technology to work remotely. The results of these analyses were presented to the Executive Committee and then to internal trade union organisations.

CNP Partners has also set up a telecommuting experiment following the signing of an agreement.

4.4.2.5 REMUNERATION

Average gross salary by country (permanent employees)	**2016**	2015	Change	Average annual increase by country
France [(1)]	EUR 58,795	EUR 57,698	+2%	0.49%
Brazil	BRL 78,946	BRL 66,029	+19% [(2)]	10.6%
Italy	EUR 55,911	EUR 55,008	+2%	0%
Cyprus/Greece	EUR 36,837	EUR 37,133	-1%	0%
Spain	EUR 50,913	EUR 49,099	+4%	2.6%
Ireland	EUR 68,153	EUR 66,933	+2%	1.5%
Argentina	ARS 516,618	ARS 382,680	+35%	35%

(1) CNP Assurances and MFPrévoyance
(2) The increase is in part the result of a change in the calculation method

For the consolidated CNP Assurances Group, the average pay rise was 3% across the Board, with variations among countries due to inflation, particularly in Argentina.

At CNP Assurances, €6,494,775 was paid out under the discretionary profit-sharing plan in 2016, €17,960,483 under the statutory profit-sharing plan, and €446,778 in profit-related bonuses to seconded civil servants. All CNP Assurances and MFPrévoyance 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.

At 31 December 2016, CNP Assurances employees (excluding seconded civil servants) had invested €104,646,600 million in employee savings plans. A total of 1,448 employees held registered shares, of whom 1,171 *via* the employee savings plan, representing 0.21% of share capital.

In 2016, the Group's remuneration policy was revisited in the context of Solvency II to integrate the "Fit and Proper" standards.

A report detailing the remuneration and benefits received during the year was issued to every employee at CNP Assurances in 2016. This report is now a key component of HR policy. Through its customised information, it reflects the Company's determination to make its remuneration and benefits policy comprehensible, as part of its commitment to its employees.

In 2016, an electronic safe that can be used to store paperless payslips and employees' other administrative documents was made available to all staff at CNP Assurances.

4.4.2.6 HEALTH AND SAFETY

CNP Assurances has an autonomous health service. In 2016, it implemented new software incorporating digitised medical records.

Absenteeism

The Group absenteeism rate fell slightly in 2016.

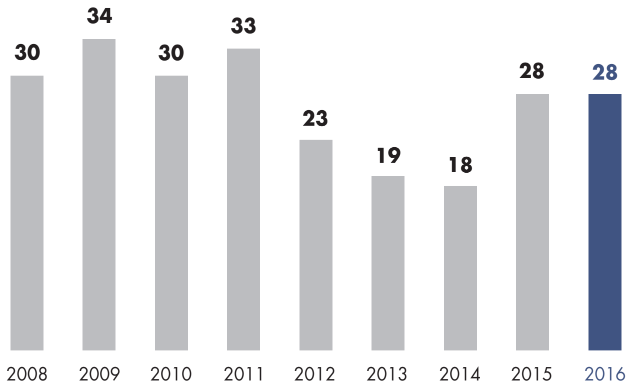
	2016	2015	Change	Level of coverage
Absenteeism rate	6.20%	6.35%	-2%	100%
Absenteeism rate excluding maternity leave	5.21%	5.39%	-3%	100%

Health and safety

There were no deaths resulting from a workplace accident or occupational illness in 2016.

	2016	2015	Change	Level of coverage
Number of workplace accidents (with or without lost time)	28	28	+0%	100%
Occupational illnesses	1	0	n.m.	100%

NUMBER OF WORKPLACE ACCIDENTS WITHIN THE GROUP



Almost all workplace accidents took place at CNP Assurances, and two-thirds of them resulted in lost time.

The lost-time accident frequency rate for 2015 measured by Cramif Ile-de-France was 3.58% for Paris (up significantly year-on-year), with a severity rate of 0.23%. The rate for 2016 will not be published by Cramif until later in 2017.

CNP Assurances is committed to ensuring the health and safety of its employees. Numerous health improvement programmes have been established by Group entities: CNP Assurances has an Occupational Health department on each of its main sites, and offers employees additional preventative care from specialist doctors. A social worker is also available during office hours. The Company's training programme includes road safety training modules for travelling insurance advisors. Prevention programmes are organised on a regular basis, and include flu vaccination campaigns.

Similar initiatives are organised by Caixa Seguradora, including consultations with an on-site nutritionist, assessments of the programme to prevent workplace risks, and on-site medical check-ups. CNP Cyprus Insurance Holdings has teams in both Cyprus and Greece responsible for informing employees about health and safety risks. CNP UniCredit Vita uses as a reference an important Italian law that lays down a strict health and safety framework in the workplace. CNP Partners has outsourced the prevention of health and safety risks to a specialised mutual insurer.

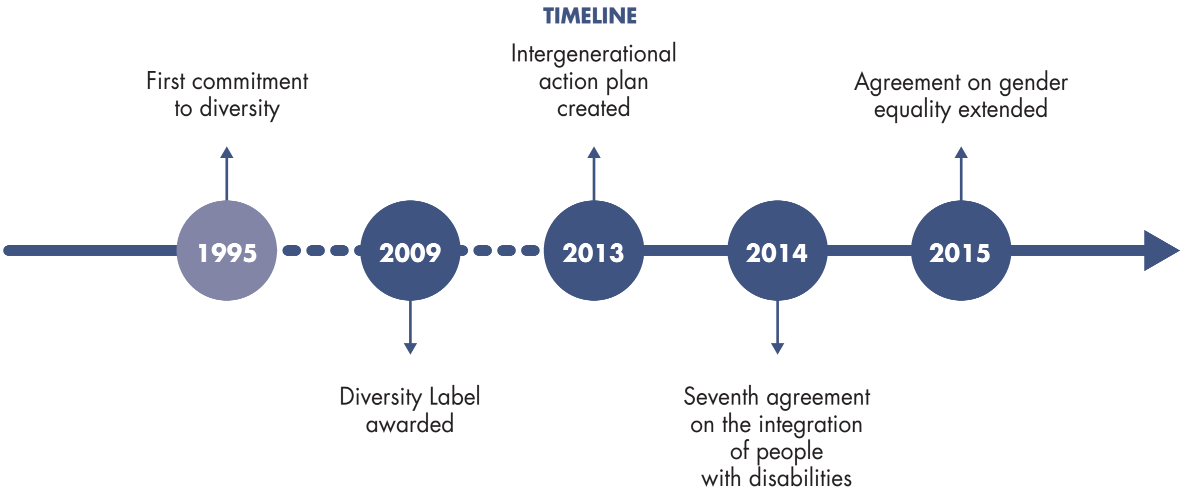
Workplace health and safety agreements

In all, 98% of the Group's employees are covered by collective agreements dealing with the main health and safety issues.

The Occupational Health, Safety and Working Conditions Committee acts on behalf of all CNP Assurances' employees as well as outside service providers working on its premises. It meets once a month. Every year, a programme is drawn up to prevent risks and improve working conditions. A member of the Occupational Health, Safety and Working Conditions Committee is now the point person on psychosocial risks and meets with the in-house mediation team at least once a quarter. Another member is in charge of a prevention plan for outside service providers. In 2016, agreements concluded with the trade unions on the coverage of healthcare costs resulted in the existing scheme being made compliant with regulations.

In addition to supplementary health insurance, CNP Assurances employees are covered by death/disability insurance with an optional long-term care formula. Collective agreements with MFPrévoyance's Occupational Health, Safety and Working Conditions Committee also include supplementary health and death/disability insurance. CNP Partners also has an Occupational Health, Safety and Working Conditions Committee, which met twice in 2016.

4.4.3 Priority No. 3: pursue a robust policy on gender equality in the workplace



4.4.3.1 A STRONG GROUP-WIDE POLICY

CNP Assurances is dedicated to integrating young people and people with disabilities into the workplace, supporting people with disabilities and promoting professional equality. It also constantly strives to prevent all forms of discrimination.

CNP Assurances received the Seal of Diversity in 2009 for its clear diversity and anti-discrimination policy, and has consistently managed to keep the distinction since then. The status study conducted in 2015, prior to the audit for the renewal of the Seal of Diversity, confirmed the degree of maturity attained by the Company in the implementation of its policy to promote diversity and prevent discrimination.

This policy is based in particular on three company agreements on gender equality, disabilities and union resources, as well as an action plan on the intergenerational contract initiative.

The results of this policy are illustrated not only by the Seal of Diversity but also by several indicators:

- in 2016, CNP Assurances rose from eighth (2015 ranking) to second place in the annual list of French companies with the highest proportion of women executives (number one in the insurance sector) published by the Ministry of Social Affairs, Health and Women's Rights, which highlights the most advanced companies in terms of gender equality;
- on disability, employees with disabilities represented 7.36% of CNP Assurances' workforce at 31 December 2016, an increase of nearly 1 percentage point compared with 2015. In late 2014, it signed its seventh internal agreement on this subject with three union organisations for 2015-2018 – a testimony to its enduring commitment;
- in accordance with the agreement, employee representatives who devote more than half of their working time to these duties receive a salary increase each year at least equal to the average of the individual pay rises of all the employees in their professional category.

A continuous improvement initiative: every year an internal Diversity Steering Committee, put in place in 2010 at CNP Assurances, reviews the actions undertaken in each area of the business to ensure that consistent policies are applied throughout the organisation. Career management and performance review processes uphold the principle of non-discrimination. Conferences on the Arcueil and Angers sites helped managers understand and become aware of stereotypes and how to combat them. Over 300 managers received training, particularly on equal opportunity in hiring. Various mechanisms have been put in place to ensure that application of the diversity policy is regularly monitored and an annual diversity report is presented to employee representatives.

A commitment applied across the Group: the commitment to fighting discrimination is shared across the Group, and features in the Caixa Seguradora group's code of ethics and conduct, and in CNP Assurances Compañia de Seguros' code of ethics. CNP Cyprus Insurance Holdings' code of service addresses the issues of discrimination, privacy, freedom of religion, and respect for each employee. A collective agreement on this subject was also signed by MFPrévoyance in 2011. A working group to promote diversity at UniCredit Vita once again implemented numerous initiatives, including dedicated training, in 2016.

4.4.3.2 PROMOTING GENDER EQUALITY IN THE WORKPLACE

	2016	2015	Change	Level of coverage
Proportion of female management-grade staff	50%	50%	0%	100%
Proportion of female senior executives √	33%	33%	0%	99%
Average male/female income ratio by category	110%	109% *	+1%	98%

* *The 2015 data have been recalculated due to a methodological difference compared with previous years. The level has remained unchanged since 2014*

√ *Data reviewed to obtain reasonable assurance*

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion.

At 31 December 2016, 44% of Board members were women. The proportion of women directors has increased steadily in recent years, and women now also occupy 38% of positions on the Executive Committee. To advance the cause of women in the workplace, CNP Assurances belongs to Financi'Elles, a network for female management-grade employees in banking, finance and insurance, and Alter Égales, the network for female management-grade employees within the Caisse des Dépôts group. Continuing the actions taken in the previous year, the Company pursued its active membership of both networks in 2016.

After signing the corporate parenthood charter in 2012 and joining the Corporate Parenthood Observatory in 2013, CNP Assurances held a Family Day at its headquarters for the first time in 2016. Aimed at strengthening ties between employees and managers through parenthood and helping facilitate change in the representations of parenthood in corporate settings, it was a successful initiative attended by 150 children and their parents.

4.4.3.3 THE EMPLOYMENT AND INTEGRATION OF EMPLOYEES WITH DISABILITIES

Number of employees with disabilities

	2016	2015	Change	Level of coverage
Number of employees with disabilities (permanent employment contracts)	160	140	+14%	99%

CNP Assurances' disability programme has now been in place for 20 years. During these years, the Company has implemented a proactive policy to help people with disabilities enter the workforce. A seventh agreement was signed in 2014, committing the Company to helping people with disabilities enter and stay in the workforce over a period of four years from 2015 to 2018. Including the 141 disabled employees on permanent contracts (up 13.7% compared with 2015) and the employees of the 199 sheltered workshops used by the Company, the proportion of disabled employees was 7.36% of the workforce at 31 December 2016.

Disabled access audits have been conducted at all CNP Assurances' facilities, in liaison with the Occupational Health, Safety and Working Conditions Committee. An accessibility audit carried out in 2011 at the two main Paris sites found that they were respectively 77% and 73% accessible to the disabled. In 2014, before CNP Assurances employees moved into a new building in Paris, an accessibility audit was carried out and the audit recommendations were implemented.

The Caixa Seguradora group frequently uses organisations that promote employment of people with disabilities to circulate job offers. It develops awareness initiatives to help teams welcome these employees, and has also established partnerships with institutions that support their integration. At CNP UniCredit Vita, employees with disabilities represented 5.4% of the workforce in 2016. As of 2016, CNP Partners employs two people with disabilities.

4.4.3.4 FIGHTING AGE DISCRIMINATION

Hiring young people

CNP Assurances makes every effort to help young people to find employment. In 2016, permanent employees aged under 25 accounted for 3.6% of the workforce, a slight increase on the previous year. The Human Resources planning agreement sets out the Company's commitments to employ young people for permanent positions and on combined work-study programmes. In 2016, CNP Assurances continued the efforts that it has made in this area over recent years, hiring 12 young people aged under 25 on permanent contracts, a hundred on combined work-study contracts and 73 as interns. MFPrévoyance signed a new intergenerational contract with employee representatives in 2016.

Employing seniors

The Human Resources planning agreement is based on the goals set for hiring or retaining seniors previously laid down in the intergenerational contract. CNP Assurances had 29 seniors on fixed-term contracts at end-2016. Seventeen seniors with expertise were hired in 2016.

4.4.3.5 PROMOTING DIVERSITY THROUGH COMMUNICATION

The internal diversity communication plan is reviewed annually. Employees may also report any complaints or problems involving suspected or actual discrimination. The procedure is available on the Intranet. Various articles on the implementation of the diversity policy, as well as external links, are also available on the CNP Intranet.

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. To maintain this momentum, which is now well entrenched, the "40 minutes to understand discrimination" self-training module, originally released in 2011 as part of the incentive campaign, has been updated. It is distributed to all new arrivals.

4.4.4 Compliance with and promotion of the fundamental ILO conventions

In keeping with their commitment to the Global Compact, CNP Assurances, CNP Assurances Compañia de Seguros, the Caixa Seguradora group and CNP UniCredit Vita ensure that laws and regulations are complied with in each country where they operate.

All of the subsidiaries share the four overriding principles of respect for human rights, freedom of association and the right to collective bargaining, long-term support for employees and the promotion of equal opportunity. Each one submits an Annual Report on their HR performance to the parent company, with a special focus on these four criteria. Measures guaranteeing respect for civil and political rights at CNP Assurances include the Company's internal code of conduct, the appointment of a liaison officer for dealings with the French data protection agency (CNIL) and agreements on union rights.

Employees are covered by an insurance industry collective bargaining agreement (excluding Ireland and certain categories in Argentina due to local regulations). CNP Assurances ensures that employee representatives enjoy the same training and promotion opportunities as other staff members.

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 (81% of financial assets of the French entities, 100% of the Brazilian entity, 46% in Italy) and the management of property assets.

THE ABOLITION OF FORCED OR COMPULSORY LABOUR AND EFFECTIVE ABOLITION OF CHILD LABOUR

Neither CNP Assurances nor its subsidiaries are directly concerned by forced or child labour. However, the Group pays particularly close attention to this issue in its purchasing policy (see section 4.3.2).

4.4.5 Building employee awareness of sustainable development issues through training

Sustainable development challenges are the subject of awareness/training initiatives to embed them in the corporate culture and everyday practices.

4.4.5.1 AWARENESS RAISING

Several Group entities have a section on their Intranet dedicated to sustainable development. For several years, regular events and activities have been organised in each entity to raise employee awareness about sustainable development challenges:

- each year, CNP Assurances organises competitions, surveys and conferences, shares guidelines and raises awareness on eco-driving. In 2015, 900 employees took part in an interactive serious game on issues related to the environmental and energy transition. In 2016, a conference was held in Paris for all employees on the results of a study on the life-cycle assessment of an insurance product;
- in 2016, a toy drive in favour of charity Rejoué was organised during Sustainable Development Week on CNP Assurances sites (Paris, Arcueil, Angers). The toys collected were subsequently given to underprivileged children at a Christmas charity event. On top of the items collected from employees, the Company made a donation to Rejoué, as well as to Iniciativa Verde, an NGO working in favour of the reforestation of the Atlantic forest;
- the 2016 Responsible Finance Week was marked by the publication of information on current affairs *via* the Intranet: video to raise awareness on the concept of ethical investments in employee savings plans, results of an online survey of Generation Y members on responsible investment, and integration of ESG and climate issues into asset management;
- the 2015 Sustainable Development Week was also an opportunity to raise employee awareness on the issue of discrimination in employment through the launch of our partnership with "Our Neighbourhoods Have Talent" (*Nos quartiers ont des talents* - NQT). This association connects young graduates from priority or disadvantaged neighbourhoods with volunteer sponsors in the Company. Their aim is to help and guide them in their search for their first job;
- various awareness campaigns focused on eco-gestures within the Group's entities: MFPrévoyance raised its employees' awareness about waste sorting. The Caixa Seguradora group rolls out intense employee awareness campaigns every year and in 2016 focused its efforts on electronic waste and plastic cups. CNP UniCredit Vita created an online campaign to encourage its employees to reduce energy, paper and water consumption, and holds monthly diversity workshops. In Argentina, the "Multiplicar" programme established in 2015 aims to reinforce responsible employee behaviour through awareness raising and training;
- MFPrévoyance hosts a "Quality of Work Life" page on its Intranet.

4.4.5.2 TRAINING

CNP Assurances offered 25 employees two half-day workshops on responsible investment in 2016.

The Caixa Seguradora group offers e-learning courses on socio-environmental responsibility for all staff, with 878 people trained in 2016. In Argentina, all employees received training or attended lectures at monthly staff meetings on such issues as waste sorting, mobility, microinsurance and the UN sustainable development goals.

CNP UniCredit Vita continued to provide diversity training during the year and also offered courses on CSR, ethics and responsible finance. In 2016, it also launched its first digital laboratory, under the name "CSR and digital strategy", in collaboration with the University of Milan. The project's dual purpose was to train young talents on issues related to CSR and the world of insurance, and to raise employee awareness on the importance of sustainable development in corporate strategy. Students and staff worked together to come up with a project, which they then presented to the Executive Committee. The most innovative ideas were chosen to form the foundations of a new commercial offer.

4.5 Foster a sustainable society and environment

Every year, when renewing their membership of the UN Global Compact, CNP Assurances and its main signatory subsidiaries confirm their determination to manage their impact on civil society and the environment.

The implementation of environmental policies within the Group, the desire to disclose its environmental impact on a very comprehensive basis, the annual monitoring of greenhouse gas emissions and the activity of the CNP Assurances Foundation and the Caixa Seguros Institute underscore the importance the Group places on its impact on the world around it.

- Priority No. 1: optimise the environmental footprint of the Group's internal workings.
- Priority No. 2: reduce the carbon and environmental impact of products.
- Priority No. 3: manage the local impact.

4.5.1 Priority No. 1: optimise the environmental footprint of the Group's internal workings

Reducing the environmental footprint is a goal shared across the entire CNP Assurances Group. Its main focus is managing the three major sources of direct emissions: business travel, office building management and paper use. Employees have adopted a number of waste-sorting practices. Similarly, train travel is being used more instead of air travel, and video conferencing has become another regular habit.

4.5.1.1 STRUCTURES FOR ADDRESSING ENVIRONMENTAL ISSUES

Environmental issues are handled locally with a system structured in accordance with the size of the entity. 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. It assists the support departments in charge of environmental issues, namely 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.

To mark the launch of its new "Multiplicar" CSR policy, CNP Assurances Compañia de Seguros has established a Sustainability Committee comprising employees who take part in the development of proposals for action.

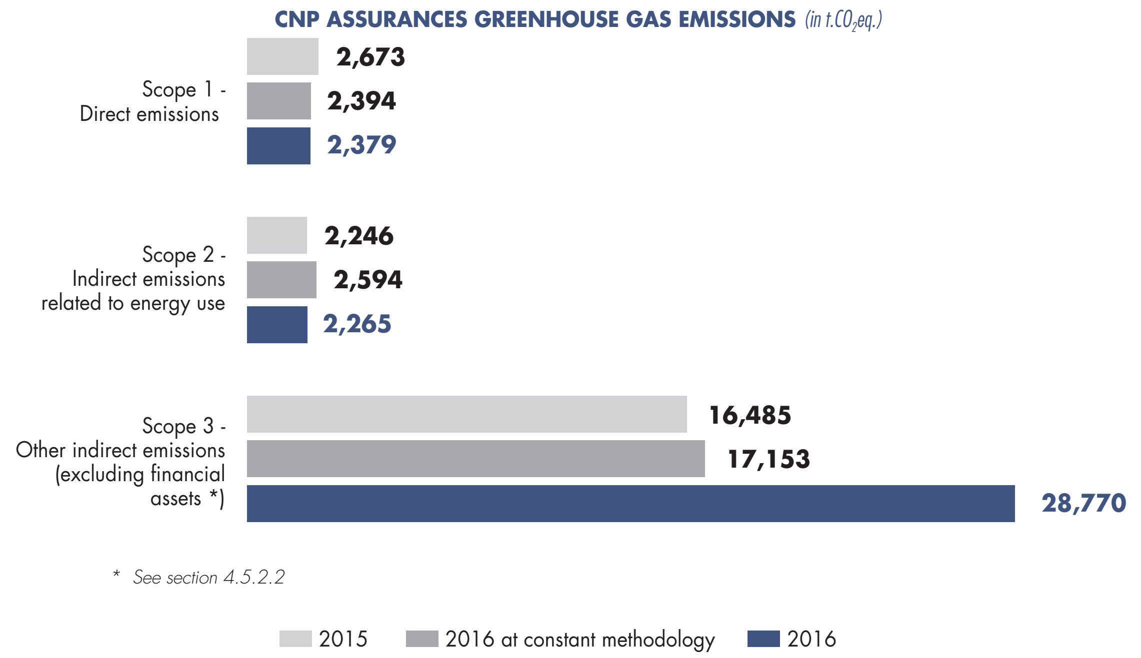
CNP UniCredit Vita entrusts its approach to the CSR department tasked with handling environmental issues in collaboration with other services, including the *L'Orto delle idee* (formerly Green Group) ideas laboratory, which is made up of volunteer employees. Since 2013, key CSR indicators have been included in the Company's management reports.

The Caixa Seguradora group set up a Sustainable Development Committee in 2007 to address environmental issues. This Committee, comprising 11 representatives from various sectors within the group, is led by the Chairman of the group's Executive Committee. The initiatives in the environmental programme help to instil a culture of sustainable development within the group.

4.5.1.2 GREENHOUSE GAS EMISSIONS AUDIT

CNP Assurances' greenhouse gas emissions

CNP Assurances' emissions of CO_2 equivalent have been monitored for six years. Since 2012, they have been measured in accordance with Article 75 of France's Grenelle II law of 12 July 2010. In 2016, ADEME very significantly revised the baseline emission factors used for the audit. As such, to highlight variations between 2015 and 2016, the chart below shows the 2016 emissions measured with the same method as in 2015 and the 2016 emissions measured using the new method.



Scope 1 and Scope 2 emissions are immaterial. Even after optimisation efforts, their volatility is inevitable: lower direct GHG emissions (Scope 1) are the result of the renegotiation of the contract with EDF in connection with the supply of fuel oil to Parisian generators. The slight increase in indirect GHG emissions related to energy use (Scope 2) is attributable to climate events.

For other indirect emissions (Scope 3, excluding financial assets), 93% of the gap between 2015 and 2016 stemmed from the upward revaluation (between 200% and 300%) of emission factors associated with services and the provision of intellectual services. At constant methodology, Scope 3 emissions would have amounted to 17,153 tonnes of CO_2 equivalent in 2016, a level close to that of 2015.

Major emissions sources at CNP Assurances	2016 emissions for CNP Assurances	Share in total emissions	Level of uncertainty
Purchase of services and provision of intellectual services (Scope 3)	17,690 $t.CO_2eq$	53%	High (> 50%)
Computer hardware (Scope 3)	3,376 $t.CO_2eq$	10%	Average (20-50%)
Business travel (Scopes 1 and 3)	3,030 $t.CO_2eq$	9%	Low (< 20%)
Energy (Scope 2)	2,265 $t.CO_2eq$	7%	Low (< 20%)
Paper (Scope 3)	735 $t.CO_2eq$	2%	Low (< 20%)
TOTAL		**81%**	

Other than the proportion attributable to the purchase of services and the provision of intellectual services, the key sources of CNP Assurances' emissions are the use of computer hardware, business travel and the consumption of electricity and paper. These emissions sources are consistent for a company operating in the service industries.

Detailed information by source as reported to the French authorities is available in French at www.cnp.fr. In addition, CNP Assurances has reported its greenhouse gas emissions to the Carbon Disclosure Project since 2005.

Caixa Seguradora group's greenhouse gas emissions

The Caixa Seguradora group's carbon footprint, measured in terms of emissions related to business travel and buildings (based on the GHG Protocol), totalled 2.07 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 Carbon Free certification for several years in a row.

4.5.1.3 ANALYSIS OF THE MAIN SOURCES OF GREENHOUSE GAS EMISSIONS AND ACTION TAKEN TO REDUCE THEM

4.5.1.3.1 Business travel

Car travel is a big part of CNP Assurances' carbon footprint. As the potential economic and environmental gain is significant, training and awareness campaigns on road risks and eco-driving were established for all employees in 2013. In 2014, new employees in the sales network attended specific personalised modules.

Expanding video conferencing

The use of video and audio conferencing is now widespread within the Group to limit business travel. The Caixa Seguradora group encourages its employees to reduce travel and to use any alternatives available to them. Since 2013, CNP UniCredit Vita has included tracking indicators for video and audio conferencing hours, as well as for air and train travel, in its quarterly report presented to the Management Committee.

In 2016, 15,470 hours of video conferencing were recorded across the Group, an increase of 32%.

Commuting

As part of its Business Travel Plan, CNP Assurances updated the commuting survey in 2013. Commuting by car was down (by between 9% and 30% depending on the site), while journeys by motorcycle or scooter and carpooling were up (by 8% for employees working at Paris Montparnasse). In all, greenhouse gas emissions related to commuting have been reduced by 13% in three years.

Business travel

	2016	2015	Change	Level of coverage
Million km travelled by plane	16.1	15.6	+3%	97%
Million km travelled by train	4.6	3.7	+24%	97%
Million km travelled by car	8.7	10.2	-15%	90%

The increase in air travel is attributable chiefly to CNP Assurances and Caixa Seguradora. Air travel was either steady or down at the other Group entities. In Brazil, air travel is justified by business expansion and the size of the country.

CNP Assurances has prepared a written travel policy, providing a framework for employee practices to reduce their impact on the environment, while continuing to ensure the comfort and safety of travellers. Train travel relates mainly to CNP Assurances. Employees travelled 4.4 million kilometres by train, of which more than 40% between the Company's main sites in Angers and Paris. CNP Assurances encourages the use of public transport. Taxis can be used under certain conditions, and in this case, hybrid vehicles have been given priority by the booking office since May 2013. Accordingly, hybrid vehicles accounted for 42% of taxi journeys in 2016, up from 40% in 2015.

This year, a large number of subsidiaries again cut back on business travel or opted for cleaner modes of transport. As such, CNP UniCredit Vita continues its work to raise employee awareness (train vs plane and public transport), offering staff annual subscriptions at reduced rates.

The nature of business travel by CNP Partners employees has changed since 2015 following the establishment of a travel policy in the previous year. The use of planes and cars has been reined in (kilometres travelled down 22% and 4% respectively) in favour of trains.

4.5.1.3.2 Consumption of office supplies

The CNP Assurances Group's operations are entirely in the field of insurance. As with other financial services, paper is the principal raw material consumed. For several years now, many initiatives have been deployed by Group entities to reduce paper use. Since 2013, for instance, CNP UniCredit Vita has made paper consumption a key indicator in the monthly report presented to the Management Committee. Since 2014, CNP Partners has posted a guide to good practice on its Intranet to reduce paper use by employees.

A reduction in Group-wide paper use for internal operations

	2016	2015	Change	Level of coverage
Paper use for internal operations (equivalent A4 sheets)	29.4 million *	32.6 million	-10%	99%
Proportion of recycled paper used for internal purposes	14.9%	19.4%	-23%	97%

* *Estimate*

At CNP Assurances, following a steady reduction over several years thanks to the commitment of employees (savings of 11% in 2012, 5% in 2013 and 6% in 2015), the deployment of multifunction printers across all sites helped further reduce paper use in 2016 by several million sheets. The implementation of such equipment also has a positive impact on energy consumption due to its better performance.

The paperless management of claims and services within CNP Partners enabled the subsidiary to reduce its paper use by 39%.

CNP UniCredit Vita and CNP Europe Life use only recycled paper for internal purposes.

Green office supply purchasing

This year, 37% of office supplies ordered by CNP Assurances were labelled “green”.

4.5.1.3.3 Office building environmental management

Controlling energy use

Energy use by the CNP Assurances Group corresponds to heating and cooling systems in its office buildings, office equipment used by employees and IT servers. Electricity is the main type of energy used.

	2016	2015	Change	Level of coverage
Electricity consumption √	22.7 million kWh	22.1 million kWh	+3%	99%
Gas consumption	2.18 million kWh	2.21 million kWh	-1%	99%
Fuel oil consumption	11,953 litres	87,945 litres	-86%	59%

√ *Data reviewed to obtain reasonable assurance*

A total of 6 million kWh of heating supplied by the CPCU district heating network in Paris was used to heat CNP Assurances’ Paris offices in 2016. Fuel oil consumption, which is occasional and not material, relates exclusively to the power generators at the main sites in France. The significant decline in fuel oil consumption this year resulted from the renegotiation of the contract with EDF.

CNP Assurances has adopted energy-saving measures designed to help buildings operate more efficiently. For example, improving how heating (French sites except Arcueil), air conditioning and ventilation systems are controlled requires the expert management of programmable time settings. The Group has also established control procedures for room temperatures and fan coil unit settings, whose efficiency has been improved by a vent closure system.

CNP Assurances now also routinely includes energy performance clauses in contracts for the operation and maintenance of air conditioning equipment. The objective is to optimise the management of facilities with a view to reducing consumption and sharing the financial gains made in this way between the owner and the operator.

The concept of energy efficiency is systematically integrated into work and maintenance specifications.

Significant work has been carried out to reduce energy use. For example:

- as part of a comprehensive plan to reduce energy costs at the Saint Serge building in Angers, and on the basis of the energy performance assessment, a four-year programme (2014-2018) has begun to renovate the refrigeration system. The work will allow compliance with regulations, *via* the removal of R-22 and the replacement of open air-cooling towers, which consume large amounts of water, with closed towers, which, by virtue of their design, do not consume water. A new stage of the project began in 2015, with the aim of fully renovating the ventilation and air conditioning system. For this, a management system and control equipment have been established. This year, the waterproofing of the terraces of the Saint Serge building was restored, with the addition of high-performance thermal insulation;

- following the purchase of a new office building in Paris in 2014, multi-annual renovations of the control system continued, with the installation on three levels of new terminal units to control fan convectors and the replacement of flexible heating water supply pipes on six levels as part of work to stop water leakage;
- replacement of lighting in IT rooms, office areas and part of the technical area at SIC Beaucouzé by the installation of LED lighting resulting in lower power consumption and reduced heat emission.

Furthermore, in accordance with Article L.233-1 of the French Energy Code, CNP Assurances conducted an energy audit of its operating buildings before 5 December 2015. This audit was carried out at the headquarters and on the site in Angers, thereby covering 65% of energy bills paid by the Company. The operation of buildings was studied, and measurements of their consumption were taken.

CNP Assurances' subsidiaries have also gradually adopted measures to reduce electricity use, notably for lighting, heating and IT servers. The Caixa Seguradora group moved its headquarters to a more energy-efficient building equipped with presence detectors, LED lighting, glass façades (less artificial light) and a more efficient air conditioning system. CNP Assurances Compañia de Seguros' buildings were renovated in 2015 and 2016. They are now more open, more user-friendly and more energy efficient. New features include natural light, LED bulbs, double glazed windows and doors, and a more efficient air conditioning/heating system.

The installation of photovoltaic panels on the roof of Caixa Seguradora's headquarters has resulted in the establishment of a renewable energy plant. The buildings housing the other Group entities are not currently equipped with systems for generating renewable energy.

Awareness campaigns have also been conducted among employees in the Group's entities (see section 4.4.5 – Building employee awareness of sustainable development issues through training).

Water use

	2016	2015	Change	Level of coverage
Water consumption in cubic metres	63,491	63,205	+0.5%	99%

The cleaning of the water supply facilities of CNP Partners' buildings has contributed to the reduction of water consumption, while losses and leaks have been identified and repaired.

The Group's consumption fell significantly between 2014 and 2015, following the modernisation of the air conditioning system at the headquarters of the Caixa Seguradora group, before stabilising in 2016. The very slight increase observed this year can be ascribed to the very hot summer in France.

Waste management and commitment in favour of the circular economy

	2016	2015	Change	Level of coverage
Proportion of employees with access to waste sorting	99%	95%	+4%	98%
Tonnes of waste paper and cardboard recycled	235	237	-1%	83%

Waste-sorting systems allow Group entities to recycle printer cartridges and paper used in offices for internal purposes. The financial benefits of recycling are donated to NGOs in France. Each Group entity has conducted campaigns to teach employees about recycling. Caixa Seguradora's move into a new building in late 2014 provided an opportunity for a diagnostic review of waste management.

The CNP Assurances recycling system was extended in 2011, with the addition of a dedicated process for office furniture. The main sites have established systems for the collection of batteries and light bulbs. This year, the volume of waste batteries increased sharply on the Paris site due to the scrapping of numerous accumulators and batteries used to protect computer equipment in the event of power outages.

Computer equipment is also a significant source of waste. CNP Assurances sells or gives away nearly 40% of its obsolete equipment, and the rest is dismantled for recycling by a specialised firm.

CNP Assurances Compañia de Seguros has made waste management one of the major planks of its new CSR policy. To raise employee awareness, training on sorting was given by an association employing people with disabilities. The subsidiary also organised a campaign to replace individual bins with collective bins, and it gives all waste computer hardware to a specialised association.

CNP UniCredit Vita has set up a plastic bottle compaction system, including caps, in one of its communal areas.

Pollution

Given the nature of its business, CNP Assurances causes no water or soil pollution, and emits very few greenhouse gases other than CO_2. In the management of its woodland assets, it uses techniques that prevent soil erosion and ensure water filtration and purification.

The Group's entities do not cause noise or other forms of pollution. Several entities have installed lighting in their offices that switches off automatically.

None of the Group's entities have been convicted of any environmental violations or have been the subject of any non-monetary environmental sanctions.

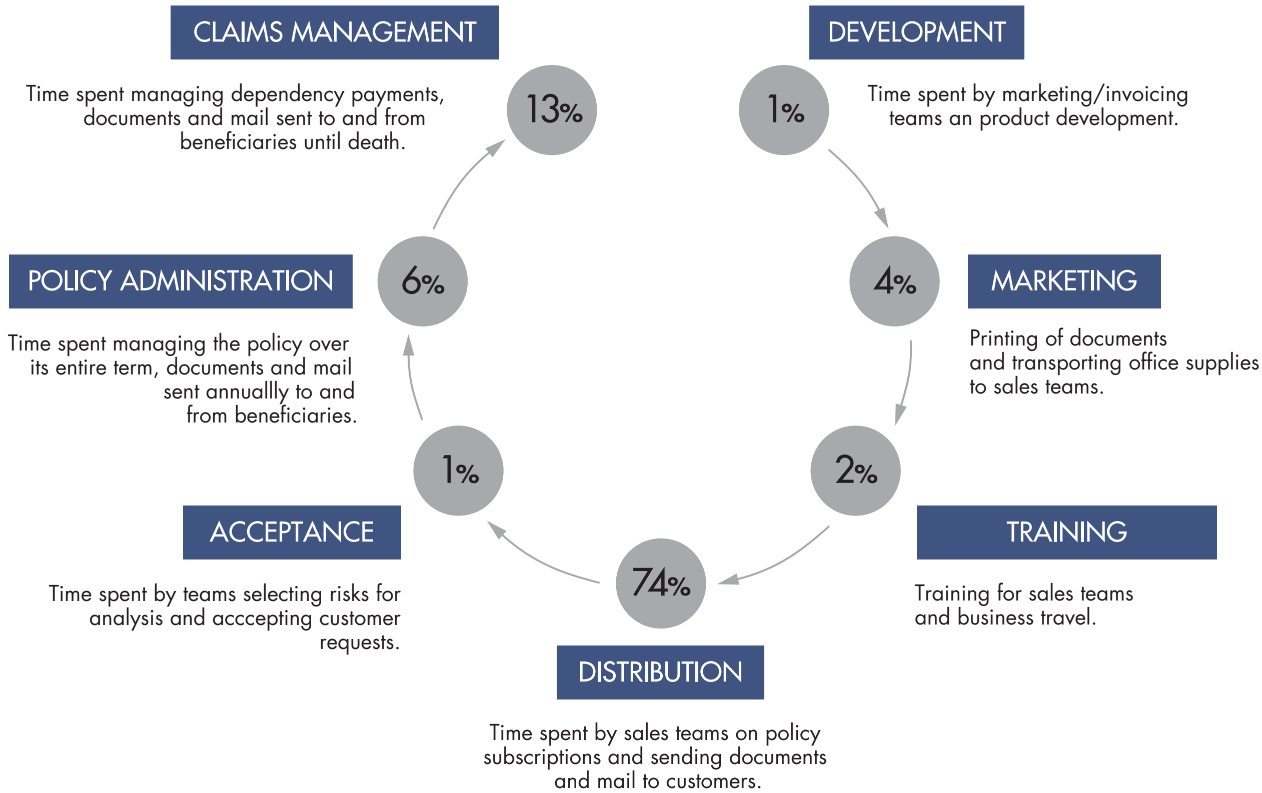
4.5.2 Priority No. 2: reduce the carbon and environmental impact of products

The fight against climate change is only effective if it is made central to business. A signatory to the Kyoto Statement of the Geneva Association, CNP Assurances has worked hard since 2015 to gain the fullest picture possible of the carbon impact of its products, on the insurance side and on the investment side alike. It also gave noteworthy support to the “Declaration on climate change by the Paris financial marketplace”.

Caixa Seguradora incorporated the management of environmental risk resulting from its activities and operations into its sustainable development policy in 2015, which covers identification, assessment of negative impacts, mitigation and control.

4.5.2.1 IMPACT OF AN INSURANCE PRODUCT

The estimated cradle-to-grave greenhouse gas emissions associated with a death and disability insurance product were revised in 2015, in line with the carbon analysis method®. For example, a *Trésor Prévoyance Garantie Autonomie* policy generates 22 kilograms of CO_2 over its lifetime, as follows.



We used the results of this analysis to set priorities for action, resulting in ongoing work to reduce the environmental footprint of our internal operations, and promote paperless solutions and online tracking.

These findings were confirmed in 2015 by measuring the environmental impact of the online subscription in place in creditor insurance for over a year. The results are very positive, particularly in terms of greenhouse gas emission reductions.

Paper use for communication with customers

	2016	2015	Change	Level of coverage
Paper consumption for customers (1) (equivalent A4 sheets)	128.5 million (2)	116 million	+11%	99%
Proportion of paper certified as environmentally sustainable (3)	91%	89%	+2%	97%

(1) Including paper used for contractual documents and claims management
(2) Estimated number of sheets
(3) All paper, excluding chemical carbon paper required for contractual documents

The increase in the consumption of paper products is the result of several factors. For CNP Assurances, the change in corporate identify and the launch of a new product line requiring a large volume of prints accounted for most of the increase observed.

At CNP UniCredit Vita, increased paper consumption was attributable chiefly to an increase in customer correspondence (account statements, new products or contract liquidation). Two actions were undertaken in 2016 by the Italian subsidiary to reduce its paper consumption: lobbying with the National Association of Italian Insurers on the number of pages of account statements and an awareness raising campaign among customers to promote the use of their private space on the Company's website to obtain personal information.

In 2009, the switch to double-sided printing for informative documents sent to CNP Assurances customers helped reduce the volume, with the number of printed sheets down 42% in 2009 and 26% in 2010. Customer correspondence has been printed in part on recycled paper for the last three years.

For several years, some Group entities, including the Caixa Seguradora group, CNP Partners and MFPrévoyance, have outsourced the printing of their contractual documents and/ or customer correspondence.

Moreover, 91% of paper used by the Group (including for internal purposes) has a sustainable management label such as FSC, PEFC or EU Ecolabel. For the first time, CNP Assurances Compañia de Seguros used paper sourced from sustainably managed forests in 2016.

Paperless operations - a rapidly expanding approach

The digital conversion of certain documents and procedures has increased at CNP Assurances: the Amétis network started going paperless for marketing correspondence in 2011. Virtually all applications for La Banque Postale products are now paperless. This has helped eliminate the use of carbon paper (a saving of 1 million sheets). Semi-annual customer statements are now paperless, reducing the number of items sent by the Caisse d'Epargne and La Banque Postale networks by 3 million and 1.9 million respectively. CNP UniCredit Vita launched two projects to make its contractual and aftermarket documents paperless in 2015. CNP Assurances Compañia de Seguros sharply reduced the printing of contractual documents last year, notably by establishing a customer extranet.

4.5.2.2 THE ENVIRONMENTAL FOOTPRINT OF FINANCIAL ASSETS

As a financial intermediary, CNP Assurances' main challenge in respect of controlling CO_2 emissions is its assets.

The environment as an investment criterion

CNP Assurances applies environmental screens to all of its equity and corporate bond portfolios, thereby prioritising, in the same way as CNP Assurances Compañia de Seguros, companies with a good environmental performance and taking into account the carbon risks and opportunities (see section 4.3 – Be a responsible investor). It has also developed CNP Développement Durable, an SRI fund focusing on environmentally responsible investments, which is marketed through the Amétis network.

Since mid-2009, Green Rating energy efficiency assessments have been carried out on all newly acquired properties in order to estimate the cost of upgrading the properties to meet the current standards. The Caixa Seguradora group has a policy of not investing in property projects that pose a potential danger to the environment.

As the largest private owner of woodland in France, CNP Assurances helps to capture a significant quantity of CO_2. As a reminder (see section 4.3.1.5 – Forests: an environmental opportunity), the growth of CNP Assurances trees allowed the sequestering of 529,191 tonnes of carbon dioxide in 2016. After deducting timber sold or cut down during the year, a net 236,988 tonnes of carbon dioxide was added to the sequestered total in 2016. The Company responsible for managing CNP Assurances' forestry assets has been considering how these woodlands can be adapted to cope with projected climate change over the coming decades.

A first measurement of the carbon footprint and strong commitments to fight against climate change

After nearly ten years of monitoring the carbon sink formed by its forests, CNP Assurances has elected to measure the greenhouse gas emissions from its equity securities since 2015. These emissions, despite being indirect, are far more significant than the carbon footprint emissions. Their measurement highlights the role of investors in the fight against climate change. It is a symbol more than a scientific measure. Nevertheless, CNP Assurances has set itself the goal of reducing the level reached on 31 December 2014 by 20% by 2020. At end-2016, the carbon footprint of its directly held equities was 0.405 tonnes of CO_2 equivalent per thousand euros invested (see section 4.3.1.1).

As there is still scope to improve the methodology, CNP Assurances supports the Carbone 4 methodological developments, notably with a view to better identifying companies that emit large amounts of greenhouse gases while at the same time being highly committed to CSR, *via* the "avoided emissions" approach. Furthermore, this measure and the associated reduction commitment strengthen the Group's role as a responsible shareholder and reinforce dialogue with issuers. Investor leverage is becoming credible with the proliferation of market commitments to which CNP Assurances has subscribed since 2015: gold sponsor of the "climate finance days", signatory to the Montreal Carbon Pledge, actor in the "Declaration on climate change by the Paris financial marketplace", pioneer alongside the Caisse des Dépôts group in its commitment to provide multi-year data on the reduction in its GHG emissions, and direct dialogue in 2016 with the major French energy companies.

Continuing its commitment to the Montreal Carbon Pledge, CNP Assurances calculated the carbon footprint of all its corporate assets in 2016, estimating the share held directly in shares and bonds in proportion to the balance sheets of the respective companies. Greenhouse gas emissions were estimated by taking solely into account the disclosures made by portfolio companies in respect of their Scope 1 and 2 emissions, without adjusting for overlap. As a large number of companies do not provide this data, the estimate covers 62% of the portfolio. It amounted to 0.120 tonnes of CO_2 equivalent per thousand euros invested at 31 December 2016.

A special report outlining the provisions of Article 173-VI of the French Energy Transition law requiring institutional investors to integrate CSR issues into their asset management strategy will be available before June 2017 on the cnp.fr website.

4.5.3 Priority No. 3: manage the local impact

4.5.3.1 LOCAL IMPACT

Local employment

CNP Assurances has been providing employment in its host regions for close to a century: 91% of CNP Assurances employees work at either the Paris, Arcueil or Angers facilities. Expatriate workers represent 0.5% of headcount at foreign subsidiaries. These companies also participate in their local job markets, including for senior management positions: at 31 December 2016, 84% of Executive or Management Committee members had been hired locally. Its Age d'Or Services subsidiary, which for over 25 years has specialised in personal services (home help, transport support, meal deliveries, remote assistance, etc.), has more than 1,600 employees and created more than a hundred jobs in 2016.

CNP Assurances is a founding member of the Entrepreneurs de la Cité foundation. In addition, the new focus of CNP Assurances' sponsorship – supporting the inclusion of young people in education and civic service – and the partnership established with Our Neighbourhoods Have Talent (NQT) offer practical solutions in finding jobs. Similarly, the Caixa Seguradora group has for several years been organising expression and entrepreneurship workshops for young people from disadvantaged areas (1,700 in 2014 and 2015). Its events and discussion groups attracted nearly 14,000 participants in 2014. In 2015, the Company established a partnership with various Brazilian institutions to support small and microenterprises, and in 2016, it sponsored the Brazilian start-up movement.

Lastly, and less directly, several insurance products include assistance in finding work. Examples include, in France, an unemployment insurance product with a reduced premium or advisory services to help the policyholder find a new job and, in Brazil, the job search support service offered by Caixa Seguradora.

Impact as an insurer and long-term investor

By making its products widely accessible, in terms of both affordability and medical screening, the Group is helping to combat financial exclusion. These topics, which are an essential part of the Group's CSR approach, are discussed further in section 4.2.1.

With over €300 billion in investments, CNP Assurances plays a major role in financing the economies of its host countries. It stepped up the pace of its support for SMEs sharply in 2016 with the OPEN CNP project, and by supporting SME loan funds and NovESS funds designed to help companies in the Social and Solidarity Economy (see section 4.3.1). The NovESS project also includes the creation of a monitoring tool for measuring social impact.

All sectors of the economy receive support to foster long-term development. CNP Assurances promotes Corporate Social Responsibility among the companies in the portfolio, through its policy of being a responsible investor and shareholder (see section 4.3). Similarly, Caixa Seguradora's financial investments are carried out entirely in Brazil.

Initiatives to support local communities

The Group's entities also contribute to resolving current social issues. For example:

- Filassistance's assistance and prevention services meet the needs of people made vulnerable by age, disability or illness (see section 4.2.2.2);
- the Caixa Seguradora group actively helps local communities, with programmes such as *Jovem de Expressao*, which is supporting human development during the current period of demographic and epidemiological transition in Brazil (see www.jovemdeexpressao.com.br). Through this campaign, the Group seeks to reduce violence by fostering access to jobs, and to cut exposure to sexually transmitted diseases among young people. This programme was recognised in 2010 for its innovative character, and received an award for its actions in the fight against AIDS/HIV in 2015. These actions were shared internationally at the 2015 United Nations Congress on Crime Prevention in Doha and a conference on sex education in the United States. The related fund, "positHIVo", which Caixa Seguradora co-founded, funded 15 projects carried out by youth organisations throughout Brazil in 2016;
- in 2014, CNP Assurances invested in DomusVi, a major provider of residential and home care services for the elderly;
- in 2016, the Caixa Seguradora group joined *Forum Aliança Cerrado*, which brings together companies and stakeholders to discuss environmental issues related to the Cerrado, the Brazilian savannah (regulation, research and funding);
- in Cyprus, Cyprus CNP Assurance Holdings supports local actions in favour of fire prevention and road safety in schools.

Lobbying

Group companies participate in their local insurance industry's professional bodies and the international subsidiaries also attend events organised by the local French consulate, but they do not conduct any lobbying *per se*. The Group helps to address the challenges facing society by contributing to research and discussion, notably on the topics of retirement and long-term care in France.

CNP Assurances never acts alone. It systematically acts through industry organisations, in particular the FFA and European bodies in the insurance sector. Experts sit on its specific committees. Since January 2015, the Director of Sustainability at CNP Assurances has chaired the FFA's Sustainable Development Committee.

CNP Assurances is also involved in the Paris Europlace SRI Commission, and is also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together various stakeholders (NGOs, unions and trade associations).

By way of illustration, CNP Assurances took an active part in development of the "Declaration on climate change by the Paris financial marketplace" signed by seven associations, including ORSE, Paris Europlace and the FFA, in 2015.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries, such as CNP Assurances Compañia de Seguros, specifically prohibit them in their code of ethics.

4.5.3.2 CORPORATE PHILANTHROPY AND OUTREACH PARTNERSHIPS

Corporate philanthropy operations are carried out in partnership with non-profit organisations following calls for projects. In France, some projects are partly driven by employees, or by higher education institutions. Employees in Brazil and Italy take part in organising corporate philanthropy initiatives. Furthermore, the Caixa Seguradora Institute, which manages the philanthropic work of the Brazilian group, has cooperation agreements with UNODC and UNESCO as well as service agreements with the NGO Iniciativa Verde.

The subsidiaries are involved in many philanthropy programmes, essentially social ones: CNP Partners sponsors a solidarity association, CNP Assurances Compañia de Seguros undertook to assist a disadvantaged community through its "Multiplicar" programme in 2015, and CNP Cyprus Insurance Holdings supports local actions in the fields of fire and accident prevention. A high level of cultural and artistic patronage completes the many actions taken by Caixa Seguradora.

Specific initiatives

- Training/research

CNP Assurances maintains close relations with ENASS, France's leading business school specialised in the insurance sector. It also finances training centres and apprenticeship centres (CFAs) such as IFPASS and ADAPT, and helps schools through the apprenticeship tax. As part of its philanthropic activities, CNP Assurances finances several research chairs, including the Risk Foundation's "Demographic Transitions, Economic Transitions" chair. It is also supporting Institut Europlace de Finance in the creation of a research initiative devoted to long-term asset allocation. In 2015, CNP Assurances also supported a 3D cardiac imaging technology research project that will ultimately help develop faster and more effective diagnostic tools in oncology, cardiology and neurology.

CNP UniCredit Vita in 2016 launched its "CSR and digital strategy in the insurance sector" laboratory in collaboration with the Catholic University of Milan. Four days of training and working groups brought together staff and students to identify the new opportunities offered by digital technology.

- Integration

The CNP Assurances Group has a long history of introducing young people to the world of work. At the end of 2016, CNP Assurances had 109 employees on combined work-study or apprenticeship contracts, as well as 190 interns and 197 young people on insertion contracts.

Since 2015, CNP Assurances has also supported Our Neighbourhoods Have Talent (NQT), an association that aims to foster informal exchanges between young graduates from priority neighbourhoods or disadvantaged backgrounds. Over 20 CNP Assurances employees voluntarily and willingly work with the association to help these young people find employment. CNP Assurances is also a founding member of the Entrepreneurs de la Cité foundation, and co-insures the entrepreneurs helped by the foundation. The Group is also involved in the Cités Partenaires II Business Angels investment fund dedicated to helping entrepreneurs from disadvantaged areas.

The Caixa Seguradora group is heavily involved in the *Jovem de Expressao* programme (see Local impact), and signed a cooperation agreement with UNESCO in 2011 to develop community-based communication and promote youth health initiatives as part of this outreach programme. In October 2016, the associated training programme trained 25 young people on policy and technical issues relating to sustainable development goals.

CNP Assurances Compañia de Seguros supported an NGO working in the poor districts of Buenos Aires in 2016, notably by donating school supplies and computer hardware.

Similarly, the group of CNP UniCredit Vita employees in charge of sponsorship devoted its 2016 budget to the education of children and adolescents around the world.

CNP Assurances Corporate Foundation

CNP Assurances made a significant commitment in 2016 in favour of public health through its corporate foundation. Extended for three years, its new €2.4 million multi-year action programme is devoted exclusively to the projects it supports in two areas:

- a foundation aimed at helping to reduce social inequalities in healthcare:

  By promoting prevention and better health and acting on its social determinants, the Foundation aims to help promote better living and health among young people at risk of social vulnerability. In this context, the Foundation has adopted a dynamic approach to the joint development of national projects with partner organisations such as Unis-Cité, Bibliothèque Sans Frontières, FAGE and the Alliance for Education (*Alliance pour l'Éducation*);

- a foundation committed to the treatment of cardiac arrest:

  Since 2009, the CNP Assurances Corporate Foundation has initiated and provided support for projects emanating from French local authorities wishing to install defibrillators in public places and to provide first aid training to larger numbers (financing the implementation of more than 3,200 defibrillators and raising people's awareness of the importance of first aid in more than 2,200 cities and towns);

- a foundation close to CNP Assurances employees:

  The CNP Assurances Corporate Foundation also calls for projects in which CNP Assurances employees are personally involved (such as projects in the areas of social inequalities in respect of healthcare, education and disability).

4.5.3.3 HUMAN RIGHTS

The guiding principles of the Global Compact

In line with the 2003 pledge to uphold the UN Global Compact, CNP Assurances ensures that each local organisation complies with human rights laws and regulations. Following the lead of CNP Assurances Compañia de Seguros and the Caixa Seguradora group, CNP UniCredit Vita also pledged to uphold the Compact in 2010. The Caixa Seguradora group commissions annual CSR audits by Ethos to verify compliance with the Global Compact principles. It signed up to the UN PSI (principles for sustainable insurance) in 2015.

Each year, these companies reaffirm their commitment to upholding the Compact's principles and encourage their asset managers and suppliers to follow suit.

This commitment is reflected in the integration of environmental, social and governance criteria into financial asset management strategies. Respect for human rights has been one of the criteria used to select equity and bond investments, as well as to determine "sensitive countries", since 2014. In line with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of prohibited countries covering all of its activities, extending beyond the list of countries prohibited as part of the fight against money laundering and terrorist financing or non-cooperation in tax matters to include countries identified as tax havens based on the Tax Justice Network indices and those posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International.

A message communicated to stakeholders

The signing of the Principles for Responsible Investment reinforces CNP Assurances' commitment, notably among issuers and companies of which it is a shareholder.

The signing of the French Union of Advertisers' Charter on Responsible Communication confirms and promotes responsible communication by developing and implementing fair and ethical practices, including respect for diversity and a commitment to respect customers' private data when using it for marketing and commercial purposes. CNP Assurances discloses details of actions implemented each year.

In addition, in supplier relations, the standard CSR clause in CNP Assurances' purchase contracts stipulates that the supplier must undertake to combat human rights violations, notably by upholding the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the conventions of the International Labour Organization.

The Human Resources Intranet provides information for CNP Assurances employees about their rights, and includes sections on the collective bargaining agreement, social dialogue, professional diversity and stress management. A union section on the Intranet allows continuous communication from the unions to staff.

Dedicated procedures

All of the subsidiaries share the four overriding principles of respect for human rights, freedom of association and the right to collective bargaining, long-term support for employees and the promotion of equal opportunity. Each subsidiary submits an Annual Report on their CSR performance to the parent company, with a special focus on these fundamental criteria.

Neither CNP Assurances nor the Group's subsidiaries have recourse to forced or child labour. The Group pays particularly close attention to this issue in its purchasing policy (see section 4.3.2) and in its property management processes.

CNP Assurances Group procedures to guarantee respect for civil and political rights include internal codes and standard operating procedures, agreements on union rights, and data protection procedures.

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 discloses its CSR indicators in accordance with the provisions set out in Articles R.225-104 to R.225-105-2 of the French Commercial Code. The notes to the 2016 Corporate Social Responsibility Report set out these indicators in detail for each country.

Guidelines and definition

The indicators and reporting processes have been defined for all Group entities. This process serves as a reference for the various people involved in preparing this section at CNP Assurances and at all subsidiaries. It describes the issues, roles, indicators and data collection processes, as well as the main identified risks and the system for controlling and managing these risks.

The process was set up using Global Reporting Initiative (GRI) guidelines. The reference indicators are presented on the GRI website: https://www.globalreporting.org.

Scopes

The indicators cover all fully consolidated entities in the CNP Assurances Group, namely, unless otherwise stated, CNP Assurances (for environmental data excluding 2,054 sq.m. at regional sites), CNP IAM, Previposte, ITV, CNP International, MFPrévoyance, CNP Partners (for environmental data excluding offices in Italy and France), CNP Assurances Compañia de Seguros, Caixa Seguradora group, CNP UniCredit Vita, CNP Cyprus Insurance Holdings, CNP Europe Life and CNP Santander Insurance and their consolidated subsidiaries. Indicators for the Group's consolidated subsidiaries are presented on a 100% basis. La Banque Postale Prévoyance was deconsolidated in 2015.

The term "CNP Assurances" covers the legal entities CNP Assurances, CNP IAM, Previposte, ITV and CNP International. The scope for water and energy use includes the facilities in Paris, Angers and Arcueil, but excludes regional offices; this corresponds to 91% of CNP Assurances employees.

From 2016, the Caixa Seguradora data include the Odonto sub-subsidiary acquired in 2014. In addition, the Italian branches of CNP Assurances and BVP Italia are now consolidated by the CNP Partners group.

The level of coverage for each indicator is presented in the tables. It represents the headcount of entities included in the calculation of the indicator divided by the total headcount of the consolidated Group, excluding the branches in Italy and Denmark and the Previsul sub-subsidiary. Section 4 therefore covers a total of 96.5% of the consolidated Group's employees at 31 December 2016.

Change is the percentage difference between 2015 and 2016. It was noted that the aforementioned change of scope did not materially influence the rate of change. In the event of major adjustments to the scope explaining a particular rate of change, the rate of change is also presented at constant scope.

Reporting period

Indicators mapping movements cover the period from 1 January 2016 to 31 December 2016 (excluding CNP Assurances business travel and certain environmental data for Caixa Seguradora, which are presented over trailing 12-month periods from 1 November 2015 to 30 October 2016 and from 1 December 2015 to 30 November 2016 respectively). Indicators of stocks are as at 31 December 2016.

Historical data and changes in scope

La Banque Postale Prévoyance was deconsolidated in 2015. Slight variations in scope can appear when indicators have not been provided for an entity or sub-entity in 2015, but have been in 2016.

Reporting, control and consolidation method

Indicators are reported by operational departments (HR, Building Management and Purchasing), and are broken down by facility where necessary. The accounting consolidation system is also used for CSR reporting. A CSR Officer is appointed for each entity (a total of 15 CSR Officers) and prepares the first level of consolidation within the entity concerned. Twelve validators check the data from their entities. The CNP Assurances Sustainable Development department is responsible for overall consolidation and carries out consistency checks on all the information collected from these CSR officers.

Implementing CSR reporting in 2006 has led to a steady improvement in the quality of non-financial data, particularly environmental data. Certification by the Statutory Auditors and use of the Group consolidation system for CSR reporting in the past four years have served to secure quality standards. A dedicated collaborative web platform was set up in 2015. These developments have helped to drive progress in the Group's CSR programme by making it easier to manage initiatives within each business.

Consolidated ratios for all entities are calculated by weighting reported ratios based on each entity's headcount.

Limitations to the completeness and reliability of information

Estimates have been used for certain environmental data where more exact information is not available (for instance when consumption is included in the rental charges). This applies in particular to water and energy consumption data for buildings, which are sometimes estimated on a pro-rata basis based on the number of square metres (Arcueil, CNP Europe Life sites). Furthermore, the definitions of social indicators may differ slightly between countries. However, the consolidated indicators used are consistent and material. The guidelines were deployed in 2014 in foreign subsidiaries, and certain definitions, such as those for absenteeism, training and remuneration, were harmonised from one subsidiary to the next.

Verification

An independent third party body performed an analysis to verify the existence and fair presentation of information that falls within the scope of Article 225 of the French Commercial Code. The most material data were subject to tests of details; the other data were reviewed for overall consistency. The report by the independent third party is provided at the end of this section.

4.7 Concordance table for labour, social and environmental 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	Relevant section
a) Workforce		
■ Total workforce and breakdown by age, gender and geographical area	Detail tests	4.4.1.1
■ Hires and terminations	Detail tests	4.4.1.1
■ Remuneration and changes in remuneration	Detail tests	4.4.2.5
b) Working hours		
■ Organisation of working hours	Detail tests	4.4.2.4
■ Absenteeism	Detail tests	4.4.2.6
c) Employee relations		
■ Organisation of social dialogue (employee information and consultation procedures and negotiation processes)	Detail tests	4.4.2.1
■ Review of collective agreements	Detail tests	4.4.2.1
d) Health and safety		
■ Workplace health and safety conditions	Detail tests	4.4.2.6
■ Health and safety agreements signed with trade unions and other employee representatives	Consistency	4.4.2.6
■ Workplace accidents, frequency, severity and occupational illnesses	Detail tests	4.4.2.6
e) Training		
■ Training policies	Detail tests	4.4.1.2
■ Total number of training hours	Detail tests	4.4.1.2
f) Equal opportunity		
■ Measures taken to promote gender equality	Detail tests	4.4.3.2
■ Measures taken to promote the employment and integration of people with disabilities	Consistency	4.4.3.3
■ Anti-discrimination policy	Detail tests	4.4.3.1
g) Promotion of and compliance with the International Labour Organization's fundamental conventions concerning:		
■ The right to exercise freedom of association and the right to collective bargaining	Consistency	4.4.4/4.4.2.1
■ The elimination of discrimination in respect of employment and occupation	Consistency	4.4.4/4.4.3
■ The elimination of forced and compulsory labour	Consistency	4.4.4
■ The effective abolition of child labour	Consistency	4.4.4

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		
■ Structures for addressing environmental issues	Consistency	4.5.1.1
■ Employee training and awareness initiatives for the protection of the environment	Consistency	4.4.1.2 and 4.4.5
■ Resources allocated to preventing pollution and other environmental risks	Excluded in view of the Group's activities as a service provider	
■ Environmental provisions and warranties	Consistency	No provisions or guarantees
b) Pollution		
■ Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment	Excluded in view of the Group's activities as a service provider	
■ Measures to address noise and other forms of pollution specific to an activity	Consistency	4.5.1.3
c) Circular economy		
i) Waste prevention and management		
■ Prevention, recycling, reuse, other forms of recovery and elimination of waste		4.5.1.3
■ Initiatives to combat food waste	Excluded in view of the Group's activities as a service provider	
ii) Sustainable use of resources		
■ Water use and supply in relation to local restrictions	Consistency	4.5.1.3
■ Raw materials use and the measures taken to use them more efficiently	Detail tests	4.5.1.3 and 4.5.2.1
■ Energy use and the measures taken to improve energy efficiency and increase the use of renewable energies	Detail tests	4.5.1.3
■ Land use	Consistency	4.3.1.5
d) Climate change		
■ Significant sources of greenhouse gas emissions generated due to the Company's operations, including the use of goods and services it produces	Detail tests	4.5.1.2 and 4.5.2
■ Measures taken to adapt to climate change	Consistency	4.3.1.5
e) Biodiversity protection		
■ Measures taken to protect or develop biodiversity	Consistency	4.3.1.5

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 operations		
■ In terms of employment and regional development	Consistency	4.5.3.1
■ On local residents and communities	Consistency	4.5.3.1
b) Relations with people or organisations that have an interest in the Company's operations		
■ Dialogue with these people and organisations	Consistency	4.5.3.2
■ Partnership or philanthropy initiatives	Detail tests	4.5.3.2
c) Subcontractors and suppliers		
■ Integration of social and environmental issues in purchasing policy	Detail tests	4.3.2
■ Outsourcing and the importance of including CSR in dealings with suppliers and subcontractors	Detail tests	4.3.2
d) Fair practices		
■ Action taken to prevent corruption	Detail tests	4.3.3.2
■ Measures taken to promote the health and safety of consumers	Consistency	4.2.2.2 and 4.2.4.1
e) Other action taken to promote human rights	Consistency	4.5.3.3

4.8 Report by the independent third party on the consolidated labour, environmental and social information included in the management report

Year ended 31 December 2016

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.

To the shareholders,

In our capacity as Statutory Auditor of CNP Assurances, as a member of the Mazars network, appointed as an independent third party and certified by COFRAC under number 3-1058 [1], we hereby present to you our report on the consolidated labour, environmental and social information for the year ended 31 December 2016, presented in the management report (hereinafter the "CSR Information"), in accordance with Article L.322-26-2-2 of the French Insurance Code (*Code des assurances*), which refers to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the Company

The Board of Directors is responsible for preparing the Company's management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics (*code de déontologie*) of our profession and the requirements of Article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, the professional standards applicable in France to such engagements and the applicable legal and regulatory requirements.

(1) Whose scope is available at www.cofrac.fr

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- at the Company's request, express a reasonable assurance conclusion that the information selected by the Company and identified by the √ symbol in Chapter 4 "Corporate social responsibility" of the management report was, in all material respects, prepared in accordance with the Guidelines.

Our work was carried out by a team of five people between November 2016 and February 2017 and took around five weeks.

We performed our work in accordance with the professional standards applicable in France to such engagements and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement. Concerning our conclusion on the fairness of CSR Information and our reasonable assurance report, we also complied with ISAE 3000 (2).

1. ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding the labour and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, *i.e.*, the Company, its subsidiaries as defined by Article L.233-1 and the controlled entities as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the "Methodology" section of the management report.

Based on the work performed, we attest that the required CSR Information has been disclosed in the management report.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

2. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of our work

We conducted around 20 interviews with persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the labour and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [(3)]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the information. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us [(4)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed information and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents.

The selected sample represents on average 83% of headcount and between 69% and 100% of quantitative environmental information.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

(3) Labour: total headcount and breakdown by age, gender and contract type; number of new hires and departures, of which dismissals; turnover; proportion of female senior executives; remuneration and changes to remuneration (average annual individual remuneration); frequency and seriousness of occupational accidents; number of training hours; organisation of working hours; organisation of social dialogue; review of collective agreements; workplace health and safety conditions; workplace accidents and occupational illnesses; training policies; measures taken to promote gender equality; and anti-discrimination policy

Environmental: consumption of electricity, gas, heating, fuel oil and paper for internal use; Scope 1, 2 and 3 (excluding financial assets) greenhouse gas emissions; raw materials use and measures taken to use them more efficiently; and energy efficiency and use of renewable energies

Social: carbon footprint of the financial portfolio; philanthropic work; integration of social and environmental issues in purchasing policy; importance of outsourcing and of including CSR in dealings with suppliers and subcontractors; and responsible investing

(4) CNP Assurances (France) and the Caixa Seguradora group (Brazil)

3. REASONABLE ASSURANCE REPORT ON A SELECTION OF CSR INFORMATION

Nature and scope of our work

Concerning the information selected by the Company and identified by the √ symbol, we performed the same procedures as those described in the paragraph above with respect to the CSR Information considered to be the most important, but in more detail. In particular, we carried out more tests.

The selected sample represents 83% of headcount and 87% of the environmental information identified by the √ symbol.

We consider that our work enables us to express a reasonable assurance conclusion on the information selected by the Company and identified by the √ symbol.

Conclusion

In our opinion, the information selected by the Company and identified by the √ symbol was, in all material aspects, prepared in accordance with the Guidelines.

Paris La Défense, 3 March 2017

The independent third party

Mazars SAS

Olivier Leclerc	Edwige Rey
Partner	Partner in charge of CSR and Sustainable Development

5

CORPORATE GOVERNANCE AND INTERNAL CONTROL

5.1 Report of the Chairman of the Board of Directors of CNP Assurances

2016

This document prepared by the Chairman in accordance with Article L.225-37 of the French Commercial Code (*Code de commerce*) and approved by the Board of Directors on 22 February 2017 is intended to inform shareholders about:

- the Board of Directors' governance practices and procedures; and
- the main components of the risk management and internal control system of CNP Assurances and its consolidated subsidiaries.

It is based on the same template as the reports presented at the Annual General Meeting in prior years.

5.1.1 Board of Directors' governance practices and procedures

a) Composition of the Board of Directors

Principles

Since the IPO in October 1998, the composition of CNP Assurances' Board of Directors has reflected its ownership structure and particularly the holdings of its four historical shareholders: Caisse des Dépôts, La Banque Postale and BPCE – whose interests are held through a joint holding company, Sopassure – and the French State, that are united by a shareholders' agreement.

The shareholders' agreement organises the composition of the Board of Directors, as follows:

Six directors recommended by Caisse des Dépôts	Caisse des Dépôts, represented by Pierre-René Lemas Delphine de Chaisemartin Virginie Chapron du Jeu Pauline Cornu-Thénard Olivier Mareuse Franck Silvent
Five directors recommended by Sopassure	Sopassure, represented by Florence Lustman Jean-Yves Forel François Pérol Philippe Wahl Rémy Weber
One director recommended by the French state	French State, represented by Bertrand Walckenaer
One director recommended as an employee shareholder representative *	Laurence Guitard
Four independent directors	Jean-Paul Faugère, Chairman of the Board Marcia Campbell Stéphane Pallez Rose-Marie Van Lerberghe
One director recommended jointly	Frédéric Lavenir, Chief Executive Officer

* *In Addendum no. 6, the parties agreed to (i) remove the directorship reserved for a CNP Assurances employee shareholder representative, and (ii) elect two directors to represent CNP Assurances employees, in accordance with the provisions of Article L.225-27-1 of the French Commercial Code. Subject to its adoption at the next Annual General Meeting of CNP Assurances shareholders, to be held on 13 April 2017, this amendment is intended to come into effect in 2017*

Directors' profile

Average period served on the Board: 4 years	Average age: 54 years
Four independent directors, 22% (Stéphane Pallez, Rose-Marie Van Lerberghe, Marcia Campbell and Jean-Paul Faugère)	Eight women and ten men, 44% women

Changes in the composition of the Board in 2016

Date	Term expired	Resigned	Elected/appointed	Re-elected
17 March 2016			Bertrand Walckenaer, appointed to take over from Antoine Saintoyant as respresentative of the French State (by ministerial order dated 17 March 2016)	
28 April 2016	Philippe Baumlin		Laurence Guitard	Caisse des Dépôts, represented by Pierre-René Lemas French State, represented by Bertrand Walckenaer Marcia Campbell Stéphane Pallez Anne-Sophie Grave
27 June 2016		Odile Renaud-Basso		
7 July 2016		Anne-Sophie Grave		
8 November 2016			Delphine de Chaisemartin Pauline Cornu-Thénard	

Members of the Board of Directors as of 31 December 2016 (individual directors and permanent representatives of corporate directors)

Directors	Age	Gender	First elected	Current term expires	Years served on the Board	Audit and Risk Committee	Nominations and Remuneration Committee	Strategy Committee
Jean-Paul Faugère, Chairman of the Board of Directors	60	M	2012	2017	5		•	Chairman
Frédéric Lavenir, Chief Executive Officer	56	M	2012	2017	5			
Pierre-René Lemas (Caisse des Dépôts)	65	M	2014	2020	3		•	
Virginie Chapron du Jeu	55	F	2012	2017	5			
Pauline Cornu-Thénard	37	F	2016	2020	1			
Olivier Mareuse	53	M	2013	2018	4	•		•
Delphine de Chaisemartin	46	F	2016	2017	1			
Franck Silvent	44	M	2007	2018	10			•
Florence Lustman (Sopassure)	55	F	2015	2017	2	•		
Jean-Yves Forel	55	M	2012	2018	5	•		•
François Pérol	53	M	2009	2018	8		•	
Philippe Wahl	60	M	2011	2018	6		•	
Rémy Weber	59	M	2013	2018	4			•
Bertrand Walckenaer (French State)	36	M	2016	2020	1			
Laurence Guitard	55	F	2016	2020	1			
Marcia Campbell	57	F	2011	2020	6	•		•
Stéphane Pallez	57	F	2011	2020	6	Chairman		•
Rose-Marie Van Lerberghe	69	F	2013	2017	4		Chairman	

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Changes to the composition of the Board of Directors to be proposed at the 13 April 2017 Annual General Meeting

Directors stepping down (end of term or resignation)	Elections	Re-elections
	French State represented by Bernard Walckenaer	Jean-Paul Faugère Frédéric Lavenir Virginie Chapron du Jeu Delphine de Chaisemartin Sopassure, represented by Florence Lustman Rose-Marie Van Lerberghe

Range of skills and experience represented on the Board and gender balance

The Board of Directors ensures that the choice of candidates for election or appointment to the Board reflects the wide range of skills and experience and satisfies the gender balance required under Article L.225–18–1 of the French Commercial Code. As of 22 February 2017, 44.44% of Board members were women, in line with the 40% minimum proportion required by Article L.225-18–1 of the French Commercial Code.

The requirements in terms of the range of skills and experience demonstrated by individual directors and the Board as a whole have been increased with the application of Solvency II. The Board must have permanent assurance that, together, its members have the experience and knowledge needed to fulfil the responsibilities of the Board and its committees, concerning in particular:

- the insurance and financial markets;
- the Company's strategy and business model;
- its governance system and financial and actuarial analysis processes;
- the legislative and regulatory requirements applicable to insurance undertakings.

Directors' qualifying shares

Article 1.2 C) 3 of the Board of Directors' internal rules stipulates that each director must hold at least 200 CNP Assurances shares (400 in the case of the Chairman of the Board). At its meeting on 22 February 2017, the Board decided to increase the minimum number of shares to be held by the Chairman of the Board of Directors and the Chief Executive Officer to 500.

Principles and criteria applied by the Board of Directors to determine the remuneration and benefits of the Chairman of the Board of Directors and the Chief Executive Officer

The principles and criteria applied by the Board of Directors to determine the remuneration and benefits of directors, the Chairman of the Board of Directors and the Chief Executive Officer are described in the Board's management report (report of the Board of Directors on the remuneration policy applicable to the Chairman of the Board of Directors and the Chief Executive Officer, and explanations to Table 2 and Table 3, respectively).

Directors' independence

At its meeting on 22 February 2017, the Board of Directors reviewed the Remuneration and Nominations Committee's work on the independence criteria to be applied to directors and approved the Committee's recommendations concerning the directors qualified as independent.

The Company applies the independence criteria listed in the AFEP–MEDEF Corporate Governance Code (November 2016 version), as presented in the table below.

The table also shows the directors who are qualified as independent based on the Board's assessment of their situation in relation to these criteria.

	Jean-Paul Faugère	Stéphane Pallez	Marcia Campbell	Rose-Marie Van Lerberghe
Not to be an employee of CNP Assurances (currently or in the previous five years)	Complies	Complies	Complies	Complies
Not to be an employee, Executive Director or non-Executive Director of a consolidated subsidiary of CNP Assurances (currently or in the previous five years)	Director of Caixa Seguros Holding, a consolidated subsidiary of CNP Assurances	Complies	Complies	Complies
Not to be an employee, Executive Director or non-Executive Director of the Group's parent company or a consolidated subsidiary of the parent company (currently or in the previous five years)	Complies	Complies	Complies	Complies
Not to be an Executive Director of a company ■ of which CNP Assurances is a director, directly or indirectly (currently or in the previous five years); ■ of which the Chief Executive Officer of CNP Assurances or an employee appointed as such is a director (currently or in the previous five years).	Complies	Complies	Complies	Complies
Not to be a customer, supplier, investment banker or commercial banker *: ■ that is material to CNP Assurances or its Group; or ■ that depends on CNP Assurances or its Group for a significant part of its business.	Complies	Complies	Complies	Complies
Not to be related by close family ties to an Executive Director	Complies	Complies	Complies	Complies
Not to have been an auditor of CNP Assurances within the previous five years	Complies	Complies	Complies	Complies
Not to have been a director of CNP Assurances for more than twelve years	Complies	Complies	Complies	Complies
Not to represent a shareholder that owns over 10% of CNP Assurances' share capital	Complies	Complies	Complies	Complies
Qualification of director based on the Remuneration and Nominations Committee's analysis	**Independent**	**Independent**	**Independent**	**Independent**

* *At its meeting on 22 February 2017, the Board of Directors found that none of the directors of CNP Assurances qualified as independent had any material direct or indirect business ties with any companies of the Group*

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Explanation of practices that differ from those recommended in the AFEP-MEDEF Corporate Governance Code

CNP Assurances refers to the AFEP–MEDEF Corporate Governance Code for listed companies *. Without calling this principle into question, its practices may on occasion differ from those set out in the Code due to the Company's specific features.

The divergent practices are listed in the table below, which has been prepared in accordance with the "comply or explain" provisions of Article L.225-37-7 of the French Commercial Code.

AFEP–MEDEF Code Recommendations	CNP Assurances' practice	Explanations
Proportion of independent directors		
■ Board of Directors: proportion should be over 33% in controlled companies	Proportion is 22%	The composition of CNP Assurances' Board of Directors is mainly organised by the shareholders' agreement and is a reflection of the Company's ownership structure. Consequently, the proportion of independent directors does not comply with Code guidelines.
■ Audit and Risk Committee: proportion should be greater than 66%	Proportion is 40%	
■ Remuneration and Nominations Committee: proportion should be greater than 50%	Proportion is 40%	
Independence criteria		
Not to be a (…) director (…) of a consolidated subsidiary (…)	Jean-Paul Faugère is a director of Caixa Seguros Holding (Brazil), a consolidated subsidiary of CNP Assurances	The Board of Directors believes that, in light of Caixa Seguros Holdings' critical contribution to CNP Assurances, electing an independent director of CNP Assurances to its Board is useful, because it provides CNP Assurances' Board with an additional perspective on the Group's business in Latin America. As recommended in the AFEP–MEDEF Code's application guidance issued in December 2016, Jean-Paul Faugère does not participate in decisions by CNP Assurances' Board on matters that may give rise to a conflict of interests between CNP Assurances and Caixa Seguros Holdings.

b) Preparation and organisation of the Board's work

The procedures for the preparation of the Board's work and its organisation are described in its internal rules, which supplement and clarify the corresponding laws and regulations, the relevant provisions of the Articles of Association and the AFEP-MEDEF Corporate Governance Code to which the Board refers. The Board's internal rules may be consulted on the CNP Assurances website.

Every year, the dates and agendas for the upcoming meetings of the Board and its Audit and Risk Committee are drawn up and approved.

The Chairman provides the directors with all documents and information required to enable them to fulfil their duties and prepare their decisions. Between any two Board Meetings, directors may also be sent briefings on important topics or copies of press releases by e-mail.

Several days ahead of each Board Meeting, the directors receive briefing documents on the various agenda items, together with the draft minutes of the previous meeting and a file containing press cuttings and selected analyst reports concerning the Company or the Group.

At each meeting, the Chief Executive Officer reports to the Board about day-to-day management matters and any significant events affecting the smooth running of the Company. Directors are regularly provided with a detailed analysis of the Group's results, notably in the shape of the annual and interim financial statements and the quarterly results indicators.

They also receive detailed updates on developments regarding commercial, financial and operational issues that help them to track implementation of the Group's strategy and better understand its businesses and outlook.

At each Board Meeting, the agenda items are presented in detail by the Chief Executive Officer and other members of Executive Management.

After the directors have obtained answers to their questions, they discuss these presentations and then, where applicable, vote on the related decision.

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.

* *The November 2016 revised version of the AFEP-MEDEF Corporate Governance Code is available on the AFEP website, at http://www.afep.com/contenu/focus/code-de-gouvernement-d-entreprise-des-societes-cotees*

The Board's internal rules include specific rules covering the prevention and management of conflicts of interest.

In order to perform its management and supervisory duties more effectively, the Board of Directors receives advice from its three 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. They may use the services of external experts.

All of the members of the committees are directors and 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.

c) Activities of the Board of Directors and its committees in 2016

BOARD OF DIRECTORS

Number of meetings	Attendance rate	Average duration of each meeting
8	89%	Two and a half hours

Of special interest to the Board in 2016 were:

- an external growth transaction in Brazil (acquisition of 51% of Pan Seguros and Pan Corretora, two subsidiaries of BTG Pactual) [1];
- the status of various business developments, particularly in relation to:
  - the premium life insurance and savings business,
  - the European subsidiaries CNP UniCredit Vita, CNP Cyprus Insurance, CNP Partners and CNP Santander Insurance,
  - the business, challenges and outlook of the Social Protection and Services business unit,
  - the business, challenges and outlook of the Latin America business unit;
- the planned investments in infrastructure companies and funds (including Réseau de Transport d'Electricité);
- the technical aspects of the Solvency II project, including a review of the own risk and solvency assessment (ORSA) process and approval of written policies [2] designed to guarantee the sound, prudent and efficient management of the business;
- the Company's responses to questions and information requests from France's banking and insurance supervisor, ACPR.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit and Risk Committee

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Stéphane Pallez, Chair** Marcia Campbell	7	83%	Three hours
Directors (elected on the recommendation of the parties to the shareholders' agreement)	Florence Lustman Jean-Yves Forel Olivier Mareuse			

During 2016, the Audit and Risk Committee continued to provide opinions and recommendations to the Board, based notably on discussions with the Auditors held without any members of General Management being present.

In this way, the Committee fulfilled its statutory role to monitor:

- the process for the preparation of financial information;
- the effectiveness of internal control, risk management and internal audit systems covering the procedures for the preparation and processing of financial and accounting information;
- risk management policies, procedures and systems.

(1) In a press release published on 2 February 2017, CNP Assurances announced that the agreement with Banco BTG Pactual for the acquisition of 51% of Pan Seguros and Pan Carretora was no longer valid because some of the conditions precedent had not been met and that the plan had therefore been abandoned

(2) The main policies concern (i) risk management (including underwriting, reserving, asset/liability management, investment, liquidity and concentration standards, operational risk management, reinsurance and other risk mitigation policies); (ii) internal control; (iii) internal audit; (iv) outsourcing; (v) reporting; (vi) ORSA; (vii) measurement of assets and liabilities; (viii) capital management; (ix) professional qualifications and proof of good repute; (x) remuneration and (xi) business continuity

The Committee paid particular attention to:

- overseeing the audit of the financial statements;
- monitoring the Group's risk exposure, by reviewing quarterly risk reports and the annual assessment of major financial risks performed externally;
- Solvency II programme issues (determination of the overall Solvency Capital Requirement, drafting of written policies, etc.);
- reviewing the guidelines for the Group's reinsurance programmes, investment policy and policy concerning the use of financial futures;
- reviewing the activities of the Internal Audit department and the Compliance department in 2016, and their respective programmes for 2017.

The members of the Audit and Risk Committee receive the documents and information required for their review of the annual and interim financial statements and the quarterly indicators in a sufficient timeframe to permit Committee members to examine them and prepare their questions for the Auditors, the Finance Director, the Accounting and Tax Director, the Group Underwriting Director and the Group Risk Director, who all systematically attend the meetings concerned.

Audit and Risk Committee Meetings are held the day before Board of Directors' Meetings, to make it easier for the Committee member who is based outside France to attend the meetings in person.

The Committee may consult independent experts, after first informing the Chairman of the Board or the Board of Directors. In this case, the experts' fees are paid by the Company.

Remuneration and Nominations Committee

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Rose-Marie Van Lerberghe, Chair** Jean-Paul Faugère	2	70%	One hour
Directors (elected on the recommendation of the parties to the shareholders' agreement)	François Pérol Pierre-René Lemas Philippe Wahl			

Jean-Paul Faugère, Chairman of the Board, and Frédéric Lavenir, Chief Executive Officer, both take part in the work of the Remuneration and Nominations Committee: Jean-Paul Faugère is a member of the Committee and Frédéric Lavenir is invited to take part in meetings whenever necessary depending on the agenda items. Neither of them take part in discussions and decisions concerning their re-appointment and remuneration.

The Remuneration and Nominations Committee is responsible for selecting candidates for election as directors and reviewing proposed appointments to the positions of Chairman of the Board of Directors, Chief Executive Officer, Chief Operating Officer and member of the committees of the Board.

The Committee also reviews the remuneration awarded to the Chairman of the Board of Directors as well as the total individual remuneration awarded to the Chief Executive Officer. It makes recommendations to the Board concerning the directors' fees to be attributed to the directors based on pre-defined criteria such as attendance at Board Meetings and membership of a committee of the Board. The Committee is informed about the remuneration policy for the main non-executive corporate officers, which is part of the Group's overall remuneration policy approved by the Board.

It reviews any planned employee rights issues or share grant plans.

During its meetings in 2016, the Committee mainly examined:

- proposals concerning the designation of the "persons responsible for effectively running the undertaking" and the re-election/election of directors;
- the components of the remuneration awarded to the Chairman of the Board of Directors and the Chief Executive Officer.

It recommended to the Board of Directors to:

- designate Antoine Lissowski, Deputy Chief Executive Officer and Finance Director, as one of the two people who effectively run CNP Assurances;
- increase the annual remuneration awarded to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors (which had been unchanged since his appointment in 2012) by €30,000 to €280,000 for 2016. In this regard, shareholders should note that:
  - Jean-Paul Faugère did not receive any directors' fees for participating in meetings of the Board of Directors or the committees of the Board, and
  - Jean-Paul Faugère waived the directors' fees due to him in his capacity as a director of Icade with immediate effect (representing €33,000 gross for 2016) and as a director of Caixa Seguros Holding with effect from 2017 (representing €22,560 for 2016);
- maintain the remuneration awarded to Frédéric Lavenir, Chief Executive Officer, comprising an annual fixed salary of €400,000 and a bonus of €50,000, the payment of which depends on the achievement of certain quantitative and qualitative performance criteria. In this regard, shareholders should note that Mr Lavenir does not receive any directors' fees for participating in meetings of the Board of Directors or the committees of the Board.

Strategy Committee

Number of members: 7		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell	1	57%	One and half hours
Directors (elected on the recommendation of the parties to the shareholders' agreement)	Rémy Weber Jean-Yves Forel Olivier Mareuse Franck Silvent			

The Committee's work in 2016 exclusively concerned an external growth transaction in Brazil involving the acquisition of 51% of Pan Seguros and Pan Corretora, two subsidiaries of BTG Pactual [(1)].

On 10 January 2017, members of the Board of Directors attended a strategy seminar to review the results obtained at the halfway point of CNP Assurances' 2012-2020 strategic plan.

d) Performance assessment of the Board of Directors and its committees

In accordance with the AFEP–MEDEF Code and its own internal rules, the Board's performance was assessed in 2016 by an independent consultancy firm which presented its findings to the directors at the meeting held on 27 July 2016.

This formal assessment of the directors' ability to fulfil the expectations of the shareholders who voted them into office was based on a review of the composition, organisation and performance of the Board and the Board committees.

All directors were asked to fill out a questionnaire and the consultants also talked to directors on a one-to-one basis.

The consultants observed that CNP Assurances' governance reflects its specific framework, particularly the Company's ties to the public sector resulting from its ownership structure, and its status as a listed insurance undertaking under the supervision of both the French securities regulator (*Autorité des Marchés Financiers* – AMF) and the French banking and insurance supervisor (*Autorité de Contrôle Prudentiel et Réglementaire* – ACPR).

The consultants concluded that CNP Assurances' governance practices are among the best in its peer group. The Board members themselves expressed a favourable opinion on the Company's governance, noting that improvements had been made to certain aspects of the Board's practices identified during the previous assessment.

The consultants' findings covered the following three topics and can be summarised as follows:

Composition, practices and procedures of the Board of Directors

The relatively large number of directors, reflecting CNP Assurances' ownership structure, does not limit the directors' ability to speak during Board Meetings and express their opinions.

Board input in the strategic planning process

The strategy seminar organised for Board members reflected their greater involvement in the strategic planning process. Making these seminars a regular event will help to sustain the directors' involvement.

Committees of the Board of Directors

The assessment of the practices and procedures of the committees of the Board was conducted through one-to-one interviews with Committee members and also with other directors who stressed the Committees' decisive contribution to the quality of the Board's discussions and decisions, and to its ability to fulfil its growing responsibilities and obligations. The consultants noted the increased regulatory obligations of the Audit and Risk Committee, observing that its members should continue to receive training in this regard, as well as the growing roles of the Remunerations and Nominations Committee and the Strategy Committee.

Following the assessment, an action plan was proposed to the Board by its Chairman, in response to directors' suggestions concerning in particular follow-up information about the acquisitions and other transactions authorised by the Board.

(1) In a press release published on 2 February 2017, CNP Assurances announced that it had abandoned the planned acquisition of 51% of Pan Seguros and Pan Carretora from Banco BTG Pactual because some of the conditions precedent had not been met and that the plan had therefore been abandoned

e) 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 one hundred million euros (€100 million) per commitment [(1)];
- business acquisitions and disposals for amounts in excess of fifty million euros (€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 put options written or underwriting commitments given by the Company and any off-balance sheet commitments. This threshold does not apply to acquisitions and 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, except for transactions carried out on an experimental basis.

On 22 February 2017, 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 one hundred million euros (€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 notes for a maximum of one billion, three hundred million euros (€1.3 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);
- buy back, on one or several occasions as required, at the prices and according to terms and conditions that he shall determine, bonds or notes 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 securities bought back pursuant to this authorisation may not exceed five hundred million euros (€500,000,000) or the equivalent of this amount in foreign currency or any other unit of account established by reference to a group or basket of currencies;
- establish or unwind, on one or several occasions as required, in France or abroad, hedging positions on bonds or notes issued or to be issued by CNP Assurances up to a maximum notional amount of one billion, three hundred million euros (€1.3 billion) or the equivalent of this amount in foreign currency. The hedges may consist of but are not limited to swaps that either convert the bonds' principal and interest into euros (currency swaps) or exchange future interest payments (interest rate swaps).

Full details of the limitations of the Chief Executive Officer's powers and the financial authorisations given to him are available at www.cnp.fr, in the appendix to the internal rules of the Board of Directors.

f) Participating and voting in General Meetings of shareholders

Every shareholder is entitled to participate in General Meetings under the conditions provided for by law. The rules governing shareholder participation and voting in General Meetings are set out in Article 27 of the Company's Articles of Association and relevant information is provided in the Board's management report. The notices of meeting published by the Company in the French Legal Gazette (*Bulletin des Annonces Légales Obligatoires* – BALO) prior to each General Meeting also explain how to participate and vote in the meeting.

In accordance with Article L.225-123 of the French Commercial Code, fully paid-up shares registered in the name of the same holder for at least two years have double voting rights. The double voting right is automatically lost when the shares are converted to bearer form or sold or transferred, except in the specific cases provided for by law.

The information likely to have an impact in the event of a takeover bid for the Company (disclosures required by Article L.225-100-3 of the French Commercial Code) is provided in the Board of Directors' management report.

(1) Additional information: in addition, the Chief Executive Officer is authorised to issue and sign commitments under which CNP Assurances acts as guarantor for its subsidiary CNP Caution in relation to commitments made by CNP Caution to its commercial partners. This authorisation relating to CNP Caution is limited to a maximum cumulative amount of eleven billion euros (€11,000,000,000), less the total amount of the guarantees issued by CNP Assurances in relation to commitments made by CNP Caution to its commercial partners which are still in place

5.1.2 Internal control and risk management procedures

The second part of this report describes the main components of the risk management and internal control system of CNP Assurances and its consolidated subsidiaries ("the Group"). It is not intended to describe in detail all of the Group's risk management and internal control procedures and mechanisms.

REFERENCE FRAMEWORK

CNP Assurances' risk management and internal control systems comply with the reference framework published by the AMF. This report has been prepared using a template that follows the structure of that framework. It describes successively (i) the interaction between risk management and internal control within CNP Assurances; (ii) the risk management system, and (iii) the internal control system.

In addition to the AMF's reference framework guidelines, CNP Assurances' business is subject to numerous laws and regulations, notably the French Insurance Code (*Code des assurances*). Insurance companies in France are supervised by France's banking and insurance supervisor (ACPR).

Since 1 January 2016, the Group has also been subject to the requirements of the European Solvency II directive and its enabling legislation, which contain detailed guidelines on governance, risk management and internal control. In recent years, the Company's governance and its risk management and internal control system have been aligned with these new obligations. The focus now is on identifying and implementing improvements designed to make the system more efficient and effective.

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 policy and the code of conduct. Controls are performed at several levels:

- the first level of control is set up by each business unit and Corporate department to manage the risks associated with their activities;
- the second level of control (risk oversight) covers the key functions identified in Solvency II (risk management, compliance and actuarial functions) and the permanent control system;
- the third level of control is provided by the Internal Audit department.

The Group's subsidiaries, both in France and abroad, also use this approach to risk management and internal control, adapting Group guidelines where necessary to comply with local regulations and the approaches followed by partners in the case of jointly owned subsidiaries.

RISK MANAGEMENT SYSTEM

The Group conducts most of its insurance business through partnership arrangements with banking institutions. Making a success of these partnerships means constantly developing and enhancing the product offering and improving both the quality of service offered to policyholders and the Group's organisational efficiency. The Group's organisation around dedicated business units by distribution partner or model, contributes to meeting these objectives and fulfilling the corporate mission of protecting the interests of policyholders and employees, maintaining balanced, long-term partnerships and creating value for shareholders. In 2016, a new partnership agreement was signed with La Banque Postale.

These bancassurance operations expose the Group to financial risks and also to underwriting and operational risks. The main aspects of the system for managing these risks are described below. For a detailed discussion of the Group's risk exposures, see the section 5.6 – Risk factors of this Registration Document.

a) Objectives of the risk management system

The objectives of the risk management system are to create secure decision-making and other processes and promote a risk management and surveillance culture among employees in order to maintain the Group's value.

b) Components of the system

1) Organisational framework

The risk management system incorporates risk as a component of all decision-making processes.

The strategic priorities in terms of risk management are decided by the Board of Directors – particularly the Group's risk appetite and how this breaks down on an annual basis – based on input from the Audit and Risk Committee.

The risk management system is part of the comprehensive strategic management process led by the Chief Executive Officer.

The Risk Management Committees held regular meetings in 2016. These committees' respective roles are described below.

Group Risk department

The process is led by the Group Risk department which has been assigned the risk management function under Solvency II. The department reports to Executive Management and leads the activities of the Group Risk Committee. This organisation is in line with the principles of segregating functions and efficiently allocating available resources.

The Group Risk department rolls down the risk appetite defined in the Group's risk management strategy through risk policies and economic capital estimates. These policies are submitted by Executive Management for approval by the Audit and Risk Committee and the Board of Directors. The department is responsible for ensuring that all risks are covered by the system and that the related surveillance measures are effective. It rolls down the risk-acceptance framework to the different businesses through such measures as underwriting policies, delegations of authority and investment guidelines. It delivers a preliminary opinion on decisions with a significant impact on the Company's risk profile based on the four-eyes principle. It is also tasked with independently validating the Group's business model. Lastly, by participating in the core phases of the business and staff training process, it contributes to instilling a risk management culture throughout the Group. This gives it a critical role in safeguarding the Company's value, assets and reputation.

The Group's overall Solvency Capital Requirement, taking into account its risk appetite, was reviewed in 2016 in the light of the continued very low interest environment. This phase formally documents the link between actions and the Group's objectives and values. These documents and all of the Group's risk management policies are reviewed annually in line with the requirements of Solvency II.

The Group Risk department employs some 80 people, supported in the subsidiaries by around 50 risk and internal control managers (versus around 30 in 2015). During 2016, risk management resources were significantly increased in Brazil, where a team of around 30 people is now dedicated to managing insurance and compliance risks.

The Group Risk Committee

The Group Risk Committee oversees risk governance and examines risk from a consolidated perspective. It is tasked with validating the risk-acceptance and overall risk monitoring framework or, more specifically, with overseeing the management of consolidated risks and setting high-level risk tolerance limits. It tracks changes in the Group's risk exposure, solvency assessments and actual versus budgeted exposures, as well as analysing consolidated risks by type based on static balance sheet assumptions and stress testing assumptions. It reviews the annual solvency assessment process and related financing requirements both at Group and subsidiary level. The Committee validates risk assessment guidelines and methodologies, *i.e.*, high level investment guidelines and limits, currency risk exposure guidelines and limits, reinsurance policy and the underwriting policy framework. It also validates the policies, procedures and guidelines for monitoring and managing risks and solvency capital.

The Committee draws upon reviews of specific risks (market, underwriting, operational, etc.) already performed by the other committees or equivalent structures in Group subsidiaries.

The Underwriting Risk Committee and the Commitments Committee

These committees oversee liability risk management.

The Underwriting Risk Committee is tasked with identifying and tracking underwriting risk and ensuring the appropriate processes are in place to enable the Group to react quickly in the event of any deviation from its risk profile. This provides an ongoing check on the consistency of the Group's risk profile with the profitability and value creation objectives set in the strategic plan adopted by the Executive Committee and the strategy adopted by the Group Risk Committee within the underwriting and financial risk tolerance framework. The Committee issues opinions and recommendations and alerts the Group Risk Committee to any significant risks. Its opinions are based on specific work carried out by its subcommittees. As part of the underwriting risk management process, the Committee makes proposals concerning the Group's reinsurance policy and reviews the overall consistency of the reinsurance programme based on the underwriting risk maps for each entity and the Group's overall risk management guidelines.

The Commitments Committee meets to discuss any deviation from underwriting policy and/or the most significant commitments and/or any breach of a specific tolerance limit, and/or at the request of the head of a business unit or joint venture. The Committee is tasked with validating risk acceptance in line with the Group's risk appetite and the strategic guidelines issued by Executive Management. It authorises the writing of new business and may be consulted when a new product is being launched as part of the In-Force business management process. It also deals with any urgent matters concerning insurance risk that arise between two Group Risk Committee Meetings.

The Investment Committee, Asset Risk Monitoring Committee, Strategic Asset Allocation Committee and Asset/Liability Management Committee

These committees oversee the asset risk and market risk management frameworks. The Group Investment Committee oversees the asset risk acceptance process and approves investment files. It authorises, modifies or suspends exposure limits (amount and duration) for individual counterparties above a certain level and may even decide to liquidate a position. It makes decisions concerning:

- investments in equities and debt securities, either directly or through a fund (excluding mutual funds, for which investment decisions are made directly at Group level) in excess of a certain amount;

- the addition of mutual funds to the list of authorised investments;
- the granting of significant waivers, the signature of addenda to the issue documentation, acceptance of restructuring operations and initiation of debt recovery procedures;
- lower level appeals against decisions of the Investment department, the Group Risk department or the subsidiaries, and changes to investment standards for which a decision is needed between two Group Risk Committee Meetings.

The Investment Committee's decisions are based on the briefing files submitted by the business units and the second tier analysis performed by the Group Risk department's teams.

The Asset Risk Monitoring Committee oversees all of the Group's asset-related risks. It constantly monitors regulations, investment policies, exposure limits, delegations of authority and asset risk mitigation initiatives. To this end, it is notified when limits are breached so that it can determine whether to authorise the overrun or require the sale of the portion of the investment that breaches the limit. It may refer significant breaches or propose adjustments to guidelines or limits to the Group Risk Committee (or to the Investment Committee, depending on the nature of the risk). The Committee examines current risk monitoring issues such as emerging risks (economic or market risks, risks involving a certain type of product, issuer, sector, etc.). It may also decide to closely monitor or suspend dealings with counterparties following a deterioration in the related risk or a lack of visibility, or to put certain matters on the agenda of a Reserving Committee meeting. It performs regular reviews of the different asset classes, including private equity.

The Strategic Asset Allocation Committee ensures that investment rules and exposure limits by class of asset are consistent with the guidelines issued by the Group Risk Committee. It devises strategic investment allocation guidelines based on asset/liability management (ALM) models for the different portfolios, yield targets and capital consumption targets.

The Asset/Liability Management Committee tracks and measures asset/liability risk. Asset/liability management seeks 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.

Operational Risk Committees

An Operational Risk Committee has been set up for each business unit and corporate function to track the main operational risks and decide on appropriate action plans to contain these risks as effectively as possible. The Committee tracks key risk exposure indicators, studies the causes and impacts of the most significant reported incidents affecting the business unit or its subsidiaries (or the corporate function), assesses the level of compliance with risk guidelines and policies and whether an incident or project has highlighted the need to revise the guidelines. It may submit the principle of such a revision to the Group Risk Committee if appropriate. It devises and monitors action plans and performs a review of any alerts issued during the period in response to major incidents.

The operational risk management policy represents a formal description of the system.

ORSA process and economic capital management

ORSA is a continuous risk management process that coordinates and consolidates all Group processes for identifying, measuring, managing, overseeing and reporting risks. The purpose of ORSA is to:

- deploy a strategic risk management process throughout the Group based on upstream impact analyses conducted prior to any strategic risk acceptance decisions likely to significantly affect the risk profile, including strategic decisions made each year concerning such matters as financing policy, business planning, strategic investment policy and economic capital allocation, and one-off strategic decisions or events that significantly impact the risk profile, such as acquisitions/divestments of insurance businesses and the launch of new businesses or major new products;
- ensure compliance with the Group's risk appetite by regularly monitoring the business using risk indicators and business reviews prepared jointly with the business units and subsidiaries.

In 2016, the action plans launched following the analysis of operational stress test scenarios were pursued and new scenarios were defined that made a significant contribution to improving operational risk management. In 2017, the ORSA-defined consolidated Solvency Capital Requirement will be allocated among the business units based on their differentiated contribution to each of the risk scenarios.

Risk reporting

The Group Risk department produces annual ORSA reports for Executive Management and the Board of Directors. An ORSA report may also be produced if events transpire that are likely to significantly impact the Group's risk profile or risk perception in the strategic plan. The Group Risk department also provides Executive Management with a quarterly risk report. The reporting process involves identifying key risk indicators and setting up data collection procedures. The quarterly risk reports are also submitted to the members of the Audit and Risk Committee.

Working with the other departments concerned, the Group Risk department made preparations for drafting the Solvency II narrative reports for the public and the insurance supervisor that will be issued as from 2017. In addition, the work undertaken in 2015 with the Group Underwriting department to improve the quality of data used to calculate the main Solvency II quantitative indicators was extended to additional business areas in 2016. During the year, the Group Risk department also continued to develop faster and more reliable applications for data collection and Group risk reporting. These applications concern, for example, the quarterly calculation and analysis of Solvency II ratios, the ORSA process and the production of reports for submission to the insurance supervisor. Considerable work was undertaken to enhance documentation of Solvency Capital Requirement calculation models and the ORSA process. In 2017, the Group Risk department will continue its work on developing applications to automatically calculate risk measurement indicators and generate Solvency II reports. It will also focus on enhancing the applications' performance in order to ensure that target period-end closing deadlines are met and improve the reliability of forecast data.

Rolling the risk management model out to the subsidiaries

Roll-out of the risk management model to the subsidiaries, including those located outside Europe and not directly concerned by Solvency II, was completed in 2015. Each subsidiary (apart from "headquarters" units) has its own risk management and control framework and its own Chief Risk Officer (CRO) who reports on a dotted-line basis to the Group Risk Officer.

In 2016, action was taken to integrate the subsidiaries more deeply in the Group's risk governance and management processes. For each type of risk, the subsidiaries liaise closely with the Group Risk department. High level decisions concerning the subsidiaries are examined by the different Group-level committees.

2) Risk management process

Risk identification

The aim of identifying and assessing recurring risks is to provide governance structures with the information needed to manage the risks inherent to each business activity and to define a risk management strategy for the Group as a whole.

Three main categories of risk have been identified: financial risks, insurance risks (also known as underwriting risks) and operational risks. The main risks in each of these categories, the assessment methods and the control mechanisms are set out below.

As regards financial and accounting information, the main risks concern the quality of data, the fairness of the financial statements, compliance with accounting standards and compliance with the financial calendar. The Accounting and Tax department helps to identify these risks through careful monitoring of regulatory changes and planned new applications and processes.

Risk assessment and management

The three main categories of risks – financial, insurance and operational – are assessed separately. The interactions between these different risks are analysed in the Solvency II environment through required capital calculations and the ORSA process. The uniform risk assessment framework deployed throughout the Group in recent years represents the necessary underpinning for optimal allocation strategies between risk categories.

In 2016, quantitative risk assessment processes were enhanced by the stress tests initiated by the European Insurance and Occupational Pensions Authority (EIOPA). During the year, the opening Solvency II reports prepared at 1 January were submitted to France's banking and insurance supervisor (ACPR), as well as the quarterly reports and an ORSA report.

Financial risks

CNP Assurances, like all other insurers, is exposed to financial risks that 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 in practice they are also tracked on an aggregate basis in order to take into account any interaction between the different risk types. Development of allocation strategies by business unit has made it easier to factor in policy-related constraints more effectively.

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.

This exposes the Group to the risks of increasingly scarce liquidity and higher interest rates. In December 2016, Standard & Poor's reaffirmed the CNP Assurances' credit rating of A with a stable outlook. Taking advantage of favourable market conditions to reduce its financing costs and support business growth, the Company issued US$ 500 million worth of Tier 2 dated subordinated notes in January 2016 followed by €1,000 million of Tier 3 dated subordinated notes in October. The Company subsequently redeemed €870 million worth of undated subordinated notes in December 2016.

As part of the ORSA process, stress tests were performed to determine the terms on which the Group's Solvency Capital Requirement could be covered under various scenarios. Alternative financing solutions were also analysed to optimise the coverage cost.

Issuer credit risk

This risk arises from an increased probability of default or outright default on interest and/or principal payments on debt instruments acquired by the Group, negatively impacting investment yields, profit and solvency.

The Group has addressed this risk by diversifying its bond portfolio and implementing an enhanced system for tracking issuer credit risk for issuers and sectors experiencing difficulties. The Asset Risk Monitoring Committee meets regularly to set prudent exposure limits and monitor their application, and the Group Risk department regularly checks counterparty exposures using external data, such as published credit ratings, and an internal evaluation model. An issuer credit risk report analysed by issuer is submitted to the Asset Risk Monitoring Committee on a regular basis.

The growing sovereign debt crisis in recent years fuelled heightened uncertainty over the ability of certain sovereign issuers to service their debt. The Group is exposed to this risk through its investments in France and in its foreign subsidiaries. This risk is closely monitored by:

- analysing macroeconomic indicators for the countries concerned;
- performing stress tests using scenarios validated by the Strategic Asset Allocation Committee that are updated on a regular basis;
- splitting the Group's sovereign debt and banking sector risk exposure into exposure on own-funds portfolios and exposure on insurance portfolios (for which the Group's net exposure takes into account the impact on policyholder bonus policy and on assumptions concerning policyholder behaviour);
- factoring the difficulties currently being experienced by certain sovereign issuers into growth forecasts for the subsidiaries that do business in the countries concerned.

Improvements in the economic situations and budget deficits of the countries that are the main focus of the risk monitoring system, combined with massive sovereign debt purchases by the European Central Bank (ECB) have significantly reduced the risks and it is now possible to consider investing again in these issuers.

Credit risks specific to certain asset classes

CNP Assurances has for many years followed a conservative investment policy with regard to structured products and asset-backed securities. The Group is also exposed to counterparty default risk on derivative instruments and on securities lending and repo transactions. Exposure limits are set by product category and by counterparty, and are regularly reviewed.

Risks relating to financial market trends and volatility

Risk of asset/liability mismatch on traditional savings products

Mismatches between investments and liabilities generate a risk that asset yields will be less than the yield promised to or expected by policyholders. A significant, sharp change in interest rates or a slump in the equity markets could oblige the Group to draw on the policyholders' surplus reserve or reduce margins in order to continue paying competitive yields to policyholders. To gauge its exposure, the Group 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) of different macroeconomic scenarios and different sensitivities to key financial risk factors, especially a sharp increase or prolonged decline in interest rates;
- various assumptions concerning strategic priorities (investment strategy, profit-taking strategy, policyholder bonus policy, etc.) and policyholder behaviours (insurance purchases, top-up premiums, surrenders, transfers, etc.).

Interest rate risk

Interest rate risk is a key issue for life insurance companies. A sharp and sustained rise in interest rates after a long period of low rates could put pressure on margins or lead to an increase in 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. The Group also hedges interest rate risk using derivatives, caps and swaptions. 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 long period of low rates, by adapting its financial management strategy and policyholder yield policy, and also by adjusting the product offer. For example, minimum yields on traditional savings contracts could be calculated before deducting the loading. Another example, which had a positive impact over the whole of 2016, was the decision to withdraw the possibility for holders of certain old contracts to receive the contracts' high guaranteed yield on new top-up premiums.

Risks relating to falls in stock prices and stock market volatility

Stock market trends have a direct impact on the performance of the equity portfolios held by insurance companies. From the Group's perspective, the effects of a sharp fall in stock markets would be made worse by a concomitant rise in interest rates.

Over the past three years, the Group has gradually increased its investments in this asset class, while also purchasing derivatives to hedge the related risk.

Certain unit-linked policies sold by the Group include a capital guarantee. Under these policies, the policyholder bears the investment risk but is protected against an excessive fall in stock prices if an insured event occurs. The Group hedges this risk using options or reinsurance.

Risks relating to property, infrastructure and private equity investments

In 2016, the Group continued to increase the weighting of property and infrastructure investments in its asset portfolio, in line with the decisions of the Strategic Asset Allocation Committee. This strategy was influenced by medium-term inflation forecasts and the advantages of holding this class of assets under Solvency II. The property and infrastructure acquisition strategy reflects both specific objectives and market opportunities.

The Group has also developed strategies for investing in private equity, and property.

Currency risks

- The Group is exposed to currency risk 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 material insurance operations denominated in foreign currencies as well as by the fact that most portfolios are invested in euro-denominated assets. Some of these assets, particularly unlisted funds and investments, are hedged against currency risk.

- Borrowings denominated in foreign currencies. These borrowings may be hedged by cross-currency swaps, depending on their classification under IFRS.
- Net investments in foreign operations, particularly in Brazil. This risk may affect the value of the Group's past investments or their future contributions to consolidated earnings. In 2016, the risk was partially hedged, covering the Brazilian subsidiary's estimated contribution for the year to consolidated profit and the dividends receivable from the subsidiary.

Financial risks associated with the effects of climate change

As an insurance company, CNP Assurances contributes to the ecological and energy transition mainly through the choice of investments held in its asset portfolio. In 2015, it became one of the first insurance companies to commit to measuring and publishing the portfolio's carbon footprint. This commitment is part of the socially responsible investing (SRI) strategy implemented since 2006, which consists of selecting investments in part by reference to environmental, social and governance (ESG) criteria. Today, ESG screens are applied to 80% of assets.

CNP Assurances has also matched France's ambitious commitments as a member of the European Union to help keep the global temperature rise this century below 2°C, by supporting companies in implementing energy transition programmes and financing the drivers of a decarbonised economy. For example, the Company has given an undertaking to reduce by 20% the carbon footprint of the companies held in its equity portfolio (excluding equity funds) between 31 December 2015 and 31 December 2020. To this end, it is engaging in dialogue with the companies concerned.

It is also working to integrate these risks more deeply in the asset management strategy.

Underwriting risk

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 as part of the system for managing insurance risks.

Governance of these risks is based mainly on the analyses prepared to support strategic decisions and on the reviews performed by the Commitments Committee, the Liability Management Committee and the Underwriting Risk Committee. The issues examined at Group level in 2016 included innovations in the premium savings segment, model adjustments to take account of the persistently low interest environment, analyses of points-based contracts governed by Article L.441 of the French Insurance Code particularly in light of the regulatory changes currently under discussion, and monitoring of reinsurance cover and margins on term creditor insurance business, employee benefits plans and long-term care insurance.

Embedded value and the Value of New Business are calculated for CNP Assurances and each of its subsidiaries. The calculations are reviewed by the Auditors at each year-end and the values are disclosed in the Group's financial communications.

Further protection against underwriting risk is provided by the Group's reinsurance programmes which are approved every year by the Board of Directors. The programmes cover both outward reinsurance and inward reinsurance written for employee benefits institutions and subsidiaries, in line with the Board-approved policy.

Operational risks

The work carried out in 2016 mainly consisted of updating the risk profile, organising meetings of Operational Risk Committees in the business units and corporate functions, examining operational risk scenarios for ORSA purposes and monitoring implementation of related action plans, organising staff training on the topic of operational risk and giving new impetus to the incident reporting process. Projects were undertaken to reduce the principal remaining sources of operational risk, such as the management of unit-linked contracts. In addition, the option of taking out insurance cover for certain specific operational risks was examined and, where appropriate, cover was purchased.

In 2017, the Company will keep up its efforts to promote improved awareness of operational risks among the various departments and their teams, in particular through the work of the network of operational risk correspondents in these departments and through training seminars.

The practicality and effectiveness of the Business Contingency Plan (BCP), organised from the Company Secretary's office, and the IT security plan are 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.

Legal risks

The Group is subject to a growing number of increasingly complex laws, legal precedents and regulations. All of the Group's Legal Affairs departments report to the Company Secretary, with the exception of those that report to the HR department:

- the Group Legal department – which is part of the Company Secretary's office – manages the bulk of the Group's legal affairs:
  - the Insurance Laws & Taxation unit assists the various departments involved over an insurance policy's life cycle, notably by helping to reconcile the requirements to offer policyholders a high quality service and provide them with impartial advice, while keeping pace with changing regulations and understanding increasingly complex products,
  - the Corporate Law unit manages the risks related to the corporate life of the Group's French entities and contracts outside of the core insurance business, such as operations with partners for example. In 2016, it supported the French entities in rolling down Group policies and creating core functions. It also tracked the updating of outsourcing contracts to include the clauses required by Solvency II. With the Insurance Laws & Taxation unit, it contributed to drafting the contracts setting out the terms of the renewed partnerships with the BPCE and La Banque Postale groups. Lastly, it continued to provide a legal and contractual safety net for the Group's international businesses,

- a dedicated team is responsible for relations with the regulatory authorities. As part of the supervision process, the Group is faced with a growing number of requests for information and is also subject to regular audits. Staff spend a lot of time dealing with these requests and audits, and the work of the various departments and their responses need to be coordinated;

- the Data Protection Officer, who works out of the Company Secretary's Project Management and Processes Office, monitors the Company's compliance with legal obligations and handles policyholder queries.

The Group works hard to trace the beneficiaries of unclaimed settlements. Following an audit carried out by France's banking and insurance supervisor (ACPR), on the supervisor's orders a plan was implemented to increase the resources dedicated to this process. The Board of Directors received regular reports on progress towards fulfilling the undertaking to clear the backlog given to the ACPR at the end of 2015. This undertaking was fulfilled in 2016 and close attention is paid to ensuring that unclaimed settlements are now processed on a timely basis. As well as dealing with the backlog, the Company also developed a system to produce the unclaimed settlement reports that will have to be filed as from 2017 under France's Eckert Act.

The Group also closely monitors the risk that the Brazilian subsidiary will not receive a refund of the benefits paid on behalf of the Wage Difference Compensation Fund under the country's Home Financing System (SFH).

Money-laundering, fraud and corruption risks

Measures to combat money laundering and control financial flows have been deployed in all of the subsidiaries (alongside measures to comply with local regulations in international markets).

To comply with the regulatory requirements underlined by France's banking and insurance supervisor (ACPR) during its audit, the Group stepped up the controls performed directly and through distribution partners that are the first point of contact with insurance customers.

Significant work was carried out in 2016 and will be pursued throughout 2017 and 2018, to comply with the new rules resulting from the transposition into French law of the 4th European directive on money laundering and the financing of terrorism. This work includes updating risk classifications and procedures to check on French politically exposed persons and beneficial owners, strengthening certain controls, developing a system for the reporting of suspicious transactions to France's financial intelligence unit, Tracfin, and reviewing the terms of agreements with distribution partners.

Combatting the risk of fraud is an integral part of the risk management system. Projects have been undertaken to assess the control environment, define sensitive areas and identify incompatible functions, and devise tests and scenarios. Attempted and actual cases of fraud are examined closely and measures are implemented to plug the related breaches in the system. In 2016, three of the operational risk scenarios tested as part of the ORSA reporting process concerned fraud risk. The tests served to identify the changes needed to keep pace with a constantly evolving environment.

Following adoption of France's Sapin 2 Act, a plan was developed to strengthen the Company's anti-corruption measures. Scheduled for completion in 2017, the new system will include a formal anti-corruption policy, whistle-blowing system and amended code of conduct.

Risk of a conflict of interests

In terms of conflicts of interests, the Group is primarily exposed to market abuse risk. The related preventive measures are being updated to comply with the new European Market Abuse Regulation (MAR), with work scheduled for completion in 2017.

Reputational risk

The Group's exposure to reputational risk and more generally, to communication risk, has increased in recent years due to changes in its business model and the wider use of digital channels, particularly following the launch of the YOUSE digital platform in Brazil. Resources are in place to monitor and analyse CNP Assurances' image across all off- and on-line channels, and reputational crisis management processes have also been developed. In 2017, a formal reputational risk management system will be introduced.

Ongoing steering of the risk management system

The risk management system is organised around various committees dedicated to specific risk types. These committees were very active in 2016. The system contributes to fulfilling the requirements of Solvency II, Pillar 2. The aim is to cover all risks throughout the Group by leveraging existing risk maps. One of the cornerstones of the system is a quarterly risk reporting process.

In addition, simulations are performed of the potential effects on the Company's financial strength and headroom of different scenarios that incorporate the main underwriting, financial and operational risk factors. The results of these simulations form the basis of action plans drawn up to counter the risks and are presented to the Audit and Risk Committee and the Board of Directors. They are also included in the Group's ORSA report. The first formal ORSA report was submitted to France's banking and insurance supervisor (ACPR) in 2016, following the informal reports presented in 2014 and 2015 as part of the Solvency II preparatory phase exercises.

3) Financial and accounting information and communications

The Investor and Shareholder Relations unit produces the financial information communicated to the market (analysts, investors and rating agencies) and to private shareholders, with the help of the other departments concerned. Through their contributions and reviews, these departments help to avoid the risk of material errors or publication of incorrect information, to ensure that information is communicated on a timely basis, to avoid any breaches of confidentiality and to guarantee that all shareholders are treated equally.

The November 2016 investor presentation was the high point of the year in terms of Solvency II communication, while 2017 will see the publication of the first Solvency and Financial Condition Report (SFCR).

INTERNAL CONTROL SYSTEM

a) Objective

The internal control system is designed to ensure compliance with laws and regulations, application of instructions and guidelines issued by Executive Management, the proper functioning of the Company's internal processes, compliance with its strategic and efficiency-related objectives, and the reliability of financial information.

b) Components of internal control

1. Organisational framework

The Group Risk department leads the internal control process as part of its role in managing operational risks. The internal control unit of the Group Risk department is tasked with assessing the extent to which individual risks are effectively managed by performing regular reviews of controls over the risks inherent in the activities of the various processes. The results of control assessments and the related action plans are presented to the Executive Committee. Approximately 15 people work in the unit, assisted by a dedicated team of IT specialists for all IT-related risks.

Internal control assessments notably cover the processes to ensure the reliability of accounting and financial information.

2. Process-linked controls

The cornerstones of the internal control system are:

- the process manual, which describes the sequence of activities in each process;
- the business process risk map and related controls.

The internal control system is regularly adapted in response to changes in the Group's strategy and organisation, and to take account of the many information system upgrades and changes in the regulatory environment. For example, a major upgrade was launched following the Group's reorganisation based on business units and corporate functions decided in 2014.

In 2015, a large-scale project was launched to rationalise the list of risks and related controls for French entities, based on relevance and materiality considerations. In 2016, with support from the internal control units, the various Group departments acted to affirm the position of internal control in their respective activities. The action included strengthening the role within each department of the internal control correspondents who report to the department director and, in some business units, are responsible for the "coordination, risks and compliance" unit, the "risks, quality and partner coordination" unit or a similar structure. These correspondents coordinate the updating of the internal control system for their department and lead control campaigns initiated by the internal control unit among the employees concerned. In 2016, each director reviewed a list of his or her department's main risk exposures and the related controls.

In the international subsidiaries, the Group began deploying its internal control and risk management framework a few years back; however complete integration within governance processes is a long-term project. Significant progress has been made, notably in regions where requirements under Solvency II are stricter than local regulations as is the case in Brazil.

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 as a result of a new legal precedent or a change in regulations.

In response to these challenges, the Group has established procedures for monitoring changes in regulations and legal precedent, and for adapting policy terms and conditions and management practices accordingly. The Insurance Law & Taxation unit was created as part of the Group Legal department to anticipate and manage the risks arising from continually changing regulations, which can be complicated and difficult to interpret, as well as from new legal precedents. The main work undertaken in 2016 concerned (i) preparations for the application of the European Regulation on packaged retail and insurance-based investment products (PRIIPs); (ii) monitoring of legislative initiatives that would give policyholders annual policy termination rights and of recent legal decisions concerning term creditor insurance policies; (iii) adjustments in response to recommendations by France's banking and insurance supervisor and analysis of legal precedents concerning the eligibility of EMTNs for inclusion in funds underlying unit-linked life insurance policies; and (iv) the consequences of France's "Digital Republic" Act. The Group takes care to strike a balance between the flexibility provided by the new digital applications sought by policyholders and the legal risk arising from digital transactions (admissibility of electronic signatures, establishment of proof, documentation of advice, etc.).

Digital applications can give rise to a risk of insurance contracts losing their unique identity and the Group therefore pays special attention to the civil and tax law implications. Any loosening of the legal rules applicable to insurance policies could be a major source of confusion.

The Group seeks to continually improve the legal soundness as well as the clarity of all customer documentation, be it contractual or promotional. This approach includes systematic validation of new products by the Group's Legal and Compliance departments and complaint tracking by the business units. In addition, the Group has joined the mediation system set up by French insurers. Close attention is paid to the recommendations of France's banking and insurance supervisor (ACPR) regarding advertising by insurers and a process of formal validation by all units concerned using a compliance checklist has been fully integrated into the product launch process.

The agreements governing relations between the Group and its partners define the roles and responsibilities of each party, especially in the area of information and advice, and as such represent a key component of the control environment.

Policy administration

The administration of insurance policies is the bedrock of the Group's business model and as such calls for special care and attention. Procedures in this area must contribute to the efficiency of internal processes and guarantee high quality policyholder service. They are also key to achieving the Group's strategic and efficiency-related objectives. The policy administration centres are assigned to the business units based on their main business. At the same time, cooperation and the sharing of best practices between different teams is encouraged and every effort is made to maintain the consistency of shared processes and controls with the support of central teams. The Process Operations department, which is part of the Company Secretary's office, provides the business units with a cross-functional perspective that facilitates an effective response to risk management and cost issues.

In individual insurance, the main policy administration risks arise from the diverse product offer and the massive transaction volumes. Risk management is based on an approach developed jointly with the distribution networks to optimise administrative processes such as acceptance of insurance applications, production of policyholder information and settlement of claims and benefits. Efficient transaction processing is central to the Group's partnership approach with the distribution networks.

In addition to the regular production of monitoring indicators, controls in this area are based on:

- service level agreements signed with the partner networks, which have been updated to reflect the renegotiated partnership agreements (particularly those with BPCE and La Banque Postale) and include all Solvency II requirements;
- quality controls based on shared procedures and systems, and quality and efficiency standards;
- compliance checks on payment validations to ensure that payments are legally secure;
- monitoring of service quality, policy administration processes, investment performance, information systems and new products *via* special committees.

In 2016, all departments directly involved in policyholder services pursued projects to ensure that the services meet the highest quality and compliance standards. Most of these projects entail working more closely with partners, for example to optimise administrative processes in order to limit the number of suspense items and the time spent resolving them, increase the number of transactions processed automatically or give customers more independence in obtaining information and executing policy-related transactions.

Life insurers communicate with policyholders at least once a year *via* the annual policy statement. Considerable resources are required to produce these statements, particularly as their content changes regularly. ISO 9001 certification of the process is a guarantee of reliability. The certification was renewed in 2016 and now specifically covers the process's integrated risk management procedures. A project has been launched to upgrade policyholder communications, with the aim of replacing all letters and policyholder statements with e-mails and pdf files. Effective from 2016, quarterly account statements for some policies are only available in electronic form.

Several other projects are underway to replace paper documents exchanged with customers and partners. These digital solutions will help to deliver the improvements in service quality and efficiency targeted by the operational excellence plan while at the same time contributing to more effective controls. For example, the programme to upgrade administrative communications and processes through increased automation has made processing of death benefit claims much faster and more secure. The programme will be extended to policy life cycle processes in 2017.

In group insurance, controls have been established in the business units concerned to manage the risks associated with processes delegated to partners. These include:

- defining the partners' responsibilities and service level commitments through delegation contracts;
- making benefit payment channels more secure;
- producing business and technical account indicators and analyses by risk and by referral agent;
- providing training to raise awareness among partners of the Group's aims and challenges;
- performing audits under a multi-year risk-based plan and monitoring implementation of improvement action plans.

ISO 9001 certification of the "term creditor insurance process for banks and financial institutions" was renewed in 2016.

All employee benefits contracts will be transferred to a single administrative platform in 2017, making administrative transactions more secure and reliable while at the same time delivering improvements to customer service quality.

The controls are reviewed at regular intervals in light of regulatory developments, contractual modifications and partners' experience.

Investment management

The control system for managing investment portfolios is based on the following:

- guidelines adopted annually by the Strategic Asset Allocation Committee and updated as necessary during the year;

- investment strategies determined by rolling down these guidelines based on asset/liability studies and policyholder dividend objectives;
- Investment Committee approval of investment files;
- segregation between risk-taking and risk-management activities;
- monitoring of asset manager compliance with investment instructions and limits;
- strict control of positions *via* a securities information system that facilitates the control of financial flows and securities positions, as well as the monitoring of the exposure to market fluctuations of IFRS equity and profit;
- verification of compliance with asset allocations by individual portfolio and exposure limits by issuer or counterparty set by the Asset Risk Monitoring Committee, and tracking of allocated economic capital consumption;
- financial futures transactions carried out under the hedging strategies approved annually by the Board of Directors and managed and monitored by a dedicated unit.

The Simcorp Dimension software application streamlines and automates investment processing and provides more detailed and more frequent position controls and controls of financial projections prepared according to different standards (French GAAP, IFRS and Solvency II). This application has been interfaced with the accounting system since 2015. In 2016, the other-than-temporary impairment calculation, performance allocation and Solvency II reporting functions were deployed.

Renewal of the distribution partnerships and implementation of Solvency II were an opportunity to strengthen the asset managers' service level and control obligations as service providers responsible for outsourced "critical or important operation functions or activities".

The Group's investment policy is presented to the Audit and Risk Committee and approved by the Board of Directors.

Control of cross-departmental functions

Budget management and control

These activities include analysing performance and forecasting; preparing budgets and comparing actual performance to the budget; strategic planning and producing indicators. Planning involves translating into detailed projections the medium-term strategic priorities proposed by the Executive Committee and approved by the Board of Directors. 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 management indicators, with comparative trends versus the prior year and versus the market. Business performance is also analysed in detail in terms of earnings.

Monitoring international operations

The control environment in international subsidiaries 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 of these companies.

The International Partnerships department oversees the decisions taken by the international subsidiaries' governance structures and handles relations with partner shareholders. It liaises with the business units in order to deploy the policies and guidelines issued by the different corporate functions, which have their own correspondent networks for their specific areas.

In 2016, it oversaw and supported the transition to Solvency II by the international subsidiaries, in coordination with Group guidelines, as well as participating in and coordinating oversight of the YOUSE project to create the first digital platform in Brazil. In 2017, the department will continue to lead and monitor relations with international partners, and to participate in preparing and monitoring implementation of decisions made by the Boards of the international subsidiaries to support the Group's strategic priorities and interests.

Human Resources management

For the Group to achieve high quality, sustainable growth, it requires varied skill sets aligned with the needs of its business model and the transformations currently taking place. The Human Resources department, in conjunction with the Executive Committee, ensures that the necessary controls are in place covering all Human Resources risks in order to meet the following objectives:

- compliance with labour regulations and best practices and sustained employee dialogue: in 2016, agreements were signed on Human Resources planning and discretionary employee profit-sharing. In addition, the process for consulting employee representatives was aligned with the new requirements contained in the French Rebsamen and Macron Acts. The negotiations launched in 2016 concerning the quality of working life will be pursued throughout 2017. These negotiations concern, in particular, gender equality, the prevention of psycho-social risks, work life balance, the right to switch off, and home-working trials;
- deployment of an engaged social responsibility policy, in line with the Group's values and recognised by the Diversity Label – first received in 2009 and renewed in 2016 – including clear policies to combat all forms of discrimination and promote diversity;
- disciplined cost management in line with the Company's needs, and sustained strong investment in staff training in line with the commitments given in the Human Resources planning agreement signed in 2016;
- active participation in risk management and internal control systems through the development of training modules that forge a common vision of key risks and facilitate exchanges with management around these themes;

- involvement of managers at all levels in the chain of command in people-related issues and the quality of working life.

Programme and Information Systems management

Information systems play a crucial role in all of the Group's operations. The role of the Programmes and Information Systems department is to optimise the information systems' contribution to the Group's strategy, to guarantee system security and continuity of operations and to provide assurance concerning the quality of IT services and applications. It pays close attention to developing core competencies in-house and improving control over outsourced activities.

Control systems provide reasonable, but not absolute assurance concerning the reliability of applications, the quality of data and the protection of sensitive data. The department is currently focusing on the behavioural changes resulting from the rapid growth in digital applications, leading to the development of smartphone apps, paperless transactions and big data analyses, cloud computing and the use of social networks. In this way, it promotes front-line innovation and helps to optimise costs, quality and speed of processing. However, as systems become more open, the department is also increasingly concerned with ensuring that they operate in a secure manner, protecting data integrity and managing IT security. The programme to improve IT systems security covering the period 2015-2017 is designed to respond to an environment shaped by growing security risks. This programme is being led by the IT Security Officer, who reports to the Programmes and Information Systems Director. IT security processes include encryption of sensitive data, de-identification of personal data in non-production environments and implementation of access controls. An IT contingency plan is being developed to allow data processing operations to resume within 72 hours. Operational risk scenarios tested as part of the ORSA process included complete paralysis of the data centre, IT network failure, intrusion and fraud, as well as the theft, loss or alteration of sensitive data. A unit within the department is tasked with continually improving internal control of project management processes through regular risk updates and control rationalisation measures. In 2016, the Programmes and Information Systems department issued a formal information security policy and guidelines concerning the use of cloud-based external services. Its responsibilities also include dealing with information security issues related to initiatives launched by the business units and corporate functions. In 2016, an exercise was conducted to test the business continuity plan and, in 2017, work on systems access management will be completed.

The department also managed the Finance programme to adapt to the new accounting and regulatory standards. The programme included three IT projects that had a major impact on internal control: replacement of the accounting system in France, redesign of the Group asset management application and development of the modelling and simulation application. Additional applications and technical upgrades were completed during 2016. A programme is also underway to significantly improve the insurance platform based around the four strategic imperatives of business development, service quality, compliance and efficiency. The Lyfe digital healthcare and wellness services platform launched in 2015 was enhanced.

A new approach designed to improve the project management process was deployed. A special committee validates the department's input, by obtaining the agreement of all relevant units to the proposed solution taking into account the choices made in terms of architecture, security, production, risk management and investments. In 2017, the project management approach will be further adapted in order to deploy new IT resources when they are needed by the other departments. The department will also maintain strict controls over the quality of applications put into production and their alignment with the defined management framework, in order to improve the level of security of future operations.

Data quality

A specific quality assurance project has been deployed, to improve data quality and controls, especially data used to monitor risks and prepare the financial statements and regulatory reports. The project's initial objectives concerned key data for the largest portfolios and strategic Solvency II data. Its scope was extended in 2016 to include employee benefits contracts.

As a result of this project, the Group is now able to produce a formal assessment of data quality, prepared through a documented process covering (i) compilation of a data dictionary and description of their life cycle based on a data flow and control map; (ii) sensitivity tests to identify key data and set control validation thresholds; (iii) execution of controls, description of the main weaknesses and development of improvement plans, and (iv) measures to make owners more accountable for the quality of their data. Alongside this project, the various automatic data transmission applications put into production recently by the employee benefit plan partners and term creditor insurance partners, the drive to gather more data from partners and the use of data warehouses will all help to improve data reliability at source. Similarly, the Finance programme projects and various other projects conducted by the corporate functions and business units, such as the Multi-standard Liabilities Platform and Pension Solutions Platform projects, help to drive continuous improvements in the reliability and traceability of data processing operations.

Control over outsourcing

The Operational Risk Committees set up in each business unit or corporate function are in charge of managing outsourcing risks in accordance with the outsourcing policy drawn up by the Board of Directors. In 2016, the process of revising critical outsourcing contracts was pursued, to include clauses allowing the Group to monitor and control these activities in accordance with Solvency II requirements. Systems to more closely manage outsourced activities are gradually being deployed, covering the quality of service provided to policyholders and the Group and compliance issues. In 2016, two of the operational risk scenarios tested as part of the ORSA reporting process concerned a sub-contractor's failure to perform outsourced IT operations or other critical activities.

During the year, the Outsourcing Commitments Committee reviewed proposed new outsourcing contracts and contracts coming up for renewal, to ensure that they complied with the Group's outsourcing rules and policy. It also identified the activities outsourced by the Group that qualified as critical or important.

Digital transition

In 2016, the Group completed the initial developments under the digital transition programme led by the Chief Digital Officer. These developments covered all aspects of the transition, including relations with customers, partners and employees.

c) Steering the internal control system and regularly reviewing its effectiveness

The Group has set up a system of internal control self-assessments based around the five components of the common risk management framework. The procedure, which is deployed on an twice-yearly basis and involves all employees, provides an internal quality assessment that is validated by the line managers' direct superiors who may propose corrective action if necessary. Critical controls that are deemed to be insufficient systematically give rise to short-term action plans and specific monitoring procedures.

The internal control unit of the Group Risk department is organised around the business units and corporate functions. Critical controls over the main risks identified by the heads of the business units and corporate functions are tested by the internal control unit using sampling techniques applied to at least one-third of the controls in order to validate the reliability of the self-assessments. Furthermore, specific tests are performed to check the suitability of self-assessments, gauge their reliability and check the level of risk coverage. Findings from these assessments are communicated to the line managers and relevant members of the Executive Committee. Action plans are put in place to address the identified weaknesses.

As explained above, a major project was launched in 2016 to upgrade and rationalise critical controls. Exchanges with the various departments and their increased involvement in the system helped to anchor risk management concerns more deeply in the minds of operations staff, while maintaining a consistent approach between departments. An initial wave of tests on controls that had previously been identified as critical was performed in the second half of 2016. New critical controls were also defined and work began on their documentation, so that they could be tested in 2017. The business units and corporate functions will continue the process of rationalising the list of other risks and controls implemented by operations staff at their level under the overall supervision of the internal control unit.

d) Compliance function

The Group Compliance department performs the compliance function required by Solvency II. Its role consists mainly of closely monitoring product compliance risks and the legitimacy of financial flows, in line with the money laundering and terrorist financing provisions [(1)] of the compliance policy approved by the Board of Directors.

In 2016, it supported implementation of the many new laws, regulations and legal precedents. It also partnered the product development process by reviewing the related contractual, commercial and advertising documents, examining the compliance issues arising from new types of unit-linked products, particularly those considered as complex, and drawing up the list of permanent and occasional insiders. In 2016, it initiated the drafting and updating of a code of conduct and policies dealing with such issues as conflicts of interests and corruption that will be finalised in 2017, as well as overseeing adaptation of the existing anti-money laundering system.

In 2017, formal definition of compliance checks in conjunction with the rationalisation of the internal control system will provide a basis for the preparation of a compliance plan to be submitted to the Board of Directors.

e) Procedures contributing to the preparation of financial and accounting information

1. Assessment of underwriting results

The Underwriting department is responsible for the actuarial function required by Solvency II. Its activities include assessing the Group's underwriting indicators from different angles (embedded value and new business value, and technical reserves under French Gaap, IFRS and Solvency II) and forecasting underwriting results.

The department also has a separate technical summaries unit which prepares guidelines for technical reserves and MCEV© [(2)], conducts actuarial research and development work, and prepares the summaries and analysis reports required by the Underwriting department. In 2016, it pursued work on (i) the underwriting commitment modelling and calculation resource, taking into account negative interest rate scenarios or more detailed expense models; (ii) improving the reliability, automation and security of calculation processes; (iii) documenting the models; and

(1) Additional information: a report by French insurance supervisor ACPR, received in 2016, identified weaknesses requiring the implementation of a major action plan

(2) Market Consistent Embedded Value©

(iv) preparing presentations of the model's main components and period-end assumptions to Executive Management. The actuarial function's report on technical reserves, underwriting policy and ceded business, prepared in application of Solvency II, provides an overview of commitments for the Underwriting department and the Board of Directors.

2. Management of tool and process development

Upgrades of tools and processes form part of the Finance programme. They are designed to meet key challenges such as speeding up the publication of the financial statements, integrating new standards and generating automatic reconciliations of financial information prepared under different standards (IFRS, Solvency II, MCEV©, etc.). There have been major changes since 2014 to the Group's consolidation application and process, the general ledger system, the subsidiary accounting system used for investments and the application used to calculate technical reserves. Additional applications and technical upgrades were completed during 2016.

3. Accounting and preparation of financial statements

Controls over the accounts closing process include:

- a documented accounts closing process and governance procedures based around committees that meet on a regular basis (every week during closing and every two weeks between two closings) for the purpose of organising the process, tracking progress and determining the action to be taken to deal with any problems;
- first-tier controls performed by the teams in charge of preparing the financial statements, with preparation of analysis notes (for example, analyses of each business's contribution to profit);
- second-tier controls performed by the Group Accounting department's team responsible for analyses and controls and multi-standard reporting. These controls include period-on-period analytical reviews by product and reconciliations of actual to forecast results. The financial statements are reviewed by a dedicated team;
- close involvement of the Accounting and Tax department in internal control campaigns.

For the preparation of the consolidated financial statements, in addition to the process described above, instructions are sent to the subsidiaries before each accounts closing, the consolidation packages are checked (through a combination of programmed controls and controls performed by the Group Accounting department) and frequent exchanges take place between the accounting teams and local Auditors.

In 2015, all the statutory and regulatory reporting processes at both Company and Group level were reviewed in connection with the transition to Solvency II, with the aim of both speeding up publication of the financial statements and improving the quality of published information in a multi-standard environment. The new system for managing the multi-standard closing process was deployed in 2016 for the Solvency II narrative report and opening Solvency II reports prepared at 1 January 2016 submitted to France's banking and insurance supervisor (ACPR), as well as for the quarterly reports submitted to the ACPR. At the same time, work continued on interfacing upstream asset and liability management resources with the accounting system.

4. Identification of publication requirements

Three departments, each with its own specific skills, are involved in identifying and producing information for the markets: the Investor and Shareholder Relations unit, the Accounting and Tax department, and the Corporate Law unit. The operational ties forged with correspondents at the AMF have also helped enhance the financial communication process.

INTERNAL AUDIT

The final level of control is provided by the Internal Audit department. This department performs the internal audit function required by Solvency II for the Group and for subsidiaries that are too small to have their own internal audit team. It assesses the relevance and robustness of the Group's general control system. During the department's audits, it also assesses the design and effectiveness of the internal control and risk management processes deployed in the audited activity or business process, and recommends quality and compliance improvements. Since 2008, the Internal Audit department has held a quality certification awarded by the French Institute of Internal Audit and Internal Control (*Institut Français des Auditeurs et Contrôleurs Internes* – IFACI). In 2014, the department's IFACI certification was renewed for three years expiring at the end of 2017.

A team of 18 people work for the Internal Audit department (with an additional auditor due to be hired in 2017), supported by 11 local Auditors based in the subsidiaries (with another two due to be hired in 2017).

The internal audit policy rolled out across the Group provides for a multi-year audit plan ensuring that all significant risks are audited within a five-year period, or more often if necessary. The planned audits concern the management of risks identified and monitored by the Group Risk department, process efficiency, and the quality of customer risk management in an overall approach to risks likely to have an impact on the Group. The internal audit plan takes into account:

- the findings of the internal control and compliance assessment process;
- interviews conducted with the risk governance structures and the other Solvency II critical functions (risk management function, actuarial function, compliance function);

- audits performed by the banking and insurance supervisor (ACPR) and the Statutory Auditors;
- changes in the regulatory framework and risk environment (digital risks, emerging risks, etc.);
- the expertise and number of people and days available for each audit.

It also takes into account 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 Board's Audit and Risk Committee. The Group's governance bodies may also ask the internal Auditors to conduct audits not initially included in the plan.

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 partner networks. Wherever possible, risk assessment and management processes are adapted in response to changes in its business environment and new identified risks.

As with any risk management and internal control system, CNP Assurances' system cannot provide absolute assurance that possible weaknesses will be eliminated. Nevertheless, the Group considers that its system is appropriate for its business model and provides reasonable assurance that its objectives are met in a satisfactory manner.

5.2 Governance structure

French company law sets the general framework for the governance structure of listed companies, which are then free to decide the details of their governance.

CNP Assurances' governance structure, the organisation of its governing bodies and their areas of expertise 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.

CNP Assurances complies with the legal and regulatory standards that apply due to its status as an insurance company and a listed company, and also applies, to the extent possible, the recommendations outlined in the AFEP–MEDEF Corporate Governance Code adopted by the AMF [(1)]. Any instances of non-compliance with this code are listed and explained 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.

In practice, the Company's governance aims to sustain durable and efficient value creation processes that comply with the wishes of internal and external stakeholders as well as CNP Assurances' own ethical guidelines. The Company also pays close attention to regulatory guidance, rating agency opinions and the recommendations of shareholder advocacy groups.

CNP Assurances has three governance bodies: the Board of Directors, Executive Management and the Executive Committee.

(1) AMF recommendation DC-2012-02 presents in a single document all the recommendations applicable to companies that refer to the AFEP-MEDEF Corporate Governance Code as revised in November 2016

5.2.1 Allocation of duties and responsibilities

Since 10 July 2007, the position of Chairman of the Board of Directors has been separated from that of Chief Executive Officer.

Under the current governance structure, the Board of Directors is responsible for deciding the Company's strategy and overseeing its implementation. It examines all issues affecting the efficient management of the business and decides all matters that concern the Company, in line with the corporate purpose and with the exception of those matters which, by law, can only be decided by Executive Management or by the shareholders in General Meeting.

The Board approves the Company's financial statements and obtains assurance concerning the quality and reliability of financial and other information given to shareholders and other stakeholders. It also obtains assurance concerning the effectiveness of the Company's internal control and risk management systems. These three roles are fulfilled jointly with the members of Executive Management, who are responsible for preparing matters for submission to the Board and drafting proposals. The Board then reviews these submissions and decides whether to approve the proposals.

The fundamental role of the Board of Directors is to inform shareholders, in particular by approving the annual financial statements for publication and producing a management report. It also oversees the actions of corporate officers by performing all verifications that it considers appropriate.

The Board fulfils other specific roles, such as authorising agreements between the Company and corporate officers, directors or shareholders representing over 10% of the voting rights, appointing corporate officers, assessing their performance and determining their remuneration, allocating among Board members the directors' fees awarded by the General Meeting and calling General Meetings.

The membership of the Board of Directors is governed by a shareholders' agreement and comprises a mix of executive and independent directors with a range of skills and experience aligned with the Company's specific features. Nearly half of the Board members (44.4%) are women.

One of the Company's governance objectives is to elect directors whose skills and experience add to and complement those already represented on the Board, in order to respond effectively to the Company's new strategic challenges such as mastering the digital transition, innovation processes and emerging technologies.

The Board of Directors currently has 18 members, who all have access to a regular flow of information and other appropriate resources.

The directors are highly committed and offer an array of complementary skills and experience (in finance, banking, international business, etc.). Some of them also have in-depth knowledge of the Company's history and business environment. They all have excellent attendance records at meetings of the Board and its committees.

The quality of governance depends on the directors' sustained commitment.

This method of governance, which is supported by three committees of the Board with clearly defined terms of reference that are free to organise their work as they see fit in preparing Board discussions, simplifies the decision-making process in a business that places an extremely high value on being able to innovate and adapt.

The Board of Directors is aware that close relations between the Board and management are of critical importance, especially due to the complexity of certain issues. For this reason, members of the Finance and Internal Control departments are invited to attend meetings of the Board and its Audit and Risk Committee, to provide insight into accounting and financial information and the Company's financing strategy, as well as to explain certain technical points.

The Statutory Auditors may also be invited to make presentations to the Audit and Risk Committee.

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 strategic priorities throughout the Company and the Group. 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 some of its powers to the Chief Executive Officer for the implementation of Board decisions and decisions 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.

For this reason, certain strategic transactions must be submitted for prior review to the Board of Directors before any decision is made by Executive Management. For example, the Board's internal rules stipulate that the prior approval of the Board of Directors is required for certain material decisions by the Chief

Executive Officer concerning such matters as business acquisitions and divestments in excess of €50 million per transaction or the issue of guarantees in excess of €100 million per commitment.

The allocation of duties and responsibilities within the Company was adapted as follows to pave the way for the introduction of Solvency II governance requirements applicable since 1 January 2016:

- two people are effectively responsible for running the undertaking and four senior executives are in charge of key corporate functions (internal audit, actuarial analysis, risk management and compliance);
- the Board of Directors has adopted written policies and prepares reports intended for France's banking and insurance supervisor (ACPR) or the general public;
- more stringent requirements are applied in terms of the professional qualifications and proof of good repute of people in charge of key functions.

The Board's prerogatives are offset by the overriding power of the General Meeting, which has sole authority to elect directors, approve the annual financial statements, authorise (or delegate to the Board of Directors its power to authorise) share issues or cancellations, and amend the Company's Articles of Association.

The Board takes a consensus-based approach in compliance with ethical standards, corporate values and all applicable laws and regulations. When conducting its duties and taking decisions, the Board acts in a completely independent manner.

To ensure the quality of the Board's governance while encouraging the transmission of knowledge and experience to new directors, in June 2012 the Company amended its Articles of Association to allow for a staggered Board, with the entire Board being re-elected over a period of five years. This period was gradually reduced to four years following the General Meeting of 6 May 2014. The Annual General Meeting of 13 April 2017 will therefore be asked to re-elect six directors whose terms expire at the close of the meeting.

5.2.2 Separation of the positions of Chairman and Chief Executive Officer

The converging recommendations of the AFEP–MEDEF Corporate Governance Code and the AMF encourage companies that have opted to separate the positions of Chairman of the Board of Directors and Chief Executive Officer to specify the Chairman's duties in detail. In the case of CNP Assurances, this description is provided in the Board's internal rules.

The French Commercial Code states that the Chairman is responsible for overseeing the efficient operation of the Company's governance structure and leading meetings of the Board.

This role does not concern exclusively the Board's organisation and practices. Particular mention is made in the Board's internal rules of the Chairman's role in representing the Company in its public relations, notably with major partners or government authorities, at national or international level.

Decisions are made by the Board according to a structured and documented process.

The Deputy Chief Executive Officers and executives in charge of the business units and corporate functions are regularly invited to attend Board Meetings to help the Board understand their respective risks, responsibilities and challenges.

RESPECTIVE ROLES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Chairman

The Company's Board of Directors is chaired by Jean-Paul Faugère.

The role and responsibilities of the Chairman as defined in the French Commercial Code include responsibility for:

- calling meetings of the Board of Directors and setting the agenda;
- chairing meetings of the Board of Directors;
- chairing General Meetings called by the Board of Directors;
- reporting on the Board's work to the General Meeting (in the Board's management report and the Chairman's report on internal control and risk management);
- determining the confidential information presented at Board Meetings that will be subject to the directors' duty of discretion;
- submitting related-party agreements and commitments to the Board for approval and informing the Statutory Auditors of these agreements.

The Chairman ensures that the Board members respect the roles and prerogatives of Executive Management. He also makes sure that the directors are attentive to the impact of the Board's decisions on the Company's medium- and long-term growth. He makes sure the Board of Directors is kept permanently informed of all of the Company's activities and performances.

The Chairman organises and leads the work of the Board of Directors, calling meetings at least four times per year, or more frequently if warranted by circumstances. In 2016, the Board met eight times (nine times in 2015). The Chairman ensures that the administrative, management and supervisory bodies operate efficiently in accordance with best practices, especially concerning the transparency of decision-making processes, with a particular focus on the clarity, accuracy and completeness of information provided to the Board in respect of matters submitted for its decision.

The Chairman is closely involved in the Company's strategic management. He meets with the Chief Executive Officer every week (or more frequently if necessary) to receive information about material events and situations that concern the Company's strategy, organisation, major investment or divestment projects or other matters.

He participates in internal strategy meetings chaired by the Chief Executive Officer, notably meetings to discuss the distribution agreements with the Company's main partners.

He chairs meetings of the Committee tasked with preparing Board decisions, which are also attended by the Chief Executive Officer and the Executive Committee members concerned. The topics covered by the Committee include:

- the annual budget;
- the annual and interim financial statements;
- policies submitted for Board approval in accordance with Solvency II governance rules.

Prior to the Board Meetings at which these topics are discussed, the Chairman receives the information needed to fully understand the Company's risk exposure so that, if necessary, he is able to influence the Board's decision. To this end, he receives advance briefing documents from the Group Risk Committee and the Strategic Asset Allocation Committee, allowing him to discuss the topic concerned with the Chief Executive Officer prior to the Board Meeting.

He may also attend meetings of the Audit and Risk Committee of the Board of Directors. He receives copies of the audit reports as soon as they are issued. He may also commission special audits or ask for additional work to be performed as part of the audit plan discussed by the Board of Directors.

The Internal Audit Director and the Compliance Director are appointed by the Chief Executive Officer after seeking the Chairman's opinion.

The Chairman has broad and continuous access to necessary relevant information. He may consult the heads of the business units and corporate functions at any time and in particular for the preparation of his Annual Report on internal control and risk management, holding one-on-one meetings with them where necessary after informing the Chief Executive Officer.

He receives the quarterly risk reports and monthly management reports, as well as summary information about operations with the main distribution partners.

Chief Executive Officer

The Company's Chief Executive Officer is Frédéric Lavenir.

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 decided by the Board of Directors, as set out in its internal rules which may be consulted on the CNP Assurances website [1]. These restrictions concern in particular acquisitions (aside from portfolio management transactions) exceeding certain financial limits or that are not fully aligned with the strategy decided by the Board.

The Chief Executive Officer actively participates in 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 update the strategy decided by the Board.

The Chief Executive Officer is assisted in his managerial and operational duties by the Deputy Chief Executive Officers and the members of the Executive Committee.

(1) http://www.cnp.fr/en/The-Group/Governance/Corporate-governance

5.2.3 Executive Management procedures

The Chief Executive Officer is responsible for managing day-to-day operations. A key concern of Executive Management is to ensure that internal operations comply with the policies and strategies decided by the Board and that the link between strategy and shareholder value is maintained.

The Chief Executive Officer set up an Executive Committee to lead the Group's operations and implement the strategy decided by the Board of Directors. The Committee comprises the Company's three Deputy Chief Executive Officers and nine other senior executives.

The Executive Committee generally meets once a week. As well as acting in a strategic planning role, it coordinates and rolls out Group-level initiatives and monitors cross-functional projects. It combines a very broad range of technical, marketing, managerial and operational skills within an internal structure.

The Executive Committee discusses cross-functional and strategic management issues for final decision by the Chief Executive Officer. Periodic management indicators are used to track the Group's business.

The Committee reviews budgets, long-term business projections, financial statements, financial investment strategies, profit forecasts by business segment and embedded value estimates of the Company. It also reviews proposed acquisitions and the business plans of the main French and foreign subsidiaries.

It oversees the consistency of action plans implemented by the business units and subsidiaries. It monitors the Group's results and financial ratios and reviews the action plans to be implemented by the Group. It particularly focuses on ensuring the efficiency of internal control, internal audit and risk management systems, which are key drivers of good corporate governance.

Summary minutes are kept of each Executive Committee Meeting and extracts from the minutes are issued to the heads of the business units concerned as required.

At least one Executive Committee member sits on the Board of Directors of each of the main subsidiaries, providing further assurance of consistent strategic management across the Group. In addition, CNP Assurances' Executive Management coordinates operational management of the Group's international partnerships.

The Chief Executive Officer holds regular meetings with the Group's main executives. Each participant is responsible for rolling down the information and discussion process to his or her level, for example by organising Management Committee Meetings or meetings with team members.

Antoine Lissowski, Deputy Chief Executive Officer and Finance Director, has been designated as one of the two people who effectively run CNP Assurances. In accordance with Article R.322-168 of the French Insurance Code, he has broad responsibility for and authority over the Company's business and risks and is involved in strategic, budget, financial and other decisions that have a material impact. As of 1 February 2017, the Company has a third Deputy Chief Executive Officer.

5.3 Members 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

EDUCATION:

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

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

1,500

MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Remuneration and Nominations Committee and Chairman of the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Chairman of the Board of Directors of CNP Assurances

Jean-Paul Faugère was elected to the Board of Directors 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*). He was appointed Chairman by the Board on the same day.

PROFESSIONAL EXPERIENCE

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)
- Listener (*auditeur*) at the *Conseil d'État* (French supreme administrative court) (1982)
- Counsel (*maître des requêtes*) of the *Conseil d'État* (1986)
- Deputy Secretary General of the *Conseil d'État* (1986-1987)
- Technical advisor to the Minister 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 *département* (1997-2001), then for the Vendée *département* (2001-2002)
- State councillor (1998)

Jean-Paul Faugère has been Chairman of the Board of Directors of CNP Assurances since 29 June 2012.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *director*

Other directorships and functions

- Icade (listed SA), *director and member of the Strategy Committee*

5

FRÉDÉRIC LAVENIR

BORN:

11 June 1960

NATIONALITY:

French

EDUCATION:

HEC and *École nationale d'administration*

BUSINESS ADDRESS:

CNP Assurances
4, place Raoul Dautry
75015 Paris, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

4,000

Main function: Chief Executive Officer of CNP Assurances

Frédéric Lavenir was elected to the Board of Directors by the Annual 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).*

PROFESSIONAL EXPERIENCE

Frédéric Lavenir began his career at the French Inspectorate of Finance in 1986 before joining 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 Minister of the Economy, Finance and Industry from 1997 to 2000.

He joined the BNP Paribas Group in 2001, becoming Chief Executive Officer and then Chairman and Chief Executive Officer of BNP Paribas Lease Group. From 2007 to end-September 2012 he was Human Resources Director and a member of the Executive Committee of BNP Paribas Group.

Frédéric Lavenir has been Chief Executive Officer of CNP Assurances since 26 September 2012.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *director*
- Arial CNP Assurances (SA), *Chairman of the Board of Directors*

Other directorships and functions

- Caisse des Dépôts, *member of the Group Management Committee*
- ADIE (Association pour le droit à l'initiative économique*), Chairman since 1 September 2016*

PIERRE-RENÉ LEMAS

BORN:

23 February 1951

NATIONALITY:

French

EDUCATION:

Postgraduate degree in Public law, 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

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Remuneration and Nominations Committee of the Board of Directors of CNP Assurances

Main function: Chief Executive Officer of Caisse des Dépôts

Pierre René Lemas has been a representative of Caisse des Dépôts on the CNP Assurances Board of Directors since 2 June 2014.

Caisse des Dépôts was re-elected to the Board of Directors by the Annual General Meeting of 28 April 2016, for a term of four years *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

- Deputy Prefect of the Dordogne *département*, followed by the Val-de-Marne *département* (1981-1983)
- Member of the Office of the Home Affairs Minister (1983), then Technical Advisor in charge of decentralisation and deconcentration (1984-1986)
- Deputy Director of Overseas Departments at the Ministry for Overseas Departments and Territories (1986-1988)
- Advisor to the Home Affairs Minister, Director of the Office of the Secretary of State in charge of Local Authorities (1988), then Director General of Local Authorities at the Home Affairs Ministry (1989-1992)
- Prefect of the Aisne *département* (1992-1994)
- Deputy Director for Territorial Development and Regional Action (1994-1995)
- Director of Housing and Construction at the Ministry of Housing (1995-1998)
- Director General of Urban Development, Housing and Construction at the Ministry of Public Works (1998-2000)
- Director General of Administration at the Home Affairs Ministry (2000-2003)
- Prefect of Corsica, Prefect of Southern Corsica (2003-2006)
- Prefect of Lorraine Region, Prefect of Moselle (2006-2007)
- Director of *Journaux Officiels* (legal gazettes) (2007-2008), then Director General of Paris Habitat (2008-2011)
- Director of the Office of the President of the French Senate (2011-2012)
- General Secretary to the French President (2012-2014)

Pierre-René Lemas has been Chief Executive Officer of the Caisse des Dépôts Group since 21 May 2014.

Directorships and functions outside the CNP Assurances Group

- Caisse des Dépôts, *CEO and member of the Executive Committees of Caisse des Dépôts and of the Group*
- Fonds de Réserve pour les Retraites (FRR) (public institution), *Chairman of the Management Board*
- BPI Group (SA), *Chairman of the Board of Directors*
- La Poste (SA), *representative of Caisse des Dépôts, director and member of the Remuneration and Nominations Committee*
- Le Fonds Marguerite – European Fund, *member of the Supervisory Board*
- SNI (SAEM), *Chairman of the Supervisory Board*

5

DELPHINE DE CHAISEMARTIN

BORN:
14 July 1970

NATIONALITY:
French

EDUCATION:
MBA from York University, Toronto (Canada)
Degree in Accounting and Finance from EM Lyon Business School

BUSINESS ADDRESS:
Caisse des Dépôts
51, rue de Lille
75356 Paris 07 SP, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:
200

Main function: Head of Financial Institutions and Private Equity, Group Steering department of Caisse des Dépôts

Delphine de Chaisemartin was appointed as a director of CNP Assurances by the Board of Directors on 8 November 2016 to replace Odile Renaud-Basso, who had resigned. She was appointed for her predecessor's remaining term *(current term expires at the Annual General Meeting called in 2017 to approve the 2016 financial statements).*

PROFESSIONAL EXPERIENCE

Delphine de Chaisemartin began her career with Compagnie Parisienne de Réescompte as fixed income desk risk and results supervisor. In 1997, she moved to PricewaterhouseCoopers where she served as an Audit Manager in the Financial Services group.

- In 2002, she joined Société Générale Corporate & Investment Banking, as Deputy Director then Director, Financial Control of Operations.
- In 2006, she moved to the New York office of Société Générale Corporate & Investment Banking, to take up the position of Chief Operating Officer for the interest rate, loan and financing market business.
- Since 2012, she has been Director of the Financial Institutions unit of the Group Steering department of Caisse des Dépôts.

Directorships and functions outside the CNP Assurances Group

- Société de Financement Local (SA), *director, member of the Remuneration and Nominations Committee, member of the Audit and Risk Committee*
- La Banque Postale Collectivités Locales (SA), *director*
- Bpifrance Financement (SAS), *director, member of the Financing and Guarantees Committee, member of the Innovation Committee, member of the Audit Committee, member of the Risk Committee, member of the Nominations and Remuneration Committee*
- Qualium Investissement (SAS), *director, member of the Qualium Fund Advisory Committee*
- Innovation Capital (SAS), *representative of Univers 12 on the Supervisory Board until 23 September 2016*
- Caisse des Dépôts Entreprises Elan PME, *Chairman of the Board of Directors since 9 February 2016*

Directorships and functions held in the period 2011 to 2015

- Dexia Crédit Local (SA), *director (term expired January 2013)*
- Sofired (SAS), *director (term expired September 2014)*
- France Brevets (SAS), *director (term expired October 2014)*

VIRGINIE CHAPRON DU JEU

BORN:

13 October 1961

NATIONALITY:

French

EDUCATION:

Graduate of *Institut d'Études politiques de Paris*, postgraduate degree in foreign trade from Paris IX-Dauphine University and Master's degree in financial management/management control from Paris IX-Dauphine University

BUSINESS ADDRESS:

Caisse des Dépôts
56, rue de Lille
75007 Paris, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

Main function: Group Finance Director, Caisse des Dépôts. Member of the Management Committees of Caisse des Dépôts and the Group

Virginie Chapron du Jeu was elected to the Board of Directors 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).*

PROFESSIONAL EXPERIENCE

Virginie Chapron du Jeu held various management positions with IXIS CIB (2004-2007), CDC IXIS (2001-2004), Caisse des Dépôts et Consignations (1989-2001) and OSEO (1986-1989).

After serving as Director of the Financial Ratios, Deposits and Complex Financing unit in the Savings Funds Division of the Finance department of Caisse des Dépôts et Consignations from 2007, she worked as Project Director reporting to the Deputy CEO of Caisse des Dépôts et Consignations between October 2011 and February 2013, when she then became Investments and Accounting Director in the Pensions and Solidarity Division.

She has been Group Finance Director since 1 September 2016.

Directorships and functions outside the CNP Assurances Group

- Caisse des Dépôts, *Investments and Accounting Director in the Pensions and Solidarity Division until 31 August 2016. Group Finance Director and member of the Management Committees of Caisse des Dépôts and the Group since 1 September 2016*
- AEW Europe (SA), *representative of Caisse des Dépôts, director until 25 July 2016*
- CDC Placement (SA), *director until 4 November 2016*
- Humanis Retraite Arrco (supplementary pension plans)*, director*
- BPI France SA, *director, member of the Risk Committee and the Audit Committee*
- Novethic, *Chairman and member of the Strategy Committee since 16 September 2016*
- CDC GPI (SA), *representative of Caisse des Dépôts, director since 26 September 2016*
- CDC GPII (SA), *representative of Caisse des Dépôts, director since 26 September 2016*

Directorships and functions held in the period 2011 to 2015

- Caisse des Dépôts, *Investments and Accounting Director in the Pensions and Solidarity Division (February 2013 to August 2016)*
- Caisse des Dépôts, *Project Director reporting to the Deputy CEO of Caisse des Dépôts (October 2011 to February 2013)*
- Caisse des Dépôts, Savings Funds Division, Finance department, *Director of the Financial Ratios, Deposits and Complex Financing unit (June 2007 to October 2011)*

5

PAULINE CORNU-THENARD

BORN:

30 November 1979

NATIONALITY:

French

EDUCATION:

Attorney-at-Law admitted to the Paris Bar
Post-graduate degree in Banking and Finance law (Paris II Assas University)

BUSINESS ADDRESS:

Caisse des Dépôts
51, rue de Lille
75356 Paris 07 SP, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

Main function: Deputy Director, Legal and Tax department, Caisse des Dépôts

Pauline Cornu-Thenard was appointed as a director of CNP Assurances by the Board of Directors on 8 November 2016 to replace Anne-Sophie Grave, who had resigned. She was appointed for her predecessor's remaining term *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

- After obtaining her post-graduate degree in Banking and Finance law from Paris II Assas University, Pauline Cornu-Thenard worked as a lawyer between 2004 and 2009 (at Gide Loyrette Nouel and Linklaters LLP) before joining the Legal department at Caisse des Dépôts initially as a lawyer, then as Deputy Director of the Finance law unit (2012-2015) and Deputy Director of the Legal and Tax department since 2016.

OLIVIER MAREUSE

BORN:

24 October 1963

NATIONALITY:

French

EDUCATION:

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*

BUSINESS ADDRESS:

Caisse des Dépôts
72, avenue Pierre Mendès France
75914 Paris Cedex 13, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Audit and Risk Committee and the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Director of the Savings Funds Division, Caisse des Dépôts. Member of the Management Committees of Caisse des Dépôts and the Group

Olivier Mareuse joined the Board on 25 April 2013. At the Annual General Meeting of 6 May 2014, he was elected as a director for a term of four years expiring at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.

PROFESSIONAL EXPERIENCE

After serving as Technical and Financial Director of the Group Insurance Division of CNP Assurances (1989-1990), he was appointed as an advisor to the Chief Executive Officer of CNP Assurances in 1991. In 1993, he was named Director of Strategy, Budget Control and Investor Relations, with responsibility for the Group's IPO, before becoming Chief Investment Officer of CNP Assurances in 1998.

Olivier Mareuse has been Director of the Savings Funds Division of Caisse des Dépôts since 1 September 2016 and is a member of the Management Committees of Caisse des Dépôts and the Group. He previously served as the Caisse des Dépôts Group's Finance Director as from 15 December 2010.

Directorships and functions outside the CNP Assurances Group

- Caisse des Dépôts, *Group Finance Director until 31 August 2016, Director of the Savings Funds Division since 1 September 2016 and member of the Management Committees of Caisse des Dépôts and the Group*
- AEW Europe (SA), *director until 25 July 2016*
- AF2i (French institutional investors association), *director*
- CDC Infrastructure (SA), *director*
- CDC International Capital (SA), *director, member of the Investment Committee and the Audit and Accounts Committee*
- CDC GPI (SA), *representative of Caisse des Dépôts, director until 26 September 2016*
- CDC GPII (SA), *representative of Caisse des Dépôts, director until 26 September 2016*
- Icade (listed SA), *director, member of the Audit, Sustainable Development and Risk Committee*
- Qualium Investissement (SAS), *representative of Caisse des Dépôts, director*
- Société Forestière de la Caisse des Dépôts et Consignations (SA), *director*
- Veolia Environnement (listed SA), *representative of Caisse des Dépôts, director*

Directorships and functions held in the period 2011 to 2015

- Bpifrance Investissement (SAS), *director (term expired July 2013)*
- CDC Entreprises (SAS), *Chairman of the Board of Directors (term expired July 2013)*
- DEXIA (listed SA), *director (term expired December 2012)*
- FSI (Fonds Stratégique d'Investissement), *representative of Caisse des Dépôts, director (term expired September 2012)*

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FRANCK SILVENT

BORN:

1 August 1972

NATIONALITY:

French

EDUCATION:

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

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

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MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Director of the Finance, Strategy and Investments Division of Caisse des Dépôts. Member of the Management Committees of Caisse des Dépôts and the Group

Franck Silvent was elected as a member of the Supervisory Board of CNP Assurances on 25 April 2007, and became a member of the Board of Directors on 10 July 2007. He was most recently re-elected, for a four-year term, at the Annual General Meeting of 6 May 2014 (*current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements*).

PROFESSIONAL EXPERIENCE

Franck Silvent began his career as an *Inspecteur des Finances* at the Ministry of the Economy and Finance in 1998. In 2002, he joined Caisse des Dépôts as Deputy Director of Strategy, Finance, Management Control and Accounting. In 2005, he was appointed Finance, Strategy and Development Director and member of the Management Board of Compagnie des Alpes, before becoming the Company's Deputy Executive Director in 2009. In 2013, he rejoined Caisse des Dépôts as Director of the Finance, Strategy and Investments Division.

Directorships and functions outside the CNP Assurances Group

- Caisse des Dépôts, *Director of the Finance, Strategy and Investments Division of Caisse des Dépôts, member of the Management Committees of Caisse des Dépôts and the Group*
- Bpifrance SA, *director, member of the Audit and Risk Committee, member of the Nominations and Remuneration Committee, previously representative of Caisse des Dépôts, director*
- BPI France Investissement (SAS), *director*
- BPI France Participations (SA), *director, member of the Investment Committee*
- CDC International Capital (SA), *representative of Caisse des Dépôts, director, Chairman of the Investment Committee*
- Icade (listed SA), *director, member of the Nominations and Remuneration Committee*
- La Poste (SA), *director, Chairman of the Audit Committee, member of the Strategy and Investment Committee and the Remuneration and Governance Committee*
- Transdev Group (SA), *director, Chairman of the Audit Committee, member of the Nominations and Remuneration Committee*

Directorships and functions held in the period 2011 to 2015

- By Grévin (formerly SwissAlp), *director (term expired 2011)*
- Centrale Investissement et Loisir (CIEL) (SAS), *Chairman (term expired February 2011)*
- Compagnie des Alpes (listed SA), *Deputy Executive Director (term expired December 2012)*
- Compagnie des Alpes – Financement (CDA-FI) (SNC), *representative of Compagnie des Alpes, legal manager (term expired July 2012)*
- Compagnie du Mont Blanc-CMB (SA), *director (term expired September 2013)*
- Compagnie Immobilière des 2 Savoie (CI2S) (SAS), *Chairman (term expired December 2012)*
- Grévin et Compagnie (SA), *representative of Compagnie des Alpes, director (term expired December 2012)*
- Lafuma (listed SA), *director (term expired March 2013)*
- Looping Holding (SAS), *member of the Supervisory Board (term expired December 2012)*
- Musée Grévin (listed SA), *representative of Compagnie des Alpes, director (term expired December 2012)*
- 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)*
- Valbus (SAS), *representative of Compagnie des Alpes-Domaines Skiables (CDA-DS), director (term expired September 2012)*

FRANÇOIS PÉROL

BORN:

6 November 1963

NATIONALITY:

French

EDUCATION:

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

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

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MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Remuneration and Nominations Committee of the Board of Directors of CNP Assurances

Main function: Chairman of the Management Board of BPCE

François Pérol was first elected as a director on 21 April 2009. He was most recently re-elected, for a four-year term, at the Annual General Meeting of 6 May 2014 *(current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements).*

PROFESSIONAL EXPERIENCE

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 unit 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 positions of Chairman of the Management 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 Management Board of BPCE.

Directorships and functions outside the CNP Assurances Group

- BPCE (SA), *Chairman of the Management Board*
- 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*
- Natixis (listed SA), *Chairman of the Board of Directors*
- Sopassure (SA), *director*

Directorships and functions held in the period 2011 to 2015

- Banque Populaire Création, *representative of BPCE, Chairman (term expired 28 December 2015)*
- Fédération Bancaire Française (Federation) (FBF), *Chairman (term expired 31 August 2015), previously Vice-Chairman (term expired 31 August 2014)*
- Groupement Européen des Caisses d'Epargne (ESBG) (non-profit organisation), *Chairman (term expired 12 June 2015)*
- SCI Ponant Plus, *representative of BPCE, legal manager (term expired 3 December 2014)*
- SNC Bankéo, *representative of BPCE, legal manager (term expired 22 November 2012)*
- Crédit Immobilier et Hôtelier (CIH) (Morocco), *Vice-Chairman of the Board of Directors (term expired 2012)*
- BPCE International (BPCE I) (SA), *Chairman of the Board of Directors (term expired 6 December 2012)*
- Foncia Groupe (listed 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)*
- Musée d'Orsay (public institution), *director (term expired 21 September 2013)*

PHILIPPE WAHL

BORN:

11 March 1956

NATIONALITY:

French

EDUCATION:

Graduate of *Institut d'Etudes Politiques de Paris* and *École nationale d'administration*
Postgraduate degree in monetary and financial economics

BUSINESS ADDRESS:

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

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MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the CNP Assurances Remuneration and Nominations Committee

Main function: Chairman and Chief Executive Officer of La Poste

Philippe Wahl was first elected as a director on 22 February 2011. He was most recently re-elected, for a four-year term, at the Annual General Meeting of 6 May 2014 *(current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements).*

PROFESSIONAL EXPERIENCE

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 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 served as 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). As such, he was appointed 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, Mr Wahl joined Royal Bank of Scotland (RBS) as Managing Director for France. In March 2008, he was appointed as an advisor to the RBS Global Banking and Markets Board in London. In December 2008, he became Chief Executive Officer of RBS for France, Belgium and Luxembourg. In January 2011, he was appointed Chairman of the Management Board of La Banque Postale and Deputy Chief Executive Officer of La Poste.

Philippe Wahl has been Chairman and Chief Executive Officer of La Poste since September 2013.

Directorships and functions outside the CNP Assurances Group

- La Poste (SA), *Chairman and Chief Executive Officer*
- La Banque Postale (SA), *Chairman of the Supervisory Board, member of the Nominations Committee and member of the Remuneration Committee.*
- Géopost (SA), *representative of La Poste, director*
- Institut Montaigne, *member of the Steering Committee*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *director*
- La Poste Silver (SASU), *member of the Strategy Committee*
- Poste Immo (SA), *representative of La Poste, director*
- Sopassure (SA), *director*

Directorships and functions held in the period 2011 to 2015

- Association Française des Banques (non-profit organisation), *Vice-Chairman* (*term expired 2013*)
- CNP Assurances, *member of the Audit Committee (term expired: 2013)*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager* (*term expired 2013*)
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager* (*term expired 2013*)
- Fédération Bancaire Française (Federation) (FBF), *member of the Executive Committee* (*term expired 2013*)
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board* (*term expired 2013*)
- La Banque Postale Financement (SA), *member of the Supervisory Board (term expired 2013)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors, member then Chairman of the Nominations and Remuneration Committee (term expired 2013), formerly member of the Finance Committee (term expired 2012)*
- La Banque Postale (SA), *Chairman of the Executive Board (term expired 2013)*
- La Banque Postale Asset Management (SA), *Chairman of the Supervisory Board, member of the Supervisory Board, Chairman of the Remuneration Committee (term expired 2013)*
- La Banque Postale Assurance Santé (SA), *Chairman of the Board of Directors (term expired 2013)*
- La Banque Postale Assurances Iard (SA), *Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee (term expired 2013)*
- La Banque Postale Gestion Privée (SA), *Chairman of the Supervisory Board (term expired 2013)*

- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Vice-Chairman of the Board of Directors (term expired 2013), formerly Chairman of the Board of Directors, Delegate General (term expired 2012)*
- SF2 (SA), *Chief Executive Officer and Chairman of the Board (term expired 2013)*
- Paris Europlace (non-profit organisation), *director* (*term expired 24 April 2014*)
- Société de Financement Local (SA), *director, member of the Audit Committee (term expired 2013)*
- Sofipost (SA), *representative of La Poste, director (term expired 1 July 2014)*
- Sopassure (SA), *Chairman-CEO (term expired 2013), formerly representative of SF2, director*
- Société Financière de Paiements (SAS), *Vice-Chairman of the Supervisory Board (term expired 2012)*

FLORENCE LUSTMAN

BORN:

20 January 1961

NATIONALITY:

French

EDUCATION:

Graduate of *École polytechnique*, *Institut d'études politiques de Paris* and *Institut des actuaires français*

BUSINESS ADDRESS:

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Audit and Risk Committee of the Board of Directors of CNP Assurances

Main function: Chief Financial Officer, La Banque Postale

Florence Lustman was appointed to represent Sopassure on the CNP Assurances Board on 1 September 2015, following the retirement of Marc-André Feffer.

Sopassure was elected to the Board of Directors by the Annual General Meeting of 29 June 2012, for a term of five years *(current term expires at the Annual General Meeting called in 2017 to approve the 2016 financial statements).*

PROFESSIONAL EXPERIENCE

Florence Lustman began her career in 1985 as Insurance inspector at France's insurance supervisor (*Commission de contrôle des assurances*, now known as ACPR) and rose to become its General Secretary in 2000. In 2004, she was appointed Insurance Comptroller General before becoming Director of the department of Insurance Auditors in 2006. In 2008, Florence Lustman headed up the Interministerial programme to tackle Alzheimer's disease in France and promote awareness of the programme abroad.

She is heavily involved in European and international regulatory, accounting, and actuarial bodies, and was a founding member of CEIOPS (which became EIOPA in 2011).

She was a member of the Executive Committee of AIS between 2006 and 2007. In December 2012, Florence Lustman was appointed Inspector General at La Banque Postale and member of its Executive Committee, before becoming Chief Financial Officer in April 2014 in charge of front office operations, ALM, accounting, management control, capital management, balance sheet management, tax, real estate and purchasing.

Directorships and functions outside the CNP Assurances group

- La Banque Postale (SA), *Chief Financial Officer*
- AEW Europe (SA), *director* (since 27 October 2016), *Chairman of the Audit and Accounts Committee and member of the Strategy Committee (since 8 November 2016)*
- Fonds de Garantie des Dépôts et de Résolution (guarantee fund), *member of the Supervisory Board (since 15 April 2016*)
- La Banque Postale Asset Management (SA), *member of the Supervisory Board and Chairman of the Audit and Risk Committee*
- La Banque Postale Assurances IARD (SA), *director and member of the Audit and Risk Committee*
- La Banque Postale Financement (SA), *member of the Supervisory Board, member of the Audit Committee, member of the Risk Committee*
- La Banque Postale Home Loan SFH (SA), *Chairman of the Board of Directors*
- SF2 (SA), *director and Chief Executive Officer*
- La Banque Postale Prévoyance (SA), *representative of SF2, director, Chairman of the Audit Committee and member of the Finance Committee until 28 June 2016*
- La Banque Postale Assurance Santé (SA*), representative of La Banque Postale, director*
- Sopassure (SA), *director*

JEAN-YVES FOREL

BORN:
17 May 1961

NATIONALITY:
French

EDUCATION:
Graduate of *Institut d'études politiques de Grenoble*
Degree in Economics

BUSINESS ADDRESS:
BPCE
50, avenue Pierre Mendès France
75013 Paris, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:
200

MEMBERSHIP OF COMMITTEES OF THE BOARD
Member of the Audit and Risk Committee and the Strategy Committee of the Board of Directors of CNP Assurances

Main function: member of the General Management Committee of BPCE and Chief Executive Officer, Transformation & Business Efficiency

Jean-Yves Forel was first appointed as a director on 11 December 2012. He was most recently re-elected, for a four-year term, at the Annual General Meeting of 6 May 2014 *(current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements).*

PROFESSIONAL EXPERIENCE

Jean-Yves Forel began his 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, Central Director. In 1997, he joined Banque Populaire Atlantique as Central Director with responsibility for business development and the business line subsidiaries. In 2000, he was appointed Business Development Director at Banque Fédérale des Banques Populaires and in 2001, became a member of the General Management Committee.

In 2003, he moved to Natexis Banques Populaires where he was appointed member of the General Management Committee and Director of Banking, Financial and Technological Services. 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 corporate and investment banking, asset management and specialised services arm. Jean-Yves Forel was a member of the Management Board of BPCE's Commercial Banking and Insurance Division from 2012 to May 2016.

He is a member of the General Management Committee of BPCE and Chief Executive Officer, Transformation & Business Efficiency.

Directorships and functions outside the CNP Assurances Group

- BPCE (SA), *member of the General Management Committee of BPCE and Chief Executive Officer, Transformation & Business Efficiency*
- *BPCE (SA), member of the General Management Committee, member of the Management Board of the Commercial Banking and Insurance Division (until 17 May 2016)*
- BPCE IT, *director, Chairman and Chief Executive Officer (since 30 November 2016)*
- Albian IT (SA), *director, Chairman and Chief Executive Officer (since 30 November 2016)*
- Banque Palatine (SA), *Chairman of the Board of Directors (term expired 24 May 2016)*
- Crédit Foncier de France (SA), *director (term expired 9 June 2016)*
- ITCE, *Chairman and Chief Executive Officer (since 18 July 2016)*
- i-BP, *director, Chairman and Chief Executive Officer (since 29 September 2016)*
- Media Consulting & Investment (SA), *director (since 20 April 2010)*
- Natixis Algérie (Algeria), *Chairman of the Board of Directors (since 20 January 2011)*
- Natixis Coficiné (SA), *director (since 20 April 2010)*
- NEFER, *director, Chairman of the Board of Directors (since 29 September 2016)*
- Sopassure (SA), *director and Chairman (since 6 December 2012), Chairman (term expired 22 February 2016)*
- BPCE Achats, *director (since 22 September 2016)*
- BPCE Immobilier Exploitation (SAS), *representative of BPCE, Chairman of the company and the Board of Directors (since 31 August 2016)*
- BPCE International et Outre-Mer (SA), *Chairman of the Board of Directors (term expired 25 May 2016)*

Directorships and functions held in the period 2011 to 2015

- Algiers Business Centers (Algeria), *director (term expired 11 June 2013)*
- Albiant-IT (SA), *director (term expired 7 December 2012)*
- Association Française des Sociétés Financières (ASF), *Vice-Chairman of the Board of Directors (term expired 15 January 2013)*
- Caceis (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)*
- Conecs (SAS), *director (term expired 12 June 2013)*
- Ecureuil Vie Développement, *representative of BPCE, director (term expired 31 December 2015)*

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- Natixis Altaïr Shared Services (SA), *representative of Natixis, director (term expired 31 December 2012)*
- Natixis Consumer Finance (SAS), *Chairman of the Board of Directors (term expired 28 November 2012)*
- *Natixis Consumer Finance IT (SAS), Chairman (term expired 30 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)*
- Partecis (SAS), *director (term expired 10 March 2015)*
- SICOVAM Holding (SA), *representative of Natixis, director (term expired 31 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

EDUCATION:

Graduate of *Institut d'etudes politiques d'Aix en Provence* and HEC.

BUSINESS ADDRESS:

La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

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MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Chairman of the Management Board, La Banque Postale

Rémy Weber was first appointed as a director in November 2013. His appointment was ratified by the Annual General Meeting of 6 May 2014 for the remaining term of his predecessor *(current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements)*.

PROFESSIONAL EXPERIENCE

Rémy Weber began his career in the Large Corporates Division of Banque Française du Commerce Éxtérieur (BFCE), before taking up a position as advisor in the International Affairs department of the French Treasury. He was subsequently given responsibility for developing and monitoring government policy in the area of credit insurance, export financing and foreign exchange guarantees (Coface), before joining Financière BFCE in 1990 as Deputy Director, Investments and M&A.

In 1993, Rémy Weber joined the CIC-Crédit Mutuel Group where he held various management positions before becoming Chairman and Chief Executive Officer of CIC Lyonnaise de Banque, member of the CIC Group Management Board (from 2002 to 2010) and then member of the Group Executive Committee.

Rémy Weber has been Chairman of the Management Board of La Banque Postale, Deputy Chief Executive and Director of Financial Services at La Poste since 15 October 2013.

Directorships and functions outside the CNP Assurances Group

- La Banque Postale (SA), *Chairman of the Management Board*
- Association Française des Banques (non-profit organisation), *Vice-Chairman*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager*
- Fédération Bancaire Française (FBF) (Federation), *representative of the Association Française des Banques, member of the Executive Committee*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *director, Vice-Chairman of the Board of Directors*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board, Chairman of the Supervisory Board, member of the Remuneration Committee*
- La Banque Postale Assurances Iard (SA), *director, Chairman of the Board of Directors, Chairman of the Remuneration Committee*
- La Banque Postale Assurances Santé (SA), *director*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors and Chairman of the Nominations and Remuneration Committee (term expired 28 June 2016)*
- La Poste (SA), *Deputy Chief Executive Officer, Director of Financial Services*
- Opéra de Lyon (non-profit organisation), *director, Chairman of the Board of Directors*
- Paris Europlace (non-profit organisation), *member of the Board of Directors*
- Poste Immo (SA), *director*
- SCI Tertiaire Saint Romain (SCI), *representative of La Banque Postale, legal manager*
- SF2 (SA), *Chairman of the Board of Directors*
- SFIL (SA), *director, member of the Risk and Internal Control Committee and member of the Accounts Committee (term expired 24 March 2016)*
- Sopassure (SA), *director, and since 28 March 2016, Chairman and Chief Executive Officer*

Directorships and functions held in the period 2011 to 2015

- ACM Iard SA (SA), *representative of Groupe des Assurances du Crédit Mutuel, director (term expired 2013)*
- CIC (SA), *member of the Management Board (term expired 2011)*
- CIC Banque de Vizille (SAS), *Chairman of the Supervisory Board (term expired 2011)*
- CIC Lyonnaise de Banque (SA), *Chairman and Chief Executive Officer (term expired October 2013)*
- CM-CIC Asset Management (SA), *representative of CIC Lyonnaise de Banque, member of the Supervisory Board (term expired 2013)*
- CM-CIC Factor (SA), *representative of CIC Lyonnaise de Banque, director (term expired 2013)*

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- CNP Assurances SA, *member of the Audit Committee (term expired 2015)*
- DANIFOS (SAS), *representative of CIC Lyonnaise de Banque, Chairman of the Executive Committee (term expired 2013)*
- Descours et Cabaud (SA), *representative of CM-CIC Investissement, director (term expired 2013)*
- Euro Information (SAS), *member of the Management Committee (term expired 2013)*
- EURO P3C (SA), *director (term expired 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 2014)*
- Gesteurop (SAS), *Chairman (term expired 2013)*
- La Banque Postale Asset Management (SA), *Chairman of the Remuneration Committee (term expired 17 June 2015)*
- La Banque Postale Assurances Santé (SA), *Chairman of the Board of Directors (term expired 7 January 2015)*
- SF2 (SA), *Chief Executive Officer (term expired 2014)*
- SFIL (SA), *member of the Audit Committee (term expired 2014)*
- SOFEMO (SA), *representative of CIC, director (term expired October 2013)*
- Sopassure (SA), *Chairman and Chief Executive Officer (term expired 28 March 2015)*
- UVP (mutual insurance company), *representative of CIC Lyonnaise de Banque, director (term expired 2013)*

LAURENCE GUITARD

BORN:
22 April 1961

NATIONALITY:
French

EDUCATION:
École nationale d'assurance and CNIL

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

Main function: Data Protection Project Manager, CNP Assurances

Laurence Guitard was elected to the Board of Directors by the Annual General Meeting of 28 April 2016, for a four-year term *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

Laurence Guitard began her career in 1982 with Alfred Herlicq & Fils, a construction company. In 1988, she joined France Télécom where she was responsible for operational tasks, reporting to the Direct Marketing Director.

She then acquired experience in the real estate sector, as researcher with Rocval & Savills, a firm of property consultants (1989 to 1993) and as assistant to the Chairman of Cofradim, a property developer (1997 to 2000).

In 2001, she took up a position with Solving International, a strategy consulting firm, as assistant to the Deputy Chief Executive Officer responsible for the Insurance group.

In 2004, she joined the headquarters of Banque CIC (Bordelais CIC) as assistant to the director of Financial Engineering and Financial Operations.

Laurence Guitard joined the CNP Assurances Group in 2005, as assistant to the Deputy Chief Executive Officer responsible for Innovation, Property Management, Legal Affairs and Information Systems.

Since 2011, she has been responsible for data protection projects at CNP Assurances.

Other directorships and functions

FCPE Actions CNP (corporate mutual fund), *Chairman of the Supervisory Board*

5

BERTRAND WALCKENAER

Main function: Director of Services and Finance Sector Investments at the State Investment Agency (APE)

BORN:

22 August 1980

NATIONALITY:

French

EDUCATION:

Graduate of *Institut national agronomique de Paris Grignon* and *École nationale du génie rural, des eaux et des forêts*

BUSINESS ADDRESS:

Agence des participations de l'État
139, rue de Bercy
75572 Paris Cedex 12, France

Bertrand Walckenaer was appointed as the French State's representative on the Board of Directors of CNP Assurances by ministerial order dated 17 March 2016 *.

The French State was most recently elected to the Board of Directors by the Annual General Meeting of 28 April 2016, for a four-year term *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

A Chief Engineer for Bridges, Waterways and Forests, Bertrand Walckenaer began his career with the Civil Aviation unit of the French Treasury (2007 to 2009). After spending a year as Logistics Manager at Pouma Hospital in Cameroon, in October 210 he returned to the French Treasury to take up a position as rapporteur to the Inter-Ministerial Committee for Industrial Restructuring (CIRI), before becoming Head of the Investment, Financial Crime Prevention and Economic and Financial Sanctions Office (August 2012 to June 2014).

Between June 2014 and February 2016, he served as Deputy Director of the Office of the Secretary of State for External Trade, Tourism and French Citizens Living Abroad (Fleur Pellerin then Matthias Fekl).

Since February 2016, Bertrand Walckenaer has been Director of Services and Finance Sector Investments at the State Investment Agency (APE).

Directorships and functions outside the CNP Assurances Group

- Agence des Participations de l'Etat (APE), *Director of Services and Finance Sector Investments*
- Bpifrance Participations (SA) and Bpifrance Investissements, *representative of the French State, director*
- La Poste (SA), *representative of the French State, director*

* *Additional information: Bertrand Walckenaer did not hold any CNP Assurances shares at 31 December 2016*

MARCIA CAMPBELL

BORN:

30 March 1959

NATIONALITY:

British

EDUCATION:

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

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

750

MEMBERSHIP OF COMMITTEES OF THE BOARD

Member of the Audit and Risk Committee and the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Company director

Marcia Campbell was first appointed to the Board of Directors on 22 February 2011. She was most recently re-elected, for a four-year term, at the Annual General Meeting of 28 April 2016 *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

Marcia Campbell began her career in 1982 working as an advisor for Proudfoot Plc International Management consultants and became Chief Executive Officer for the UK in 1988. In 1990, before becoming Director of Operations and Chief Executive Officer for Asia-Pacific between 2004 and 2010, she joined Standard Life Plc where she occupied a number of senior positions, including Director of Sales Development (1990-1993), Director of Customer Services (1993-1996), and General Advisor and Director of Business Services (1996-2004).

She was Director of Operations at Ignis Asset Management, a subsidiary of Phoenix Group Plc between 2010 and March 2012. She then chaired the Scottish Government's Advisory Committee for Environmental Strategy until 2014.

Marcia Campbell is a director of a number of companies outside France.

Directorships and functions outside the CNP Assurances Group

- Sainsbury's Bank, *director, Chairman of the Transmission Committee, member of the Audit Committee*
- Murray International Trust Plc, *Chairman of the Audit Committee*
- Aviva (UK and Ireland), *member of the Independent Governance Committee*
- Canada Life (Great West Life Group) (Canada), *director*
- Canada Life Limited (Great West Life Group) (Canada), *director*
- Woodford Investment Management, *Chairman (since June 2016)*

Directorships and functions held in the period 2011 to 2015

- Barnardo's Scotland (charitable institution), *member of the Board (term expired 2011)*
- Scottish Government, *Chairman of the Advisory Committee for Environmental Strategy (term expired 2014)*
- Ignis Asset Management (subsidiary of Phoenix Group Plc), *Director of Operations (2010-March 2012)*
- Scottish Business in the Community (charitable institution), *director (2006-2012)*

5

STÉPHANE PALLEZ

BORN:

23 August 1959

NATIONALITY:

French

EDUCATION:

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*

BUSINESS ADDRESS:

La Française des Jeux
126, rue Galliéni
92643 Boulogne-Billancourt Cedex, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:

200

MEMBERSHIP OF COMMITTEES OF THE BOARD

Chair of the Audit and Risk Committee and member of the Strategy Committee of the Board of Directors of CNP Assurances

Main function: Chairman and Chief Executive Officer, La Française des Jeux

Stéphane Pallez was first elected to the Board of Directors on 5 April 2011. She was most recently re-elected, for a four-year term, at the Annual General Meeting of 28 April 2016 *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

Stéphane Pallez began her career in 1984 and served as a Technical Advisor on industrial matters in the Office of the Minister for the Economy and Finance between 1991 and 1993. She spent time at the Treasury department as Deputy Director of Insurance between 1995 and 1998, and Deputy Director in charge of State Investments between 1998 and 2000. She was appointed head of European and International Affairs at the Treasury department in 2000 and in this capacity served as Chairman of the Club de Paris and a director of the EIB. In April 2004, Stéphane Pallez was appointed as Deputy Chief Financial Officer at France Télécom Orange, with responsibility for financing and treasury strategy, cash management, tax, internal audit, risk management, internal control, fraud prevention, and financial reporting. Between 2011 and January 2015, she was Chairman and Chief Executive Officer of Caisse Centrale de Réassurance.

Stéphane Pallez has been Chairman and Chief Executive Officer of La Française des Jeux since November 2014. She is also Chairman of the Audit and Risk Committee and a member of the Strategy Committee of CNP Assurances.

Directorships and functions outside the CNP Assurances Group

- La Française des Jeux, *Chairman and Chief Executive Officer*
- Eurazeo (listed SA), *member of the Supervisory Board, Audit Committee and CSR Committee*
- ENGIE (formerly GDF-Suez) (listed SA), *representative of the French State, director*

Directorships and functions held in the period 2011 to 2015

- Caisse centrale de Réassurance (SA), *Chairman and Chief Executive Officer (term expired 14 January 2015)*
- Crédit Agricole CIB (SA) (formerly Calyon), *director (term expired 2013)*
- France Télécom Orange (listed SA), *Deputy Chief Financial Officer with responsibility for financing and treasury strategy, cash management, tax, internal 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-April 2011)*
- ENGIE (formerly GDF-Suez listed SA), *representative of the French State, member of the Ethics, Environment and Sustainable Development Committee (term expired 2014)*

ROSE-MARIE VAN LERBERGHE

BORN:
7 February 1947

NATIONALITY:
French

EDUCATION:
Graduate of *Institut d'études politiques de Paris, École nationale d'administation* and *École normale supérieure*
History graduate and philosophy professor

BUSINESS ADDRESS:
33, rue Frémicourt
75015 Paris, France

CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2016:
200

MEMBERSHIP OF COMMITTEES OF THE BOARD
Chairman of the Remuneration and Nominations Committee of the Board of Directors of CNP Assurances

Main function: Senior Advisor, BPI Group

Rose-Marie Van Lerberghe was first appointed to the Board of Directors in September 2013. Her appointment was ratified at the Annual General Meeting of 6 May 2014 for her predecessor's remaining term *(current term expires at the Annual General Meeting called in 2017 to approve the 2016 financial statements).*

PROFESSIONAL EXPERIENCE

Rose-Marie Van Lerberghe worked as Inspector General of Social Affairs and Deputy Director for the Defence and Promotion of Employment in the Employment department of the French Ministry of Labour. She then spent 10 years with the Danone Group as Human Resources Director, before becoming General Delegate for Employment and Vocational Training at the French Ministry of Labour. She then became Director General of the Paris public hospitals authority *(Assistance Publique – Hôpitaux de Paris)* and between 2006 and December 2011, served as Chairman of the Management Board of the Korian Group.

Chairman of the Board of Directors of Institut Pasteur (Foundation) between 2013 and 2016, she is a senior advisor at BPI Group.

Directorships and functions outside the CNP Assurances Group

- Institut Pasteur (Foundation), *Chairman of the Board of Directors (term expired October 2016)*
- Bouygues (listed SA), *director*
- BPI Group, *senior advisor*
- Casino (listed SA), *director (term expired 2016)*
- Conseil Supérieur de la Magistrature, *member (term expired 2016)*
- Groupe Hospitalier Paris Saint Joseph (private healthcare institution of public interest), *director*
- Klépierre (listed SA), *director*
- Orchestre des Champs Élysées, *Chairman of the Board of Directors*

Directorships and functions held in the period 2011 to 2015

- Air France (listed SA), *director*
- Korian (listed SA), *Chairman of the Management Board (term expired December 2011)*

5

JEAN-LOUIS DAVET

BORN:

20 April 1959

NATIONALITY:

French

EDUCATION:

Graduate of *École centrale de Paris*
Ph.D in mathematics

BUSINESS ADDRESS:

MGEN
3, square Max Hymans
75015 Paris, France

Main function: Chief Executive Officer of MGEN (Mutual Insurance Group)

Jean-Louis Davet was first elected as a non-voting director on 6 May 2014. He was re-elected, for a four-year term, at the Annual General Meeting of 28 April 2016 *(current term expires at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements).*

PROFESSIONAL EXPERIENCE

Jean-Louis Davet began his career as a researcher at the CNRS and lecturer at *École Centrale de Paris* and *Université Paris VI* in 1985. In 1988, he became director of Festo France, a 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 and Ernst & Young). In 2006, he joined Mutualité Française as director and advisor to the Chief Executive Officer. In 2008, he became Group Director of MGEN before being appointed Chief Executive Officer in 2015.

Directorships and functions outside the CNP Assurances Group

- MGEN (Mutual Insurance Group), *Chief Executive Officer*
- MGEN Union (Mutual Insurance Union), *Chief Executive Officer*
- MGEN Action Sanitaire et Sociale (Mutual Insurance Company), *Chief Executive Officer*
- MGEN Centres de Santé (Mutual Insurance Company), *Chief Executive Officer*
- MGEN Vie (Mutual Insurance Company), *Chief Executive Officer*
- MGEN Filia (Mutual Insurance Company), *Chief Executive Officer*
- ISTYA Group (Mutual Insurance Union), *Chief Executive Officer*
- OFIVALMO (SA), *non-voting director (since 2012)*
- OFI Asset Management (SA), *non-voting director*
- MFPrévoyance (SA), *non-voting member of the Supervisory Board*
- EGAMO (SA), *representative of MGEN Filia, director*
- ICMIF (Federation), *director*
- EGAS (SAS), *Chief Executive Officer*
- MGEN TECH (GIE), *representative of MGEN, director*
- MGEN IB (SAS), *Chairman*
- ISTYA Collectives (SAS), *director*

5.4 Remuneration of corporate officers of CNP Assurances

CNP Assurances refers to the AFEP–MEDEF Corporate Governance Code for listed companies, and in particular its recommendations concerning the remuneration paid to Executive Directors.

To make the disclosures clearer and easier to compare with those of other groups, information concerning the remuneration of Executive Directors is presented in the standardised format recommended by the AFEP and MEDEF and the AMF.

Table 1

GROSS REMUNERATION PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER *(IN €)*

Jean-Paul Faugère, Chairman of the Board of Directors	2015	**2016**
Remuneration payable for the year *(see breakdown in Table 2)*	299,101	302,560
Value of long-term incentive bonus granted during the year		None
Value of stock options granted during the year *(Table 4)*		No stock options granted
Value of performance shares granted during the year *(Table 6)*		No performance shares granted
Value of other long-term remuneration		None
TOTAL	**299,101**	**302,560**

Frédéric Lavenir, Chief Executive Officer	2015	**2016**
Remuneration payable for the year *(see breakdown in Table 2)*	450,000	450,000
Value of long-term incentive bonus granted during the year		None
Value of stock options granted during the year *(Table 4)*		No stock options granted
Value of performance shares granted during the year *(Table 6)*		No performance shares granted
Value of other long-term remuneration		None
TOTAL	**450,000**	**450,000**

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Table 2

GROSS REMUNERATION OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER *(IN €)*

Chairman of the Board of Directors Jean-Paul Faugère, Chairman of the Board of Directors	2015		2016	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Fixed remuneration	250,000	250,000	280,000	280,000
Annual variable bonus	None	None	None	None
Long-term incentive bonus	None	None	None	None
Special bonus	None	None	None	None
Directors' fees	49,101	31,101	22,560	52,560
Benefits in kind	None	None	None	None
TOTAL	**299,101**	**281,101**	**302,560**	**332,560**

ADDITIONAL INFORMATION ON THE REMUNERATION OF JEAN-PAUL FAUGÈRE, CHAIRMAN OF THE BOARD OF DIRECTORS

2015	2016
Fixed and variable remuneration On 18 February 2015, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2015 at €250,000.	**Fixed and variable remuneration** On 16 February 2016, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2016 at €280,000.
Directors' fees The directors' fees payable for 2015 (€49,101) correspond to the amounts payable by Caixa Seguros Holding (€19,101) and Icade (€30,000). The directors' fees paid in 2015 (€31,101) correspond to the amounts paid by Caixa Seguros Holding (€19,101) and Icade (€12,000).	**Directors' fees** The directors' fees payable for 2016 (€22,560) correspond to the amounts payable by Caixa Seguros Holding. The directors' fees paid in 2016 (€52,560) correspond to the amounts paid by Caixa Seguros Holding (€22,560) and Icade (€30,000). Jean-Paul Faugère has decided to waive the fees due to him in his capacity as a director of Icade (effective from 2016) and as a director of Caixa Seguros Holding (effective from 2017).
Benefits in kind Jean-Paul Faugère does not receive any benefits in kind.	**Benefits in kind** Jean-Paul Faugère does not receive any benefits in kind.

Chief Executive Officer Frédéric Lavenir, Chief Executive Officer	2015		2016	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Fixed salary	400,000	400,000	400,000	400,000
Annual variable remuneration	47,961	47,961	47,961	47,961
Long-term incentive bonus	None	None	None	None
Special bonus	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind (3)	2,039	2,039	2,039	2,039
TOTAL	**450,000**	**450,000**	**450,000**	**450,000**

(1) The "Payable" columns indicate the remuneration granted to the Chairman or the Chief Executive Officer for the duties performed in each year concerned, regardless of the payment date

(2) The "Paid" columns show the total remuneration paid to the Chairman or the Chief Executive Officer for the duties performed for each of those years

(3) Corresponding to the use of a company car

ADDITIONAL INFORMATION ON THE REMUNERATION OF FRÉDÉRIC LAVENIR, CHIEF EXECUTIVE OFFICER

2015	**2016**
2015 salary On 18 February 2015, the Board of Directors set Frédéric Lavenir's gross annual salary for 2015 at €400,000, unchanged since his appointment in 2012. **2015 bonus** At the same meeting, his maximum bonus for 2015 was set at €50,000 (representing 12.5% of his annual salary), unchanged since his appointment in 2012. The Board of Directors' Meeting of 18 February 2015 also set the objectives to be used in 2016 to determine Frédéric Lavenir's 2015 bonus, based on: a) quantitative criteria (50%): ▪ the change in the consolidated cost/income ratio compared with the budgeted ratio presented to the Board of Directors in December 2014, ▪ the change in EBIT compared with budgeted EBIT presented to the Board of Directors in December 2014, b) qualitative criteria (50%) – an appraisal of initiatives and action plans carried out in 2015 by the Chief Executive Officer, with a focus on: ▪ alignment of CNP Assurances' overall business model with the current interest rate environment, ▪ the deployment of three core strategic projects (ANI agreement extending supplementary health insurance cover to all employees of small businesses and microenterprises, and to self-employed individuals, digital transition programme and the plan to create renewed business momentum at Caixa Seguradora), ▪ successful completion of negotiations with La Banque Postale, and ▪ his managerial performance. In 2016, as proposed by the Remuneration and Nominations Committee on 11 February 2016, at its 16 February 2016 meeting the Board of Directors found that the two quantitative criteria (each accounting for half of 50% of the bonus) had been met and that Frédéric Lavenir's actions as Chief Executive Officer during the year fulfilled the four qualitative criteria (each accounting for one quarter of the other 50% of the bonus). The Board therefore awarded him the maximum possible bonus for 2015 of €50,000, including the estimated value of his Company car (€2,039). **Benefits in kind** Frédéric Lavenir continued to have the use of a company car in 2015.	**2016 salary** On 16 February 2016, the Board of Directors set Frédéric Lavenir's gross annual salary for 2016 at €400,000, unchanged since his appointment in 2012. **2016 bonus** At the same meeting, his maximum bonus for 2016 was set at €50,000 (representing 12.5% of his annual salary), unchanged since his appointment in 2012. The Board of Directors' Meeting of 16 February 2015 also set the objectives to be used in 2017 to determine Frédéric Lavenir's 2016 bonus, as presented in the table below (first three columns). In 2017, based on the Remuneration and Nominations Committee's analysis of achievement rates compared to Frédéric Lavenir's 2016 bonus objectives, as presented to the Board of Directors on 22 February 2017 (corresponding to the fourth and fifth columns of the table overleaf), at its meeting on 22 February 2017 the Board of Directors decided to award the maximum possible bonus of €50,000 (including the €2,039 estimated value of his Company car) to Frédéric Lavenir for 2016. The bonus breakdown is shown in the last column of the table below. In accordance with the remuneration policy, 60% of the €47,961 bonus (net of the estimated value of his company car) will be paid in 2017 followed by 20% in 2018, 10% in 2019 and 10% in 2020. **Benefits in kind** Frédéric Lavenir continued to have the use of a company car in 2016.

2016	% weighting	2016 threshold/objective	2016 result	Achievement rate
Quantitative objectives	**50%**			
Cost/income ratio	25%	35% or less	32.9%	More than 100%, corresponding to a bonus of €12,500
EBIT	25%	At least €2,405m	€2,638m	More than 100%, corresponding to a bonus of €12,500
Qualitative objectives	**50%**			
Ongoing adjustment of the business model	17%	Product diversification, digital transition	▪ Growth in unit-linked sales and development of the premium savings business ▪ Higher quality personal risk insurance book and improved underwriting margins ▪ Development of CNP Santander's term creditor insurance business ▪ Expansion of the digital approach	100%, corresponding to a bonus of €8,500
Geographical diversification	17%	Stronger presence in Brazil	▪ Launch of the digital company in Brazil (YOUSE) ▪ Launch of the health business in Brazil	100%, corresponding to a bonus of €8,500
Managerial performance	16%	Support for skill-set transformations and development, operational excellence programme	▪ Projected changes in skill sets over the next three years: Human Resources planning agreement signed ▪ Operational excellence programme objectives in line with projections contained in 2016 budget	100%, corresponding to a bonus of €8,500
TOTAL	**100%**			**100%, corresponding to a bonus of €50,000 net of the estimated value of Frédéric Lavenir's company car (€2,039)**

Table 3

DIRECTORS' FEES PAID BY CNP ASSURANCES

Members of the Board of Directors	Directors' fees paid in 2015 *(in €)* In respect of second-half 2014	In respect of first-half 2015	**Directors' fees paid in 2016** *(in €)* **In respect of second-half 2015**	**In respect of first-half 2016**	Paid to
Jean-Paul Faugère [(1) (2)]	-	-	-	-	
Frédéric Lavenir [(1)]	-	-	-	-	
Marc-André Feffer (Sopassure) [(2)]	11,400	17,500	12,950	-	Sopassure
Florence Lustman (Sopassure) [(2)]	-	-	28,150	24,350	Sopassure
Philippe Wahl [(2)]	18,250	10,650	28,150	14,450	Sopassure
Rémy Weber [(2)]	24,350	17,500	25,100	14,450	Sopassure
François Pérol [(2)]	11,400	3,050	18,250	14,450	Sopassure
Jean-Yves Forel [(2)]	21,300	26,650	43,400	21,300	Sopassure
Virginie Chapron du Jeu	15,200	11,400	19,000	11,400	CDC
Pierre -René Lemas [(2)]	11,400	3,800	7,600	3,800	CDC
Odile Renaud-Basso [(2)]	10,650	14,450	28,150	14,450	CDC
Olivier Mareuse [(2)]	27,400	19,800	44,150	24,350	CDC
Anne-Sophie Grave	11,400	7,600	19,000	11,400	CDC
Franck Silvent [(2)]	15,200	13,700	31,200	18,250	CDC
Ramon Fernandez (French State)	3,800	-	-	-	French Treasury
Antoine Saintoyant (French State)	11,400	11,400	22,800	3,800	French Treasury
Bertrand Walckenaer (French State)	-	-	-	11,400	French Treasury
Rose-Marie Van Lerberghe [(2)]	26,650	23,600	50,250	24,350	Rose-Marie Van Lerberghe
Stéphane Pallez [(2)]	41,900	38,850	52,550	32,750	Stéphane Pallez
Marcia Campbell [(2)]	42,650	26,650	50,250	30,450	Marcia Campbell
Philippe Baumlin [(2) (3)]	27,400	20,550	35,000	17,500	Philippe Baumlin
Laurence Guitard [(4)]	-	-	-	-	
Jean-Louis Davet (non-voting director)	7,600	3,800	7,600	3,800	MGEN
Pierre Garcin (non-voting director)	15,200	11,400	15,200	11,400	Sopassure
TOTAL	**354,550**	**282,350**	**538,750**	**308,100**	

(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) Also a member of a committee of the Board during all or part of the period between 1 July 2014 and 30 June 2016

(3) Philippe Baumlin decided to pay his total fees to charity, including CDC Tiers-Monde

(4) Laurence Guitard informed the FCPE Actions CNP corporate mutual fund when she was chosen as the fund's candidate for election to the Board at the Annual General Meeting of 28 April 2016 that she did not wish to receive any fees for participating in meetings of the Board of Directors

ADDITIONAL INFORMATION ON DIRECTORS' FEES

These amounts are gross of withholding tax.

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 28 April 2016 (for 2015 and subsequent years) amounted to €830,000. Based on the recommendations of the Remuneration and Nominations Committee and the notifications received by the Company, directors' fees were allocated as follows:

For the 2015 financial year:

- for each meeting attended during the first six months and second six months of 2015, the fee per Board Meeting was set at €3,800 and the fee per meeting of the committees of the Board at €3,050;
- the Chairman of each Board committee was entitled to double the amount allocated to the other Committee members;
- Marcia Campbell, Stéphane Pallez and Rose-Marie Van Lerberghe received directors' fees of €3,050 per meeting of the dedicated Committee attended;
- directors' fees for participating in the last two Board of Directors Meetings of 2015 (held on 9 and 17 December 2015) and the last dedicated Committee Meeting of 2015, corresponding to a total amount of €107,950, were paid following approval of the overall increase in fees by the Annual General Meeting of 28 April 2016.

For the 2016 financial year:

- for each meeting attended during the first six months and second six months of 2016, the fee per Board Meeting was set at €3,800 and the fee per meeting of the committees of the Board at €3,050;
- the Chairman of each Board committee was entitled to double the amount allocated to the other Committee members;
- Marcia Campbell, Stéphane Pallez and Rose-Marie Van Lerberghe received directors' fees of €3,050 per meeting of the dedicated Committee attended.

Table 4 *

STOCK OPTIONS GRANTED DURING THE YEAR TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Stock options granted to the Chairman of the Board and the Chief Executive Officer by CNP Assurances SA and all other Group companies	Plan no. and date	Type of stock options (purchase or subscription)	Value 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

Table 5 *

STOCK OPTIONS EXERCISED DURING THE YEAR BY THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE 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
Not applicable	Not applicable	None	Not applicable

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

Table 6 *

PERFORMANCE SHARES GRANTED TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER DURING THE YEAR

Performance shares granted to the Chairman of the Board and the Chief Executive Officer by CNP Assurances SA and all other Group companies	Plan no. and date	Number of shares granted during the year	Value of shares based on the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
	Not applicable	None	Not applicable	Not applicable	Not applicable	Not applicable

Table 7 *

PERFORMANCE SHARES GRANTED TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER FOR WHICH THE LOCK-UP PERIOD ENDED DURING THE YEAR

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
Not applicable	Not applicable	None	Not applicable

Table 8 *

HISTORICAL INFORMATION CONCERNING STOCK OPTION GRANTS

Information on stock options	Date of AGM	Plan 1	Plan 2	Plan 3
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Table 9 *

HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARE GRANTS

Information on performance shares	Date of AGM	Plan 1	Plan 2	Plan 3
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

Table 10

LONG-TERM INCENTIVE BONUSES PAID TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Not applicable

Table 11

ADDITIONAL INFORMATION CONCERNING THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Chairman of the Board and Chief Executive Officer	Employment contract		Supplementary pension plan (Article 39 of the French Tax Code)		Compensation for loss of office due or that may be due		Benefits arising from non-compete clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Paul Faugère, Chairman of the Board of Directors First appointed: 29 June 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X
Frédéric Lavenir, Chief Executive Officer First appointed: 26 September 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X

SUPPLEMENTARY PENSION PLAN

	Gross annual benefit *(in €)* under the supplementary pension plan	
	31 December 2015	**31 December 2016**
Jean-Paul Faugère, Chairman of the Board of Directors	-	-
Frédéric Lavenir, Chief Executive Officer	-	-

The defined benefit supplementary pension plan was set up following Supervisory Board approval at its meeting of 20 December 2005.

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 participate in this supplementary pension plan.

TERMINATION BENEFITS

	At 31 December 2016 (Theoretical gross amount)
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2016	None
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	None

As Jean-Paul Faugère, Chairman of the Board of Directors, and Frédéric Lavenir, Chief Executive Officer, do not have employment contracts with the Company, they would not be entitled to any termination benefits.

RETIREMENT BENEFITS

(Article 43 of the Company-wide agreement relating to all the employees)

	At 31 December 2015 (Gross amount paid)	At 31 December 2016 (Gross amount paid)
Jean-Paul Faugère, Chairman of the Board of Directors	None	None
Frédéric Lavenir, Chief Executive Officer	None	None

As Jean-Paul Faugère, Chairman of the Board of Directors, and Frédéric Lavenir, Chief Executive Officer, do not have employment contracts with the Company, they will not be entitled to any retirement benefits.

Table 12

HISTORICAL INFORMATION CONCERNING SHARE GRANTS – INFORMATION ON SHARES GRANTED

	Plan 1	Plan 2
Date of AGM	7 June 2005	7 June 2005
Date of Management 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 the Chairman of the Board and the Chief Executive Officer	0	0

Remuneration of members of Executive Management

In the following table, the remuneration paid to Frédéric Lavenir, Chief Executive Officer, is presented in full. The breakdown of his remuneration is described in more detail in the tables regarding the remuneration of the Chairman of the Board and the Chief Executive Officer.

SUMMARY TABLE OF EXECUTIVE MANAGEMENT REMUNERATION

Frédéric Lavenir, Chief Executive Officer	Remuneration paid in 2015 *(in €)*	**Remuneration paid in 2016** *(in €)*
Salary	400,000	400,000
Bonus	47,961	47,961
Directors' fees received from CNP Assurances, its subsidiaries and other companies	0	0
Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car)	2,039	2,039
TOTAL	**450,000**	**450,000**

Information about 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 2015 *(in €)*	**Remuneration paid in 2016** *(in €)*
Total salary of the Deputy Chief Executive Officers	654,999.96	654,999.96
Total bonus of the Deputy Chief Executive Officers	344,818.00	348,080.00
Benefits in kind of the Deputy Chief Executive Officers (company car)	6,138.98	6,197.73
Directors' fees (subsidiaries of CNP Assurances)	50,625.80	53,258.86
Miscellaneous (holiday indemnities, EPI, bonus)	82,019.22	136,237.17
Total remuneration – Deputy Chief Executive Officers	**1,138,601.96**	**1,198,773.72**
Average remuneration per Deputy CEO	569,300.98	599,386.86
TOTAL REMUNERATION – EXECUTIVE MANAGEMENT (CEO + DEPUTY CEOS)	**1,588,601.96**	**1,648,773.72**
Average remuneration per member of Executive Management	529,533.99	549,591.24

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 within the last five years;
- 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 other companies in the Group.

Conflicts of interest

The Board of Directors' organisation and procedures – particularly the presence of four independent directors – ensure that no single shareholder is in a position to exercise undue control over Board decisions.

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 as of the date of publication of this document, no arrangements or agreements have been entered into with major shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or Executive Management, other than the shareholders' agreement described in section 6.2.5.

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 – 1.2 C, paragraph 6 of the internal rules of the Board of Directors, available at http://www.cnp.fr).

As such, the members of the Board of Directors of CNP Assurances state that they have not personally entered into any arrangements with the main shareholders, customers or suppliers of the Group, or any arrangements that are likely, at the date of the publication of this document, to create a conflict of interest that is incompatible with their duties as corporate officers of CNP Assurances.

There are no family ties between any members of the Board of Directors and Executive Management.

5.6 Risk factors

INTRODUCTION: MACRO-ECONOMIC ENVIRONMENT

The 2016 economic and financial environment is described in section 2.1.

The risks described below are inherent to the economic, competitive and regulatory environment in which the Group operates.

Their impact cannot always be reliably measured, due to the many contingencies and uncertainties related to these risks. Risk management processes, procedures and controls have nonetheless been set up to track and manage the risks on an ongoing basis. These processes, procedures and controls are discussed in the report of the Chairman of the Board of Directors in this Registration Document.

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 are considered minor or not material may prove to have a material impact on the Group in the future.

The Group may also be exposed to emerging risks, corresponding to new or continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or considered of minor importance may have a material adverse effect on the Group in the future.

Specific processes exist to identify and analyse emerging risks. These include in particular keeping abreast of relevant scientific publications, market trends, regulatory developments, case law, etc. and performing annual reviews to identify those risks that should be incorporated into the routine risk management process. These may include for example risks related to developments in synthetic biology, or any currently unknown toxic effects of products using nanotechnology. There may also be risks related to the development of big data, which could result in increased data security risks.

This "Risk factors" section presents the Group's risk exposures by type of risk, level of materiality and potential impact on consolidated results and assets.

In addition to the sections covering the overall Group risk management system and internal control procedures in the report of the Chairman of the Board of Directors of CNP Assurances, the following are successively dealt with:

- **underwriting risk factors linked to the insurance business:** insurance risk on savings, pension and personal risk products, concentration of insurance risk, reinsurance risk and liability adequacy risk due to changes in assumptions;
- **risk factors linked to the financial markets:** asset/liability mismatch risk, 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 hedging adequacy risk;
- **risk factors linked to the business:** operational risk, business continuity risk, compliance risk, litigation risk, money-laundering and fraud risk, information systems risk, employee-related risk and environmental risk;
- **other risk factors:** tax risk, rating downgrade risk, partner risk, regulatory and antitrust risk and model risk.

This presentation should be read in conjunction with the tables illustrating and quantifying these risks that are included in the consolidated financial statements and have been audited by the Statutory Auditors.

5.6.1 Underwriting risk factors linked to the insurance business

The Group offers a full range of insurance products both inside and outside France.

The main individual insurance products are savings products 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 pension plans for which the value of the point is guaranteed, employee benefits plans and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguradora) 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 life and protection insurance written by the Group.

The Group is exposed to the risks inherent in marketing and pricing new products. These risks are managed through specific processes and by dedicated committees.

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 contracts where the insurer may offer a capital guarantee plus a share of the investment yield. The insurer may also commit to paying a guaranteed yield topped up with a share of the investment yield. The yield guarantee is for a fixed period. These guarantees give rise to financial risks (see section 2 – Risk factors linked to the financial markets and Note 24.4 to the consolidated financial statements – Risk of guaranteed yields on insurance and financial liabilities).

  Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on financial market performance, the performance of competitors' products, policyholder behaviour (*e.g.*, a need to raise cash), customer confidence, tax considerations and related factors. 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 earnings and solvency (see section 5.6.2 – Interest rate risk);
- unit-linked contracts, where the policyholder bears the financial risk and the insurer's commitment is limited to guaranteeing the liquidity of the underlying assets. If the underlying assets cannot be sold on the market, this may result in a loss for the insurer who would have an obligation to settle the amount due to the policyholder (in the event of death, surrender of the policy or otherwise) without being able to finance the payout using the proceeds from the sale of the assets.

  In addition, because the policyholder bears the financial risk, the presentation of the product is governed by detailed rules, giving rise to a compliance risk (see section 5.6.3 – Compliance risk). Lastly, the insurer is also exposed to a financial risk to the extent that a fall in value of the assets held in the unit-linked portfolio reduces the calculation base for the asset loading.

  The various risks have been identified and unit-linked products are subjected to an internal analysis and selection process before being marketed.

  Unit-linked contracts also expose the Group to the surrender risk described above, to the extent that surrenders also reduce the calculation base for the asset loading.

  For this type of contract, the insurer's commitment is limited to the additional cover provided under the contract, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could have an adverse effect on unit-linked earnings.

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 funds 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 generally 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 valuation rate of interest 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. A strategy to improve the profitability of personal risk business is currently being developed, with the aim of organising product pricing reviews based on observed loss ratios.

The increase in the legal retirement age in France has had an adverse impact on the business's profitability as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although this is attenuated by the use of medical questionnaires, deferred periods and other measures.

The Group's business may be affected by the occurrence of natural or man-made catastrophes. Although CNP Assurances' business model focuses primarily on personal insurance, a wave of global extreme weather events, acts of terrorism, the spread of pandemics such as the H5N1 virus, or fallout from global warming, aside from the immediate damage that such events would cause, could also significantly impact the results of certain personal insurance businesses.

The term creditor insurance business also exposes the Group to a surrender risk in connection with the early repayment of the insured loan (which is all the more likely during a period of low interest rates) or a cancellation risk (since the Hamon Act came into effect in 2014, policyholders are free to cancel their policy during the first year of the loan; starting in 2018, this possibility will be extended to the entire duration of the loan, including for existing policies, following the adoption in early 2017 of legislation introducing the right to cancel term creditor insurance contracts each year). An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability.

In addition, personal risk contracts with potentially long benefit payment periods, such as long-term care insurance, give rise to financial risks because part of the related profit is derived from the investment income generated during the benefit payment period and may be adversely affected by unfavourable financial market trends (such as declining interest rates).

THE GROUP IS EXPOSED TO CONCENTRATION RISK

The Group is potentially exposed 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 approval procedure and the product portfolio management process, which includes managing the related reinsurance cover (see Note 24.5 to the consolidated financial statements – Concentration of insurance risk).

THE GROUP HAS SET UP A REINSURANCE PROGRAMME TO LIMIT RISK EXPOSURE

The reinsurance programme is an important part of managing both the insurance business and the related risk. It has the following features and objectives:

- 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 the large-scale new personal risk business.

Other reinsurance treaties have been set up for strategic and commercial reasons.

The reinsurance policy is implemented throughout the Group, covering business written by the Company and by its subsidiaries.

Applications have been developed to monitor reinsurance results. As explained in Note 10.5 to the consolidated financial statements – Credit risk on reinsured business, the Group's exposure to its main reinsurers is also analysed to ensure that cumulative exposure remains within defined limits. Even if all relevant exposure limits are complied with, certain reinsurers may be unable to honour their financial obligations and this could adversely affect the Group's consolidated earnings.

The availability, amount and cost of reinsurance also hinge on numerous factors and may vary considerably over time. An increase in the cost of reinsurance may affect Group earnings either directly *via* the reinsured business or because a reduction in the reinsurance rate increases the risk of losses.

A CHANGE IN ASSUMPTIONS MAY RESULT IN INADEQUATE TECHNICAL RESERVES OR ADVERSELY AFFECT 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, internally developed experience-based table;
- regularly assessing risks *via*:
  - prospective monitoring of yield commitments,
  - detailed analyses and statistical studies of personal risk and group death/disability contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of reserve utilisation rates.

The main categories of technical reserves are disclosed in Note 24.3 to the consolidated financial statements – Valuation of insurance liabilities.

Statistical and actuarial approaches are used to:

- develop new products;
- determine technical reserves, their adequacy (*via* liability adequacy tests), deferred participation reserves and assets and the latter's recoverability;
- measure certain indicators such as new business value or embedded value (see section 2.4 – Embedded value report);
- measure the value of In-Force business and cash flow projections used for goodwill impairment testing;
- determine potential shock scenarios in order to assess the Group's risk exposure.

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends;
- policyholder behaviour (*e.g.*, 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 reserving rates, embedded value and new business value, and negatively impact the Group's consolidated earnings and solvency (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks). Similarly, unreliable estimates of future contract administration costs may have an adverse effect on the Group's results and solvency.

The statistical and actuarial methods used to determine assumptions may contain errors. These methods (and models) are increasingly complex, due to the growing complexity of the products, assets and regulations. For this reason, the Group has developed dedicated processes and governance structures to oversee and validate the models. Any inadequacies in this system may have an adverse effect on the Group's results and solvency and may also unfavourably influence decisions made on the basis of indicators calculated using these models.

5.6.2 Risk factors linked to the financial markets

THE GROUP MUST ALWAYS MAINTAIN A MATCH BETWEEN ASSET AND LIABILITY DURATIONS AND YIELDS

See Note 23 to the consolidated financial statements – Liquidity risk and asset/liability management.

The Group has established management information systems to optimise its asset allocation strategies and to measure asset/liability mismatch risk. Asset/liability management (ALM) strategies match the structures of 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 (i) financial market behaviour to measure assets and (ii) changes in insurance commitments under various different scenarios to measure liabilities.

This allows asset durations to be matched to the profiles of the Group's different liabilities. However, as with all modelling techniques, there are inherent risks. If any assumptions were to be materially invalidated by actual events or if a situation not provided for under any of the models were to arise, CNP Assurances could be forced to sell assets at a loss or could have insufficient amounts of profitable assets to meet its yield commitments to policyholders.

THE GROUP 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 decline, leading to a gradual erosion of portfolio yields (see Note 22.3 to the consolidated financial statements – Interest rate risk on financial assets).

A prolonged fall in interest rates makes contractual loadings more difficult to apply and exposes the insurer to a risk of lower margins, especially on traditional life insurance products.

In more extreme scenarios, despite the relatively low proportion of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to eat into its own-funds portfolio to pay the guaranteed amount.

Pension products – especially group pension plans – as well as certain personal risk and group death/disability contracts are particularly exposed to the risk of a fall in interest rates.

Given the size of its life insurance business *via* traditional savings contracts with a capital guarantee, CNP Assurances is sensitive to reductions in interest rates and also to a prolonged very low interest rate environment which, if it were to continue, could adversely affect the Group's earnings and capital.

For several years, CNP Assurances has followed a policy of setting aside a portion of the investment income generated by its assets in the policyholder surplus reserve, which could be used in such a situation. In addition, initiatives have been taken to modify new products in order to adapt the Group's liabilities over time to the new very low interest rate environment.

The Brazilian business is significantly less sensitive to interest rates given the main types of products sold. These are predominantly personal risk contracts and property & casualty products that are generally more exposed to underwriting risks, and unit-linked pension products that are also less exposed to interest rate fluctuations.

A change in projected interest rate assumptions, for example to take negative rates into account, could have an impact on own funds and required capital calculations under Solvency II.

In 2016, very low interest rates across all of Europe increased the Group's exposure to this risk.

A RAPID INCREASE IN INTEREST RATES INCREASES POLICY SURRENDER RISK

In the event of a rapid increase in interest rates, yields on the Group's investment portfolios may lag behind the market, generating a mismatch between the yields paid on the Group's products and those available on other financial products.

The Group 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 yield being paid to the Group's policyholders and those available on the market, thus pushing the surrender rate even higher (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks).

The risk associated with an increase in interest rates is closely monitored and this is a key focus of the Group's asset/liability management strategy.

Liabilities:

- traditional savings products with a unit-linked formula 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 strategies include investing in floating rate and index-linked bonds;
- investment strategies include investing in bonds with diversified maturities;
- part of the portfolio is invested in money market funds;
- part of the portfolio of fixed-rate bonds is hedged using caps (see Note 9.6 to the consolidated financial statements – Derivative instruments).

The Group has set up a hedging programme to attenuate the risk associated with an increase in interest rates. Under this programme, in the event of a rapid increase 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 yield 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 to the consolidated financial statements – Credit risk.

The credit risk (or counterparty risk) on a bond is the risk of issuer default.

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 a risk-free government bond with the same characteristics.

Credit spreads vary according to investor perceptions of the counterparty risk represented by the issuer.

Historically, spreads on corporate bonds tend to narrow in periods of growth and widen during a recession when the number of issuer defaults tends to increase.

The Group would be exposed to losses in the event of one or a number of issuer defaults.

But even without an actual default, during certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy corporate failure projections that negatively affect the value of the investment portfolio.

Changes in credit spreads therefore have a direct impact on the fair value of bonds held in the portfolio and consequently on the level of unrealised gains or losses.

The Group manages this risk by applying a series of exposure limits, diversifying the portfolio and continuously monitoring the exposed investments. The Group may also attenuate the risk of losses on exposed investments by setting up hedging programmes to generate additional revenues if spreads widen to above certain trigger points.

Counterparty risk also extends to derivative instruments (such as interest rate swaps – *i.e.*, caps and floors – and swaptions), reinsurance and repos. Margin calls and overcollateralisation arrangements are used to reduce counterparty risk through an exchange of collateral.

See the tables in the following notes to the consolidated financial statements: Note 9.3 – Repurchase agreements, Note 9.4 – Lent securities, and Note 9.6 – Derivative instruments.

A SIGNIFICANT PORTION OF THE GROUP'S INVESTMENT PORTFOLIO IS INVESTED IN GOVERNMENT BONDS AND EXPOSED TO SOVEREIGN RISK

See Note 9.9 to the consolidated financial statements – Classification of investments by type of asset and by geographic region.

Sovereign 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 in the portfolio, the Group has significant exposure to this type of risk.

During periods of increased government borrowing, there may be growing concern about 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, the Group may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

Having invested heavily in French and other European government bonds, the Group is naturally sensitive to any widening of 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. Since 2011, exposure to sovereign debt issued by "peripheral" euro zone governments has been closely monitored and the Group has also paid very close attention to the sovereign debt of two of its host countries, Spain and Italy. It has stepped up its oversight of developments in these countries, and increased its monitoring of their sovereign debt.

OUTSIDE THE EURO ZONE, THE GROUP'S INVESTMENTS MAY BE SUBJECT TO COUNTRY RISK DUE TO RESTRICTIONS ON ASSET TRANSFERS

The Group 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 mainly concerns the Group's investment 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 to the consolidated financial statements – Liquidity risk.

Liquidity measures a debtor's ability to pay its debts and honour its obligations as and when they fall due in a going concern situation. For CNP Assurances, liquidity risk is the risk that it will be unable to pay policyholders in the event of a sharp rise in surrender rates.

Liquidity risk varies inversely with policyholder confidence; in the event of a loss of confidence, the Group could find that it has insufficient liquid assets to deal with a wave of surrenders. A lack of confidence in the Group could also mean that it is no longer able to find any takers on the market for its subordinated notes.

In practice, liquidity risk may arise if net new money becomes sharply negative, forcing the Group to sell off investments to make policyholder payments. In order to deal with such an eventuality, the Group maintains liquidity reserves and holds portfolios of liquid investments. Although these are for large amounts, they could still prove to be insufficient under extreme conditions.

The Group's subordinated notes issues are not subject to any covenants.

THE GROUP IS EXPOSED TO THE RISK OF A FALL IN THE VALUE AND DIVIDEND YIELD OF ITS EQUITY PORTFOLIO

See Note 20 to the consolidated financial statements – Investment income.

Equity risk measures the sensitivity of the equity portfolio to changes in stock market prices. By extension, the definition of equities also includes investments in private equity and equity funds. Volatility measures the extent of equity price changes and is used to quantify the yield and price risk. High volatility means high potential gains but also a higher risk of losses.

In the case of a prolonged fall in value, impairment provisions may have to be set aside for unrealised losses on certain securities, with an adverse effect on earnings.

For example, the Group may hold shares in a heavily leveraged company whose value is underpinned by forecasts of future profitable growth. If the Company fails to meet its growth target or has difficulty making debt repayments, the share price may take a big hit.

See Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks.

Moreover, while the Group 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 to the consolidated financial statements – Reconciliation of unit-linked assets and liabilities.

In 2016, prices increased on European and non-European stock markets and volatility declined overall on these markets.

THE GROUP HAS INVESTED IN REAL ESTATE, INFRASTRUCTURE AND PRIVATE EQUITY FUNDS AND IS EXPOSED TO THE RISK OF A FALL IN THE VALUE OR YIELDS OF THESE ASSET CLASSES

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 (*e.g.*, excess of supply over demand, increased vacancy rates and their impact on rental value) as well as to the risk of tenant default and declines in rent adjustment indices.

The value of real estate owned directly or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy use, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance.

CNP Assurances' property portfolio has been renewed and enhanced over the last five years and now includes a significant number of office buildings in the greater Paris region in particular. Property prices have clearly increased over recent years and there are no signs to suggest that the Group should be concerned about rental income or vacancy rates in its properties. Nevertheless, the market is traditionally extremely volatile and a sharp fall in prices could have a negative impact on the value of the portfolio.

The current very low interest rate environment and the high levels of liquidity invested in the property market represent an additional risk factor (in the event of rate increases for example) highlighted by the French authority on financial stability, the *Haut Conseil de Stabilité Financière*. Although property companies are rarely exposed to leverage risks, they should also be taken into consideration given the current environment.

See Note 8 to the consolidated financial statements – Investment and owner-occupied property.

Private equity involves investors acquiring part of the capital of unlisted companies. This 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.

All told, a decline in the value of such investments (equities, property, infrastructure, private equity or unlisted investments) may 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 to the consolidated financial statements – Foreign currency balances.

CNP Assurances presents 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 local currency. The Brazilian subsidiary's contribution to the Group's financial performance – in terms of both premium income and earnings – is already substantial and continuing to grow, meaning that fluctuations in the euro/real exchange rate have a material impact on both consolidated net profit and cash flows. The Group has purchased currency hedges to manage this risk; however these are based on analyses and forecasts and may prove inadequate or ineffective.

In 2016, the currency effect (the Brazilian real gained 20% against the euro) was favourable for the Group.

With the exception of Caixa Seguros Holding, the bulk of asset portfolios are invested in the securities of euro zone issuers. As a result, the portfolios' exposure to currency risks is very limited. In addition, exposures are governed by a currency standard. Consequently, the exchange rate volatility observed for sterling in 2016 following the Brexit referendum did not have any material adverse effect on the Group's results.

The report of the Chairman of the Board of Directors of CNP Assurances analyses the Group's currency risk exposure.

CNP Assurances has issued subordinated notes denominated in US dollars and in sterling. The currency risk on three of these issues is hedged and the fourth issue has been match-funded to investments denominated in the same currency.

See the tables in the following notes to the consolidated financial statements: Note 11 – Subordinated debt 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 to the consolidated financial statements: Note 9.6 – Derivative instruments, and Note 9.7 – Derivative instruments qualifying for hedge accounting.

The Group 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, ineffective or only partially effective in protecting the Group against increased exposure under extreme conditions or against losses that it wanted to attenuate, all of which could negatively affect the Group's business, earnings and financial position.

Even the most comprehensive and sophisticated hedging strategies cannot remove all risks of losses. Moreover, the Group may incur losses if any of its various hedging instruments or strategies 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.

Operational risk management systems are tailored to the type of risk. They are designed to enhance operating managers' risk management capabilities and to be clearly identifiable in order to facilitate the crucial work of monitoring. The operational risk management system is deployed across the Group. 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 SERVICE QUALITY RISKS

Outsourcing risk – as defined under Solvency II – has been highlighted as a significant risk inherent to the Group's business model. Activities may be outsourced to partners (certain management operations, notably asset management) as well as to outside contractors (policy administration, information system management).

The main outsourcing risks, *i.e.*, quality and compliance of the outsourced activities, regulatory compliance including the ban on price bargaining, dependence, loss of internal know-how and conflicts of interest, are reviewed on a regular basis. An internal outsourcing policy is helping to gradually increase employee understanding, monitoring and control of the related risks.

The policy's main principles are as follows:

- maintain operational control of the outsourced activity: the Group retains the ability to assess contractors' activities, largely through formal documentation of the outsourced processes and service performance procedures;
- deploy adequate resources to manage the risks, in order to maintain the expected level of outsourcing efficiencies and gains: the resources deployed to monitor the outsourced activity are in proportion to the importance of the activity and the cost it represents for CNP Assurances;
- maintain or increase quality and productivity levels compared to performing the activity in-house;
- apply the Group's general purchasing policy to outsourcing contracts;
- comply with all of the ethical and professional guidelines set out in the Group's code of ethics, including the Ethical Purchasing Charter, the code of conduct for Group employees, the professional standards applicable to each business, such as fund management standards, the Internal Control Charter, and the ten principles of the United Nations Global Compact upheld by CNP Assurances.

The outsourcing policy is rolled down to the operating units in the form of the following procedures:

- the procedure for deciding if a function or activity is critical or important;
- the procedure for choosing a contractor and determining the details to be included in the written outsourcing agreement;
- the procedure for monitoring the outsourced activities, covering the method and frequency of contractor performance and results assessments (the various methods include but are not limited to continuous monitoring by a committee, random on-site and desk audits, and reviews of contractors' own reports on their internal control and risk management systems);
- the procedure for examining business contingency plans and exit strategies.

CNP ASSURANCES' PRODUCTS AND SERVICES MAY EXPOSE THE GROUP TO COMPLIANCE RISK

A number of changes have been made recently to the regulatory framework governing insurance activities. These mainly address customer protection issues, with the introduction of many new regulations on such topics as complaint processing and advertising materials.

By constantly monitoring regulations and industry standards, CNP Assurances keeps abreast of potential compliance risks throughout its diverse range of businesses.

Under the CNP Assurances business model in France, presentations of life insurance operations are generally prepared by the partner networks, although these operations are the responsibility of the insurer. The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal. The Group has a robust product launch procedure that includes checks to ensure that the product and the marketing process are in full compliance with regulatory requirements.

There are also numerous regulatory and contractual obligations throughout the life of a policy.

Dealing with unclaimed life insurance settlements is a key concern and after France's Eckert Act came into force the Group's administrative processes were revised to comply with the requirement to reduce the time taken to find beneficiaries (see "Risk management process" in the report of the Chairman of the Board of Directors).

In the interests of customer service quality, over the past few years the Group has obtained quality certifications for core processes from recognised professional standards bodies (ISO 9001 for key management or marketing processes, and CMMI or ITIL for IT processes). Regulatory texts and the recommendations published by France's insurance supervisor (ACPR) are incorporated into the Group's internal procedures, which also describe the controls to be performed by the employees concerned by each process. Particular attention is paid to compliance risks at the time of new product launches.

The number of lawsuits brought by French policyholders has remained stable over the past three years. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group.

AS A FINANCIAL INTERMEDIARY, THE GROUP IS EXPOSED TO THE RISK OF MONEY LAUNDERING AND FRAUD

Combating money laundering and the financing of terrorism is a constant concern for the Group, which is exposed to these risks due to the nature of its business.

The Group's business model, in which many transactions are performed by partners, has shaped the related controls. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners.

When policyholder relations are handled by partners, they also play a key role in data gathering and know-your-customer procedures. Nearly all transactions go through policyholders' accounts with the partner banks which are responsible for performing background checks on cash flows.

The Group has set up an internal work group and takes part in industry studies with a view to pro-actively adapting its processes in response to comments by France's insurance supervisor (ACPR), the expected adoption of new regulations and the need to strengthen its risk prevention mechanisms.

The Group is also exposed to fraud risk. For example, the Group may have to contend with a misappropriation of funds by an asset manager or by an external party through identify theft. It may also be faced with a false declaration by a customer when the policy is purchased or a claim is settled. In addition to leveraging the processes and expertise already deployed to combat money laundering, action has been taken to beef up controls performed by partners and the Group's own in-house policy administration teams, as well as processes for analysing data on contractual financial flows. Any suspicion of fraud by persons inside or outside the Group that is detected by the policy administration teams or any instances of ethically questionable practices or abuse of vulnerable people by sales personnel are subject to an in-depth investigation by a specialised unit within the Group. The investigation is followed by a detailed report and recommendations where necessary. The risk may be aggravated by an economic crisis and the Group has therefore strengthened the system of delegations of powers and signature authority, as well as its controls over payments.

AS A MAJOR INSURANCE COMPANY, ANY SECURITY INCIDENT EXPOSES CNP ASSURANCES' IT SYSTEM AND DATA TO RISK

The Group's sales and marketing and underwriting operations are all organised around information systems. These mission-critical systems must be capable of being adapted to a rapidly changing environment.

Granting access to the systems to partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data.

Although considerable resources have been invested 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 may have an adverse impact on operations.

CHANGES IN TAX LEGISLATION MAY HAVE A MATERIAL IMPACT ON THE GROUP'S SITUATION

Tax risk covers all taxes and levies payable by the Group or collected on behalf of the government.

It concerns the prospective or retrospective application and interpretation of existing and new tax rules and the risk of failure to comply with the Group's tax obligations.

Poor management of tax risks can result in claims for additional taxes or penalties.

When new insurance products are being developed, particularly life insurance products, many factors are taken into account, including the product's tax treatment under current tax rules. Any changes in tax rules, particularly the removal of tax relief or the application of higher rates of taxation or new rules, may have a material adverse effect on current and future premium income, technical reserves, net profit, the Group's cash position and financial position and possibly even its share price.

THE GROUP COULD BE EXPOSED TO EMPLOYEE-RELATED RISK

The Group is exposed to risks in the event of failures in its management of Human Resources. The Group is attentive to these risks, which may be due to structural factors (risks related to working conditions) or business factors (risks arising in connection with the business's development), and regular constructive dialogue is maintained between employee representatives and management.

The Group also has a well-established strategy for preventing psychosocial risks and measures addressing this issue were implemented under an agreement signed in 2012. The strategy continues through to 2017 with the implementation of a new work-life quality agreement, which addresses such issues as gender equality and prevention of psychosocial risks.

GROUP ENTITIES HAVE SET UP INSURANCE PROGRAMMES AND CONTINGENCY PLANS TO MITIGATE OPERATIONAL RISKS

The Group has designed a series of measures to ensure that all potential risks are efficiently managed, reduce the probability that they will occur and limit their impact. 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 most of the Group's assets and cover liability risks. The insurance programme comprises both Group-wide policies and subsidiary-level policies.

Insured amounts and deductibles 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 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 customers and partners an adequate level of service. It is updated regularly and tested in real conditions to take into account the Company's changing needs and check that the earmarked human and technical resources are adequate.

5.6.4 Other risk factors

IF THE GROUP'S CREDIT RATING WERE TO BE DOWNGRADED, THIS COULD LEAD TO AN INCREASE IN BORROWING COSTS

One of the key criteria used by investors to estimate risk is a potential investee's credit rating, particularly in increasingly globalised financial markets where it is becoming harder to obtain reliable information and to manage all aspects of risk.

Consequently, any ratings downgrade could drive up the Group's borrowing costs and this in turn could have an adverse effect on its future earnings.

CNP Assurances' rating is reviewed by Standard & Poor's at regular intervals. The Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 to the consolidated financial statements – Subordinated debt.

RISKS RELATED TO THE GROUP'S STRATEGIC PARTNERSHIPS

To consolidate its presence in certain markets, the Group makes strategic investments, directly or through subsidiaries, in the form of partnerships.

These strategic partnerships are a means for the Group to share its business and financial risk. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership and operating arrangements both reduce the Group's investment risk and act as an incentive for the effective participation and involvement of the partner.

As part of its external growth strategy, whenever the Group identifies a potential acquisition, it commissions an in-depth audit of the target's financial position. In addition, each key stage of the process is framed by governance procedures to assess the acquiree's strategic fit and enable the relevant decision-making body to establish the conditions and parameters for completing the deal.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than originally expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of the business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan, and underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect the Group's financial position. See Note 7.1 to the consolidated financial statements – Intangible assets by category.

It may be necessary to rethink a partnership 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, any necessary adjustments are made and corrective action taken, jointly with the distribution partner if appropriate.

The Group plays close attention to anticipating the expiry of any long-term partnerships as the ending of the strategic relationship may affect its earnings, financial position or business model.

To limit these risks, the Group ensures that the necessary anticipatory action is taken in good time.

RISKS RELATED TO THE GROUP'S HOST COUNTRIES

The Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

Macro-economic indicators and political developments in the Group's host countries are continuously monitored. In addition, the annual business review conducted at each subsidiary is an opportunity to review in detail the situation of the host country and any implications for the Group's business.

In 2016, Brazil remained in recession and the political situation was turbulent. This situation did not augur well for the development of the local subsidiary, Caixa Seguradora, which nonetheless continued to post high margins.

THE GROUP COULD BE EXPOSED TO ENVIRONMENTAL RISK

The Group's image could be tarnished by poor environmental management of its forestry assets or property portfolios, or by the environmental footprint of its investments. The Group's environmental initiatives and procedures are described in the Corporate Social Responsibility report and the report of the Chairman of the Board of Directors.

RISKS RELATED TO NEW REGULATIONS

The introduction of new regulations in Europe or the Group's other host countries could prove both complex and costly for the Group. Many different departments may be concerned by the change, information systems may have to be adapted and significant costs may have to be incurred for staff training to ensure compliance with the new regulatory framework.

In 2016, the Solvency II directive came into effect, creating a more sophisticated regulatory framework for the Group's businesses. Many new procedures and reporting systems have had to be developed, which have given rise to new operational risks for the Group. In addition, due to its highly complex nature, Solvency II has created a compliance risk arising from possible differences of interpretation of certain provisions between CNP Assurances and France's insurance supervisor (ACPR). With the integration of Solvency II processes into the internal control system and completion of numerous exercises to test the new processes, the Group has deployed the necessary resources to attenuate these new risks.

In 2017, potential regulatory developments such as a change in the statutory retirement age may have an adverse effect on the Group's results. The Group is already preparing for the 2018 implementation of the new regulations on Packaged Retail and Insurance-based Investment Products (PRIIPs) and the revised Insurance Intermediation directive, which will give rise to operational risks and additional compliance risks in the same way as Solvency II.

CNP ASSURANCES' 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, employee benefits institutions, 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 the Group 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.

5.7 Statutory Auditors' report on the report of the Chairman of the Board of Directors

For the year ended 31 December 2016

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 2016.

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, 23 March 2017

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	**MAZARS**
Bénédicte Vignon	Olivier Leclerc

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 2016

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, 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 the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, 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.332-7 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 SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorised during the year

In accordance with Article L.225-40 of the French Commercial Code and Article R.332-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

1) Proposed acquisition of the French State's interest in Aéroports de la Côte d'Azur

Persons concerned

Bertrand Walckenaer (representative of the French State on the Board of CNP Assurances), Olivier Mareuse, Virginie Chapron du Jeu, Anne-Sophie Grave, Odile Renaud-Basso, Franck Silvent and Pierre-René Lemas (permanent representative of CDC on the Board of CNP Assurances), and also François Perol and Jean-Yves Forel who both informed the Board of a conflict of interests.

Nature and purpose

At its meeting on 28 April 2016, the Board of Directors of CNP Assurances authorised the Company to participate in a consortium of investors, including CDC, that planned to make an offer to acquire the French State's interest in Aéroports de la Côte d'Azur.

The Board of Directors authorised the signature by CNP Assurances of the two documents required to join the consortium:

- the participation letter providing for CNP Assurances to become a party to the consortium agreement;
- the memorandum of understanding describing the terms and conditions of CNP Assurances' partial substitution for CDC.

Using the stipulations in the consortium agreement that it had just joined, on 30 May 2016, CNP Assurances announced its withdrawal from the consortium.

These agreements had no impact on the 2016 financial statements.

Benefits for the Company of signing the agreement

CDC invited CNP Assurances to join the consortium set up to make a joint offer to participate in the opening of Aéroport de Nice's capital to outside investors. This type of investment was consistent with CNP Assurances' investment strategy and it was therefore proposed by senior management to the Board of Directors.

2) Sale to La Banque Postale of 10% of the capital of Ciloger

Persons concerned

The persons concerned are Florence Lustman (permanent representative of Sopassure on the Board of Directors of CNP Assurances, director of SF2), Philippe Wahl (director of CNP Assurances, Chairman and Chief Executive Officer of La Poste, Chairman of the Supervisory Board of La Poste), Rémy Weber (director of CNP Assurances, Chairman of the Executive Board of La Banque Postale), Bertrand Walckenaer (representative of the French State on the Board of Directors of CNP Assurances, director of La Poste exposed to a conflict of interests), Olivier Mareuse, Virginie Chapron du Jeu, Odile Renaud-Basso and Franck Silvent (directors exposed to a conflict of interests due to their membership of the Board of Directors of AEW Europe or their personal involvement in the project).

Nature and purpose

La Banque Postale, which held 90% of the capital of Ciloger through a wholly-owned subsidiary, SF2, decided to initiate a merger between Ciloger and AEW Europe (owned by NGAM and CDC), and asked CNP Assurances to sell its interest in Ciloger to enable the merger to go ahead.

Terms and conditions

Pursuant to the authorisation given by the Board of Directors on 10 May 2016, CNP Assurances entered into an agreement to sell its Ciloger shares on 29 September 2016 and received payment for the shares the same day, generating a capital gain of €4.92 million which was recorded in the 2016 financial statements.

Benefits for the Company of signing the agreement

The financial and other benefits of the agreement were examined by the Board of Directors.

During its discussion of the agreement's benefits for the Company on 10 May 2016, the Board of Directors concluded that:

- the price proposed by LBP was fair and netted a significant capital gain of €4.92 million for CNP Assurances compared with the investment's historical cost of €8,000;
- it was not in CNP Assurances' interests to retain a minority interest in a company engaged in a non-strategic business;
- the business relationship between CNP Assurances and Ciloger (CNP Assurances has invested in several SCPI and OPCI property funds managed by Ciloger) would not be affected by the transaction.

3) Acquisition of an interest in Réseau de Transport d'Électricité (RTE)

Persons concerned

Pierre-René Lemas (permanent representative of Caisse des Dépôts on the Board of CNP Assurances, Chief Executive Officer of Caisse des Dépôts), Delphine de Chaisemartin, Franck Silvent, Olivier Mareuse, Pauline Cornu-Thénard, Virginie Chapron du Jeu (directors proposed by Caisse des Dépôts) and Bertrand Walckenaer (representative of the French State on the Board of CNP Assurances).

Nature and purpose

EDF, the sole shareholder of RTE, launched a plan for the sale of part of RTE's capital subject to the legislative requirement that its entire capital must be held by the French State, EDF or another public sector entity.

In July 2016, CDC and CNP Assurances started bilateral negotiations with EDF with a view to acquiring a 49.9% stake in RTE, of which 20% would be acquired by CNP Assurances.

Terms and conditions

At its meeting on 14 December 2016, the Board of Directors authorised CNP Assurances' senior management to sign:

- an investment agreement between CNP Assurances, CDC and EDF describing the terms and conditions of the purchase of 49.9% of the capital and voting rights of C25, a company to be set up by EDF to which it would transfer 100% of RTE's capital and voting rights;
- a memorandum of understanding concerning the signature of a shareholders' agreement between CDC and CNP Assurances.

The investment agreement and memorandum of understanding were signed on 14 December 2016 and include, respectively, appendices setting out the agreements that the parties intend to sign on the transaction completion date:

- an agreement between the shareholders of C25 – CNP Assurances, CDC and EDF – organising their rights and obligations as indirect shareholders of RTE and describing RTE and C25's governance rules based on the specific regulations applicable to RTE;
- a shareholders' agreement between CNP Assurances and CDC organising their rights and obligations as shareholders of C25 and indirect shareholders of RTE, and the exercise of their collective rights under the agreement in the governance of RTE and C25.

These agreements had no impact on the 2016 financial statements.

Benefits for the Company of signing the agreement

The financial and other benefits of the agreement were examined by the Board of Directors.

During its discussion of the agreement's benefits for the Company on 14 December 2016, the Board of Directors concluded that:

- this significant infrastructure investment (representing €1,080 million for CNP Assurances' 20% stake in RTE) promises an attractive internal rate of return and average rate of return over the first ten years;
- the transaction represents an opportunity for CNP Assurances to acquire a significant interest in the operator of Europe's biggest transmission system that enjoys a monopoly in France (as the operator of a national service) and a protective regulatory framework that shelters it from the effects of fluctuating volumes and cost increases that are beyond the operator's control;
- the investment should qualify as a strategic investment under Solvency II regulations, with a lower risk-weighting than a non-strategic infrastructure investment for the purpose of calculating the Group's solvency capital requirement.

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 that the following agreements and commitments, approved by the Annual General Meeting in previous years, remained in force during the year ended 31 December 2016.

1) Final agreements covering deployment of the renewed partnership between CNP Assurances and the BPCE Group commencing 1 January 2016

Nature and purpose

In March 2015, CNP Assurances and the BPCE group signed an agreement renewing their partnership for an initial seven-year period commencing 1 January 2016.

In parallel with the gradual transfer to Natixis Assurances of all new savings and pensions (*i.e.*, life and endowment) policies distributed by the Caisses d'Epargne network during 2016, the renewed partnership includes:

- mechanisms to align the interests of policyholders with those of CNP Assurances concerning the ongoing management by CNP Assurances of contracts purchased by Caisses d'Epargne customers up until 31 October 2016, corresponding to the date when the final Caisse d'Epargne branches switched from CNP Assurances to Natixis Assurances for their new insurance business. These mechanisms consist mainly of two reinsurance treaties covering new business ("tranche 1" and "tranche 2" treaties), a mechanism concerning the savings business that comprises an agreement guaranteeing stable in-force business levels and an outperformance agreement, and a 10% quota-share reinsurance treaty with ABP Vie, a subsidiary of Natixis Assurances;
- an exclusive partnership with Natixis Assurances (co-insured 66% by CNP Assurances and 34% by Natixis Assurances) for term creditor insurance distributed by the Banques Populaires network (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne network, Banque Palatine and Crédit Foncier and specific partnerships in personal risk insurance and employee benefit plans, including health insurance (to address the market created by the national inter-professional agreement – *Accord National Interprofessionnel*).

Renewal of the partnership was authorised by the Board of Directors on 18 February 2015 and a master partnership agreement was signed on 23 March 2015 between CNP Assurances, BPCE (acting in its own name and in the name and on behalf of, *inter alia*, the

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banks in the Caisses d'Epargne and Banques Populaires networks) and Natixis. On 30 December 2015, an addendum was signed modifying the deadlines for signing certain agreements for the application of the master partnership.

The master partnership agreement:

- notes that the agreements expiring on 31 December 2015 were not being renewed;
- represents the umbrella agreement defining and organising the contractual framework created by the new partnership agreements;
- sets at seven years the duration of the new partnership agreements, commencing 1 January 2016. At the end of this seven-year period, BPCE will have the option of either renewing the agreements for a period of three years commencing 1 January 2023 or purchasing the insurance book represented by policies sold through the BPCE group at a mutually agreed price. BPCE may initiate negotiations for the purchase of the insurance book after five years, *i.e.*, at the end of 2020, and CNP Assurances may initiate negotiations for the sale of the insurance book to BPCE at the end of the five- and seven-year periods and each three-year renewal period; and
- generally organises and defines relations between the parties under the renewed partnership.

Various agreements for the application of the master partnership agreement were also signed, as follows:

- in the area of savings and pension products (life and endowment policies), the main components of the new agreements are as follows:
  - partnership agreement with BPCE primarily dealing with the administration of in-force business retained by CNP Assurances and top-up premiums paid on the contracts,
  - addendum to the commission agreement with BPCE, extending its term for a period expiring at the end of the life of the CNP Assurances savings and pensions contracts (life policies),
  - mechanism covering the savings business, based on two agreements with BPCE: an agreement guaranteeing stable in-force business levels and an outperformance agreement.

    This mechanism will be triggered if surrenders and/or top-up premiums deviate from the benchmark trajectories determined on the basis of historical data for CNP Assurances. If observed surrenders are higher than expected or observed top-up premiums are lower than expected, BPCE will make a compensatory payment to CNP Assurances, and CNP Assurances will pay a symmetrical outperformance commission to BPCE if the reverse is true. The mechanism will be deactivated in the event of an interest rate or behavioural shock,
  - a 10% quota share reinsurance treaty with ABP Vie covering in-force business sold through the BPCE group,
  - a reinsurance treaty with ABP Vie, to which Natixis is a party, covering tranche 1 new business. Under the terms of this treaty, CNP Assurances reinsures 40% of the ABP Vie savings and pension products (excluding unit-linked contracts or formulas) sold by the Caisses d'Epargne and related banks during the 2016-2019 calendar years. This treaty will remain in force until the reinsured policies expire,
  - a quota-share reinsurance treaty with ABP Vie, to which BPCE and Natixis are parties, covering tranche 2 new business. Under the terms of this treaty, which would be activated by an interest rate or behavioural shock, CNP Assurances reinsures 90% of the insurance liabilities arising from payments into ABP Vie savings and pension products made by former CNP Assurances customers. Similarly, a *eurocroissance* agreement provides for CNP Assurances to be indemnified for policyholder payments into an ABP Vie *eurocroissance* product. "Cross-matching" agreements organise the supply by BPCE of the list of former CNP Assurances customers that have become ABP Vie customers following the occurrence of an interest rate or behavioural shock, and
  - in addition:
    - in the premium savings segment, partnership agreements have been signed by CNP Assurances with Banque Privée 1818 and Sélection 1818,
    - concerning Ecureuil Vie Développement (set up to drive growth in insurance sales by the Caisses d'Epargne network), an agreement for the sale of 2% of its shares was signed between CNP Assurances, BPCE and Natixis Assurances (giving Natixis Assurances 51% of Ecureuil Vie Développement's capital and voting rights as of 1 January 2016), together with a shareholders' pact between the three partners, and an agreement was signed between CNP Assurances and Ecureuil Vie Développement concerning the secondment of employees, and
    - in the area of asset management, a master portfolio management and investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management.

With the exception of this latter agreement, all the other agreements were signed on 23 March 2015 with various addenda signed during the year, where necessary, dealing with technical issues;

- in the area of term creditor insurance distributed by the Banques Populaires (excluding BRED, Crédit Coopératif and CASDEN), Caisses d'Epargne, Banque Palatine and Crédit Foncier networks, the main components of the new agreements are as follows:

- co-insurance agreement between CNP Assurances, ABP Vie and ABP Prévoyance (CNP Assurances for 66% and ABP Vie and ABP Prévoyance for 34%). If the agreement is renewed, risks will be co-insured on a 50/50 basis, and
- several agreements that are a standard feature of this type of partnership, including a financial agreement, a brokerage agreement between CNP Assurances, BPCE, ABP Vie and ABP Prévoyance and a delegated management and service level agreement between CNP Assurances and BPCE.

All of these agreements were signed on 23 March 2015:

- in personal risk insurance (long-term care and renters' insurance) and employee benefits plans including health insurance, the following agreements were signed:
  - personal risk insurance commission agreement with BPCE, and
  - health insurance referral agreement with BPCE and BPCE Assurances.

All of these agreements came into effect on 1 January 2016, except for:

- the agreements signed by CNP Assurances with Banque Privée 1818 and Sélection 1818, which came into effect on 1 January 2015; and
- the health insurance referral agreement which came into effect on 1 June 2015.

A certain number of appendices and application agreements were signed during 2016. Two addenda postponing the deadline for finalising all the contractual documents related to the renewed partnership were signed respectively on 30 December 2015 and 18 January 2017.

Benefits for the Company of maintaining this agreement

At its meeting on 18 February 2015, the Board of Directors discussed the benefits for the Company of renewing the partnership. The Board's decision notably states that "... deployment of the renewed partnership and signature of all of the new partnership agreements will further the Company's business interests, particularly in light of the in-force business protection mechanisms which adequately cover the risks identified by the Company, and the term creditor insurance and personal risk/employee benefits distribution partnerships negotiated with the partners [...]".

These agreements led to various payments during 2016.

The remuneration received by the Caisses d'Epargne 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 2016 amounted to €982.1 million.

A reinsurance commission of €307.9 million was paid under the 10% quota share reinsurance treaty with ABP Vie covering in-force business sold through the Caisses d'Epargne. A reinsurance commission of €0.7 million was received under the reinsurance treaty with ABP Vie covering tranche 1 new business.

2) 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 was 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 ("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 underwritten 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 ("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.

Terms and conditions

The interest was acquired *via* two companies: Holding d'Infrastructures Gazières (HIG), controlled jointly by the consortium members, and Société d'Infrastructures Gazières (SIG), wholly owned by HIG, 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 underwritten 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 underwritten by the consortium (including €270 million by the CNP Assurances Group).

At 31 December 2016, CNP Assurances held 52.73% of the share capital of HIG (€349 million) and €270 million worth of bonds issued by SIG (of which €220 million held directly and €70 million through Infra Invest).

3) Agreement between CNP Assurances and La Banque Postale (LBP) concerning 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 services provided by CNP Assurances on behalf of LBPP.

Following the renewal of the partnership with LBP in March 2016, which notably includes the sale of CNP Assurances' 50% interest in La Banque Postale Prévoyance to La Banque Postale, a delegated management agreement giving CNP Assurances responsibility for managing current personal risk products, and an addendum to the advisory and financial management agreement, this agreement is no longer applicable to certain support services provided by CNP Assurances on behalf of LBPP.

Terms and conditions

In 2016, CNP Assurances recorded revenue from the services still covered by the agreement and those transferred under the documents referred to above that were signed on 25 March 2016, corresponding to:

€0.72 million for advisory and financial management services;

€19.57 million for support services and delegated management services.

4) Sale of CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, and of most of its 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, and to sell most of the other non-controlling interests held by CNP Assurances in Argentina to the Brazilian company, CNP Assurances Brasil Holding 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), Previsol Compania de Seguros de Retiro (to CNP BHL for €1,000), Asociart (for ARS180,058.94), and Previsol Compania de Seguros de Vida (for ARS44,700).

The interest in Provincia Aseguradora de Riesgos des Trabajo was sold in 2009 for ARS3,460.

Terms and conditions

The sale of the CNP Assurances Seguros de Vida and Previsol Administradora de Fondos de Jubilaciones y Pensiones (Previsol AFJP) interests did not take place in 2016.

Previsol AFJP, now called Credicoop Administradora de Fondos de Aportes Voluntarios y Depositos Convenidos, S.A., is in liquidation and will not be transferred to CNP BHL.

5) Real estate portfolio 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 and later in January 2015 for a period of three years.

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 real estate rental marketing: a percentage of the rent under the signed lease;
- 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 based on the number of assets held by the subsidiary and the number of account closings;
- for project management: fees based on the amount invoiced, excluding tax;
- for consolidation services: a half-yearly lump sum payment;
- a percentage of the purchase and/or sale price of the properties purchased or sold with its assistance.

In 2016, fees paid by CNP Assurances to AEW for these services amounted to €2.2 million.

6) Securities portfolio 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.

Under the renewed partnership with BPCE, authorised by the Board of Directors on 18 February 2015, a framework portfolio management and associated investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management to replace the 2008 agreement with effect from 1 January 2016.

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 2016 amounted to €20.6 million. This amount was rebilled to the subsidiaries concerned.

7) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 18 April 2006, Ecureuil Vie was authorised by its Supervisory Board 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: three-month Euribor +95 bps until 20 December 2026, then three-month Euribor +195 bps.

The interest expense recorded by CNP Assurances in 2016 amounted to €0.78 million.

8) 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, 2011, 2013, 2014, 2015 and 2016.

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.

Fees paid by CNP Assurances pursuant to this agreement in 2016 amounted to €15.9 million. This amount was rebilled to the subsidiaries concerned.

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 2 April 2004, Ecureuil Vie was authorised by its Supervisory Board to enter into an agreement for the issue of perpetual subordinated notes to 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: three-month Euribor +70 bps until 2016, then three-month Euribor +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2016 amounted to €4.44 million for the first tranche and €0.44 million for the second tranche.

10) Agreement for the issue of fixed-term 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, Ecureuil Vie was authorised by its Supervisory Board to sign an agreement for the issue of €200 million worth of fixed-term subordinated notes due 23 June 2023 to Caisse Nationale des Caisse d'Epargne et de Prévoyance.

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 is Euribor +200 bps. The interest expense recorded by CNP Assurances in 2016 amounted to €3.59 million.

11) 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 sharing the management expense loading and determining the remuneration to be received by each partner, based on their respective tasks.

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 2016 in respect of this agreement consisted of brokerage fees payable by CNP Assurances for €38.3 million and a €7.8 million working capital advance to Sofaxis.

Agreements and commitments approved during the year

We were also informed of the implementation during the year of the following agreements and commitments approved at the Annual General Meeting of 28 April 2016 on the basis of our special report dated 1 April 2016.

1) Renewal of the partnership with La Banque Postale

Persons concerned

The persons concerned are Florence Lustman (permanent representative of Sopassure on the Board of Directors of CNP Assurances, Chief Financial Officer of La Banque Postale), Philippe Wahl (director of CNP Assurances, Chairman and Chief Executive Officer of La Poste, Chairman of the Supervisory Board of La Poste), Rémy Weber (director of CNP Assurances, Chairman of the Executive Board of La Banque Postale) and Antoine Saintoyant (representative of the French State on the Board of Directors of CNP Assurances, director of La Poste).

Nature and purpose

With the authorisation of the Board of Directors given on 16 February 2016, CNP Assurances and La Banque Postale signed a master agreement on 25 March 2016 organising the renewal of their partnership.

Terms and conditions

The main purpose of the master agreement was to:

- define, organise and set a framework for the contractual relationship created through the new partnership agreements;
- set at ten years the duration of the renewed partnership, commencing 1 January 2016, except for home-buyer term creditor insurance for which the ten-year period commenced when La Banque Postale and BPE began distributing new CNP Assurances policies on 28 September 2016;
- specify the terms and conditions for unwinding their relations under the renewed partnership and any new distribution agreement that they may enter into in the future. If the parties decided to go their separate ways, they would negotiate the details in good faith, particularly the fate of the in-force life insurance and endowment policies sold through La Banque Postale and BPE, and the method of ensuring that La Banque Postale and BPE continue to receive the commission due to them for as long as the policies remain in force;
- generally organise and define relations between the parties under the renewed partnership.

In line with the terms of the master agreement, new partnership agreements have been signed, along with contracts implementing their provisions in the following areas:

- in life insurance, the main components of the new agreements are as follows:
  - a ten-year partnership agreement in the area of life and endowment insurance between CNP Assurances, La Banque Postale and BPE (La Banque Postale's private banking arm that has been wholly-owned by the group since 2013). La Banque Postale and BPE have given CNP Assurances exclusive distribution rights (except to wealth management customers served under open model arrangements) for life insurance and endowment products representing a certain percentage of market share, with a commission arrangement designed to ensure that profits are shared equally between the insurer and the distributor,
  - a contract whereby CNP Assurances appoints La Banque Postale and BPE to distribute its life and endowment insurance policies,
  - a marketing cost-sharing agreement, whereby CNP Assurances contributes to the sales promotion and communication costs incurred by La Banque Postale and BPE;
- in personal risk/protection insurance:
  - an agreement for the sale by CNP Assurances to La Banque Postale of its 50% interest in La Banque Postale Prévoyance for €306.9 million (less the amount of dividends paid prior to the completion date), with La Banque Postale Prévoyance retaining *inter alia* the personal risk insurance business. The sale was completed on 28 June 2016 and was preceded by the signature on 25 March 2016 of (i) a delegated management agreement whereby CNP Assurances continues to administer current personal risk insurance products with the same fee arrangements as applied before the agreement was signed, (ii) an addendum to the advisory and financial management agreement, and (iii) an agreement organising the transfer to La Banque Postale Prévoyance by the end of 2017 of certain back-office activities currently performed by CNP Assurances,
  - a distribution agreement between CNP Assurances, La Banque Postale and BPE concerning home-buyer term creditor insurance, a financial agreement defining commissions payable to La Banque Postale and BPE and the payment by CNP Assurances to La Banque Postale and BPE of an initial commission when distribution of the new group policies begins, to be adjusted at the end of 2020 and after ten years, and a delegated management agreement setting out the service level and reporting commitments given by La Banque Postale and BPE,
  - a ten-year 5% quota share reinsurance treaty covering new home-buyer term creditor insurance business between La Banque Postale Prévoyance and CNP Assurances coming into effect when La Banque Postale and BPE start distributing CNP Assurances' new group policies,
  - a certain number of appendices and application agreements were signed during 2016. Addenda postponing the deadlines for signing the agreements that have not yet been finalised were signed on 15 February 2017.

Benefits for the Company

The benefits of these agreements are as follows:

- the renewal of the life insurance partnership for a long period on satisfactory terms preserves the value of the CNP Assurances/ La Banque Postale partnership;
- the agreement is extremely well balanced overall, with the removal of the personal risk insurance business from the scope of the partnership offset by its extension to include BPE's wealth management customers and by the widening of the customer base for home-buyer term creditor insurance;
- the price agreed for the sale of CNP Assurances' interest in La Banque Postale Prévoyance is fair;
- the proposed agreement covers a long period and the partnership conditions are not excessively inflexible, providing CNP Assurances with improved visibility when it comes to preparing its business plan.

These agreements led to various payments during 2016.

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 2016 amounted to €578.8 million.

The sale of CNP Assurances' interest in La Banque Postale Prévoyance netted an after-tax gain of €189.4 million, which is included in CNP Assurances' profit for the first half of 2016.

Neuilly-sur-Seine and Courbevoie, 23 March 2017

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Bénédicte Vignon	Olivier Leclerc

6

ADDITIONAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

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

LEI code: 969500330J87723S1285

Tel.: +33 (0)1 42 18 88 88

6.1.2 Legal form and governing law

CNP Assurances is a French *société anonyme* (joint-stock 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 banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR). As a company whose shares are traded on Euronext Paris, CNP Assurances is also supervised by the French securities regulator (*Autorité des Marchés Financiers* – 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)

"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.*

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 (calendar year).

6.1.6 Appropriation and allocation of profit (Article 29 of the Articles of Association)

"Net income for the financial year less overheads and other corporate expenses, depreciation and amortisation of assets and all contingency provisions, forms net profit.

1. *Distributable profit consists of profit for the financial year, less prior losses and amounts appropriated to reserves pursuant to the law and the Articles of Association, plus retained earnings brought forward from the prior year.*
2. *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.
3. *The General Meeting may decide to grant each shareholder an option to receive all or part of the dividend or any interim dividend in cash or in shares."*

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6.1.7 Participation in General Meetings

6.1.7.1 PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACT FROM ARTICLE 27 – GENERAL MEETINGS)

"General Meetings are called and held in accordance with the conditions set down by law. Meetings take place at the Company's headquarters or at any other venue indicated in the notice of meeting."

6.1.7.2 EXERCISE OF VOTING RIGHTS BY SHAREHOLDERS

All shareholders may participate in General Meetings. They may attend the meeting in person, vote by post or give proxy to any individual or legal entity of their choice (Article L.225–106 of the French Commercial Code [*Code de commerce*]).

How to participate in the General Meeting

In accordance with Article R.225-85 of the French Commercial Code, shareholders wishing to participate in the General Meeting are required to provide evidence of ownership of shares recorded in a securities account in their name or in the name of the bank or broker registered as their representative, by 12:00 a.m. CET on the second business day preceding the date of the meeting (11 April 2017).

For holders of shares registered in their name or that of the bank or broker registered as their representative, the entry in the Company's share register as provided for above is sufficient to permit their participation in the meeting.

Holders of bearer shares are required to obtain a certificate of ownership issued by the bank or broker that keeps their securities account, as provided for above. This certificate must be attached to the postal voting form or to the application for an admission card prepared in their name or in the name of the bank or broker registered as their representative. Evidence of their ownership of shares is therefore provided by the bank or broker that keeps their securities account, who will be responsible for issuing their certificate of ownership.

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 application for an admission card sent by the bank or broker, to Caceis Corporate Trust, Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

How to exercise voting rights

Shareholders are informed that they will not be given the option of voting by video conference at the meeting of 13 April 2017.

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 ("Caceis Corporate Trust").
- Holders of bearer shares should ask the bank or broker responsible for managing their securities account (their "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.

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 by following the instructions below:

- holders of registered shares (pure and administered) should:
  - enter the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com) and then follow the instructions on the screen,
  - once connected, click on "Vote by Internet' to be directed automatically to the Votaccess platform and apply online for an admission card;
- holders of bearer shares: only holders of bearer shares whose shares are held in an account managed by a bank or broker that is a member of the Votaccess system and offers this service for the General Meeting, will have access to Votaccess.

If your bank or broker is connected to the Votaccess platform, you should connect to the bank or broker's Internet portal with your usual access codes. Then follow the on-screen instructions to access the Votaccess platform and vote, request an admission card, or appoint or revoke a proxy.

Consequently, holders of bearer shares who are interested in this service are invited to contact their bank or broker to obtain information on the conditions of use.

The Votaccess platform will be open from 23 March 2017 at 9am to 12 April 2017 at 3pm (CET), the day before the General Meeting. Shareholders are advised not to wait until the last few days before exercising their voting rights to avoid any bottlenecks on 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, France;
- 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, France.

Shareholders wishing to be represented should send their form to Caceis Corporate Trust as provided for above. The completed and signed form must be received by Caceis Corporate Trust no later than 10 April 2017, otherwise they will not be accepted.

Only appointed or revoked proxies that have been duly completed, signed, received and confirmed at least three days before the date of the General Meeting will be taken into account.

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, as follows:

- holders of registered shares (pure and administered) should:
  - enter the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com) and then follow the instructions on the screen,
  - once connected, click on "Vote by Internet" to be directed automatically to the Votaccess platform and enter your voting instructions;
- holders of bearer shares should find out whether the bank or broker that keeps their securities account is connected to the Votaccess platform and obtain information on the Votaccess conditions of use, if applicable. If your bank or broker is connected to the Votaccess platform, you should connect to the bank or broker's Internet portal with your usual access codes. Then follow the on-screen instructions to access the Votaccess platform and vote, or appoint or revoke a proxy.

If the bank or broker that keeps your securities account is not connected to the Votaccess platform, the form appointing and revoking a proxy can be sent electronically in accordance with Article R.225–79 of the French Commercial Code, by sending an email to: ct-mandataires-assemblees@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 should ask the bank or broker that manages their securities account to send written confirmation no later than 3:00 pm on 12 April 2017 by email to the following address: ct-mandataires-assemblees@caceis.com or by fax at +33 (0)1 49 08 05 82 or +33 (0)1 49 08 05 83.

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 Thursday, 13 April 2017 will be open as from 9:00 am on 23 March 2017.

Shareholders will have the possibility to vote, appoint or revoke a proxy, or request an admission card online before the General Meeting until Wednesday, 12 April 2017 at 3:00 pm (CET).

To avoid any bottlenecks on the Votaccess platform, shareholders are advised not to wait until the day before the General Meeting to enter their instructions.

Request for items and proposed resolutions to be added to the agenda, written questions and consultation of documents made available to shareholders

1. Requests to have items and proposed resolutions added to the agenda submitted by Shareholders Meeting the conditions required by Articles R.225-71 and R.225-73 of the French Commercial Code should be sent to CNP Assurances' headquarters by registered letter with return receipt requested or by email to questions-ecritesag2017@cnp.fr, at the latest on the 25th day preceding the meeting and no more than twenty (20) days after the date of publication of the notice of meeting in the BALO (French legal gazette) of 6 March 2017.

   This request must include the share ownership certificate evidencing that the shareholder making the request holds the fraction of capital required by Article R.225-71 of the French Commercial Code. The reasons for asking for an item to be added to the agenda must be provided. The request to add a proposed resolution to the agenda must include the text of the resolution and the reasons for the request, where appropriate.

   Furthermore, the review by the General Meeting of items or proposed resolutions submitted by shareholders is subject to the provision, by the shareholder concerned, of a new certificate evidencing ownership of the shares by the method described above by 12:00 a.m. CET on the second business day preceding the date of the meeting (11 April 2017).

   If the proposed 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 proposed resolutions presented by shareholders and the list of items to be added to the agenda at shareholders' request will be promptly published on the Company's website. The Company may also publish a comment from the Board of Directors on 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 no later than the fourth business day preceding the General Meeting (7 April 2017). They should be sent to the Company's headquarters by registered letter with return receipt requested, or by email to questions-ecritesag2017@cnp.fr.

   The share ownership certificate should be sent with the question. 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.fr under the heading "replies" in accordance with Article L.225-108 of the French Commercial Code.

3. In accordance with the applicable laws 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.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 2016 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.

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.fr.

Article 11 of the Articles of Association – Form and transfer of shares: share ownership disclosure thresholds.

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 recorded 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 SHARE OWNERSHIP DISCLOSURE THRESHOLDS

"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 disclosure thresholds provided by law."

In connection with the application of this provision of the Articles of Association, CNP Assurances received the following disclosures:

- Silchester International Investors LLP reduced its interest to below the 3% threshold and held 2.99% of the capital as of 9 November 2016;
- Tweedy, Browne Company (LLC) reduced its interest to below the 2% threshold and held 1.99% of the capital as of 5 December 2016.

In light of the provisions of Act 2014-384 dated 29 March 2014, which modified Article L.225-123 of the French Commercial Code, Caisse des Dépôts and Sopassure each disclosed that, due to their uninterrupted ownership of registered CNP Assurances shares, they had increased their share of the voting rights by more than 1% over a period of less than 12 consecutive months up to 2 April 2016.

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."

6.1.9 Material contracts

At the date this financial information was published, CNP Assurances had not entered into any material contracts other than those entered into in the ordinary course of its business, with the exception of the agreements described in the Statutory Auditors' special report on related-party agreements.

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 2016:

€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

- 9th and 10th resolutions adopted by the Ordinary and Extraordinary General Meeting of 6 May 2015. Expires: 6 July 2017.
- 21st and 22nd resolutions adopted by the Ordinary and Extraordinary General Meeting of 13 April 2017. Expires: 13 June 2019.

6.2.2.2 DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO GRANT SHARES

- 11th resolution adopted by the Ordinary and Extraordinary General Meeting of 6 May 2015. Expires: 6 July 2018.

6.2.3 Financial authorisations

6.2.3.1 AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The terms of the 20th resolution presented at the Annual General Meeting of 13 April 2017 are as follows:

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Articles 241-2 and 241-3 of the General Regulation of the *Autorité des Marchés Financiers* (AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves:

- to cancel the authorisation given by the Annual General Meeting of 28 April 2016 in the 17th resolution;
- to adopt the programme described 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 241-7 of the AMF's General Regulation) to buy back up to 10% of the Company's share capital (as determined at the date of this General Meeting) or 5% in the case of shares bought back for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution,
  - resolves that the shares may be bought back 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

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ethics of *Association Française des Marchés Financiers* (Amafi) recognised by the *Autorité des Marchés Financiers*,

- to purchase shares for the purpose of being held and subsequently delivered in payment or exchange in connection with an external growth transaction initiated by the Company,
- for allocation to eligible employees and officers of the Company or the Group through stock grants governed by Articles L.225-197-1 *et seq.* of the Commercial Code, or under employee profit-sharing or share ownership plans,
- to allocate shares upon exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares in accordance with the applicable securities regulations,
- for cancellation, in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues (subject to shareholders voting the extraordinary resolution authorising capital reductions),

- resolves that the maximum purchase price per share may not exceed twenty-eight (28) euros, excluding transaction costs,
- resolves that the Board of Directors may adjust the above maximum purchase price in the case of a change in the shares' par value, a bonus share issue paid up by capitalising reserves, a share split or reverse share split, a capital reduction, a distribution of reserves or other assets or any other corporate action, to take into account the effect of said action on the value of the shares,
- resolves that the amount invested in the share buyback programme may not exceed one billion nine hundred and twenty-two million five hundred and thirty-one thousand seven hundred and thirty-five euros and sixty cents (€1,922,531,735.60),
- resolves that the shares may be bought back by any method allowed under the applicable regulations, including in whole or in part, through on-market transactions or block trades and, where applicable, through off-market transactions or the use of options or derivatives other than sold puts, in the periods that the Board of Directors considers appropriate subject to the limits set in the applicable securities regulations. The shares bought back pursuant to this authorisation may be retained, sold or transferred in accordance with the applicable regulations, by all methods including through block trades, at any time,
- gives full powers to the Board of Directors (which may delegate such powers) to complete these transactions, to set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract that complies with the Amafi code of ethics recognised by the *Autorité des Marchés Financiers*,
  - place buy and sell orders on or off-market,
  - adjust the buyback price of the shares in order to take into account the impact of the above-mentioned transactions on the share price,
  - 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 *Autorité des Marchés Financiers* and any other organisation,
  - carry out any and all publication and other formalities,
  - generally, do whatever is necessary to use this authorisation,
- resolves that this authorisation is given for a period ending at the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2017 or eighteen (18) months, whichever is shorter.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will report to the Annual General Meeting on transactions carried out within the scope of this resolution.

6.2.3.2 AUTHORISATION TO ISSUE AND BUY BACK BONDS, NOTES OR OTHER DEBT SECURITIES

The Board of Directors' decision made at the meeting of 22 February 2017 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 the Chief Executive Officer (or one or more directors) 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 may be subordinated or unsubordinated, dated or undated, and may pay interest at a fixed or variable rate (or any other form of remuneration, including an indexed rate), or any other notes and/or debt securities (provided that they are not issued with any debt warrants).

The maximum nominal amount of the bonds or other debt securities issued under this authorisation may not exceed one billion, three hundred million euros (€1,300,000,000) or the equivalent of this amount in foreign currency or in any other unit of account established by reference to a 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, without the possibility to sub-delegate, on the nature, forms, terms and conditions of the issues; and
- generally do, with the possibility to sub-delegate, whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

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, without the possibility to sub-delegate, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations, and generally do, with the possibility to sub-delegate, whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

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.

c) The Board also authorises, as necessary, the Chief Executive Office of the Company, with the possibility to sub-delegate, to establish or unwind, on one or several occasions, hedging positions for bonds or securities issued or to be issued by CNP Assurances up to a nominal maximum ceiling of one billion, three hundred million euros (€1,300,000,000) or equivalent value in foreign currencies in the form of swaps, including but not limited to, the following options: converting the interest and principal into euros (currency swaps) or exchanging future interest payments (interest rate swaps).

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	Number of new shares	Aggregate par value of new shares	Net premium
Initial capital	Shares issued for cash	2,500	FRF 250,000 (1)	-
23.11.1990 and 20.12.1991	Shares issued in payment for assets and paid up by capitalising debt	47,500	FRF 4,750,000	
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 1,254,902,016
15.12.2000	Employee rights issue	443,786	FRF 11,094,650 (2)	FRF 67,620,016.78
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 (3)	€17,105,683.80
25.06.2004	Employee rights issue	731,402	€2,925,608 (3)	€20,508,512.08
22.12.2004	Employee rights issue	49,836	€199,344 (3)	€1,678,476.48
06.02.2007	Rights issue	9,902,521	€39,610,084 (3)	€630,003,024.65
06.07.2010	Four-for-one share split (4)	n/a	n/a	n/a
24.07.2012	2011 scrip dividends	49,348,883	€49,348,883 (4)	€339,520,315.04
28.05.2013	2012 scrip dividends	43,118,302	€43,118,302.00 (4)	€395,826,012.36

(1) Par value of FRF 100
(2) Par value of FRF 25
(3) Par value of €4
(4) Par value of €1
n/a not applicable

6.2.5 Shareholder structure and changes in share capital

2014 FINANCIAL YEAR

Number of shares: 686,618,477

Voting rights: 686,163,654

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,940	40.87%	40.90%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	36.28%
French State	7,645,754	1.11%	1.11%
TOTAL SHARES HELD IN CONCERT (2)	**537,188,680**	**78.24%**	**78.29%**
Public, Company employees and other	149,429,797	21.76%	21.71%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	454,823	0.07%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.0%**	**100.0%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights

(2) The concert shares are the result of a shareholders' agreement, the main terms of which are outlined in the following table. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the shareholders' agreement signed on 12 September 1998 by the shareholders acting in concert

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

2015 FINANCIAL YEAR

Number of shares: 686,618,477

Voting rights: 685,595,410

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,940	40.87%	40.93%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	36.31%
French State	7,645,754	1.11%	1.11%
TOTAL SHARES HELD IN CONCERT (2)	**537,188,680**	**78.24%**	**78.35%**
Public, Company employees and other	149,429,797	21.76%	21.65%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	1,023,067	0.15%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.0%**	**100.0%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights

(2) The concert shares are the result of a shareholders' agreement, the main terms of which are outlined in the following table. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the shareholders' agreement signed on 12 September 1998 by the shareholders acting in concert

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

2016 FINANCIAL YEAR

Number of shares: 686,618,477

Number of voting rights: 1,225,139,499

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,940	40.87%	45.81%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	40.64%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,188,680**	**78.24%**	**87.69%**
Public, Company employees and other	149,429,797	21.76%	12.31%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	121,661	0.02%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.0%**	**100.0%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to the double voting rights awarded on 3 April 2016

(2) The concert shares are the result of a shareholders' agreement, the main terms of which are outlined in the following table. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the shareholders' agreement signed on 12 September 1998 by the shareholders acting in concert

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

(3) The Statutory Auditors of CNP Assurances issued their special report on related-party agreements and commitments on 23 March 2017 (see section 5.8 of the Registration Document)

As allowed by law, all fully paid-up shares that had been registered in the name of the same shareholder for at least two years as of 2 April 2016 were given double voting rights.

SHAREHOLDERS' AGREEMENT

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2017)

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 shareholders' 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 or material debt issues, 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 French 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 have given a commitment not to make any decisions that would substantially alter the balance between their respective interests; ■ 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 i.e.: **5 January 2004**	36% [	▪ Caisse des Dépôts: 37% (40% R 37%) ▪ La Poste (20% R 18%) ▪ CNCE (formerly Cencep) (12.5% R 18%) ▪ French State: 1.2% (1.7% R 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 were aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ended, La Poste and Caisse d'Epargne group would recover direct ownership of their CNP Assurances shares and would 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: 5 seats; Sopassure: 5 seats; French State: 1 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 in CNP Assurances held by La Poste and Caisse d'Epargne group combined within a joint holding company, Sopassure (a public sector entity) 50.1%-owned by La Poste. La Poste had the option of buying back the 2% interest in CNP Assurances from the Caisse d'Epargne group. The call option would be exercisable in the ten days following a reduction in Sopassure's capital or its dissolution. The number of shares under option would be adjusted to take into account the effect of any corporate actions by CNP Assurances (bonus share issues, share split, scrip dividend) and increased to include any new shares and securities acquired through a rights issue. ▪ Sopassure's interest would remain below that of Caisse des Dépôts (at around 36% and 37% respectively).
Second addendum				
Signed: **20 May 2003** **Term:** **Extended until** **31 December 2008**	36% [	▪ Caisse des Dépôts: 37% ▪ 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 was 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.: 207C0117-16.01.2007	35.48%	■ Caisse des Dépôts: 40% ■ La Banque Postale ■ CNCE ■ French State: 1%	The third addendum extended the term of the shareholders' agreement to 31 December 2015. It provided for an increase in Caisse des Dépôts interest to 40%. The 18 seats on the Supervisory Board were therefore reallocated as follows: one person proposed by the French State, six by Caisse des Dépôts, five by Sopassure, one by shareholders having acquired shares through industrial, commercial and financial cooperation agreements, one employee shareholder representative and four independent members.	Caisse des Dépôts, Sopassure, La Banque Postale and CNCE gave an undertaking not to sell any shares while the agreement was in force. The signatories undertook 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. In the case of a share issue, if any party chose not to take up its share it would have the right to transfer its pre-emptive subscription right. It would nevertheless have the right to purchase shares within the above limits. Under no circumstances would the exercise of rights by one of the parties give rise to the obligation to initiate a takeover bid.
Fourth addendum				
Signed: **9 July 2007** **Term:** **(unchanged)** **31 December 2015** AMF ref.: 207C1599-27.07. 2007	35.48%	■ Caisse des Dépôts: 40% ■ 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 would recommend that members of the Board be proposed as follows: one member appointed by the French State; six by Caisse des Dépôts; five by Sopassure; one employee representative; and four independent directors.	The fourth addendum had no impact on the main clauses concerning the capital. 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: **27 July 2009** **Term:** **(unchanged)** **31 December 2015** AMF ref.: 209C1086-04.09.2009	35.48%	▪ Caisse des Dépôts: 40% ▪ La Banque Postale ▪ BPCE (formerly CNCE) ▪ French State: 1%	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 did not, however, change the balance of interests of CNP Assurances' shareholders or the business agreements, which remained unchanged following the operation. The other provisions of the agreement that were not amended by the fifth addendum remained unchanged and in full force and effect.	The main clauses concerning the capital were not amended by the fifth addendum, which did not affect the existence of Sopassure, jointly owned by La Banque Postale and BPCE.
Sixth addendum				
Signed: **13 February 2017** AMF ref.: 217C0504-22/02/2017	35.48%	▪ Caisse des Dépôts: 40% ▪ La Banque Postale ▪ BPCE (formerly CNCE) ▪ French State: 1%	Membership of the Board of Directors: ▪ elimination of the seat on the Board held by a director representing employee shareholders and the seats held by non-voting directors; ▪ creation of two seats on the Board for directors representing Group employees.	

On 1 January 2016, the shareholders' agreement was automatically renewed for a further two-year period ending 31 December 2017.

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 French 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 1% 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 interest 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 18 February 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 rights issue 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 €669,613,108.65.

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 raising the number of shares outstanding 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 43,118,302 new shares from the dividend reinvestment plan, ranking *pari passu* with existing shares, were admitted for trading on the Euronext Paris stock exchange on 30 May 2013. Following these share issues, CNP Assurances was 40.87%-owned by Caisse des Dépôts, 36.25% by Sopassure and 1.11% by the French State.

At 31 December 2013, employees held 0.29% of the capital, directly and indirectly through Group employee share ownership plans.

2014

At 31 December 2014, employees held 0.23% of the capital, directly and indirectly through Group employee share ownership plans.

2015

At 31 December 2015, employees held 0.27% of the capital, directly and indirectly through Group employee share ownership plans.

2016

At 31 December 2016, employees held 0.21% 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. The CNP Assurances share is included in the following indices: SBF 120 and DJ Eurostoxx Insurance.

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

	Trading Volume	Low * (in €/share)	High * (in €/share)
31.01.2015	6,400,798	14.04	15.795
28.02.2015	7,844,347	14.53	16.165
31.03.2015	9,960,981	14.705	16.74
30.04.2015	6,222,121	15.905	17.305
31.05.2015	6,158,552	14.91	16.245
30.06.2015	8,155,065	14.45	15.885
31.07.2015	7,230,364	13.96	15.845
31.08.2015	6,549,132	13.11	15.585
30.09.2015	9,215,229	12.035	13.79
31.10.2015	7,489,747	12.21	13.445
30.11.2015	6,741,985	12.5	13.4
31.12.2015	8,289,787	11.62	13.125
31.01.2016	14,491,269	10.68	12.59
29.02.2016	15,703,118	10.52	13.70
31.03.2016	13,595,355	13.35	14.15
30.04.2016	9,761,664	13.42	15.24
31.05.2016	8,954,742	13.88	15.29
30.06.2016	12,713,343	12.41	15.37
31.07.2016	9,239,518	12.22	14.58
31.08.2016	7,860,549	13.07	14.60
30.09.2016	7,814,904	14.00	15.26
31.10.2016	8,568,935	14.47	15.90
30.11.2016	9,360,915	15.44	16.80
31.12.2016	10,150,993	16.31	18.08

* *Intraday lows and highs*

6.2.8 Dividends

Dividends paid by CNP Assurances for 2013, 2014, 2015 and 2016 were as follows:

Year of distribution	2013	2014	2015	**2016**
Earnings per share	€1.46	€1.49	€1.54	€1.64
Dividend per share	€0.77	€0.77	€0.77	€0.80 *
Number of shares with dividend rights	686,618,477	686,618,477	686,618,477	686,618,477

* *Subject to the decision of the General Meeting of 13 April 2017*

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

See Note 9.11 "Commitments given and received" in section 3.1 "Consolidated financial statements".

6.2.10 Discretionary and statutory profit-sharing plans

DISCRETIONARY PROFIT-SHARING PLANS

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. The Company does not make any matching payment under these plans.

Amounts awarded to employees of CNP Assurances under discretionary profit-sharing plans over the last five years:

Year	Total discretionary profit-sharing	Number of recipients
2012	€6,505,676.46	3,301
2013	€6,570,565.60	3,293
2014	€7,161,671.17 *	3,175
2015	€6,494,775.25	3,129
2016	€7,019,543.58	3,144

* *Data adjusted to include the additional profit share*

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.

If it is not paid out immediately, the net profit share attributable to each eligible employee is either held in a blocked current account generating interest at 5% per year (from 1 June of the payment year) or in an employee share ownership plan (PEG) or pension savings plan (PERCO), both of which are managed by Inter Expansion-Fongepar. Funds paid into a blocked current account or the employee share ownership plan, are blocked for five years. Funds paid into a PERCO pension savings plan are blocked until the employee concerned retires 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 of funds held in the blocked current account to the PEG employee share ownership plan.

Year	Total statutory profit-sharing	Number of recipients
2012	€17,387,983.00	3,083
2013	€17,278,647.00	3,095
2014	€17,151,466.00	2,995
2015	€17,960,483.00	2,994
2016	€19,541,409.00	3,011

6.2.11 Employee stock options

Not applicable.

6.2.12 Claims and litigation

From time to time CNP Assurances Group is involved in legal proceedings in the ordinary course of business. In addition, the French banking and insurance supervisor (ACPR) decided in March 2017 to initiate disciplinary proceedings against CNP Assurances and its subsidiaries Préviposte and ITV, following a control of their mechanisms for combating money laundering and the financing of terrorism. 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 the financial position or the results of operations of the Company or the Group.

6.3 Transactions carried out in 2016 under the share buyback programme authorised by the General Meeting of 28 April 2016

The Annual General Meeting held on 28 April 2016 renewed the share buyback programme in place since the IPO.

6.3.1 Purchase and sale of shares

Pursuant to the authorisation granted by the Annual General Meeting of 28 April 2016, the Company purchased (between 1 January 2016 and 31 December 2016) 9,213,687 of its own shares at an average price of €13.70, and sold 10,117,605 treasury shares for an average price of €13.74.

FROM 1 JANUARY 2016 TO 31 DECEMBER 2016

	Aggregate gross amounts		Open positions on the day the prospectus was filed					
	Purchases *(in €)*	**Sales** *(in €)*	**Open buy positions**			**Open sell positions**		
Number of shares	9,213,687	10,117,605	Purchased calls	Sold puts	Futures	Purchased calls	Sold puts	Futures
Maximum average maturity	None	None	None	None	None	None	None	None
Average transaction price *(in €)*	13.70	13.74						
Average exercise price	None	None	None	None	None	None	None	None
Total *(in €)*	126,227,511.90	139,017,203.10						

SUMMARY

Treasury share transactions in the period from 1 January 2016 to 31 December 2016	
Number of shares outstanding at the beginning of the period	685, 595, 410 shares
Number of shares outstanding at the end of the period	686,496,816 shares
Percentage of issued capital held by the Company, directly and indirectly, at 31 December 2016	0.02%
Number of shares cancelled in the past 24 months	None
Number of shares held in treasury as of 31 December 2016	121,661
Book value (1)	€2,131,501
Market value (2)	€2,141,234

(1) Average purchase price of shares held in treasury as of 31 December 2016: €17.52
(2) At closing price on 31 December 2016: €17.60

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6.3.2 Purpose of the transactions

All of the purchases and sales consisted of market-making transactions carried out by an investment services provider. The Company did not buy back any shares with a view to assigning them to other target categories in its 2016 share buyback programme. All of the shares held as of 31 December 2016 were allocated to maintaining a liquid market in the Company's shares, apart from 7,205 shares held in a separate account.

6.3.3 Cancelled shares

No shares were cancelled.

6.4 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 CNP ASSURANCES 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 content of which is listed in the "Information relating to the management report" section, presents fairly the changes in business, results and financial position of the Company and the entities included in the scope of consolidation, and that it describes their principal risks and contingencies.

I have received a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Mazars, confirming that they have verified the information about the Company's financial position and financial statements provided in this Registration Document, with the exception of the solvency-related information which they have not reviewed, and that they have read the entire Registration Document."

Frédéric Lavenir

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STATUTORY AUDITORS

Statutory Auditors of CNP Assurances	First appointed	Current term expires
PricewaterhouseCoopers Audit 63 rue de Villiers 92200 Neuilly-sur-Seine Represented by Bénédicte Vignon *	2010 financial year	AGM to be held to approve the 2021 financial statements
Substitute: Xavier Crépon *	2016 financial year	AGM to be held to approve the 2021 financial statements
Mazars 61, rue Henri Regnault – Tour Exaltis 92400 Courbevoie Represented by Olivier Leclerc *	1998 financial year	AGM to be held to approve the 2021 financial statements
Substitute: Franck Boyer *	2010 financial year	AGM to be held to approve the 2021 financial statements

* *Member of the Compagnie régionale des commissaires aux comptes de Versailles*

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 its headquarters

CNP Assurances

Company Law department

4, place Raoul Dautry – 75716 Paris Cedex 15

Phone: +33 1 42 18 88 88

6.5 Fees paid to the Statutory Auditors

	MAZARS				PWC			
	Amount incl. VAT		%		Amount incl. VAT		%	
(In € thousands)	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Audit								
Audit of the financial statements of the Company and the Group	1,490	1,577	64%	70%	2,241	2,120	71%	71%
Issuer	*847*	*987*	*36%*	*44%*	*865*	*994*	*27%*	*33%*
Fully consolidated companies	*643*	*590*	*28%*	*26%*	*1,376*	*1,126*	*44%*	*38%*
Other audit and special engagements	821	678	36%	30%	885	818	28%	28%
Issuer	*807*	*668*	*35%*	*30%*	*814*	*768*	*26%*	*26%*
Fully consolidated companies	*14*	*10*	*1%*	*0%*	*71*	*50*	*2%*	*2%*
Sub-total	**2,311**	**2,255**	**100%**	**100%**	**3,126**	**2,938**	**99%**	**99%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax, and labour-law advisory services					*25*	*27*	*1%*	*1%*
Other services								
Sub-total	**0**	**0**	**0%**	**0%**	**25**	**27**	**1%**	**1%**
TOTAL	**2,311**	**2,255**	**100%**	**100%**	**3,151**	**2,965**	**100%**	**100%**

* *"Other audit and special engagements" mainly concern the issue of subordinated notes, the review of MCEV©, the review of the English translation of the Registration Document, the review of sustainable development indicators and the review of internal control processes linked to the processing of unclaimed life insurance settlements*

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6.6 Special committees for the exchange of information about CNP Assurances set up with the Company's shareholders

Information reported to shareholders subject to prudential supervision

LA BANQUE POSTALE CONGLOMERATE COMMITTEE AND BPCE SUPPLEMENTARY SUPERVISION COMMITTEE

CNP Assurances forms part of the La Banque Postale and BPCE financial conglomerates.

Under the regulations governing conglomerates [1], La Banque Postale and BPCE have certain risk supervision and regulatory reporting (to the ACPR and ECB) obligations. CNP Assurances has an obligation under Article L.511–34 of the French Monetary and Financial Code (*Code monétaire et financier*) to report to La Banque Postale and BPCE the information they require in order to fulfil these supervision and reporting obligations.

Special committees have been set up with La Banque Postale and with BPCE to exchange information about CNP Assurances that is needed by La Banque Postale and BPCE to fulfil their obligations under the regulations governing conglomerates.

These committees' internal rules describe the reporting process, the committees' procedures and the confidentiality rules applicable to their members.

The Conglomerate Committee set up with La Banque Postale in 2015 has up to 10 members, including five La Banque Postale employees and five CNP Assurances employees. The La Banque Postale and CNP Assurances employees concerned work in their respective Finance, Risk, Internal Audit or Compliance departments.

The Committee met three times in 2016.

The Supplementary Supervision Committee set up with BPCE in 2016 has up to 12 members, including a maximum of six BPCE employees and six CNP Assurances employees. The BPCE employees work in the following departments: Risks (four), Group Strategic Budget Control (one) and Group Accounting (one). At least one member from CNP Assurances works in the Risk department.

The Committee met twice in 2016.

CAISSE DES DÉPÔTS INFORMATION EXCHANGE COMMITTEE

CNP Assurances is included in the Caisse des Dépôts Prudential Model [2]. This Prudential Model constitutes *"the framework for identifying, measuring, managing, tracking and controlling capital adequacy based on the risks generated by the Caisse des Dépôts Group's businesses"* and provides for prudential supervision of the Caisse des Dépôts Group on a consolidated basis.

In 2017, a committee was set up for the exchange of information about CNP Assurances required by Caisse des Dépôts to fulfil its legislative and regulatory obligations.

The Committee's internal rules describe the reporting process, the Committee's procedures and the confidentiality rules applicable to its members.

The Committee has up to 10 members, including five Caisse des Dépôts employees and five CNP Assurances employees. The Caisse des Dépôts and CNP Assurances employees concerned work in their respective Finance, Steering, Risk, Compliance or Internal Audit departments.

(1) Directive 2002/87 dated 16 December 2002 (as amended) on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate, transposed into French law by government order 2004-1201 dated 12 November 2004 and administrative decision dated 3 November 2014 on the supplementary supervision of financial conglomerates

(2) Article L.518-7 of the French Monetary and Financial Code

7

ANNUAL GENERAL MEETING OF 13 APRIL 2017

7.1 Annual General Meeting of 13 April 2017

7.1.1 Board of Directors' report on the proposed resolutions (outline and purpose)

This report is part of the Board of Director's management report presenting the resolutions to be submitted for the approval of CNP Assurances' shareholders at the Ordinary and Extraordinary General Meeting.

The proposed resolutions are outlined below. An introductory paragraph describes the reasons for each resolution and its purpose. The resolutions and Company activities are outlined in the Board of Directors' management report presented at the General Meeting.

RESOLUTIONS OF THE ORDINARY GENERAL MEETING

Approval of the 2016 financial statements (1st and 2nd resolutions)

Purpose: In the 1st and 2nd resolutions, shareholders are invited to approve the financial statements of the Company and the Group for the year ended 31 December 2016, after considering the Board of Directors' management report prepared in accordance with Article L.232-1 of the French Commercial Code (*Code de commerce*), the Chairman's report prepared in accordance with Article L.225-37, paragraph 6, of the French Commercial Code and the Statutory Auditors' reports.

This year, shareholders will also be asked to approve the transfer of €500,000 from revenue reserves to a social solidarity fund set up to provide financial assistance to insureds covered by a group contract who are in a difficult or vulnerable situation. The total amount will be transferred to a reserve account dedicated to the social solidarity fund.

The financial statements are discussed in the Group's 2016 management report published in accordance with the applicable legal and regulatory requirements, and available for consultation on the Company's website (www.cnp.fr).

Consolidated profit attributable to owners of the parent amounted to €1,200 million in 2016 (compared to €1,130 million in 2015).

Appropriation of 2016 distributable profit (3rd resolution)

Purpose: At its meeting on 22 February 2017, the Board of Directors decided to recommend paying a cash dividend of €0.80 per share in 2017. This is slightly higher than the 2015 dividend of €0.77 paid in 2016 and corresponds to a payout rate of 45.77% of consolidated profit attributable to owners of the parent.

The dividend policy recommended to shareholders is in line with the Company's strategy and outlook, particularly in terms of self-financing capacity, and is also consistent with the practices of its peer group.

The Company also takes care to assess recommended increases in the dividend in relation to growth in the total payroll, in order to ensure that employees are treated fairly compared to shareholders and *vice versa* over the long term.

The Company's financial statements show a profit of €1,094,883,425.37 for 2016 (versus €1,274,816,517.86 in 2015).

In view of the distributable profit for 2016 of €2,234,456,662.61, which corresponds to the sum of the above-mentioned profit and retained earnings of €1,139,573,237.24, the Board of Directors recommends that shareholders appropriate the distributable profit and set the dividend amount and payment date (as from 24 April 2017), as proposed in the 3rd resolution.

Dividends paid to private shareholders resident in France for tax purposes are subject to:

- 21% withholding tax treated as an income tax prepayment unless the shareholder has formally requested a waiver within the prescribed time limit;
- income tax at the graduated rate, after application of a 40% deduction in accordance with Article 158-3-2 of the French Tax Code (*Code général des impôts*).

Related-party agreements and commitments governed by Article L.225-38 of the French Commercial Code (4th, 5th and 6th resolutions)

Purpose: On the basis of the Statutory Auditors' special report on related-party agreements and commitments, in the 4th, 5th and 6th resolutions shareholders are invited to approve three new related party agreements governed by Articles L.225-38 *et seq.* of the French Commercial Code that were authorised by the Board of Directors during 2016.

The agreements concern respectively:

- the sale by CNP Assurances of its stake in Ciloger to one of its shareholders, La Banque Postale (4th resolution);
- the acquisition by CNP Assurances, in a transaction involving two of its shareholders (Caisse des Dépôts and the French State), of a stake in the capital of Réseau de Transport d'Electricité (RTE) (5th resolution);
- membership of a consortium and signature of a memorandum of understanding concerning the proposed acquisition of the French State's interest in the capital of Aéroports de la Côte d'Azur in a transaction involving two of CNP Assurances' shareholders (Caisse des Dépôts and the French State).

Shareholders are informed that no new related-party commitments governed by Article L.225-42-1 of the French Commercial Code were entered into during 2016.

The Statutory Auditors' special report also provides information about related-party agreements and commitments entered into and approved in prior years that remained in effect in 2016.

These agreements and commitments are reviewed annually by the Board of Directors in accordance with Article L.225-40-1 of the French Commercial Code.

Apart from the agreements entered into by Group subsidiaries in connection with the renewal of the partnership with La Banque Postale, no agreements governed by Article L.225-102-1, final paragraph, of the French Commercial Code were entered into during the year. This Article concerns agreements not entered into in the normal course of business on arm's length terms that are negotiated directly or through intermediaries between (i) a director, the Chief Executive Officer or a shareholder of CNP Assurances holding more than 10% of the voting rights, and (ii) a company in which CNP Assurances holds more than a 50% interest, directly or indirectly.

Report of the Board of Directors on the remuneration policy applicable to the Chairman of the Board of Directors and the Chief Executive Officer (7th and 9th resolutions)

Purpose: In accordance with France's Sapin 2 Act (Act no. 2016-1691 dated 9 December 2016), at the 2017 Annual General Meeting shareholders will be asked for the first time to approve the remuneration policy applicable to Executive Directors (*dirigeants mandataires sociaux*).

In the case of CNP Assurances, the requirement concerns the remuneration policy applicable to the Chairman of the Board of Directors and the Chief Executive Officer.

Two separate resolutions are being presented, one concerning the remuneration package of Jean-Paul Faugère, Chairman of the Board of Directors, and the other concerning the package of Frédéric Lavenir, Chief Executive Officer. The resolutions cover the principles and criteria for determining, allocating and awarding the fixed, variable and special items making up their total remuneration packages and the benefits awarded to them.

In accordance with the law, this report of the Board of Directors states that the payment of variable and special remuneration is dependent upon the Annual General Meeting approving the components of each executive's remuneration package.

This statutory vote exists in 2017 alongside the shareholders' advisory vote on the remuneration payable or granted to the Chairman of the Board of Directors and the Chief Executive Officer for the year ended 31 December 2016, as provided for in the AFEP-MEDEF Corporate Governance Code.

Principles and components of the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer

As is the case at all companies whose shares are traded on a regulated market, the remuneration packages of CNP Assurances' Chairman of the Board of Directors and Chief Executive Officer are decided by the Board of Directors and the General Meeting, according to a decision process that complies with the recommendations of the AFEP-MEDEF Corporate Governance Code dated November 2016 and the latest legal provisions contained in Article L.225-37-2 of the French Commercial Code.

Under the Solvency II governance system in force at CNP Assurances since 1 January 2016, the Board of Directors has approved a remuneration policy that formally embodies a set of remuneration principles applicable to the Company's employees, risk-takers and corporate officers.

The policy is followed by the Board of Directors and applied through the decisions it makes each year.

I. Remuneration policy applicable to the Chief Executive Officer of CNP Assurances

Principles

The Chief Executive Officer receives a fixed salary and a variable bonus.

His total remuneration is less than the maximum remuneration package allowed in public sector companies, as specified in decree no. 2012-915 dated 26 July 2012 concerning State control over the remuneration of corporate officers of public sector companies.

In order to ensure that the Chief Executive Officer's remuneration is aligned with the Company's strategic objectives and with the objective of sound and efficient risk management, the variable component is:

Flexible	Application of this principle may result in no variable bonus being paid for a given year.
Deferred	In accordance with the deferral principle, payment of 40% of the variable bonus for a given year, as decided the following year, is deferred over three years, with 20% paid the first year, 10% the second year and 10% the third year.
Conditional and modulated	Application of this principle allows the variable bonus to be adjusted downwards based on current and future risks, taking into account the Company's risk profile and cost of capital. Its application to the Chief Executive Officer's remuneration enables performance conditions (quantifiable and qualitative objectives) to be taken into account and permits implementation, if appropriate, of the rule applicable to all "risk takers" whereby if the Group reports an attributable net loss for a given year, payment of half of the portion of the deferred bonus that should have been paid the following year will be postponed by one year. Then, if the attributable net profit reported the following year does not fully offset the loss, the postponed deferred bonus payment is forfeited.

Rules adopted by the Board of Directors

Each year, the Board of Directors sets the Chief Executive Officer's salary (unchanged since 2012 at €400,000) and his bonus (capped since 2012 at €50,000) based on the level of achievement of qualitative and quantifiable objectives set by the Board.

No directors' fees are awarded to the Chief Executive Officer and member of the Board, for his participation in meetings of the Board of Directors and the committees of the Board.

The rules adopted by the Board of Directors are presented in detail in the management report.

II. Remuneration policy applicable to the Chairman of the Board of Directors

Principles

The remuneration of the Chairman of the Board of Directors consists of a fixed payment. He does not receive any variable remuneration.

His total remuneration is less than the maximum remuneration package allowed in public sector companies, as specified in decree no. 2012-915 dated 26 July 2012 concerning State control over the remuneration of corporate officers of public sector companies.

Rules adopted by the Board of Directors

The Chairman's remuneration is set annually by the Board of Directors. It remained unchanged at €250,000 between 2012 and 2015 and was increased to €280,000 in 2016.

The Chairman does not receive any fees for participating in meetings of the Board of Directors and the committees of the Board.

The rules adopted by the Board of Directors are presented in detail in the management report.

Approval of the components of the remuneration packages of the Chairman of the Board of Directors and of the Chief Executive Officer (8th and 10th resolutions)

Purpose: In accordance with the AFEP-MEDEF Corporate Governance Code (Article 26), shareholders are invited to approve the components of the remuneration payable or granted for 2016 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.

The remuneration awarded to Jean-Paul Faugère and Frédéric Lavenir by the Board of Directors for 2016 was determined based on government guidelines applicable to corporate officers of public sector companies.

Full details of their remuneration packages are provided in the Board of Directors' management report for the year ended 31 December 2016.

Jean-Paul Faugère, Chairman of the Board of Directors	2016 Payable (1)	2016 Granted (2)
Fixed remuneration	€280,000	Not applicable
Annual variable bonus	Not applicable	Not applicable
Deferred annual variable bonus	Not applicable	Not applicable
Long-term incentive bonus	Not applicable	Not applicable
Special bonus	Not applicable	Not applicable
Stock options, performance shares and other deferred remuneration	Not applicable	Not applicable
Signing bonus or compensation for loss of office	Not applicable	Not applicable
Supplementary pension plan	Not applicable	Not applicable
Directors' fees (Caixa Seguros Holding)	€22,560	Not applicable
Benefits in kind	Not applicable	Not applicable
TOTAL	**€302,560**	**NOT APPLICABLE**

(1) *Remuneration "payable" corresponds to vested cash components of the officer's remuneration, the principle and amount of which are certain, irrespective of whether or not they have already been paid*

(2) *Remuneration "granted" corresponds to equity and cash-settled share-based payments, where the principle is certain but where the amount and/or number of shares is not certain at the time that they are decided (or "granted") such that they cannot be valued for accounting purposes*

In line with the Group's full disclosure policy, shareholders are informed that Jean-Paul Faugère has decided to waive his fees as director of Caixa Seguros Holding as from 1 January 2017, as well as his fees as director of Icade as from 2016.

Frédéric Lavenir, Chief Executive Officer	2016 Payable (1)	2016 Granted (2)
Fixed remuneration	€400,000	Not applicable
Annual variable bonus (including the deferred portion)	€47,961	Not applicable
Deferred annual variable bonus	Not applicable	Not applicable
Long-term incentive bonus	Not applicable	Not applicable
Special bonus	Not applicable	Not applicable
Stock options, performance shares and other deferred remuneration	Not applicable	Not applicable
Signing bonus or compensation for loss of office	Not applicable	Not applicable
Supplementary pension plan	Not applicable	Not applicable
Directors' fees	Not applicable	Not applicable
Benefits in kind (Company car)	€2,039	Not applicable
TOTAL	**€450,000**	**NOT APPLICABLE**

(1) *Remuneration "payable" corresponds to vested cash components of the officer's remuneration, the principle and amount of which are certain, irrespective of whether or not they have already been paid*

(2) *Remuneration "granted" corresponds to equity and cash-settled share-based payments, where the principle is certain but where the amount and/or number of shares is not certain at the time that they are decided (or "granted") such that they cannot be valued for accounting purposes*

Membership of the Board of Directors: re-election/election/ratification of the appointment of directors (11th to 19th resolutions)

Purpose: The Board of Directors has eighteen members. They are highly qualified and have a wealth of experience in a variety of different areas, ensuring that the Board's discussions and decisions are of a high quality.

For this reason, the Board of Directors has decided, on the recommendation of the Remuneration and Nominations Committee, to invite shareholders to re-elect six directors and ratify the appointment of two directors decided by the Board in November 2016 following the resignation of two Board members.

The directors to be re-elected or elected or whose appointment requires ratification for a four-year term expiring at the Annual General Meeting to be called in 2021 to approve the financial statements for the year ending 31 December 2020 are Jean-Paul Faugère, Frédéric Lavenir, Virginie Chapron du Jeu, Sopassure (joint subsidiary of La Banque Postale and the BPCE Group), Delphine de Chaisemartin and Rose-Marie Van Lerberghe.

Pauline Cornu-Thénard was appointed as director for the remaining term of her predecessor, Anne-Sophie Grave, expiring at the Annual General Meeting to be called in 2020 to approve the financial statements for the year ending 31 December 2019, subject to shareholder ratification.

The legal provisions concerning the election of a director representing the French State have been amended following the publication of government order no. 2014-948 dated 20 August 2014, as ratified by Act no. 2015-990 dated 6 August 2015. Article 4, paragraph 2, of the order stipulates that the French State may, at its request or with its agreement, be elected as a director of any company in which the State or any of its industrial or commercial public enterprises holds a direct or indirect interest.

In this case, a representative of the State is designated by the Minister of the Economy.

Shareholders are therefore invited to elect the French State as director pursuant to Article 4 of government order no. 2014-948.

The French State would be elected for a three-year term rather than the normal four-year term (expiring at the close of the Annual General Meeting to be called in 2020 to approve the financial statements for the year ending 31 December 2019), in order to maintain a staggered Board as provided for in Article 16.1 of the Articles of Association.

At its meeting on 22 February 2017, the Board of Directors assisted by the Remuneration and Nominations Committee reviewed the backgrounds of the directors proposed for election or re-election or whose appointment is submitted for ratification, based on the recommendations of the AFEP-MEDEF Corporate Governance Code for listed companies and the "fit and proper" rules contained in the European Solvency II directive that are applicable to directors of insurance undertakings.

The Board approved the credentials of the candidates in question based on their career paths, experience and expertise in the areas of finance and insurance as well as their contribution to discussions at Board Meetings.

Authorisation for the Board of Directors to implement a share buyback programme - Maximum buyback price: €28 per share (20th resolution)

Purpose: The authorisation given to the Board of Directors by the shareholders at the Annual General Meeting on 28 April 2016 to trade in the Company's shares expires at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2016. The purpose of the 20th resolution is to renew this authorisation for the statutory 18-month period, with an increased maximum buyback price of €28 per share (versus €25 in 2016).

Apart from the increased maximum buyback price, the 2017 programme will be identical in all respects to the programme approved at the last Annual General Meeting.

In accordance with the law, the shareholders would authorise the Board of Directors to implement the share buyback programme at its discretion. The Board would also be authorised to delegate its powers to the Chief Executive Officer to implement the programme.

RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING

Renewal of the delegation of authority to the Board of Directors to issue ordinary shares of CNP Assurances with pre-emptive subscription rights for existing shareholders (21st resolution)

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Renewal of the delegation of authority to the Board of Directors to issue shares representing up to 3% of the capital to members of an employee share ownership plan without pre-emptive subscription rights for existing shareholders (22nd resolution)

Purpose: The delegations of authority granted by the shareholders to the Board of Directors on 6 May 2015 (9th and 10th resolutions) are due to expire on 6 July 2017. Shareholders are invited to renew these delegations of authority for the same reasons.

The purpose of the 21st resolution is to delegate authority to the Board of Directors for a 26-month period to issue ordinary shares with pre-emptive subscription rights when appropriate, taking into account the Company's financing needs.

This delegation of authority would give the Board of Directors the flexibility required to carry out share issues when necessary, aligned with market demand and the Company's needs. These share issues could be carried out with a greenshoe option.

The aggregate par value of share issues carried out under this resolution would not exceed €50 million.

By law, the resolution delegating authority to issue shares with pre-emptive subscription rights must be accompanied by a proposed resolution giving the Board of Directors the means to carry out an employee rights issue without pre-emptive subscription rights for existing shareholders.

The 22nd resolution therefore invites shareholders to authorise the Board of Directors to issue shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, at its sole discretion on one or several occasions, for subscription by members of a CNP Assurances employee share ownership plan or a Group share ownership plan open to employees of CNP Assurances and related companies within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code (*Code du travail*).

As of 31 December 2016, employees held 0.21% of the Company's capital, directly and indirectly (versus 0.27% at end-2015).

The shares issued pursuant to this authorisation would not, under any circumstances, exceed 3% of the number of shares comprising the share capital on the date of the Board of Directors' decision.

This delegation of authority is being sought for a period of twenty-six (26) months as from the date of the General Meeting.

Alignment of Article 1 of the Articles of Association with government order no. 2014-948 dated 20 August 2014, as amended by Act no. 2015-990 dated 6 August 2015 (23rd resolution)

Purpose: In accordance with Article 34 of government order no. 2014-948 dated 20 August 2014 on the governance and corporate actions of companies with a public sector shareholder, the Board of Directors is responsible for deciding the application date of the order's governance provisions.

The Board of Directors invites the shareholders to approve an amendment to Article 1 of the Articles of Association concerning the Company's legal form, in order to align the Articles of Association with government order no. 2014-948 dated 20 August 2014, as ratified and amended by Act no. 2015-990 dated 6 August 2015.

Specifically, the shareholders are asked to approve an addition to the final paragraph of Article 1 of the Articles of Association concerning the Company's legal form, to make reference to the provisions of the government order that are applicable to CNP Assurances.

Amendment of Article 15 of the Articles of Association concerning the membership of the Board of Directors, in order to specify the method of designating directors representing employees (24th resolution)

Purpose: Article L.225-27-1 of the French Commercial Code introduced by the Job Security Act of 14 June 2013 stipulates that companies which have at least 1,000 permanent employees including employees of direct or indirect subsidiaries whose registered offices are in France or at least 5,000 permanent employees including employees of direct or indirect subsidiaries whose registered offices are in France and abroad, must elect directors representing Group employees to their Board.

In line with best governance practice, the Board of Directors has decided to submit to the Annual General Meeting a proposed amendment to Article 15 of the Articles of Association concerning the membership of the Board of Directors, in order to specify the method of designating director(s) representing Group employees (24th resolution).

Directors representing employees are not elected by the General Meeting. They are either elected by employees or designated by employee representatives.

However, shareholders will need to approve an extraordinary resolution amending the Articles of Association to specify which of the methods of electing and/or designating directors representing employees specified in the above Act will be applied by the Company.

The Board of Directors has sought to recommend a method that is tailored to the specific features of CNP Assurances and consistent with the way in which employee relations are organised within the Company, without being excessively complicated.

The method recommended by the Board of Directors is as follows:

- the first director representing employees would be designated by the trade union that obtained the greatest number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labour Code organised by the Company and its direct or indirect subsidiaries whose registered offices are in France;
- if the Board of Directors comprises more than twelve directors elected by shareholders as of the designation date, a second director representing employees would be designated by the trade union that obtained the second greatest number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labour Code organised by the

Company and its direct or indirect subsidiaries whose registered offices are in France.

Article L.225-25 of the French Commercial Code states that the director representing employees may not be placed under the obligation to hold Company shares.

Deletion of Article 25 of the Articles of Association concerning the election of non-voting directors and the resulting renumbering of the articles (25th resolution)

Purpose: Non-voting directors take part in Board Meetings in an advisory capacity without participating in any of the votes. Article 25 was originally included in the Articles of Association to meet the Company's needs at the time.

In line with best governance practice and taking into account the reservations regularly expressed by investors about the role of non-voting directors, shareholders are asked to remove the option of proposing the election of three non-voting directors.

If this resolution is adopted, the current non-voting directors will remain in office until the end of the term for which they were elected by the General Meeting of Shareholders.

Powers to carry out formalities (26th resolution)

Purpose: The 26th resolution is a standard resolution that authorises the bearer of a copy of the minutes to carry out all registration and filing formalities required by law after the Annual General Meeting.

7.1.2 Agenda

AGENDA AND PROPOSED RESOLUTIONS

The Board of Directors' management report and report on the proposed resolutions, the report of the Chairman of the Board of Directors and the Statutory Auditors' reports

I – Approval of the financial statements of the Company for the year ended 31 December 2016

II – Approval of the consolidated financial statements for the year ended 31 December 2016

III – Appropriation of 2016 profit and setting of the dividend

IV – Approval of the agreement concerning the sale of CNP Assurances' 10% interest in Ciloger to La Banque Postale

V – Approval of the agreement concerning the acquisition by CNP Assurances of a 20% interest in Réseau de Transport d'Electricité (RTE)

VI – Approval of CNP Assurances' membership of a consortium and signature of a memorandum of understanding with Caisse des Dépôts concerning the proposed acquisition of the French State's interest in the capital of Aéroports de la Côte d'Azur

VII – Approval of the principles and criteria for determining, allocating and awarding the components of the remuneration of Jean-Paul Faugère, Chairman of the Board of Directors

VIII – Approval of the components of the remuneration package of the Chairman of the Board of Directors

IX – Approval of the principles and criteria for determining, allocating and awarding the components of the remuneration of Frédéric Lavenir, Chief Executive Officer

X – Approval of the components of the remuneration package of the Chief Executive Officer

XI – Re-election as a director of Jean-Paul Faugère

XII – Re-election as a director of Frédéric Lavenir

XIII – Re-election as a director of Virginie Chapron du Jeu

XIV – Re-election as a director of Sopassure

XV – Ratification of the appointment to the Board of Delphine de Chaisemartin to replace Odile Renaud-Basso, director, following the latter's resignation

XVI – Re-election as a director of Delphine de Chaisemartin

XVII – Re-election as a director of Rose-Marie Van Lerberghe

XVIII – Ratification of the appointment to the Board of Pauline Cornu-Thénard to replace Anne-Sophie Grave, director, following the latter's resignation

XIX – Election as a director of the French State

XX – Authorisation for the Board of Directors to implement a share buyback programme

XXI – Renewal of the delegation of authority granted to the Board of Directors to increase the share capital by up to €50 million (excluding premiums) by issuing ordinary shares with pre-emptive subscription rights for existing shareholders

XXII – Renewal of the delegation of authority to the Board of Directors to issue shares representing up to 3% of the capital to members of an employee share ownership plan without pre-emptive subscription rights for existing shareholders

XXIII – Alignment of Article 1 of the Articles of Association concerning the Company's legal form with government order no. 2014-948 dated 20 August 2014, as ratified and amended by Act no. 2015-990 dated 6 August 2015

XXIV – Amendment of Article 15 of the Articles of Association concerning the membership of the Board of Directors, in order to specify the method of designating directors representing employees

XXV – Deletion of Article 25 of the Articles of Association concerning the election of non-voting directors and the resulting renumbering of the Articles

XXVI – Powers to carry out formalities

ORDINARY RESOLUTIONS

First resolution

Approval of the financial statements of the Company for the year ended 31 December 2016

Having considered:

- the Board of Directors' report on the management of the Company and the Group during 2016;
- the Board of Directors' report on the proposed resolutions;
- the Company's annual financial statements (income statement, balance sheet, notes) and the consolidated financial statements;
- the Statutory Auditors' general report;
- the Chairman's report on the composition of the Board of Directors and application of the principle of gender parity on the Board, the preparation and organisation of the Board's work and the Company's internal control and risk management procedures;
- the Statutory Auditors' special report on related-party agreements governed by Article L.225-235 of the French Commercial Code;

the Ordinary General Meeting approves the Company's financial statements for the year ended 31 December 2016, 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 €1,094,883,425.

The Ordinary General Meeting also approves the transfer of €3,079,357 from the Company's discretionary reserves to the guarantee fund reserve set up in accordance with the French Act of 25 June 1999.

The Ordinary General Meeting further approves the transfer of €500,000 from the Company's discretionary reserves to a new social solidarity fund.

Second resolution

Approval of the consolidated financial statements for the year ended 31 December 2016

Having considered the reports of the Board of Directors and the Statutory Auditors, the Ordinary General Meeting expressly approves the consolidated financial statements for the year ended 31 December 2016 as presented, showing profit attributable to owners of the parent of €1,200 million, as well as the management of the Group, as reflected in these financial statements and reports.

Third resolution

Appropriation of 2016 profit and setting of the dividend

Having noted that net profit for the year ended 31 December 2016 totalled €1,094,883,425.37 and retained earnings amounted to €1,139,573,237.24, resulting in distributable profit of €2,234,456,662.61, the Ordinary General Meeting approves the Board of Directors' recommendations concerning the appropriation of profit and the amount of the dividend.

The General Meeting therefore resolves:

- to distribute a total dividend of €549,294,781.60 to be shared between all shareholders;
- to transfer the balance of €1,685,161,881.01 to retained earnings.

The dividend paid on each of the 686,618,477 shares making up the share capital at the date of the General Meeting will amount to €0.80.

The dividend will be paid as from 24 April 2017 and the shares will trade ex-dividend on Euronext Paris from 20 April 2017.

Private shareholders resident in France for tax purposes will be entitled to the 40% deduction from their dividends provided for in Article 158-3-2 of the French Tax Code.

The total dividend will be reduced by the amount of dividends not paid on 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 notes the 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
2013	686,618,477	€0.77
2014	686,618,477	€0.77
2015	686,618,477	€0.77

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 2013, 2014 and 2015 were eligible for the 40% tax deduction 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 agreement concerning the sale of CNP Assurances' 10% interest in Ciloger to La Banque Postale

The Ordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report on related-party agreements and commitments governed by Article L.225-38 of the French Commercial Code, approves the agreement entered into pursuant to the authorisation given by the Board of Directors for the sale by CNP Assurances of its 10% interest in the capital of Ciloger to La Banque Postale, as mentioned and described in the Statutory Auditors' special report.

Fifth resolution

Approval of the agreement concerning the acquisition by CNP Assurances of a 20% interest in Réseau de Transport d'Electricité (RTE)

The Ordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report on related-party agreements and commitments governed by Article L.225-38 of the French Commercial Code, approves the agreement concerning the acquisition by CNP Assurances of a 20% interest in Réseau de Transport d'Electricité (RTE), as mentioned and described in the Statutory Auditors' special report.

Sixth resolution

Approval of CNP Assurances' membership of a consortium and signature of a memorandum of understanding with Caisse des Dépôts concerning the proposed acquisition of the French State's interest in the capital of Aéroports de la Côte d'Azur

The Ordinary General Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report on related-party agreements and commitments governed by Article L.225-38 of the French Commercial Code, approves CNP Assurances' membership of a consortium and the memorandum of understanding describing the terms under which CNP Assurances would invest alongside Caisse des Dépôts, signed in preparation for a planned offer for the French State's interest in the capital of Aéroports de la Côte d'Azur.

Seventh resolution

Approval of the principles and criteria for determining, allocating and awarding the components of the remuneration of Jean-Paul Faugère, Chairman of the Board of Directors

The Ordinary General Meeting approves the principles and criteria for determining, allocating and awarding the fixed components of the total remuneration and all the benefits payable or awarded to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors of CNP Assurances, as described in the Board of Directors' report on the proposed resolutions presented for approval at this Annual General Meeting.

Eighth resolution

Approval of the components of the remuneration package of the Chairman of the Board of Directors

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 26.1), the Ordinary General Meeting delivers a favourable opinion on the remuneration payable or awarded 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.

Ninth resolution

Approval of the principles and criteria for determining, allocating and awarding the components of the remuneration of Frédéric Lavenir, Chief Executive Officer

The Ordinary General Meeting approves the principles and criteria for determining, allocating and awarding the fixed, variable and special components of the total remuneration and all the benefits, together constituting the total remuneration and benefits package payable or awarded to Frédéric Lavenir in his capacity as Chief Executive Officer of CNP Assurances, as described in the Board of Directors' report on the proposed resolutions presented for approval at this Annual General Meeting.

Tenth resolution

Approval of the components of the remuneration package of the Chief Executive Officer

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 26.1), the Ordinary General Meeting delivers a favourable opinion on the remuneration payable or awarded to Frédéric Lavenir in his capacity as Chief Executive Officer of CNP Assurances, as set out in the Board of Directors' report.

Eleventh resolution

Re-election as a director of Jean-Paul Faugère

Having considered the report of the Board of Directors and noted that Jean-Paul Faugère's term as a director expires at the close of this Meeting, the Ordinary General Meeting resolves to re-elect Jean-Paul Faugère as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Twelfth resolution

Re-election as a director of Frédéric Lavenir

Having considered the report of the Board of Directors and noted that Frédéric Lavenir's term as a director expires at the close of this Meeting, the Ordinary General Meeting resolves to re-elect Frédéric Lavenir as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Thirteenth resolution

Re-election as a director of Virginie Chapron du Jeu

Having considered the report of the Board of Directors and noted that Virginie Chapron du Jeu's term as a director expires at the close of this Meeting, the Ordinary General Meeting resolves to re-elect Virginie Chapron du Jeu as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Fourteenth resolution

Re-election as a director of Sopassure

Having considered the report of the Board of Directors and noted that Sopassure's term as a director expires at the close of this Meeting, the Ordinary General Meeting resolves to re-elect Sopassure as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Fifteenth resolution

Ratification of the appointment to the Board of Delphine de Chaisemartin to replace Odile Renaud-Basso, director, following the latter's resignation

Having considered the report of the Board of Directors, the Ordinary General Meeting ratifies the appointment of Delphine de Chaisemartin as a director to fill the seat left vacant by the resignation of Odile Renaud-Basso on 27 June 2016, 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.

Sixteenth resolution

Re-election as a director of Delphine de Chaisemartin

Subject to adoption of the fifteenth resolution and having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Delphine de Chaisemartin as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Seventeenth resolution

Re-election as a director of Rose-Marie Van Lerberghe

Having considered the report of the Board of Directors and noted that Rose-Marie Van Lerberghe's term as a director expires at the close of this Meeting, the Ordinary General Meeting resolves to re-elect Rose-Marie Van Lerberghe as a director for a four-year term expiring at the close of the Annual General Meeting to be called in 2021 to approve the 2020 financial statements.

Eighteenth resolution

Ratification of the appointment to the Board of Pauline Cornu-Thénard to replace Anne-Sophie Grave, director, following the latter's resignation

Having considered the report of the Board of Directors, the Ordinary General Meeting ratifies the appointment of Pauline Cornu-Thénard as a director to fill the seat left vacant by the resignation of Anne-Sophie Grave on 7 July 2016, for the remainder of her predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

Nineteenth resolution

Election as a director of the French State

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves, subject to adoption of the twenty-third resolution, to elect the French State as a director for a shortened three-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements, as provided for in Article 16.1 of the Articles of Association.

Twentieth resolution

Authorisation for the Board of Directors to implement a share buyback programme

Having considered the Board of Directors' report and the description of the proposed programme as published in accordance with Articles 241-2 and 241-3 of the General Regulations of the French financial markets authority (*Autorité des Marchés Financiers*), the Ordinary General Meeting resolves:

- to cancel, with immediate effect, the unused portion of the authorisation given by the Annual General Meeting of 28 April 2016 in the seventeenth ordinary resolution;
- to adopt the programme described below and, for this purpose:
  - authorises the Board of Directors (which may delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-7 of the *Autorité des Marchés Financiers'* General Regulations) to buy back CNP Assurances shares representing up to 10% of the Company's capital as of the date of this General Meeting, or 5% in the case of shares purchased for the purpose of being held and subsequently delivered in payment or exchange in connection with a merger, demerger or contribution,
  - resolves that the shares may be bought back 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 *Association Française des Marchés Financiers* (Amafi) recognised by the *Autorité des Marchés Financiers,*
    - to purchase shares for the purpose of being held and subsequently delivered in payment or exchange in connection with an external growth transaction 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, employee share ownership or employee savings plan,
    - to allocate shares upon exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares in accordance with the applicable securities regulations,
    - to purchase shares for cancellation, in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues (subject to shareholders voting an extraordinary resolution authorising capital reductions),
  - resolves that the maximum purchase price per share may not exceed twenty-eight (28) euros, excluding transaction costs,
  - resolves that the Board of Directors may adjust the above maximum purchase price in the case of a change in the shares' par value, a bonus share issue paid up by capitalising reserves, a share split or reverse share split, a capital reduction, a distribution of reserves or other assets or any other corporate action, to take into account the effect of said action on the value of the shares,

- resolves that the amount invested in the share buyback programme may not exceed one billion nine hundred and twenty-two million five hundred and thirty-one thousand seven hundred and thirty-five euros and sixty cents (€1,922,531,735.60),
- resolves that the shares may be bought back by any method allowed under the applicable regulations, including in whole or in part, through on-market transactions or block trades and, where applicable, through off-market transactions or the use of options or derivatives other than sold puts, in the periods that the Board of Directors considers appropriate subject to the limits set in the applicable securities regulations. The shares bought back pursuant to this authorisation may be retained, sold or transferred in accordance with the applicable regulations, by all methods including through block trades, at any time,
- gives full powers to the Board of Directors (which may delegate such powers) to complete these transactions, to set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract that complies with the Amafi code of ethics recognised by the *Autorité des Marchés Financiers,*
  - place buy and sell orders on or off-market,
  - adjust the buyback price of the shares in order to take into account the impact of the above-mentioned transactions on the share price,
  - 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 *Autorité des Marchés Financiers* and any other organisation,
  - carry out any and all publication and other formalities,
  - generally, do whatever is necessary to use this authorisation,
- resolves that this authorisation is given for a period ending at the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2017 or eighteen (18) months, whichever is shorter.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will report to the Annual General Meeting on transactions carried out within the scope of this resolution.

EXTRAORDINARY RESOLUTIONS

Twenty-first resolution

Renewal of the delegation of authority granted to the Board of Directors to increase the share capital by up to €50 million (excluding premiums) by issuing ordinary shares with pre-emptive subscription rights for existing shareholders

Having considered the report of the Board of Directors, the Extraordinary General Meeting resolves to cancel, with immediate effect, the authorisation given by the Annual General Meeting of 6 May 2015 in its ninth resolution and:

1. to delegate to the Board of Directors, in accordance with Articles L.225-129 *et seq.* of the French Commercial Code, the authority to decide to issue ordinary shares of the Company, on one or more occasions, for the amounts and in the periods it considers appropriate, in France or in other countries, in euros or in foreign currency, with pre-emptive subscription rights for existing shareholders;
2. that the aggregate amount by which the Company's share capital may be increased through share issues carried out pursuant to this delegation of authority may not exceed fifty million euros (€50,000,000);
3. that shareholders shall have a pre-emptive right to subscribe to the issues in accordance with the law *pro rata* to their existing holdings. The Board of Directors may also give shareholders the right to subscribe for a number of ordinary shares in excess of those to which they are entitled as of right, provided that if the issue is oversubscribed said right shall also be exercisable *pro rata* to their existing holdings.

   If the total issue is not taken up by shareholders exercising their pre-emptive rights as described above, the Board of Directors may limit the issue to the amount of the subscriptions received, provided that at least three-quarters of the planned issue has been taken up, or freely allocate the unsubscribed shares, and/or offer them to the public;
4. that the Board of Directors shall have all the necessary powers to implement this resolution, set the terms and conditions of the share issue, place on record the resulting capital increase, make any necessary adjustments in order to take into account the impact of the issue on the Company's share capital, amend the Articles of Association to reflect the new capital, allow the share issuance costs to be charged against the related premium and generally do everything that may be necessary.

   The issue price of the ordinary shares shall be set by the Board of Directors, provided that the amount received by the Company for each new share is at least equal to its par value;

5. that the Board of Directors may sub-delegate this authority to the Chief Executive Officer, subject to limits to be set by the Board, as allowed under the applicable laws and regulations.

   This delegation is granted to the Board of Directors for a period of twenty-six (26) months as from the date of this General Meeting.

Twenty-second resolution

Renewal of the delegation of authority to the Board of Directors to issue shares representing up to 3% of the capital to members of an employee share ownership plan without pre-emptive subscription rights for existing shareholders

Having considered the report of the Board of Directors and the Statutory Auditors' special report, the Extraordinary General Meeting resolves to cancel, with immediate effect, the authorisation given by the Annual General Meeting of 6 May 2015 in its tenth resolution, and, in accordance with Articles L.225-129 to L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-1 *et seq.* of the French Labour Code (*Code du travail*):

1. to delegate to the Board of Directors (which may sub-delegate this authority to any legally authorised person) the authority to issue shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, at its sole discretion, on one or several occasions, for subscription by members of a Company and/or Group employee share ownership plan;
2. that the total number of shares issued under this resolution and pursuant to this delegation of authority may not, under any circumstances, exceed 3% of the number of shares comprising the share capital on the date the issue is decided by the Board of Directors;
3. that this delegation of authority is granted to the Board of Directors for a period of twenty-six (26) months as from the date of this General Meeting;
4. that this delegation of authority entails the waiver by existing shareholders in favour of the members of the Company and/or Group employee share ownership plan, of their pre-emptive right to subscribe for the shares or other securities to be issued under this resolution, as well as any shares to be issued on a deferred basis upon conversion, redemption, exchange or exercise of said other securities;
5. that, pursuant to Article L.3331-21 of the French Labour Code, the Board of Directors may grant shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, as a matching payment or in place of the discount, provided that the pecuniary value of said shares or securities (assessed at the subscription price) does not exceed the maximum discount provided for in paragraph 7(b) below or the cap specified in Article L.3332-11 of the French Labour Code;
6. that the characteristics of the securities convertible, redeemable, exchangeable or otherwise exercisable for shares will be determined by the Board of Directors in accordance with the applicable regulations;
7. that the Board of Directors shall have full powers, within the limits specified above, to set the terms and conditions of the capital increase(s), and in particular to:
   - (a) decide on the companies whose employees will be eligible to participate in the rights issue, within the limit set by Article L.225-180 of the French Commercial Code,
   - (b) set the subscription price for the new shares, which shall not be lower than 80% of the average opening price quoted for CNP Assurances shares on the Euronext Paris during the twenty (20) trading days preceding the date of the Board of Directors' decision setting the opening date of the subscription period,
   - (c) decide that the shares or other securities may be subscribed directly or through a corporate mutual fund (FCPE or SICAV) governed by Article L.214-40-1 of the French Monetary and Financial Code (*Code monétaire et financier*),
   - (d) decide how the new shares or other securities will be paid up and set the future or retroactive cum rights date,
   - (e) take all necessary measures to complete the capital increases, carry out all necessary formalities relating to the capital increases, amend the Articles of Association to reflect the new capital, and generally do whatever else is necessary,
   - (f) at its sole discretion, after each increase, charge the share issuance costs against the related premium and deduct, where applicable, from the premium the amount required to increase the legal reserve to one tenth of the new capital,
   - (g) enter into any and all agreements and carry out any and all transactions and formalities, either directly or through a duly authorised representative,
   - (h) prepare any and all reports describing the final terms and conditions of the rights issue in accordance with the law;
8. that the purpose of this delegation of authority is to comply with Article L.225-129-6 of the French Commercial Code.

Twenty-third resolution

Alignment of Article 1 of the Articles of Association concerning the Company's legal form with government order no. 2014-948 dated 20 August 2014, as ratified and amended by Act no. 2015-990 dated 6 August 2015

Having considered the report of the Board of Directors, the Extraordinary General Meeting:

- notes the decision of the Board of Directors dated 22 February 2017, made in application of Article 34 of government order no. 2014-948 dated 20 August 2014, as ratified and amended by Act no. 2015-990 dated 6 August 2015, to make the governance provisions of said government order applicable to CNP Assurances as from the close of this General Meeting;

- resolves to amend Article 1 of the Articles of Association (Legal form of the Company), in order to align the Articles of Association with government order no. 2014-948 dated 20 August 2014, as ratified and amended by Act no. 2015-990 dated 6 August 2015;
- expressly approves the new wording of Article 1 of the Articles of Association of CNP Assurances, which will be effective as from the close of this General Meeting.

Previous wording	New wording
Article 1 - Legal form of the Company The Company formed by the owners of the shares created below and all shares that may be created in the future shall have the legal form of a *société anonyme*. At the Ordinary and Extraordinary General Meeting held on 10 July 2007, the shareholders decided to change the Company's governance structure by replacing the Management Board and Supervisory Board with a Board of Directors. The Company is governed by the French Commercial Code (*Code de commerce*) and Insurance Code (*Code des assurances*) as well as by all related enabling legislation and regulations and all legal and regulatory provisions amending these codes, and also by these Articles of Association.	**Article 1 - Legal form of the Company** The Company formed by the owners of the shares created below and all shares that may be created in the future shall have the legal form of a *société anonyme*. At the Ordinary and Extraordinary General Meeting held on 10 July 2007, the shareholders decided to change the Company's governance structure by replacing the Management Board and Supervisory Board with a Board of Directors. The Company is governed by the French Commercial Code (*Code de commerce*) and Insurance Code (*Code des assurances*), by government order no. 2014-948 dated 20 August 2014 on the corporate governance and corporate actions of companies with public sector shareholders, as well as by all related enabling legislation and regulations and all legal and regulatory provisions amending these codes, and also by these Articles of Association.

Twenty-fourth resolution

Amendment of Article 15 of the Articles of Association concerning the membership of the Board of Directors, in order to specify the method of designating directors representing Group employees

Having considered the report of the Board of Directors, the Extraordinary General Meeting resolves to amend Article 15 of the Company's Articles of Association (Composition of the Board of Directors) as follows to include a description of the method of designating directors representing employees.

Previous wording	New wording
Article 15 - Composition of the Board of Directors 1. The Company is administered by a Board of Directors with no less than three and no more than 18 members. 2. The directors are elected and may be removed from office by ordinary resolution of the General Meeting of Shareholders in the course of the Company's life, unless there are any legal or regulatory provisions to the contrary. 3. A legal entity may be elected as a director. In this case, the entity shall designate a permanent representative who shall be subject to the same conditions and obligations and shall have the same civil and criminal liability as if he or she were a director in his or her own name, without prejudice to the joint and several liability of the legal entity that he or she represents. If the permanent representative's appointment is terminated, the legal entity shall be required to designate a new representative. 4. The number of individual directors and permanent representatives of corporate directors aged 70 or over at the close of each Annual General Meeting may not exceed one third of the serving directors (rounded up to the next whole number if necessary).	**Article 15 - Composition of the Board of Directors** 1. The Company is administered by a Board of Directors with no less than three and no more than 18 members, elected by the shareholders in General Meeting. The Board of Directors also includes a director representing employees designated by the trade union that obtained the greatest number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labour Code (*Code du travail*) organised by the Company and its direct or indirect subsidiaries whose registered offices are in France. If the Board of Directors comprises more than twelve directors elected by shareholders as of the designation date, a second director representing employees would be designated by the trade union that obtained the second greatest number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labour Code organised by the Company and its direct or indirect subsidiaries whose registered offices are in France. The director representing employees is designated for a term of four years expiring at the close of the Annual General Meeting held in the year in which the director's term expires. If the number of directors elected by shareholders falls to twelve or less than twelve, the term of office of the director designated by the second trade union shall automatically end prior to the next meeting of the Board of Directors. If the conditions for applying Article L.225-27-1 of the French Commercial Code are no longer fulfilled at the end of a given financial year, the terms of the directors representing employees shall end at the close of the Annual General Meeting at which the financial statements for the year concerned are approved. The term of each director representing employees shall end, ipso jure, if the conditions specified in Articles L.225-30, L.225-32 and L.225-34 of the French Commercial Code are fulfilled. If a seat on the Board reserved for a director representing employees falls vacant for any reason, it shall be filled as provided for in Article L.225-34 of the French Commercial Code. 2. Directors elected by the shareholders may be removed from office by ordinary resolution of the General Meeting of Shareholders in the course of the Company's life, unless there are any legal or regulatory provisions to the contrary. *[The remainder of Article 15 of the Articles of Association remains unchanged]*

Twenty-fifth resolution

Deletion of Article 25 of the Articles of Association concerning the election of non-voting directors and the resulting renumbering of the Articles

Having considered the report of the Board of Directors, the Extraordinary General Meeting resolves to delete Article 25 of the Company's Articles of Association (non-voting directors).

The Extraordinary General Meeting notes that as a result of deleting this Article, the numbering of all subsequent articles has to be changed and approves said changes.

The Extraordinary General Meeting grants full powers to the Board of Directors, which may be delegated, to publish the amended Articles of Association and generally to do everything useful or necessary to implement this resolution and give legal effect to the changes in the Articles of Association.

Notwithstanding the above decision, the Extraordinary General Meeting resolves that the current non-voting director shall remain in office for the remainder of his current term, as renewed prior to the adoption of this resolution.

Twenty-sixth resolution

Powers to carry out formalities

The Ordinary 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 2015 AND 2016

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2016
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted by the AGM of 6 May 2015 (9th resolution) Duration: 26 months	€50,000,000 (par value)	None
Employee rights issues, stock options, share grants	Issue of shares to members of an employee share ownership plan	Granted by the AGM of 6 May 2015 (10th resolution) Duration: 26 months	3% of share capital outstanding at the date of the AGM	None
Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 28 April 2016 (17th resolution) Expires at the AGM called to approve the 2016 financial statements Maximum duration: 18 months	10% of share capital outstanding at the date of the AGM	At 31 December 2016, 121,661 shares held in treasury (0.02% of share capital)

Summary table of the authorisations submitted for approval at the Annual General Meeting of 13 April 2017

Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 13 April 2017 (20th resolution) Expires at the AGM called to approve the 2017 financial statements Maximum duration: 18 months	10% of share capital outstanding at the date of the AGM	-
Share issue	Issue of ordinary shares with pre-emptive subscription rights	Renewed by the AGM of 13 April 2017 (21st resolution) Duration: 26 months	€50,000,000 (par value)	-
Employee rights issues, stock options, share grants *	Issue of shares to members of an employee share ownership plan without pre-emptive subscription rights for existing shareholders	Granted by the AGM of 13 April 2017 (22nd resolution) Duration: 26 months	3% of share capital outstanding at the date of the AGM	-

* *As of 31 December 2016, employees held 0.21% of the Company's capital, directly and indirectly (versus 0.27% at end-2015)*

Glossary

ADJUSTED NET ASSET VALUE (ANAV)

Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets and other items included in the value of In-Force business (VIF). This indicator is net of non-controlling interests. It breaks down between required capital and free surplus.

(in € millions)	**31.12.2016**	31.12.2015
Equity attributable to owners of the parent (1)	17,534	17,113
Subordinated notes classified in equity (2)	1,765	2,635
Intangible assets (3)	564	502
In-Force modelling in MCEV© (4)	1,763	1,418
ANAV = (1) - (2) - (3) - (4)	**13,442**	**12,558**

ADMINISTRATIVE COSTS

Costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. The calculation base includes non-controlling interests.

ANNUAL PREMIUM EQUIVALENT (APE)

One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period, net of non-controlling interests and ceded premiums. APE is an indicator of underwriting volume.

APE MARGIN (ALSO REFERRED TO AS NEW BUSINESS MARGIN)

Value of New Business (NBV) divided by the annual premium equivalent (APE). Measures estimated future profits from insurance policies written during the period.

(in € millions)	**31.12.2016**	31.12.2015
Value of New Business (NBV) (1)	436	463
Annual premium equivalent (APE) (2)	3,129	3,195
APE MARGIN = (1)/(2)	**13.9%**	**14.5%**

CHANGE AT CONSTANT EXCHANGE RATES

Indicators at constant exchange rates are calculated by translating current period data at the prior period exchange rate. This technique strips out the currency effect from the change in the indicator concerned.

CHANGE ON A COMPARABLE CONSOLIDATION SCOPE BASIS

Indicators on a comparable consolidation scope basis are calculated by excluding (i) the contribution of businesses discontinued or sold during the current period from the prior period data and (ii) the contribution of businesses acquired during the current period from current period data. This technique strips out the effect of acquisitions and divestments from the change in the indicator concerned.

COMBINED RATIO (PERSONAL RISK/PROTECTION SEGMENT)

Calculated for the personal risk/protection insurance segment by dividing EBIT by premium income net of ceded premiums and deducting the result from 100%. The combined ratio is an indicator of Personal Risk/Protection business profitability.

(in € millions)	**31.12.2016**	31.12.2015
EBIT (personal risk/protection segment) (1)	947	934
Premium income net of ceded premiums (personal risk/protection segment) (2)	5,745	5,943
COMBINED RATIO (PERSONAL RISK/PROTECTION SEGMENT) = 100% - (1)/(2)	**83.5%**	**84.3%**

COST OF RESIDUAL NON-HEDGEABLE RISKS (CRNHR)

The cost allocated to non-hedgeable financial and non-financial risks results from:

- the inclusion of risks also not valued in the PVFP or TVOG such as the counterparty default risks and operational risks;
- the asymmetrical impact of particular non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses;
- the uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

COST/INCOME RATIO

Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

(in € millions)	**31.12.2016**	31.12.2015
Administrative costs (1)	916	862
Net insurance revenue (NIR) (2)	2,782	2,514
COST/INCOME RATIO = (1)/(2)	**32.9%**	**34.3%**

DEBT-TO-EQUITY RATIO

Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity less intangible assets. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).

(in € millions)	**31.12.2016**	31.12.2015
Subordinated notes classified in equity (1)	1,765	2,635
Subordinated notes classified in debt (2)	5,427	3,996
Total equity (3)	19,297	18,571
Intangible assets (4)	867	789
DEBT-TO-EQUITY RATIO = [(1) + (2)]/[(2) + (3) - (4)]	**30.1%**	**30.4%**

DIVIDEND COVER

Operating free cash flow (OFCF) before cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders.

(in € millions)	**31.12.2016**	31.12.2015
Net operating free cash flow (OFCF) (1)	1,056	955
Dividends (2)	549	529
DIVIDEND COVER = (1)/(2)	**1.9X**	**1.8X**

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. EBIT represents the margin after deducting administrative costs.

(in € millions)	**31.12.2016**	31.12.2015
Attributable net profit (1)	1,200	1,130
Finance costs (2)	(248)	(192)
Income tax expense (3)	(865)	(811)
Non-controlling and equity-accounted interests (4)	(287)	(300)
Fair value adjustments and net gains (losses) (5)	159	319
Non-recurring items (6)	(195)	(312)
EBIT = (1) - (2) - (3) - (4) - (5) - (6)	**2,638**	**2,426**

EARNINGS PER SHARE (EPS)

Attributable net profit less finance costs on subordinated notes classified in equity divided by the weighted average number of shares outstanding (IFRS calculation method).

(in € millions)	**31.12.2016**	31.12.2015
Attributable net profit (1)	1,200	1,130
Finance costs on subordinated notes classified in equity (2)	76	74
Weighted average number of shares (3)	686.3m	685.9m
EARNINGS PER SHARE (EPS) = [(1) - (2)]/(3)	**€1.64**	**€1.54**

EIOPA

European Insurance and Occupational Pensions Authority

ELIGIBLE OWN FUNDS FOR MCR CALCULATIONS

Sum of Tier 1 and Tier 2 own funds eligible for inclusion in the Minimum Capital Requirement. For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not eligible for inclusion in MCR.

ELIGIBLE OWN FUNDS FOR SCR CALCULATIONS

Sum of Tier 1, Tier 2 and Tier 3 own funds eligible for inclusion in the Solvency Capital Requirement (SCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of the SCR.

FAIR VALUE ADJUSTMENTS AND NET GAINS (LOSSES)

Measures the impact on attributable net profit of changes in asset prices (*i.e.* realised and unrealised capital gains net of recognised impairment losses), impairment losses and exceptional changes in intangible asset values. Fair value adjustments and net gains (losses) are calculated net of policyholder participation, non-controlling interests and income tax expense.

FREE SURPLUS

Portion of adjusted net asset value (ANAV) that may be freely used by management to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates, net of non-controlling interests.

FRICTIONAL COST OF REQUIRED CAPITAL (FCRC)

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

INSURANCE LEVERAGE RATIO

Sum of total equity and subordinated notes classified in debt, divided by insurance investments less derivative instruments liabilities. Indicator of the Group's solvency before risk-weighting. The higher the ratio, the greater the insurer's ability to absorb potential losses.

(in € millions)	**31.12.2016**	31.12.2015
Total equity (1)	19,297	18,571
Subordinated notes classified in debt (2)	5,427	3,996
Subordinated notes classified in equity (3)	1,765	2,635
Insurance investments (4)	383,262	370,904
Derivative instruments liabilities (5)	1,245	4,834
INSURANCE LEVERAGE RATIO = [(1) + (2)]/[(4) - (5)]	**6.47%**	**6.16%**
▪ o/w equity = [(1) - (3)]/[(4) - (5)]	4.59%	4.35%
▪ o/w subordinated notes = [(2) - (3)]/[(4) - (5)]	1.88%	1.81%

INTEREST COVER

EBIT divided by interest paid on total subordinated notes (classified in both debt and equity). Indicator of the Group's ability to pay the interest due to holders of its subordinated notes.

(in € millions)	**31.12.2016**	31.12.2015
EBIT (1)	2,638	2,426
Finance costs on subordinated notes classified in debt (2)	248	192
Finance costs on subordinated notes classified in equity (3)	116	120
INTEREST COVER = (1)/[(2) + (3)]	**7.3X**	**7.8X**

MARKET CONSISTENT EMBEDDED VALUE (MCEV©)

A measure of the consolidated value of shareholders' interests in the covered business. It breaks down between adjusted net asset value (ANAV) and the value of In-Force business (VIF) - corresponding to the value of the insurance polices in force on the measurement date - and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

MATHEMATICAL RESERVES

Sum of the surrender value of savings contracts and the discounted present value of liabilities for pensions contracts.

MCR COVERAGE RATIO

Eligible own funds held to cover the MCR divided by the MCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

MINIMUM CAPITAL REQUIREMENT (MCR)

Minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time.

NET ASSET VALUE

Equity attributable to owners of the parent net of subordinated notes classified in equity. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.

(in € millions)	**31.12.2016**	31.12.2015
Equity attributable to owners of the parent (1)	17,534	17,113
Subordinated notes classified in equity (2)	1,765	2,635
NET ASSET VALUE = (1) - (2)	**15,768**	**14,478**

NET INSURANCE REVENUE (NIR)

Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is net of reinsurance. It is the margin generated by the insurance contracts before deducting administrative costs.

(in € millions)	**31 Dec 2016**	31.12.2015
Net insurance revenue (NIR) (1)	2,782	2,514
Revenue from own-funds portfolios (2)	771	774
Administrative costs (3)	916	862
EBIT = (1) + (2) - (3)	**2,638**	**2,426**

NET NEW MONEY

Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.

NON-RECURRING ITEMS

Indicator used to separately identify non-recurring income and expenses that affect attributable net profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.

OPERATING FREE CASH FLOW (OFCF)

Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

OUTSTANDING CLAIMS RESERVE

Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.

PAYOUT RATIO

Dividends paid to owners of the parent divided by attributable net profit. Measures the proportion of attributable net profit distributed to owners in the form of dividends.

(in € millions)	**31.12.2016**	31.12.2015
Dividends (1)	549	529
Attributable net profit (2)	1,200	1,130
PAYOUT RATIO = (1)/(2)	**46%**	**47%**

POLICYHOLDERS' SURPLUS RESERVE (PSR)

Cumulative underwriting and investment income attributable to policyholders that is distributed on a deferred basis.

PREMIUM INCOME

Earned premiums, premium loading on IAS 39 contracts and, up until 31 December 2015, 50% of earned premiums generated by La Banque Postale Prévoyance (LBPP), including non-controlling interests and gross of ceded premiums. Premium income is an indicator of underwriting volume.

(in € millions)	31.12.2016	31.12.2015
Earned premiums (1)	31,495	31,329
Premium loading on IAS 39 contracts (2)	42	42
50% of earned premiums generated by La Banque Postale Prévoyance (3)	0	213
PREMIUM INCOME = (1) + (2) + (3)	**31,536**	**31,585**

PROPORTION OF SAVINGS/PENSIONS MATHEMATICAL RESERVES REPRESENTED BY UNIT-LINKED (UL) CONTRACTS

Calculated by dividing unit-linked savings/pensions mathematical reserves by total savings/pensions mathematical reserves. This indicator measures the proportion of mathematical reserves related to unit-linked contracts, which do not generally include a capital or yield guarantee.

(in € millions)	31.12.2016	31.12.2015
UL savings/pensions mathematical reserves (1)	47,328	40,478
Total savings/pensions mathematical reserves (2)	274,820	267,551
PROPORTION OF SAVINGS/PENSIONS MATHEMATICAL RESERVES REPRESENTED BY UL CONTRACTS = (1)/(2)	**17.2%**	**15.1%**

PROPORTION OF SAVINGS/PENSIONS PREMIUMS REPRESENTED BY UNIT-LINKED (UL) CONTRACTS

Calculated by dividing unit-linked savings/pensions premiums by total savings/pensions premiums. This indicator measures the proportion of premium income related to unit-linked contracts, which do not generally include a capital or yield guarantee.

(in € millions)	31.12.2016	31.12.2015
UL savings/pensions premium income (1)	6,655	6,739
Total savings/pensions premium income (2)	24,929	24,852
PROPORTION OF SAVINGS/PENSIONS PREMIUMS REPRESENTED BY UL CONTRACTS = (1)/(2)	**26.7%**	**27.1%**

RESTRICTED TIER 1 OWN FUNDS

Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

RETURN ON EQUITY (ROE)

Attributable net profit divided by average net asset value for the period. Measures the return on equity contributed by owners of the parent.

(in € millions)	**31.12.2016**	31.12.2015
Attributable net profit (1)	1,200	1,130
Average net asset value (2)	15,123	14,261
RETURN ON EQUITY (ROE) = (1)/(2)	**7.9%**	**7.9%**

REVENUE FROM OWN-FUNDS PORTFOLIOS

Mainly revenue generated by investments held to back equity and subordinated notes, and amortisation of the value of acquired In-Force business and distribution agreements. This indicator includes non-controlling interests. It is the margin generated on investments held to back equity and subordinated notes, before deducting administrative costs.

SCR COVERAGE RATIO

Eligible own funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

SOLVENCY CAPITAL REQUIREMENT (SCR)

Level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5% over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

SURRENDER RATE

Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.

TECHNICAL RESERVES

Insurance and financial liabilities net of deferred participation reserve, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of ceded reserves. They measure the insurer's liability towards insureds.

(in € millions)	**31.12.2016**	31.12.2015
Insurance and financial liabilities (1)	361,748	349,807
Deferred participation reserve (2)	30,714	29,176
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	23,033	11,291
TECHNICAL RESERVES GROSS OF REINSURANCE = (1) - (2) + (3)	**331,035**	**320,631**
TECHNICAL RESERVES NET OF REINSURANCE = (1) - (2) + (3) - (4)	**308,002**	**309,340**

TIER 2 OWN FUNDS

Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

TIER 3 OWN FUNDS

Subordinated notes classified in Tier 3 plus any net deferred tax assets also classified in Tier 3.

TIME VALUE OF OPTIONS AND FINANCIAL GUARANTEES (TVOG)

The time value of options and financial guarantees represents the additional cost of options and guarantees beyond their intrinsic value that is included in the determinist scenario. The time value of costs of options and financial guarantees is calculated by the difference between the average value of future cash-flows updated using stochastic and determinist scenarios.

TOTAL REVENUE

Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.

(in € millions)	**31.12.2016**	31.12.2015
Net insurance revenue (NIR) (1)	2,782	2,514
Revenue from own-funds portfolios (2)	771	774
TOTAL REVENUE = (1) + (2)	**3,553**	**3,288**

ULTIMATE FORWARD RATE (UFR)

Set in the Omnibus 2 directive dated 11 March 2014, the ultimate forward rate is used to update insurers' long-term liabilities (pensions, death, life assurance, civil liability, etc.) in the absence of relevant market data. Beyond the last liquid point (LLP) (20 years in the Eurozone), market rates are extrapolated and converge over a 40-year period on an ultimate rate (the UFR).

UNRESTRICTED TIER 1 OWN FUNDS

Own funds other than subordinated notes included in Tier 1 own funds, calculated as the sum of share capital, the share premium account and the reconciliation reserve less non-fungible own funds.

VALUE OF IN-FORCE BUSINESS (VIF)

Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

VALUE OF NEW BUSINESS (NBV)

Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. NBV corresponds to the discounted present value of estimated future profits from insurance policies sold during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

WITHDRAWAL RATE

Paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of claims and benefits paid to policyholders and beneficiaries.

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
10.2.	Cash flows	73 to 75
10.3.	Borrowing requirements and funding structure	22 and 24; 31 and 32; 43; 98 and 99; 128; 139 to 141; 154 and 155; 182; 225 and 226; 296 and 297
10.4.	Restrictions on the use of capital resources	-
10.5.	Anticipated sources of funds	-
11.	**Research and development, patents and licences**	**-**
12.	**Trend information**	
12.1.	Most significant recent trends since the end of the last financial year	25; 79; 183
12.2.	Known trends or events that are likely to have an effect on the issuer's prospects	8; 11 to 15; 22 to 26; 79; 181 to 183
13.	**Profit forecasts or estimates**	**-**
14.	**Administrative, management, and supervisory bodies and senior management**	
14.1.	Composition of the Board of Directors	17 and 18; 284 to 292; 306 to 332
14.2.	Conflicts of interests	343 and 344
15.	**Remuneration and benefits**	
15.1.	Remuneration paid and benefits in kind	101; 290; 333 to 342; 408 and 409
15.2.	Total amounts set aside or accrued to provide pension, retirement or similar benefits	101; 223
16.	**Board practices**	
16.1.	Expiry date of current terms of office	18; 311 to 332
16.2.	Service contracts between members of the administrative, management and supervisory bodies	343
16.3.	Audit and Risk Committee, Remuneration and Nominations Committee	17; 285; 289 to 291
16.4.	Statement of compliance with France's corporate governance regime	286; 288; 291; 306; 308; 402; 404; 408 and 409
17.	**Employees**	
17.1.	Number of employees	2 to 4; 107; 222; 227; 251 and 252
17.2.	Shareholdings and stock options	257; 338 and 339; 391
17.3.	Arrangements for involving the employees in the capital of the issuer	386 to 388
18.	**Major shareholders**	
18.1.	Shareholders holding over X% of the capital	381 to 388
18.2.	Existence of different voting rights	382
18.3.	Control of the issuer	385
18.4.	Arrangements the operation of which may result in a change in control	385
19.	**Related party transactions**	**8; 22 to 24; 77 and 78; 181 and 182; 200; 357 to 367**
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
20.1.	Historical financial information *	3 to 6; 66 to 227
20.2.	Pro forma financial information	-
20.3.	Financial statements	66 to 171; 174 to 226
20.4.	Auditing of historical annual financial information	172 and 173; 228 and 229
20.5.	Age of latest financial information	79
20.6.	Interim and other financial information	-
20.7.	Dividend policy	6; 227; 390; 400; 408
20.8.	Legal and arbitration proceedings	23; 78; 351 to 354; 392
20.9.	Significant changes in the issuer's financial or trading position	8; 11 to 15; 22 to 32; 42 and 43; 45 to 54; 64; 77 to 79; 140; 181 to 183; 225 and 226

* *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 2014 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014, as presented on pages 162 and 163 of Registration Document No. D.15-0308 filed with the AMF on 9 April 2015*
- *The financial statements of CNP Assurances for the year ended 31 December 2014 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2014, as presented on pages 218 and 219 of Registration Document No. D.15-0308 filed with the AMF on 9 April 2015*
- *The consolidated financial statements of CNP Assurances for the year ended 31 December 2015 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2015, as presented on pages 160 and 161 of Registration Document No. D.16-0275 filed with the AMF on 5 April 2016*
- *The financial statements of CNP Assurances for the year ended 31 December 2015 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2015, as presented on pages 218 and 219 of Registration Document No. D.16-0275 filed with the AMF on 5 April 2016*

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 General Meeting of 13 April 2017.

Key information		Pages
1.	Business activity of the Company and its subsidiaries, and trends/Results/Financial position and performance	25 to 35
2.	Description of main risks and uncertainties	344 to 355
3.	Events that have occurred after the balance sheet date/Future outlook	25 and 35
4.	Information relating to supplier payment terms	33
5.	Use of financial instruments for the Company and the Group	22 to 24
6.	Company shareholders	381 to 385
7.	Names of controlled entities holding shares of the Company	n/a
8.	Changes in the presentation of the financial statements	-
9.	Significant shareholdings in companies with registered offices in France	28
10.	Five-year financial summary	227
11.	Purchase and sale of treasury stock	377 to 379
12.	Employee share-ownership	388
13.	Table of authorisations granted to increase the share capital	415 and 416
14.	Changes in the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares	n/a
15.	Dividends paid during the last three financial years	390
16.	Information on the risks arising from changes to interest rates, exchange rates and share prices	344 to 351
17.	Injunctions or penalties for anti-competitive practices	-
18.	Information likely to have an impact in the event of a public offering	381 to 385
19.	Directorships and functions of corporate officers	311 to 332
20.	Remuneration of corporate officers	333 to 336
21.	Stock option grants	338 to 340
22.	Transactions by management in the Company's shares	-
23.	Information on share grant plans for management	341
24.	Information on share grant plans for employees	342
25.	Environmental and social information	233 to 278
26.	Research and development activity	n/a
27.	Report on the draft resolutions	400 to 415
28.	Agreements between a corporate officer or shareholder of the Company and a subsidiary of the Company	249

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).

Get to know CNP Assurances better

Find us at www.cnp.fr

Whether you're an individual, a professional, a candidate, a journalist, a shareholder or an analyst, you can access the pages dedicated to you directly.

You can also download our publications, including the Annual Report, the Registration Document, the Shareholders' Letter and the Corporate Social Responsibility report.

The site, in French and English, complies with computer accessibility standards and can also be viewed on tablets and smartphones, reflecting CNP Assurances' commitment to insuring all our futures.

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youtube.com/c/CnpFr_officiel

Have fun in French with www.cespetiteschoses.fr

The site, in French only, reminds us about the little things that help us to live well, for a long time. New games about health and social relations were added in 2016.

Take a look at the sections dedicated to investors and shareholders

- Two dedicated sections on the www.cnp.fr website – one for analysts and investors and the other for shareholders – offer a wide range of downloadable information and presentations including the CNP Assurances share price, shareholder information, press releases, financial calendar, presentations to analysts and details of the General Meeting: www.cnp.fr/en/Investor-Analyst and www.cnp.fr/en/Individual-shareholder
- Email queries can be sent to two dedicated addresses: actionnaires@cnp.fr and infofi@cnp.fr
- A toll-free number (toll-free only from a landline in France)

  From Monday to Friday, shareholders can contact the shareholder relations helpdesk directly to obtain information about CNP Assurances, or to request financial documentation or register a change of address.

0 800 544 544 Service & appel gratuits

2017 Financial Calendar

13 April

- Annual General Meeting

11 May

- First-quarter 2017 premium income and results indicators

31 July

- First-half 2017 premium income and profit

16 November

- Third-quarter 2017 premium income and results indicators

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