# Registration Document

including the Annual Financial Report

2015

CNP assurances

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2015

## 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.

The French version of this Registration Document *(Document de Référence)* was filed with the AMF on 5 April 2016, in accordance with Article 212-13 of the General Regulations of the AMF. The Registration Document may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the AMF.

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

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. 2** in France for group pension plans [(3)]

**No. 4** in Europe for personal insurance (excluding health) [(4)]

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

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

and **13 million** [(6)] savings and pensions policyholders worldwide

**4,740** employees worldwide

**€1,130 million** attributable group net profit in 2015

**€31.6 billion** premium income in 2015 (IFRS)

**€316.9 billion** average technical reserves in 2015 (excluding deferred participation)

(1) Source: FFSA 2014 data, June 2015

(2) Term creditor insurance contracts in 2014. Sources: FFSA 2014 key indicators, June 2015, and Argus de l'Assurance "Les bancassureurs", April 2015

(3) Source: Argus de l'Assurance "Pensions Top 20", April 2015

(4) Source: Argus de l'Assurance "2014 results European Top 20", December 2015

(5) Source: Caixa Seguradora, December 2015

(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

## 2015 key financial data

*(Source: CNP Assurances 2015 annual results)*

| *(In € millions)* | **2015** | 2014 | % change | % change (like-for-like [1]) | 2013 |
|---|---|---|---|---|---|
| Premium income | 31,585 | 30,802 | +2.5% | +3.4% | 27,668 |
| New business margin [2] | 14.5% | 13.7% | +0.8 pts | - | 14.1% |
| Revenues | 3,288 | 3,278 [3] | +0.3% | +6.8% | 3,234 |
| Administrative expenses | (862) | (837) [3] | +3.0% | +4.2% | (879) |
| EBIT | 2,426 | 2,442 | -0.6% | +7.7% | 2,354 |
| Attributable net profit | 1,130 | 1,080 | +4.7% | +10.7% | 1,030 |
| ROE | 7.9% | 8.1% | -0.2 pts | - | 8.5% |
| Solvency II coverage rate (standard formula) [4] | 192% | 160% | +32 pts | - | - |
| Operating free cash flow [5] €/share | 1.39 | 1.28 | +8.4% | - | 23.3 |
| Dividend €/share | 0.77 [6] | 0.77 | - | | 0.77 |

*(1) 2014 Brazilian exchange rate: €1 = BRL 3.12; 2015 Brazilian exchange rate: €1 = BRL 3.70 (based on the 2014 scope of consolidation, including CNP BVP for the first three months)*
*(2) Marginal method*
*(3) Reclassification of Brazilian levies in accordance with Group standards: €59m*
*(4) After dividend*
*(5) Excluding subordinated debt*
*(6) Recommended at the Annual General Meeting to be held on 28 April 2016*

## 2015 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: **112,000** (up 17% on 2014)
- **85%** satisfaction rate for CNP Assurances' individual insurance policyholders

### CONTRIBUTE TO A SUSTAINABLE ECONOMY

- **€265 billion** in assets managed by the Group under ESG criteria (up 7% on 2014)
- 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
- **45%** of CNP Assurances' suppliers audited on their environmental, social and ethical performance

### BE AN ATTRACTIVE EMPLOYER

- Employees: **4,740**

  Of which CNP Assurances Group: **3,006**

  Consolidated French and international subsidiaries: **1,734**
- Proportion of women senior managers in the Group: **33%**
- Employees with disabilities at CNP Assurances: **6.4%**

### FOSTER A SUSTAINABLE SOCIETY AND ENVIRONMENT

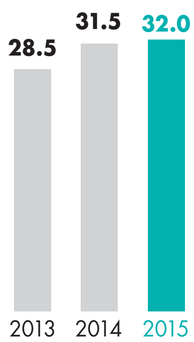
- Reduction in paper use for the Group's internal purposes: **down 8%** in 2015
- Forests used as a carbon sink to capture and store **539,020 t.$CO_2$eq**
- **€5.7 million** donated by Group entities to health, social inclusion and community research projects in 2015

**€31.6**
billion in premium income in 2015

**4,740**
employees worldwide

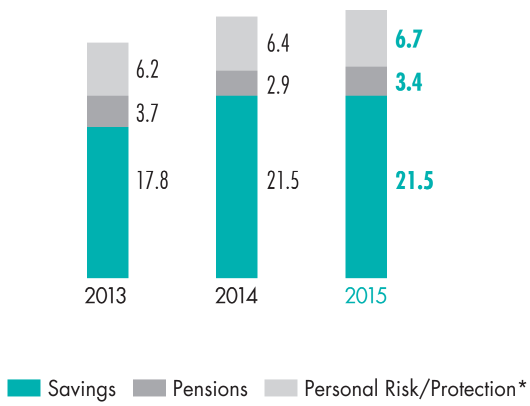
**No.1**
personal insurer in France

### TOTAL NEW MONEY [1]
*(in € billions, French GAAP)*



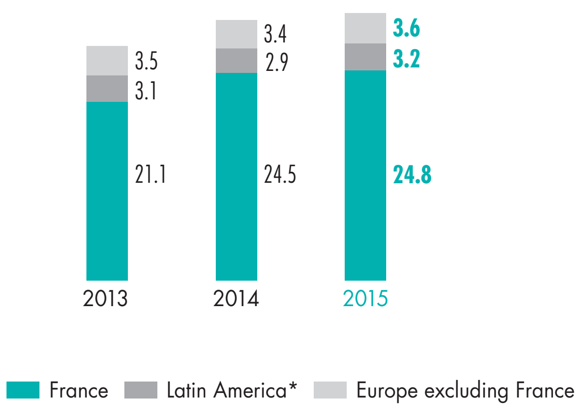

### TOTAL PREMIUM INCOME [1]
*(in € billions, IFRS)*


### PREMIUM INCOME BY SEGMENT
*(in € millions, IFRS, at 31 December 2015)*




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

### PREMIUM INCOME BY GEOGRAPHICAL AREA
*(in € millions, IFRS, at 31 December 2015)*




* At current exchange rates

### EBIT [1]
*(in € millions)*


*(1) See definition in Note 3.19 to the consolidated financial statements*
*See Notes 6.3 and 6.4 to the consolidated financial statements for a reconciliation with operating profit*

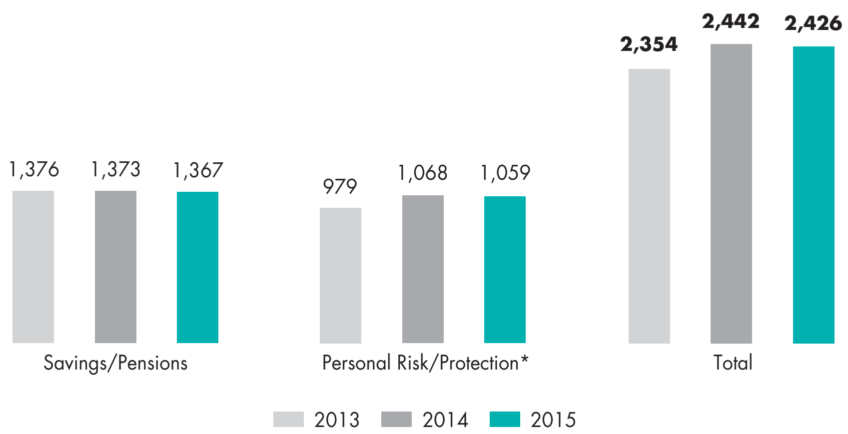
**No. 5**
in Brazil for insurance

**36**
million personal risk/protection policyholders worldwide

**13**
million savings and pensions policyholders worldwide

## EBIT BY SEGMENT

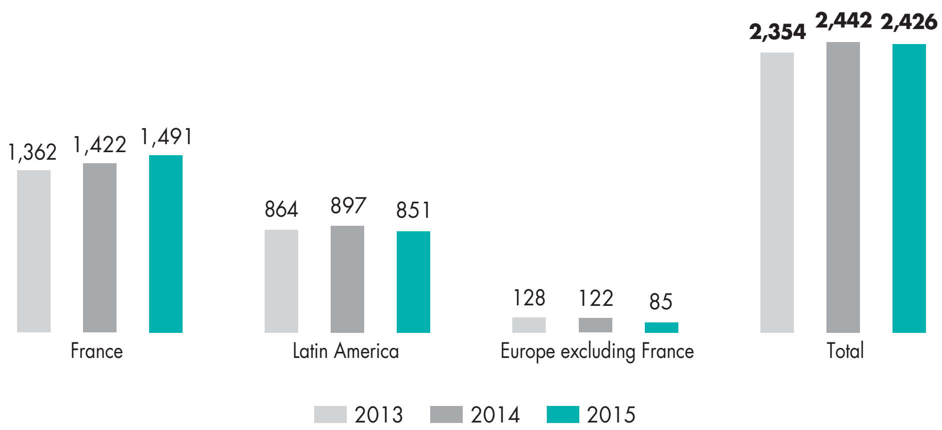
*(in € millions, at 31 December 2015)*



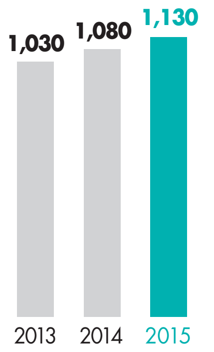

* Personal risk, health, term creditor and property & casualty insurance

## EBIT BY GEOGRAPHICAL AREA

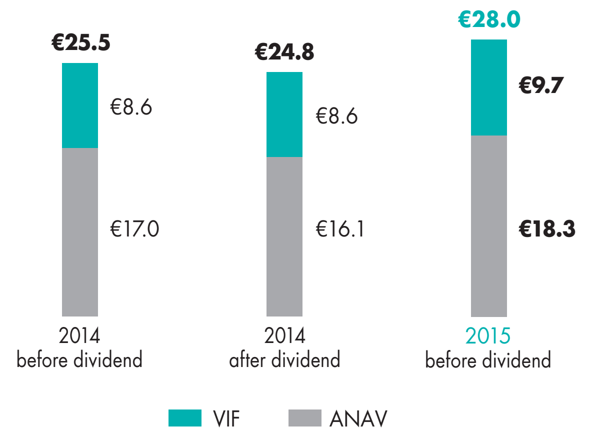
*(in € millions, at 31 December 2015)*



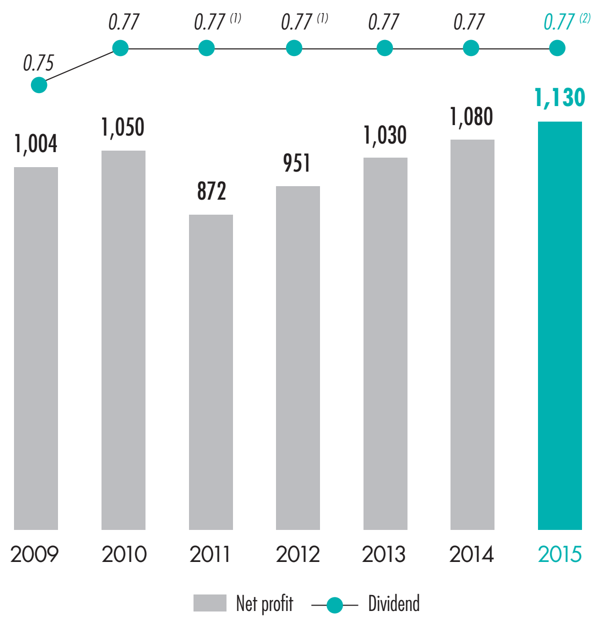
**ATTRIBUTABLE NET PROFIT**
*(in € millions)*




**MARKET CONSISTENT EMBEDDED VALUE**
*(in €/share)*

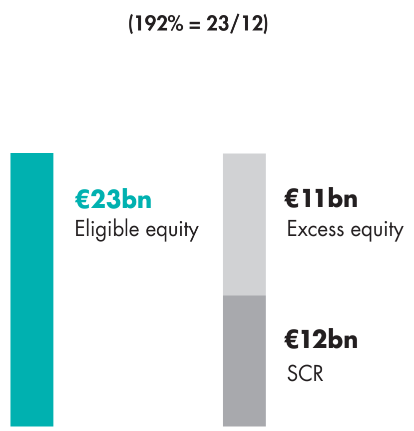



**OVERVIEW OF NET PROFIT AND DIVIDENDS**
*(in €/share, in € millions)*




*(1) With scrip dividend option*
*(2) Submitted to a shareholders' vote at the Annual General Meeting on 28 April 2016*

**GROUP SOLVENCY II COVERAGE RATE ***




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

# Ratings

*(Source: Standard & Poor's Report – January 2016)*

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

# Objective

As part of the strategy put into place, the Group's objective is to deliver average organic EBIT growth of at least 5% per year over a three-year period (2016-2018).

# 1 COMPANY OVERVIEW

# 1.1 Providing insurance for over 160 years

**For more than 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 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.<br>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.<br>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 (25-year), 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 together meet all the needs 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.<br>Signing of a strategic agreement with the Santander Group, including 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 | Renewal of the distribution agreement with La Banque Postale for ten years as from the beginning of 2016. 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.<br>Signing in December 2015 of a partnership framework contract between AG2R LA MONDIALE and CNP Assurances on the creation of the market leader in retirement savings. The partnership will take the form of a 40% investment in 2016 by CNP Assurances in Arial Assurance, a subsidiary of AG2R LA MONDIALE dedicated to company retirement savings plans.<br>Sale of CNP Assurances' interest in CNP BVP to Barclays Bank. |

# 1.2 Business and strategy overview

**Through its multi-partner business, multi-channel model, CNP Assurances provides its partners with unique expertise in life and protection insurance.**

## Our business, providing personal insurance cover

CNP Assurances plays a major role in meeting the social protection needs of families and individuals. 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 the 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 improve the Aeras convention on insurance and loans for people representing an aggravated health risk. In 2015, we participated in revising the Aeras convention to remove the obligation for cancer survivors to inform lenders that they had been a victim of the disease. We also worked with other insurers in France to prepare a reference grid to align term creditor insurance premiums charged to people suffering from cancer or certain other diseases more closely with those paid by borrowers who do not represent an aggravated risk. Our term creditor insurance rejection rate is very low, standing at less than 0.2% for the past seven years.

## Two continents with complementary growth drivers

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

We're 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.

Lastly, the ramp-up of digitization taking place on both continents 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.

## 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 personal 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 36.3% of CNP Assurances. The two networks, which have a deep presence in France, accounted for 62.3% of our Group's 2015 premium income (based on IFRS). The distribution agreements between CNP Assurances and these two partners were originally signed in 2006. They were renewed and reconfigured last year in line with the strategies of our three groups. 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. At the end of December 2015, we announced the signature of a preliminary memorandum of understanding with La Banque Postale for the renewal of our partnership in 2016 for a further 10-year period. The agreement's scope will be widened to include distribution of life and endowment insurance through La Banque Postale's wealth management arm, BPE, and a direct partnership will be established to offer term creditor insurance to home buyers. CNP Assurances will take over from La Banque Postale Prévoyance in this latter segment and will sell its interest in La Banque Postale Prévoyance to La Banque Postale. La Banque Postale Prévoyance will continue 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 the quality of service and enhancing digital customer interfaces were also key focuses in 2015.

We are continuing to focus our development strategy on the private banking segment. In February 2015, we introduced new wealth management products distributed through brokers, independent financial advisers, private banks, high street banks, family offices, asset management firms and other partners. We have also developed a new concept for traditional savings contracts with a unit-linked formula, whereby policyholders are offered a four-year capital guarantee provided that part of the amount is invested in a diversified fund. Preparations were also made for the early 2016 launch of a premium offering in Luxembourg. Alongside personal risk and protection, 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 of 250 insurance advisors named Amétis (formerly CNP Trésor). Set up to manage relations with policyholders who purchased their policy through the French Treasury, this network of itinerant local insurance advisors spanning the whole of France distributes health, death/disability and long-term care insurance, savings and pension offers to individuals and professionals (SMEs, SOHOs and the self-employed). In 2015, Amétis focused on selling BPCE health insurance policies and increasing the new money invested in unit-linked contracts. The network also expanded distribution of individual and group death/disability products on behalf of employee benefits institutions, mutual insurers, non-profits and other partners.

#### With our partners, contributing to the social safety net

CNP Assurances has been present in the social protection market for many years and has established solid relations with all market players. To respond more effectively to the challenges created by increasing life expectancy, changes in the pension system and the current economic environment, in 2014 we set up a dedicated Social Protection and Services business unit. The business unit acts as insurer, coinsurer or reinsurer for a variety of companies, local authorities, employee benefits institutions, mutual insurers, non-profits and private individuals. It employs 539 people (excluding subsidiaries), including Amétis insurance advisors.

A member of the Caisse des Dépôts Group, CNP Assurances has been the leading partner of France's civil service mutuals since their creation in 1945. The Group's robustness, social engagement and established expertise make it the natural partner for these companies' employee benefits plans. A specialist team is on-hand to take care of their requirements, supported by the business unit's actuarial and financial experts.

We work alongside these mutual insurers to provide insurance for three million civil servants, covering mainly death, temporary and permanent disability and long-term care risks. The main civil service mutuals have now teamed up with CNP Assurances to form a joint subsidiary, MFPrévoyance, which offers a comprehensive range of advanced employee benefits solutions for the mutual insurance sector.

Employee benefits packages are offered to local authority and hospital employees through their respective mutual insurers.

Since the start of the post-war period, the Group has established close ties with mutual insurance companies serving the medical profession and other independent professionals, offering both insurance products and reinsurance cover. Leveraging our sound knowledge of the specific issues these professions face, we have developed products aligned with their needs, such as tax-deductible complementary insurance policies (known as "Madelin" contracts).

We also work closely with multi-sector mutual insurers to offer social protection to their members.

For example, we have been selected as the designated reinsurer for the employee benefits plan providing loss of income, temporary and permanent disability and death cover for the 220,000 professionals working for in-home personal service providers.

For local authority employees, we offer joint products through participatory agreements and have also developed specially certified contracts to improve their benefits package.

Since the development of the social economy in the 1980s, we have leveraged our experience, technical expertise (in actuarial and financial analysis and medical assessment) and ability to anticipate emerging needs to provide reinsurance cover for employee benefits institutions. This cover can take various forms depending on the customer's needs. For example, proportional reinsurance (*e.g.,* quota share or surplus share) contracts share the risk between the insurer and the reinsurer, while non-proportional reinsurance (*e.g.,* excess of loss and stop-loss) contracts cap the potential loss and protect our partners against exceptionally high losses that could have an adverse impact on their results.

## Tailor-made group insurance products

Leveraging our comprehensive range of supplementary pension and employee benefits products, we craft tailor-made solutions for the 4,600 companies, 20,000 local authorities and non-profits, and numerous mutual insurance companies and employee benefits institutions we count among our partners. For example, CNP Assurances was one of the first French insurance companies to address the problem of financing long-term care. We are now the market leader in this segment, with a range of compulsory and voluntary participation products that protect insureds against the financial impact of a loss of independence.

For pensions, we develop bespoke company pension 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 * – 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 will lead to the creation in 2016 of a joint subsidiary bringing together our respective expertise, resources and business portfolios in this area.

Ranked No. 1 in France's term creditor insurance market, we partner over 315 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 introduction of the Lagarde Act and stricter obligations in terms of the advice and information to be given to prospective policyholders, have provided increased consumer protection to buyers of insurance. 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. As a pioneer in this market, we have developed a full-online process combining an expert insurance application system and electronic signature system. Successful deployment of the process with one partner in 2014 and signature of a second partnership with a 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 8.7 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 clients. 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 2002, which currently operates a network of 170 franchisees. Every year, Âge d'Or Services' 1,600 carers make more than a million visits to some 50,000 elderly and disabled clients in their home or in institutions.

When we launch new employee benefit 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 services platform for the clients of partner mutual insurance companies, employee benefits institutions and companies. Lyfe proposes an innovative set of services to be offered with health insurance and death/disability insurance products, or as an addition to the assistance services offering. The aim is to communicate more interactively with clients 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 healthcare and care for carers. The platform will be regularly enhanced with the addition of new services.

* *Source: XERFI, le marché de la retraite et de l'épargne salariale, Xerfi, April 2013*

## Our main individual insurance markets in France

### *Life-savings market* [1]

In 2015, CNP Assurances' core personal insurance market accounted for 75% of the total insurance market in France. In the last ten years, this percentage has fluctuated between 72% and 78%. After peaking in 2006, the share of personal insurance decreased while non-life insurance gained ground. Within the personal insurance segment, the share of health and personal injury insurance has grown steadily since 2006, topping 10% in 2012 and climbing to 13.5% in 2015. The flow of new money declined following the subprime crisis in late 2006, and again in 2010 following the European sovereign debt crisis. The French life insurance and endowment market remained concentrated in 2014, with the five biggest players accounting for 57% of the market, including 32% 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 2014, two-thirds of new life business (64.7%) was generated by financial advisors employed by the banks and 15% by the insurance companies' in-house insurance advisors. General agents, insurance brokers and independent financial advisors together accounted for 16.2% of distribution, with broadly similar market shares (4% to 6%).

### *Funeral insurance market* [3]

This market is highly concentrated, with five companies sharing half of the market. CNP Assurances belongs to this group, notably through La Banque Postale Prévoyance.

The insurance networks accounted for 57% of In-force funeral insurance business in 2014, but this proportion is declining year by year, as the bancassurance networks increase their market share.

### *Accident insurance market* [4]

This market is fairly concentrated, with the market leader accounting for nearly a third of In-Force business at 31 December 2014 and the top four accounting for 70%. 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 2014 *versus* 1.8 million a year earlier. 47% of these contracts are for long-term care insurance only, while the remaining 53% correspond to other policies that include a long-term care formula.

### *A specific market: term creditor insurance* [6]

The term creditor insurance market has grown rapidly over the last ten years and now represents annual premiums of some €8.4 billion. During the same period, outstanding home loans have risen from €330 billion in 2003 to €927 billion at end-2014. Accidental death cover accounted for 70% of term creditor insurance premiums in 2014, temporary and permanent disability cover for 27% and unemployment cover for 3%.

In 2014, 88% of term creditor insurance premiums for home loans 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 – including CNP Assurances – which together account for over 71%.

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-2014 [7], with some 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 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.

(1) *Key data 2014, FFSA, June 2015*
(2) *Breakdown of life and endowment insurance new business in 2014, FFSA, July 2015*
(3) *Funeral insurance policies in 2014, FFSA, July 2015*
(4) *Policies described as covering the "accidents of everyday life" in 2014, FFSA, July 2015*
(5) *Long-term care insurance in 2014, FFSA, April 2015*
(6) *Term creditor insurance in 2014, FFSA, June 2015; 2014 Key indicators, FFSA, June 2015; "Les Bancassureurs", Argus de l'Assurance, April 2015*
(7) *"Europe Top 20, 2014 results", Argus de l'Assurance, December 2015*

***With UniCredit in Italy***

UniCredit has 4,000 branches in Italy serving over eight million customers. We offer a comprehensive range of insurance products through our joint subsidiary, CNP UniCredit Vita, which has over 160 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 2015, the new joint subsidiary, CNP Santander Insurance, generated premium income of €492 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.

***With Bank of Cyprus in Cyprus***

We are present in Cyprus and Greece through CNP Cyprus Insurance Holdings, a subsidiary owned jointly with the country's biggest bank, the Bank of Cyprus. The Group has over 280 employees in 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 or over the counter at Bank of Cyprus. The business continues to be affected by the unfavourable economic environment, although there were signs of an improvement in late 2015.

***With Barclays in Spain, Portugal and Italy***

Our stake in CNP Barclays Vida y Pensiones was sold to Barclays Bank in 2015.

See Key Events, first half, paragraph 2.1.1.

### 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 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 premium savings products, particularly in Italy, and bancassurers and brokers for personal risk/protection insurance. 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 will be put on sale in 2016.

### Our main European markets other than France

***The Italian life market*** [(2)]

The Italian life insurance market grew by 6.4% in 2015 compared to the previous year. CNP UniCredit Vita's market share narrowed from 2.0% in 2014 to 1.8% in 2015 as savings were redirected to unit-linked products and margins increased.

***The Spanish life market*** [(3)]

The Spanish insurance market was up 1.8% compared to 2014 at €25.6 billion at end-2015. The risk insurance market was up 7.60% at €3.8 billion. The market share of CNP Partners, which is currently being reconfigured, amounted to 0.73% in the life insurance segment and 0.05% in the risk segment at the end of 2015.

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 FAST-GROWING LATIN AMERICAN MARKET [(4)]

Premiums in Latin America totalled €3.2 billion, with year-on-year growth of 7% held back by an unfavourable currency effect. Excluding the currency effect, like-for-like growth came to 27% compared to 2014, reflecting a sharp 45.5% rise in Pensions business. In Brazil, we increased our share of a growing market to 5.4% and stepped up from the 6th to the 5th place. All of Caixa Seguradora's business lines contributed to the increase, except for dental insurance and *consórcio* products. Savings premiums held firm.

Together, our operations in Brazil and Argentina employ more than 900 people. Products distributed through our local partners consist mainly of pension solutions and personal risk, health and term creditor insurance.

*(1) CNP Vida was renamed CNP Partners Seguros y Reaseguros in 2014, referred to as CNP Partners*

*(2) Source: IAMA; Italian insurance supervisor*

*(3) Source: ICEA, Spanish insurance supervisor*

*(4) Source: SUSEP, December 2015*

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 this region.

## Brazil

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 4,000 bank branches and 13,000 lottery sales booths that sell the most affordable products. For its part, Caixa Seguradora has spearheaded development of the Brazilian microinsurance market comprising 110 million potential customers.

Caixa Seguradora employs some 850 people in Brazil. With over 13 million customers, 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 the rapidly expanding Brazilian middle class whose numbers have expanded by 29 million in the last ten years.

In 2015, savings and pension products accounted for 46% of the Brazilian insurance market (excluding health insurance). In home-buyer term creditor insurance, Caixa Seguradora is the market's unrivalled leader with a share of 63.4% in 2015, helping 4.7 million Brazilians to purchase their main home.

We are developing the Personal Risk business in response to the emerging needs of the Brazilian population, and are currently ranked fifth in the market, capturing 5.9% in 2015. 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. It is still very active in this segment, selling around 30,000 policies every month.

Easy to purchase and with affordable premiums, microinsurance policies are designed to preserve the socio-economic situation of low income individuals. Caixa Seguradora remains committed to this highly promising and socially beneficial market, in which it has a 31.5% share. In 2011*, the market was estimated at €5.5 billion and included 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 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, notably by acquiring a majority stake in Prévisul, an insurance company that distributes its products through a network of 3,000 brokers in Southern Brazil.

In 2015, Caixa Seguradora prepared to seize a unique opportunity to become Brazil's first full online distributor of insurance products. The new company intends to copy the best practices of the world's leading Internet companies, with an agile and constantly changing corporate culture. It will do business under the YOUSE brand launched at the end of 2015. YOUSE will start writing insurance next summer and is determined to transform the Brazilian market through product innovation.

### Our main Brazilian markets

The Brazilian insurance market (excluding health insurance) grew 9.8% to nearly BRL 210 billion at end-2015 (around €65 billion at constant exchange rates), compared to BRL 191.09 billion at end-2014. In a highly concentrated marked, Caixa Seguadora's market share rose by 0.71 points to 5.4%, driven by growth in pension contracts and personal risk and protection.

## 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 3.3 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. 2015 was a year of very strong growth, with premium income rising by 44.4%.

CNP Assurances Compañia de Seguros has developed many distribution partnerships and its products are currently sold in over 500 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.

* *Source: BIGE (Brazilian National Statistics Institute)*

# 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 termination of the contract.

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 (15.6 million individual savings and personal risk contracts were managed in France in 2015).

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 in traditional savings products, which offer policyholders a capital guarantee plus a capitalised annual yield.

Financial management must therefore combine long-term security – in the knowledge that policyholders generally have the right to surrender their contracts at any time – with competitive yields. We know that policyholders will make comparisons with the rates they can obtain in the market and the trick is therefore to pay an attractive annual yield while retaining the scope to increase the rate at regular intervals in the future.

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

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

To enable policyholders to contribute in their own way to sustainable development, we encourage them to invest in socially responsible investment (SRI) products.

In 2015, we stepped up our commitment to energy and environmental transition. In line with the commitment made by signing the Montreal Carbon Pledge in May 2015, we measured and published the carbon footprint of our equity portfolios and announced our related reduction targets. We also announced decisions to limit investment in companies that derive revenues from thermal coal and to double the amount of our green investments by the end of 2017.

As a backdrop to these objectives, we are supporting the development of methods to measure companies' carbon footprint and energy and environmental transition, particularly in terms of avoided emissions. Our Corporate Social Responsibility strategy also includes observance of the rights and duties attached to the assets held in our portfolio. With average assets of €316.9 billion in 2015 (excluding deferred participation), we play a major role in financing the economy, by investing in both government and corporate assets.

# 1.3 Corporate governance

## MEMBERS OF THE BOARD OF DIRECTORS AND MANAGEMENT COMMITTEES AT 1 JANUARY 2016

### 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

Anne-Sophie Grave

Olivier Mareuse

Odile Renaud-Basso

Franck Silvent

Sopassure, represented by **Florence Lustman**

Jean-Yves Forel

François Pérol

Philippe Wahl

Rémy Weber

French State, represented by **Antoine Saintoyant**

Philippe Baumlin

Marcia Campbell *

Stéphane Pallez *

Rose-Marie Van Lerberghe *

#### Non-voting directors

Pierre Garcin

Jean-Louis Davet

#### Works Council representatives

Valérie Baron-Loison

Patrick Berthelot

Pascal Oliveau

Nadia Remadna

#### Secretary to the Board of Directors

Huguette Rellier

### Specialised committees

#### Audit and Risk Committee

Stéphane Pallez *, Chairman

Philippe Baumlin

Marcia Campbell *

Jean-Yves Forel

Olivier Mareuse

Florence Lustman

#### Remuneration and Nominations Committee

Rose-Marie Van Lerberghe *, Chairman

Jean-Paul Faugère *

François Pérol

Odile Renaud-Basso

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

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 TO THE BOARD OF DIRECTORS' COMPOSITION IN 2015

| Composition at 1 Jan. 2015 | Changes during the year<br>1 Sept. 2015 | Composition at 1 Jan. 2016 |
|---|---|---|
| **Directors** | | **Directors** |
| Jean-Paul Faugère*, Chairman | | Jean-Paul Faugère*, Chairman |
| Frédéric Lavenir, Chief Executive Officer | | Frédéric Lavenir, Chief Executive Officer |
| CDC represented by Pierre-René Lemas | | CDC represented by Pierre-René Lemas |
| Odile Renaud-Basso | | Odile Renaud-Basso |
| Virginie Chapron du Jeu | | Virginie Chapron du Jeu |
| Anne-Sophie Grave | | Anne-Sophie Grave |
| Olivier Mareuse | | Olivier Mareuse |
| Franck Silvent | | Franck Silvent |
| Sopassure, represented by Marc-André Feffer | Sopassure, represented by Florence Lustman (following the departure of Mr Feffer de La Poste) | Sopassure, represented by Florence Lustman |
| Rémy Weber | | Rémy Weber |
| Jean-Yves Forel | | Jean-Yves Forel |
| François Pérol | | François Pérol |
| Philippe Wahl | | Philippe Wahl |
| French State, represented by Antoine Saintoyant | | French State, represented by Antoine Saintoyant |
| Philippe Baumlin | | Philippe Baumlin |
| Marcia Campbell* | | Marcia Campbell* |
| Stéphane Pallez* | | Stéphane Pallez* |
| Rose-Marie Van Lerberghe* | | Rose-Marie Van Lerberghe* |
| **Non-voting directors** | | **Non-voting directors** |
| Pierre Garcin | | Pierre Garcin |
| Jean-Louis Davet | | Jean-Louis Davet |

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

## COMPOSITION OF THE BOARD OF DIRECTORS AT THE CLOSE OF THE ANNUAL GENERAL MEETING HELD ON 28 APRIL 2016

| | Date of birth | Term of office expires |
|---|---|---|
| French State *, represented by Bertrand Walckenaer | 22.08.1980 | 28.04.2016 |
| Marcia Campbell * | 30.03.1959 | 28.04.2016 |
| Virginie Chapron du Jeu | 13.10.1961 | 30.06.2017 |
| Jean-Paul Faugère, Chairman | 12.12.1956 | 30.06.2017 |
| Sopassure, represented by Florence Lustman | 20.01.1961 | 30.06.2017 |
| Jean-Yves Forel | 17.05.1961 | 30.06.2018 |
| Anne-Sophie Grave * | 06.02.1960 | 28.04.2016 |
| Frédéric Lavenir, Chief Executive Officer | 11.06.1960 | 30.06.2017 |
| Caisse des dépôts et consignations *, represented by Pierre-René Lemas | 23.02.1951 | 28.04.2016 |
| Olivier Mareuse | 24.10.1963 | 30.06.2018 |
| Stéphane Pallez * | 23.08.1959 | 28.04.2016 |
| François Pérol | 06.11.1963 | 30.06.2018 |
| Odile Renaud-Basso | 02.06.1965 | 30.06.2017 |
| Franck Silvent | 01.08.1972 | 30.06.2018 |
| Rose-Marie Van Lerberghe | 07.02.1947 | 30.06.2017 |
| Philippe Wahl | 11.03.1956 | 30.06.2018 |
| Rémy Weber | 18.11.1957 | 30.06.2018 |
| Laurence Guitard * | 16.06.1957 | 30.06.2018 |

* *The appointment or renewal of directorships is subject to the approval of the Annual General Meeting to be held on 28 April 2016*

# 2 BUSINESS AND FINANCIAL REVIEW

# 2.1 Significant events of the year

## 2.1.1 First half

### RENEWED PARTNERSHIP BETWEEN BPCE GROUP AND CNP ASSURANCES

Following their press releases dated 4 November 2014, BPCE Group and CNP Assurances announced that they had signed definitive agreements relating to the implementation of a renewed partnership as of 1 January 2016.

This renewed partnership, which is for an initial period of seven years, opens a new chapter in the relationship between BPCE Group and CNP Assurances. As of 1 January 2016, Natixis Assurances will underwrite all savings and pensions policies (life and endowment insurance) distributed by the Caisses d'Epargne networks. In parallel, the renewed partnership will include implementation of an exclusive group term creditor insurance partnership with Natixis Assurances covering the entire BPCE Group network as well as specific partnerships in individual and group death/disability and health insurance (see the national inter-professional agreement on employee benefit plans – *Accord National Interprofessionnel*). It will also include the introduction of 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.

### COMPLETION OF THE SALE OF THE GROUP'S INTEREST IN CNP BVP TO BARCLAYS BANK

The sale of CNP Assurances' 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) announced on 22 December 2014 was completed on 21 April 2015 following clearance from the regulatory authorities, for an amount of €457 million including a special dividend.

The transaction led to a capital gain of €248.5 million before tax (€231.8 million after tax), which was booked in first-half 2015.

### RECOGNITION FOR CNP ASSURANCES' LIFE INSURANCE POLICIES

At the 38th "Best Life Insurance Policies" awards organised by Le Revenu investor weekly, a total of 70 policies were singled out for their "performance, technical properties, regular yields and clarity". CNP Assurances was once again a winner in the best SICAV and mutual funds categories.

This year, the Group was awarded the *Grand Prix de l'Innovation* for its *Cachemire Patrimoine* contract introduced in 2014 and distributed by the La Banque Postale network. This life insurance policy for high net worth clients (the minimum investment is €150,000, or €75,000 if the entire portfolio is managed under a discretionary management agreement) has competitive management fees that decrease as the amount invested rises. The policy offers a wide range of investment options, with numerous SICAV funds from the best management companies and, above all, 21 trackers (including some under unrestricted management) that replicate the performance of stock market indices without the high fees. Discretionary management is also offered, with the option to invest directly in several hundred equities.

CNP Assurances was also a winner in the "Aggressive traditional contracts with a unit-linked formula offering a choice of more than 50 funds" category, picking up the *Trophée d'Or* for the *Nuances Privilège* contract which has been distributed by the Caisses d'Epargne network since 2005. These awards recognise CNP Assurances as the insurance company offering the best overall performance over three years.

## 2.1.2 Second half

### PARTNERSHIP FRAMEWORK CONTRACT BETWEEN AG2R LA MONDIALE AND CNP ASSURANCES ON THE CREATION OF A MARKET LEADER IN RETIREMENT SAVINGS

In December 2015, AG2R LA MONDIALE and CNP Assurances signed a partnership framework contract in the field of retirement savings.

The partnership will take the form of a 40% investment by CNP Assurances in Arial Assurance, a subsidiary of AG2R LA MONDIALE dedicated to company retirement savings. The corporate governance of this joint venture, renamed Arial CNP Assurances, will be balanced between both groups. Bringing together the expertise, resources, and business of AG2R LA MONDIALE and CNP Assurances (1) in the field, the new company is aiming to become the leading company retirement savings plan provider and to use resources more efficiently through economies of scale and pooling of investments.

Subject *inter alia* to permits and authorisations being obtained from the competent authorities, Arial CNP Assurances should be operational in the first half of 2016. The joint venture is expected to represent close to €12 billion in supplementary pension commitments.

AG2R LA MONDIALE is currently number two (2) in the private pensions market, and counts 60% of companies listed on the CAC 40 among its clients. The Group is also the premier pensions operator for AGIRC-ARRCO, serving one in four companies in the private sector.

CNP Assurances, as the number-one provider of personal insurance with the third-largest share (2) of the private pensions market in France, covers the retirement savings needs of 9 million French people (3), working with 4,600 businesses, 20,000 local authorities, associations, and many mutual insurers and employee benefits institutions.

### DISTRIBUTION PARTNERSHIP 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 renewed partnership would cover 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 that has been wholly-owned since 2013;
- 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,
  - CNP Assurances' transfer to La Banque Postale of its shareholding in La Banque Postale Prévoyance, which will retain the individual protection activities among other things.

The planned renewal of the partnership between the parties is fully in keeping with the strategic policies of CNP Assurances and La Banque Postale.

### €750 MILLION SUBORDINATED NOTES ISSUE

On 1 December 2015, CNP Assurances completed a €750 million issue of subordinated notes with a final maturity date of 10 June 2047 and a first-call date of 10 June 2027. The proceeds will be used to redeem earlier bond issues that are coming up to maturity.

The issue was placed with more than 175 European institutional investors and the order book totalled around €2.2 billion, confirming investors' interest and confidence in the CNP Assurances signature.

The notes are structured to qualify as Tier 2 capital under Solvency II and Standard & Poor's standards. This is CNP Assurances' first subordinated notes issue not benefiting from the transitional measures (grandfathering) introduced by the Solvency II directive.

The notes will pay a 4.5% fixed rate of interest over the first eleven and a half years and will then be converted to a floating rate with a 100-basis points step-up. They are rated BBB+ by Standard & Poor's, based on the rating methodology applied to subordinated debt.

Settlement took place on 10 December 2015.

*(1) Excluding the Préfon Retraite supplementary pension scheme for civil servants that will continue to be managed by CNP Assurances*

*(2) Source: Argus de l'assurance 2014*

*(3) 2014 consolidated data for France*

## ANNOUNCEMENT OF KEY MEASURES TO PROMOTE ENERGY AND ECOLOGICAL TRANSITION

Since signing the Montreal Carbon Pledge in May 2015, CNP Assurances has been committed to publishing the carbon footprint of its directly held equities portfolio for COP 21. It has met this commitment by announcing, on the occasion of the Novethic Annual Event, a carbon footprint related to direct holdings of listed shares estimated at 0.470 t.eq. $CO_2$/thousand euros invested at 31 December 2014.

As a responsible and long-term investor, CNP Assurances wants to go further and has set a target to reduce the carbon footprint of its directly held equities portfolio by 20% by 2020. To achieve this it is taking a proactive approach, which includes establishing a dialogue with the companies in the portfolio on their strategy for reducing greenhouse gas emissions.

Over the first 10 months of 2015, the reduction in the carbon footprint of the equities portfolio was estimated at 5%. This was a satisfactory result and an incentive to continue the work with the companies concerned. However, this indicator is incomplete because it does not give sufficient recognition to the companies' positive actions to promote energy transition. CNP Assurances supports the development of Carbone 4's methodology for measuring companies' carbon impact and taking into account avoided emissions. Its Carbon Impact Analytics methodology provides a measurement of avoided emissions and a forward-looking indicator of the contribution of companies to the transition.

In 2015, CNP Assurances sold almost €300 million worth of bonds issued by coalmining and coal-based energy producing companies. At the end of the year it no longer had any direct holding in listed shares and debt securities of companies whose revenue is more than 25%-derived from thermal coal.

In future, the Group will no longer invest directly in listed shares and debt securities of companies whose revenue is more than 15%-derived from thermal coal.

Buoyed by its progress in 2015, the Group has raised its target and is committed to doubling the volume of its green investments (infrastructure, private equity and green bonds) from €800 million currently to €1.6 billion by the end of 2017. Furthermore, it has just announced with the Meridiam asset management company that it has initiated the launch of an infrastructure fund to finance the energy and ecological transition (Meridiam Transition), and has invested in Tera Neva green bonds issued by the European Investment Bank and structured by BNP Paribas.

Lastly, CNP Assurances, which has just signed the Office Building Energy Efficiency Charter, will reduce energy use by the properties in its portfolio by more than 20% by 2020, compared with the reference year of 2006, as a continuation of the actions initiated during the Grenelle Environment Forum in 2007. It has already launched a €150 million programme of work and estimates that it is half way to meeting its target.

## LAUNCH OF THE LYFE DIGITAL HEALTH SERVICES PLATFORM

Lyfe is designed to support its users at every stage of their life, offering services in the areas of prevention, coaching, access to healthcare and assistance for carers.

While the Internet cannot replace a visit to the doctor, it can help to respond to a growing need for health information. In recent years, a large number of eHealth tools have emerged, including information websites and mobile health apps, and caught on with users seeking the most relevant information, whether they are choosing a specialist, seeking information on a particular illness or looking for a healthcare facility.

CNP Assurances has responded by launching Lyfe, its first eHealth prototype. Developed using Responsive Web design (RWD) to guarantee an optimal viewing and interaction experience across a wide range of devices (computers, smartphones, tablets) Lyfe offers five high value-added services:

- the possibility to obtain, at short notice (under three days), an appointment for a medical consultation or imaging (particularly scanners) in a CNP Assurances partner health centre;
- the possibility to undergo a full medical check-up over the course of half a day. The check-up includes specialised consultations (cardiology, ENT, respiratory medicine, etc.) and medical examinations specific to the patient;
- the possibility, in the event of a loved one's loss of independence, to obtain an assessment of the needs that must be met in order to allow them to continue to live at home safely;
- 24/7 remote medical advice;
- personalised support and coaching on the prevention of health risks.

Designed for health insurance and employee benefits scheme members, 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.

Lyfe will continue to be enhanced, with the addition of new services each quarter.

## 2.1.3 Subsequent events

### NEGOTIATIONS WITH BTC PACTUAL IN BRAZIL

On 13 January 2016, CNP Assurances confirmed that it had entered into exclusive negotiations with BTG Pactual in Brazil, with a view to acquiring 51% of its subsidiaries Pan Seguros and Pan Corretora.

### US$500 MILLION PRIVATE PLACEMENT

On 15 January, 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 after 13 years.

The note is structured to qualify as Tier 2 capital under Solvency II standards. According to Standard & Poor's methodology, the private placement is rated BBB+ and qualifies as intermediate equity content capital.

### CHANGE IN PARTNERSHIP WITH CRÉDIT AGRICOLE

On 9 March 2016, the Crédit Agricole Group announced, as part of its "Strategic ambitions for 2020" plan, its intention to internalise the group borrower insurance contracts of the Regional banks.

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.

# 2.2 Market and Business Review

## 2.2.1 Economic and financial environment

### A YEAR SHAPED BY DISCONTINUOUS MARKET PHASES

The markets rallied at the beginning of 2015, following the ECB's January announcement that it was launching a bond-buying programme. Bond prices fell sharply, with 10-year benchmarks hitting unprecedented lows in mid April (with the Bund at 0.07% and the OAT at 0.35%). The spectacular drop in interest rates encouraged investors to look for alternative yield sources, in either the credit markets (where spreads narrowed sharply) or the stock markets (where European indices gained a massive 20% in the first quarter). Boosted by the euro's weakness and falling energy prices, euro zone growth accelerated to 0.5% during the quarter. In the United States on the other hand economic growth slowed due to the harsh weather conditions.

The rally reversed in mid-April as oil prices started to recover and inflation picked up. This prompted many hedge fund managers to abruptly reverse their bond positions, leading to a rapid increase in prices (with the 10-year OAT rate rising by 100 bps between mid-April and mid-June) followed by a downward adjustment. Political indecision about how best to deal with the Greek debt crisis fuelled volatility and triggered a wave of profit-taking on European equities which in turn led to a 12% fall in prices between May and early July. Agreement on the third Greek bailout package, confirmation of the European recovery (with growth of 0.4% in the second quarter) and, above all, renewed vitality in the United States (with annualised growth at 3.9% in the second quarter) helped to drive a market rebound of nearly 10% in the second half of July.

However, recovery was short-lived. The turbulence observed at the beginning of the summer on the Chinese stock markets inevitably spread to emerging markets and worsened following the Chinese government's decision to devalue the yuan by 4%. This decision, made in the wake of disappointing macroeconomic data, revived fears of a currency war. It also echoed the Federal Reserve's concerns about the robustness of global economic growth. These fears deepened as commodity prices started to fall during the summer, triggering a second bout of risk aversion that was both intense and lasting. The European markets' gains since the start of the year were wiped out in the space of six weeks, from mid-August to the end of September, and some indices (Dax, Ibex) fell into negative territory. The correction affected all of the world's markets – the Nikkei lost 20% and the SP500 10% while emerging market stocks were down 12% – and all asset classes, as illustrated by the wider credit spreads and the steep falls in commodity prices and emerging market currencies. The crisis came to a head in September, with the Fed's decision to yet again put off raising US interest rates and the publication of disappointing job creation figures in early October.

Paradoxically, this was followed by a pause in the accumulation of bad news and fears about global economic growth. The central banks returned centre stage in October to announce new measures, including interest rate cuts in China, a possible extension of the ECB's quantitative easing programme in Europe and a reversal of the Fed's position in the United States. In addition, many investors probably felt that the markets had been too pessimistic and decided to return to the stock and credit markets. These transactions reversed nearly all of the summer's losses in the space of a month, returning the developed countries' stock markets to positive territory and enabling emerging market stocks to make up part of the ground lost in the previous months. All was well until commodity prices experienced another bout of extreme weakness – with oil falling to less than US$40 per barrel –, triggering another correction at the end of the year.

### AN INCREASINGLY UNSYNCHRONISED MACROECONOMIC ENVIRONMENT

All told, as in 2013 and 2014 the developed markets continued to outperform the emerging markets which were adversely affected by several factors, including the strong dollar (in expectation of an increase in interest rates), the slowdown in the Chinese economy as local industries struggled to deal with the problem of overcapacity, the bursting of the commodity price bubble (oil, copper, iron) and excessive private sector debt (primarily among companies).

The emerging market crisis severely affected several emblematic economies, such as Brazil, Russia, South Africa and Turkey, reinforcing the impression that the economic cycle was coming to an end.

By contrast, developing economies, led by Europe, were buoyed by a recovery in domestic demand which grew by 3.5% over the year, and/or an upturn in exports. This improvement paved the way for a return to growth, which reached 1.5% in the euro zone. The 2011-2012 sovereign debt crisis left certain scars, including increases in both government debt and unemployment rates. However, external balances are improving, budget deficits are narrowing and unemployment is falling (to 10.7% in the euro zone *vs.* 12.1% in mid-2013).

Similarly, in the United States, despite the negative effect of the strong dollar on exports and on the profits of multinational companies, economic growth was sustained by resilient consumer spending, which rose 3.5% over the year, and a recovery in the housing market. Lastly, corporate capital spending held up despite drastic cutbacks by companies operating in the energy sector.

### GENERALLY DISAPPOINTING FINANCIAL PERFORMANCES IN A YEAR OF HIGH VOLATILITY

These regional disparities, including among OECD countries, led to mixed financial performances and, above all, to different rates of progress through the monetary and credit cycles. The Fed tightened its monetary policy by introducing a 0.25% interest rate hike at the same time as the ECB was stepping up its QE programme, causing the dollar to strengthen against all currencies including the euro (10% gain to €1.09) and sterling (5% gain).

The prospect of higher US interest rates and a stronger dollar triggered a 1.5% decline in US stock prices after five years of steady growth. Spreads widened across all segments of the credit market, despite the absence of any real change in long-term rates (the 10-year benchmark ended the year at 2.27%), and annual credit market yields entered negative territory, at -1% for investment grade bonds and -5% for junk bonds.

Conversely, the European and Japanese stock markets benefited from the boost to corporate profits provided by the strong dollar as well as from the QE programmes which helped to drive up trading volumes, with the Eurostoxx 50 and the Nikkei gaining 4% and 8% respectively. However, the increase in the Eurostoxx 50 masked widely varying performances, with gains of 12.5% for the Italian index, 8.5% for France's CAC 40 and 9.6% for Germany's DAX contrasting with a 4.8% fall in the UK's FTSE index. Regarding interest rates, the decline in European short-term rates (mainly 2-5 year rates which became negative) overshadowed the stability of 10-year rates (despite high volatility), a slight upturn in long-term rates and a widening of credit spreads that wiped out the coupon-related gains (*via* US market contagion).

Lastly, 2015 will go down as a black year for emerging market assets, with a 15% decline in fixed income prices, a 14% decrease in exchange rates against the dollar, a 17% drop in stock prices and falls in the prices of such assets as commodities (with the general commodity price index down 26%, and the energy and industrial metals price indices losing 42% and 27% respectively).

All told, the global stock and bond markets ended the year considerably below the highs achieved at the end of the first quarter.

In this uncertain environment, France's life insurance market grew by around 4%, reflecting savers' perception that these contracts offered higher yields than other investment products.



## 2.2.2 2015 business review

Consolidated premium income for the year came to €31.6 billion, an increase of 2.5% as reported and 3.4% like-for-like.

Premium income **in France** amounted to €24.8 billion in 2015, an increase of 1.1%. Growth was led by the 21.4% increase in unit-linked sales, which accounted for 15.6% of total savings/pensions premiums *vs.* 13.1% in 2014.

Life and pensions net new money (French GAAP) in France was a positive €2.2 billion, reflecting a €2 billion net inflow to unit-linked savings/pensions contracts and a €0.2 billion net inflow to traditional savings/pension products.

In personal risk/protection insurance (personal risk, health and term creditor insurance), new business value was up by 32%, thanks to higher term creditor insurance volumes and improved loss ratios for Group health and death/disability insurance.

In **Latin America**, growth momentum was maintained across all business segments in a difficult economic environment, with premium income rising by 12.3% as reported and 32.0% like-for-like.

In **Europe excluding France**, premium income rose by 4.6% to €3.6 billion. With the business model undergoing rapid change, the year saw an improvement in the product mix led by a 34.8% increase in unit-linked sales and a 149.1% rise in personal risk/protection premiums reflecting the contribution of newly acquired CNP Santander Insurance. In all, unit-linked contracts and Personal Risk/Protection business accounted for over 70% of premium income generated in the region in 2015, *vs.* 48% the previous year.

Premium income by country (IFRS)

| *(in € millions)* | **2015** | 2014 | % change | % change like-for-like [1] |
|---|---|---|---|---|
| France | 24,776.7 | 24,503.2 | +1.1 | +1.1 |
| Brazil | 3,161.1 | 2,828.7 | +11.8 | +32.6 |
| Argentina | 65.0 | 45.0 | +44.4 | +37.5 |
| Italy [2] | 2,729.4 | 2,922.8 | -6.6 | -6.6 |
| Portugal [3] | 36.7 | 90.9 | -59.6 | -59.6 |
| Spain [4] | 182.0 | 265.3 | -31.4 | -31.4 |
| Cyprus | 137.0 | 137.1 | -0.1 | -0.1 |
| Ireland [5] | 493.1 | 0.9 | n.m. | +0.0 |
| Other | 3.8 | 7.9 | -51.4 | -51.4 |
| **Sub-total International** | **6,808.1** | **6,298.6** | **+8.1** | **+9.6** |
| **TOTAL** | **31,584.8** | **30,801.8** | **+2.5** | **+2.9** |

*(1) Average exchange rates for Brazil:*
*At 31 December 2015: €1 = BRL 3.70*
*At 31 December 2014: €1 = BRL 3.12*
*(2) CNP Italia branch, CNP UniCredit Vita, CNP BVP Italia and CNP Europe Life business written under the EU freedom of services directive*
*(3) CNP BVP Portugal*
*(4) CNP España branch, CNP Partners [6], CNP BVP Spain*
*(5) CNP Santander Insurance*
*(6) New name for CNP Vida*

Premium income by segment (IFRS)

| *(in € millions)* | **2015** | 2014 | % change | % change like-for-like* |
|---|---|---|---|---|
| Savings | 21,493.0 | 21,459.5 | +0.2 | +0.2 |
| Pensions | 3,358.7 | 2,906.9 | +15.5 | +26.8 |
| Personal Risk | 2,056.3 | 2,103.7 | -2.3 | +2.7 |
| Term Creditor Insurance | 3,806.7 | 3,390.2 | +12.3 | -0.7 |
| Health Insurance | 531.8 | 593.7 | -10.4 | -8.1 |
| Property & Casualty | 338.2 | 347.8 | -2.8 | +12.6 |
| **TOTAL** | **31,584.8** | **30,801.8** | **+2.5** | **+2.9** |

* *Average exchange rates for Brazil:*
*At 31 December 2015: €1 = BRL 3.70*
*At 31 December 2014: €1 = BRL 3.12*

## 2.2.3 Acquisitions of equity and controlling stakes (Article L.233-6 of the French Commercial Code)

In 2015, following acquisitions of equity and controlling stakes by the Company, within the meaning of Article L.233-6 of the French Commercial Code:

| | **% interest at 31 December 2015** | % interest at 31 December 2014 |
|---|---|---|
| KARTESIA CREDIT OPPORTUNITIES | 6.00 | 0.00 |
| NOVI 2 | 6.00 | 0.00 |
| NOVI 1 | 6.00 | 0.00 |
| AXA PRIVATE DEBT III | 8.00 | 0.00 |
| CITIZEN CAPITAL II | 8.00 | 0.00 |
| LATOUR CAPITAL II | 9,00 | 0.00 |
| EKKIO CAPITAL III | 10.00 | 0.00 |
| FONDS DE CONSOLIDATION ET DE DÉVELOPPEMENT DES ENTREPRISES II | 10.00 | 0.00 |
| SOFINNOVA CAPITAL VIII | 10.00 | 0.00 |
| INITIATIVE & FINANCE II | 11.00 | 0.00 |
| PARTECH GROWTH | 14.00 | 0.00 |
| QUADRILLE TECHNOLOGIES III | 15.00 | 0.00 |
| GF SELLIERES VAUCHASSIS | 20.00 | 0.00 |
| GF BAUFFREMONT | 23.40 | 0.00 |
| PB 10 | 25.73 | 0.00 |
| GF FRANCE EST | 29.00 | 0.00 |
| GF DE L'ÎLE-DE-FRANCE – LA FORÊT GÉRÉE III | 32.83 | 0.00 |
| MERIDIAM TRANSITION | 33.00 | 0.00 |
| INTER EXPANSION-FONGEPAR | 35.00 | 0.00 |
| GF PICARDIE NAVARRE – LA FORÊT GÉRÉE IV | 35.80 | 0.00 |
| FORESTIÈRE CDC | 49.98 | 0.00 |
| GF DE BRÈVES (2) | 50.00 | 0.00 |
| SMCA (1) | 50.00 | 0.00 |
| CAPVITA (1) | 51.00 | 0.00 |
| LANCOSME (SNC) (2) | 80.00 | 0.00 |
| 36 MARBŒUF SAS (1) | 100.00 | 0.00 |
| 23-25 MARIGNAN SAS (1) | 100.00 | 0.00 |
| YELLOWALTO (1) | 100.00 | 0.00 |
| BERCY CRYSTAL (1) | 100.00 | 0.00 |
| SCI RENAISSANCE FRANÇOIS 1ER (1) | 100.00 | 0.00 |
| SAS ALLERAY – SQUARE 15 (1) | 100.00 | 0.00 |
| TRIANGLE MONTAIGNE (1) | 100.00 | 0.00 |
| WAGRAM 92 (1) | 100.00 | 0.00 |
| 67-69 VICTOR HUGO (1) | 100.00 | 0.00 |
| GREEN QUARTZ (1) | 100,00 | 0.00 |
| HABIMMO (1) | 100.00 | 0.00 |
| RELDON SAS (1) | 100.00 | 0.00 |
| FUTURIMMO (1) | 100.00 | 0.00 |
| MAESTRIMMO (2) | 100.00 | 0.00 |
| VICTOR HUGO 147 (2) | 100.00 | 44.58 |
| FONCIÈRE CNP (2) | 100.00 | 47.92 |

*(1) Acquisition of a controlling stake in 2015*
*(2) Disclosure threshold crossed following the merger with CNP IAM, no acquisition of a controlling stake in 2015*

# 2.3 2015 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 enterprises, 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 enterprises (see notes to the consolidated financial statements).

### REVIEW OF RESULTS

Key earnings figures are as follows:

| | Geographic area | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(in € millions)* | France | Latin America | Europe excluding France | Own-funds portfolios | **Total 2015** | Total 2014 pro forma [(1)] | Change *(%)* | Like-for-like change *(%)* [(2)] |
| New money | 24,829 | 3,500 | 3,662 | | 31,992 | 31,519 | 1.5 | 2.7 |
| Average technical reserves | | | | | 316,939 | 307,408 | 3.1 | 3.3 |
| **Premium income** | **24,777** | **3,226** | **3,582** | **-** | **31,585** | **30,802** | **2.5** | **3.4** |
| Net insurance revenue | 1,386 | 921 | 207 | | 2,514 | 2,503 | 0.4 | 7.5 |
| Revenue from own-funds portfolios | | | | 774 | 774 | 775 | -0.2 | 4.6 |
| Administrative costs | | | | | (862) | (837) | 3.0 | 4.2 |
| **EBIT** | | | | | **2,426** | **2,442** | **-0.6** | **7.7** |
| Finance costs | | | | | (192) | (178) | 8.1 | 8.1 |
| Share of profit of associates | | | | | 3 | 3 | 0.1 | 18.8 |
| Income tax expense | | | | | (811) | (824) | -1.5 | 7.6 |
| Non-controlling interests | | | | | (303) | (323) | -6.0 | 14.5 |
| **Attributable recurring profit** | | | | | **1,124** | **1,121** | **0.2** | **5.9** |
| Fair value adjustments and net gains and losses | | | | | 319 | 160 | 99.6 | n/a |
| Non-recurring items | | | | | (312) | (201) | 55.1 | n/a |
| **ATTRIBUTABLE PROFIT FOR THE YEAR** | | | | | **1,130** | **1,080** | **4.7** | **10.7** |

*(1) Pro forma 2014 data adjusted for the reclassification of Brazilian social integration and contribution taxes (PIS/COFINS) from administrative expenses to net insurance revenue in 2015 (€59 million)*

*(2) The basis for like-for-like comparisons includes three months of BVP's profits in 2014. Changes in scope of consolidation in 2015 correspond to the consolidation from 1 January 2015 of Odonto Empressas, Digitale in Brazil and Santander Insurance in Europe excluding France*

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

EBIT comprises:

- net insurance revenue, which corresponds to the margin on insurance contracts before administrative costs;
- income from own-funds portfolios, corresponding mainly to assets financed by equity;
- administrative expenses.

The two key business indicators are:

- **premium income**, which totalled €31.6 billion in 2015 (see section 2.2);

- average technical reserves, excluding the deferred participation reserve, which rose by 3.1% over the year. This growth reflected changes in premium income, the amount set aside for policyholder dividends, claim and benefit payments and contract withdrawals.

**Net insurance revenue** rose by a modest 0.4% as reported and 7.5% like-for-like, to €2,514 million in 2015. The 4.6% growth in France offset declines of 4.1% in Latin America as reported (although like-for-like performance showed an increase of 12.6%) and 5.2% in Europe excluding France as reported (*vs.* a 1.5% increase like-for-like).

### Net insurance revenue France

Net insurance revenue generated in France increased by €62 million to €1,386 million. The various business segments contributed to the increase to varying extents.

Savings and Pensions net insurance revenue rose by €55 million, in line with the growth in technical reserves.

Personal Risk/Protection net insurance revenue improved by €7 million, reflecting higher underwriting margins and the contribution of positive runoffs.

### Net insurance revenue Latin America

The contribution from net insurance revenue in Latin America contracted by 4.1% to €921 million due to unfavourable exchange rates. On a like-for-like basis, it increased by 12.6%, reflecting gains of 16.8% for Personal Risk/Protection business and 3.7% for Savings business, which comfortably offset the 8.7% decline for Pensions business.

### Net insurance revenue Europe excluding France

Excluding the effects of the disposal of the Group's stake in CNP BVP and the acquisition of CNP Santander Insurance, net insurance revenue generated in the Europe excluding France region rose by 1.5%. The first-time consolidation of CNP Santander Insurance boosted the relative contribution of the Personal Risk/Protection business.

The €774 million in **revenue from own-funds** portfolios was down by just 0.2% on 2014 as reported, while the like-for-like change was an increase of 4.6%:

- in France, revenues from own-funds portfolios contracted by a modest 0.8%. This was because revenues form the bond portfolio declined despite an increase in the portfolio which partly offset the effect of lower interest rates.
- in Latin America, the increase was 3.5% as reported and 21.7% like-for-like, reflecting the rise in Brazil's Selic rate and the portfolios' solid performance in Argentina.
- in the Europe excluding France region, the decline in revenue from own-funds portfolios was primarily due to amortisation of intangible assets recognised on first-time consolidation of CNP Santander Insurance.

### Administrative expenses

Administrative expenses were 3% higher than in 2014 (4.2% higher on a like-for-like basis).

In France, administrative expenses rose 2% to €597 million. Support function costs declined over the year but administrative expenses for Term Creditor Insurance business rose due to the high level of underwriting activity and to the costs incurred to develop and support new partners.

In Latin America, administrative expenses amounted to €163 million, an increase of 6.7% as reported or 12.1% like-for-like. In Brazil, costs rose 11.1%, in line with the country's inflation rate of 10.7%. Expenditure for the creation of Digitale totalled €10 million at 2015 exchange rates.

In the Europe excluding France region, administrative expenses increased 3.1% as reported and 4.9% like-for-like, due mainly to the development of CNP Partners.

### EBIT

EBIT contracted by 0.6% as reported. However, excluding changes in consolidation scope and exchange rates, the like-for-like change was an increase of 7.7%.

### Finance costs

Higher finance costs reflected the full-year impact of the previous year's €500 million subordinated notes issue and, to a lesser extent, the €750 million issue carried out in December 2015.

### Income tax expense

The effective tax rate was stable, at 36.3% in 2015 *vs.* 36.4% in 2014.

### 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 CNP BVP, for €232 million.

### Non-recurring items

Non-recurring items in 2015 corresponded primarily to additions to technical reserves recorded to comply with new minimum reserve requirements, for €309 million (€498 million before tax). In 2014, this caption included additions to technical reserves recorded to comply with new minimum reserve requirements for €161 million (€260 million before tax) and the €40 million fine imposed by France's banking and insurance supervisor (ACPR) in relation to the Group's processing of unclaimed policies.

### Profit attributable to owners of the parent

Attributable net profit amounted to €1,130 million, an increase of 4.7% compared with 2014. On a like-for-like basis, the increase was 10.7%.

The contribution of France was €828 million, up 9.3% on 2014.

Attributable profit from the Latin American businesses contracted by 4.5% as reported (*vs.* a like-for-like increase of 14.3%) to €266 million, representing around one-quarter of the consolidated total. At €36 million, attributable profit from the Europe excluding France region represented just over 3% of the total.

### Consolidated balance sheet at 31 December 2015

Total assets amounted to €393.7 billion at 31 December 2015 *vs.* €395.4 billion at 31 December 2014, representing a 0.4% decrease.

Insurance and financial liabilities totalled €349.8 billion, a 1.6% increase compared with 31 December 2014.

Excluding the change in the deferred participation reserve, the increase was 2.6% *vs.* a 3.2% rise in average insurance and financial liabilities over the year.

Equity attributable to equity holders of the parent rose by €433 million over 31 December 2014, to €17,113 million. The increase reflected the inclusion of profit for the year (€1,130 million positive impact), payment of the 2014 dividend (€529 million negative impact), fair value adjustments recognised directly in equity (€202 million positive impact), interest on deeply-subordinated notes (€75 million negative impact) and exchange differences on translating foreign operations (€281 million negative impact).

Equity includes €2,635 million in deeply-subordinated notes, in line with the classification recommended in the IFRIC interpretation published in November 2006.

### Solvency capital

Solvency capital estimated on the basis of French GAAP equity in accordance with the guidelines issued by France's banking and insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution), represented 118% of the regulatory minimum at 31 December 2015 and 2014. The coverage rate is calculated after dividends and excluding unrealised gains and losses, taking into account subordinated notes and after deducting intangible assets. Including unrealised gains and losses, the coverage rate was 381% *vs.* 403% in 2014.

### Asset portfolio and financial management

Insurance investments grew 1% year-on-year to €370.9 billion at 31 December 2015. Changes in exchange rates had a negative impact of €3 billion.

Available-for-sale financial assets at 31 December 2015 represented 77.6% of total insurance investments and financial assets at fair value through profit (trading securities) represented 18.7%, while held-to-maturity investments and other assets (mainly investment property, loans and derivative instruments) accounted for 3.7%.

## 2.3.2 Financial statements of the Company (French GAAP)

### PREMIUM INCOME

The Company's premium income for the year reflected the impact of the merger with CNP IAM.

| *(in € millions)* | **31.12.2015** | 31.12.2014 | 2015/2014 | 31.12.2013 |
|---|---|---|---|---|
| Individual insurance premiums | 19,354 | 19,030 | 1.7% | 15,712 |
| Group insurance premiums | 4,990 | 2,959 | 68.6% | 3,274 |
| **TOTAL** | **24,344** | **21,989** | **10.7%** | **18,985** |

#### Individual insurance products

Growth in premium income was driven by sales of unit-linked products.

#### Group insurance products

Except for the Pensions business, which recorded exceptional premium payments in 2014 that created a high basis of comparison, Group insurance premiums rose sharply following the merger with CNP IAM.

| *(in € millions)* | **31.12.2015** | 31.12.2014 | 2015/2014 | 31.12.2013 |
|---|---|---|---|---|
| Death | 1,966 | 1,905 | 3.2% | 1,921 |
| Pensions | 953 | 1,034 | -7.8% | 1,333 |
| Bodily injury insurance | 2,071 | 20 | 10.255% | 20 |
| **TOTAL** | **4,990** | **2,959** | **68.6%** | **3,274** |

### Profit for the year

CNP Assurances' net profit rose by 79% to €1,274.8 million in 2015, from €714.1 million in 2014. The increase was primarily due to recognition of the CNP IAM merger surplus.

### Equity

Equity at 31 December 2015 amounted to €9,911.8 million *vs.* €9,093.9 million at the previous year-end. The year-on-year change primarily reflected payment of the 2014 dividend (€528.4 million negative impact), inclusion of 2014 profit (€1,274.8 million positive impact) and changes in the capitalisation reserve (€88.2 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.

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## 2.3.3 Review of subsidiaries

### CAIXA SEGURADORA

The Caixa Seguradora Group's contribution to consolidated premium income (excluding *consórcios* business) totalled €3.2 billion, up 12% as reported and 32% like-for-like. The increase reflected dynamic Pensions business (up 48% like-for-like, led by marketing campaigns) and Personal Risk business (with increases of 17% like-for-like for risk insurance and 17% like-for-like for term creditor insurance despite a slowdown in the fourth quarter due to the economic situation in Brazil).

Over the year, Caixa Seguradora outperformed the Brazilian market, delivering 27.2% growth in new money *vs.* 9.8% for the market. This translated into a 0.8-point increase in market share to 5.4%.

Caixa Seguradora's contribution to consolidated profit was adversely affected by the 18.7% negative currency effect. In 2015, the average real/euro exchange rate fell to 3.70 from 3.12 in 2014.

Net insurance revenue generated by the Caixa Seguradora Group (including dental insurance business) contracted by 5% as reported but increased 12% like-for-like, led by 48.1% growth in Personal Risk, Property & Casualty and Health Insurance business. Revenues from own-funds portfolios were severely affected by the unfavourable currency effect and rose by just 0.8% as reported. Excluding the currency effect, they increased by 19.6%, reflecting the portfolios' improved profitability. Administrative expenses rose by 4.7% in euros, an increase that was limited by the favourable currency effect. The like-for-like increase was 11.1%. EBIT contracted by 6% to €838 million.

The sub-group's contribution to attributable profit amounted to €259 million, down 5.5% year-on-year as reported but up 7.7% at constant exchange rates.

### CNP UNICREDIT VITA

CNP UniCredit Vita's premium income amounted to €2.6 billion, a decrease of 5% compared with 2014 in an Italian market up 5% over the first eleven months of 2015. The steep 45% drop in premiums from traditional savings contracts was partly offset by the strong 43% growth in unit-linked sales. The Company's market share contracted by 0.2 points to 1.9% at end-November.

Net insurance revenue generated by CNP UniCredit Vita was down by 2.6%, due mainly to the additions to technical reserves for Term Creditor Insurance business recorded to comply with the new regulatory requirements applicable in 2016. Administrative expenses were up by just 0.6% at €32 million. EBIT came in at €64 million, down 8.6% on 2014 due to the high basis of comparison of revenues from own-funds portfolios which declined by €4.2 million year-on-year.

The Company's contribution to attributable profit under IFRS increased by 15% to €31 million, helped by favourable tax adjustments made at the start of the year.

### CNP SANTANDER INSURANCE

The new CNP Santander Insurance subsidiary generated premium income of €492 million in 2015.

Net insurance revenue, in the amount of €35 million, was derived primarily from business written in Germany (48% of net insurance revenue), Spain (33%) and Poland (12%). Administrative expenses totalled €11.8 million. EBIT before amortisation of acquired In-Force business and distribution agreements amounted to €26 million. EBIT after amortisation of these intangibles was a loss of €1 million.

The Company's contribution to attributable profit under IFRS, after amortisation of acquired In-Force business and distribution agreements, was a negative €0.5 million.

### CNP CYPRUS INSURANCE HOLDINGS

CNP Cyprus Insurance Holding's premium income contracted by 1.9% to €140 million, in an unfavourable economic environment. Property and casualty and personal risk premiums were down on the previous year, a decline that was partly offset by good performance in the health insurance segment.

Net insurance revenue declined to €37 million. Revenues from own-funds portfolios were down by €1.7 million, reflecting lower interest income. Administrative expenses were 2.6% higher, due in particular to legal costs incurred in connection with the Bank of Cyprus litigation. In all, EBIT before amortisation of acquired In-Force business fell 30% to €16 million.

The Company's contribution to attributable profit under IFRS, after amortisation of acquired In-Force business, was a positive €6.3 million.

## 2.3.4 Growth outlook

The Group is pursuing a strategy focused on improving the product mix by developing the personal risk/protection and unit-linked Savings businesses in all geographic regions. The coming year will also see the first tangible results of the Group's digital initiatives with, for example, the launch of a digital company in Brazil.

# 2.4 Embedded Value Report

## 2.4.1 Introduction

CNP Assurances Group (the "Group") discloses the intrinsic value of its life insurance portfolios ("Embedded Value" or "EV") at the end of each financial year and the Value of New Business ("VNB") added during the year. Disclosed values are in line with European Insurance CFO Forum "Market Consistent Embedded Value© Principles" ("MCEV© principles*" or "MCEV© Standards") which were launched by the CFO Forum in June 2008 and amended in October 2009, except for the valuation of Latin America, which remains based on a traditional Embedded Value method.

Embedded Value and VNB represent respectively the shareholders' economic value of the existing business and of the new business added during the year. They are determined using a market-consistent valuation method of assets and liabilities. All calculations are made as Group's share, net of reinsurance and external coinsurance. The different definitions related to the MCEV© principles are mentioned in appendix.

This report presents the results, methods and assumptions used to calculate the Group's Embedded Value as at 31 December 2015. These items have been externally reviewed by PwC and Mazars. Their opinion is included in section 2.4.6.

### 2.4.1.1 COVERED BUSINESS

The Group's business is mainly concentrated on life assurance:

- individual savings in euros and unit linked accounts;
- individual and collective retirement savings;
- individual and collective protection;
- credit insurance.

The covered business concerns all Group entities contributing significantly to the value on the three geographic areas in which Group entities operate: France, Latin America and Europe excluding France.

| Geographical area | Countries | Entities | Shares Owned |
|---|---|---|---|
| France | France | CNP Assurances | Consolidating entity |
| | France | CNP Caution | 100.00% |
| | France | Préviposte | 100.00% |
| | France | ITV | 100.00% |
| | France | La Banque Postale Prévoyance | 50.00% |
| | France | MFPrévoyance | 65.00% |
| Latin America | Brazil | Caixa Seguradora | 51.75% |
| | Argentina | CNP Assurances Compañia de Seguros | 76.47% |
| Europe excluding France | Italy | CNP UniCredit Vita | 57.50% |
| | Spain | CNP Partners | 99.50% |
| | Cyprus/Greece | CNP Cyprus Insurance Holdings | 50.10% |
| | Ireland | CNP Santander Insurance | 51.00% |

The main changes in the covered business as at 2015 are:

- the disposal of CNP BVP: in accordance with the press release published on 22 December 2014 and with the agreement of the competition authorities and Spain's insurance regulator, the Group sold its 50% holding in the Spanish company CNP BVP (CNP Barclays Vida y Pensiones) for a total amount of €453 million, including exceptional dividends in April 2015. The value of BVP is no longer included in the MCEV© as at 31 December 2015;
- the integration of CNP Santander Insurance: following the announcement on the 10th July 2015 of a strategic agreement with the Banco Santander Group, after obtaining the necessary regulatory approvals, the Group finalised the acquisition of 51% of Santander Consumer Finance's life and non-life insurance subsidiaries and the conclusion of an exclusive long term distribution agreement for all protection insurance products in 10 European countries. This new entity was included in the covered business as at 1st January 2015.

The scope changed in Latin America during the year, with the inclusion of CNP Assurances Compañia de Seguros and Odonto Empresas, a subsidiary of Caixa Seguradora.

Not covered entities have been valued on the basis of their IFRS equity.

### 2.4.1.2 DISCUSSIONS AT CFO FORUM LEVEL

The Solvency II directive came into effect on the 1st January 2016. The CFO Forum had not issued particular requirements for the MCEV© publication as at the end of 2015. Nevertheless it is possible to use the methods required by the new prudential regulation, in particular as regards reference interest rates curve used.

In 2015, CNP Assurances initiated discussions on changes to be applied to the Embedded Value calculations in a Solvency II environment. In that regard, an additional sensitivity has been performed on the required capital. The methodology retained as at the end of 2015 is detailed in the report.

## 2.4.2 Results

### 2.4.2.1 VALUE OF NEW BUSINESS (VNB) AS AT 31 DECEMBER 2015

| | | 2015 | | 2014 | | Change | |
|---|---|---|---|---|---|---|---|
| MCEV© Standards | | €m | € per share (1) | €m | € per share | €m | % |
| PVFP | Present value of future profits | 779 | 1.1 | 764 | 1.1 | 15 | 2.0% |
| TVOG | Time value of options and guarantees | (195) | (0.3) | (247) | (0.4) | 52 | -21.0% |
| FCRC | Frictional costs of required capital | (44) | (0.1) | (47) | (0.1) | 4 | -7.8% |
| CNHR | Costs of non-hedgeable risks | (77) | (0.1) | (58) | (0.1) | (19) | 32.9% |
| **VNB** | **Value of new business** | **463** | **0.7** | **412** | **0.6** | **52** | **12.6%** |
| APE | APE (Annual Premium Equivalent) (2) | 3,195 | | 2,998 | | 197 | 6.6% |
| PVNBP | PVNBP (3) | 27,741 | | 26,513 | | 1,228 | 4.6% |
| APE ratio | APE ratio | 14.5% | | 13.7% | | 0.8% | 5.6% |
| PVNBP ratio | PVNBP ratio | 1.7% | | 1.6% | | 0.1% | 7.6% |

*(1) Number of shares as at 31 December 2015: 686,618,477*

*(2) APE, a sales volume indicator, equals one tenth of the sum of single premiums and flexible premiums written during a given year plus the annualized amount of regular premiums written during that same year*

*(3) PVNBP is the Present Value of New Business premiums*

The 2015 Group's VNB is €463 million, 12.6% higher than in 2014 (€412 million following the marginal methodology and €357 million following the stand alone methodology). Most of the increase in VNB comes from France and Europe excluding France:

- in France, it is mainly explained by the increase in unit-linked savings products (+3 pts) and an increase in credit insurance (+42%);
- in Europe excluding France, it is explained by the inclusion of CNP Santander Insurance and the good performance of the Italian business with the increase in unit-linked savings as well as the increase in profitability of euro-savings products.

The Group's APE (Annual Premium Equivalent) ratio increased by 5.6% and is equal to 14.5% in 2015 vs 13.7% in 2014.

Detailed changes by geographic area are presented in section 2.4.3.1.2 of the report.

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

| MCEV© standards *(In € millions)* | VNB | Change | APE Ratio |
|---|---|---|---|
| **Value of New Business 2014** | **412** | | **13.7%** |
| Updated model | 377 | (34) | 12.7% |
| Change in the APE volume | 416 | 39 | 12.7% |
| Change in the product mix | 492 | 76 | 15.0% |
| Change in the experience | 599 | 107 | 18.2% |
| Change in financial market conditions | 498 | (101) | 15.1% |
| Updated taxation | 489 | (10) | 14.8% |
| Change in the foreign exchange rate | 463 | (25) | 14.5% |
| **Value of New Business 2015** | **463** | **52** | **14.5%** |

The "updated model" mainly contains a change in the methodology of the reference interest rates curve that includes a "credit risk adjustment" and a "volatility adjustment", in order to be compliant with the Solvency II standards.

The change in the product mix is mainly explained by French business, with an increased sales on distribution networks and products having higher profitability, as well as by the decrease in sales of products with guaranteed rates.

The change in economic assumptions resulted in a €89 million decrease in the VNB of France. This decrease is concentrated on the savings and pension lines of business. The widening of the spreads and the new asset allocation have a negative impact on the return of new investments.

The credit spread gap as well as the new asset allocation had a negative impact on the new investment returns taken into account in the Value of New Business (money investment without capital gains).

The average exchange rate for Brazil for 2015 was 3.7038 BRL/€ against 4.3117 BRL/€ spot rate for the end of December. The method applied for 2015 VNB uses an average exchange rate for the year instead of a spot exchange rate as at the date of valuation. The impact of this methodology change on the 2014 VNB is €4 million (the average exchange rate in 2014 was 3.1211 BRL/€ against 3.2207 BRL/€ for the closure rate) and €20 million on the 2015 VNB.

## 2.4.2.2 MCEV© AT 31 DECEMBER 2015

| | **MCEV© 2015 before payment of 2015 dividends** | | MCEV© 2014 after payment of 2014 dividends | | Change before payment of 2015 dividends | | MCEV© 2014 before payment of 2014 dividends | |
|---|---|---|---|---|---|---|---|---|
| MCEV© Standards | **€m** | **€/share *** | €m | €/share * | €m | €/share * | €m | €/share * |
| **ANAV – Adjusted Net Asset Value** | **12,558** | **18.3** | **11,121** | **16.2** | **1,437** | **13%** | **11,649** | **17.0** |
| Required capital | 6,722 | 9.8 | 7,766 | 11.3 | (1,044) | -13% | 7,766 | 11.3 |
| Free Surplus | 5,836 | 8.5 | 3,355 | 4.9 | 2,481 | 74% | 3,883 | 5.7 |
| **VIF – Value of In-Force** | **6,685** | **9.7** | **5,881** | **8.6** | **804** | **14%** | **5,881** | **8.6** |
| Present value of future profits | 11,206 | 16.3 | 10,376 | 15.1 | 830 | 8% | 10,376 | 15.1 |
| Time value of options and guarantees | (2,960) | (4.3) | (3,040) | (4.4) | 80 | -3% | (3,040) | (4.4) |
| Frictional costs of required capital | (811) | (1.2) | (896) | (1.3) | 85 | -9% | (896) | (1.3) |
| Costs of non-hedgeable risks | (750) | (1.1) | (559) | (0.8) | (191) | 34% | (559) | (0.8) |
| **MCEV© – Market Consistent Embedded Value** | **19,243** | **28.0** | **17,001** | **24.8** | **2,242** | **13%** | **17,530** | **25.5** |

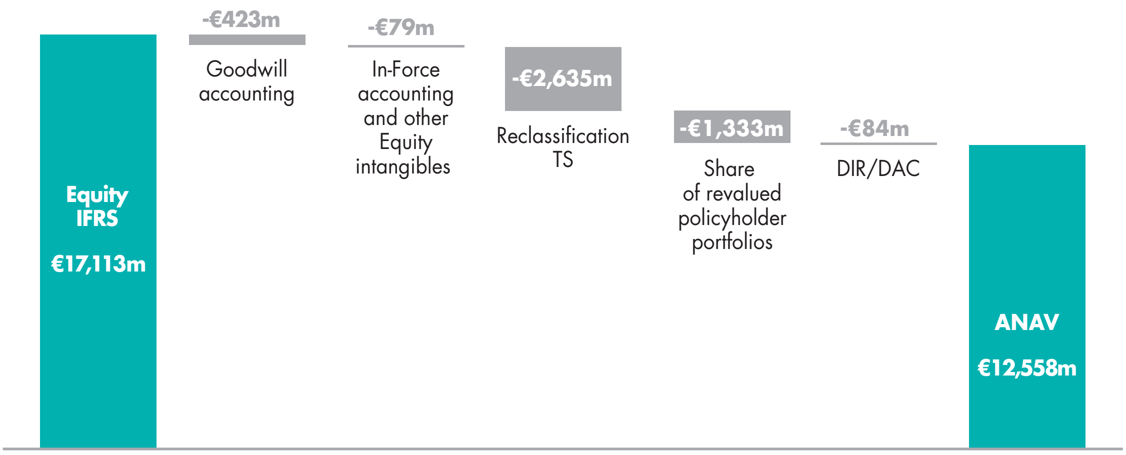
* *Number of shares as at 31 December 2014 and 31 December 2015: 686,618,477*

The Group's 2015 Embedded Value amounted to €19,243 million, €2,242 million higher compared to the 2014 Embedded Value after dividends (*i.e.*, 13% higher compared to 2014). This change comes from a 14% increase in the VIF and a 13% increase in the ANAV.

A detailed analysis of the main factors underlying the changes is provided in the following sections. Section 2.4.3.2 in particular gives a breakdown of the Embedded Value by geographic area.

## 2.4.2.3 ADJUSTED NET ASSET VALUE

The ANAV can be reconciled with IFRS shareholders' equity as described in section 4.1 The following graph shows the reconciliation between the IFRS shareholders' equity and the ANAV as at 31 December 2015 (€M):




## 2.4.2.4 SENSITIVITIES

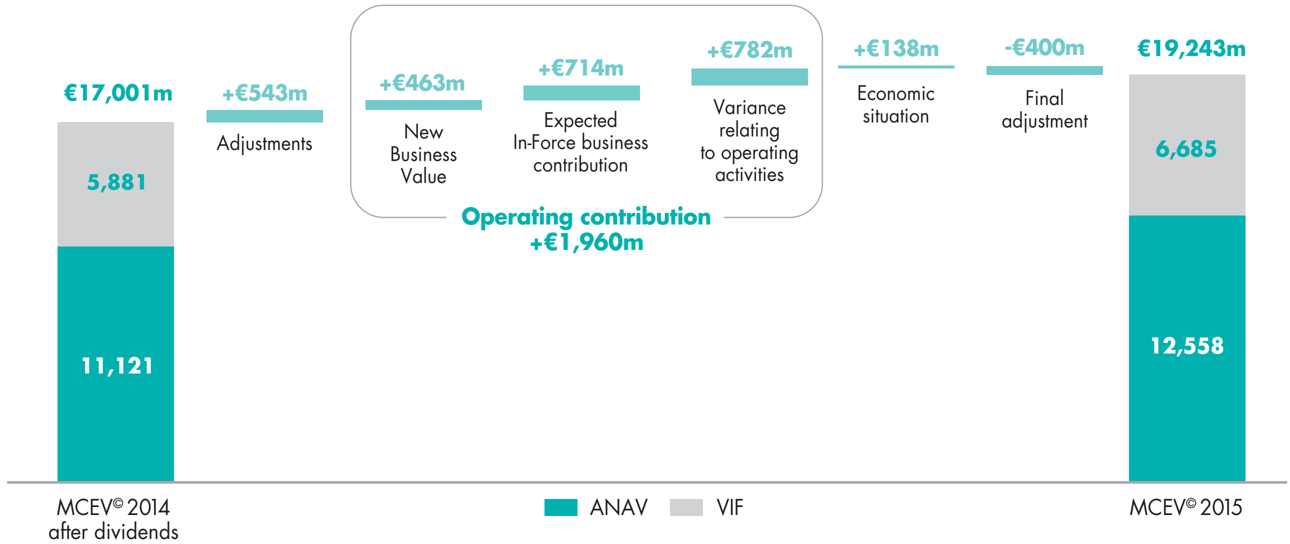
The sensitivities required by the MCEV© principles are presented below, together with an additional sensitivity on the required capital in advance of the entry into force of Solvency II on 1 January 2016.

| | ANAV | VIF | MCEV© | VNB |
|---|---|---|---|---|
| MCEV© standards | €m | €m | €m | €m |
| **MCEV© – Market Consistent Embedded Value** | **12,558** | **6,685** | **19,243** | **463** |
| +100 bps change p.a. in the interest rate environment | (416) | 1,386 | 970 | 74 |
| -100 bps change p.a. in the interest rate environment | 411 | (1,900) | (1,489) | (142) |
| +10 bps change in the VA | | 234 | 234 | 34 |
| VA = 0 | | (598) | (598) | (52) |
| 10% decrease in equity/property capital values | (377) | (809) | (1,185) | |
| 10% proportionate decrease in lapse rates | | 218 | 218 | 29 |
| 10% decrease in maintenance expenses | | 382 | 382 | 29 |
| Required capital equal to regulatory solvency margin | | 73 | 73 | 6 |
| Required capital equal to S2 solvency margin * | | 138 | 138 | 8 |
| Claims rates – 5% – Risk of longevity | | (106) | (106) | (1) |
| Claims rates – 5% – Risk of mortality & disability | | 188 | 188 | 69 |
| 25% increase in swaption implied volatilities | | (201) | (201) | (27) |
| 25% increase in equity/property implied volatilities | | (686) | (686) | (18) |

* *Additional sensibility included at 31 December 2015*

The method for determining sensitivities is detailed in section 4.4 of the report.

### 2.4.2.5 GROUP ANALYSIS OF CHANGES




The following table gives an analysis of changes distinguishing the VIF and the ANAV which itself is broken down into the required capital and the Free Surplus:

| MCEV© Standards *(In € millions)* | ANAV | Free Surplus | Required capital | VIF | MCEV© |
|---|---|---|---|---|---|
| **MCEV© 2014** | **11,649** | **3,883** | **7,766** | **5,881** | **17,530** |
| Opening adjustments | (175) | 16 | (191) | 189 | 15 |
| **Adjusted MCEV© 2014** | **11,474** | **3,899** | **7,575** | **6,070** | **17,544** |
| New business value | (38) | (779) | 740 | 502 | 463 |
| Expected existing business contribution | 79 | 79 | 0 | 635 | 714 |
| Transfers from the VIF and required capital to Free Surplus | 1,036 | 1,705 | (669) | (1,036) | 0 |
| Experience variances | (8) | (50) | 42 | 618 | 610 |
| Changes in assumptions relating to operating activities | 0 | 0 | 0 | 95 | 95 |
| Other operating variance | 0 | 750 | (750) | 77 | 77 |
| **Operating MCEV© Earnings** | **1,069** | **1,706** | **(637)** | **891** | **1,960** |
| Economic variances | 212 | 369 | (157) | (73) | 140 |
| Other non-operating variance | 27 | 16 | 11 | (28) | (1) |
| **Total MCEV© earnings** | **1,308** | **2,091** | **(783)** | **790** | **2,098** |
| Closing adjustments | (225) | (155) | (70) | (175) | (400) |
| **MCEV© 2015** | **12,558** | **5,836** | **6,722** | **6,685** | **19,243** |

Key events in the financial year are:

- renewal of the BPCE agreements;
- implementation of a partnership with AG2R LA MONDIALE in France, with no impact on the value;
- inclusion of CNP IAM business in CNP Assurances and CNP Caution;
- removal of regulatory uncertainty as to the revaluation at the minimum guaranteed rates of future payments;
- inclusion of CNP Santander Insurance in the opening value of Europe excluding France;
- disposal of BVP in Europe excluding France;
- inclusion of CNP Assurances Compañia de Seguros in the opening value of Latin America.

The agreements with La Banque Postale have not been taken into account in the 2015 Embedded Value.

The initial adjustments affect the ANAV (-€175 million) mainly because of the payment of 2014 dividends (-€528 million) and the inclusion of CNP Santander Insurance. The positive adjustment on the VIF (€189 million) is mainly due to restated items in the French model.

The Value of New Business contributed €463 million to the change in the EV. This value includes the 2015 new business strain amounting to -€38 million. The increase in required capital relative to this new production amounts to €740 million.

The contribution from the in-force contracts (€714 million) results from the effect of moving forward on the VIF (+€635 million) and the projected return on the Free Surplus (+€79 million). In addition, the 2015 projected surplus arising from the VIF as at 31 December 2014 is transferred to the ANAV with no effect on the EV.

Effects of deviations during the period impact the VIF for an amount of €618 million and mainly come from the increases in technical reserves and surplus reserves which were unanticipated in the 2014 projections. These additional reserves improve the future margins and reduce the time value of financial options and guarantees.

Change in prospective non-economic assumptions led to an increase of the VIF by €95 million. Other non-operating variance corresponds to the issuance of subordinated debt for an amount of €750 million.

Changes in the economic environment cover:

- the effects of the disposal of BVP;
- an increase in the discount rate in Latin America;
- an increase in the unrecognized gains on assets, with an impact on both the ANAV and the VIF.

The final adjustments mainly correspond to the changes in the exchange rates.

A detailed analysis by geographic area is provided in section 2.4.3.4.



## 2.4.2.6 OPERATING FREE CASH FLOW

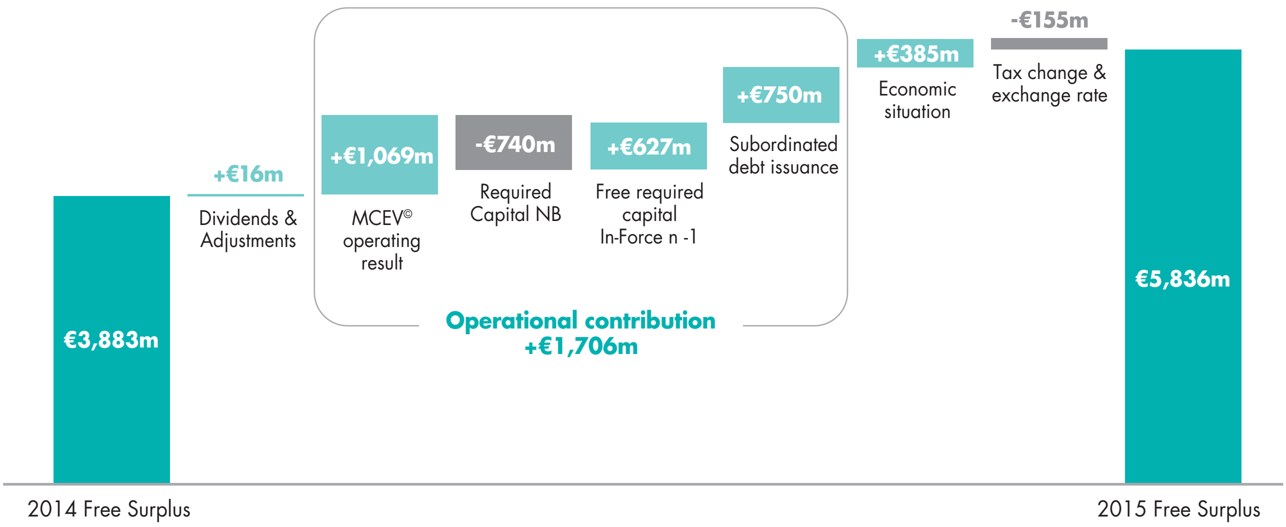
The "Operating Free Cash Flow" indicator, or Cash flow available from operational activities, shows the Group's ability to pay its dividends and grow by selling new business or through external growth operations.

| *(In € millions)* | Group 2014 | **Group 2015** |
|---|---|---|
| VIF transfers to Free Surplus | 1,103 | 1,036 |
| Financial income from Free Surplus | 74 | 79 |
| Release of required capital to Free Surplus | 820 | 669 |
| **Experience variances** | **703** | **700** |
| Expected contribution of In-Force | 2,700 | 2,485 |
| Capital required for new business | (787) | (740) |
| Earnings attributable to new business | (31) | (38) |
| **Capital required for new business** | **(818)** | **(779)** |
| **OPERATING FREE CASH FLOW** | **1,882** | **1,706** |
| *of which subordinated debt* | *1,000* | *750* |

The Operating Free Cash Flow has slightly decreased at €1,706 million, or €955 million excluding subordinated debt funding capital.

| 2015 *(in € millions)* | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|
| VIF transfers to Free Surplus | 1,036 | 804 | 176 | 55 |
| Financial income from Free Surplus | 79 | 44 | 28 | 8 |
| Release of required capital to Free Surplus | 669 | 598 | 35 | 37 |
| Experience variances | 700 | 653 | 43 | 4 |
| **Expected contribution of In-Force** | **2,485** | **2,099** | **281** | **104** |
| Capital required for new business | (740) | (592) | (64) | (84) |
| Earnings attributable to new business | (38) | (24) | 9 | (23) |
| **Capital required for new business** | **(779)** | **(616)** | **(54)** | **(108)** |
| **OPERATING FREE CASH FLOW** | **1,706** | **1,483** | **227** | **(4)** |

### 2.4.2.7 ANALYSIS OF CHANGES OF GROUP FREE SURPLUS




Free Surplus amounts to €5,836 million and is €1,953 million higher than in 2014. The opening adjustment (+€16 million) mainly consists of:

- the payment of dividends;
- the consolidation of CNP Santander Insurance;
- the recognition of the ceded part of BPCE In-Force business.

The operational contribution amounts to +€1,706 million:

- 2015 operational result of €1,069 million;
- change in required capital of €113 million consisting in an allocation of €740 million linked to new business and a release of capital of €627 million on the in-force portfolio as at 31 December 2014;
- the issuance of subordinated debt for an amount of €750 million.

The economic contribution is +€385 million and is mainly due to the ANAV capital gains increase.

The final adjustment is mainly due to the effects from the exchange rate.

### 2.4.2.8 IDR (IMPLIED DISCOUNT RATE)

The IDR comes to 5.6% for the Group as at 31 December 2015 against 6.02% as at 31 December 2014.

As at 31 December 2015, the IDR was calculated on the basis of a spread of 0 bp on the reference rate curve and a spread of 20 bps on corporate bonds. Equity and property have a risk premium of 310 bps and 230 bps respectively (the same as at 31 December 2014).

# 2.4.3 Results detailed by geographic area

This section presents an analysis of the main indicators and main reasons for change by geographic area.

## 2.4.3.1 VNB

### 2.4.3.1.1 APE volume

| *(In € millions)* | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|
| **IFRS 2015 Revenue** | **31,434** | **24,777** | **3,226** | **3,431** |
| IFRS 2014 Revenue | 30,733 | 24,503 | 2,874 | 3,356 |
| Revenue progression rate | 2.3% | 1.1% | 12.3% | 2.2% |
| **APE 2015** | **3,195** | **2,369** | **529** | **297** |
| APE 2014 | 2,998 | 2,311 | 441 | 245 |
| APE evolution rate | 6.6% | 2.5% | 19.9% | 21.0% |
| **PVNBP 2015** | **27,741** | **23,421** | **2,086** | **2,234** |
| PVNBP 2014 | 26,513 | 22,754 | 1,841 | 1,918 |
| Evolution rate of the PVNBP | 4.6% | 2.9% | 13.3% | 16.5% |

#### France

The APE volume in France (€2,369 million), up by 2.5% compared to 2014, is explained by an increase in written premium on credit insurance (+42%), unit-linked savings (+16%) and pension (+60%). Written premiums on euro-savings policies decrease with an APE volume down 6%. APE of risk products decreases to 11%.

#### Latin America

Latin America covers the activities of the Caixa Seguradora Group and CNP Assurances Compañia de Seguros. Volumes of premium increase significantly (APE +37% at constant exchange rate) with an increase in pension activity and a decrease in credit insurance.

#### Europe excluding France

Europe excluding France covers the activities of CNP UniCredit Vita, CNP Santander Insurance, CNP Partners and CNP Cyprus Insurance Holdings. Written premium increased significantly and amount to €297 million (APE +21%), headed by CNP UniCredit Vita with an increase in unit-linked savings products and CNP Santander Insurance which is consolidated for 2015. At constant perimeter, the APE comes to €273 million.

### 2.4.3.1.2 VNB

| MCEV© Standards (*in € millions*) | Group | | France | | Latin America | | Europe excluding France | |
|---|---|---|---|---|---|---|---|---|
| | VNB | APE Ratio | VNB | APE Ratio | VNB | APE Ratio | VNB | APE Ratio |
| **Value of New Business 2014** | **412** | **13.7%** | **256** | **11.1%** | **142** | **32.1%** | **14** | **5.8%** |
| Updated model | 377 | 12.7% | 208 | 9.2% | 150 | 31.4% | 19 | 7.8% |
| Change in the APE volume | 416 | 12.7% | 218 | 9.2% | 196 | 31.4% | 23 | 7.8% |
| Change in the product mix | 492 | 15.0% | 288 | 12.2% | 153 | 24.5% | 51 | 17.1% |
| Change in the experience | 599 | 18.2% | 360 | 15.2% | 181 | 28.9% | 58 | 19.6% |
| Change in financial market conditions | 498 | 15.1% | 271 | 11.4% | 173 | 27.6% | 54 | 18.4% |
| Updated taxation | 489 | 14.8% | 271 | 11.4% | 163 | 26.1% | 54 | 18.4% |
| Change in the exchange rate | 463 | 14.5% | 271 | 11.4% | 138 | 26.1% | 54 | 18.3% |
| **Value of New Business 2015** | **463** | **14.5%** | **271** | **11.4%** | **138** | **26.1%** | **54** | **18.3%** |
| Change | 52 | 0.8% | 15 | 0.4% | (4) | -6.0% | 40 | 12.6% |

#### France

With an APE ratio of 11.4%, France benefits from a more favourable change in written premium on distribution networks and products with better margins as well as a fall in minimum guaranteed rates. The VNB France saw its product mix improve in 2015, the rise in written premium on unit-linked products together with higher volumes on credit insurance. The change in experience were favourable in 2015 and resulted in a three-point increase in the APE ratio. The unfavourable situation with financial markets is the main reason for the decrease of €89 million in the VAN and the 3.8 pts fall in the APE ratio.

#### Latin America

The Group decided to use an average exchange rate for the VNB in 2015. Establishing a value for new business in 2014 with the same methodology would have given a result of €118 million instead of €138 million. The VNB for Latin America (€138 million) is 3% down at the current exchange rate but up 8% at constant exchange rate because of strong pension business. The APE ratio is lower because of the combined effects of higher taxation in Brazil, the rise in discount rates and an increase in costs for some lines of business.

#### Europe excluding France

The VNB in Europe excluding France increases significantly compared to 2014, at €54 million. The increase is mainly due to the inclusion of CNP Santander Insurance and its credit insurance business, to substantial sales of unit-linked savings products in Italy and to improved profitability of euro-savings products in Italy (at constant perimeter, the Value of New Business rose from €14 million to €25 million due to the strong performance of Italy). The APE ratio is up 5.8% at 18.3% for the same reasons.

The following table gives a breakdown of indicators on VNB by geographic area:

| MCEV© Standards *(in € millions)* | | | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|---|---|
| 2015 | PVFP | Present value of future profits | 779 | 573 | 147 | 59 |
| | TVOG | Time value of options and guarantees | (195) | (193) | 0 | (1) |
| | FCRC | Frictional costs of required capital | (44) | (34) | (9) | (1) |
| | CNHR | Costs of non-hedgeable risks | (77) | (75) | 0 | (2) |
| | **VNB** | **Value of new business** | **463** | **271** | **138** | **54** |
| | APE | Annual premium equivalent | 3,195 | 2,369 | 529 | 297 |
| | PVNBP | Present value of new business premiums | 27,741 | 23,421 | 2,086 | 2,234 |
| | | **VNB/APE Ratio** | **14.5%** | **11.4%** | **26.1%** | **18.3%** |
| | | VNB/PVNBP Ratio | 1.7% | 1.2% | 6.6% | 2.4% |
| 2014 | PVFP | Present value of future profits | 764 | 586 | 152 | 26 |
| | TVOG | Time value of options and guarantees | (247) | (241) | 0 | (6) |
| | FCRC | Frictional costs of required capital | (47) | (34) | (11) | (2) |
| | CNHR | Costs of non-hedgeable risks | (58) | (54) | 0 | (4) |
| | **VNB** | **Value of new business** | **412** | **256** | **142** | **14** |
| | APE | Annual premium equivalent | 2,998 | 2,311 | 441 | 245 |
| | PVNBP | Present value of new business premiums | 26,513 | 22,754 | 1,841 | 1,918 |
| | | **VNB/APE Ratio** | **13.7%** | **11.1%** | **32.1%** | **5.8%** |
| | | VNB/PVNBP Ratio | 1.6% | 1.1% | 7.7% | 0.7% |
| Change | | Value of new business | 52 | 15 | (4) | 40 |
| | APE | Annual premium equivalent | 197 | 58 | 88 | 52 |
| | PVNBP | Present value of new business premiums | 1,228 | 667 | 245 | 316 |
| | | % | 12.6% | 5.9% | (2.6%) | 286.0% |
| | | **VNB/APE Ratio** | **0.8%** | **0.4%** | **(6.0%)** | **12.6%** |
| | | VNB/PVNBP Ratio | 0.1% | 0.0% | (1.1%) | 1.7% |

### 2.4.3.1.3 **Duration**

The following table gives the durations of new business by geographic area:

| Duration *(year)* | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|
| Saving & Pensions | 13.1 | 13.6 | 4.9 | 5.8 |
| Risk & Protection | 9.4 | 10.9 | 3.4 | 3.0 |

### 2.4.3.2 VIF

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

| Normes MCEV© | | Group M€ | Group € / Action | France * M€ | France * € / Action | Latin America M€ | Latin America € / Action | Europe excluding France M€ | Europe excluding France € / Action |
|---|---|---|---|---|---|---|---|---|---|
| MCEV© 2015 | **Value of In-Force** | **6,685** | **9.7** | **5,916** | **8.6** | **543** | **0.8** | **225** | **0.3** |
| | Present value of future profit | 11,206 | 16.3 | 10,368 | 15.1 | 587 | 0.9 | 252 | 0.4 |
| | Time value of options and guarantees | (2,960) | (4.3) | (2,951) | (4.3) | - | - | (10) | (0.0) |
| | Frictionnal costs of required capital | (811) | (1.2) | ( 762) | (1.1) | (44) | (0.1) | (5) | (0.0) |
| | Costs of non-hedgeable risks | (750) | (1.1) | (738) | (1.1) | - | - | (12) | (0.0) |
| MCEV© 2014 | **Value of In-Force** | **5,881** | **8.6** | **5,005** | **7.3** | **628** | **0.9** | **248** | **0.4** |
| | Present value of future profits | 10,376 | 15.1 | 9,420 | 13.7 | 666 | 1.0 | 290 | 0.4 |
| | Time value of options and guarantees | (3,040) | (4.4) | (3,019) | (4.4) | - | - | (22) | (0.0) |
| | Frictionnal costs of required capital | (896) | (1.3) | (852) | (1.2) | (38) | (0.1) | (6) | (0.0) |
| | Costs of non-hedgeable risks | (559) | (0.8) | (544) | (0.8) | - | - | (15) | (0.0) |
| Évolution | **M€** | **804** | **1.2** | **911** | **1.3** | **(85)** | **(0.1)** | **(22)** | **(0.0)** |
| | % | 13.7 % | 13.7 % | 18.2 % | 18.2 % | -13.5 % | -13.5 % | -9.0 % | -9.0 % |

* *VIF France excluding cost of subordinated notes*

The Group's VIF (€6,685 million), which is up 13.7% compared to 2014, benefitted from the effects of the restatement in France on Euro-savings, and operational effects due to the change in technical reserves and surplus reserves in France.

## 2.4.3.3 SENSITIVITIES

### 2.4.3.3.1 VIF sensitivities

| MCEV© standards | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|
| **MCEV© 2015** | **6,685** | **5,916** | **543** | **225** |
| +100 bps change p.a. in the interest rate environment | 1,386 | 1,366 | 2 | 17 |
| -100 bps change p.a. in the interest rate environment | (1,900) | (1,877) | (3) | (21) |
| +10 bps change in the VA | 234 | 230 | 0 | 5 |
| VA = 0 | (598) | (585) | 0 | (13) |
| 10% decrease in equity/property capital values | (809) | (797) | 0 | (11) |
| 10% proportionate decrease in lapse rates | 218 | 190 | 22 | 6 |
| 10% decrease in maintenance expenses | 382 | 365 | 7 | 10 |
| Required capital equal to regulatory solvency margin | 73 | 72 | 0 | 0 |
| Required capital equal to S2 solvency margin | 138 | 156 | (18) | 0 |
| Claims rates – 5% – Risk of longevity | (106) | (103) | 0 | (3) |
| Claims rates – 5% – Risk of mortality & disability | 188 | 159 | 22 | 7 |
| 25% increase in swaption implied volatilities | (201) | (202) | 0 | 1 |
| 25% increase in equity/property implied volatilities | (686) | (682) | 0 | (3) |

### 2.4.3.3.2 VNB sensitivities

| MCEV© standards | Group | France | Latin America | Europe excluding France |
|---|---|---|---|---|
| **VNB 2015** | **463** | **271** | **138** | **54** |
| +100 bps change p.a. in the interest rate environment | 74 | 64 | 1 | 9 |
| -100 bps change p.a. in the interest rate environment | (142) | (132) | (1) | (9) |
| +10 bps change in the VA | 34 | 33 | 0 | 0 |
| VA = 0 | (52) | (51) | 0 | (1) |
| 10% proportionate decrease in lapse rates | 29 | 20 | 9 | 1 |
| 10% decrease in maintenance expenses | 29 | 25 | 2 | 2 |
| Required capital equal to regulatory solvency margin | 6 | 6 | 0 | 0 |
| Required capital equal to S2 solvency margin | 8 | 12 | (4) | 0 |
| Claims rates – 5% – Risk of longevity | (1) | (2) | 0 | 0 |
| Claims rates – 5% – Risk of mortality & disability | 69 | 60 | 5 | 4 |
| 25% increase in swaption implied volatilities | (27) | (25) | 0 | (1) |
| 25% increase in equity/property implied volatilities | (18) | (17) | 0 | (1) |

## 2.4.3.4 ANALYSIS OF VARIANCES BY GEOGRAPHIC AREA

### France

| MCEV© Standards *(in € millions)* | ANAV | Free Surplus | Required capital | VIF | MCEV© |
|---|---|---|---|---|---|
| **MCEV© 2014** | **10,161** | **2,906** | **7,255** | **5,005** | **15,166** |
| Opening adjustments | (116) | 131 | (247) | 163 | 46 |
| **Adjusted MCEV© 2014** | **10,045** | **3,037** | **7,008** | **5,167** | **15,212** |
| New business value | (24) | (616) | 592 | 295 | 271 |
| Expected existing business contribution | 44 | 44 | 0 | 512 | 556 |
| Transfers from the VIF and required capital to Free Surplus | 804 | 1.402 | (598) | (804) | 0 |
| Experience variances | (60) | (97) | 37 | 569 | 509 |
| Changes in assumptions relating to operating activities | 0 | 0 | 0 | 68 | 68 |
| Other operating variance | 0 | 750 | (750) | 77 | 77 |
| **Operating MCEV© Earnings** | **764** | **1,483** | **(719)** | **718** | **1,482** |
| Economic variances | 418 | 525 | (107) | 31 | 449 |
| Other non-operating variance | 21 | 21 | 0 | 0 | 21 |
| **TOTAL MCEV© Earnings** | **1,203** | **2,029** | **(826)** | **749** | **1,952** |
| Closing adjustments | (47) | (47) | 0 | 0 | (47) |
| **MCEV© 2015** | **11,201** | **5,019** | **6,182** | **5,916** | **17,117** |

The EV for France increased by €1,952 million from 2014 to 2015.

The initial adjustments affect the net asset value (-€116 million) because of the payment of 2014 dividends (-€311 million) and adjustments on the consolidation of CNP Santander Insurance (+€194 million). The required capital is actually down subsequent to recognition of the disposal of BPCE In-Force business.

The positive adjustment on the VIF (+€163 million) is mainly due to improvements in the model for euro-savings products. The VNB contribution to the change in the EV is +€271 million. This value incorporates the new business strain generated in 2015 for -€24 million. The related increase in required capital comes to €592 million.

The contribution from the In-Force business (+€556 million) results from the effect of moving forward on the VIF (+€512 million) and on the Free Surplus (+€44 million). In addition, the 2015 projected surplus arising from the VIF as at 31 December 2014 is transferred to the ANAV with no effect on the EV.

Effects of deviations during the period impact the VIF for an amount of €569 million and mainly come from the increases in technical reserves and surplus reserves which were unanticipated in the 2014 projections. These additional reserves improve the future margins and reduce the time value of financial options and guarantees.

Change in prospective non-economic assumptions led to an increase of the VIF by €68 million. Other non-operating variance corresponds to the issuance of subordinated debt for an amount of €750 million.

Changes in the economic environment led to an increase in the unrecognized gains on assets, with a favourable €31 million impact both on the ANAV and the VIF in 2015.

The final adjustment is mainly due to the currency movements on the revaluation of intangible assets.

### Latin America

| MCEV© Standards *(in € millions)* | ANAV | Free Surplus | Required capital | VIF | MCEV© |
|---|---|---|---|---|---|
| **MCEV© 2014** | **820** | **594** | **227** | **628** | **1,448** |
| Opening adjustments | (184) | (210) | 27 | 27 | (157) |
| **Adjusted MCEV© 2014** | **636** | **383** | **253** | **655** | **1,291** |
| New business value | 9 | (54) | 64 | 129 | 138 |
| Expected existing business contribution | 28 | 28 | 0 | 108 | 135 |
| Transfers from the VIF and required capital to Free Surplus | 176 | 211 | (35) | (176) | 0 |
| Experience variances | 51 | 43 | 8 | 43 | 94 |
| Changes in assumptions relating to operating activities | 0 | 0 | 0 | 12 | 12 |
| Other operating variance | 0 | 0 | 0 | 0 | 0 |
| **Operating MCEV© Earnings** | **263** | **227** | **36** | **116** | **380** |
| Economic variances | (60) | (60) | 0 | (24) | (84) |
| Other non-operating variance | 13 | 2 | 11 | (28) | (15) |
| **TOTAL MCEV© Earnings** | **216** | **168** | **48** | **64** | **280** |
| Closing adjustments | (178) | (108) | (70) | (175) | (353) |
| **MCEV© 2015** | **675** | **444** | **231** | **543** | **1,218** |

The EV for Latin America decreased by €230 million from 2014 to 2015.

The initial adjustments affect the net asset value (-€184 million) because of the payment of 2014 dividends (-€199 million) and the consolidation of the Argentine subsidiary (€15 million). The adjustment to required capital comes from recognition of the local solvency requirements in addition to the level of the Group requirement (+€16 million) and the inclusion of the Argentine subsidiary (+€8 million).

The positive adjustment on the VIF (+€27 million) is mainly due to restated items, including in particular the modelling of the effective waiving by insured parties of their rights on a provision for Caixa Capitalização policies (+€16 million) and the inclusion of the Argentine subsidiary (+€10 million).

The Value of New Business contributes an amount of +€138 million to the change in the EV. This value includes the new business strain generated in 2015 for +€9 million. The increase in required capital relative to this new business comes to €64 million.

The contribution from the In-Force business (+€135 million) results from the effect of moving forward on the VIF (+€108 million) and on the Free Surplus (+€28 million). In addition, the 2015 projected surplus arising from the VIF as at 31 December 2014 is transferred to the ANAV with no effect on the EV.

Effects of deviations during the period impact the VIF for an amount of €43 million and mainly come from the overhaul of underlying databases. Recent experience has led the Caixa Seguradora Group to review certain assumptions linked to operational activity, such as expense assumptions and surrender assumptions generating an overall impact of +€12 million. Observed differences in respect of operating activities led to an €8 million increase in required capital.

The other changes, particularly the increase in discount rates and tax, resulted in 2015 in a €100 million decrease in the MCEV©, in 2015.

The final adjustments are mainly due to currency movements.

### Europe excluding France

| MCEV© Standards *(in € millions)* | ANAV | Free Surplus | Required capital | VIF | MCEV© |
|---|---|---|---|---|---|
| **MCEV© 2014** | **668** | **384** | **284** | **248** | **916** |
| Opening adjustments | 125 | 96 | 29 | 0 | 126 |
| **Adjusted MCEV© 2014** | **793** | **480** | **313** | **248** | **1,041** |
| New business value | (23) | (108) | 84 | 78 | 54 |
| Expected existing business contribution | 8 | 8 | 0 | 15 | 23 |
| Transfers from the VIF and required capital to Free Surplus | 55 | 92 | (37) | (55) | 0 |
| Experience variances | 2 | 4 | (2) | 5 | 7 |
| Changes in assumptions relating to operating activities | 0 | 0 | 0 | 14 | 14 |
| Other operating variance | 0 | 0 | 0 | 0 | 0 |
| **Operating MCEV© Earnings** | **41** | **(4)** | **45** | **57** | **99** |
| Economic variances | (145) | (95) | (50) | (80) | (225) |
| Other non-operating variance | (7) | (7) | 0 | 0 | (7) |
| **TOTAL MCEV© Earnings** | **(111)** | **(106)** | **(4)** | **(22)** | **(133)** |
| Closing adjustments | 0 | 0 | 0 | 0 | 0 |
| **MCEV© 2015** | **683** | **374** | **309** | **225** | **908** |

The MCEV© comes to €908 million in 2015, against €916 million in 2014.

Initial adjustments mostly affect the adjusted net asset value (+€125 million), as the VIF remain stable:

- for the ANAV, they are mainly due to the inclusion of CNP Santander Insurance (+€87 million), the increase in capital and the CNP Partners' share (+€55 million) as well as the payment of dividends in Italy (-€11 million) and Cyprus (-€5 million);
- for the VIF, the CNP Santander Insurance valuation (+€18 million) offsets the negative adjustments in Spain (-€11 million) and Italy (-€6 million), mainly due to improvement in the projection model and the inclusion of the new method of constructing the rate curve.

The contribution from new production comes to €54 million, propelled by CNP Santander Insurance and the Italian subsidiary CNP UniCrédit Vita. The result from new business is negative by -€23 million (including -€26 million in Italy because of commissions) and needs an additional €84 million in required capital.

The contribution from the In-Force business is positive on the VIF (€15 million), one year real world projection over 2015 leads to an increase of the profitability in the pension segment in Spain. The runoff of VIF leads to a release of €37 million of required capital and a transfer of €55 million to the adjusted net asset value, mainly due to Italian and CNP Santander Insurance contracts.

Effects of deviations are linked to the improvement in lapse rates on the "€ Savings" segment in Spain. The updating of lapse assumptions in Spain and the mortality assumptions on the Credit insurance business in Italy offsets the increase in expenses in the Spanish entity.

Economic variances are mainly due to the disposal of BVP in accordance with the French retreatment. This has a negative impact on ANR (-€131 million). Variation linked to own-funds unrealized gains are negative (-€14 million), mainly in Spain. VIF decreased to €80 million due to the disposal of BVP (-€91 million), partially offset by a decrease in TVOG (+€11 million). The compensation of the BVP disposal is taken into account in the French area.

## 2.4.3.5 ASSUMPTIONS

### 2.4.3.5.1 Financial assumptions

The Embedded Value calculations are based on economic conditions as at 31 December 2015.

### 2.4.3.5.2 Reference curve

| Maturity | Swap rate 31.12.2014 | **Swap rate 31.12.2015** |
|---|---|---|
| 1 | 0.16% | 0.06% |
| 2 | 0.18% | 0.09% |
| 5 | 0.36% | 0.45% |
| 10 | 0.83% | 1.14% |
| 15 | 1.18% | 1.56% |
| 20 | 1.38% | 1.75% |
| 30 | 2.01% | 2.27% |
| **Ultimate forward rate** | **4.20%** | **4.20%** |
| **Point of entry of the extrapolation** | **20 years** | **20 years** |

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

As allowed by MCEV© Principles, the reference interest rate curve is the swap rate curve plus a "credit risk adjustment" plus a "volatility adjustment" in order to be aligned with Solvency II.

| Ajustements | **2015** |
|---|---|
| CRA | 10 bps |
| VA | 22 bps |

### 2.4.3.5.3 Calibration of the interest rate model

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

| Terms | 1 year | 2 years | 5 years | 10 years | 20 years |
|---|---|---|---|---|---|
| MCEV© 31.12.2014 | 43.5% | 41.2% | 36.0% | 32.5% | 28.4% |
| MCEV© 31.12.2015 | 52.5% | 47.9% | 38.4% | 33.8% | 42.4% |

The real interest rates are generated using the Vasicek model with two factors, which has been calibrated on treasury inflation-linked bonds. The scenarios coming from the ESG have been modified in order to avoid any possibility of negative interest rates. As a consequence, the statistical tests performed on the scenarios are slightly weakened.

### 2.4.3.5.4 Calibration of the share model

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

The volatility parameters are calibrated using implicit at-the-money forward volatilities on the Eurostoxx 50 index at 31 December 2015.

| Maturity | 1 year | 2 years | 5 years | 10 years | 20 years |
|---|---|---|---|---|---|
| MCEV© 31.12.2014 | 20.7% | 20.8% | 20.7% | 20.8% | 21.4% |
| MCEV© 31.12.2015 | 21.4% | 21.6% | 21.6% | 21.6% | 22.0% |

The correlation coefficient between the various factors (share, actual rates and nominal rates) is determined by Barrie & Hibbert on the basis of econometric tests and expert opinion. Likewise, property volatility is fixed at 12.77%.

### 2.4.3.5.5 Calibration of the corporate credit spread model

The Group adopted the Credit G2 (JLT) corporate credit spread model. Its parameters are calibrated so as to reproduce the spread of an A-rated bond maturing in 7 years (90 bps at 31 December 2015) with the following historic transition matrix:

| | | Rating at the end of the period | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | AAA | AA | A | BBB | BB | B | CCC | Default |
| Rating at the end of the period | AAA | 94.1% | 5.7% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | AA | 2.3% | 89.5% | 7.1% | 0.4% | 0.3% | 0.2% | 0.0% | 0.1% |
| | A | 1.6% | 3.2% | 89.4% | 4.8% | 0.4% | 0.4% | 0.0% | 0.2% |
| | BBB | 1.5% | 1.5% | 5.2% | 88.3% | 1.9% | 0.5% | 0.5% | 0.4% |
| | BB | 0.1% | 0.6% | 1.3% | 6.7% | 82.4% | 6.8% | 0.6% | 1.7% |
| | B | 0.0% | 0.1% | 1.3% | 1.9% | 6.3% | 81.0% | 5.3% | 4.2% |
| | CCC | 0.0% | 0.0% | 1.1% | 1.4% | 2.5% | 8.6% | 73.9% | 12.4% |
| | Default | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |

### 2.4.3.5.6 Financial assumptions for Brazil

| | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Post 2020 |
|---|---|---|---|---|---|---|---|---|
| Discount rate | | 14.0 % | 13.5 % | 12.9 % | 12.5 % | 11.9 % | 11.9 % | 11.9 % |
| Assets yield | | 12.5 % | 11.7 % | 10.6 % | 10.0 % | 9.0 % | 9.0 % | 9.0 % |
| Inflation | MCEV© 14 | 6.5 % | 5.7 % | 5.5 % | 5.5 % | 4.5 % | 4.5 % | 4.5 % |
| Discount rate | | 15.7 % | 16.2 % | 14.6 % | 14.6 % | 14.3 % | 14.6 % | 14.6 % |
| Assets yield | | 13.6 % | 14.4 % | 12.2 % | 11.0 % | 10.6 % | 10.3 % | 10.0 % |
| Inflation | MCEV© 15 | 10.4 % | 6.7 % | 5.2 % | 5.0 % | 4.8 % | 5.0 % | 5.0 % |

The average exchange rate for Brazil for 2015 was 3.7038 BRL/€ against 4.3117 BRL/€ spot rate for the end of December. The method used for 2015 uses an average exchange rate for the year instead of a spot exchange rate as at the date of valuation. The impact of this methodology change on the 2014 VNB is €4 million (the average exchange rate in 2014 was 3.1211 BRL/€ against 3.2207 BRL/€ for the closure rate) and €20 million on the 2015 VNB.

### 2.4.3.6 TAX RATE

The tax rate used to calculate Embedded Value is the standard corporate tax rate applied in countries where the CNP Assurances Group operates:

| | France | Italy | Spain | Cyprus | Brazil | Argentina | Ireland |
|---|---|---|---|---|---|---|---|
| MCEV© 31.12.2014 | 38% | 34.32% | 30% | 12.50% | 40% | 35% | 12.50% |
| MCEV© 31.12.2015 | 34.43% | 34.32% | 25% | 12.50% | 45% * | 35% | 12.50% |

* *Exceptional surcharge of 45% on tax paid until 2018, afterwards the tax rate is back to 40%. With the exception of CAIXA Consórcios for which the tax rate has been maintained at 34%*

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



### 2.4.3.7 COST OF CAPITAL FOR RESIDUAL NON-HEDGEABLE RISKS

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

The average rate applied to the capital was 2.7% as at 31 December 2015 (2.5% as at 31 December 2014).

### 2.4.3.8 NON-ECONOMIC ASSUMPTIONS

#### 2.4.3.8.1 Expenses

At each year-end closing, CNP Assurances carries out a functional cost analysis: acquisition, management, claims, investment costs and other technical and non-technical expenses, as well as a breakdown by company, product group and network. An annual inflation rate of 1% is applied to unit costs for most of the European entities.

#### 2.4.3.8.2 Claims and persistency assumptions

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

## 2.4.4 Methodology

The Embedded Value is the consolidated value of shareholders' interests generated by the portfolio's insurance activities as of the date of measurement. It is measured before dividends and related taxes are paid out. This value does not take into account future New Business. The methodology adopted by the Group is based on the MCEV© calculation standards as set out in "The European Insurance CFO Forum Market Consistent Embedded Value Principles". This chapter details the principles adopted by the Group.

### 2.4.4.1 ADJUSTED NET ASSET VALUE

The Adjusted Net Asset Value (ANAV) reflects the market value of the assets not backing insurance liabilities after deduction of intangible assets, subordinated liabilities, other liabilities and other elements used to measure In-Force business.

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

- elimination of intangible assets such as goodwill and distribution agreements, book in-force values and deferred acquisition costs (except the part backing insurance liabilities);
- deduction of unrealized capital gains and losses accounted for in the IFRS framework already accounted for in the VIF;
- addition of shareholders' interest in unrealized gains not accounted for in the IFRS Framework (property and held-to-maturity securities);
- and the reclassification of subordinated debt.

Analytically, the ANAV is determined as the consolidated group share at the date of valuation and it breaks down into required capital and Free Surplus.

#### 2.4.4.1.1 Required capital

The required capital is the market value of assets, attributed to the covered business over and above that required to back liabilities for covered business, whose distribution to shareholders is restricted.

Required capital is the level of capital a company sets itself to achieve a targeted credit rating and to control its own risks. The capital level set by the Group to manage its risk equals 110% of the regulatory solvency margin requirement (Solvency I standard) net of all other sources of funding such as subordinated debt. Subordinated debt covers 56.1% (average for the Group) of the CNP Assurances entity's solvency requirement as of 31 December 2015.

The use of a Solvency II required capital for the purpose of EV calculations will be considered as at 31 December 2016.

The interest paid on subordinated debt is explicitly taken into account in the VIF. The retained approach is based on the methodology presented in the final advice "CEIOPS' Advice for Level 2 Implementing Measures on Solvency II: Valuation of Assets and "Other Liabilities"". It consists in using a valuation of subordinated debt based on the spread at issuance and the exact features of the debt.

The cost of subordinated debt for the VNB has been set to zero.

However, the Group has already produced a sensitivity analysis based on the Solvency II required capital as at 31 December 2015.

#### 2.4.4.1.2 Free Surplus

The Free Surplus is the market value of any assets allocated to, but not required to support in-force covered business at the valuation date.

### 2.4.4.2 VALUE OF IN-FORCE

#### 2.4.4.2.1 Present Value of Future Profits (PVFP)

The PVFP is the present value of future profits net of tax generated by in-force policies at the valuation date. PVFP is calculated using a Market Consistent methodology except for Latin America, for which the traditional methodology is maintained.

The PVFP takes into account the intrinsic value of financial options and guarantees in the portfolio, their time value being accounted for separately in the TVOG to determine the VIF.

The MCEV© principles allow for adjustments to the reference interest rate curve. The Group has chosen to comply with the requirements of Solvency II and the reference interest rate curve is based on the swap rate curve plus a "credit risk adjustment" plus a "volatility adjustment". No "matching adjustment" has been considered.

#### 2.4.4.2.2 Frictional costs of required capital

The need to back required capital for covered business entails allocating a frictional cost to the Embedded Value and to New Business Value. In a Market Consistent model, the frictional cost reflects the taxation and investment costs on assets backing required capital.

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

#### 2.4.4.2.3 Time Value of Options and Guarantees

The main options and guarantees include:

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

The time value of financial options and guarantees (TVOG) is generated by the asymmetric nature of the distribution of profits between the shareholders and the insured according to the different movements of financial markets. Broadly speaking, a financial loss is fully incurred by the shareholders, whereas financial gains are shared out in accordance with regulatory and contractual profit-sharing rules. On the basis of multiple simulations, the use of stochastic calculations covers all possible trends in financial markets and therefore captures the cost associated with unfavorable market deviations.

### Method for calculating risk-neutral valuation

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

- the trend on equities indexes;
- changes in a property index;
- the real rates curve for full maturities between 1 and 50 years;
- the nominal rates curve for full maturities between 1 and 50 years;
- the corporate credit spreads curves (credit ratings AAA to CCC) for full maturities between 1 and 50 years.

Inflation is obtained as the difference between actual and nominal rates on one-year maturities. Share and property dividend rates (set at 2.5%) are assumed to be constant.

The techniques the Group uses to calibrate this economic scenarios generator are described in the "Assumptions" section of this report.

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

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

### 2.4.4.2.4 Costs of residual non-hedgeable risks

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

- risks not measured in the PVFP or in the TVOG;
- the asymmetrical effect of some non-hedgeable risks on the value;
- the underlying uncertainty inherent in "Best Estimate" assumptions for non-hedgeable risks.

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

### Risks not modelled in the TVOG and PFVP

The following is a list of non-valued risks:

- default risk;
- concentration risk;
- operational risk;
- catastrophe risk.

### Asymmetrical Risks

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

### Uncertainty

Embedded Value calculations are based on several so-called "best estimate" assumptions: claims rate, surrender, expenses.

## 2.4.4.3 NEW BUSINESS VALUE

### 2.4.4.3.1 Definition of New Business

The projections used to estimate the value of one year's New Business are based on the profile of the business and the volume of premiums written during 2015.

- Individual euro-savings and unit-linked savings

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

- Group retirement savings

The New Business volumes include new policies and *ad hoc* single premium contributions on existing contracts (pay-as-you go group pension plan or group insurance plan).

- Individual risk

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

- Collective risk

The already written premium that will be earned during the coming year are taken into account.

- Credit Life insurance

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

### 2.4.4.3.2 Methodology

The approach used to value the New Business is identical to the one used for the valuation of the In-Force. The Value of New Business is the present value of projected profits of policies written during the year less the frictional costs of required capital, the time value of financial options and guarantees and the cost of residual non-hedgeable risks.

The New Business value is based on projected cash flows from the date of issue. The economic assumptions are based on prevailing market conditions at 31 December 2015.

Two main approaches exist for determining the NBV:

- the "stand alone" approach: the NBV is calculated by considering the New Business premiums are invested in new assets available at valuation date according to the acquisition strategy defined during the year;
- the "marginal" approach: the NBV is calculated by considering that assets backing existing and new business liabilities cannot be differentiated. A fraction of the unrealized gains and losses on pre-existing assets is used in the calculation of the NBV.

The "marginal" approach is used for euro-savings portfolios in France, Italy and Spain. The "standalone" approach is used for the other portfolios.

### 2.4.4.3.3 APE (Annual Premium Equivalent)

The APE, a business volume indicator, equals one tenth of the sum of single premiums and flexible premiums written during a given year plus the annualised amount of regular premiums written during that same year. Unlike IFRS revenue, the APE revenue generated through New Business is defined as the Group share of written premiums net of reinsurance and co-insurance. The exchange rate used for APE at 31 December 2015 is the same as for IFRS premium income.

## 2.4.4.4 SENSITIVITIES

The published sensitivities correspond to the sensitivities required by the CFO Forum standards:

- rates curve +/- 100 bps.

  This sensitivity corresponds to a parallel shift in the swap rates curve of plus or minus 100 bps (with a floor value of 0%). This among other things entails:

  - a revaluation of the market value of bonds;
  - a 100 bps adjustment of the reinvestment rate of all asset classes;
  - an updated of the discount rates.

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

  Given the low level of risk-free Eurozone rates at 31 December 2015 on initial maturities, the parallel translation for the falling 100 bps sensitivity is not fully adhered to on the whole curve. In that case the CFO Forum recommends using a floor value of 0% (see Guidance 17.8.1 in the MCEV© principles amended in October 2009). Furthermore, the UFR is not chocked.

- Equities -10%

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

- Surrenders -10%

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

- Costs -10%

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

- Claims rate -5%

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

- Swaption implied volatility +25%/Equity implied volatility +25%

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

- Required capital

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

- Volatility adjustment (VA) +10 bps

This sensitivity measures the impact of 10 bps increase on volatility adjustment.

- Volatility adjustment (VA) = 0

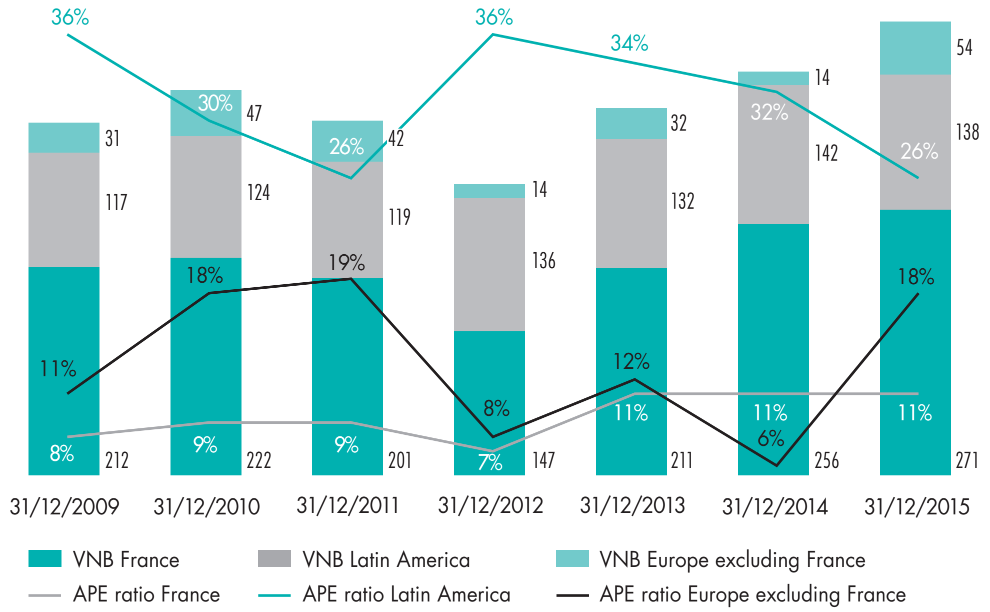
This sensitivity measures the impact of volatility adjustment equal to zero.

- Solvency II required capital

This sensitivity measures the impact of a required capital based on Solvency II.

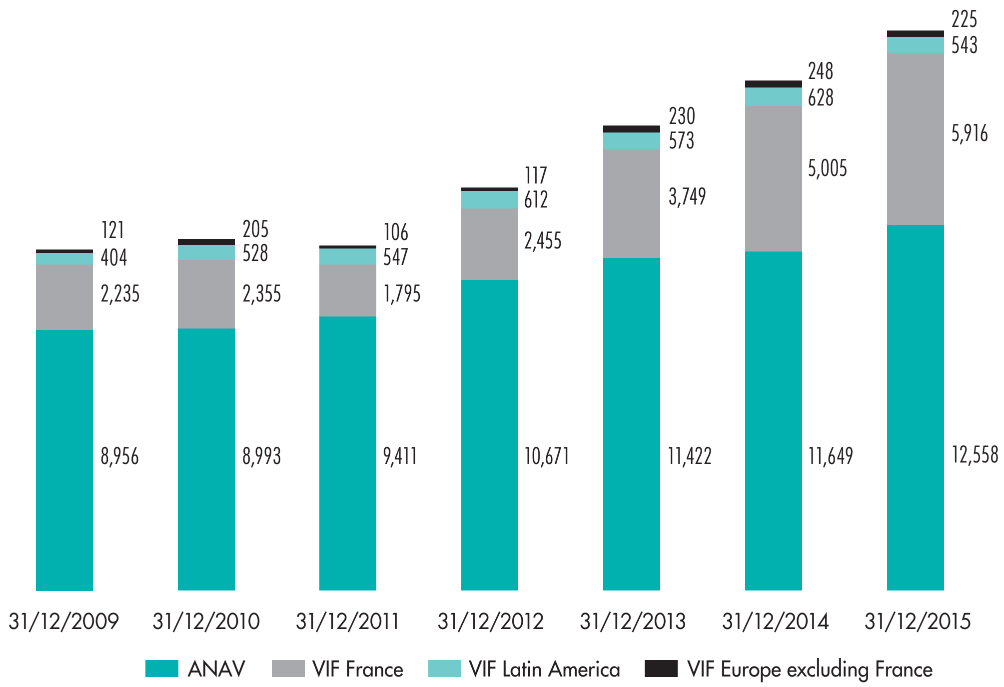
## 2.4.5 MCEV© trend since 2009

### 2.4.5.1 VNB HISTORY *(in €m)* AND APE RATIO *(as a percentage)*




The VNB history, prepared in accordance with the CFO Forum principles, shows the resilience of the CNP Assurances Group's MCEV© over time. Since 2014, the Value of New Business has benefitted from pooling of the value of the policies in stock, through use of the marginal method.

### 2.4.5.2 MCEV© HISTORY *(in €m)*



## 2.4.6 Report on Embedded Value

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 2015 of the CNP Assurances Group, presented in the attached document ("Embedded Value Report at 31 December 2015", 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 October 2009 and with the additional guidance issued in October 2015, as well as on the consistency of the accounting information used with the consolidated financial statements as at 31 December 2015.

Our work, which does not constitute an audit, has been performed in accordance with professional standards, and aims to form a conclusion based on appropriate procedures.

Our work included the following procedures:

- understanding the process used by management to prepare the MCEV© Information;
- reviewing 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;
- reviewing the consistency of the methodology applied with that described in the EV Report;
- reviewing the economic assumptions used and their consistency with observable market data;
- reviewing the consistency of the operational assumptions used with regards to past, current and expected future experience;
- 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 information and other relevant underlying data used in preparing the MCEV© Information with the annual financial statements and underlying accounting records at 31 December 2015;
- 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.

With respect to Caixa Seguros, we note that the Embedded Value has been calculated using a traditional approach, under which the risks are measured by adding a risk premium to the discount rate. Regarding the partnership with BPCE, the final agreements, effective in 2016, have been taken into account in the Embedded Value at end 2015. Regarding the partnership with LBP, we note that the final agreements have not been taken into account in the Embedded Value at end 2015 since they were concluded after the end of the reporting period.

We also note that our opinion does not cover the sensitivity to required capital, in anticipation of the application of Solvency II at 1 January 2016, as presented in the EV Report.

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

- the consistency of the results of the MCEV© Information at 31 December 2015 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 October 2009 and with the additional guidance issued in October 2015 relating to Solvency II, effective in 2016;
- the consistency of the accounting information used with the CNP Assurances Group's consolidated financial statements at 31 December 2015, upon which we expect to issue our audit report on 22 February 2016.

Without modifying our opinion expressed above, we draw attention to section 3.5.3 in the EV Report which explains that the negative interest rates issued from the stochastic scenarios generator used by CNP Assurances were adjusted prior to use in the calculation kernel.

Neuilly-sur-Seine and Courbevoie, 17 February 2016

| **PRICEWATERHOUSECOOPERS AUDIT** | | **MAZARS** | |
|---|---|---|---|
| Eric Dupont | Eric Demerlé | Olivier Leclerc | Grégory Boutier |

# 3 FINANCIAL STATEMENTS

# 3.1 Consolidated financial statements

## 3.1.1 Consolidated balance sheet

### ASSETS

| *(In € millions)* | Notes | **31.12.2015** | 31.12.2014 |
|---|---|---|---|
| Goodwill | *7* | 258.8 | 473.8 |
| Value of In-Force business | *7* | 25.5 | 20.8 |
| Other intangible assets | *7* | 505.0 | 122.9 |
| **Total intangible assets** | | **789.2** | **617.5** |
| Investment property | *8* | 2,757.6 | 2,408.4 |
| Held-to-maturity investments | *9* | 641.5 | 564.4 |
| Available-for-sale financial assets | *9* | 287,908.1 | 285,235.5 |
| Securities held for trading | *9* | 69,492.6 | 68,775.3 |
| Loans and receivables | *9* | 5,686.8 | 4,984.4 |
| Derivative instruments | *9* | 4,417.2 | 5,173.0 |
| **Insurance investments** | | **370,903.7** | **367,141.1** |
| **Banking and other investments** | | **12.8** | **15.0** |
| **Investments in associates** | *5* | **186.5** | **358.8** |
| **Reinsurers' share of insurance and financial liabilities** | *10* | **11,290.8** | **10,951.1** |
| Insurance or reinsurance receivables | *12* | 2,695.3 | 3,053.2 |
| Current tax assets | | 461.3 | 698.1 |
| Other receivables | *12* | 3,644.2 | 6,733.0 |
| Owner-occupied property and other property and equipment | *8* | 307.1 | 349.0 |
| Other non-current assets | | 1,656.8 | 1,365.9 |
| Deferred participation asset | *10* | 0.0 | 0.0 |
| Deferred tax assets | *13* | 278.6 | 281.1 |
| **Other assets** | | **9,043.3** | **12,480.3** |
| **Non-current assets held for sale and discontinued operations** | | **177.9** | **3,041.5** |
| **Cash and cash equivalents** | | **1,328.0** | **795.9** |
| **TOTAL ASSETS** | | **393,732.2** | **395,401.2** |

## EQUITY AND LIABILITIES

| *(In € millions)* | Notes | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| Share capital | *4* | 686.6 | 686.6 |
| Share premium account | | 1,716.8 | 1,716.8 |
| Revaluation reserve | | 3,364.2 | 3,162.4 |
| Cash flow hedge reserve | *9* | (4.9) | (11.7) |
| Subordinated debt | *4* | 2,635.2 | 2,635.3 |
| Retained earnings | | 7,953.6 | 7,498.7 |
| Profit for the period | | 1,130.5 | 1,079.8 |
| Translation reserve | | (369.0) | (88.0) |
| **Equity attributable to owners of the parent** | | **17,113.0** | **16,679.9** |
| Non-controlling interests | | 1,457.8 | 1,619.6 |
| **Total equity** | | **18,570.7** | **18,299.5** |
| Insurance liabilities (excluding unit-linked) | *10* | 144,326.3 | 132,914.4 |
| Insurance liabilities (unit-linked) | *10* | 32,826.6 | 31,034.6 |
| **Insurance liabilities** | | **177,152.9** | **163,949.1** |
| Financial liabilities – financial instruments with DPF (excluding unit-linked) | *10* | 135,219.9 | 140,338.7 |
| Financial liabilities – financial instruments without DPF (excluding unit-linked) | *10* | 605.9 | 811.4 |
| Financial liabilities – unit-linked financial instruments | *10* | 7,652.4 | 7,471.3 |
| **Financial liabilities** | | **143,478.2** | **148,621.5** |
| Derivative financial instruments separated from the host contract | | 0.0 | 0.0 |
| Deferred participation reserve | *10* | 29,176.2 | 31,783.1 |
| **Insurance and financial liabilities** | | **349,807.3** | **344,353.7** |
| **Provisions** | *14* | **243.1** | **250.1** |
| Subordinated debt | *11* | 3,996.0 | 3,175.0 |
| **Financing liabilities** | | **3,996.0** | **3,175.0** |
| Operating liabilities represented by securities | | 6,360.1 | 8,847.5 |
| Operating liabilities due to banks | | 41.9 | 154.8 |
| Liabilities arising from insurance and reinsurance transactions | *15* | 1,808.9 | 2,147.8 |
| Current taxes payable | | 237.2 | 298.1 |
| Current account advances | | 42.9 | 42.1 |
| Liabilities towards holders of units in controlled mutual funds | | 769.3 | 820.7 |
| Derivative instruments | *9* | 4,834.1 | 5,806.4 |
| Deferred tax liabilities | *13* | 1,330.0 | 1,378.5 |
| Miscellaneous payables | *15* | 5,690.8 | 7,168.8 |
| **Other liabilities** | | **21,115.1** | **26,664.8** |
| **Liabilities related to assets held for sale** | | **0.0** | **2,658.1** |
| **TOTAL EQUITY AND LIABILITIES** | | **393,732.2** | **395,401.2** |

## 3.1.2 Consolidated income statement

| *(In € millions)* | Notes | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| Premiums written | | 31,760.3 | 30,643.4 |
| Change in unearned premiums reserve | | (431.1) | (107.7) |
| **Earned premiums** | *16* | **31,329.2** | **30,535.7** |
| **Revenue from other activities** | *16* | **126.6** | **150.4** |
| **Other operating revenue** | | **0.0** | **0.0** |
| Investment income | | 9,660.0 | 10,452.9 |
| Gains and losses on disposal of investments | | 1,351.1 | 546.0 |
| Change in fair value of financial assets at fair value through profit or loss | | 1,806.4 | 2,629.8 |
| Impairment losses on financial instruments | | 174.1 | 650.7 |
| **Investment income before finance costs** | *20* | **12,991.6** | **14,279.3** |
| **Net revenue** | | **44,447.4** | **44,965.5** |
| Claims and benefits expenses | *17* | (37,009.3) | (37,842.8) |
| Investment and other financial expenses, excluding finance costs | *20* | (863.1) | (887.9) |
| Reinsurance result | *19* | 89.2 | 196.7 |
| Expenses of other businesses | | (0.1) | 1.1 |
| Acquisition costs | *18* | (3,616.8) | (3,355.4) |
| Amortisation of value of In-Force business acquired and distribution agreements | *7* | (30.7) | (16.6) |
| Contract administration expenses | *18* | (168.1) | (196.6) |
| Other recurring operating income and expense, net | *18* | (541.5) | (487.9) |
| **Total other recurring operating income and expense, net** | | **(42,140.4)** | **(42,589.3)** |
| **Recurring operating profit** | | **2,307.0** | **2,376.1** |
| Other non-recurring operating income and expense, net | | 1.8 | (45.8) |
| **Operating profit** | | **2,308.8** | **2,330.4** |
| Finance costs | *20* | (192.2) | (177.8) |
| Change in fair value of intangible assets | *7* | 1.5 | 1.4 |
| Share of profit of associates | *5* | 25.1 | 22.1 |
| Income tax expense | *21* | (708.1) | (773.2) |
| Profit (loss) from discontinued operations, after tax | | 0.0 | 0.0 |
| **Profit for the period** | | **1,435.2** | **1402.9** |
| Non-controlling interests | | (304.7) | (323.1) |
| **Profit attributable to owners of the parent** | | **1,130.5** | **1,079.8** |
| Basic earnings per share *(in €)* | | 1.54 | 1.49 |
| Diluted earnings per share *(in €)* | | 1.54 | 1.49 |

## 3.1.3 Consolidated statement of income and expense recognised directly in equity

### CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY 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)** |
| **NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **1,088.8** | **75.4** | **1,164.2** |

## CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2014

| *(In € millions)* | Equity attributable to owners of the parent | Non-controlling interests | Total equity |
|---|---|---|---|
| **Profit for the period** | **1,079.8** | **323.1** | **1,402.9** |
| **Gains and losses recognised directly in equity** | | | |
| **Amounts recycled through profit or loss** | **1,086.6** | **67.7** | **1,154.3** |
| Available-for-sale financial assets | | | |
| Change in revaluation reserve during the period | 14,541.5 | 224.5 | 14,766.1 |
| Reclassification of proceeds from disposals to profit or loss | (806.9) | (15.5) | (822.3) |
| Reclassification of impairment losses to profit or loss | 113.9 | 1.6 | 115.5 |
| *Sub-total including deferred participation and deferred taxes* | *13,848.5* | *210.7* | *14,059.2* |
| Deferred participation including deferred taxes | (12,173.5) | (139.6) | (12,313.1) |
| Deferred taxes | (598.7) | (22.7) | (621.4) |
| Of which, change in revaluation reserve for non-current assets held for sale | 9.4 | 9.4 | 18.7 |
| *Sub-total net of deferred participation and deferred taxes* | *1,076.3* | *48.4* | *1,124.7* |
| Cash flow hedge reserve | (0.1) | 0.0 | (0.1) |
| Change in cash flow hedge reserve during the period | 74.4 | 0.0 | 74.4 |
| Cash flow hedge reserve recycled through profit or loss during the period | (74.6) | 0.0 | (74.6) |
| Deferred taxes | 0.1 | 0.0 | 0.1 |
| Translation differences | 10.4 | 19.4 | 29.8 |
| **Amounts not recycled through profit or loss** | **(21.5)** | **0.0** | **(21.6)** |
| Actuarial gains and losses | (23.0) | 0.0 | (23.1) |
| Other movements | 1.5 | 0.0 | 1.5 |
| **Total income and expense recognised directly in equity** | **1,065.0** | **67.7** | **1,132.8** |
| **NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **2,144.8** | **390.9** | **2,535.7** |

# 3.1.4 Consolidated statement of changes in equity

## 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 income 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** |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2014

| *(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 01.01.2014 – IFRS** | **686.6** | **1,716.8** | **2,084.7** | **(11.6)** | **2,141.7** | **8,106.4** | **(98.4)** | **14,626.4** | **1,367.4** | **15,993.7** |
| **Net income and unrealised and deferred gains and losses for the period** | | | **1,076.3** | **(0.1)** | | **1,058.2** | **10.4** | **2,144.8** | **390.9** | **2,535.7** |
| ■ Dividends paid | | | | | | (528.5) | | (528.5) | (214.4) | (742.9) |
| ■ Issue of shares | | | | | | | | | | |
| ■ Subordinated notes, net of tax | | | | | 493.6 | (59.8) | | 433.8 | | 433.8 |
| ■ Treasury shares, net of tax | | | | | | 2.6 | | 2.6 | | 2.6 |
| ■ Changes in scope of consolidation | | | 1.3 | | | (0.5) | | 0.9 | 78.5 | 79.4 |
| ■ Other movements | | | | | | | | | (2.8) | (2.8) |
| **EQUITY AT 31.12.2014** | **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** |

The amount shown in undated subordinated notes reclassified in equity corresponds to a €500 million issue of equity instruments and issuance costs accounted for as a deduction from equity.

# 3.1.5 Consolidated statement of cash flows

The 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, operating property and equipment and intangible assets.

## DEFINITION OF CASH FLOWS FROM FINANCING ACTIVITIES

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

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

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

| *(In € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Cash and cash equivalents (reported in the balance sheet) | 1,328.0 | 795.9 |
| Cash and cash equivalents relating to assets held for sale | 0.0 | 84.4 |
| Operating liabilities due to banks | (41.9) | (121.3) |
| Securities held for trading | 13,893.9 | 13,755.2 |
| **TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)** | **15,180.0** | **14,514.3** |

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

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Operating profit before tax** | **2,308.8** | **2,330.4** |
| Gains and losses on disposal of investments | (1,179.0) | (320.5) |
| Depreciation and amortisation expense, net | 120.6 | 97.0 |
| Change in deferred acquisition costs | (381.4) | (31.3) |
| Impairment losses, net | (168.1) | (568.3) |
| Charges to technical reserves for insurance and financial liabilities | 10,817.2 | 11,669.8 |
| Charges to provisions, net | 15.9 | 5.3 |
| Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents) | (1,810.5) | (2,611.2) |
| Other adjustments | 396.0 | (170.6) |
| Dividends received from associates | 13.0 | 22.1 |
| **Total adjustments** | **7,823.8** | **8,092.2** |
| Change in operating receivables and payables | 3,195.5 | (1,706.2) |
| Change in securities sold and purchased under repurchase and resale agreements | (3,959.1) | (237.7) |
| Change in other assets and liabilities | (51.6) | (42.8) |
| Income taxes paid, net of reimbursements | (436.7) | (1,113.3) |
| **Net cash provided by (used by) operating activities** | **8,880.6** | **7,322.4** |
| Acquisitions of subsidiaries and joint ventures, net of cash acquired | 0.0 | (327.5) |
| Divestments of subsidiaries and joint ventures, net of cash sold [(1)] | 131.8 | 0.0 |
| Acquisitions of associates | 0.0 | 0.0 |
| Divestments of associates | 0.0 | 0.0 |
| **Net cash provided by (used by) divestments and acquisitions** | **131.8** | **(327.5)** |
| Proceeds from the sale of financial assets | 82,896.4 | 65,477.7 |
| Proceeds from the sale of investment properties | 112.3 | 164.9 |
| Proceeds from the sale of other investments | 2.2 | 33.6 |
| **Net cash provided by (used by) sales and redemptions of investments** | **83,010.9** | **65,676.2** |
| Acquisitions of financial assets | (92,075.6) | (68,115.9) |
| Acquisitions of investment properties | (388.8) | (117.2) |
| Acquisitions and/or issuance of other investments | 0.0 | 0.0 |
| **Net cash provided by (used by) acquisitions of investments** | **(92,464.4)** | **(68,233.1)** |
| Proceeds from the sale of property and equipment and intangible assets | 29.1 | 8.4 |
| Purchases of property and equipment and intangible assets | (95.6) | (83.3) |
| **Net cash provided by (used by) sales and purchases of property and equipment and intangible assets** | **(66.5)** | **(74.9)** |
| **Net cash provided by (used by) investing activities** | **(9,388.3)** | **(2,959.4)** |

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Issuance of equity instruments (2) | 3.8 | 1.8 |
| Redemption of equity instruments | 0.0 | 0.0 |
| Purchases and sales of treasury shares | (10.9) | 2.9 |
| Dividends paid | (770.7) | (745.2) |
| **Net cash provided by (used by) transactions with owners** | **(777.8)** | **(740.2)** |
| New borrowings (3) | 750.0 | 993.6 |
| Repayments of borrowings | (33.7) | (30.4) |
| Interest paid on borrowings | (312.2) | (274.1) |
| **Net cash provided by (used by) other financing activities** | **404.1** | **689.1** |
| **Net cash provided by (used by) financing activities** | **(373.7)** | **(51.4)** |
| **Cash and cash equivalents at beginning of period** | **14,514.3** | **10,090.8** |
| Net cash provided by (used by) operating activities | 8,880.6 | 7,322.4 |
| Net cash provided by (used by) investing activities | (9,388.3) | (2,959.4) |
| Net cash provided by (used by) financing activities | (373.7) | (51.4) |
| Effect of changes in exchange rates | 37.9 | 19.9 |
| Effect of changes in accounting policies and other changes (3) | 1,509.2 | 91.9 |
| **CASH AND CASH EQUIVALENTS AT THE REPORTING DATE** | **15,180.0** | **14,514.3** |

*(1) Sale of stake in CNP BVP: €131.8 million net of €84.9 million in cash sold*
*(2) Share issues by Santander Insurance Life for €2.7 million, CNP Assurances Compañia de Seguros for €0.9 million and Outlet Invest for €0.2 million*
*(3) At CNP Assurances, reclassification as "Ordinary money market funds" of €1.5 billion worth of units in dynamic funds that are highly sensitive to changes in market prices*

## 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 SALE OF STAKE IN CNP BVP TO BARCLAYS BANK

On 22 December 2014, CNP Assurances announced the planned sale of its 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) to Barclays Bank. At 31 December 2014, CNP Assurances' stake in CNP BVP was accounted for within "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5.

The sale was completed on 21 April 2015 following clearance from the regulatory authorities, for an amount of €457 million including a special dividend of €36 million. The transaction led to a pre-tax capital gain of €248.5 million in first-half 2015 (post-tax gain of €231.8 million).

### 1.2 PROTOCOL – PROPOSED TERMS OF THE AGREEMENT BETWEEN CNP ASSURANCES AND THE BPCE GROUP

On 4 November 2014, CNP Assurances announced the conclusion of a preliminary protocol setting out the proposed terms of the agreement renewing the partnership between CNP Assurances and BPCE Group as from 1 January 2016. The final terms were approved by the Board of Directors of CNP Assurances on 18 February 2015 and the agreement was signed on 23 March 2015.

It replaces the previous agreement between CNP Assurances and BPCE which expired on 31 December 2015 and takes into account BPCE's decision to make Natixis Assurances its insurance platform for all savings and pensions policies to be distributed through the Caisses d'Epargne network from 1 January 2016.

The new partnership agreement came into effect on 1 January 2016 for an initial period of seven years, and provides for:

- an exclusive partnership in group term creditor insurance between CNP Assurances and Natixis Assurances on the one hand and BPCE Group networks on the other. The partnership will be based on a co-insurance agreement underwritten 66% by CNP Assurances and 34% by Natixis Assurances;
- specific partnerships in protection insurance, with (i) development by CNP Assurances of an offer covering the main employee benefit plans of BPCE Group's business and corporate clients, including a long-term care formula, and (ii) a personal risk insurance partnership focused on long-term care products and renters' insurance;
- a gradual reduction of CNP Assurance's exposure on savings and Pensions business undertaken with Caisses d'Epargne through a progressive rundown of new business in 2016, the retention of future instalments on In-Force business and a mechanism to align interests of both parties concerning the management of existing contracts. The savings In-Force business undertaken with Caisses d'Epargne will be reinsured by Natixis Assurances through a 10% quota-share reinsurance treaty, including the policyholder participation credited to these accounts;
- for its part, CNP Assurances will reinsure 40% of traditional pension Savings business written by Natixis over the period 2016 to 2019.

This partnership is in line with CNP Assurances' strategic goal to develop the risk protection business.

For information, the contribution to the 2015 consolidated financial statements of the relationship concerned by this agreement was as follows, for the year-ended 31 December 2015:

- premium income: €10.7 billion;
- commissions paid: €886.1 million;
- technical reserves: €119.7 billion.

The impact of the actual agreement on the 2015 consolidated financial statements was not material.

In connection with the new shareholder agreement between CNP Assurances, BPCE and Natixis, on 31 December 2015 the decision was made that in 2016, CNP Assurances would transfer 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 Ecureuil Vie Développement will be controlled jointly, justifying the use of the equity method to account for this entity after the transfer.

## 1.3 MEMORANDUM OF UNDERSTANDING FOR THE RENEWAL OF THE PARTNERSHIP BETWEEN CNP ASSURANCES AND LA BANQUE POSTALE

On 10 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 renewed partnership would cover the following aspects:

- the renewal of the partnership for a term of 10 years as of 1 January 2016, with the scope widened to cover BPE, La Banque Postale's wealth management subsidiary;
- the implementation of a direct partnership with La Banque Postale covering collective borrowers' insurance policies for mortgage loans over a period of 10 years, CNP Assurances being substituted to La Banque Postale Prévoyance on this segment for new business;
- CNP Assurances' transfer to La Banque Postale of its shareholding in La Banque Postale Prévoyance. The latter will retain the individual protection activities among other things. La Banque Postale Prévoyance has therefore been reclassified in the CNP Assurances Group's 2015 consolidated financial statements under "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5. The final agreements have to be signed and the conditions precedent lifted before the transaction can be completed.

The planned renewal of the partnership between the parties is fully in keeping with the strategic policies of CNP Assurances and La Banque Postale. The signature of the final agreements is expected to take place during the first quarter of 2016, and the current agreements will continue to be performed until then.

For information, the contribution to the 2015 consolidated financial statements of the relationship concerned by this agreement was as follows:

- premium income: €9.0 billion;
- commissions paid: €554 million;
- technical reserves: €124.1 billion.

The impact of the actual agreement on the 2015 consolidated financial statements was not material.

## 1.4 SIGNING OF A PARTNERSHIP FRAMEWORK CONTRACT BETWEEN AG2R LA MONDIALE AND CNP ASSURANCES ON THE CREATION OF A MARKET LEADER IN RETIREMENT SAVINGS

On 15 December, AG2R LA MONDIALE and CNP Assurances signed a partnership framework contract in the field of retirement savings.

The partnership will take the form of a 40% investment by CNP Assurances in Arial Assurance, a subsidiary of AG2R LA MONDIALE dedicated to company retirement savings. The corporate governance of this joint venture, renamed Arial CNP Assurances, will be balanced between both groups. Bringing together the expertise, resources, and business of AG2R LA MONDIALE and CNP Assurances in the field, the objective for the new company is to become the leading company retirement savings provider and enable optimisation of resources through economies of scale and pooling of investments.

Subject inter alia to permits and authorisations being obtained from the competent authorities, Arial CNP Assurances should be operational in the first half of 2016. The joint venture is expected to represent close to €12 billion in additional pension commitments. Once the conditions precedent have been lifted, it will be accounted for by the equity method in CNP Assurances' consolidated financial statements, in principle as from 30 June 2016.

The partnership framework contract covers the following main aspects:

- 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 Arial Assurance and each partner, so that the transferred contracts are reinsured on a 100% basis;
- a commitment to reinsure the new business written by Arial CNP Assurances, *pro rata* to each partner's ownership interest.

AG2R LA MONDIALE is currently number two on the private pensions market, and counts 60% of companies listed on the CAC 40 among its clients. The Group is also the premier pensions operator for AGIRC-ARRCO, serving one in four companies in the private sector. CNP Assurances, as the number one provider of personal insurance with the third-largest share of the private pensions market in France, covers the pensions savings needs of 9 million French people, working with 4,600 businesses, 20,000 local authorities, associations, and many mutual and personal risk insurers.

## 1.5 SUCCESSFUL COMPLETION OF A €750 MILLION SUBORDINATED BOND ISSUE

On 1 December 2015, CNP Assurances completed a €750 million issue of subordinated bonds with a final maturity date of 10 June 2047 and a first-call date of 10 June 2027.

The bonds will pay a 4.5% fixed-rate coupon over the first 11.5 years, and will then be converted to a floating rate with a step up of 100 basis points. The new bonds are rated BBB+ by Standard & Poor's, given the rating methodology applied to hybrid debt.

They do not qualify as equity instruments based on the definition in IAS 32 and are therefore recognised as subordinated debt in the consolidated balance sheet.

The bonds, which will be eligible as Tier 2 capital under Solvency II and Standard & Poor's standards, are CNP Assurances' first subordinated issue not benefiting from the transitional measures (grandfathering) introduced by the Solvency II directive.

# Note 2 Subsequent events

## CNP ASSURANCES SUCCESSFULLY COMPLETES US$500 MILLION PRIVATE PLACEMENT

On 15 January 2016, CNP Assurances completed a US$500 million subordinated note private placement with a major institutional investor. CNP Assurances took advantage of a specific request from the investor. The issue will support business growth and strengthen the Group's balance sheet.

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

The notes do not qualify as equity instruments based on the definition in IAS 32 and are therefore recognised as subordinated debt in the consolidated balance sheet.

The notes will be eligible as Tier 2 capital under Solvency II standards. According to Standard & Poor's methodology, the issue is rated BBB+ and qualifies as intermediate equity content capital. Settlement took place on 22 January 2016.

## 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 2015 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 16 February 2016.

## 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 as adopted by the European Union before 31 December 2015.

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

### New accounting standards adopted since 1 January 2015

- IFRIC 21 – Levies, published on 20 May 2013 and applicable in the European Union as of the start of the first accounting period beginning after 16 June 2014: this interpretation provides guidance in accounting for a levy imposed by a government in the payer entity's financial statements, and in particular when to recognise a liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. The clarifications set out in IFRIC 21 lead to a change in the event that triggers the recognition of certain taxes.

The interpretation does not have a material impact on the Group's consolidated financial statements.

- The IFRS annual improvements 2011-2013 cycle, as published on 12 December 2013 and applicable to accounting periods beginning on or after 1 January 2015 at EU level. They include minor amendments to four standards and do not have a material impact on the Group's consolidated financial statements. The four standards in question are:
  - IFRS 1 – First-time Adoption of International Financial Reporting Standards: the amendment seeks to clarify the meaning of "effective IFRSs";
  - IFRS 3 – Business Combinations: the amendment clarifies that IFRS 3 excludes from its scope joint arrangements as defined by IFRS 11;
  - IFRS 13 – Fair Value Measurement: the amendment seeks to clarify the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis;
  - IAS 40 – Investment Property: the amendment seeks to clarify the interrelationship between IFRS 3 – Business Combinations and IAS 40 when classifying property as investment property or owneroccupied property.

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

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions, published on 21 November 2013 and applicable in the European Union as from the start of the first accounting period beginning after 1 February 2015. These limited amendments are intended to simplify the accounting treatment of contributions by employees or third-parties to defined benefit plans where the amounts of the contributions are independent of the number of years of service. The Group is currently studying the potential impact of these amendments.
- The IFRS annual improvements 2010-2012 cycle, as published on 12 December 2013 and applicable in the European Union as from the start of the first accounting period beginning after 1 February 2015. They include minor amendments to seven standards and are not expected to have a material impact on the Group's consolidated financial statements. The seven standards in question are:
  - IFRS 2 – Share-based Payment: the purpose of this amendment is to define "vesting condition";
  - IFRS 3 – Business Combinations: the amendment concerns the accounting for contingent consideration in a business combination;
  - IFRS 8 – Operating Segments: the amendment concerns the aggregation of operating segments and the reconciliation of the total of the reportable segments' assets to the entity's total assets;
  - IFRS 13 – Fair Value Measurement: the amendment deals with short-term receivables and payables;
  - IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets: the amendment concerns the revaluation method (proportionate restatement of accumulated depreciation/amortisation);
  - IAS 24 – Related Party Disclosures: the amendment looks at the definition of key management personnel.

## Accounting standards and interpretations published but not yet in force

- IFRS 9 – Financial Instruments: issued in definitive form on 24 July 2014 and mandatory from 1 January 2018 subject to adoption by the European Union. 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 fair value through profit or loss 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 revenue 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%-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

An exposure draft was published by the IASB on 9 December 2015, setting out proposed amendments to IFRS 4 "Insurance Contracts" addressing concerns about the misalignment of effective dates between IFRS 9 and the forthcoming new insurance contracts standard:

- the first option, which would concern insurance companies that chose to adopt IFRS 9 as from 1 January 2018, would consist of reclassifying from profit or loss to other comprehensive income 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 (the "overlay approach"). Insurers would have the option of applying this approach throughout the period until the effective date of the new insurance contracts standard;
- the second option would be to grant an optional temporary exemption from applying IFRS 9 for a period of three years ending on 1 January 2021 (the "deferral approach").

Responding to the question about the criterion for determining eligibility to apply these two approaches (entities whose predominant activity is issuing contracts within the scope of IFRS 4, as assessed by comparing the carrying amount of their liabilities arising from contracts within the scope of IFRS 4 with the total carrying amount of their liabilities), EFRAG suggested that a "regulated entity" criterion should be applied to identify currently eligible insurers.

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CNP Assurances would be eligible to apply the two approaches, whichever criterion were to be adopted by the IASB at the end of the consultation process. However, as the Group's financial statements are accounted for by the equity method in the consolidated financial statements of three banking groups (which by definition would not be eligible to apply these transition approaches), it is unclear whether it could benefit fully from these measures, because the information to be reported to these shareholders would have to be prepared in accordance with IFRS 9. This could mean having to:

- prepare two sets of financial statements, with financial assets measured in accordance with IAS 39 and IFRS 9 respectively;
- analyse the impact of applying IFRS 9 in 2018 and again when the new insurance contracts standard is adopted;
- recording the additional volatility in other comprehensive income during the period between the effective date of IFRS 9 and that of the new insurance contracts standard.

### Estimated impact for CNP Assurances of applying IFRS 9

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 decisions of the IASB on the exposure draft published on 9 December 2015 (see above);
- the final version of the replacement for IFRS 4 "Insurance Contracts";
- adoption by the European Union of IFRS 9 and the future standard on insurance contracts.

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

As IFRS 9 has not yet been adopted by the European Union, it is not yet available for early adoption. The Group is currently reviewing the basis of application and the potential impact of the new standard.

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".

- IFRS 15 – Revenue from Contracts with Customers: published on 28 May 2014 and applicable to accounting periods beginning on or after 1 January 2017, subject to adoption by the European Union, provides a single model to be applied to all contracts with customers. It replaces the standards currently dealing 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 core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard also introduces enhanced disclosure requirements and provides a framework for dealing with transactions that were not comprehensively covered previously as well as improved guidance for contracts with multiple-element arrangements. The core principle is delivered in a five-step model framework:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract;
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract;
  - recognise revenue when (or as) the entity satisfies a performance obligation.

  The Group is currently reviewing the basis of application and the potential impacts of IFRS 15. However, further to the review of the existing contracts recognised under IAS 18 (representing 0.24% of consolidated revenue – see Note 16), the Group believes that application of IFRS 15 will not have a material impact on its consolidated financial statements.

- IFRS 14 – Regulatory Deferral Accounts: published on 30 January 2014 and applicable to 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. This amendment is not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to IFRS 11 – Accounting for the Acquisition of an Interest in a Joint Operation: published on 6 May 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments seek to clarify how to account for the acquisition of an interest in a joint operation that is a business within the meaning of IFRS 3 – Business Combinations. These amendments are not expected to have a material impact on the Group's consolidated financial statements.

- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation: published on 12 May 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments limit the use of revenue-based methods to calculate the depreciation of an asset because revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants: published on 30 June 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments introduce new disclosure requirements for certain biological assets. They are not expected to have a material impact on the Group's consolidated financial statements.
- Amendments to IAS 27 – Equity Method in Separate Financial Statements: published on 12 August 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments will enable entities to account for their subsidiaries, joint arrangements and associates using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures. Because they concern separate financial statements, they are not expected to have any impact on the Group's consolidated financial statements.
- 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 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. The purpose of these amendments is to reduce the inconsistencies between the requirements in IFRS 10 and IAS 28 so that the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. These amendments are not expected to have a material impact on the Group's consolidated financial statements.
- The IFRS annual improvements 2012-2014 cycle, as published on 25 September 2014 and applicable to accounting periods beginning on or after 1 January 2016 – subject to adoption by the European Union – includes minor amendments to four standards and is not expected to have a material impact on the Group's consolidated financial statements.
- Amendments to IAS 1 – Disclosure Initiative, published on 18 December 2014 and applicable to accounting periods beginning on or after 1 January 2016. These amendments are designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. The Group is currently studying the potential impact of these amendments.
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, published on 18 December 2014 and applicable to accounting periods beginning on or after 1 January 2016. These amendments are intended to clarify the rules for exempting investment entities from consolidation and for using the equity method for accounting for investment entity investees. They are not expected to have a material impact on the Group's consolidated financial statements.

## 3.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

- the consolidated financial statements of CNP Assurances for the year-ended 31 December 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 of CNP Assurances for the year ended 31 December 2013 and the related Statutory Auditors' report, as presented on pages 51 to 149, and pages 150 to 151, respectively, of the Registration Document filed with the AMF on 10 April 2014.

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

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

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

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

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

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

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

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

They have been applied uniformly by all Group entities.

## 3.3 BASIS OF CONSOLIDATION

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

Minority interests represent holders of non-controlling interests 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 joint venture 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 should be eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

## 3.5 DEFERRED 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, in certain cases the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

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

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

## 3.8 BUSINESS COMBINATIONS AND OTHER CHANGES IN SCOPE OF CONSOLIDATION

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

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

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

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

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

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

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

The initial accounting for a business combination must be completed within 12 months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and noncontrolling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss.

## 3.9 INTANGIBLE ASSETS

### 3.9.1 Goodwill

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

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full consolidation or proportionate methods;
- included in investments in associates when it arises on the acquisition of an entity accounted for by the equity method;
- recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of 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 average weighted cost of capital.

### 3.9.2 Life insurance portfolios

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

- a liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature;

- an intangible asset ("value of In-Force business") representing the difference between the fair value of these contracts and the amount described above.

The value of 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 Intangible asset related to the reform of the French pension system

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

### 3.9.5 Software

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

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

Software licences and development costs are generally amortised over 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 operating properties using the cost model under IAS 40 and IAS 16, except for properties held in unit-linked portfolios which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements.

Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French prudential control authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

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

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

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

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

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

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

#### Depreciation

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

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

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

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

#### Impairment

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

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

### 3.10.2 Financial assets

#### Classification

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

- financial assets at fair value through profit or loss, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit or loss in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by 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.

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

#### Impairment

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

***Assets measured at amortised cost and debt instruments available for sale***

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

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

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

***Available-for-sale equity instruments***

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

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

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

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

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

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

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

### Reversals of impairment losses

***Available-for-sale financial assets***

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

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

***Loans and receivables, held-to-maturity investments***

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

## 3.10.3 Derivative instruments

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

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

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

c) it is settled at a future date.

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

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

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

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

### Hedge accounting

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

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

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

### 3.10.4 Measurement at fair value

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

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

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

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

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

#### Structured product valuation principles

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

The valuation techniques used:

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

#### Fair value hierarchies

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

**Level 1**: financial instruments measured using quoted prices in active markets. The fair value of most financial instruments held by the Group is determined based on the quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. The active market for such transactions is the market in which the most recent prices were quoted along with the largest volumes of transactions. The following financial assets are measured at their quoted market price:

- equities, measured on the basis of quoted prices on their reference market;
- mutual fund units, measured at their net asset value;
- bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows), taking into account liquidity factors in the choice of market;
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivatives traded on an organised market.

**Level 2**: financial instruments measured by standard valuation techniques using mainly observable inputs. These include:

- structured products valued by the Group, arrangers or external valuers;
- investments in unlisted securities;
- OTC derivative contracts;
- money market securities other than BTANs measured based on the zero coupon price curve plus a spread;
- investment property measured based on prices recorded for similar recent transactions or the rental value of equivalent-type properties;
- any other quoted financial instrument for which no active market exists.

**Level 3**: financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date. Very few financial instruments used by the Group fall into this level, but it would be used, for example, to classify asset-backed securities. For such instruments, the Group ensures that any change in inputs used for measurement purposes based on reasonable alternative scenarios would not have any material impact on the consolidated financial statements.

### 3.10.5 Repurchase and securities lending transactions

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

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

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

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

### 3.10.6 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 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 2015, the insurance subsidiaries and the Group as a whole complied with these minimum solvency capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French prudential supervision and resolution authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR).

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

## 3.12 TREASURY SHARES

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

## 3.13 INSURANCE AND FINANCIAL LIABILITIES

### 3.13.1 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- insurance contracts (see definition below) that cover a risk for the insured. Examples include personal risk contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element;
- financial instruments with DPF, comprising both traditional savings contracts with DPF and unit-linked contracts including a traditional savings component with DPF.

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

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

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

### 3.13.2 Insurance contracts and financial instruments with DPF

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

#### Insurance contracts

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

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

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

#### Financial instruments with a DPF

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

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

#### Hybrid contracts

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

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

#### Life insurance and savings contracts

***Premiums***

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

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

***Technical and mathematical reserves***

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

Mathematical reserves for 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 reserve.

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

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

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

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

### Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

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

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

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

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

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

A reserve is also recorded for claims handling expenses.

### Liability adequacy test

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

### Shadow accounting

Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or the value of 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 by each group of contracts in order to factor portfolio segregation arrangements into the assessment.

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

### Reinsurance

***Outward reinsurance***

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

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

***Inward reinsurance***

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

### 3.13.3 Financial instruments without DPF (IAS 39)

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

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

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

### 3.13.4 Service contracts

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

## 3.14 PROPERTY AND EQUIPMENT

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

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

## 3.15 EMPLOYEE BENEFIT OBLIGATIONS

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

### 3.15.1 Employee benefit plans

#### Defined benefit pension plan

The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

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

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

#### Pension plans in the international entities

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

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

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

#### Early-retirement plans

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

#### Business start-up grants

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

#### Discount rate

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

#### Accounting treatment

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

Liabilities under unfunded plans are recognised in the balance sheet.

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

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

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

### 3.15.2 Share-based payment

#### Accounting treatment of employee share grants

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

## 3.16 FINANCING LIABILITIES AND SUBORDINATED DEBT

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

## 3.17 ACQUISITION COSTS AND OPERATING EXPENSES

Underwriting expenses are presented by function:

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

Cost recognition and allocation:

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

Other costs are analysed between:

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

## 3.18 TAXATION

### Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, 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, US Real Estate 270, SAS PIAL 34 and SAS Foz Participations.

### Current and deferred taxes

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

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

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

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

## 3.19 OPERATING SEGMENTS

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

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

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

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

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

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

Comparative disclosures have been analysed using the same basis.

## 3.20 CONTINGENT LIABILITIES

A contingent liability is:

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

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

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

# Note 4 Share capital

## 4.1 UNDATED SUBORDINATED NOTES RECLASSIFIED IN EQUITY

| *(In € millions)* | Issuance date | 31.12.2015<br>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 |
| | Mar. 2005 | 6.50% until Mar. 2008, then 3% +22.5% times 10-year EUR CMS | EUR | 225.0 |
| | Mar. 2005 | 6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor | EUR | 23.8 |
| | 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 |
| | Dec. 2006 | 4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps | EUR | 870.0 |
| | Dec. 2006 | 3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps | EUR | 108.0 |
| | Oct. 2012 | 7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps | USD | 379.9 |
| | Nov. 2014 | 4% until Nov. 2024 then reset at the 5-year fixed swap rate +410 bps | EUR | 493.6 |
| **TOTAL** | | | | **2,635.2** |

| *(In € millions)* | Issuance date | 31.12.2014<br>Interest rate | Currency | Amount |
|---|---|---|---|---|
| **Subordinated notes (attributable to owners of the parent)** | | | | **2,635.3** |
| CNP Assurances | June 2004 | Tec 10 +10 bps, capped at 9% | EUR | 300.0 |
| | Mar. 2005 | 6.50% until Mar. 2008, then 3% +22.5% times 10-year EUR CMS | EUR | 225.0 |
| | Mar. 2005 | 6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor | EUR | 23.8 |
| | 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 |
| | Dec. 2006 | 4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps | EUR | 870.0 |
| | Dec. 2006 | 3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps | EUR | 108.0 |
| | Oct. 2012 | 7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps | USD | 380.0 |
| | Nov. 2014 * | 4% until Nov. 2024 then reset at the 5-year fixed swap rate +410 bps | EUR | 493.6 |
| **TOTAL** | | | | **2,635.3** |

* *The Group issued bonds for a gross amount of €500 million on 12 November 2014*

## 4.2 OWNERSHIP STRUCTURE

| Shareholder | Number of shares | % interest |
|---|---|---|
| Caisse des Dépôts | 280,615,940 | 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** | **537,188,680** | **78.24%** |
| Private investors | 149,429,797 | 21.76% |
| of which: CNP Assurances (treasury shares) * | 1,023,067 | 0.15% |
| **TOTAL** | **686,618,477** | **100.00%** |

* *The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the draft resolutions submitted to the CNP Assurances Annual General Meeting included in the 2014 Registration Document*

## 4.3 EQUITY

| | Ordinary shares | |
|---|---|---|
| Issued capital | **31.12.2015** | 31.12.2014 |
| 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 2015 DIVIDENDS

The recommended 2015 dividend amounts to €0.77 per share, representing a total payout of €528.7 million.

## 4.5 BASIC AND DILUTED EARNINGS PER SHARE

| *In € millions* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Profit attributable to owners of the parent | 1,130.5 | 1,079.8 |
| Charge on deeply-subordinated notes, net of tax | (74.4) | (59.8) |
| **Profit attributable to ordinary shares** | **1,056.1** | **1,020.0** |
| 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 | (744,140.4) | (416,018.7) |
| **Weighted average number of shares at end of reporting period** | **685,874,336.6** | **686,202,458.3** |
| Impact of instruments with a potential dilution impact | 0.0 | 0.0 |
| **Diluted profit attributable to ordinary shares** | **1.54** | **1.49** |

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.

For information, CNP Assurances received a total of €288.9 million in dividends from its subsidiaries during the period, comprising €55.5 million from its French subsidiaries, €177.3 million from its Brazilian subsidiaries, €11.4 million from CNP UniCredit Vita, €3.7 million from CNP Assurances Compañia de Seguros, €36.1 million from Barclays Vida y Pensiones and €5.0 million from CNP Cyprus Insurance Holdings.

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

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

| *In € millions* | Transaction (income statement) | Balance sheet |
|---|---|---|
| Commissions | (1,440.1) | 0.0 |
| Claims and benefits | (50.9) | (12.0) |
| Reinsurance | 0.0 | 0.0 |
| Employee benefits expense | (11.3) | (1.5) |
| Financial income and loans | 63.4 | 1,534.3 |
| Financial expenses and borrowings | (9.8) | (491.4) |
| Dividends | (407.7) | 0.0 |
| Other | 0.0 | 0.0 |

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

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

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

2014 dividends paid to the Group's shareholders in 2015 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 joint ventures and associates

The only insurance entity consolidated using the equity method is La Banque Postale Prévoyance.

| *In € millions* | Transaction (income statement) | Balance sheet |
|---|---|---|
| Commissions | 0.0 | 0.0 |
| Claims and benefits | 0.0 | 0.0 |
| Reinsurance | (7.5) | 0.0 |
| Employee benefits expense | 0.0 | 0.0 |
| Financial income and loans | 0.0 | 0.0 |
| Financial expenses and borrowings | 0.0 | 0.0 |
| Dividends | 0.0 | 0.0 |
| Other | 0.0 | 0.0 |

In 2015, CNP Assurances received €9.6 million in 2014 dividends from La Banque Postale Prévoyance.

### 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 sheet |
|---|---|---|
| Commissions | 0.0 | 0.0 |
| Claims and benefits | 2.9 | 2.7 |
| Reinsurance | 0.0 | 0.0 |
| Employee benefits expense | 3.6 | 0.7 |
| 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 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 total €6,700,104.
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- 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.

### In 2014

- 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 €2,386,723.34.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €6,139,329.
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2014 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 2015

| | | | | 31.12.2015 | | 31.12.2014 | |
|---|---|---|---|---|---|---|---|
| Company | Consolidation method | Country | Business | % rights | % interest | % rights | % interest |
| **1. Strategic subsidiaries** | | | | | | | |
| CNP Assurances | Full | France | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP IAM (1) | Full | France | Insurance | 0.00% | 0.00% | 100.00% | 100.00% |
| Préviposte | Full | France | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| ITV | Full | France | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP International (2) | Full | France | Insurance | | | 100.00% | 100.00% |
| La Banque Postale Prévoyance (3) | Equity method | France | Insurance | 50.00% | 50.00% | 50.00% | 50.00% |
| MFPrévoyance SA | Full | France | Insurance | 51.00% | 65.00% | 51.00% | 65.00% |
| CNP Assurances Compañia de Seguros | Full | Argentina | Insurance | 76.47% | 76.47% | 76.47% | 76.47% |
| CNP SA de Capitalización y Ahorro p/fines determinados | Full | Argentina | Insurance | 65.38% | 50.00% | 65.38% | 50.00% |
| CNP Holding Brasil | Full | Brazil | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| Caixa Seguros Holding SA | Full | Brazil | Insurance | 51.75% | 51.75% | 51.75% | 51.75% |
| Caixa Seguros Participações Securitarias Ltda | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Caixa Seguradora | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Caixa Capitalização | Full | Brazil | Insurance | 51.00% | 26.39% | 51.00% | 26.39% |
| Caixa Vida e Previdência | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Caixa Consórcios | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Caixa Assessoria e Consultoria | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Caixa Saúde | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Previsul (4) | Full | Brazil | Insurance | 100.00% | 51.75% | 70.00% | 36.23% |
| Caixa Seguros Participações Do Sul Ltda | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| CSP Participações Ltda | Full | Brazil | Insurance | 0.00% | 0.00% | 51.75% | 51.75% |
| FPC Par Corretora de Seguros SA | Equity method | Brazil | Brokerage | 25.00% | 12.94% | 25.00% | 12.94% |
| Odonto Empresas Convenios Dentarios Ltda | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| Holding Caixa Seguros Participações em Saude Ltda | Full | Brazil | Insurance | 100.00% | 51.75% | 100.00% | 51.75% |
| CNP UniCredit Vita | Full | Italy | Insurance | 57.50% | 57.50% | 57.50% | 57.50% |
| CNP Partners (formerly Vida de Seguros y Reaseguros) (5) | Full | Spain | Insurance | 99.50% | 99.50% | 94.47% | 94.47% |
| Estalvida d'Assegurances y Reassegurances SA (6) | Full | Spain | Insurance | 0.00% | 0.00% | 100.00% | 94.47% |
| CNP Insurance Services | Full | Spain | Insurance | 100.00% | 99.50% | 100.00% | 94.47% |
| CNP Barclays Vida y Pensiones | Full | Spain | Insurance | 0.00% | 0.00% | 50.00% | 50.00% |
| CNP Cyprus Insurance Holdings | Full | Cyprus | Insurance | 50.10% | 50.10% | 50.10% | 50.10% |
| CNP Cyprus Tower Ltd | Full | Cyprus | Insurance | 100.00% | 50.10% | 100.00% | 50.10% |
| CNP Zois | Full | Greece | Insurance | 100.00% | 50.10% | 100.00% | 50.10% |
| CNP Praktoriaki | Full | Greece | Insurance | 100.00% | 50.10% | 100.00% | 50.10% |
| CNP Cyprialife | Full | Cyprus | Insurance | 100.00% | 50.10% | 100.00% | 50.10% |

| Company | Consolidation method | Country | Business | 31.12.2015 % rights | 31.12.2015 % interest | 31.12.2014 % rights | 31.12.2014 % interest |
|---|---|---|---|---|---|---|---|
| CNP Asfalistiki | Full | Cyprus | Insurance | 100.00% | 50.10% | 100.00% | 50.10% |
| Santander Insurance Life Ltd | Full | Ireland | Insurance | 100.00% | 51.00% | 100.00% | 51.00% |
| Santander Insurance Europe Ltd | Full | Ireland | Insurance | 100.00% | 51.00% | 100.00% | 51.00% |
| Santander Insurance Services Ireland Ltd | Full | Ireland | Insurance | 100.00% | 51.00% | 100.00% | 51.00% |
| CNP Europe Life | Full | Ireland | Insurance | 100.00% | 100.00% | 100.00% | 100.00% |
| **2. Mutual fund units** | | | | | | | |
| Ecureuil Profil 30 | Full | France | Mutual fund units | 96.04% | 96.04% | 95.75% | 95.76% |
| Univers CNP 1 FCP | Full | France | Mutual fund units | 99.68% | 99.68% | 99.71% | 99.71% |
| CNP ACP Oblig FCP | Equity method | France | Mutual fund units | 48.99% | 48.99% | 49.71% | 49.71% |
| Natixis Ionis | Full | France | Mutual fund units | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP ACP 10 FCP | Equity method | France | Mutual fund units | 49.79% | 49.79% | 49.79% | 49.79% |
| Ecureuil Profil 90 | Full | France | Mutual fund units | 55.67% | 55.67% | 54.21% | 54.21% |
| Vivaccio ACT 5 DEC | Full | France | Mutual fund units | 79.92% | 79.92% | 100.00% | 100.00% |
| 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 | Equity method | France | Property | 50.00% | 50.00% | 50.00% | 50.00% |
| OPCI AEW Imcom 6 | Full | France | OPCI | 100.00% | 100.00% | 100.00% | 100.00% |
| SICAC | Full | France | NTPC | 100.00% | 100.00% | 100.00% | 100.00% |
| CNP Immobilier | Full | France | NTPC | 100.00% | 100.00% | 100.00% | 100.00% |
| Assur-immeuble | Full | France | NTPC | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI MTP Invest | Full | France | OPCI | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI AEW Imcom 1 | Full | France | OPCI | 100.00% | 100.00% | 100.00% | 100.00% |
| OPCI 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 (7) | Full | France | Brokerage | 51.00% | 51.00% | 51.00% | 51.00% |
| Outlet Invest | Full | France | OPCI | 99.95% | 99.95% | 0.00% | 0.00% |

*(1) CNP IAM was merged into CNP Assurances following the contribution of the "other property damage and miscellaneous financial loss" insurance and reinsurance businesses and associated assets and liabilities to CNP Caution*

*(2) Following termination of the reinsurance treaty between CNP International and CNP Assurances, back-dated to 1 January 2014, CNP International was deconsolidated at 31 March 2015 as it no longer made a material contribution to the Group's consolidated financial statements*

*(3) Subject to signature of the final agreements and lifting of the conditions precedent, La Banque Postale Prévoyance will be sold to La Banque Postale by CNP Assurances in 2016. La Banque Postale Prévoyance has been accounted for by the equity method and is presented under "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5*

*(4) On 10 November 2015, Holding Do Sul acquired Consulfac's 30% interest in Previsul, thereby increasing the CNP Assurances Group's interest in Previsul from 36.23% to 51.75%*

*(5) In 2015, the Group also bought out most of the minority interests in CNP Partners, raising its interest from 94.47% to 99.5% in both CNP Partners and its wholly-owned subsidiary CNP Insurance Services*

*(6) Estalvida d'Assegurances y Reassegurances SA was merged into its sole shareholder, CNP Partners de Seguros y Reaseguros SA, through a process whereby Estalvida d'Assegurances y Reassegurances SA was dissolved without being liquidated and all of its assets and liabilities were transferred to CNP Partners de Seguros y Reaseguros SA which also assumed all of its rights and obligations*

*(7) The new shareholders' agreement signed on 23 March 2015 between CNP Assurances, Natixis Assurances and BPCE, provides for 2% of the capital and voting rights of Ecureuil Vie Développement to be sold to Natixis Assurances. 2% of the total assets and liabilities of Ecureuil Vie Développement has not been reclassified as "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5 because the reclassification would not have a material impact on the presentation of the consolidated financial statements*

## 5.2 ANALYSIS OF PURCHASE PRICE OF SANTANDER INSURANCE

On 17 December 2014, CNP Assurances signed a final agreement with the Banco Santander Group to acquire a 51% stake in Santander Insurance Holding's Irish life and non-life insurance subsidiaries. The agreement also provided for an exclusive long-term distribution agreement to be signed with Santander Consumer Finance. At 31 December 2014, the total difference between the transaction price and the fair value of the acquired share of the net assets of the subsidiaries was recognised as goodwill. In accordance with IFRS 3 (paragraph 45), the Group had a period of one year in which to complete its purchase accounting adjustments, *i.e.*, until 17 December 2015. The purchase accounting adjustments were completed on December 2015, values were attributed to the intangible assets included in the acquisition and the purchase price allocation was recognised in the consolidated financial statements as follows:

### CALCULATION OF GOODWILL ON SANTANDER INSURANCE

| *In € millions* | |
|---|---|
| Initial payment | 290.0 |
| Share issue | 7.1 |
| Price adjustments | 20.8 |
| Non-controlling interests | 253.3 |
| **Price to be allocated** | **571.2** |
| Net assets at 31 December 2015 (IFRS) | 165.4 |
| Adjustments | 0.0 |
| **Adjusted Net Asset Value** | **165.4** |
| Value of In-Force business | 14.7 |
| Value of distribution agreement | 387.0 |
| Deferred tax liabilities | (50.2) |
| **Carrying amount of identified intangible assets** | **351.5** |
| **Goodwill** | **54.4** |

The following amounts in particular were recognised as intangible assets as part of the purchase price allocation process:

- €14.7 million before tax (€12.8 million after tax) allocated to acquired In-Force business, corresponding to the discounted present value of future profits to be derived from contracts in effect on the acquisition date;
- €387.0 million before tax (€338.6 million after tax) allocated to the value of the distribution agreement, reflecting the profits to be derived from future new business.

The first earn-out tranches for the reference periods between 2015 and 2020 were taken into account at their discounted present value of €20.8 million at 31 December 2014.

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

| | Caixa Seguros Group | | CNP UniCredit Vita | | CNP Santander Insurance | | CNP Cyprus Insurance Holdings | | MFPrevoyance SA | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(In € millions)* | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 |
| Earned premiums/Revenue | 3,161.1 | 2,828.7 | 2,555.9 | 2,692.4 | 492.1 | 0.0 | 139.9 | 142.6 | 231.2 | 301.6 |
| **Net profit (100%)** | **503.4** | **539.9** | **51.6** | **45.3** | **22.9** | **0.0** | **16.4** | **37.7** | **25.7** | **1.4** |
| Net profit – non-controlling interests | 247.9 | 269.4 | 21.9 | 19.3 | 11.2 | 0.0 | 8.2 | 18.8 | 9.0 | 0.5 |
| OCI (100%) | (101.4) | (45.5) | 132.4 | 116.4 | 1.0 | 2.6 | 0.9 | 5.0 | 13.9 | 16.6 |
| **Comprehensive income (100%)** | **402.1** | **494.4** | **184.0** | **161.7** | **23.8** | **2.6** | **17.2** | **42.8** | **39.6** | **17.9** |
| Comprehensive income – non-controlling interests | 192.0 | 244.2 | 78.2 | 68.7 | 11.7 | 1.3 | 8.6 | 21.3 | 13.8 | 6.3 |
| Assets | 10,886.7 | 12,413.9 | 13,630.4 | 12,955.5 | 1,897.0 | 1,651.9 | 781.8 | 819.4 | 890.8 | 1,402.5 |
| Liabilities | 9,511.6 | 10,718.0 | 12,720.7 | 12,093.7 | 1,704.7 | 1,487.2 | 492.7 | 530.3 | 683.3 | 1,218.0 |
| **Net assets (100%)** | **1,375.1** | **1,695.9** | **909.6** | **861.8** | **192.3** | **164.7** | **289.1** | **289.0** | **207.5** | **184.5** |
| Net asset – non-controlling interests | 674.8 | 831.3 | 386.6 | 366.3 | 94.2 | 80.7 | 144.3 | 144.2 | 72.6 | 64.6 |
| Net cash provided by (used by) operating activities | 1,251.8 | 845.0 | 644.0 | 1,005.7 | 151.4 | 0.0 | 21.5 | 18.0 | 37.0 | 47.2 |
| Net cash provided by (used by) investing activities | (915.3) | (517.0) | (673.9) | (937.0) | (132.9) | 14.2 | (9.0) | (42.6) | (11.2) | (62.9) |
| Net cash provided by (used by) financing activities | (388.4) | (368.2) | (21.0) | (56.7) | 5.6 | 0.0 | (8.0) | (19.0) | 0.0 | 0.0 |
| Dividends paid to non-controlling interests | (11.3) | (26.1) | (8.4) | (8.4) | 0.0 | 0.0 | (4.9) | (2.6) | 0.0 | 0.0 |

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## 5.4 SUMMARY FINANCIAL INFORMATION: MATERIAL JOINT ARRANGEMENTS

| | LBPP |
|---|---|
| *(In € millions)* | 2014 |
| Earned premiums/Revenue | 515.6 |
| Income tax expense/income | (23.4) |
| **Profit** | **18.7** |
| OCI | 84.2 |
| **Comprehensive income** | **103.0** |
| Cash and cash equivalents | 1.7 |
| Insurance-related investments | 1,959.5 |
| Other assets | 127.0 |
| Insurance-related liabilities | 1,572.4 |
| Other liabilities | 225.5 |
| **Net assets** | **290.4** |
| Net assets – CNP Assurances' share | 145.2 |
| Net assets – excluding CNP Assurances' share | 145.2 |
| **Reconciling items** | |
| **Equity-accounted value for CNP Assurances (opening balance)** | **140.5** |
| Comprehensive income (attributable to owners of the parent) | 39.4 |
| Dividends received | (11.9) |
| Other adjustments | 0.0 |
| **Equity-accounted value for CNP Assurances (closing balance)** | **168.1** |
| **Net assets (attributable to owners of the parent)** | **145.2** |
| Goodwill | 22.9 |
| Other adjustments | 0.0 |
| **Equity-accounted value for CNP Assurances (closing balance)** | **168.1** |

## 5.5 SUMMARY FINANCIAL INFORMATION: NON-MATERIAL JOINT ARRANGEMENTS

| | Joint ventures | | Associates | |
|---|---|---|---|---|
| *(In € millions)* | **2015** | 2014 | **2015** | 2014 |
| Carrying amount of investments accounted for using the equity method in CNP Assurances balance sheet | 168.9 | 168.9 | 17.6 | 21.8 |
| Contribution to CNP Assurances net profit | 0.0 | 0.0 | 3.4 | 3.4 |
| Contribution to CNP Assurances OCI | 0.0 | 0.0 | (2.0) | (0.8) |
| **Contribution to CNP Assurances comprehensive income** | **0.0** | **0.0** | **1.4** | **2.6** |

## 5.6 INFORMATION RELATING TO ENTITIES ACCOUNTED FOR BY THE EQUITY METHOD

### 5.6.1 Summary financial information based on 100% of the share capital

| | 31.12.2015 | | | |
|---|---|---|---|---|
| *(In € millions)* | **Total assets** | **Equity** | **Revenue** | **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 |

| | 31.12.2014 | | | |
|---|---|---|---|---|
| *(In € millions)* | Total assets | Equity | Revenue | Profit/(Loss) |
| La Banque Postale Prévoyance | 2,088.2 | 290.4 | 515.6 | 37.5 |
| FPC Par Corretora de Seguros SA | 46.1 | 29.6 | 84.0 | 26.2 |
| PB6 | 24.8 | 19.7 | 0.0 | (1.9) |
| CNP ACP OBLIG FCP | 844.1 | 844.1 | 0.0 | 0.0 |
| CNP ACP 10 FCP | 830.3 | 830.3 | 0.0 | 0.0 |

### 5.6.2 Investments accounted for by the equity method

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **At 1 January** | **358.8** | **332.6** |
| Increase in investment | 0.0 | 0.0 |
| Change in accounting method | 0.0 | 0.0 |
| Newly-consolidated companies | 0.0 | 0.0 |
| Increase in capital | 0.0 | 0.0 |
| Share in earnings | 25.1 | 22.6 |
| Share in identifiable net assets | (6.6) | 20.8 |
| Other movements * | (177.9) | 0.0 |
| Dividends received | (13.0) | (17.2) |
| **At 31 December** | **186.5** | **358.8** |

* *"Other movements" concern La Banque Postale Prévoyance which has been reclassified under "Non-current assets held for sale and discontinued operations" in accordance with IFRS 5*

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# Note 6 Segment information

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 reflects the information provided to management to enable it to oversee the Group's performance and businesses.

## 6.1 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2015

| Assets *(in € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | LBPP adjustment | Total IFRS |
|---|---|---|---|---|---|---|---|
| Goodwill and value of In-Force business | 48.6 | 0.6 | 235.1 | 0.0 | 284.3 | 0.0 | 284.3 |
| Financial investments and investments in associates | 308,485.3 | 44,230.4 | 18,272.5 | 114.8 | 371,103.0 | 0.0 | 371,103.0 |
| Other assets | | | | | 23,212.3 | (867.3) | 22,345.0 |
| **TOTAL ASSETS** | | | | | **394,599.6** | **(867.3)** | **393,732.3** |

| Equity and liabilities *(in € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | LBPP adjustment | Total IFRS |
|---|---|---|---|---|---|---|---|
| Total equity | 13,037.5 | 1,876.0 | 3,648.9 | 8.3 | 18,570.7 | 0.0 | 18,570.7 |
| Financial liabilities (including deferred participation reserve) | 159,016.4 | 13,059.2 | 578.9 | 0.0 | 172,654.4 | 0.0 | 172,654.4 |
| Insurance liabilities | 128,372.2 | 35,631.5 | 13,146.9 | 0.0 | 177,150.7 | 2.3 | 177,153.0 |
| Other liabilities | | | | | 26,223.8 | (869.6) | 25,354.2 |
| **TOTAL EQUITY AND LIABILITIES** | | | | | **394,599.6** | **(867.3)** | **393,732.3** |

## 6.2 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2014

| Assets *(in € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | LBPP adjustment | Total IFRS |
|---|---|---|---|---|---|---|---|
| Goodwill and value of In-Force business | 50.3 | 1.0 | 466.2 | 0.0 | 517.5 | (22.9) | 494.6 |
| Financial investments and investments in associates | 305,951.8 | 43,340.8 | 18,867.3 | 166.6 | 368,326.5 | (811.5) | 367,515.0 |
| Other assets | | | | | 27,372.3 | 19.3 | 27,391.6 |
| **TOTAL ASSETS** | | | | | **396,216.3** | **(815.1)** | **395,401.2** |

| Equity and liabilities *(in € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | LBPP adjustment | Total IFRS |
|---|---|---|---|---|---|---|---|
| Total equity | 13,109.3 | 1,869.8 | 3,311.2 | 9.2 | 18,299.5 | 0.0 | 18,299.5 |
| Financial liabilities (including deferred participation reserve) | 167,406.7 | 12,267.1 | 787.3 | 0.0 | 180,461.1 | (56.5) | 180,404.6 |
| Insurance liabilities | 116,237.2 | 35,163.1 | 13,227.0 | 0.0 | 164,627.3 | (678.2) | 163,949.1 |
| Other liabilities | | | | | 32,828.4 | (80.4) | 32,748.0 |
| **TOTAL EQUITY AND LIABILITIES** | | | | | **396,216.3** | **(815.1)** | **395,401.2** |

## 6.3 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2015

| | Reconciliation with IFRS financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| *(In € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | Adjustments relating to the deposit component of financial instruments (IAS 39) | LBPP adjustment | Total IFRS |
| Premium income | 21,850.8 | 3,410.4 | 6,730.7 | | 31,991.9 | (407.1) | (213.2) | 31,371.6 |
| Net new money | 1,570.2 | 727.9 | 3,533.5 | | 5,831.6 | | (164.9) | 5,666.7 |
| **Net revenue from insurance activities** | **1,614.4** | **243.7** | **1,366.1** | **64.0** | **3,288.1** | | **(50.7)** | **3,237.4** |
| General expenses | (407.7) | (83.2) | (336.2) | (34.5) | (861.6) | | 16.4 | (845.2) |
| **EBIT** | **1,206.7** | **160.5** | **1,029.9** | **29.5** | **2,426.5** | | **(34.4)** | **2,392.1** |
| Finance costs | | | | | (192.2) | | 0.0 | (192.2) |
| Share in earnings of associates | | | | | 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 on securities held for *trading* | | | | | 23.6 | | (0.3) | 23.3 |
| Net gains on equities and property | | | | | 295.6 | | (0.6) | 295.0 |
| **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)** |

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## 6.4 INCOME STATEMENT BY BUSINESS SEGMENT FOR THE YEAR ENDED 31 DECEMBER 2014

| | | | | | | Reconciliation with IFRS financial statements | | |
|---|---|---|---|---|---|---|---|---|
| *(In € millions)* | Savings | Pensions | Personal risk | Other (excluding insurance) | Total segments | Adjustments relating to the deposit component of financial instruments (IAS 39) | LBPP adjustment | Total IFRS |
| Premium income | 21,967.2 | 3,118.6 | 6,432.9 | 0.0 | 31,518.7 | (716.9) | (212.6) | 30,589.3 |
| Net new money | 2,304.5 | 517.2 | 3,023.7 | 0.0 | 5,845.5 | | (167.9) | 5,677.5 |
| **Net revenue from insurance activities** | **1,668.5** | **205.3** | **1,376.1** | **87.3** | **3,337.3** | | **(47.3)** | **3,290.0** |
| General expenses | (402.1) | (98.5) | (349.9) | (45.1) | (895.6) | | 17.9 | (877.8) |
| **EBIT** | **1,266.4** | **106.9** | **1,026.2** | **42.2** | **2,441.7** | | **(29.5)** | **2,412.2** |
| Finance costs | | | | | (177.8) | | 0.0 | (177.8) |
| Share in earnings of associates | | | | | 3.4 | | 18.7 | 22.1 |
| Non-recurring items | | | | | (201.2) | | 0.0 | (201.2) |
| Income tax expense (effective tax rate) | | | | | (823.6) | | 11.4 | (812.2) |
| Non-controlling interests | | | | | (322.6) | | 0.0 | (322.6) |
| Fair value adjustments on securities held for *trading* | | | | | 77.0 | | (0.3) | 76.7 |
| Net gains on equities and property | | | | | 82.9 | | (0.3) | 82.6 |
| **ATTRIBUTABLE TO OWNERS OF THE PARENT** | | | | | **1,079.8** | | **0.0** | **1,079.8** |

| *(In € millions)* | Desensitised income statement 31.12.2014 | o/w LBPP |
|---|---|---|
| **EBIT** | **2,441.7** | **(29.5)** |
| Net fair value adjustments | 125.4 | (0.5) |
| Net gains on equities and property | 92.5 | (0.4) |
| Non-recurring items | (298.9) | 0.0 |
| **Operating profit** | **2,360.8** | **(30.5)** |

# Note 7 Intangible assets

## 7.1 INTANGIBLE ASSETS BY CATEGORY

| | 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** |

| | 31.12.2014 | | | | |
|---|---|---|---|---|---|
| *(In € millions)* | Cost | Amortisation | Impairment | Reversals | Carrying amount |
| Goodwill | 867.1 | 0.0 | (393.2) | 0.0 | 473.8 |
| Value of In-Force business | 343.8 | (164.2) | (158.8) | 0.0 | 20.8 |
| Distribution agreements | 5.3 | (2.7) | 0.0 | 0.0 | 2.6 |
| Software | 302.9 | (198.2) | 0.0 | 0.0 | 104.7 |
| Internally-developed software | 157.6 | (95.7) | 0.0 | 0.0 | 61.9 |
| Other software | 145.3 | (102.5) | 0.0 | 0.0 | 42.9 |
| Other * | 225.3 | (49.2) | (103.3) | (57.2) | 15.6 |
| **TOTAL** | **1,744.3** | **(414.3)** | **(655.3)** | **(57.2)** | **617.5** |

* *As from 31 December 2010, "Other" included the intangible asset related to the reform of the French pension system. This item decreased from the original amount of €161.9 million to €4.2 million at the year-ended 2014 and was fully funded in the first half of 2015*

## 7.2 GOODWILL

### 7.2.1 Goodwill by company

| *(In € millions)* | Original goodwill | Goodwill investments held at 31.12.2015 | Goodwill investments held at 31.12.2014 |
|---|---|---|---|
| Caixa Seguros Group | 389.9 | 169.6 | 225.9 |
| CNP UniCredit Vita | 366.5 | 0.0 | 0.0 |
| CNP Cyprus Insurance Holdings | 81.6 | 34.8 | 34.8 |
| CNP Santander Insurance * | 54.4 | 54.4 | 213.1 |
| **TOTAL** | **892.4** | **258.8** | **473.8** |

* *Net goodwill of €213.1 million at 31 December 2014 corresponds to goodwill arising on acquisition of CNP Santander Insurance. In accordance with IFRS 3 (paragraph 45), the Group had one year from the acquisition date to identify and value the intangible assets included in the acquisition. Upon completion of the purchase accounting adjustments, €14.7 million before tax was allocated to the value of acquired In-Force business and €387.0 million before tax was allocated to the distribution agreement, reflecting the profits to be derived from future new business*

*The final amount of goodwill recognised in the financial statements at 31 December 2015 was €54.4 million*

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

### Caixa Seguros Group

The expected future cash flows are taken from the four-year business projections (2016-2020) approved by management and extrapolated using an average new business growth rate of zero between 2021 and 2040, and then discounted to present value using a post-tax discount rate of approximately 12%.

At 31 December 2015, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows did not result in the recognition of an impairment loss.

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

### CNP Cyprus Insurance Holdings

As of 31 December 2015, expected future cash flows are taken from the four-year business projections (2016-2020) approved by management and extrapolated using a stable new business growth rate (of around 2% for non-life business and 3% for life business) between 2020 and 2028 (when the current agreement with Cyprus Popular Bank expires), and then discounted to present value using a post-tax discount rate of approximately 9.5% for the Cypriot business. The Greek subsidiary has not been valued since June 2013.

At 31 December 2015, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows, or a significant reduction in future volumes of business in Greece and Cyprus, did not result in the recognition of an impairment loss.

### CNP Santander Insurance

Following the purchase accounting adjustments recorded in accordance with IFRS 3, the final amount of goodwill arising on acquisition of Santander Insurance was recognised at 31 December 2015 to take into account the 2015 earn-out payment.

The expected future cash flows are taken from the four-year business projections (2016-2020) approved by management and extrapolated using an average new business growth rate of 2.5% between 2021 and 2034 (when the current distribution agreement expires), and then discounted to present value using a post-tax discount rate of 8.3%.

At 31 December 2015, a comparison of the recoverable amount and the carrying amount did not result in the recognition of an impairment loss.

## 7.2.2 Changes in goodwill for the period

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **473.8** | **236.0** |
| Goodwill recognised during the period | 0.0 | 241.4 |
| Adjustments to provisional accounting [(1)] | (137.0) | 0.0 |
| Adjustments resulting from changes in earn outs | 20.8 | (2.5) |
| Adjustments resulting from subsequent recognition of deferred tax assets | 0.0 | 0.0 |
| Translation adjustment on gross value [(2)] | (57.3) | 2.6 |
| 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 | (3.6) |
| **Carrying amount at the end of the period** | **258.8** | **473.8** |

*(1) Adjustments resulting from changes in asset values during the 12 months after the acquisition date are mainly due to the allocation of the initial goodwill (determined at the time of acquisition of CNP Santander Insurance) to the value of intangible assets, in accordance with IFRS 3 (paragraph 45)*

*(2) The €57.3 million negative translation adjustment concerns goodwill arising on acquisition of Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda in Brazil*

## 7.3 VALUE OF IN-FORCE BUSINESS AND DISTRIBUTION AGREEMENTS

### 7.3.1 Value of In-Force business

| *(In € millions)* | Original value | **Carrying amount at 31.12.2015** | Carrying amount at 31.12.2014 |
|---|---|---|---|
| Caixa Seguros Group | 123.5 | 4.9 | 4.7 |
| 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 | 13.9 | 15.6 |
| MFPrévoyance SA | 8.3 | 0.0 | 0.5 |
| CNP Santander Insurance * | 14.7 | 6.8 | 0.0 |
| **TOTAL** | **391.0** | **25.5** | **20.8** |

* *The purchase accounting adjustments were completed and values were attributed to the intangible assets included in the acquisition of CNP Santander Insurance. €14.7 million before tax was allocated to acquired In-Force business, corresponding to the discounted present value of future profits to be derived from contracts in effect on the acquisition date. Acquired In-Force business is being amortised over 10 years by the effective interest method*

### 7.3.2 Changes in the value of In-Force business

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Gross amount at the beginning of the period** | **343.8** | **443.3** |
| Newly-consolidated companies | 17.2 | 0.0 |
| Translation adjustments | (23.6) | 0.9 |
| Acquisitions for the period | 0.0 | 1.0 |
| Disposals for the period | 0.0 | 0.0 |
| Non-current assets held for sale and discontinued operations | 0.0 | (101.4) |
| **Gross amount at the end of the period** | **337.4** | **343.8** |
| Accumulated amortisation and impairment at the beginning of the period | (323.0) | (361.4) |
| Translation adjustments | 22.2 | (0.9) |
| Amortisation for the period | (11.0) | (10.7) |
| 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 | 49.9 |
| **Accumulated amortisation and impairment at the end of the period** | **(311.9)** | **(323.0)** |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **25.5** | **20.8** |

### 7.3.3 Distribution agreements

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **2.6** | **111.9** |
| Acquisitions for the period * | 388.2 | 2.9 |
| Amortisation for the period | (19.6) | (5.9) |
| Adjustments | 0.0 | 0.0 |
| Impairment losses recognised during the period | 0.0 | 0.0 |
| Translation adjustments | (0.8) | 0.0 |
| Other movements | 0.0 | 0.0 |
| Non-current assets held for sale and discontinued operations | 0.0 | (106.4) |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **370.4** | **2.6** |

* *The purchase accounting adjustments were completed and values were attributed to the intangible assets included in the acquisition of CNP Santander Insurance. €387 million before tax was allocated to the distribution agreement, reflecting the profits to be derived from future new business. The acquired distribution agreement is being amortised by the straight-line method over the life of the agreement, i.e., 20 years*

## 7.4 SOFTWARE AND OTHER INTANGIBLE ASSETS

### 7.4.1 Internally-developed software

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **61.9** | **44.2** |
| Acquisitions for the period | 24.1 | 25.2 |
| Amortisation for the period | (11.3) | (7.7) |
| Impairment losses | (2.1) | (0.5) |
| Translation adjustments | 0.0 | 0.0 |
| Other movements | (5.8) | 0.7 |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **66.9** | **61.9** |

### 7.4.2 Other software and other intangible assets

| *(In € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **58.4** | **44.1** |
| Acquisitions for the period | 36.8 | 26.0 |
| Amortisation for the period | (13.4) | (7.9) |
| Impairment losses | (6.0) | (15.3) |
| Translation adjustments | (12.3) | (0.1) |
| Other movements | 4.2 | 11.8 |
| Non-current assets held for sale and discontinued operations | 0.0 | (0.2) |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **67.7** | **58.4** |

# Note 8 Investment and owner-occupied property

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit or loss in respect of property and the captions impacted by the movements.

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of an international operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes;
- the fair value of investment properties held in unit-linked portfolios.

## 8.1 INVESTMENT PROPERTY

| Carrying amount of investment property *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Investment property measured by the cost model** | | |
| Gross value | 2,083.8 | 2,121.0 |
| Accumulated depreciation | (333.7) | (342.1) |
| Accumulated impairment losses | (5.1) | (15.5) |
| **Carrying amount** | **1,745.0** | **1,763.4** |
| **Investment property measured by the fair value model** | | |
| Gross value | 1,012.6 | 645.0 |
| **TOTAL INVESTMENT PROPERTY** | **2,757.6** | **2,408.4** |

| Investment property (other than property held in unit-linked portfolios) *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **1,763.4** | **1,935.9** |
| Acquisitions | 40.5 | 45.5 |
| Post-acquisition costs included in the carrying amount of property | 0.0 | 0.0 |
| Properties acquired through business combinations | 0.0 | 0.0 |
| Disposals | (34.2) | (211.7) |
| Depreciation for the period | (40.5) | (40.0) |
| Impairment losses recognised during the period | (2.4) | (1.0) |
| Impairment losses reversed during the period | 12.8 | 23.2 |
| Translation adjustments | (1.3) | 0.0 |
| Other movements | 6.7 | 11.5 |
| Non-current assets held for sale and discontinued operations | 0.0 | 0.0 |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **1,745.0** | **1,763.4** |

| Investment property held in unit-linked portfolios *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **645.0** | **604.8** |
| Acquisitions | 343.5 | 63.9 |
| Post-acquisition costs included in the carrying amount of property | 0.0 | 4.8 |
| Properties acquired through business combinations | 0.0 | 17.4 |
| Disposals | (6.4) | (49.7) |
| Net gains (losses) arising from remeasurement at fair value | 31.5 | (0.3) |
| Translation adjustments | (1.2) | 0.0 |
| Other movements | 0.2 | 4.1 |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **1,012.6** | **645.0** |

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)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **304.6** | **289.5** |
| Acquisitions | 16.2 | 21.1 |
| Post-acquisition costs included in the carrying amount of property | 0.0 | 0.1 |
| Properties acquired through business combinations | 0.0 | 0.4 |
| Disposals | (20.2) | 0.0 |
| Depreciation for the period | (7.4) | (5.3) |
| Impairment losses recognised during the period | (0.7) | (1.2) |
| Impairment losses reversed during the period | 0.0 | 1.1 |
| Translation adjustments | (20.3) | 0.4 |
| Other movements | (8.3) | (1.5) |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **263.9** | **304.6** |

| Other property and equipment *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Carrying amount at the beginning of the period** | **44.4** | **59.3** |
| Acquisitions for the period | 17.9 | 12.2 |
| Depreciation for the period | (17.3) | (16.6) |
| Disposals for the period | (1.2) | (1.2) |
| Translation adjustments | (2.4) | 0.1 |
| Other movements | 1.8 | (9.2) |
| Non-current assets held for sale and discontinued operations | 0.0 | (0.2) |
| **CARRYING AMOUNT AT THE END OF THE PERIOD** | **43.2** | **44.4** |

# 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 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** |

## 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** |

### 9.1.2 Investments at 31 December 2014

| *(in € millions)* | | Cost | Amortisation | Impairment | Fair value adjustments | Carrying amount | Unrealised gains and losses |
|---|---|---|---|---|---|---|---|
| | Fixed-rate bonds | | | | | 12,224.1 | |
| | Variable-rate bonds | | | | | 18,082.8 | |
| | TCNs (money market securities) | | | | | 115.0 | |
| | Equities | | | | | 3,867.1 | |
| | Investment funds | | | | | 33,094.6 | |
| | Shares in non-trading property companies | | | | | 1,219.6 | |
| | Other (including lent securities and repos) | | | | | 172.0 | |
| **Assets at fair value through profit or loss** | Total | | | | | **68,775.3** | |
| | Derivative instruments (positive fair value) | | | | | 5,173.0 | |
| | Derivative instruments (negative fair value) | | | | | (5,806.4) | |
| **Derivative instruments** | Total | | | | | **(633.4)** | |
| | Fixed-rate bonds | 154,332.1 | 1,873.5 | (0.5) | 22,803.3 | 179,008.4 | |
| | Variable-rate bonds | 28,248.9 | 856.4 | (43.3) | 2,765.6 | 31,827.6 | |
| | TCNs (money market securities) | 3,539.7 | 0.0 | 0.0 | 16.5 | 3,556.2 | |
| | Equities | 13,347.7 | 0.0 | (4,763.9) | 5,526.9 | 14,110.7 | |
| | Investment funds | 35,474.0 | 0.0 | (359.4) | 2,123.2 | 37,237.8 | |
| | Shares in non-trading property companies | 3,731.5 | 0.0 | (266.7) | 1,141.5 | 4,606.2 | |
| | Non-voting loan stock | 75.9 | 0.0 | (2.8) | 15.7 | 88.9 | |
| | Other (including lent securities and repos) | 13,040.7 | (149.5) | (507.5) | 2,416.0 | 14,799.6 | |
| **Available-for-sale financial assets** | **Total** | **251,790.4** | **2,580.4** | **(5,944.1)** | **36,808.7** | **285,235.5** | |
| | Fixed-rate bonds | 150.0 | 0.0 | 0.0 | 0.0 | 150.0 | 1.1 |
| | Variable-rate bonds | 432.9 | 0.0 | (18.5) | 0.0 | 414.4 | 0.5 |
| **Held-to-maturity investments** | **Total** | **582.9** | **0.0** | **(18.5)** | **0.0** | **564.4** | **1.6** |
| | Loans and receivables | 5,001.6 | 0.0 | (17.1) | 0.0 | 4,984.4 | 4.5 |
| **Loans and receivables** | **Total** | **5,001.6** | **0.0** | **(17.1)** | **0.0** | **4,984.4** | **4.5** |
| | Investment property at amortised cost | 2,121.0 | (342.1) | (15.5) | 0.0 | 1,763.4 | 824.0 |
| | Investment property measured by the fair value model | 645.0 | 0.0 | 0.0 | 0.0 | 645.0 | 0.0 |
| **Investment property** | **Total** | **2,766.0** | **(342.1)** | **(15.5)** | **0.0** | **2,408.4** | **824.0** |
| **TOTAL** | | | | **(5,995.2)** | **36,808.7** | **361,334.7** | **830.1** |

## UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2014

| | Carrying amount | | |
|---|---|---|---|
| *(in € millions)* | Unit-linked | Traditional savings | Total |
| Fixed-rate bonds | 6,610.2 | 5,613.9 | 12,224.1 |
| Variable-rate bonds | 5,503.2 | 12,579.6 | 18,082.8 |
| TCNs (money market securities) | 98.1 | 16.9 | 115.0 |
| Equities | 148.0 | 3,719.2 | 3,867.1 |
| Investment funds | 21,016.7 | 12,077.9 | 33,094.6 |
| Shares in non-trading property companies | 0.0 | 1,219.6 | 1,219.6 |
| Other | 169.9 | 2.1 | 172.0 |
| **ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS** | **33,546.1** | **35,229.3** | **68,775.3** |

### 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)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Analysis of investments | 366,069.6 | 361,334.7 |
| Balance sheet – liabilities – Derivative instruments (negative fair value) | (4,834.1) | (5,806.4) |
| Balance sheet – assets – Insurance investments | 370,903.7 | 367,141.1 |
| **VARIANCE** | **0.0** | **0.0** |

### 9.1.4 Non-consolidated structured entities

#### 9.1.4.1 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 | 0.0 | 0.0 |
| 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 | 0.0 | 0.0 |
| Held-to-maturity investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **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 is 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 2014

| | 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 | 12,075.2 | 356.6 | 1,010.9 | 70.5 | 0.0 | 0.0 |
| Financial assets designated on initial recognition as being at fair value through profit or loss | 2.7 | 0.2 | 3.5 | 0.0 | 21,028.0 | 1,032.5 |
| Available-for-sale financial assets | 37,237.8 | 567.6 | 1,498.6 | 30.0 | 0.0 | 0.0 |
| Held-to-maturity investments | 0.0 | 0.0 | 92.4 | 2.8 | 0.0 | 0.0 |
| **TOTAL ASSETS** | **49,315.7** | **924.3** | **2,605.4** | **103.3** | **21,028.0** | **1,032.5** |

At 31 December 2014, 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 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 * | 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 | 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 | 0.0 | 4,834.1 | 0.0 | 4,834.1 |
| **TOTAL FINANCIAL LIABILITIES** | **4,793.4** | **4,834.1** | **0.0** | **9,627.4** |

* *Includes derivative financial instruments (assets)*

Insofar as all of the Group's derivatives are collateralised, counterparty risk is extremely limited, and credit and debt valuation adjustments have no impact on the measurement of these derivatives.

### 9.2.2 Valuation methods at 31 December 2014

| *(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 * | 59,545.1 | 14,403.3 | 0.0 | 73,948.4 |
| Available-for-sale financial assets | 259,884.4 | 25,281.5 | 69.5 | 285,235.4 |
| **TOTAL FINANCIAL ASSETS** | **319,429.6** | **39,684.7** | **69.5** | **359,183.8** |
| Investment property at amortised cost | 0.0 | 2,585.8 | 1.7 | 2,587.5 |
| Investment property at fair value | 0.0 | 645.0 | 0.0 | 645.0 |
| **TOTAL INVESTMENT PROPERTY** | **0.0** | **3,230.8** | **1.7** | **3,232.5** |
| Financial liabilities at fair value through profit or loss | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial liabilities – financial instruments without DPF (excluding unit-linked) | 811.4 | 0.0 | 0.0 | 811.4 |
| Financial liabilities (linked liabilities) – financial instruments without DPF | 4,367.7 | 0.0 | 0.0 | 4,367.7 |
| Derivative instruments | 0.0 | 5,806.4 | 0.0 | 5,806.4 |
| **TOTAL FINANCIAL LIABILITIES** | **5,179.1** | **5,806.4** | **0.0** | **10,985.6** |

* *Includes derivative financial instruments (assets)*

### 9.2.3 Reconciliation of movements for the period in securities measured using a valuation model not based solely on observable market inputs

| | **31.12.2015** | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in € millions)* | **Opening carrying amount** | **Acquisitions** | **Maturity** | **Transfers to category 3 (additions)** | **Transfers from category 3 (disposals)** | **Impact of sales of securities at FV with change in FV through profit or loss** | **Impact of sales of available-for-sale financial assets** | **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 | 69.5 | 7.3 | 0.0 | 0.0 | (58.3) | 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** | **0.5** | **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 | (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 | (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** | **(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** |

| (in € millions) | 31.12.2014 Opening carrying amount | Acquisitions | Maturity | Transfers to category 3 (additions) | Transfers from category 3 (disposals) | Impact of sales of securities at FV with change in FV through profit or loss | Impact of sales of available-for-sale financial assets | 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 | 25.2 | 0.0 | (14.3) | 0.0 | 0.0 | (10.9) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Available-for-sale financial assets | 37.5 | 5.5 | (7.0) | 58.3 | (24.0) | 0.0 | (0.5) | 0.3 | 0.0 | (0.6) | 0.1 | 69.5 |
| **TOTAL FINANCIAL ASSETS** | **62.7** | **5.5** | **(21.3)** | **58.3** | **(24.0)** | **(10.9)** | **(0.5)** | **0.3** | **0.0** | **(0.6)** | **0.1** | **69.5** |
| Investment property at amortised cost | 0.1 | 0.0 | 0.0 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.7 |
| **TOTAL INVESTMENT PROPERTY** | **0.1** | **0.0** | **0.0** | **1.6** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **1.7** |
| **TOTAL FINANCIAL LIABILITIES** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** |

## 9.3 REPURCHASE AGREEMENTS

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period:

| | | Carrying amount | |
|---|---|---|---|
| *(in € millions)* | | **31.12.2015** | 31.12.2014 |
| Available-for-sale financial assets | Fixed-rate bonds | 6,560.8 | 9,485.5 |
| | Equities | 0.0 | 0.0 |
| **TOTAL** | | **6,560.8** | **9,485.5** |

## 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)* | | **31.12.2015** | 31.12.2014 |
| Available-for-sale financial assets | Fixed-rate bonds | 9,430.8 | 3,534.3 |
| | Equities (quoted) | 1,087.4 | 1,770.3 |
| **TOTAL** | | **10,518.1** | **5,304.5** |

## 9.5 MOVEMENTS FOR THE PERIOD

### 9.5.1 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

### 9.5.2 2014

| (in € millions) | Opening carrying amount | Additions | Disposals | Fair value adjustments | Additions to provisions for impairment (1) | Reversals of provisions for impairment (1) | Changes in scope of consolidation | Other (3) | Closing carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| Securities held for trading | 65,514.4 | 28,045.8 | (27,050.9) | 3,295.6 | 0.0 | 0.0 | (1,143.4) (2) | 113.8 | 68,775.3 |
| Derivative instruments | (259.1) | 272.0 | (372.8) | (344.2) | 0.0 | 0.0 | 0.0 | 70.7 | (633.4) |
| Available-for-sale financial assets | 265,664.0 | 72,539.0 | (65,970.9) | 13,997.7 | (115.5) | 743.8 | 202.1 | (1,824.8) | 285,235.5 |
| Held-to-maturity investments | 603.1 | 64.5 | (111.2) | 0.0 | (0.1) | 1.8 | 0.0 | 6.3 | 564.4 |
| Loans and receivables | 4,662.4 | 1,595.3 | (1,221.2) | 0.0 | 0.0 | 0.0 | 137.6 | (189.7) | 4,984.4 |
| Investment property | 2,540.6 | 74.2 | (261.4) | 4.3 | (1.0) | 21.7 | 17.4 | 12.6 | 2,408.4 |
| **TOTAL** | **338,725.5** | **102,590.9** | **(94,988.4)** | **16,953.4** | **(116.6)** | **767.3** | **(786.3)** | **(1,811.1)** | **361,334.6** |

(1) See Note 20.3
(2) Mainly corresponds to the derecognition of two mutual funds
(3) Includes the reclassification of CNP Barclays Vida y Pensiones as "Assets held for sale"

## 9.6 DERIVATIVE INSTRUMENTS

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity:

| | 31.12.2015 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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)** |

| | 31.12.2014 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 | 32.9 | (53.0) | 1,132.4 | (1,255.9) | 2,074.9 | (2,440.7) | 768.7 | (889.4) | 902.1 | (1,098.5) | 4,911.0 | (5,737.5) |
| Cap/floor | 0.0 | 0.0 | 57.5 | (1.9) | 176.5 | (39.6) | 0.0 | 0.0 | 14.4 | (27.2) | 248.4 | (68.7) |
| Equity | 1.4 | 0.0 | 6.2 | 0.0 | 6.1 | (0.3) | 0.0 | 0.0 | 0.0 | 0.0 | 13.7 | (0.3) |
| **TOTAL** | **34.3** | **(53.0)** | **1,196.1** | **(1,257.8)** | **2,257.5** | **(2,480.6)** | **768.7** | **(889.4)** | **916.4** | **(1,125.7)** | **5,173.0** | **(5,806.4)** |

## 9.7 DERIVATIVE INSTRUMENTS QUALIFYING FOR HEDGE ACCOUNTING

| | Currency swap | |
|---|---|---|
| *(in € millions)* | **31.12.2015** | 31.12.2014 |
| **Notional amount** | **722.7** | **722.7** |
| **Cash flow hedge reserve** | **6.9** | **(0.1)** |
| Change in cash flow hedge reserve during the period | 82.5 | 74.4 |
| Cash flow hedge reserve recycled through profit or loss during the period | (71.0) | (74.6) |
| Deferred taxes | (4.6) | 0.1 |

CNP Assurances has set up two hedges against currency risk on issues of subordinated notes denominated in foreign currencies:

- the first derivative instrument is a cross-currency swap for a notional amount of GBP 300 million (€339.5 million) used to hedge against fluctuations in the euro-sterling exchange rate through 30 September 2021 that could impact interest and principal repayments on sterling-denominated notes issued by the Group in 2011. It qualifies for hedge accounting as a cash flow hedge (see Note 3.10.3). At 31 December 2015, no amount had been recognised in profit or loss for the ineffective portion of the hedge;
- the second derivative instrument is a currency swap that immediately transforms dollar-denominated payments of interest and the initial and final repayments of principal into euro-denominated cash outflows through 18 July 2019. The notional amount of the hedge is US$ 500 million (€383.2 million). It qualifies for hedge accounting as a cash flow hedge and no amount had been recognised in profit or loss for the ineffective portion of the hedge at 31 December 2015.

## 9.8 CREDIT RISK

### 9.8.1 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%** |

### 9.8.2 Analysis of the bond portfolio at 31 December 2014 by issuer rating

| Rating *(in € millions)* | Bond portfolio at fair value | % |
|---|---|---|
| AAA | 26,164.4 | 10.1% |
| AA | 110,163.2 | 42.6% |
| A | 54,332.5 | 21.0% |
| BBB | 61,346.7 | 23.7% |
| Non-investment grade | 4,352.6 | 1.7% |
| Not rated | 2,040.2 | 0.8% |
| **TOTAL** | **258,399.6** | **100.0%** |

## 9.9 CLASSIFICATION OF INVESTMENTS BY TYPE OF ASSET AND BY GEOGRAPHIC REGION

### 9.9.1 Classification by type of asset and by geographic region at 31 December 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 | 6,775 | 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** |

| List of countries (for information) | 31.12.2015 Gross exposure – carrying amount * | 31.12.2015 Gross exposure – fair value | 31.12.2015 Net exposure – fair value | 31.12.2014 Gross exposure – carrying amount * | 31.12.2014 Gross exposure – fair value | 31.12.2014 Net exposure – fair value |
|---|---|---|---|---|---|---|
| France | 66,591.5 | 77,735.6 | 4,941.1 | 67,676.2 | 81,013.0 | 4,344.1 |
| Italy | 9,134.8 | 10,708.0 | 1,234.7 | 9,644.9 | 11,117.8 | 1,093.0 |
| Belgium | 7,402.4 | 8,621.0 | 494.4 | 8,201.0 | 9,617.8 | 417.3 |
| Spain | 3,751.0 | 4,390.8 | 344.9 | 3,695.8 | 4,378.1 | 304.9 |
| Austria | 4,434.0 | 5,197.8 | 219.3 | 4,793.8 | 5,739.5 | 202.1 |
| Brazil | 1,448.8 | 1,265.6 | 759.5 | 1,628.0 | 1,528.5 | 917.7 |
| Portugal | 271.4 | 310.8 | 7.6 | 431.7 | 468.5 | 11.7 |
| Netherlands | 179.5 | 204.2 | 15.5 | 124.8 | 154.0 | 10.4 |
| Ireland | 617.1 | 724.3 | 31.8 | 608.5 | 724.4 | 18.2 |
| Germany | 2,481.7 | 2,823.0 | 240.8 | 2,637.4 | 3,031.1 | 217.7 |
| Greece | 3.9 | 2.2 | 0.1 | 4.3 | 4.6 | 0.2 |
| Finland | 16.3 | 19.7 | 3.2 | 34.4 | 38.6 | 4.3 |
| Poland | 346.7 | 391.9 | 43.1 | 337.2 | 391.1 | 31.4 |
| Luxembourg | 50.4 | 56.3 | 20.8 | 34.1 | 39.0 | 15.4 |
| Sweden | 11.4 | 12.4 | 0.3 | 1.2 | 2.4 | 1.1 |
| Denmark | 45.2 | 60.1 | 4.5 | 45.2 | 49.2 | 3.3 |
| Slovenia | 140.6 | 158.7 | 3.5 | 237.9 | 269.4 | 14.2 |
| United Kingdom | 78.1 | 233.0 | 0.0 | 78.1 | 213.6 | 0.0 |
| Canada | 649.0 | 710.8 | 85.9 | 548.1 | 625.7 | 61.9 |
| Cyprus | 16.6 | 18.5 | 6.1 | 15.7 | 16.2 | 4.0 |
| Other | 6,401.8 | 7,459.8 | 735.2 | 6,414.2 | 7,617.0 | 650.0 |
| **TOTAL** | **104,072.3** | **121,104.4** | **9,192.0** | **107,192.3** | **127,039.4** | **8,322.9** |

* *Carrying amount, including accrued coupon*

At 31 December 2015, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €121.1 billion, or an estimated exposure net of deferred participation and deferred taxes of €9.2 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 rate of return and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 7.6% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 66.1% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (a 11.5% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a net exposure to gross exposure ratio of 7.6% (66.1% multiplied by 11.5%).

The difference between gross and net exposure does not necessarily represent the loss that would be borne by policyholders. The recoverability of successive losses on sovereign debt is limited by the following:

- the policyholder surplus reserve which totalled €7.1 billion at 31 December 2015 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 0.5% for a projected DPF rate of around 1.9% 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 (€2.7 billion) and on equities (€12.6 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

In the absence of an incurred loss, no other sovereign debt securities have been impaired.

### 9.9.2 Classification by type of asset and by geographic region at 31 December 2014

| *(in € millions)* | | France | Germany | Italy | Rest of Europe | United States | Brazil | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| Available-for-sale financial assets | Debt securities | 95,128 | 16,814 | 7,239 | 56,459 | 11,700 | 1,519 | 25,534 | 214,392 |
| | Investment funds | 27,479 | 33 | 250 | 9,255 | 1 | 0 | 220 | 37,238 |
| | Equities | 8,113 | 602 | 2,769 | 2,464 | 0 | 12 | 150 | 14,111 |
| | Other | 19,475 | 0 | 0 | 18 | 0 | 0 | 2 | 19,495 |
| Held-for-trading and FVO | Debt securities | 12,486 | 848 | 678 | 4,635 | 531 | 8,782 | 2,335 | 30,296 |
| | Investment funds | 27,242 | 93 | 10 | 5,374 | 30 | 253 | 58 | 33,059 |
| | Equities | 480 | 115 | 429 | 989 | 1,322 | 139 | 392 | 3,867 |
| | Other | 1,242 | 214 | 0 | 66 | 0 | 0 | 32 | 1,554 |
| Held-to-maturity investments | Debt securities | 92 | 0 | 0 | 0 | 0 | 380 | 92 | 564 |
| Loans and receivables | | 4,614 | 0 | 0 | 303 | 0 | 47 | 20 | 4,984 |
| Derivative instruments | | (630) | 0 | (3) | 0 | 0 | 0 | 0 | (633) |
| Investment property | | 2,363 | 0 | 0 | 43 | 0 | 2 | 0 | 2,408 |
| **TOTAL** | | **198,085** | **18,718** | **11,371** | **79,606** | **13,585** | **11,135** | **28,834** | **361,335** |

## 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 2014 and 2015.

## 9.11 COMMITMENTS GIVEN AND RECEIVED

Under IFRS, forward financial instruments are recognised in the balance sheet.

| Commitments given *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Financing commitments | 208.9 | 418.5 |
| Guarantees | 11,026.0 | 11,149.6 |
| Securities commitments | 4,848.6 | 3,710.7 |

Guarantees mainly concern the guarantee that CNP Assurances gives to Crédit Immobilier de France in respect of CNP Caution's maximum exposure. This guarantee was first put in place and recognised in the income statement in 2011. The current cost of €0.3 million has already been recognised.

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

| Commitments received *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Financing commitments | 0.0 | 0.0 |
| Guarantees | 22.3 | 70.1 |
| Securities commitments | 10,974.2 | 9,778.8 |

Securities commitments correspond to securities pledged by cedants under the terms of inward reinsurance contracts.

# Note 10 Analysis of insurance and financial liabilities

## 10.1 ANALYSIS OF INSURANCE AND FINANCIAL LIABILITIES

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS:

### 10.1.1 Analysis of insurance and financial liabilities at 31 December 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 reserve | 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 reserve | 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** |

### 10.1.2 Analysis of insurance and financial liabilities at 31 December 2014

| *(in € millions)* | Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Non-life technical reserves** | **7,997.2** | **6,743.4** | **1,253.8** |
| Unearned premium reserves | 598.8 | 448.4 | 150.3 |
| Outstanding claims reserves | 5,740.4 | 4,847.6 | 892.8 |
| Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities) | 42.8 | 41.0 | 1.8 |
| Other technical reserves | 1,615.2 | 1,406.4 | 208.9 |
| Liability adequacy test reserves | 0.0 | 0.0 | 0.0 |
| **Life technical reserves** | **155,951.9** | **146,418.4** | **9,533.5** |
| Unearned premium reserves | 993.7 | 718.4 | 275.3 |
| Life premium reserves | 148,384.3 | 139,241.2 | 9,143.1 |
| Outstanding claims reserves | 2,209.5 | 2,105.8 | 103.8 |
| Policyholder surplus reserve | 3,836.6 | 3,833.2 | 3.3 |
| Other technical reserves | 527.8 | 519.9 | 8.0 |
| Liability adequacy test reserves | 0.0 | 0.0 | 0.0 |
| **Financial instruments with DPF** | **143,442.4** | **143,442.4** | **0.0** |
| Life premium reserves | 139,237.7 | 139,237.7 | 0.0 |
| Outstanding claims reserves | 2,368.6 | 2,368.6 | 0.0 |
| Policyholder surplus reserve | 1,836.1 | 1,836.1 | 0.0 |
| Other technical reserves | 0.0 | 0.0 | 0.0 |
| Liability adequacy test reserves | 0.0 | 0.0 | 0.0 |
| **Financial instruments without DPF** | **5,179.1** | **5,015.3** | **163.8** |
| **Derivative financial instruments separated from the host contract** | **0.0** | **0.0** | **0.0** |
| **Deferred participation reserve** | **31,783.1** | **31,783.1** | **0.0** |
| **TOTAL INSURANCE AND FINANCIAL LIABILITIES** | **344,353.6** | **333,402.5** | **10,951.1** |
| **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 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 loadings | (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 associated with 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** |

#### 10.2.1.2 Changes in mathematical reserves – life insurance – at 31 December 2014

| *(in € millions)* | Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Mathematical reserves at the beginning of the period** | **279,612.6** | **271,052.3** | **8,560.3** |
| Premiums | 26,402.3 | 25,962.0 | 440.3 |
| Extinguished liabilities (benefit payments) | (24,532.8) | (24,185.0) | (347.8) |
| Locked-in gains | 7,587.6 | 7,260.4 | 327.1 |
| Change in value of linked liabilities | 1,486.3 | 1,486.3 | 0.0 |
| Changes in scope (acquisitions/divestments) | 24.8 | 30.8 | (6.0) |
| Outstanding loadings | (1,591.3) | (1,591.3) | 0.0 |
| Surpluses/deficits | (7.3) | (7.3) | 0.0 |
| Currency effect | 53.2 | 53.2 | 0.0 |
| Changes in assumptions | (3.4) | (3.4) | 0.0 |
| Newly-consolidated companies | 0.5 | 0.3 | 0.2 |
| Non-current liabilities associated with assets held for sale and discontinued operations | (1,764.7) | (1,764.5) | (0.2) |
| Other | 354.2 | 185.1 | 169.1 |
| **Mathematical reserves at the end of the period** | **287,621.9** | **278,478.8** | **9,143.1** |

## 10.2.2 Changes in technical reserves – non-life insurance

### 10.2.2.1 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 associated with 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** |

### 10.2.2.2 Changes in technical reserves – non-life insurance – at 31 December 2014

| *(in € millions)* | Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Outstanding claims reserves at the beginning of the period** | **5,139.8** | **4,330.0** | **809.8** |
| Claims expenses for the period | 1,863.8 | 1,653.3 | 210.5 |
| Prior period surpluses/deficits | (0.1) | 0.0 | 0.0 |
| **Total claims expenses** | **1,863.8** | **1,653.3** | **210.5** |
| Current period claims settled during the period | (1,264.9) | (1,136.6) | (128.3) |
| Prior period claims settled during the period | (19.2) | (14.3) | (5.0) |
| **Total paid claims** | **(1,284.1)** | **(1,150.9)** | **(133.2)** |
| Changes in scope (acquisitions/divestments) | 0.0 | 0.0 | 0.0 |
| Currency effect | 1.7 | 2.0 | (0.3) |
| Newly-consolidated companies | 19.4 | 13.3 | 6.1 |
| Non-current liabilities associated with 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** | **5,740.4** | **4,847.6** | **892.8** |

### 10.2.3 Changes in mathematical reserves – financial instruments with DPF

| *(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 associated with 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** |

| *(in € millions)* | 31.12.2014 Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Mathematical reserves at the beginning of the period** | **5,323.6** | **5,176.7** | **146.9** |
| Premiums | 716.3 | 708.7 | 7.7 |
| Extinguished liabilities (benefit payments) | (797.8) | (780.5) | (17.3) |
| Locked-in gains | 52.0 | 52.0 | 0.0 |
| Change in value of linked liabilities | 492.7 | 466.1 | 26.6 |
| Changes in scope (acquisitions/divestments) | (27.5) | (27.5) | 0.0 |
| Currency effect | 8.1 | 8.1 | 0.0 |
| Newly-consolidated companies | 0.0 | 0.0 | 0.0 |
| Non-current liabilities associated with assets held for sale and discontinued operations | (531.7) | (531.7) | 0.0 |
| Other | (56.5) | (56.5) | 0.0 |
| **Mathematical reserves at the end of the period** | **5,179.1** | **5,015.3** | **163.8** |

## 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 *(in € millions)* | 31.12.2015 DPA | DPR | Total | 31.12.2014 DPA | DPR | Total |
|---|---|---|---|---|---|---|
| Deferred participation on remeasurement at fair value through profit or loss | 0.0 | 222.3 | (222.3) | 0.0 | (198.6) | 198.6 |
| Deferred participation on remeasurement at fair value recognised in equity | 0.0 | 28,953.8 | (28,953.8) | 0.0 | 31,981.7 | (31,981.7) |
| Deferred participation on adjustment of claims equalisation reserves | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL** | **0.0** | **29,176.2** | **(29,176.2)** | **0.0** | **31,783.1** | **(31,783.1)** |

The following table analyses year-on-year changes:

| | 31.12.2015 | | 31.12.2014 | |
|---|---|---|---|---|
| *(in € millions)* | DPA | DPR | DPA | DPR |
| **Amount at the beginning of the period** | **0.0** | **31,783.1** | **0.0** | **18,980.0** |
| Deferred participation on remeasurement at fair value of securities through profit or loss | 0.0 | 421.0 | 0.0 | 642.5 |
| Deferred participation on remeasurement at fair value of securities recognised in equity | 0.0 | (3,027.8) | 0.0 | 12,160.6 |
| 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** | **29,176.2** | **0.0** | **31,783.1** |

## 10.4 CHANGES IN FINANCIAL LIABILITIES – LINKED LIABILITIES

### 10.4.1 Changes in 2015

| *(in € millions)* | Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Technical reserves 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 loadings 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 |
| **Technical reserves at the end of the period *** | **36,291.5** | **36,291.5** | **0.0** |

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. Refer to reconciliation table in Note 10.4.2*

### 10.4.2 Changes in 2014

| *(in € millions)* | Before reinsurance | Net of reinsurance | Reinsurance |
|---|---|---|---|
| **Technical reserves at the beginning of the period** | **31,485.8** | **31,480.5** | **5.3** |
| (+) Entries (new contracts, transfers between contracts, replacements) | 5,296.7 | 5,296.6 | 0.0 |
| (+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus) | 2,190.8 | 2,190.8 | 0.0 |
| (-) Exits (paid benefits and expenses) | (3,375.8) | (3,375.8) | 0.0 |
| (+/-) Entries/exits related to portfolio transfers | (997.9) | (991.9) | (6.0) |
| (-) Outstanding loadings deducted | (149.4) | (149.4) | 0.0 |
| (+/-) Surpluses/deficits | 0.0 | 0.0 | 0.0 |
| (+/-) Effect of changes in assumptions | 0.0 | 0.0 | 0.0 |
| (+/-) Translation adjustment | 48.0 | 48.0 | 0.0 |
| (+/-) Newly-consolidated companies | 0.0 | 0.0 | 0.0 |
| Non-current assets held for sale and discontinued operations | (343.8) | 0.0 | 0.0 |
| Other | (16.1) | (360.5) | 0.6 |
| **Technical reserves at the end of the period** * | **34,138.3** | **34,138.3** | **0.0** |

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown*

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Financial liabilities – linked liability financial instruments – balance sheet** | **40,479.0** | **38,506.0** |
| Changes in financial liabilities – linked liabilities other than IAS 39 | 36,291.5 | 34,138.3 |
| Changes in financial liabilities – linked liabilities – IAS 39 | 4,187.5 | 4,367.7 |
| **VARIANCE** | **0.0** | **0.0** |

## 10.5 CREDIT RISK ON REINSURED BUSINESS

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer for CNP France and the main subsidiaries in the Group:

**a)** excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA;

**b)** for quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows:

### 10.5.1 Credit risk on reinsured business at 31 December 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%** |

### 10.5.2 Credit risk on reinsured business at 31 December 2014

| | Ceded technical reserves | | |
|---|---|---|---|
| *(in € millions)* | Credit rating | Amount | % |
| First reinsurer | AA- | 3,913.4 | 35.73% |
| Second reinsurer | BBB | 2,573.7 | 23.50% |
| Third reinsurer | AA- | 1,298.8 | 11.86% |
| Fourth reinsurer | A | 668.2 | 6.10% |
| Other reinsurers | - | 2,497.1 | 22.81% |
| **TOTAL** | | **10,951.1** | **100.00%** |

# Note 11 Subordinated liabilities

## 11.1 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 Libor +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 +0.70% until 2016, then 3-month Euribor +1.6% | | EUR | 93.0 | | | | | | 93.0 | 90.5 |
| CNP Assurances | Nov. 2004 | 4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16 | | EUR | 90.0 | | | | | | 90.0 | 91.0 |
| CNP Assurances | June 2003 | 4.7825% until 2013, then 3-month Euribor +2% from 24.06.13 | | 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 (initial margin of 360 bps plus 100 bps step-up) | | 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 +1.5% | | 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 unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments*

Subordinated liabilities are not subject to financial covenants.

## 11.2 SUBORDINATED LIABILITIES AT 31 DECEMBER 2014

| *(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** | | | | | **3,130.0** | **0.0** | **0.0** | **0.0** | **200.0** | **2,335.2** | **594.8** | **3,519.2** |
| CNP Assurances | Apr. 2011 | 6.875% until Sept. 2021, then 12-month Libor +440 bps | | EUR | 700.0 | | | | | 700.0 | | 857.1 |
| CNP Assurances | Apr. 2011 | 7.375% until Sept. 2021, then 12-month Libor +448.2 bps | 300.0 | GBP | 385.2 | | | | | 385.2 | | 444.1 |
| CNP Assurances | Sept. 2010 | 6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps | | EUR | 750.0 | | | | | 750.0 | | 871.1 |
| CNP Assurances | Nov. 2004 | 3-month Euribor +0.70% until 2016, then 3-month Euribor +1.6% | | EUR | 93.0 | | | | | | 93.0 | 90.1 |
| CNP Assurances | Nov. 2004 | 4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16 | | EUR | 90.0 | | | | | | 90.0 | 82.8 |
| CNP Assurances | June 2003 | 4.7825% until 2013, then 3-month Euribor +2% from 24.06.13 | | EUR | 200.0 | | | | 200.0 | | | 188.5 |
| CNP Assurances | July 2013 | 6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps | 500 | USD | 411.8 | | | | | | 411.8 | 449.4 |
| CNP Assurances | June 2014 | 4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365) | | EUR | 500.0 | | | | | 500.0 | | 526.1 |
| **Undated subordinated notes** | | | | | **45.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **45.0** | **42.6** |
| CNP UniCredit Vita | Oct. 2003 | 6-month Euribor +1.5% | | EUR | 45.0 | | | | | | 45.0 | 42.6 |
| **TOTAL** | | | | | **3,175.0** | **0.0** | **0.0** | **0.0** | **200.0** | **2,335.2** | **639.8** | **3,561.9** |

* *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 would have been a negative amount of €212.5 million before tax at 31 December 2014. The fair values of unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments*

Subordinated liabilities are not 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 2015 and 2014.

| (in € millions) | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Earned premiums not yet written | 2,293.6 | 2,452.0 |
| Other insurance receivables | 288.4 | 455.3 |
| Reinsurance receivables | 113.3 | 145.9 |
| **TOTAL** | **2,695.3** | **3,053.2** |
| Of which, doubtful receivables | 4.8 | 3.8 |

### ANALYSIS BY MATURITY

| | 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** |

| | 31.12.2014 | | |
|---|---|---|---|
| (in € millions) | Due within 1 year | Due in 1 to 5 years | Due beyond 5 years |
| Earned premiums not yet written | 2,452.0 | 0.0 | 0.0 |
| Other insurance receivables | 426.0 | 19.8 | 9.4 |
| Reinsurance receivables | 144.8 | 1.1 | 0.0 |
| **TOTAL** | **3,022.8** | **20.9** | **9.4** |

## 12.2 OTHER RECEIVABLES

| (in € millions) | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Receivables from employees | 1.0 | 1.3 |
| Accrued payroll charges and other taxes | 745.9 | 803.2 |
| Sundry receivables | 2,897.2 | 5,928.5 |
| **TOTAL** | **3,644.2** | **6,733.0** |

## Note 13 | Deferred taxes

This note presents total deferred tax assets and liabilities by type of temporary difference.

| Sources of temporary differences *(in € millions)* | 31.12.2015 | | |
|---|---|---|---|
| | Assets | Liabilities | Net |
| Goodwill | 17.3 | (1.0) | 16.3 |
| Value of 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 associates | 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) |
| Provision 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)** |

| Sources of temporary differences *(in € millions)* | 31.12.2014 | | |
|---|---|---|---|
| | Assets | Liabilities | Net |
| Goodwill | 15.6 | (1.1) | 14.5 |
| Value of In-Force business | 0.0 | (2.7) | (2.7) |
| Other intangible assets | 0.0 | 0.0 | 0.0 |
| Investment property | 0.0 | (83.3) | (83.3) |
| Financial assets | 41.3 | (13,771.2) | (13,729.9) |
| Investments in associates | 0.0 | 0.0 | 0.0 |
| Reinsurers' share of insurance and financial liabilities | 45.2 | 0.0 | 45.2 |
| Owner-occupied property and other property and equipment | 0.0 | (0.9) | (0.9) |
| Deferred acquisition costs | 0.0 | 0.0 | 0.0 |
| Other assets | 471.6 | 0.0 | 471.6 |
| Capitalisation reserve | 0.0 | 0.0 | 0.0 |
| Subordinated debt | 0.0 | (8.9) | (8.9) |
| Provision for liabilities and charges | 162.9 | 0.0 | 162.9 |
| Financing liabilities | 0.0 | 0.0 | 0.0 |
| Insurance and financial liabilities | 0.0 | 0.0 | 0.0 |
| Deferred participation asset/reserve | 12,034.6 | 0.0 | 12,034.6 |
| Other liabilities | 0.0 | (0.6) | (0.6) |
| Credit from tax loss carryforwards | 0.0 | 0.0 | 0.0 |
| Asset-liability netting | (12,490.1) | 12,490.1 | 0.0 |
| **NET DEFERRED TAX ASSET OR LIABILITY** | **281.1** | **(1,378.5)** | **(1,097.5)** |

# Note 14 Provision 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 – 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** |

## 14.2 PROVISIONS FOR LIABILITIES AND CHARGES – 2014

| *(in € millions)* | Provisions for claims and litigation | Other | Total |
|---|---|---|---|
| **Carrying amount at 1 January 2014** | **97.5** | **148.2** | **245.7** |
| New provisions set up during the period and increases in existing provisions | 85.9 | 27.8 | 113.7 |
| Amounts utilised during the year | (14.4) | (2.8) | (17.2) |
| Surplus provisions released during the period | (76.3) | (14.9) | (91.2) |
| Change due to the passage of time and/or a change in the discount rate | 0.0 | 0.0 | 0.0 |
| Translation adjustments | 0.5 | 0.1 | 0.7 |
| Changes in scope of consolidation | 0.5 | 0.0 | 0.5 |
| Reclassifications | 0.0 | 0.0 | 0.0 |
| Non-current assets held for sale and discontinued operations | 0.0 | (2.1) | (2.1) |
| **CARRYING AMOUNT AT 31 DECEMBER 2014** | **93.7** | **156.4** | **250.1** |

# 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 2015 and at 31 December 2014.

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Cash deposits received from reinsurers | 315.8 | 325.7 |
| Liabilities arising from insurance transactions | 588.6 | 911.7 |
| Liabilities arising from reinsurance transactions | 698.2 | 604.5 |
| Deferred acquisition costs | 206.3 | 305.9 |
| **TOTAL** | **1,808.9** | **2,147.8** |

### ANALYSIS BY MATURITY

| | **31.12.2015** | | | 31.12.2014 | | |
|---|---|---|---|---|---|---|
| *(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 | 166.2 | 149.6 | 0.0 | 159.0 | 166.7 | 0.0 |
| Liabilities arising from insurance transactions | 588.0 | 0.6 | 0.0 | 911.7 | 0.0 | 0.0 |
| Liabilities arising from reinsurance transactions | 697.1 | 0.1 | 1.0 | 603.9 | 0.6 | 0.0 |
| Deferred acquisition costs | 4.4 | 64.3 | 137.6 | 5.6 | 95.7 | 204.7 |
| **TOTAL** | **1,455.7** | **214.6** | **138.6** | **1,680.2** | **263.0** | **204.7** |

## 15.2 OTHER LIABILITIES

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Receivables from employees | 390.2 | 376.0 |
| Accrued payroll charges and other taxes | 1,205.0 | 1,386.1 |
| Sundry payables | 4,095.5 | 5,406.7 |
| **TOTAL** | **5,690.8** | **7,168.8** |

## 15.3 EMPLOYEE BENEFITS – IAS 19

### 15.3.1 Main assumptions

#### Discount rate

At 31 December 2015, 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 measurement of obligations.

| Plan | Duration *(years)* | Discount rate | Expected future salary increases | Inflation | Expected return on plan assets |
|---|---|---|---|---|---|
| Retirement benefits | 11 | 1.50% | 3.00% | Incl. in salary increases | N/A |
| Jubilees | 7 | 0.95% | 3.00% | Incl. in salary increases | N/A |
| Article 39 of the French Tax Code | 7 | 0.98% | 3.00% | Incl. in salary increases | 0.98% |
| Other plans: Italy | 23 | 2.00% | 3.00% | 1.50% | N/A |

#### Mortality tables

The Group based its calculations on prospective mortality tables by generation, particularly table TGH05-TGF05 for obligations in France.

### 15.3.2 Recognised benefit obligations

| | Post-employment plans | |
|---|---|---|
| *(in € millions)* | **31.12.2015** | 31.12.2014 |
| Projected benefit obligation | 194.3 | 184.3 |
| Fair value of plan assets | 0.0 | (0.1) |
| **Projected benefit obligation net of plan assets** | **194.3** | **184.2** |
| Unrecognised past service cost | 0.0 | 0.0 |
| **Liability recognised in the balance sheet – defined benefit plans** | **194.3** | **184.2** |
| Liability recognised in the balance sheet – defined contribution plans | 57.8 | 54.3 |
| **Total liability recognised in the balance sheet for pension and other post-employment benefit plans** | **252.1** | **238.5** |
| Other long-term benefit obligations | 19.8 | 19.1 |
| Of which length-of-service and jubilee awards | *19.8* | *19.1* |
| **Total liability recognised in the balance sheet for long-term benefit obligations *** | **271.9** | **257.6** |

* *Benefit obligations are mainly carried on the books of the French and Italian entities (€270.7 million and €0.9 million respectively)*

### 15.3.3 Analysis of cost of benefit obligations

| | Post-employment plans | |
|---|---|---|
| *(in € millions)* | **31.12.2015** | 31.12.2014 |
| **Current service cost (net of employee contributions)** | **9.7** | **9.0** |
| Interest cost | 2.1 | 3.9 |
| Expected return on plan assets for the period | 0.0 | 0.0 |
| Curtailments and settlements | 0.0 | 0.0 |
| Amortisation of past service cost | 0.0 | 0.0 |
| **Post-employment benefit expense – defined benefit plans** | **11.8** | **12.9** |
| Post-employment benefit expense – defined contribution plans | 13.8 | 15.0 |
| **TOTAL POST-EMPLOYMENT BENEFIT EXPENSE** | **25.6** | **27.9** |

### 15.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

| *(in € millions)* | Post-employment plans 31.12.2015 | 31.12.2014 |
|---|---|---|
| **At 1 January** [(1)] | **184.2** | **153.9** |
| Effect of changes in exchange rates [(2)] | 0.0 | 0,0 |
| Post-employment benefit expense | 11.9 | 12.9 |
| Employer's contributions [(3)] | (1.8) | (8.5) |
| Benefits paid [(4)] | (2.6) | (3.0) |
| Actuarial gains and losses recognised directly in equity [(5)] | 2.6 | 37.2 |
| Actuarial gains and losses recognised through profit | 0.0 | (8.2) |
| 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** | **194.3** | **184.2** |

*(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans*
*(2) Pension (charges)/revenue arising from defined benefit plans*
*(3) Management fees paid on plan assets*
*(4) Fees paid by the Group (or rebilled by Caisse des Dépôts)*
*(5) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies*

### 15.3.5 Change in actuarial gains

| *(in € millions)* | Post-employment plans 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Actuarial gains and losses recognised in equity at the beginning of the period** | **133.6** | **96.5** |
| Actuarial gains and losses related to changes in discount rates | 0.2 | 23.0 |
| Actuarial gains and losses related to changes in assumptions regarding retirement age | 0.0 | 1.3 |
| Actuarial gains and losses related to changes in technical rates | 2.7 | 4.3 |
| Actuarial gains and losses related to annuity contributions | 0.0 | 2.9 |
| Actuarial gains and losses related to historical loss adjustments | (0.3) | 5.6 |
| **Actuarial gains and losses recognised in equity at the end of the period** | **136.2** | **133.6** |

### 15.3.6 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its commitments to employees in relation to changes in discount rates, employee turnover rates, rate of salary increase, technical rates and mortality tables. Accrued employee benefit commitments are most sensitive to changes in the salary revaluation rate and the discount rate. A 25 bps change in these two rates, for the French entities, would result in either a 3% increase or decrease in employee benefit commitments.

## ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

# Note 16 Revenue

Revenue comprises:

- earned premiums;
- loadings on premiums on financial instruments without DPF (IAS 39), reported under "Revenue from other activities".

### 16.1 EARNED PREMIUMS AND REVENUE FROM OTHER ACTIVITIES

| Business segment and contract type<br>*(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Insurance contracts** | **26,911.5** | **25,341.1** |
| **Life** | **24,001.6** | **22,435.1** |
| Pure premiums | 22,322.8 | 21,191.7 |
| Loadings | 1,678.8 | 1,243.4 |
| **Non-life** | **2,909.9** | **2,906.1** |
| Pure premiums | 1,994.1 | 2,176.8 |
| Loadings | 915.8 | 729.3 |
| **Financial instruments with DPF** | **4,417.7** | **5,194.5** |
| Pure premiums | 4,356.3 | 5,125.3 |
| Loadings | 61.4 | 69.2 |
| **Earned premiums** | **31,329.2** | **30,535.7** |

| Revenue from other activities<br>*(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Financial instruments without DPF** | **54.0** | **59.9** |
| On premiums (IAS 39) | 42.4 | 53.7 |
| On outstandings | 11.6 | 6.2 |
| **Services (IAS 18)** | **75.7** | **91.2** |
| **Other activities** | **(3.2)** | **(0.6)** |
| **TOTAL** | **126.5** | **150.4** |

### 16.2 RECONCILIATION TO REPORTED REVENUE

| *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Earned premiums | 31,329.2 | 30,535.7 |
| Loadings on premiums on financial instruments without DPF (IAS 39) | 42.4 | 53.7 |
| **TOTAL** | **31,371.6** | **30,589.3** |

## 16.3 REVENUE BY DISTRIBUTION PARTNER

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| La Banque Postale | 8,768.6 | 9,489.8 |
| BPCE | 10,705.2 | 9,792.5 |
| Amétis | 460.3 | 530.5 |
| Financial institutions | 1,449.0 | 1,498.0 |
| Companies and local authorities | 1,896.8 | 1,796.7 |
| Mutual insurers | 808.0 | 911.4 |
| International subsidiaries | 6,808.1 | 6,298.6 |
| Other | 475.6 | 271.7 |
| **TOTAL REVENUE** | **31,371.6** | **30,589.3** |

## 16.4 REVENUE BY BUSINESS SEGMENT

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Savings** | **21,493.0** | **21,459.5** |
| **Pensions** | **3,358.7** | **2,906.9** |
| Personal Risk | 1,902.0 | 1,944.6 |
| Term Creditor Insurance | 3,771.6 | 3,360.6 |
| Health insurance | 508.2 | 570.0 |
| Property & Casualty | 338.2 | 347.8 |
| **Sub-total Personal Risk and other** | **6,519.9** | **6,222.9** |
| **Other business segments** | **0.0** | **0.0** |
| **TOTAL REVENUE** | **31,371.6** | **30,589.3** |

## 16.5 REVENUE BY COMPANY

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| CNP Assurances | 24,243.9 | 21,718.1 |
| CNP IAM (1) | 0.0 | 2,242.9 |
| Préviposte | 129.9 | 151.8 |
| ITV | 14.7 | 15.7 |
| CNP International | 0.0 | 0.0 |
| MFPrévoyance SA | 224.5 | 223.0 |
| CNP Assurances Compañia de Seguros | 65.0 | 45.0 |
| Odonto Empresas Convenios Dentarios LTDA (2) | 0.0 | 10.2 |
| Caixa Seguros Group | 3,161.1 | 2,818.5 |
| CNP UniCredit Vita | 2,555.9 | 2,692.4 |
| CNP Partners | 243.2 | 208.8 |
| CNP Cyprus Insurance Holdings | 139.9 | 142.6 |
| CNP Europe Life | 1.9 | 7.8 |
| CNP Barclays Vida y Pensiones | 99.5 | 312.6 |
| CNP Santander Insurance | 492.1 | 0.0 |
| **TOTAL REVENUE** | **31,371.6** | **30,589.3** |

*(1) CNP IAM was merged into CNP Assurances with retroactive effect on 1 January 2015*
*(2) Odonto Empresas Convenios Dentarios LTDA is now included in the Caixa Seguros Group*

## 16.6 REVENUE BY COUNTRY

| | Under IFRS | | Under French GAAP | |
|---|---|---|---|---|
| *(in € millions)* | **31.12.2015** | 31.12.2014 | **31.12.2015** | 31.12.2014 |
| France | 24,563.5 | 24,290.7 | 24,618.8 | 24,505.4 |
| Italy | 2,729.4 | 2,922.8 | 2,800.8 | 3,031.0 |
| Portugal | 36.7 | 90.9 | 44.3 | 157.6 |
| Brazil | 3,161.1 | 2,828.7 | 3,435.3 | 3,157.9 |
| Argentina | 65.0 | 45.0 | 65.0 | 45.0 |
| Spain | 182.0 | 265.3 | 182.0 | 265.3 |
| Cyprus | 137.0 | 137.1 | 138.0 | 137.7 |
| Ireland | 493.1 | 0.9 | 493.1 | 0.9 |
| Other | 3.8 | 7.9 | 4.1 | 8.3 |
| **TOTAL REVENUE** | **31,371.6** | **30,589.3** | **31,781.4** | **31,309.1** |

## 16.7 DIRECT AND INWARD REINSURANCE PREMIUMS

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Insurance premiums | 30,470.5 | 29,771.8 |
| Inward reinsurance premiums | 901.1 | 817.5 |
| **TOTAL REVENUE** | **31,371.6** | **30,589.3** |

# Note 17 Claims and benefits expenses

This note shows assets, liabilities, income and expenses generated by insurance contracts.

| IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Incurred claims | 11,065.1 | 10,584.1 |
| Endowments due | 188.9 | 293.2 |
| Benefits due | 927.5 | 1,249.0 |
| Surrenders | 13,927.2 | 14,307.3 |
| Credited interest and policyholder dividends included in paid benefits | (32.8) | (21.4) |
| Benefit and claim handling expenses | 150.9 | 128.7 |
| **Claims and benefits** | **26,226.8** | **26,541.1** |
| Change in technical reserves – insurance contracts | 10,254.8 | 9,528.4 |
| Change in technical reserves – financial instruments with DPF | (8,213.9) | (7,225.7) |
| Change in other technical reserves | 54.4 | (396.3) |
| **Change in technical reserves** | **2,095.3** | **1,906.4** |
| Credited interest | 1,304.2 | 1,446.5 |
| Policyholder dividends | 7,383.0 | 7,948.8 |
| **Credited interest and policyholder dividends** | **8,687.2** | **9,395.3** |
| **Claims and benefits expenses** | **37,009.3** | **37,842.8** |

# Note 18 Administrative expenses and business acquisition costs

## 18.1 EXPENSES ANALYSED BY FUNCTION

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Commissions | (3,683.5) | (3,125.7) |
| Expenses analysed by function | 66.7 | (229.7) |
| **Business acquisition costs** | **(3,616.8)** | **(3,355.4)** |
| **Contract administration expenses** | **(168.1)** | **(196.6)** |
| Other underwriting income and expenses | (327.2) | (236.1) |
| Other income and expenses | (189.9) | (228.0) |
| Employee profit-sharing | (24.4) | (23.7) |
| **Other recurring operating income and expense, net** | **(541.5)** | **(487.9)** |
| **TOTAL** | **(4,326.4)** | **(4,039.9)** |



## 18.2 EXPENSES ANALYSED BY NATURE

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Depreciation and amortisation expense and impairment losses | (39.0) | (31.5) |
| Employee benefits expense | (441.9) | (422.5) |
| Taxes other than on income | (67.7) | (128.5) |
| Other | (327.6) | (332.2) |
| **TOTAL** | **(876.1)** | **(914.6)** |

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)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| **Contract administration costs, net** (1) | | |
| ■ Excluding international subsidiaries and other businesses | 596.4 | 585.1 |
| ■ Including international subsidiaries and other businesses | 861.6 | 895.6 |
| **Ratio** (1) | | |
| $\dfrac{\text{Contract administration costs}}{\text{Technical reserves}^{(2)}}$ | | |
| ■ Excluding international subsidiaries and other businesses | 0.20% | 0.20% |
| ■ Including international subsidiaries and other businesses | 0.27% | 0.29% |

*(1) Excluding CNP Trésor set-up expenses*
*(2) Insurance and financial liabilities, excluding deferred participation*

### 18.4 ANALYSIS OF COMMISSION EXPENSE

| *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Caisses d'Epargne | 886.1 | 875.1 |
| La Banque Postale | 583.8 | 596.9 |
| Other | 2,213.6 | 1,653.7 |
| **TOTAL** | **3,683.5** | **3,125.7** |

## Note 19 Reinsurance result

| *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Ceded premiums | (1,108.8) | (695.1) |
| Change in ceded technical reserves | 1,198.3 | 948.5 |
| Reinsurance commissions received | 279.4 | 268.9 |
| Investment income | (279.7) | (325.6) |
| **TOTAL** | **89.2** | **196.7** |

# 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 2015 and 2014.

| *(in € millions)* | | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| | Income from debt securities | (17.4) | 126.7 |
| | Interest income | 6,704.9 | 7,012.3 |
| | Income from other financial assets | 1,494.3 | 1,709.9 |
| | Capital gains and losses on disposals | 878.8 | 78.3 |
| | Impairment | 145.1 | 628.3 |
| **Available-for-sale financial assets** | **Net income from available-for-sale financial assets** | **9,205.6** | **9,555.4** |
| | Income from debt securities | 0.0 | 0.0 |
| | Interest income | 87.7 | 62.4 |
| | Other income | (17.9) | 0.0 |
| | Impairment | 18.5 | 1.7 |
| **Held-to-maturity investments** | **Net income from held-to-maturity investments** | **88.4** | **64.1** |
| | Interest income | 9.3 | 10.4 |
| | Other income | 0.0 | 0.0 |
| | Impairment | 0.0 | 0.0 |
| **Loans and receivables** | **Net income from loans and receivables** | **9.3** | **10.4** |
| | Profit (loss) on securities held for trading | 2,562.9 | 4,028.1 |
| | Profit (loss) on derivative instruments held for trading and hedging | (123.9) | (577.5) |
| | Capital gains and losses on disposals | 419.3 | 382.5 |
| **Financial assets at fair value through profit or loss** | **Net income (expense) from financial assets at fair value through profit or loss** | **2,858.3** | **3,833.0** |
| | Rent and other revenue | 115.6 | 131.2 |
| | Fair value adjustments | 32.3 | (36.4) |
| | Capital gains and losses on disposals | 70.9 | 85.2 |
| **Investment property** | **Net income from investment property** | **218.8** | **180.0** |
| **Other investment expenses** | | **(251.8)** | **(251.4)** |
| **Dilution gain** | | **0.0** | **0.0** |
| **TOTAL INVESTMENT INCOME** | | **12,128.5** | **13,391.4** |
| Interest on subordinated debt at amortised cost | | (192.2) | (177.8) |
| Interest on subordinated debt at fair value | | 0.0 | 0.0 |
| **Total finance costs** | | **(192.2)** | **(177.8)** |
| **TOTAL INVESTMENT INCOME NET OF FINANCE COSTS** | | **11,936.3** | **13,213.7** |

## RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Investment income before finance costs | 12,991.6 | 14,279.3 |
| Investment and other financial expenses, excluding finance costs | (863.1) | (887.9) |
| Finance costs | (192.2) | (177.8) |
| **TOTAL** | **11,936.3** | **13,213.7** |

## 20.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2015 and 2014.

### 20.2.1 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 | -259.5 |
| | 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** | **717.2** |
| | 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 | 2,248.4 |
| | 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 | -132.8 |
| **Held-to-maturity investments** | **Total** | **648.0** | **565.9** | **82.0** |
| | Loans and receivables | 5,730.0 | 4,988.9 | 741.0 |
| **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 | 367.6 |
| **Investment property** | **Total** | **3,464.3** | **3,232.5** | **231.8** |
| **TOTAL** | | **366,826.0** | **362,164.7** | **4,661.3** |

### 20.2.2 Fair value adjustments to assets – 2014

| *(in € millions)* | | Investments held at 31.12.2014 | Investments held at 31.12.2013 | Movements in 2014 |
|---|---|---|---|---|
| | Fixed-rate bonds | 12,224.1 | 11,117.5 | 1,106.6 |
| | Variable-rate bonds | 18,082.8 | 18,429.3 | -346.5 |
| | TCNs (money market securities) | 115.0 | 196.8 | -81.8 |
| | Equities | 3,867.1 | 5,056.1 | -1,189.0 |
| | Investment funds | 33,094.6 | 29,234.2 | 3,860.4 |
| | Shares in non-trading property companies | 1,219.6 | 1,317.8 | -98.2 |
| | Other (including lent securities and repos) | 172.0 | 162.7 | 9.3 |
| **Assets at fair value through profit or loss** | **Total** | **68,775.3** | **65,514.4** | **3,260.9** |
| | Derivative instruments (positive fair value) | 5,173.0 | 5,855.1 | -682.1 |
| | Derivative instruments (negative fair value) | (5,806.4) | (6,114.2) | 307.8 |
| **Derivative instruments** | **Total** | **(633.4)** | **(259.1)** | **-374.3** |
| | Fixed-rate bonds | 179,008.4 | 174,226.7 | 4,781.7 |
| | Variable-rate bonds | 31,827.6 | 27,810.7 | 4,016.9 |
| | TCNs (money market securities) | 3,556.2 | 6,829.7 | -3,273.5 |
| | Equities | 14,110.7 | 12,703.2 | 1,407.5 |
| | Investment funds | 37,237.8 | 24,070.8 | 13,167.0 |
| | Shares in non-trading property companies | 4,606.2 | 4,241.9 | 364.3 |
| | Non-voting loan stock | 88.9 | 3,537.6 | -3,448.7 |
| | Other (including lent securities and repos) | 14,799.6 | 12,243.3 | 2,556.3 |
| **Available-for-sale financial assets** | **Total** | **285,235.5** | **265,664.0** | **19,571.5** |
| | Fixed-rate bonds | 151.1 | 207.3 | -56.2 |
| | Variable-rate bonds | 414.8 | 426.0 | -11.2 |
| **Held-to-maturity investments** | **Total** | **565.9** | **633.3** | **-67.4** |
| | Loans and receivables | 4,988.9 | 4,667.5 | 321.4 |
| **Loans and receivables** | **Total** | **4,988.9** | **4,667.5** | **321.4** |
| | Investment property at amortised cost | 2,587.5 | 2,804.3 | -216.8 |
| | Investment property measured by the fair value model | 645.0 | 604.8 | 40.2 |
| **Investment property** | **Total** | **3,232.5** | **3,409.0** | **-176.5** |
| **TOTAL** | | **362,164.7** | **339,629.2** | **22,535.5** |

### 20.2.3 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Fair value of investments | 366,826.0 | 362,164.7 |
| Unrealised gains and losses, net | (756.4) | (830.1) |
| **Carrying amount of investments** | **366,069.6** | **361,334.7** |

## 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)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Available-for-sale financial assets** | **(291.7)** | **(115.5)** |
| Fixed-rate bonds | 0.0 | 0.0 |
| Variable-rate bonds | (7.7) | (40.5) |
| TCNs (money market securities) | 0.0 | 0.0 |
| Equities | (177.0) | (22.5) |
| Equity funds | (2.5) | (1.7) |
| Non-voting loan stock | 0.0 | (8.5) |
| Other (including mutual fund units) | (104.6) | (42.3) |
| **Held-to-maturity investments** | **0.0** | **(0.1)** |
| **Loans and receivables** | **0.0** | **0.0** |
| **Total impairment expense** | **(291.7)** | **(115.5)** |
| **Available-for-sale financial assets** | **436.8** | **743.8** |
| Fixed-rate bonds | 0.0 | 0.0 |
| Variable-rate bonds | 18.1 | 62.2 |
| TCNs (money market securities) | 0.0 | 0.0 |
| Equities | 288.6 | 592.0 |
| Equity funds | 44.5 | 36.1 |
| Non-voting loan stock | 0.0 | 47.1 |
| Other (including mutual fund units) | 85.7 | 6.4 |
| **Held-to-maturity investments** | **18.5** | **1.8** |
| **Loans and receivables** | **0.0** | **0.0** |
| **Total impairment reversals** | **455.4** | **745.5** |
| **NET CHANGE IN IMPAIRMENT PROVISIONS** | **163.7** | **630.0** |

In 2015, reversals of impairment provisions on equities as a result of disposals primarily relate to shares in Lafarge, Portugal Telecom and UPM Kymmene.

# Note 21 Income tax expense

The purpose of the table below is to disclose the main components of income tax expense (benefit).

| *(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Current tax | (637.2) | (768.6) |
| Deferred tax | (70.9) | (4.6) |
| **INCOME TAX EXPENSE** | **(708.1)** | **(773.2)** |
| Profit for the period | 1,435.2 | 1,402.9 |
| Tax rate | 33.04% | 35.53% |
| **INCOME TAX EXPENSE** | **(708.1)** | **(773.2)** |

| Tax proof<br>*(in € millions)* | **31.12.2015** | | 31.12.2014 | |
|---|---|---|---|---|
| | **Rate** | **Amount** | Rate | Amount |
| Profit before tax | | 2,143.2 | | 2,176.1 |
| Income tax at the standard French tax rate | 38.00% | (814.4) | 38.00% | (826.9) |
| Permanent differences | -1.09% | 23.4 | -0.05% | 1.1 |
| Effects of changeover to the equity method | -0.45% | 9.6 | -0.39% | 8.4 |
| Capital gains and losses taxed at reduced rate | -5.66% | 121.4 | -0.20% | 4.4 |
| Effects of differences in foreign tax rates * | 1.43% | (30.7) | -0.13% | 2.9 |
| Tax credits and tax loss carryforwards used | -1.37% | 29.5 | -1.66% | 36.2 |
| Other | 2.18% | (46.8) | -0.04% | 0.8 |
| **TOTAL** | **33.04%** | **(708.1)** | **35.53%** | **(773.2)** |

* *The decrease in the effective tax rate is due to the capital gain recognised with respect to BVP that is exempt from corporation tax. Only the portion of costs and expenses – initially equal to 12% of the amount of the capital gain – is subject to corporation tax. The 2016 Finance Act includes the non-renewal of certain tax measures whose impact was to reduce the tax rate from 38% to 34.43%. As it is effective from 30 December 2016, there is no immediate impact on current tax due, but on deferred tax (liability method).*

*In late 2011, the French government introduced a 5% income tax surcharge for companies with gross revenue exceeding €250 million. This surcharge was raised to 10.7% for income tax due in 2015 and 2016 for financial years 2014 and 2015, respectively*

*Including the current additional contribution of 3.3%, the theoretical tax rate for 2015 is 38.00%*

| Deferred taxes on:<br>*(in € millions)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Fair value adjustments to financial assets held for *trading* | (13.5) | 173.5 |
| Deferred participation asset/reserve | 22.6 | (151.7) |
| Fair value adjustments to other financial assets | 28.5 | 104.7 |
| 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 | 33.3 | (121.9) |
| **TOTAL** | **70.9** | **4.6** |

# OTHER ANALYSES

## Note 22 Financial risks

### 22.1 CREDIT RISK

The Group's credit risk policies are presented in section 5 of this Registration Document in Corporate Governance and Internal Control (Note 5.6.2).

Note 9.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

### 22.2 CURRENCY RISK

Most portfolios covering insured liabilities are invested in assets denominated in their own functional currency. As a result, portfolio exposure to currency risks is 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).

The Group performs currency stress testing to assess the impact on profit and equity of fluctuations of +10% in the euro/dollar and euro/sterling exchange rates as most of its currency exposure is on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 2% of recurring operating profit.

### 22.3 INTEREST RATE RISK ON FINANCIAL ASSETS

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

#### 22.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2015 and 31 December 2014.

##### 22.3.1.1 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** |

### 22.3.1.2 Caps and floors at 31 December 2014

| (in € millions) | Residual life 1 year | 2 years | 3 years | 4 years | 5 years | 6 years | 7 years | 8 years | 9 years | ≥ 10 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| < 5% | 3,417 | 3,588 | 3,087 | 4,293 | 3,740 | 1,365 | 7,850 | 5,630 | 1,594 | 0 | 34,564 |
| >= 5% < 6% | 4,550 | 3,590 | 3,509 | 2,310 | 880 | 300 | 300 | 0 | 3,760 | 0 | 19,199 |
| >= 6% < 7% | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| >= 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** | **7,967** | **7,178** | **6,596** | **6,603** | **4,623** | **1,665** | **8,150** | **5,630** | **5,354** | **0** | **53,766** |

## 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

| | **31.12.2015** | | 31.12.2014 | |
|---|---|---|---|---|
| | **Fixed-rate debt securities** | **Fixed-rate bonds** | Fixed-rate debt securities | Fixed-rate bonds |
| France | EUR | 3.35% | EUR | 3.57% |
| Italy | EUR | 3.14% | EUR | 3.22% |
| Brazil | BRL | 11.65% | BRL | 10.24% |
| Spain | EUR | 3.32% | EUR | 3.94% |

### 22.3.2.2 Effective interest rates at balance sheet date

| | **31.12.2015** | | 31.12.2014 | |
|---|---|---|---|---|
| | **Fixed-rate debt securities** | **Fixed-rate bonds** | Fixed-rate debt securities | Fixed-rate bonds |
| France | EUR | 0.66% | EUR | 0.74% |
| Italy | EUR | 3.03% | EUR | 3.15% |
| Brazil | BRL | 15.11% | BRL | 10.10% |
| Spain | EUR | 1.66% | EUR | 1.47% |

### 22.3.3 Carrying amounts by maturity

#### 22.3.3.1 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 |
| Index-linked fixed-rate 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** |

#### 22.3.3.2 Carrying amounts by maturity at 31 December 2014

| 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 | 19,967.9 | 13,619.1 | 14,217.2 | 15,425.4 | 20,950.0 | 109,158.3 | 193,338.0 |
| Zero coupon bonds | 3,722.6 | 525.5 | 922.2 | 732.9 | 2,190.4 | 11,384.3 | 19,478.0 |
| Adjustable-rate bonds | 20.5 | 1.6 | 12.8 | 3.8 | 4.9 | 73.6 | 117.1 |
| Variable-rate bonds | 1,171.5 | 1,712.8 | 2,300.8 | 843.9 | 2,184.9 | 2,419.0 | 10,632.9 |
| Index-linked fixed-rate bonds | 345.0 | 674.7 | 1,350.9 | 171.8 | 678.8 | 11,034.3 | 14,255.5 |
| Other bonds | 2,001.6 | 2,548.0 | 2,374.0 | 1,938.9 | 1,640.2 | 9,509.8 | 20,012.3 |
| **TOTAL** | **27,229.0** | **19,081.7** | **21,177.9** | **19,116.7** | **27,649.2** | **143,579.2** | **257,833.8** |

### 22.3.4 Carrying amounts at maturity – held-to-maturity investments

#### 22.3.4.1 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** | **45.8** | **41.3** | **148.5** | **641.5** |

#### 22.3.4.2 Carrying amount at 31 December 2014

| 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 | 144.6 | 50.1 | 160.3 | 28.9 | 0.0 | 180.5 | 564.4 |
| Loans and receivables | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL** | **144.6** | **50.1** | **160.3** | **28.9** | **0.0** | **180.5** | **564.4** |

### 22.3.5 **Average life of securities**

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

#### 22.3.5.1 Average remaining life of securities – at 31 December 2015

| France | Italy | Brazil | Spain |
|---|---|---|---|
| 5.9 | 3.6 | 1.5 | 5.2 |

#### 22.3.5.2 Average remaining life of securities – at 31 December 2014

| France | Italy | Brazil | Spain |
|---|---|---|---|
| 5.9 | 4.1 | 2.1 | 5.9 |

## 22.4 SENSITIVITY OF MCEV© TO MARKET RISKS

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV©) to market and insurance risks.

The Group's embedded value reporting is based on CFO Forum MCEV© * Principles (Market Consistent European Embedded Value Principles developed by a group of Finance Directors from Europe's top insurance companies set up in 2002). The Brazilian subsidiary Caixa Seguros and the Argentinian subsidiary have 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 2015.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Actual future experience may vary from that assumed in the calculation of the embedded value.

MCEV© is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business. The adjusted net asset value is determined on the valuation date at the consolidated level excluding minority interests and breaks down into Required Capital and Free Surplus;
- the value of In-Force business, comprising the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For all subsidiaries of the Group within the eurozone area, the data used to determine the curve of the reference rates come from the smoothed and zero-coupon swap rate curve. The extrapolation method has been adjusted since 2014 in line with the approach being currently developed within the framework of the Solvency II reform. The yield curve is extrapolated with an entry point to 20 years that converge over 40 years using the Smith-Wilson method, to the ultimate forward rate of 4.2%. In accordance with MCEV© principles which allow the adoption of the requirements of the Solvency II regulation, the reference rate curve includes a credit risk adjustment and a volatility adjustment according to prudential regulatory requirements.

The market risk sensitivity of MCEV© is tested to measure the impact of interest rate and equity volatilities. MCEV© principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary Caixa Seguros, the Italian subsidiary CNP UniCredit Vita, the Spanish subsidiaries CNP Partners and CNP Santander Insurance, the Argentinian subsidiaries and Odonto Empresas, and the Cypriot subsidiary, CNP Cyprus Insurance Holdings. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the swap yield curve. This would result in:
  - a revaluation of bond prices,
  - a 100-basis point adjustment to the reinvestment rate for all categories of assets and,
  - a change in discount rates.

  The impact on mathematical reserves for unit-linked portfolios is not measured;
- the impact of an immediate 10% fall in equity and property prices. As well as a 10% fall in equity and property prices, this also leads to a drop in mathematical reserves for the proportion of unit-linked portfolios invested in equities.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

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## MARKET RISK SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2015

| *(in € millions)* | 100 bps decrease 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) |

## MARKET RISK SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2014

| *(in € millions)* | 100 bps decrease in interest rates | 100 bps decrease in interest rates | 10% decrease in equity prices |
|---|---|---|---|
| Impact on MCEV© | 432.0 | (1,275.0) | (1,100.0) |

Sensitivity to insurance risks is presented in Note 24.

# Note 23 Liquidity risk and asset/liability management

## 23.1 LIQUIDITY RISK

### 23.1.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

#### 23.1.1.1 Future cash flows from assets at 31 December 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 |

#### 23.1.1.2 Future cash flows from assets at 31 December 2014

| 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 | 24,269 | 87,676 | 102,776 | 22,175 |
| Assets held for trading and assets measured at FV | 7,673 | 11,898 | 7,915 | 2,789 |
| Held-to-maturity investments | 159 | 503 | 210 | 74 |
| 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 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 |

#### 23.1.2.2 Payment projections by maturity at 31 December 2014

| *(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) | 18,097.4 | 60,612.9 | 64,288.3 | 46,856.8 | 147,867.8 |

### 23.1.3 Contracts with immediate surrender option

| *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Contracts with immediate surrender option | 253,996.6 | 263,932.9 |
| Contracts with no immediate surrender option | 66,634.5 | 48,638.2 |

Contracts with an immediate surrender option represented a total liability of €254.0 billion at 31 December 2015 (€263.9 billion at 31 December 2014). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing for their surrender or transfer by the policyholder.

Term creditor products, Group personal risk products, certain annuity products and "Madelin Act" pension products do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.1.2.

## 23.2 ASSET/LIABILITY MANAGEMENT

The Group's ALM policy is presented in section 5 of this Registration Document in Corporate Governance and Internal Control (Note 5.6.2).

## 23.3 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

| *(in € millions)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Investment properties held to cover linked liabilities | 1,110.4 | 1,091.2 |
| Financial assets held to cover linked liabilities | 39,292.5 | 37,310.1 |
| Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies) | 0.0 | 0.0 |
| Other assets held to cover linked liabilities (*e.g.*, non-financial assets held by consolidated non-trading property companies) | 0.0 | 0.0 |
| **TOTAL ASSETS HELD TO COVER LINKED LIABILITIES – CARRYING AMOUNT** | **40,402.9** | **38,401.4** |
| Linked liabilities – financial instruments without DPF | 7,652.4 | 7,471.3 |
| Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves) | 32,826.6 | 31,034.6 |
| **TOTAL LINKED LIABILITIES** | **40,479.0** | **38,506.0** |
| Guaranteed capital reserves | 2.0 | 2.1 |
| **TOTAL LINKED LIABILITIES** | **40,481.0** | **38,508.1** |

The asset/liability mismatch on unit-linked contracts mainly relates to provisions for outstanding claims included in linked liabilities but with no dedicated assets for the purpose of this note.

# Note 24 Risks related to insurance and financial liabilities

## 24.1 MANAGEMENT OF RISKS RELATED TO INSURANCE AND FINANCIAL LIABILITIES

CNP Assurance's insurance businesses expose it to a number of risks, particularly those relating to product development, calculating adequate reserves and devising its reinsurance strategy.

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders.

These management information systems:

- analyse risk-adjusted profitability during the product launch process;
- roll down Group objectives to the level of the individual businesses;
- analyse the components of profit and value creation and the basis used for underwriting and pricing decisions, as well as determining the appropriate pricing and provisioning strategies;
- track risks with a technical component;
- optimise reinsurance strategies.

These routine analyses are 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 in 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, personal risk policies and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write Property & Casualty and liability insurance. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

CNP Assurances may also be exposed to emerging risks – in other words new, continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or deemed of minor importance could prove to have a material impact on the Group in the future.

Specific processes exist to identify and analyse emerging risks and the Group keeps abreast of relevant scientific publications, market trends, regulations and case law, etc.

The insurer's risks differ depending on the type of policy:

#### Savings contracts give rise to mainly financial-type risks

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (*e.g.*, a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both the Group's earnings and solvency;
- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products.

### 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 climate-related disasters, 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, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

**Pension contracts** – which give rise to a commitment to pay a life annuity – fall into the following categories:

- voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum;
- compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities paid to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary;
- defined benefit plans ("Article 39" plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities;
- points-based pay-as-you-go Group pension plans ("Article L.441-1" plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of one point. Annuities are adjusted based on changes in the value of a point;
- immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

**Personal risk contracts** comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

- term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled;
- contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured;
- death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period;
- term creditor contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided;

- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured;
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write Property & Casualty and liability insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

### 24.2.3 Participation clauses

Traditional savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

Participation rates are determined based on the local accounts.

## 24.3 VALUATION OF INSURANCE LIABILITIES (ASSUMPTIONS AND SENSITIVITIES)

### 24.3.1 Technical reserve models

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured;
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
- administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered;
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts;
- unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts;
- premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve;
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

### 24.3.2 Modelling objectives

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates;
- adjusting technical reserves following a change in mortality tables;
- using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

### 24.3.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

- detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years;
- the creation of files at each period-end to check the consistency of reserves with technical flows;
- recurring audits of management system calculations, based on random tests and detailed repeat calculations;
- detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess

of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

#### 24.3.4 Assumptions used to calculate reserves

Technical reserves for non-life insurance do not have to be discounted under French insurance regulations (with the exception of the annuity component).

Mathematical reserves for individual savings products are recognised at the surrender value of the policies in accordance with insurance regulations.

Mathematical reserves for individual and group pension plans (with the exception of "Article L.441" plans) are calculated using the discount rate applicable at the contractual date (*i.e.*, the contractual rate) or the premium payment or settlement date, depending on the type of policy.

Reserves for group personal risk products and term creditor insurance are generally calculated based on current discount rates.

All other assumptions are determined by reference to internal experience-based data.

#### 24.3.5 Use of different assumptions

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends;
- policyholder behaviour (*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 addition, the allocation keys used to apportion unrealised capital gains or losses between policyholders and shareholders are based on the calculations of the present value of future profits used to determine embedded value. As such, they do not reflect observed historical data.

#### 24.3.6 Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

#### 24.3.7 Sensitivity of MCEV© to changes in surrender rates and loss ratios

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

At 31 December 2015, a 10% fall in surrender rates would have a positive impact of €218 million on MCEV©. A 5% fall in observed losses would have a positive impact of €188 million on MCEV© in respect of mortality and disability risks, and a negative impact of €106 million in respect of longevity.

### 24.4 RISK OF GUARANTEED YIELDS ON INSURANCE AND FINANCIAL LIABILITIES

Traditional savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

- contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures;
- contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables.

| Guaranteed yield *(in € millions)* | 31.12.2015 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** | **100.0%** |

*(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield*
*(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 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)* | 31.12.2014 Technical reserves | % |
|---|---|---|
| 0% (1) | 171,421.9 | 54.8% |
| ]0%-2%] | 21,551.7 | 6.9% |
| ]2%-3%] | 23,541.5 | 7.5% |
| ]3%-4%] | 1,271.7 | 0.4% |
| ]4%-4.5%] | 5,157.6 | 1.7% |
| >4.5% (2) | 1,865.6 | 0.6% |
| Linked liabilities | 38,506.0 | 12.3% |
| Other (3) | 49,254.6 | 15.8% |
| **TOTAL** | **312,570.6** | **100.0%** |

*(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield*
*(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 7% (see Note 22.3)*
*(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves*

## 24.5 CONCENTRATION OF INSURANCE RISK

### 24.5.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk);
- to share risks on large-scale new business.

### 24.5.2 Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

- Individual policies: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its La Banque Postale Prévoyance, CNP 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 (€38,040 in 2015) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:

**a)** death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the Bureau Commun des Assurances Collectives pool (*DécèsIPA3* 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 by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.25 million per loss event and the reinsurers cover €37 million per loss event and €74 million per loss year, except for nuclear risks, and nuclear, biological and chemical (NBC) terrorism risks, for which the ceiling is €37 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations;
- the number, size and cause of paid claims, including a detailed analysis of the largest claims;
- underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

### 24.5.3 Counterparty risk on reinsurance balances

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between 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).

# 3.2 Statutory Auditors' report on consolidated financial statements

**For the year ended 31 December 2015**

*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.*

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 2015, 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 2015 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 the measurement criteria were implemented and that the classification used was consistent with the Group's documentation. We verified that the methods used to calculate impairment of available-for-sale equity instruments were appropriate and properly applied;
- goodwill is tested for impairment at each period-end in accordance with the methods described in Notes 3.9.1 and 7.2.1 to the consolidated financial statements. We verified that the measurement approaches used were based on assumptions that were consistent with the forecast data taken from the Group's strategic plans.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III – SPECIFIC VERIFICATION

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 its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 23 February 2016

The Statutory Auditors

| **PRICEWATERHOUSECOOPERS AUDIT** | **MAZARS** |
|---|---|
| Éric Dupont | Olivier Leclerc |

# 3.3 Company financial statements

## 3.3.1 Balance sheet at 31 December 2015

### 3.3.1.1 ASSETS

| *(in € thousands)* | **31.12.2015** | 31.12.2014 | Year-on-year change *(in %)* |
|---|---|---|---|
| **Intangible assets** | **77,270** | **66,114** | **16.9%** |
| **Investments** | **281,441,149** | **263,167,209** | **6.9%** |
| Land and buildings | 9,213,237 | 7,858,784 | 17.2% |
| Investments in subsidiaries and affiliates | 4,939,471 | 4,803,210 | 2.8% |
| Other investments | 267,203,199 | 250,368,389 | 6.7% |
| Cash deposits with ceding insurers | 85,243 | 136,826 | -37.7% |
| **Assets held to cover linked liabilities** | **27,563,203** | **25,858,989** | **6.6%** |
| **Reinsurers' share of technical reserves** | **10,543,581** | **9,408,531** | **12.1%** |
| Unearned premium and unexpired risks reserves | 0 | 0 | 0.0% |
| Life premium reserves | 9,193,343 | 9,049,763 | 1.6% |
| Outstanding life claims reserves | 155,723 | 90,696 | 71.7% |
| Outstanding non-life claims reserves | 931,261 | 214,168 | 334.8% |
| Policyholders surplus reserve - life | 4,914 | 3,287 | 49.5% |
| Bonus and rebate reserve - non-life | 822 | 1,354 | -39.3% |
| Claims equalisation reserve | 13,137 | 5,178 | 153.7% |
| Other life technical reserves | 0 | 0 | 0.0% |
| Other non-life technical reserves | 244,381 | 44,085 | 454.3% |
| Linked liabilities | 0 | 0 | 0.0% |
| **Receivables** | **5,992,925** | **5,857,127** | **2.3%** |
| **Insurance receivables** | **2,986,201** | **1,523,307** | **96.0%** |
| *Earned premiums not yet written* | *2,213,023* | *1,367,121* | *61.9%* |
| *Other insurance receivables* | *773,179* | *156,186* | *395.0%* |
| **Reinsurance receivables** | **97,516** | **80,572** | **21.0%** |
| **Other receivables** | **2,909,207** | **4,253,248** | **-31.6%** |
| *Employee advances* | *263* | *764* | *-65.6%* |
| *Prepaid and recoverable taxes* | *876,982* | *1,169,387* | *-25.0%* |
| *Other* | *2,031,963* | *3,083,097* | *-34.1%* |
| **Other assets** | **841,185** | **181,501** | **363.5%** |
| Property and equipment | 117,353 | 105,347 | 11.4% |
| Current accounts and cash on hand | 711,125 | 69,639 | 921.2% |
| Treasury shares | 12,706 | 6,515 | 95.0% |
| **Accrued income and prepaid expenses** | **8,591,361** | **8,780,207** | **-2.2%** |
| Accrued interest and rental revenue | 3,126,455 | 3,850,674 | -18.8% |
| Deferred acquisition costs | 201 | 257 | -21.9% |
| Other accrued income and prepaid expenses | 5,464,705 | 4,929,276 | 10.9% |
| **Translation differences** | **0** | **0** | **0.0%** |
| **TOTAL ASSETS** | **335,050,673** | **313,319,678** | **6.9%** |

## 3.3.1.2 LIABILITIES

| *(in € thousands)* | 31.12.2015 | 31.12.2014 | Year-on-year change *(in %)* * |
|---|---|---|---|
| **Equity** | **9,911,795** | **9,093,917** | **9.0%** |
| Share capital | 686,618 | 686,618 | 0.0% |
| Additional paid-in capital | 1,716,846 | 1,716,846 | 0.0% |
| Revaluation reserve | 38,983 | 21,564 | 80.8% |
| Other reserves | 5,801,231 | 5,747,218 | 0.9% |
| Retained earnings | 393,299 | 207,598 | 89.5% |
| Net profit for the year | 1,274,817 | 714,073 | 78.5% |
| **Subordinated debt** | **6,671,974** | **5,803,514** | **15.0%** |
| **Technical reserves** | **262,306,289** | **249,247,712** | **5.2%** |
| Unearned premium and unexpired risks reserves | 62,416 | 28 | 222,814.4% |
| Life premium reserves | 243,777,157 | 238,914,306 | 2.0% |
| Outstanding life claims reserves | 3,826,109 | 3,856,132 | -0.8% |
| Outstanding non-life claims reserves | 5,426,686 | 174,865 | 3,003.4% |
| Policyholders surplus reserve - life | 7,237,405 | 5,786,149 | 25.1% |
| Bonus and rebate reserve - non-life | 41,455 | 738 | 5,517.2% |
| Claims equalisation reserves | 322,532 | 177,128 | 82.1% |
| Other life technical reserves | 213,515 | 269,874 | -20.9% |
| Other non-life technical reserves | 1,399,015 | 68,492 | 1,942.6% |
| **Linked liabilities** | **27,563,203** | **25,858,989** | **6.6%** |
| **Provisions for liabilities and charges** | **143,286** | **132,024** | **8.5%** |
| **Cash deposits received from reinsurers** | **166,706** | **243,929** | **-31.7%** |
| **Other liabilities** | **25,124,767** | **20,716,439** | **21.3%** |
| Liabilities arising from insurance transactions | 886,461 | 676,603 | 31.0% |
| Liabilities arising from reinsurance transactions | 731,997 | 378,289 | 93.5% |
| Bank borrowings | 39,631 | 100,889 | -60.7% |
| Other liabilities: | 23,466,677 | 19,560,658 | 20.0% |
| Other borrowings, deposits and guarantees received | *42,002* | *270,085* | *-84.4%* |
| Accrued payroll costs | *377,189* | *363,792* | *3.7%* |
| Accrued payroll and other taxes | *730,289* | *845,723* | *-13.6%* |
| Other payables | *22,317,197* | *18,081,058* | *23.4%* |
| **Deferred income and accrued expenses** | **3,162,653** | **2,223,154** | **42.3%** |
| **Translation differences** | **0** | **0** | **0.0%** |
| **TOTAL EQUITY AND LIABILITIES** | **335,050,673** | **313,319,678** | **6.9%** |

* *Changes in liabilities include the impact of the merger of CNP IAM's accident and health insurance businesses into CNP Assurances effective 1 January 2015. The contribution balance sheet is presented in Note 1.6 Merger of CNP IAM into CNP Assurances, in the Significant Events section*

# 3.3.2 Income statement for the year ended 31 December 2015

## 3.3.2.1 NON-LIFE TECHNICAL ACCOUNT

| Non-life technical account *(in € thousands)* | 2015 Gross | 2015 Reinsurance | 2015 Net | 2014 Net | 2014 Year-on-year change (in %) |
|---|---|---|---|---|---|
| **Earned premiums** [(1)] | **2,169,253** | **(413,209)** | **1,756,045** | **26,984** | **6,407.7%** |
| Premiums | 2,162,106 | (413,209) | 1,748,897 | 26,983 | 6,381.5% |
| Change in unearned premiums reserve and unexpired risks reserve | 7,148 | 0 | 7,148 | 1 | 714,690.4% |
| **Allocated investment income** | **181,637** | **0** | **181,637** | **(298)** | **-61,052.0%** |
| **Other underwriting income** | **1,638** | **0** | **1,638** | **0** | **0.0%** |
| **Paid claims and benefits and change in claims reserves** [(2)] | **(1,682,507)** | **410,553** | **(1,271,954)** | **(21,604)** | **5,787.6%** |
| Paid benefits and expenses | (1,477,865) | 686,725 | (791,140) | 6,708 | -11,894.0% |
| Change in outstanding claims reserves | (204,642) | (276,173) | (480,814) | (28,312) | 1,598.3% |
| **Change in other technical reserves** | **(143,473)** | **(78,277)** | **(221,750)** | **5,792** | **-3,928.7%** |
| **Policyholder rebates** | **(80,679)** | **832** | **(79,847)** | **(96)** | **83,245.2%** |
| **Acquisition costs and administrative expenses** [(3)] | **(570,464)** | **165,893** | **(404,571)** | **(8,609)** | **4,599.6%** |
| Business acquisition costs | (490,998) | 0 | (490,998) | (12,679) | 3,772.5% |
| Policy administration expenses | (79,466) | 0 | (79,466) | (1,987) | 3,899.3% |
| Reinsurance commissions received | 0 | 165,893 | 165,893 | 6,057 | 2,638.7% |
| **Other underwriting expenses** | **(39,109)** | **0** | **(39,109)** | **0** | **0.0%** |
| **Changes in claims equalisation reserve** | **1,457** | **(16,391)** | **(14,934)** | **(264)** | **5,556.9%** |
| **NON-LIFE UNDERWRITING RESULT** [(4)] | **(162,247)** | **69,401** | **(92,846)** | **1,905** | **-4,972.8%** |

*(1) The accident and health insurance businesses contributed by CNP IAM represented premiums of €1,720,026 thousand in 2014. Including this amount, the year-on-year change on a comparable structure basis was an increase of 2.1%*

*(2) The accident and health insurance businesses contributed by CNP IAM represented paid claims and benefits of €1,515,864 thousand in 2014. Including this amount, the year-on-year change on a comparable structure basis was a decrease of 16.1%*

*(3) The accident and health insurance businesses contributed by CNP IAM represented acquisition costs and administrative expenses of €511,773 thousand in 2014. Including this amount, the year-on-year change on a comparable structure basis was a decrease of 20.9%*

*(4) The accident and health insurance businesses contributed by CNP IAM represented a non-life underwriting loss of €141,526 thousand in 2014. Including this amount, the year-on-year change on a comparable structure basis was a decrease of 34.4%*

## 3.3.2.2 LIFE TECHNICAL ACCOUNT

| Life technical account *(in € thousands)* | 2015 Gross | 2015 Reinsurance | 2015 Net | 2014 Net | Year-on-year change (in %) |
|---|---|---|---|---|---|
| **Premiums** | **22,175,020** | **(451,159)** | **21,723,861** | **21,719,686** | **0.0%** |
| **Investment income** | **11,360,181** | **0** | **11,360,181** | **10,715,630** | **6.0%** |
| Investment revenue | 8,195,105 | 0 | 8,195,105 | 8,557,443 | -4.2% |
| Other investment income | 1,047,885 | 0 | 1,047,885 | 1,169,257 | -10.4% |
| Profits on disposal of investments | 2,117,191 | 0 | 2,117,191 | 988,930 | 114.1% |
| **Mark-to-market gains on assets held to cover linked liabilities** | **3,882,724** | **0** | **3,882,724** | **2,629,651** | **47.7%** |
| **Other underwriting income** | **36,121** | **0** | **36,121** | **16,291** | **121.7%** |
| **Paid claims and benefits and change in claims reserves** | **(19,875,924)** | **355,914** | **(19,520,010)** | **(18,799,623)** | **3.8%** |
| Paid benefits and expenses | (19,906,004) | 290,887 | (19,615,117) | (18,396,152) | 6.6% |
| Change in outstanding claims reserves | 30,080 | 65,027 | 95,107 | (403,471) | -123.6% |
| **Change in life premium reserves and other technical reserves** | **(167,689)** | **(171,571)** | **(339,260)** | **(1,947,144)** | **-82.6%** |
| Life premium reserves | 1,485,044 | (172,652) | 1,312,392 | 417,870 | 214.1% |
| Linked liabilities | (1,702,442) | 0 | (1,702,442) | (2,175,226) | -21.7% |
| Other technical reserves | 49,708 | 1,081 | 50,789 | (189,788) | -126.8% |
| **Policyholder dividends** | **(7,808,381)** | **303,625** | **(7,504,755)** | **(7,828,889)** | **-4.1%** |
| **Acquisition costs and administrative expenses** | **(2,202,319)** | **85,818** | **(2,116,501)** | **(2,059,587)** | **2.8%** |
| Business acquisition costs | (979,963) | 0 | (979,963) | (948,412) | 3.3% |
| Policy administration expenses | (1,222,356) | 0 | (1,222,356) | (1,182,324) | 3.4% |
| Reinsurance commissions received | 0 | 85,818 | 85,818 | 71,149 | 20.6% |
| **Investment expenses** | **(2,920,198)** | **0** | **(2,920,198)** | **(2,331,184)** | **25.3%** |
| Internal and external investment management expenses and interest | (547,936) | 0 | (547,936) | (505,830) | 8.3% |
| Other investment expenses | (1,647,960) | 0 | (1,647,960) | (1,053,428) | 56.4% |
| Losses on disposal of investments | (724,301) | 0 | (724,301) | (771,926) | -6.2% |
| **Mark-to-market losses on assets held to cover linked liabilities** | **(3,003,155)** | **0** | **(3,003,155)** | **(1,043,700)** | **187.7%** |
| **Other underwriting expenses** | **(216,807)** | **0** | **(216,807)** | **(238,288)** | **-9.0%** |
| **Investment income transferred to the non-technical account** | | | **0** | **0** | **0.0%** |
| **LIFE UNDERWRITING RESULT** | **1,259,573** | **122,627** | **1,382,200** | **832,843** | **66.0%** |

### 3.3.2.3 NON-TECHNICAL ACCOUNT

| Non-technical account *(in € thousands)* | 31.12.2015 | 31.12.2014 | Year-on-year change *(in %)* |
|---|---|---|---|
| **Non-life underwriting result** | **(92,846)** | **1,905** | **-4,972.8%** |
| **Life underwriting result** | **1,382,200** | **832,843** | **66.0%** |
| **Investment income** | **583,865** | **299,375** | **95.0%** |
| Investment revenue | 421,194 | 239,079 | 76.2% |
| Other investment income | 53,857 | 32,667 | 64.9% |
| Profits on disposal of investments | 108,815 | 27,629 | 293.8% |
| **Allocated investment income** | | | **0.0%** |
| **Investment expenses** | **(150,086)** | **(65,129)** | **130.4%** |
| Internal and external investment management expenses and interest | (28,162) | (14,132) | 99.3% |
| Other investment expenses | (84,698) | (29,431) | 187.8% |
| Losses on disposal of investments | (37,226) | (21,566) | 72.6% |
| **Investment income transferred to the technical account** | **(181,637)** | **298** | **-61,052.1%** |
| **Other income** | **33,562** | **7,970** | **321.1%** |
| **Other expenses** | **(31,909)** | **(13,157)** | **142.5%** |
| **Non-recurring items** | **(17,547)** | **(47,598)** | **-63.1%** |
| Non-recurring income | 26,301 | 26,489 | -0.7% |
| Non-recurring expenses | (43,848) | (74,087) | -40.8% |
| **Employee profit-sharing** | **(17,365)** | **(17,428)** | **-0.4%** |
| **Income tax expense** | **(233,421)** | **(285,006)** | **-18.1%** |
| **NET PROFIT FOR THE YEAR** | **1,274,817** | **714,073** | **78.5%** |

## 3.3.3 Commitments received and given

| *(in € thousands)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **1. Commitments received** | **63,187,740** | **63,049,198** |
| **2. Commitments given** | **66,025,203** | **66,611,359** |
| 2a. Sureties, bonds and guarantees provided | 11,870,200 | 11,835,800 |
| 2b. Securities and other assets purchased under resale agreements | 5,052 | 4,530 |
| 2c. Other commitments related to securities, other assets or revenue | 49,779,552 | 51,409,150 |
| 2d. Other commitments given | 4,370,400 | 3,361,879 |
| **3. Securities lodged as collateral by reinsurers** | **10,974,227** | **10,075,121** |

## 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 €750 MILLION SUBORDINATED NOTES ISSUE

On 1 December 2015, CNP Assurances completed a €750 million issue of subordinated notes with a final maturity date of 10 June 2047 and a first-call date of 10 June 2027.

The notes will pay a 4.5% fixed rate of interest over the first eleven and a half years and will then be converted to a floating rate with a 100-basis points step-up. They are rated BBB+ by Standard & Poor's, based on the rating methodology applied to subordinated debt.

The notes do not qualify for inclusion in equity under IAS 32 and are therefore reported under "Subordinated debt" in the Group's consolidated balance sheet.

However, they qualify as Tier 2 capital under Solvency II and Standard & Poor's standards. This is CNP Assurances' first subordinated notes issue not benefiting from the transitional measures (grandfathering) introduced by the Solvency II directive.

### 1.2 PROTOCOL – PROPOSED TERMS OF THE AGREEMENT BETWEEN CNP ASSURANCES AND THE BPCE GROUP

On 4 November 2014, CNP Assurances announced that it had signed a preliminary memorandum of understanding setting out the proposed terms of the agreement renewing the partnership between CNP Assurances and Groupe BPCE as from 1 January 2016. The final terms of the agreement were approved by the Board of Directors of CNP Assurances on 18 February 2015 and the definitive agreement was signed on 23 March 2015.

It replaces the previous agreement between CNP Assurances and BPCE which expired on 31 December 2015 and takes into account BPCE's decision to make Natixis Assurances its insurance platform for all savings and pensions policies to be distributed through the Caisses d'Epargne network from 1 January 2016.

The new partnership agreement came into effect on 1 January 2016 for an initial period of seven years, and provides for:

- an exclusive partnership in group term creditor insurance between CNP Assurances and Natixis Assurances on the one hand and BPCE Group networks on the other. The partnership will be based on a co-insurance agreement underwritten 66% by CNP Assurances and 34% by Natixis Assurances;
- specific partnerships in protection insurance, with (i) development by CNP Assurances of an offer covering the main employee benefit plans of BPCE Group's business and corporate clients, including a long-term care formula, and (ii) a personal risk insurance partnership focused on long-term care products and renters' insurance;
- a gradual reduction of CNP Assurances' exposure on Savings and Pensions business undertaken with Caisses d'Epargne through a progressive rundown of new business in 2016, the retention of future instalments on In-Force business and a mechanism to align the interests of both parties concerning the management of existing contracts. The savings In-Force business undertaken with Caisses d'Epargne will be reinsured by Natixis Assurances through a 10% quota-share reinsurance treaty, including the policyholder participation credited to these accounts;
- for its part, CNP Assurances will reinsure 40% of traditional pension Savings business written by Natixis over the period 2016 to 2019.

This partnership is in line with CNP Assurances' strategic goal to develop the Risk Protection business.

For information, the contribution to the 2015 consolidated financial statements of the relationship concerned by this agreement was as follows:

Year ended 31 December 2015:

- premium income: €10.7 billion;
- commissions paid: €886.1 million;
- technical reserves: €119.7 billion.

The impact of the actual agreement on the 2015 financial statements was not material.

In connection with the new shareholder agreement between CNP Assurances, BPCE and Natixis, on 31 December 2015 the decision was made that in 2016, CNP Assurances would transfer 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 was not material. CNP Assurances' analyses led to the conclusion that Ecureuil Vie Développement is a jointly controlled entity.

### 1.3 MEMORANDUM OF UNDERSTANDING FOR THE RENEWAL OF THE PARTNERSHIP BETWEEN CNP ASSURANCES AND LA BANQUE POSTALE

On 10 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 renewed partnership would cover the following aspects:

- the renewal of the partnership for a term of 10 years as of 1 January 2016, with the scope widened to cover BPE, La Banque Postale's wealth management subsidiary;
- the implementation of a direct partnership with La Banque Postale covering group term creditor insurance for mortgage loans over a period of 10 years, CNP Assurances being substituted for La Banque Postale Prévoyance for this segment;
- CNP Assurances' transfer to La Banque Postale of its shareholding in La Banque Postale Prévoyance which will retain the individual protection activities among other things. La Banque Postale Prévoyance has therefore been reclassified in the CNP Assurances Group's 2015 consolidated financial statements under "Assets held for sale" in accordance with IFRS 5. The final agreements have to be signed and the conditions precedent lifted before the transaction can be completed.

The planned renewal of the partnership between the parties is fully in keeping with the strategies of CNP Assurances and La Banque Postale. The signature of the final agreements is expected to take place during the first quarter of 2016, and the current agreements will remain in force until then.

For information, the contribution to the 2015 consolidated financial statements of the relationship concerned by this agreement was as follows:

- premium income: €9.0 billion;
- commissions paid: €554.0 million;
- technical reserves: €124.1 billion.

The impact of the actual agreement on the 2015 financial statements was not material.

### 1.4 SIGNING OF A PARTNERSHIP FRAMEWORK CONTRACT BETWEEN AG2R LA MONDIALE AND CNP ASSURANCES ON THE CREATION OF MARKET LEADER IN RETIREMENT SAVINGS

On 15 December 2015, AG2R LA MONDIALE and CNP Assurances signed a partnership framework contract in the field of retirement savings.

The partnership will take the form of a 40% investment by CNP Assurances in Arial Assurance, a subsidiary of AG2R LA MONDIALE dedicated to company retirement savings. The corporate governance of this joint venture, renamed Arial CNP Assurances, will be balanced between both groups. Bringing together the expertise, resources, and business of AG2R LA MONDIALE and CNP Assurances in the field, the objective for the new company is to become the leading retirement savings plan provider and to use resources more efficiently through economies of scale and pooling of investments.

Subject *inter alia* to permits and authorisations being obtained from the competent authorities, Arial CNP Assurances should be operational in the first half of 2016. The joint venture is expected to represent close to €12 billion in additional pension commitments. Once the conditions precedent have been lifted, it will be accounted for by the equity method in CNP Assurances' consolidated financial statements, in principle as from 31 March 2016.

The partnership framework contract covers the following main aspects:

- 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 Arial Assurance and each partner, so that the transferred contracts are reinsured on a 100% basis;
- a commitment to reinsure the new business written by Arial CNP Assurances, pro rata to each partner's ownership interest.

AG2R LA MONDIALE is currently number two in the private pensions market, and counts 60% of companies listed on the CAC 40 among its clients. The Group is also the premier pensions operator for AGIRC-ARRCO, serving one in four companies in the private sector. CNP Assurances, as the number-one provider of personal insurance with the third-largest share of the private pensions market in France, covers the pensions savings needs of 9 million French people, working with 4,600 businesses, 20,000 local authorities, associations, and many mutual and personal risk insurers.

## 1.5 SALE OF STAKE IN CNP BVP TO BARCLAYS BANK

On 22 December 2014, CNP Assurances announced the planned sale of its 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) to Barclays Bank.

The sale was completed on 21 April 2015 following clearance from the regulatory authorities, for an amount of €457 million including a special dividend of €36 million. The transaction led to a pre-tax capital gain of €216.7 million in first-half 2015 (post-tax gain of €206.8 million).

## 1.6 MERGER OF CNP IAM INTO CNP ASSURANCES

As of 1 January 2015, CNP IAM, the vehicle for the CNP Assurances Group's non-life business, and CNP Caution, a home loan guarantee company, were both wholly-owned subsidiaries of CNP Assurances.

They were created to comply with the regulatory requirement to separate life business and non-life business in different entities.

In 2015, the decision was made to reduce the three insurance undertakings to two by combining:

- all life and compatible non-life licences in CNP Assurances;
- all non-life licences that are not compatible with life licences in CNP Caution.

The project was authorised by France's banking and insurance supervisor, ACPR, on 22 October 2015 (Decision no. 2015-C-90 authorising the transfer of part of an insurance business followed by the transfer of a complete insurance business by way of a merger, published in the *Journal Officiel* on 28 November 2015).

The transaction was carried out in two indissociable stages:

1. transfer, under French demerger rules, by CNP IAM of its class 9 business (other property damage) and class 16 business (miscellaneous pecuniary losses) to CNP Caution;
2. merger of CNP IAM into CNP Assurances under the simplified merger rules, involving the transfer of CNP IAM's remaining class 1 business (accidental injury) and class 2 business (health insurance) to CNP Assurances.

CNP IAM had two branches, one in Italy and the other in Spain. These branches' businesses – depending on the class – were also either transferred to the newly created Italian and Spanish branches of CNP Caution or merged with the businesses of CNP Assurances' existing Italian and Spanish branches.

### Transfer by CNP IAM to CNP Caution of its class 9 business (other property damage) and class 16 business (miscellaneous pecuniary losses)

Prior to the transfer, on 8 October 2015 CNP Assurances underwrote a €200 million share issue by CNP Caution to finance its business development. The 17,472,410 shares were issued at par (€5.7056) and paid up in cash.

The transfer by CNP IAM was backdated to 1 January 2015 and all transactions carried out by CNP IAM in respect of the transferred businesses were considered as having been carried out by CNP Caution as from that date for accounting and tax purposes.

The businesses comprised €351 million in assets – including €320 million in investments (excluding accrual accounts) – and €127 million in liabilities, which were transferred at net book value.

The net assets transferred by CNP IAM to CNP Caution amounted to €224 million.

They were paid for in shares issued for this purpose.

### Merger of CNP IAM into CNP Assurances

In accordance with Article L.236-4 of the French Commercial Code, the simplified merger was also backdated to 1 January 2015 for accounting and tax purposes.

The total assets transferred from CNP IAM to CNP Assurances amounted to €8,534 million.

The total callable liabilities transferred amounted to €7,825 million.

The net assets transferred by CNP IAM to CNP Assurances therefore amounted to €709 million.

The difference between the book value of the transferred assets and rights and the book value of the CNP IAM shares held by CNP Assurances was €463.2 million, representing a merger surplus.

In accordance with French accounting standards (Comité de la Réglementation Comptable standard CRC 2004-01 of 4 May 2004, paragraph 4.5.1), this surplus was recorded in financial income for €441.9 million and in equity for €21.3 million.

Following the transfer of all of its assets and liabilities to CNP Assurances, CNP IAM was automatically dissolved due to the merger being completed.

The CNP IAM contribution balance sheet was as follows:

| Balance sheet - assets *(in € thousands)* | | Balance sheet – equity and liabilities *(in € thousands)* | |
|---|---|---|---|
| Assets | 31.12.2014 | Equity and liabilities | 31.12.2014 |
| **Intangible assets** | **0** | **Share capital** | **0** |
| **Investments:** | **5,705,924** | **Subordinated debt** | **0** |
| **Assets held to cover linked liabilities** | **0** | **Technical reserves:** | **6,425,476** |
| **Reinsurers' share of technical reserves:** | **1,296,279** | **Provisions for unearned premiums and unsettled claims** | **69,535** |
| Outstanding non-life claims reserves | 993,265 | Outstanding non-life claims reserves | 4,986,896 |
| Policyholder surplus reserve and rebates – non-life | 449 | Policyholder surplus reserve and rebates – non-life | 41,289 |
| Equalisation reserves | 24,350 | Equalisation reserves | 140,168 |
| Other technical reserves non-life | 278,214 | Other technical reserves non-life | 1,187,587 |
| Linked liability technical reserves | 0 | Linked liability technical reserves | 0 |
| **Receivables** | **1,343,506** | **Provisions for contingencies and expenses** | **2,316** |
| Of which earned premiums not yet written | 988,411 | Cash deposits received from reinsurers | 319,209 |
| **Other assets** | **18,395** | **Miscellaneous payables** | **1,059,194** |
| **Accrued income and prepaid expenses** | **169,606** | **Accrued payables** | **18,733** |
| **Translation differences** | **0** | **Translation differences** | **0** |
| **TOTAL ASSETS** | **8,533,710** | **TOTAL EQUITY AND LIABILITIES** | **7,824,928** |

# Note 2 Subsequent events

## US$500 MILLION PRIVATE PLACEMENT

On 15 January 2016, CNP Assurances placed a US$500 million subordinated note with a major institutional investor. CNP Assurances took advantage of 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 which, after being swapped for euros, is in line with the level of the last notes issued by CNP Assurances in December 2015. The final maturity is in 33 years, with a first call after 13 years.

The note does not qualify for inclusion in equity under IAS 32 and is therefore reported under "Subordinated debt" in the Group's consolidated balance sheet.

It is nonetheless structured to qualify as Tier 2 capital under Solvency II standards. According to Standard & Poor's methodology, the note is rated BBB+ and qualifies as intermediate equity content capital.

Settlement took place on 22 January 2016.

# Note 3 Change in accounting policies

None.



# Note 4 Accounting policies and principles

CNP Assurances' financial statements are prepared in accordance with Articles 8 to 16 of the French Commercial Code, the Act of 3 April 1983 and its enabling legislation of 29 November 1983.

The measurement and recognition principles used to prepare the Company accounts comply with the decree of 8 June 1994 and the government order of 20 June 1994 adopted to bring the French Insurance Code into line with the EU directive of 19 December 1991 concerning the separate and consolidated financial statements of insurance undertakings.

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.

Exceptionally, in 1995, provisions recorded in the opening balance sheet in compliance with new accounting standards (decree of 8 June 1994 and government order of 20 June 1994) for other-than-temporary impairment of assets were charged against equity at 1 January 1995, in accordance with the recommendation of the French National Accounting Board (Conseil national de la comptabilité – CNC). At 31 December 2015, these provisions had been released in full.

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.332-19 of the 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" in accordance with opinion 98D issued by the CRC's emerging issues task force and standard CRC 2000-02.

## 4.2 INTANGIBLE ASSETS

Intangible assets, including the cost of integrating business applications and purchased software licenses, are measured and recognised in accordance with standard CNC 2004-15 of 23 June 2004 on the definition, recognition and measurement of assets, which brings French GAAP into line with IAS 38.

The following amortisation periods, which reflect the best estimate of the assets' useful lives, are used by the Company:

- internally developed software: five years;
- business applications (licences): five years.

Internally developed software is amortised from the date on which it is put in production. Licences are amortised from the date of purchase.

Finance and support projects are deemed to have a longer useful life than business applications and have been amortised over eight years since 2013.

Assets no longer used by the Company are scrapped.

## 4.3 INVESTING ACTIVITIES

Investments and related activities are accounted for in accordance with the French Insurance Code.

### 4.3.1 Measurement

Investments are measured at historical cost less transaction costs, with the exception of:

- investments held in unit-linked portfolios, which are remeasured at the end of each reporting period based on changes in the related unrealised gains or losses with a corresponding adjustment to the linked liability;
- investments subject to legal revaluation requirements.

#### Investment property

Since 1 January 2005, buildings have been recognised and measured by significant part or component, in accordance with standard CRC 2005-09 of 3 November 2005 amending CRC 99-03 of 29 April 1999 concerning the general chart of accounts, and CRC 2002-10 paragraph 15-1 concerning the depreciation and impairment of assets.

Investment properties are measured at amortised cost, corresponding to 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.

Accrued rental income is recognised in the income statement.

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, loans 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 standard 2013-03 of 13 December 2013, the same calculation method is now used for all amortisable securities classified under Articles R.332-19 and R.332-20 of the French Insurance Code.

### 4.3.2 Depreciation of buildings

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

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

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

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

### 4.3.3 Specific provisions for impairment of property and securities

Impairment provisions are recognised in accordance with Articles R.332-19 and R.332-20 of the French Insurance Code based on the classification of the assets in question.

#### Securities classified under Article R.332-19 of the French Insurance Code

CNC opinion 2006-07 of 30 June 2006 stipulates that "the insurer must assess whether or not there is a recognised counterparty risk arising from one or a number of events that have occurred since initial recognition, and whether the related impairment loss can be estimated reliably".

Debt securities classified under Article R.332-19 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.

#### Assets classified under Article R.332-20

An impairment loss is recognised on property or securities when there is evidence that they are subject to other-than-temporary impairment, in accordance with Article R.332-20 of the French Insurance Code.

In 1995, when the new insurance accounting standard was applied for the first time, provisions for other-than-temporary impairment of assets were recognised in the opening balance sheet at 1 January 1995 by adjusting equity, without affecting profit.

First-time application of standard 2013-03 of 13 December 2013, which amended the basis for calculating provisions for other-than-temporary impairment of amortisable securities classified under Article R.332-20, did not have a material impact on the financial statements of the Company.

#### Buildings classified under Article R.332-20

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 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 building's carrying amount.

#### Securities classified under Article R.332-20

***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:

##### Investments in subsidiaries and affiliates classified under Article R.332-20

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.332-20

Opinion 2002-F issued by the CNC's emerging issues task force on 18 December 2002 states that the presumption of other-than-temporary impairment may be based on the criterion of "material unrealised losses, defined for French equities as 20% of the carrying amount when the markets are relatively stable, rising to 30% when they are volatile".

Within the context of extreme volatility caused by the financial crisis, on 15 December 2008, the French national accounting Board (CNC) and the banking and insurance supervisor (ACPR) recommended that for the 2008 financial statements a presumption of other-than-temporary impairment would be justified only if unrealised losses represented at least 30% of the carrying amount in the case of French equities and also, except in special circumstances, European equities.

By 2012 market volatility had eased and the Company therefore decided to reduce the threshold for the presumption of other-than-temporary impairment to 20%. This threshold continued to be applied in 2015 to both French and foreign equities.

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.332-20**

Amortisable securities classified under Article R.332-20 that CNP Assurances has the positive intention and ability to hold to maturity are written down only if there is a recognised credit risk.

Amortisable securities classified under Article R.332-20 that CNP Assurances does not have the positive intention or ability to hold to maturity are assessed for impairment based on an analysis of all identified risks and depending on 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 such that, 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.

Impairment losses on amortisable securities are recognised as explained in Note 4.3.3.

### 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 Decree no. 2013-717 of 2 August 2013 amending certain investment rules applicable to insurance companies, and Article R.331-5-1 of the French Insurance Code, this reserve is credited by the aggregate amount of unrealised losses on (i) amortisable assets classified under Article R.332-20 that CNP Assurances does not have the positive intention or the ability to hold to maturity and (ii) non-amortisable assets classified under Article R.332-20.

At 31 December 2008, the Company elected to defer recognition of the liquidity risk reserve, as allowed by Article R.331-5-4 of the French Insurance Code when all necessary conditions are fulfilled (concerning the solvency margin, coverage rate and the duration of liabilities).

Article A.331-26 of the French Insurance Code stipulates that the following assumptions should be used to measure the duration of liabilities: 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 has been limited to eight years in order to obtain a whole number.

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.331-5-4 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 realisable value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction, taking into account their value in use for the Company.

In accordance with Article R.331-5-4 of the French Insurance Code, the liquidity risk reserve is calculated based on average prices for the month of December.

The basis used to calculate the 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 underlyings the assets referred to in Article R.332-20". 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

Since 31 December 2008, CNP Assurances has applied standard CRC 2007-07 of 14 December 2007 concerning the translation of foreign currency transactions by insurance undertakings.

Foreign currency transactions are defined in Article A.342-3 of the French Insurance Code. They are recognised in the transaction or settlement currency in the foreign currency accounts (use of multi-currency accounting system).

Standard CRC 2007-07 defines foreign currency transactions and stipulates that the accounting treatment of the effect of changes in foreign exchange rates depends on the transaction category, as follows:

- transactions involving assets and liabilities 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 standard CRC 2007-07 of 14 December 2007, foreign exchange differences on operational positions at 31 December 2015 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 perpetual subordinated notes were issued in 2013.

### 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 after adjustment for:

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 (the difference between the mathematical reserves carried in the balance sheet in accordance with Article L.331-1 of the French Insurance Code and the amount of the same reserves if these acquisition costs had not been included in the insurer's obligations).

A matching provision for deferred acquisition costs has been recognised in liabilities in accordance with Article R.331-3-7 of the French Insurance Code.

Future contract administration costs not covered by the premium loading or by the fees charged on financial products are covered by a provision for future expenses.

The provision is governed by Article A.331-1 of the French Insurance Code, amended by the government order of 29 December 1998. It 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.

If the actual return on plan assets at the reporting date, reduced by one-fifth, is less than the total guaranteed policy yield divided by average mathematical reserves, the shortfall is recorded in a financial contingency reserve in accordance with Article A.331-2 of the French Insurance Code.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide 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 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations are covered in full by provisions.

### 4.8.1 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.

### 4.8.2 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.

### 4.8.3 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.

## 4.9 ACQUISITION COSTS AND ADMINISTRATION EXPENSES

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing In-Force business;
- investment 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.

## 4.10 *PLAN EPARGNE RETRAITE POPULAIRE* (PERP) AND *PLAN EPARGNE RETRAITE ENTREPRISE* (PERE)

The PERP and PERE pension plans sold by CNP Assurances are accounted for in accordance with CNC opinion 2004-16 of 27 October 2004. 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 subsidiary set of accounts is kept for each PERP and PERE plan.

The separate PERP and PERE plan accounts are presented to the Supervisory Board.

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 earlier.

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.331-5-4 of the French Insurance Code is recognised in the Company accounts and has no impact on the plan's subsidiary accounts.

## 4.11 ADDITIONAL SPECIAL TECHNICAL RESERVES FOR THE FRENCH CIVIL SERVANT PENSION PLAN *(RÉGIME L.441-1 PRÉFON RETRAITE)*

CNP Assurances markets a number of points-based pay-as-you-go group pension plans ("Article L.441-1" plans). Pursuant to Article R.441-21 of the French Insurance Code, the 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 must be 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.

When plan assets exceed plan obligations, the surplus may be reallocated to the insurer's general portfolio.

## 4.12 TAXATION

### 4.12.1 Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP Subsidiaries, Préviposte, Investissement Trésor Vie (ITV), CNP International, 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 and SAS Foz Participations.

### 4.12.2 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 2015, the tax credit amounted to 6% of payroll calculated as described above.

In accordance with the guidelines issued by the French accounting standards authority (Autorité des Normes Comptables – ANC) on 28 February 2014, the CICE tax credit has been recorded in a special sub-account of "Payroll costs" and deducted from taxable profit.

The €1.6 million CICE tax credit for 2015 was used to finance competitivity improvements, including investments, training and exploration of new markets.

### 4.12.3 Deferred taxes

No provisions for deferred taxes are recorded in the Company's accounts.

## 4.13 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 1 Jan. 2015 | Additions | Disposals | Transfers | Merger | Gross at 31 Dec. 2015 |
|---|---|---|---|---|---|---|
| **Intangible assets** | **258,294** | **28,553** | | | | **286,848** |
| Software | 258,294 | 28,553 | | | | 286,848 |
| **Land and buildings** | **8,213,846** | **2,633,662** | **1,496,687** | **(149,890)** | **377,044** | **9,577,976** |
| Forests | 62,085 | 1,920 | 1,463 | | 40,965 | 103,507 |
| Developed property | 268,566 | 2,666 | 71,744 | 658 | 105,774 | 305,921 |
| Shares in unlisted property companies | 7,849,061 | 2,615,796 | 1,416,473 | (149,890) | 220,861 | 9,119,356 |
| Property investments in progress | 34,134 | 13,279 | 7,007 | (658) | 9,444 | 49,192 |
| **Investments in subsidiaries and affiliates** | **5,270,906** | **768,346** | **910,248** | **74,036** | **240,724** | **5,443,764** |
| Investments in subsidiaries | 4,271,187 | 699,920 | 865,596 | (119,447) | 230,163 | 4,216,227 |
| Investments in affiliates | 999,719 | 68,426 | 44,652 | 193,483 | 10,562 | 1,227,538 |
| **TOTAL** | **13,743,047** | **3,430,561** | **2,406,935** | **(75,854)** | **617,769** | **15,308,588** |

| Depreciation, amortisation and provisions *(in € thousands)* | Gross at 1 Jan. 2015 | Increases | Decreases | Transfers | Merger | Gross at 31 Dec. 2015 |
|---|---|---|---|---|---|---|
| Amortisation of software | 192,180 | 17,398 | | | | 209,578 |
| Depreciation of buildings | 147,759 | 6,129 | 42,461 | | 47,823 | 159,251 |
| Provisions for impairment of buildings | 1,621 | 223 | 204 | | 447 | 2,088 |
| Provisions for impairment of shares in property companies | 205,682 | 11,687 | 13,968 | | | 203,401 |
| Provisions for impairment of investments in subsidiaries | 427,066 | 10,587 | 985 | (5,366) | | 431,303 |
| Provisions for impairment of other investments | 40,630 | 30,909 | 1,498 | 2,950 | | 72,991 |
| **TOTAL** | **1,014,939** | **76,934** | **59,116** | **(2,416)** | **48,270** | **1,078,611** |

| Carrying amount (gross amount less depreciation, amortisation and provisions) *(in € thousands)* | Net at 1 Jan. 2015 | Increases | Decreases | Transfers | Merger | Net at 31 Dec. 2015 |
|---|---|---|---|---|---|---|
| **Intangible assets** | **66,114** | **11,156** | | | | **77,270** |
| Software | 66,114 | 11,156 | | | | 77,270 |
| **Land and buildings** | **7,858,784** | **2,615,622** | **1,440,054** | **(149,890)** | **328,774** | **9,213,237** |
| Forests | 62,085 | 1,920 | 1,463 | | 40,965 | 103,507 |
| Developed property | 119,186 | (3,686) | 29,079 | 658 | 57,504 | 144,582 |
| Shares in unlisted property companies | 7,643,379 | 2,604,109 | 1,402,504 | (149,890) | 220,861 | 8,915,956 |
| Property investments in progress | 34,134 | 13,279 | 7,007 | (658) | 9,444 | 49,192 |
| **Investments in subsidiaries and affiliates** | **4,803,210** | **726,849** | **907,765** | **76,452** | **240,724** | **4,939,471** |
| Investments in subsidiaries | 3,844,121 | 689,333 | 864,611 | (114,082) | 230,163 | 3,784,924 |
| Investments in affiliates | 959,089 | 37,517 | 43,154 | 190,534 | 10,562 | 1,154,547 |
| **TOTAL** | **12,728,108** | **3,353,627** | **2,347,819** | **(73,437)** | **569,499** | **14,229,977** |

## 5.2 INVESTMENTS

### 5.2.1 Summary of investments

At 31 December 2015
*(in € thousands)*

| | Gross amount | Carrying amount | Realisable value |
|---|---|---|---|
| **I - Investments (balance sheet captions 3 & 4)** | | | |
| **1) Property investments and property in progress** | **9,556,167** | **9,191,428** | **11,684,037** |
| 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** | **32,369,721** | **29,367,872** | **36,216,649** |
| Forward financial instruments: investment or divestment strategy | 0 | 0 | 0 |
| Forward financial instruments: yield strategy | 109,457 | 102,164 | 140,247 |
| **3) Mutual fund units (other than those in 4)** | **19,989,549** | **19,887,151** | **23,480,328** |
| 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** | **25,967,067** | **25,942,465** | **25,983,026** |
| Forward financial instruments: investment or divestment strategy | 0 | 0 | 0 |
| Forward financial instruments: yield strategy | 0 | 0 | 0 |
| **5) Bonds and other fixed income securities** | **193,231,264** | **195,015,309** | **218,332,709** |
| Forward financial instruments: investment or divestment strategy | 0 | 0 | 0 |
| Forward financial instruments: yield strategy | 1,154,184 | 573,484 | (505,763) |
| **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** | **1,813,902** | **1,813,902** | **1,826,335** |
| 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** | **509,500** | **509,500** | **509,500** |
| **10) Assets backing unit-linked contracts** | **27,563,205** | **27,563,205** | **27,563,205** |
| 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 |

| At 31 December 2015<br>*(in € thousands)* | Gross amount | Carrying amount | Realisable value |
|---|---|---|---|
| **12) Total of lines 1 to 11** | **312,264,085** | **309,966,549** | **345,230,342** |
| a) of which: | | | |
| Investments measured in accordance with Article R.332-19 | 190,001,949 | 191,250,824 | 213,490,433 |
| Investments measured in accordance with Article R.332-20 | 94,697,739 | 91,151,330 | 104,175,513 |
| Investments measured in accordance with Article R.332-5 | 27,563,205 | 27,563,205 | 27,563,205 |
| Investments measured in accordance with Article 28 of decree 2004-342 of 21 April 2004 | 1,191 | 1,191 | 1,191 |
| b) of which: | | | |
| Securities representing technical reserves other than those listed below | 282,776,669 | 281,357,975 | 312,068,732 |
| 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) | 3,984,357 | 3,984,357 | 3,984,357 |
| Securities allocated to special technical reserves for other business in France | 8,572,881 | 8,824,358 | 10,535,987 |
| Other allocated or unallocated investments | 16,930,177 | 15,799,859 | 18,641,266 |
| c) of which: | | | |
| Investments and forward financial instruments in OECD member countries | 310,473,283 | 308,221,918 | 342,862,299 |
| Investments and forward financial instruments in countries that are not members of the OECD | 1,790,802 | 1,744,632 | 2,368,043 |
| **II - Assets representing technical reserves (other than investments and reinsurers' share of technical reserves)** | | | |
| Accrued interest | 3,152,775 | 3,152,775 | 3,152,775 |
| Cash at bank | 671,494 | 671,494 | 671,494 |
| Other | 114,405 | 114,405 | 114,405 |
| **Total assets representing technical reserves** | **3,938,674** | **3,938,674** | **3,938,674** |
| **TOTAL** | **316,202,759** | **313,905,224** | **349,169,016** |

### 5.2.2 Investments in government bonds

| Issuer government *(in € millions)* | Gross exposure – carrying amount [(1)] | Net exposure [(2)] |
|---|---|---|
| France | 64,928 | 4,000 |
| Italy | 5,332 | 302 |
| Belgium | 7,086 | 347 |
| Spain | 3,401 | 245 |
| Austria | 4,295 | 156 |
| Brazil | 2 | 1 |
| Portugal | 270 | 7 |
| Netherlands | 133 | 5 |
| Ireland | 550 | 14 |
| Germany | 2,344 | 191 |
| Greece | 4 | 0 |
| Finland | 13 | 0 |
| Poland | 309 | 24 |
| Luxembourg | 33 | 14 |
| Sweden | 10 | 0 |
| Denmark | 45 | 3 |
| Slovenia | 141 | 3 |
| Canada | 633 | 75 |
| Supranational issuers | 5,878 | 538 |
| Other | 324 | 46 |
| **TOTAL** | **95,731** | **5,971** |

*(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** | **2,986,201** | **2,981,462** | **4,739** | |
| Earned premiums not yet written | 2,213,023 | 2,213,023 | | |
| Other insurance receivables | 773,179 | 768,440 | 4,739 | |
| **Reinsurance receivables** | **97,516** | **97,516** | | |
| **Other receivables** | **2,909,207** | **2,909,207** | | |
| Employee advances | 263 | 263 | | |
| Prepaid and recoverable taxes | 876,982 | 876,982 | | |
| Other | 2,031,963 | 2,031,963 | | |
| **Called and unpaid capital** | | | | |
| **TOTAL** | **5,992,925** | **5,988,186** | **4,739** | |

| Payables *(in € thousands)* | Total | Less than 1 year | Between 1 and 5 years | More than 5 years |
|---|---|---|---|---|
| **Cash deposits received from reinsurers** | **166,706** | **166,706** | | |
| **Other liabilities** | **25,124,767** | **25,082,798** | **41,969** | |
| Liabilities arising from insurance transactions | 886,461 | 886,461 | | |
| Liabilities arising from reinsurance transactions | 731,997 | 731,997 | | |
| Bank borrowings | 39,631 | 39,631 | | |
| Other liabilities | 23,466,677 | 23,424,708 | 41,969 | |
| Negotiable debt securities issued by the Company | | | | |
| Other borrowings, deposits and guarantees received | 42,002 | 33 | 41,969 | |
| Accrued payroll costs | 377,189 | 377,189 | | |
| Accrued payroll and other taxes | 730,289 | 730,289 | | |
| Sundry payables | 22,317,197 | 22,317,197 | | |
| **TOTAL** | **25,291,473** | **25,249,504** | **41,969** | |

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## 5.4 SUBSIDIARIES AND AFFILIATES

### 5.4.1 Investments in subsidiaries and affiliates

| | Total at 31 December 2015 | | | | Affiliates | | | | Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in € thousands)* | **Shares** | **Other** | **Impair-ment** | **Carrying amount** | Shares | Other | Impair-ment | Carrying amount | Shares | Other | Impair-ment | Carrying amount |
| **Insurance companies** | | | | | | | | | | | | |
| ASSURISTANCE | 13,427 | | | 13,427 | | | | | 13,427 | | | 13,427 |
| AVENIR SANTÉ | 1,099 | 401 | | 1,500 | | | | | 1,099 | 401 | | 1,500 |
| CAIXA SEGUROS HOLDING | 434,906 | | | 434,906 | | | | | 434,906 | | | 434,906 |
| CAPVITA | 26 | | | 26 | | | | | 26 | | | 26 |
| CNP ASSURANCES BRASIL HOLDING | 8,128 | | | 8,128 | | | | | 8,128 | | | 8,128 |
| CNP ASSURANCES COMPANIA DE SEGUROS | 20,788 | 7 | | 20,795 | | | | | 20,788 | 7 | | 20,795 |
| CNP CAUTION | 464,917 | | 24,997 | 439,920 | | | | | 464,917 | | 24,997 | 439,920 |
| CNP CYPRUS INSURANCE HOLDINGS | 145,915 | | 17,200 | 128,715 | | | | | 145,915 | | 17,200 | 128,715 |
| CNP EUROPE LIFE LIMITED | 62,240 | | | 62,240 | | | | | 62,240 | | | 62,240 |
| CNP INTERNATIONAL | 23,325 | | | 23,325 | | | | | 23,325 | | | 23,325 |
| CNP LUXEMBOURG | 32,000 | | | 32,000 | | | | | 32,000 | | | 32,000 |
| CNP PARTNERS | 128,830 | | | 128,830 | | | | | 128,830 | | | 128,830 |
| CNP UNICREDIT VITA S.p.A. | 726,775 | | 370,475 | 356,300 | | | | | 726,775 | | 370,475 | 356,300 |
| HONG AN LIFE INSURANCE COMPANY LIMITED | 6,125 | | 6,125 | | 6,125 | | 6,125 | | | | | |
| I.T.V | 22,410 | | | 22,410 | | | | | 22,410 | | | 22,410 |
| LA BANQUE POSTALE PRÉVOYANCE | 94,061 | | | 94,061 | | | | | 94,061 | | | 94,061 |
| 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 | 2,400 | | | 2,400 | | | | | 2,400 | | | 2,400 |
| **Sub-total** | **2,686,050** | **407** | **426,256** | **2,260,201** | **13,585** | | **13,585** | | **2,672,465** | **407** | **412,672** | **2,260,201** |
| **Other companies** | | | | | | | | | | | | |
| 270 INVESTMENTS | 125,573 | 164,050 | | 289,623 | | | | | 125,573 | 164,050 | | 289,623 |
| 3i GROWTH CAPITAL F | 21,559 | | | 21,559 | | | | | 21,559 | | | 21,559 |
| ÂGE D'OR EXPANSION | 2,447 | 2,200 | 1,537 | 3,110 | | | | | 2,447 | 2,200 | 1,537 | 3,110 |
| ALPINVEST FEEDER (EURO) V C.V. | 46,707 | | | 46,707 | | | | | 46,707 | | | 46,707 |
| AXA INFRASTRUCTURE PARTNERS | 51,412 | | | 51,412 | 51,412 | | | 51,412 | | | | |
| BRIDGEPOINT EUROPE IV G | 13,102 | | | 13,102 | | | | | 13,102 | | | 13,102 |
| CANTIS | 0 | 62 | | 62 | 0 | 62 | | 62 | | | | |
| CARRÉS BLEUS | 2,363 | 1,800 | 1,800 | 2,363 | | | | | 2,363 | 1,800 | 1,800 | 2,363 |
| CARTERA PBTAMSI | 15,000 | | | 15,000 | | | | | 15,000 | | | 15,000 |

| | Total at 31 December 2015 | | | | Affiliates | | | | Subsidiaries | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in € thousands)* | **Shares** | **Other** | **Impair-ment** | **Carrying amount** | Shares | Other | Impair-ment | Carrying amount | Shares | Other | Impair-ment | Carrying amount |
| CBPE CAPITAL VIII SPECIAL INVESTOR | 17,877 | | 318 | 17,560 | | | | | 17,877 | | 318 | 17,560 |
| CILOGER | 8 | | | 8 | 8 | | | 8 | | | | |
| CLEANTECH EUROPE II SPECIAL INVESTORS | 17,653 | | | 17,653 | | | | | 17,653 | | | 17,653 |
| CNP FORMATION | 37 | | | 37 | | | | | 37 | | | 37 |
| CNP TECHNOLOGIES DE L'INFORMATION | 914 | 4,000 | | 4,914 | | | | | 914 | 4,000 | | 4,914 |
| DIF INFRASTRUCTURE II | 35,309 | | | 35,309 | | | | | 35,309 | | | 35,309 |
| DOMUS CO-INVEST | 35,000 | | | 35,000 | | | | | 35,000 | | | 35,000 |
| ECUREUIL VIE DEVELOPPEMENT | 19 | 1,000 | | 1,019 | | | | | 19 | 1,000 | | 1,019 |
| ECUREUIL VIE INVESTMENT | 328,338 | 30,000 | | 358,338 | | | | | 328,338 | 30,000 | | 358,338 |
| EQUASANTÉ | 805 | | 133 | 672 | 805 | | 133 | 672 | | | | |
| FILASSISTANCE SERVICES | 228 | | 15 | 212 | | | | | 228 | | 15 | 212 |
| FORESTIÈRE CDC | 2,567 | | | 2,567 | 2,567 | | | 2,567 | | | | |
| FSN CAPITAL IV (B) L.P. | 22,696 | | | 22,696 | | | | | 22,696 | | | 22,696 |
| GESPRE EUROPE | 3,000 | | 1,052 | 1,948 | 3,000 | | 1,052 | 1,948 | | | | |
| GROUPEMENT PROPRIÉTÉS CDC CNP | 6 | | | 6 | 6 | | | 6 | | | | |
| HOLDING D'INFRASTRUCTURES GAZIÈRES | 336,980 | | | 336,980 | | | | | 336,980 | | | 336,980 |
| INFRA VIA | 20,201 | | | 20,201 | 20,201 | | | 20,201 | | | | |
| INFRA-INVEST | 4,718 | 175 | | 4,893 | | | | | 4,718 | 175 | | 4,893 |
| INFRASTRUCTURE PARTNERS (MORGAN STANLEY) | 45,582 | | | 45,582 | | | | | 45,582 | | | 45,582 |
| INTER EXPANSION-FONGEPAR | 7,977 | | 3,242 | 4,735 | 7,977 | | 3,242 | 4,735 | | | | |
| LANCOSME (SNC) | 61 | 46 | | 107 | | | | | 61 | 46 | | 107 |
| MEIF III SCOTLAND LP | 49,541 | | | 49,541 | 49,541 | | | 49,541 | | | | |
| MERIDIAM INFRASTRUCTURE | 97,516 | | | 97,516 | 97,516 | | | 97,516 | | | | |
| MERIDIAM TRANSITION | 99,850 | | | 99,850 | 99,850 | | | 99,850 | | | | |
| MONTAGU IV (SCOTS FEEDER) | 21,832 | | | 21,832 | | | | | 21,832 | | | 21,832 |
| PREVIMUT | 20,563 | | 14,887 | 5,676 | | | | | 20,563 | | 14,887 | 5,676 |
| SMCA | 2,000 | | | 2,000 | | | | | 2,000 | | | 2,000 |
| SOGESTOP K | 156 | | 74 | 82 | | | | | 156 | | 74 | 82 |
| SOGESTOP L | 18,626 | | | 18,626 | | | | | 18,626 | | | 18,626 |
| US REAL ESTATE 270 SA | 137 | 102,205 | | 102,342 | | | | | 137 | 102,205 | | 102,342 |
| US REAL ESTATE EVJ SAS | 198 | 102,204 | | 102,402 | | | | | 198 | 102,204 | | 102,402 |
| **Other companies *** | **881,009** | | **54,979** | **826,030** | **881,009** | | **54,979** | **826,030** | | | | |
| **Sub-total** | **2,349,565** | **407,742** | **78,037** | **2,679,270** | **1,213,891** | **62** | **59,406** | **1,154,547** | **1,135,674** | **407,680** | **18,631** | **1,524,723** |
| Total by type | 5,035,615 | 408,150 | 504,294 | 4,939,471 | 1,227,476 | 62 | 72,991 | 1,154,547 | 3,808,139 | 408,088 | 431,303 | 3,784,924 |
| **TOTAL** | | **5,443,764** | **504,294** | **4,939,471** | | **1,227,538** | **72,991** | **1,154,547** | | **4,216,227** | **431,303** | **3,784,924** |

* *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 | 31.12.2015 | 31.12.2014 |
|---|---|---|---|---|
| Financial expenses | 56,120 | 31,574 | 87,693 | 61,035 |
| Financial income | 1,007,198 | 48,041 | 1,055,239 | 368,361 |

### 5.4.3 Receivables from and payables to subsidiaries and affiliates

| *(in € thousands)* | Subsidiaries | Affiliates | 31.12.2015 | 31.12.2014 |
|---|---|---|---|---|
| **Receivables** | **36,591** | **(8,675)** | **27,916** | **71,453** |
| Other receivables | 36,591 | (8,675) | 27,916 | 71,453 |
| *Prepaid and recoverable taxes* | *14,400* | - | *14,400* | *14,400* |
| *Other* | *22,191* | *(8,675)* | *13,516* | *57,053* |
| **Other liabilities** | **126,417** | **777,311** | **903,728** | **616,463** |
| *Other* | *126,417* | *777,311* | *903,728* | *616,463* |

## 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 (of which KNL) | Interest | Loans and receivables | Revenue | Profit or loss | Dividends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A – Investments with a carrying amount in excess of 1% of CNP Assurances' share capital** | | | | | | | | | | | | | |
| **I – Subsidiaries (over 50% owned)** | | | | | | | | | | | | | |
| 23-25 MARIGNAN SAS [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 31,291 | 8,951 | 100,004 | 85,726 | 85,726 | 100.00% | 59,097 | 7,666 | (2,379) | 0 | Property company |
| 270 INVESTMENTS [5] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 32,128 | 71,738 | 228,157 | 125,573 | 125,573 | 100.00% | 164,050 | 0 | 6,206 | 0 | Investment fund |
| 36 MARBOEUF SAS [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 27,067 | (7,207) | 52,539 | 43,194 | 43,194 | 100.00% | 34,245 | 999 | (3,754) | 0 | Property company |
| 3i GROWTH CAPITAL F | 16 Palace Street – London SW1E 5JD – UK | EUR | NC | NC | NC | 21,559 | 4,259 | 76.92% | 0 | NC | NC | 0 | Investment fund |
| 67-69 VICTOR HUGO | 128 boulevard Raspail – 75006 Paris – France | EUR | NA | NA | NA | 50,000 | 50,000 | 100.00% | 72,400 | NA | NA | 0 | Property company |
| A9B PARIS [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 10,000 | 85,408 | 150,544 | 66,969 | 63,300 | 100.00% | 0 | 0 | 708 | 0 | Property company |
| AEP 247 [5] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 165,852 | (3,739) | 175,092 | 161,102 | 161,102 | 100.00% | 0 | 7,828 | 6,024 | 5,345 | Property company |
| AEW IMCOM 1 [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 109,532 | (1,513) | 139,263 | 102,119 | 102,119 | 100.00% | 23,389 | 6,992 | 5,529 | 1,746 | Property company |
| AEW IMCOM 6 [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 332,242 | (12,831) | 524,070 | 258,699 | 258,699 | 83.33% | 149,999 | 32,343 | 24,486 | 15,234 | Property company |
| ALPINVEST FEEDER (EURO) V C.V. | Jachthavenweg 118 – 1081 KJ Amsterdam – Netherlands | EUR | NC | NC | NC | 46,707 | 18,563 | 99.98% | 0 | NC | NC | 0 | Investment fund |
| ASSURBAIL PATRIMOINE [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 183,233 | 71,097 | 374,470 | 214,588 | 214,588 | 99.99% | 85,967 | 19,022 | 19,342 | 19,341 | Property company |
| ASSURECUREUIL PIERRE [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 23,062 | 22,130 | 54,337 | 66,184 | 66,184 | 85.83% | 0 | 8,095 | 5,184 | 37,015 | Property company |
| ASSURECUREUIL PIERRE 3 [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 199,624 | 185,418 | 692,475 | 252,165 | 252,165 | 77.98% | 212,015 | 6,982 | 25,218 | 69,846 | Property company |
| ASSURECUREUIL PIERRE 4 [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 101,740 | 69,484 | 231,424 | 168,599 | 168,599 | 100.00% | 48,782 | 0 | 9,447 | 0 | Property company |
| ASSURECUREUIL PIERRE 5 [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 3,362 | 1,723 | 8,597 | 8,225 | 8,225 | 100.00% | 1,300 | 1,464 | 1,104 | 1,218 | Property company |
| ASSURIMMEUBLE [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 294,400 | 300,502 | 608,677 | 677,720 | 677,720 | 99.98% | 0 | 2,704 | 12,235 | 24,832 | Property company |
| ASSURISTANCE [5] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 20,344 | 477 | 21,175 | 13,427 | 13,427 | 66.00% | 0 | 0 | 3,462 | 2,574 | Insurance |

| Subsidiaries and affiliates (in € thousands) | Headquarters | Currency | Share capital | Reserves and retained earnings | Total assets | Cost of investment | Carrying amount of investment (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AXE France [(1)] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 5,001 | 56,488 | 158,060 | 43,085 | 43,085 | 50.00% | 43,018 | 11,465 | 3,075 | 1,550 | Property company |
| BAUDRY PONTHIEU [(1)] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 4,460 | 36,535 | 101,416 | 44,559 | 44,559 | 99.90% | 57,270 | 5,163 | 1,540 | 0 | Property company |
| BERCY CRYSTAL | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | NA | NA | NA | 50,000 | 50,000 | 100.00% | 16,100 | NA | NA | 0 | Property company |
| BRIDGEPOINT EUROPE IV G | 30 Warwick Street – London W1B 5AL – UK | EUR | NC | NC | NC | 13,102 | 10,258 | 81.67% | 0 | NC | NC | 0 | Investment fund |
| CAIXA SEGUROS HOLDING [(5)] | SCN Quadra 01 Lote A Ed.N°1 – 15°,16° e 17° Andares – Brasilia – Brazil | BRL | 725,575 | 892,044 | 12,572,667 | 434,906 | 434,906 | 50.75% | 0 | 0 | 15,334 | 177,337 | Insurance |
| CANOPEE [(5)] | 20 rue Quentin Bauchart – 75009 Paris – France | EUR | 47,210 | 0 | 105,564 | 47,200 | 47,200 | 99.98% | 51,307 | 8,611 | 2,034 | 2,033 | Property company |
| CARTERA PBTAMSI | Almagro, 36, 2ª planta – 28010 Madrid – Spain | EUR | NC | NC | NC | 15,000 | 14,000 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| CBPE CAPITAL VIII SPECIAL INVESTORS | 2 George Yard – London EC3V 9DH – UK | GBP | NC | NC | NC | 17,877 | 14,930 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| CICOGE [(1)] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 37,320 | 48,478 | 98,770 | 198,926 | 198,926 | 100.00% | 0 | 9,042 | 7,348 | 8,136 | Property company |
| CIMO [(1)] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 213,022 | 169,645 | 409,934 | 566,870 | 566,870 | 93.03% | 0 | 19,514 | 15,511 | 34,086 | Property company |
| CLEANTECH EUROPE II SPECIAL INVESTORS | 140 Brompton Road – London SW3 1HY – UK | EUR | NC | NC | NC | 17,653 | 16,534 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| CNP ASSURANCES BRASIL HOLDING [(5)] | Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edifi cio n°1, CEP 70710 – 900 Brasila – Brazil | BRL | 7,524 | 20,437 | 34,540 | 8,128 | 8,128 | 100.00% | 0 | 0 | 5,635 | 0 | Insurance |
| CNP ASSURANCES COMPANIA DE SEGUROS [(4)] | M.T. de Alvear 1541 (C1060AAC) – 1001 Buenos Aires – Argentina | EUR | 16,766 | 0 | 0 | 20,788 | 20,788 | 76.47% | 7 | 0 | 7,122 | 3,651 | Insurance |
| CNP CAUTION [(5)] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 24,997 | 767 | 94,175 | 464,917 | 439,920 | 100.00% | 0 | 35,905 | 1,184 | 0 | Insurance |
| CNP CYPRUS INSURANCE HOLDINGS [(5)] | 64 Arch. Makarios III ave. & 1 Karpenisiou Str, 1077 Nicosia – Cyprus | EUR | 90 | 133,737 | 152,327 | 145,915 | 128,715 | 50.10% | 0 | 0 | 12,619 | 4,959 | Insurance |

| Subsidiaries and affiliates *(in € thousands)* | Headquarters | Currency | Share capital | Reserves and retained earnings | Total assets | Cost of investment | Carrying amount of investment (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CNP EUROPE LIFE LIMITED [5] | Embassy House, Herbert Park Lane, Ballsbridge Dublin 4 – Ireland | EUR | 52,523 | 22,720 | 1,383,302 | 62,240 | 62,240 | 100.00% | 0 | 8,000 | (696) | 0 | Insurance |
| CNP INTERNATIONAL [5] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 22,875 | 30,052 | 115,322 | 23,325 | 23,325 | 100.00% | 0 | 0 | 904 | 0 | Insurance |
| CNP LUXEMBOURG [1] | 10 rue de Reims L-2417 Luxembourg – Luxembourg | EUR | 32,000 | 0 | 32,178 | 32,000 | 8,000 | 100.00% | 0 | 0 | (496) | 0 | Insurance |
| CNP PARTNERS [5] | El Plantio Calle Ochandiano n°10 Planta 2a -28023 Madrid – Spain | EUR | 46,600 | 75,900 | 1,243,000 | 128,830 | 128,830 | 99.50% | 0 | 209,000 | 400 | 0 | Insurance |
| CNP UNICREDIT VITA S.p.A. [5] | Piazza Durante 11 – 20131 Milan – Italy | EUR | 381,698 | 203,810 | 12,158,895 | 726,775 | 356,300 | 57.50% | 0 | 2,748,001 | 46,141 | 11,396 | Insurance |
| CŒUR MÉDITERRANÉE [5] | 128 boulevard Raspail – 75006 Paris – France | EUR | 41,133 | 43,326 | 62,099 | 28,619 | 28,619 | 70.00% | 12,933 | 4,005 | 3,454 | 2,670 | Property company |
| COMMERCIAL REAL ESTATE LOANS [5] | 21 boulevard Grande Duchesse Charlotte – L-1331 Luxembourg – Luxembourg | EUR | 304,683 | - | 307,683 | 154,000 | 154,000 | 60.73% | 0 | 8,235 | 7,414 | 6,348 | Property company |
| COTTAGES DU BOIS AUX DAIMS [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 1,131 | 9,810 | 27,245 | 11,301 | 11,301 | 100.00% | 15,100 | 964 | 154 | 0 | Property company |
| DIF INFRASTRUCTURE II | WTC Schiphol Airport ,Tower D, 10th Floor Schiphol Boulevard 269 – 1118 BH Schiphol – Netherlands | EUR | NC | NC | NC | 35,309 | 35,309 | 53.33% | 0 | NC | NC | 2,731 | Infra-structure |
| DOMUS CO-INVEST | 232 rue de Rivoli – 75054 Paris Cedex 01 – France | EUR | NC | NC | NC | 35,000 | 33,833 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| ECUREUIL VIE INVESTMENT [5] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 328,337 | 1,775 | 337,573 | 328,338 | 328,338 | 100.00% | 30,000 | 0 | 6,469 | 0 | Investment fund |
| EQUINOX [5] | 20 rue Quentin Bauchart – 75009 Paris – France | EUR | 41,404 | 0 | 97,118 | 41,400 | 41,400 | 99.98% | 47,637 | 8,810 | 3,911 | 1,304 | Property company |
| FARMAN [5] | 4 rue Auber – 75009 Paris – France | EUR | 25,000 | 135,745 | 236,230 | 80,872 | 80,872 | 50.00% | 31,914 | 16,106 | 7,358 | 3,679 | Property company |
| FARMORIC [5] | Cœur Défense – Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92400 Courbevoie – France | EUR | 186,202 | 193,743 | 220,212 | 176,604 | 176,604 | 100.00% | 26,231 | 5,625 | 7,727 | 6,158 | Property company |
| FONCIÈRE CNP [5] | 4 rue Auber – 75009 Paris – France | EUR | 2,250 | 37,949 | 106,441 | 29,603 | 29,603 | 100.00% | 39,563 | 7,265 | 20,476 | 1,000 | 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 (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FONCIÈRE ELBP (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 14,614 | 131,524 | 407,420 | 146,131 | 146,131 | 100.00% | 214,641 | 14,708 | 3,689 | 21,343 | Property company |
| FONCIÈRE HID (1) | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 4,370 | 6,930 | 57,579 | 11,300 | 11,300 | 100.00% | 44,900 | 3,893 | 261 | 0 | Property company |
| FSN CAPITAL IV (B) L.P. | Akersgaten 20 NO-0158 – Oslo – Norway | SEK | NC | NC | NC | 22,696 | 12,087 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| GCK (5) | 4 rue Auber – 75009 Paris – France | EUR | 10,529 | 1,633 | 20,565 | 100,994 | 100,994 | 80.00% | 0 | 9,070 | 4,226 | 3,478 | Property company |
| GREEN RUEIL (1) | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 9,110 | 77,805 | 219,832 | 45,546 | 45,546 | 50.00% | 60,525 | 10,580 | 2,561 | 0 | Property company |
| HOLDING INFRASTRUCTURES GAZIÈRES (2) | 4 place Raoul Dautry – 75015 Paris – France | EUR | 526,370 | 132,121 | 722,175 | 336,980 | 336,980 | 51.21% | 0 | 0 | 63,659 | 31,811 | Infra-structure |
| HOLDIPIERRE (5) | 128 boulevard Raspail – 75006 Paris – France | EUR | 70,499 | 80,923 | 81,403 | 95,030 | 95,030 | 100.00% | 300 | 3,127 | 2,925 | 3,300 | Property company |
| I.T.V (5) | 4 place Raoul Dautry – 75015 Paris – France | EUR | 22,418 | 26,455 | 622,201 | 22,410 | 22,410 | 100.00% | 0 | 15,740 | 3,007 | 0 | Insurance |
| ILOT 13 (1) | 50-56 rue de la Procession – 75015 Paris – France | EUR | 45,000 | 0 | 93,444 | 22,500 | 22,500 | 50.00% | 22,589 | 8,016 | 1,619 | 210 | Property company |
| ILOT A5B (5) | 4 place Raoul Dautry – 75015 Paris – France | EUR | 7,644 | 1,303 | 8,923 | 8,871 | 8,871 | 100.00% | 0 | 0 | -49 | 0 | Property company |
| IMMAUCOM (5) | 4 rue Auber – 75009 Paris – France | EUR | 174,196 | (3,834) | 175,787 | 132,776 | 132,776 | 80.00% | 0 | 5,479 | 5,216 | 4,176 | Property company |
| INFRASTRUCTURE PARTNERS (MORGAN STANLEY) (5) | 6 place de la République Dominicaine – 75017 Paris – France | USD | 60,207 | 1 | 62,528 | 45,582 | 13,916 | 64.94% | 0 | 3,475 | 2,215 | 0 | Infra-structure |
| ISSY VIVALDI (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 3,310 | 29,713 | 74,857 | 33,010 | 33,010 | 100.00% | 38,852 | 3,838 | 374 | 1,125 | Property company |
| JASMIN (5) | 20 rue Quentin Bauchart – 75009 Paris – France | EUR | 19,010 | 0 | 46,914 | 19,000 | 19,000 | 99.95% | 24,492 | 3,237 | 1,510 | 1,510 | Property company |
| JESCO (5) | 41 rue Louise Michel – 92594 Levallois Perret Cedex – France | EUR | 40,801 | 47,802 | 93,437 | 28,051 | 28,051 | 55.00% | 22,520 | 5,831 | 389 | 0 | Property company |
| LA BANQUE POSTALE PRÉVOYANCE (5) | 10 place de Catalogne – 75014 Paris – France | EUR | 5,202 | 163,938 | 1,845,085 | 94,061 | 94,061 | 50.00% | 0 | 509,915 | 35,060 | 9,588 | Insurance |
| LBP ACTIFS IMMO (5) | 43/47 avenue de la Grande Armée – 75116 Paris – France | EUR | 428,619 | (3,541) | 479,937 | 384,251 | 384,251 | 100.00% | 35,720 | 21,949 | 8,226 | 7,005 | Property company |
| LESLY (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 70,351 | 393 | 71,470 | 70,351 | 70,351 | 100.00% | 193 | 1,344 | 182 | 0 | Property company |
| LIBERTE (5) | 4 rue Auber – 75009 Paris – France | EUR | 25,350 | 65,170 | 241,524 | 51,003 | 51,003 | 50.00% | 61,252 | 18,947 | 11,485 | 5,743 | Property company |

| Subsidiaries and affiliates *(in € thousands)* | Headquarters | Currency | Share capital | Reserves and retained earnings | Total assets | Cost of investment | Carrying amount of investment (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LUX GARE (5) | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 435 | 7,745 | 24,370 | 12,219 | 12,219 | 100.00% | 15,798 | 1,178 | (467) | 0 | Property company |
| MAESTRIMMO (5) | 128 boulevard Raspail – 75006 Paris – France | EUR | 33,381 | 0 | 33,812 | 33,381 | 33,381 | 100.00% | 0 | 256 | (61) | 0 | Property company |
| MALTHAZAR (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 6,135 | 53,219 | 115,357 | 52,988 | 52,988 | 50.00% | 23,446 | 10,338 | 7,675 | 1,932 | Property company |
| MFPRÉVOYANCE (5) | 62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France | EUR | 81,773 | 64,204 | 1,327,480 | 67,853 | 67,853 | 51.00% | 0 | 98,180 | 4,634 | 0 | Insurance |
| MONTAGU IV (SCOTS FEEDER) | 2 More London Riverside – London SE1 2AP – UK | EUR | NC | NC | NC | 21,832 | 18,907 | 100.00% | 0 | NC | NC | 0 | Investment fund |
| MTP INVEST (5) | 128 boulevard Raspail – 75006 Paris – France | EUR | 316,214 | (7,866) | 507,239 | 305,112 | 305,112 | 100.00% | 334,805 | 13,426 | 7,885 | 9,462 | Property company |
| OREA (5) | 41 rue Louise Michel – 92594 Levallois Perret Cedex – France | EUR | 94,800 | 96,975 | 105,086 | 86,829 | 86,829 | 100.00% | 2,300 | 8,576 | 5,293 | 5,229 | Property company |
| PARIS 08 (5) | 4 rue Auber – 75009 Paris – France | EUR | 42,091 | - | 42,265 | 42,091 | 42,091 | 100.00% | 160 | 342 | 174 | 0 | Property company |
| PAYS-BAS RETAIL 2013 BV (5) | Naritaweg 165, Telestone 8 – 1043 BV Amsterdam – Netherlands | EUR | 17,500 | 0 | 50,588 | 17,500 | 17,500 | 100.00% | 32,500 | 0 | 190 | 0 | Property company |
| PIAL 34 (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 15,001 | 114,864 | 234,101 | 141,001 | 141,001 | 100.00% | 100,762 | 0 | 1,504 | 0 | Property company |
| PREVIMUT (5) | 4 place Raoul Dautry – 75015 Paris – France | EUR | 440,001 | (69,825) | 371,095 | 21,478 | 6,070 | 96.25% | 0 | 0 | (63) | 0 | DIV |
| PREVIPOSTE (5) | 4 place Raoul Dautry – 75015 Paris – France | EUR | 125,813 | 214,071 | 7,296,386 | 125,770 | 125,770 | 100.00% | 0 | 151,768 | 21,010 | 0 | Insurance |
| RENAISSANCE FRANCOIS 1ER (SCI) | 128 boulevard Raspail – 75006 Paris – France | EUR | NA | NA | NA | 34,500 | 34,500 | 100.00% | 50,818 | NA | NA | 0 | Property company |
| RESIDENTIAL (5) | 4 rue Auber – 75009 Paris – France | EUR | 33,801 | 0 | 33,808,044 | 33,801 | 33,801 | 100.00% | 205 | 336,720 | 7 | 0 | Property company |
| RUE DU BAC (1) | 4 rue Auber – 75009 Paris – France | EUR | 25,240 | 140,485 | 246,256 | 86,192 | 86,192 | 50.01% | 31,126 | 12,120 | 6,658 | 3,380 | Property company |
| RUEIL NEWTON (1) | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 2,115 | 19,002 | 52,379 | 15,508 | 15,508 | 50.00% | 16,601 | 5,615 | (980) | 1,322 | Property company |
| SANTANDER INSURANCE EUROPE LIMITED (1) | Block 8 Harcourt Centre, Charlotte Way – Dublin 2 – Ireland | EUR | 53,000 | 11,804 | 457,894 | 105,790 | 105,790 | 51.00% | 0 | NC | 5,220 | 0 | Insurance |
| SANTANDER INSURANCE LIFE LIMITED (1) | Block 8 Harcourt Centre, Charlotte Way – Dublin 2 – Ireland | EUR | 103,600 | 891 | 883,635 | 191,806 | 191,806 | 51.00% | 0 | NC | 17,159 | 0 | Insurance |

| Subsidiaries and affiliates *(in € thousands)* | Headquarters | Currency | Share capital | Reserves and retained earnings | Total assets | Cost of investment | Carrying amount of investment (of which KNL) | Interest | Loans and receivables | Revenue | Profit or loss | Dividends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAPHIRIMMO [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 2,300 | 20,693 | 50,534 | 22,991 | 22,991 | 100.00% | 26,310 | 3,020 | 278 | 1,033 | Property company |
| SAS ALLERAY - SQUARE 15 | 128 boulevard Raspail – 75006 Paris – France | EUR | NA | NA | NA | 63,595 | 63,595 | 100.00% | 167,657 | NA | NA | 0 | Property company |
| SCI DE LA CNP [5] | 4 place Raoul Dautry – 75015 Paris – France | EUR | 59,711 | 36,911 | 104,821 | 139,241 | 139,241 | 100.00% | 5,000 | 6,341 | 2,676 | 2,656 | Property company |
| SECRETS ET BOÉTIE [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 3,901 | 29,386 | 82,620 | 39,001 | 39,001 | 100.00% | 50,206 | 171 | (2,695) | 0 | Property company |
| SILK HOLDING | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | NA | NA | NA | 27,919 | 27,919 | 100.00% | 77,581 | NA | NA | 0 | Property company |
| SOGESTOP L [5] | 62 rue Jeanne d'Arc – 75640 Paris Cedex 13 – France | EUR | 22,896 | 19,784 | 42,682 | 18,626 | 18,626 | 50.00% | 0 | 0 | (19) | 0 | DIV |
| SUNLIGHT [5] | 128 boulevard Raspail – 75006 Paris – France | EUR | 84,358 | 85,557 | 85,685 | 38,269 | 38,269 | 50.62% | 0 | 4,828 | 1,091 | 2,641 | Property company |
| TERRE NEUVE 4 IMMO [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly sur Seine – France | EUR | 6,601 | 59,457 | 166,433 | 66,001 | 66,001 | 100.00% | 95,361 | 9,900 | 3,219 | 1,056 | Property company |
| THEEMIM [1] | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France | EUR | 26,636 | 61,338 | 83,620 | 84,646 | 84,646 | 100.00% | 0 | 0 | (4,360) | 4,528 | Property company |
| WAGRAM 92 [5] | 4 rue Auber – 75009 Paris – France | EUR | 7,925,000 | (1,979) | 22,642 | 17,051 | 17,051 | 100.00% | 16,392 | 1,505 | (329) | 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 | 100.00% | 91,592 | NA | NA | 0 | Property company |
| **II – Affiliates (10% to 50% owned)** | | | | | | | | | | | | | |
| 17 CAPITAL FUND 3 | 32, Grosvenor Gardens – London SW1W0DH – UK | EUR | NC | NC | NC | 50,000 | 6,772 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| 5/7 RUE SCRIBE [1] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 479 | 32,505 | 82,968 | 7,302 | 7,302 | 15.00% | 6,714 | 4,503 | 2,466 | 202 | Property company |
| ALVEN CAPITAL IV | 1 pl. André Malraux – 75001 Paris – France | EUR | NC | NC | NC | 12,000 | 5,160 | 10.26% | 0 | NC | NC | 0 | Investment fund |
| AUGUST EQUITY PARTNERS III A | 10 Slingsby Place – St Martin's Courtyard – Covent Garden – London WC2E 9AB – UK | GBP | NC | NC | NC | 27,186 | 22,120 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| AXA DBIO | 40 rue du Colisée – 75008 Paris – France | EUR | NC | NC | NC | 16,454 | 8,279 | 15.48% | 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 (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AXA INFRASTRUCTURE PARTNERS [(5)] | 20 place Vendôme – 75001 Paris – France | EUR | 297,648 | 298,821 | 299,142 | 51,412 | 33,283 | 12.90% | 0 | 18,915 | 1,473 | 0 | Infra-structure |
| CABESTAN CAPITAL | 47 rue du Faubourg Saint- Honoré – 75008 Paris – France | EUR | NC | NC | NC | 10,000 | 7,600 | 12.50% | 0 | NC | NC | 0 | Investment fund |
| CDC CAPITAL III | 148 rue de l'Université – 75007 Paris – France | EUR | NC | NC | NC | 46,187 | 28,150 | 36.16% | 0 | NC | NC | 0 | Investment fund |
| CDC CAPITAL III B | 148 rue de l'Université – 75007 Paris – France | EUR | NC | NC | NC | 57,936 | 30,615 | 46.20% | 0 | NC | NC | 0 | Investment fund |
| CERTIVIA SICAV [(5)] | 128 boulevard Raspail – 75006 Paris – France | EUR | 1,200 | 0 | 1,201 | 20,000 | 800 | 13.33% | 0 | 0 | 0 | 0 | Property company |
| CHINA EQUITY LINKS | TX Private Equity 9 avenue de l'Opéra – 75001 Paris – France | EUR | NC | NC | NC | 7,008 | 4,130 | 15.83% | 0 | NC | NC | 0 | Investment fund |
| CLEARSIGHT TURNAROUND FUND I | Carinthia House, 9-12 The Grange GY1 4BF St Peter Port – Guernsey – Channel Islands | EUR | NC | NC | NC | 10,363 | 8,681 | 16.32% | 0 | NC | NC | 0 | Investment fund |
| CLEARSIGHT TURNAROUND FUND II | Carinthia House, 9-12 The Grange GY1 4BF St Peter Port – Guernsey – Channel Islands | EUR | NC | NC | NC | 23,866 | 17,740 | 15.62% | 0 | NC | NC | 0 | Investment fund |
| CLEARSIGHT TURNAROUND FUND III | Churerstrasse 23 CH-8808 Pfäffikon – Switzerland | EUR | NC | NC | NC | 25,000 | 4,112 | 11.02% | 0 | NC | NC | 0 | Investment fund |
| CREDICOOP AFAVyDC [(4)] | Adolfo Alsina N°633 Piso 3 – Ciudad Autónoma de Buenos Aires – Argentina | EUR | 3,452 | (2,084) | 1,752 | 7,460 | 0 | 29.84% | 0 | 0 | 303 | 0 | Insurance |
| D&P PME IV | 152 avenue de Malakoff – 75116 Paris – France | EUR | NC | NC | NC | 20,439 | 10,846 | 28.71% | 0 | NC | NC | 0 | Investment fund |
| DBAG FUND VI FEEDER GMBH & CO | Handelsregister B 90813 – Amtsgericht Frankfurt a. M. – Germany | EUR | NC | NC | NC | 15,997 | 9,758 | 26.56% | 0 | NC | NC | 0 | Investment fund |
| DÉFENSE CB3 [(5)] | 12 Place des États-Unis – 92545 Montrouge – France | EUR | 38 | 13,175 | 127,831 | 31,328 | 31,328 | 25.00% | 18,165 | 15,508 | 3,520 | 880 | Property company |
| EMZ 7-I | 11 rue Scribe – 75009 Paris – France | EUR | NC | NC | NC | 60,000 | 27,152 | 11.90% | 0 | NC | NC | 0 | Investment fund |
| EPF IV | 152 avenue des Champs-Élysées – 75008 Paris – France | EUR | NC | NC | NC | 10,000 | 5,368 | 10.20% | 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 (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EPL [5] | 167 quai de la Bataille Stalingrad – 92867 Issy les Moulineaux cedex – France | EUR | 63,809 | 64,349 | 65,587 | 38,238 | 38,238 | 38.20% | 29,147 | 0 | 3,621 | 175 | Property company |
| EUROFFICE [4] | 1-3 rue des Italiens – 75009 Paris – France | EUR | 83,402 | 58,235 | 146,315 | 24,119 | 9,837 | 19.09% | 16,244 | 0 | 14,884 | 0 | Property company |
| FONCIÈRE ADYTON 1 [5] | 41 rue Louise Michel – 92594 Levallois Perret Cedex – France | EUR | 360 | 23,662 | 96,518 | 12,776 | 12,776 | 33.33% | 10,605 | 7,133 | 333 | 1,038 | Property company |
| FONCIÈRE ECUREUIL II [3] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 45,188 | (5,810) | 73,244 | 13,729 | 9,166 | 21.77% | 7,429 | 0 | (476) | 0 | Property company |
| FONDINVEST VII | 33 rue de La Baume – 75008 Paris – France | EUR | NC | NC | NC | 16,400 | 12,594 | 40.85% | 0 | NC | NC | 0 | Investment fund |
| FONDINVEST VIII | 33 rue de La Baume – 75008 Paris – France | EUR | NC | NC | NC | 14,118 | 13,587 | 14.96% | 0 | NC | NC | 0 | Investment fund |
| FONDS DE CONSOLIDATION ET DE DÉVELOPPEMENT DES ENTREPRISES | 59 rue de la Boétie CS 10017 – 75008 Paris – France | EUR | NC | NC | NC | 19,998 | 1,654 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| GF FRANCE EST | 8 bis rue de Chateaudun – 75009 Paris – France | EUR | 24,479 | 29,150 | 29,350 | 7,092 | 7,092 | 28.97% | 0 | 2,694 | 1,153 | 279 | FOR |
| HEXAGONE III-1 | 148 rue de l'Université – 75007 Paris – France | EUR | NC | NC | NC | 11,989 | 11,917 | 11.08% | 0 | NC | NC | 0 | Investment fund |
| INDUSTRIE & FINANCE INVESTISSEMENT 3 | 4 Avenue Marceau – 75008 Paris – France | EUR | NC | NC | NC | 12,000 | 2,910 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| INFRA VIA [5] | 20-22 rue Vernier – 75017 Paris – France | EUR | 178,447 | 193,965 | 214,197 | 20,201 | 19,391 | 11.84% | 0 | 19,350 | 8,410 | 0 | Infra-structure |
| INITIATIVE & FINANCE II | 96 avenue d'Iéna – 75783 Paris – France | EUR | NC | NC | NC | 16,000 | 0 | 11.43% | 0 | NC | NC | 0 | Investment fund |
| INTER EXPANSION - FONGEPAR [5] | 141 rue Paul Vaillant-Couturier – 92240 Malakoff – France | EUR | 22,790 | (2,059) | 56,349 | 7,977 | 4,735 | 35.00% | 0 | 21,491 | (7,202) | 0 | DIV |
| INVISION V FEEDER | Grafenaustrasse 7 – 6300 Zug – Switzerland | EUR | NC | NC | NC | 18,000 | 6,391 | 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 | 22.70% | 0 | NC | NC | 0 | Investment fund |
| LOGISTIS [5] | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 435,541 | (24,634) | 444,189 | 66,571 | 66,571 | 13.48% | 42,491 | 36,568 | 25,863 | 2,158 | Property company |
| LOGISTIS LUX [5] | 5 allée Scheffer – L2520 Luxembourg – Luxembourg | EUR | 46,765 | 28,294 | 214,858 | 14,700 | 14,700 | 11.60% | 22,460 | 0 | (1,154) | 270 | Property company |
| LONGCHAMP FCPR | 5 rue de La Baume – 75008 Paris – France | EUR | NC | NC | NC | 7,250 | 3,000 | 23.47% | 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 (of which KNL) | Interest | Loans and recei-vables | Revenue | Profit or loss | Divi-dends | Sector |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MASSERAN FRANCE SELECTION 1 | 5-7 rue de Monttessuy – 75007 Paris – France | EUR | NC | NC | NC | 9,751 | 8,143 | 16.66% | 0 | NC | NC | 0 | Investment fund |
| MEIF III SCOTLAND LP | Carinthia House 9-12 The Grange St Peter Port – Guernesey GY 4BF – Channel Islands | EUR | NC | NC | NC | 49,541 | 49,541 | 36.46% | 0 | NC | NC | 0 | Infra-structure |
| MERIDIAM INFRASTRUCTURE (5) | 5 allée Scheffer – L2520 Luxembourg – Luxembourg | EUR | 505,967 | 930,771 | 935,023 | 97,516 | 97,516 | 16.67% | 0 | 0 | 240,564 | 6,158 | Infra-structure |
| MERIDIAM TRANSITION | 4 Place de l'Opéra – 75002 Paris – France | EUR | NC | NC | NC | 99,850 | 388 | 33.30% | 0 | NC | NC | 0 | Infra-structure |
| NIBC GROWTH CAPITAL FUND II | Carnegieplein 4 2517 KJ – The Hague – Netherlands | EUR | NC | NC | NC | 20,114 | 12,646 | 10.64% | 0 | NC | NC | 0 | Investment fund |
| OFELIA (1) | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France | EUR | 12,609 | 23,382 | 50,350 | 11,916 | 11,916 | 33.33% | 45,731 | 0 | 14,136 | 0 | Property company |
| OFFICE CB 21 (5) | 10 avenue Kleber – 75016 Paris – France | EUR | 291,213 | 312,246 | 312,590 | 82,553 | 82,553 | 25.00% | 0 | 0 | 10,498 | 2,255 | Property company |
| ONZE PRIVATE EQUITY | Schuetzenstrasse 6, P.O. Box – 8808 Pfaeffikon – Switzerland | EUR | NC | NC | NC | 9,956 | 6,527 | 21.61% | 0 | NC | NC | 0 | Investment fund |
| OPC 1 (5) | 43/47 avenue de la Grande Armée – 75116 Paris – France | EUR | 70,726 | (1,058) | 108,760 | 13,990 | 13,990 | 19.56% | 0 | 7,311 | 4,365 | 910 | Property company |
| OPC 2 (5) | 43/47 avenue de la Grande Armée – 75116 Paris – France | EUR | 75,504 | 28 | 107,679 | 27,505 | 27,505 | 42.14% | 0 | 7,981 | 5,864 | 2,481 | Property company |
| ORKOS III | 34 boulevard Haussman – 75009 Paris – France | EUR | NC | NC | NC | 7,942 | 3,850 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| PARTECH GROWTH | 12 rue de Penthièvre – 75008 Paris – France | EUR | NC | NC | NC | 40,000 | 11,920 | 14.40% | 0 | NC | NC | 0 | Investment fund |
| PARTECH INTERNATIONAL VI | 12 rue de Penthièvre – 75008 Paris – France | EUR | NC | NC | NC | 9,697 | 5,147 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| PARTECH VENTURES V | 49 avenue Hoche – 75008 Paris – France | EUR | NC | NC | NC | 8,166 | 8,166 | 13.92% | 0 | NC | NC | 0 | Investment fund |
| PBW II REAL ESTATE FUND (3) | 5 allée Scheffer – 2520 Luxembourg – Luxembourg | EUR | 31 | 128,165 | 223,186 | 51,946 | 18,482 | 14.57% | 0 | 9,983 | (1,366) | 6,849 | Property company |
| PLACEMENT CILOGER 3 (5) | 43/47 avenue de la Grande Armée – 75116 Paris – France | EUR | 108,302 | 8,366 | 224,517 | 49,050 | 49,050 | 36.24% | 0 | 17,362 | 6,798 | 2,507 | Property company |
| PLANTAGENET CAPITAL EUROPE | 39 avenue Pierre 1er de Serbie – 75008 Paris – France | EUR | NC | NC | NC | 7,788 | 0 | 47.73% | 0 | NC | NC | 0 | Investment fund |
| POLARIS PRIVATE EQUITY IV | Malmøgade 3 – DK-2100 Copenhagen – Denmark | DKK | NC | NC | NC | 40,200 | 4,797 | 10.00% | 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 (of which KNL) | 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 | 4,491 | 64,120 | 9,706 | 9,706 | 45.00% | 16,351 | 0 | 2,885 | 13,927 | Property company |
| QUADRILLE TECHNOLOGIES III | 16 place de la Madeleine – 75008 Paris – France | EUR | NC | NC | NC | 15,000 | 3,525 | 15.00% | 0 | NC | NC | 0 | Investment fund |
| REIM EUROCORE 1 (5) | 10 Boulevard Royal Luxembourg B118, 089 – Luxembourg – Luxembourg | EUR | 10,224 | (14,050) | 49,304 | 16,471 | 0 | 32.22% | 19,776 | 658 | 15,700 | 0 | Property company |
| SCIENCE ET INNOVATION 2001 | 63 avenue des Champs Elysées – 75008 Paris – France | EUR | NC | NC | NC | 11,939 | 1,770 | 11.05% | 0 | NC | NC | 0 | Investment fund |
| SG AM AI PRIVATE VALUE A | 2 place de la Coupole – 92078 Paris-La Défense – France | EUR | NC | NC | NC | 11,945 | 10,926 | 19.61% | 0 | NC | NC | 0 | Investment fund |
| SILVERSTONE (5) | 128 boulevard Raspail – 75006 Paris – France | EUR | 126,729 | 143,184 | 143,350 | 20,000 | 20,000 | 17.69% | 0 | 4,593 | 4,435 | 1,528 | Property company |
| SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE (5) | 7 place du Chancelier-Adenauer – 75016 Paris – France | EUR | 3,048 | 50,716 | 396,990 | 27,567 | 27,567 | 22.00% | 31,085 | 79,169 | 47,718 | 4,815 | Property company |
| SOFINNOVA CAPITAL VII | 16-18 rue du 4 Septembre – 75002 Paris – France | EUR | NC | NC | NC | 25,000 | 15,000 | 10.42% | 0 | NC | NC | 0 | Investment fund |
| SOFINNOVA CAPITAL VIII | 17 rue de Surène – 75008 Paris – France | EUR | NC | NC | NC | 25,000 | 1,250 | 10.00% | 0 | NC | NC | 0 | Investment fund |
| TRILANTIC CAPITAL PARTNERS V (NORTH AMERICA) | 375 Park Avenue 30th Floor – New York – NY 10152 – USA | EUR | NC | NC | NC | 49,984 | 6,919 | 12.77% | 0 | NC | NC | 0 | Investment fund |
| UNICAPITAL INVESTMENTS V – GLOBAL PRIVATE EQUITY | 12 avenue Matignon – 75008 Paris – France | EUR | NC | NC | NC | 14,296 | 14,296 | 21.47% | 0 | NC | NC | 0 | Investment fund |
| **B – Investments with a carrying amount of less than 1% of CNP Assurances' share capital** | | | | | | | | | | | | | |
| French subsidiaries | | | - | - | - | 26,191 | 22,762 | - | 431,392 | - | - | 2,170 | |
| Foreign subsidiaries | | | - | - | - | 7,118 | 7,118 | - | 318,883 | - | - | 0 | |
| French affiliates | | | - | - | - | 67,730 | 44,902 | - | 30,721 | - | - | 2,751 | |
| Foreign affiliates | | | - | - | - | 33,288 | 23,060 | - | 22,324 | - | - | 0 | |
| **C – Aggregate information (A+B)** | | | | | | | | | | | | | |
| French subsidiaries | | | - | - | - | 7,638,646 | 7,555,385 | - | 3,124,352 | - | - | 362,466 | - |
| Foreign subsidiaries | | | - | - | - | 2,390,219 | 1,914,581 | - | 512,850 | - | - | 206,422 | - |
| French affiliates | | | - | - | - | 1,238,926 | 797,237 | - | 277,142 | - | - | 36,176 | - |
| Foreign affiliates | | | - | - | - | 577,640 | 317,640 | - | 42,100 | - | - | 13,007 | - |

*(1) Provisional data at 31 December 2015*
*(2) Data at 31 October 2015*
*(3) Data at 30 September 2015*
*(4) Data at 30 June 2015*
*(5) Data at 31 December 2014*

## 5.4.5 Entities of which CNP Assurances is a general partner

| Company | Legal form | Headquarters |
|---|---|---|
| 147 AVENUE VICTOR HUGO | Non-trading property company | 4 rue Auber – 75009 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 | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| AIC LA DAME BLANCHE | Non-trading property company | 139/147 Rue Paul Vaillant Couturier – 92240 Malakoff – France |
| AMIRAL BRUIX | Non-trading property company | Cœur Défense – Tour B – La Défense 4, 100 Esplanade du Général de Gaulle – 92400 Courbevoie – 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 | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| BERCY CRYSTAL | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – 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 | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – 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 | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| CRYSTAL DÉFENSE | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| DALLE 3 | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| DISTRIPOLE 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 |
| EDWIGE | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| 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 ADYTON 1 | Non-trading property company | 41 rue Louise Michel – 92594 Levallois Perret Cedex – France |
| FONCIÈRE CNP | Non-trading property company | 4 rue Auber – 75009 Paris – France |
| FONCIERE ELBP | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| GF BEAUFFREMONT | Non-trading property company | 8 bis rue de Chateaudun – 75009 Paris – France |
| GF DE BREVES | Non-trading property company | 8 bis rue de Chateaudun – 75009 Paris – France |
| GF DE LA GRANDE HAYE | Non-trading property company | 8 bis rue de Chateaudun – 75009 Paris – France |
| GF FRANCE EST | Non-trading property company | 8 bis rue de Chateaudun – 75009 Paris – France |
| GF SELLIERES VAUCHASSIS | Non-trading property company | 8 bis rue de Chateaudun – 75009 Paris – France |
| GREEN QUARTZ | Non-trading property company | 4 rue Auber – 75009 Paris – France |
| GREEN RUEIL | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| GROUPEMENT PROPRIÉTÉS CDC CNP | Non-trading property company | 45 avenue Victor-Hugo – 93530 Aubervilliers – France |
| HABIMMO | Non-trading property company | 4 rue Auber – 75009 Paris – France |
| ÎLOT 13 | Non-trading property company | 50/56 rue de la Procession – 75015 Paris – France |

| Company | Legal form | Headquarters |
|---|---|---|
| ÎLOT A5B | Non-trading property company | 4 place Raoul Dautry – 75015 Paris – France |
| ISSY DESMOULINS | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| ISSY VIVALDI | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| JASMIN | Non-trading property company | 20 rue Quentin Bauchart – 75008 Paris – France |
| JESCO | Non-trading property company | 41 rue Louise Michel – 92594 Levallois Perret Cedex – France |
| LA FORÊT GÉRÉE III GF DE L'ILE-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 | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – 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 – France |
| MAESTRIMMO | Non-trading property company | 128 boulevard Raspail – 75006 Paris – France |
| MASSENA NICE | Non-trading property company | Cœur Défense – Tour B – La Défense 4, 100 Esplanade du Général de Gaulle – 92400 Courbevoie – France |
| MONTAGNE DE LA FAGE | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| MTP ERLON | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – 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 |
| NEXT ESTATE INCOME FUND | Partnership limited by shares | 1 rue Joseph Hackin – L1746 Luxembourg – Luxembourg |
| 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 |
| 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 |
| REIM EUROCORE 1 | Partnership limited by shares | 44 avenue J-F Kennedy – L-1855 Luxembourg – Luxembourg |
| RENAISSANCE FRANCOIS 1ER | Non-trading property company | 128 boulevard Raspail – 75006 Paris – France |
| RESIDENTIAL | Non-trading property company | 4 rue Auber – 75009 Paris – France |
| RUE DE RENNES (136) | Non-trading property company | Cœur Défense – Tour B – La Défense 4, 100 Esplanade du Général de Gaulle – 92400 Courbevoie – France |
| RUE DU BAC | Non-trading property company | 12 Place des États-Unis – 92545 Montrouge – France |
| RUEIL NEWTON | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| SAPHIRIMMO | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| S-CDC | Intercompany partnership | 84 rue de Lille – 75007 Paris – France |
| SCI 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 |
| SCI FUTURIMMO | Non-trading property company | 128 boulevard Raspail – 75006 Paris – France |
| SCI JULIE | Non-trading property company | 91-93 Boulevard Pasteur – 75015 Paris – France |
| SCI MAX | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| SCI PASSAGE DE FAIDHERBE | Non-trading property company | 8/12 rue des Pirogues-de-Bercy – 75012 Paris – France |
| SCI TRIANGLE MONTAIGNE | Non-trading property company | 128 boulevard Raspail – 75006 Paris – France |
| SECRETS ET BOÉTIE | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| SICAC | Non-trading property company | 4 place Raoul Dautry – 75015 Paris – France |
| SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE | Non-trading property company | 7 place du Chancelier-Adenauer – 75016 Paris – France |
| STAM REI | Partnership limited by shares | 400 route d'Esch – L-1471 Luxembourg – Luxembourg |
| TERRE NEUVE 4 IMMO | Non-trading property company | 8 rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France |
| VENDÔME EUROPE | Non-trading property company | Cœur Défense – Tour B – La Défense 4, 100 Esplanade du Général de Gaulle – 92400 Courbevoie – 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 | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Number of ordinary shares outstanding | 686,618,477 | 686,618,477 |
| Number of shares held in treasury | (1,023,067) | (454,823) |
| Number of ordinary shares with dividend rights | 685,595,410 | 686,163,654 |

### 5.5.2 Treasury shares

Movements over the reporting period:

| Movements | Number of shares |
|---|---|
| Aquisitions | 7,676,530 |
| Disposals | 7,108,286 |

Number of shares and value at period-end:

| Movements | 31.12.2015 | 31.12.2014 |
|---|---|---|
| Number of shares | 1,023,067 | 454,823 |
| Carrying amount of treasury shares in euros | 12,706,169 | 6,515,485 |

## 5.6 RESERVES, EQUITY, REVALUATION RESERVE

| *(in € thousands)* | Type of reserve | 31.12.2014 | Appropriation of 2014 profit | 2015 profit | Merger * | Share issue | Change for the period | 31.12.2015 |
|---|---|---|---|---|---|---|---|---|
| Share capital | Statutory | 686,618 | | | | - | | 686,618 |
| Additional paid-in capital | Statutory | 1,716,846 | | | | - | | 1,716,846 |
| Forest revaluation reserve | Tax-regulated | 21,564 | | | 17,419 | | 0 | 38,983 |
| Forest revaluation reserve | Tax-regulated | 1,396,309 | | | | | - 0 | 1,396,309 |
| Capitalisation reserve | Tax-regulated | 1,744,340 | | | 37,988 | | 50,176 | 1,832,504 |
| Guarantee fund reserve | Tax-regulated | 59,490 | 1,690 | | | | | 61,180 |
| Discretionary reserves | Other | 2,283,263 | (1,690) | | | | | 2,281,574 |
| Contingency reserve | Other | 338,850 | | | | | | 338,850 |
| Impact on property-based equity | Other | (75,034) | | | (34,151) | | | (109,185) |
| Provisions for other-than-temporary impairment | Tax-regulated | | | | | | - | |
| Retained earnings | | 207,598 | 185,701 | | | | | 393,299 |
| Net profit for the year | | 714,073 | (714,073) | 1,274,817 | | | | 1,274,817 |
| **TOTAL** | | **9,093,919** | **(528,372)** | **1,274,817** | **21,256** | **-** | **50,176** | **9,911,795** |

* *The merger impact corresponds to the reinstatement of regulated reserves for the accident and health insurance business contributed by CNP IAM*

## 5.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

### 5.7.1 Accruals and prepayments

| Accruals and prepayments *(in € thousands)* | 31.12.2015 | | 31.12.2014 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Accrued interest | 3,126,455 | | 3,850,674 | |
| Deferred acquisition costs | 201 | | 257 | |
| Deferred expenses | | | | |
| Prepaid expenses | 1,068,895 | | 987,651 | |
| Accrued income | 63,608 | | 53,747 | |
| Amortisation by the effective interest method (income) | 4,332,202 | | 3,887,878 | |
| Deferred income | | 649,888 | | 694,460 |
| Amortisation by the effective interest method (expense) | | 2,505,736 | | 1,508,545 |
| Unearned interest income | | 7,029 | | 20,149 |
| **TOTAL** | **8,591,361** | **3,162,653** | **8,780,207** | **2,223,154** |

### 5.7.2 Accrued receivables and payables

| Balance sheet items *(in € thousands)* | Accrued income | | Accrued expenses | |
|---|---|---|---|---|
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| **Other receivables** | **290,197** | **316,784** | **270,095** | **238,513** |
| ■ Employee advances | | | | 501 |
| ■ Other | 290,197 | 316,784 | 270,095 | 238,012 |
| **Accrued income and prepaid expenses** | **3,190,063** | **3,904,421** | | |
| ■ Accrued interest and rental revenue | 3,126,455 | 3,850,674 | | |
| ■ Deferred acquisition costs | | | | |
| ■ Other accrued income and prepaid expenses | 63,608 | 53,747 | | |
| **Other payables** | | | **2,071,186** | **1,627,941** |
| ■ Accrued payroll costs | | | 368,016 | 352,468 |
| ■ Other | | | 1,703,170 | 1,275,473 |
| **TOTAL** | **3,480,260** | **4,221,205** | **2,341,282** | **1,866,454** |

| Balance sheet items *(in € thousands)* | Deferred income | | Prepaid expenses | |
|---|---|---|---|---|
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| **Accrued income and prepaid expenses** | | | **5,401,298** | **4,875,786** |
| ■ Deferred acquisition costs | | | 201 | 257 |
| ■ Amortisation by the effective interest method | | | 4,332,202 | 3,887,878 |
| ■ Other accrued income and prepaid expenses | | | 1,068,895 | 987,651 |
| **Deferred income and accrued expenses** | **3,162,653** | **2,223,154** | | |
| ■ Deferred income | 649,888 | 694,460 | | |
| ■ Amortisation by the effective interest method | 2,505,736 | 1,508,545 | | |
| ■ Unearned interest income | 7,029 | 20,149 | | |
| **TOTAL** | **3,162,653** | **2,223,154** | **5,401,298** | **4,875,786** |

### 5.7.3 Provisions for liabilities and charges

| Type of provision *(in € thousands)* | Purpose | 31.12.2015 | 31.12.2014 |
|---|---|---|---|
| Revaluation provision | Revaluation of the property portfolio | 2,465 | 2,483 |
| Storm damage provision | Replanting/restoring forests | | |
| Foreign exchange provision | Currency losses | | |
| Other provisions | Provision for litigation and miscellaneous risks | 140,821 | 129,541 |
| **TOTAL** | | **143,286** | **132,024** |

### 5.7.4 Assets denominated in foreign currency

| Balance sheet item | Currency | Foreign currency amount *(in thousands)* | Equivalent value *(in € thousands)* |
|---|---|---|---|
| **Other investments** | | **17,176,747** | **4,884,145** |
| | US dollar | 3,009,166 | 2,763,999 |
| | Danish krone | 27,316 | 3,660 |
| | Swedish krona | 169,723 | 18,469 |
| | Swiss franc | 122,044 | 112,639 |
| | Canadian dollar | 55,781 | 36,902 |
| | Pound sterling | 1,360,467 | 1,853,623 |
| | Japanese yen | 12,432,250 | 94,852 |

## 5.8 CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

| *(in € thousands)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **In the income statement** | | |
| **1. Change in life premium reserves** | **(1,484,768)** | **(165,560)** |
| **2. Credited interest and policyholder dividends** | **4,826,521** | **5,670,409** |
| Credited interest | 1,227,886 | 1,337,154 |
| Policyholder dividends | 3,598,636 | 4,333,255 |
| **3. Use of policyholder surplus reserve** | **1,521,459** | **1,236,151** |
| **TOTAL** | **4,863,212** | **6,741,000** |
| **In the balance sheet** | | |
| **Change in mathematical reserves** | | |
| **1. Life premium reserves - end of period** | **243,777,157** | **238,914,306** |
| **2. Life premium reserves - start of period *** | **(238,913,945)** | **(232,173,306)** |
| **TOTAL** | **4,863,212** | **6,741,000** |

* *Life premium reserves at 1 January 2015 include the €361 thousand impact of the merger of CNP IAM's accident and health insurance businesses into CNP Assurances*

## 5.9 MATHEMATICAL RESERVES FOR PERP PLANS

| *(in € thousands)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Insurance liabilities (excluding linked liabilities) - mathematical reserves for annuity contracts | 942,634 | 857,214 |
| Linked liabilities | 142,247 | 133,192 |
| Special mathematical reserves for points-based pension liabilities | 314,394 | 278,306 |
| **TOTAL** | **1,399,275** | **1,268,712** |

## 5.10 LIQUIDITY RISK RESERVE

| *(in € thousands)* | **31.12.2015** | 31.12.2014 |
|---|---|---|
| Total net unrealised losses – Article R.331-5-1 of the French Insurance Code | 12,150,585 | 8,889,677 |
| Liquidity risk reserve included in other technical reserves | 0 | 0 |
| Deferred expense | 0 | 0 |
| Actual net profit, excluding impact of transfers to liquidity risk reserve | 1,274,817 | 714,073 |

# Note 6 Notes to the income statement

## 6.1 INVESTMENT INCOME AND EXPENSES

| (in € thousands) | 31.12.2015 Income and expenses from investments in subsidiaries and affiliates | 31.12.2015 Other financial income and expense | 31.12.2015 Total 2015 | 31.12.2014 |
|---|---|---|---|---|
| **Investment income** | | | | |
| Income from investments in subsidiaries and affiliates | 312,185 | 13,926 | 326,112 | 328,612 |
| Income from property investments | 57 | 480,417 | 480,474 | 381,603 |
| Income from other investments | | 7,120,710 | 7,120,710 | 7,532,137 |
| Other financial income (commissions, fees) | 34,072 | 654,931 | 689,004 | 554,170 |
| **Investment revenue** | **346,315** | **8,269,984** | **8,616,299** | **8,796,522** |
| **Other investment income** | **4,919** | **1,096,823** | **1,101,742** | **1,201,924** |
| **Profits on disposal of investments *** | **704,005** | **1,522,001** | **2,226,006** | **1,016,559** |
| **Total investment income** | **1,055,239** | **10,888,808** | **11,944,046** | **11,015,005** |
| **Investment expenses** | | | | |
| Financial expenses (commissions, fees, interest, bank charges, etc.) | | 576,098 | 576,098 | 519,962 |
| Other investment expenses | 42,525 | 1,690,134 | 1,732,658 | 1,082,859 |
| Losses on disposal of investments | 45,169 | 716,359 | 761,527 | 793,492 |
| **Total investment expenses** | **87,693** | **2,982,590** | **3,070,283** | **2,396,313** |
| **NET INVESTMENT INCOME** | **967,545** | **7,906,217** | **8,873,763** | **8,618,692** |

* *Income from investments in subsidiaries and affiliates corresponds mainly to the CNP IAM merger surplus (€463.2 million) and the capital gain realised on the sale of the Company's interest in CNP BVP to Barclays Bank (€216.7 million)*

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## 6.2 UNDERWRITING INCOME AND EXPENSES

### LIFE

| Classes 1 – 19 *(in € thousands)* | Single premium or flexible premium endowment policies | Individual term life insurance policies (and voluntary participation group policies) | Other single premium or flexible premium individual insurance policies (and voluntary participation group policies) | Other regular premium individual life policies (and voluntary participation group policies) | Group death insurance |
|---|---|---|---|---|---|
| Earned premiums | 154,516 | 90,187 | 15,758,160 | 85,049 | 1,734,688 |
| Claims and benefits | 12,035 | 30,582 | 17,071,775 | 201,372 | 617,347 |
| Change in life premium reserves and other technical reserves | 131,232 | (41,383) | (2,581,908) | (136,472) | 7,767 |
| Mark-to-market adjustments for gains and losses on assets held to cover linked liabilities | | | | | |
| **Underwriting profit (loss)** | **11,249** | **100,988** | **1,268,293** | **20,149** | **1,109,574** |
| Business acquisition costs | (571) | 12,860 | 152,301 | 8,045 | 732,484 |
| Other contract administration costs, net | 3,273 | 9,790 | 1,022,173 | 5,837 | 191,415 |
| **Acquisition and contract administration costs, net** | **2,702** | **22,650** | **1,174,474** | **13,882** | **923,899** |
| Net investment income | 22,953 | 1,728 | 7,755,247 | 55,507 | 85,668 |
| Credited interest and policyholder dividends | 15,408 | 911 | 6,890,832 | 49,934 | 9,005 |
| **Net** | **7,545** | **817** | **864,415** | **5,573** | **76,663** |
| Ceded premiums | | 263 | 19,390 | 5 | 179,676 |
| Reinsurers' share of claims and benefits | | | 10 | | 55,261 |
| Reinsurers' share of change in life premium reserves and other technical reserves | | | (4) | | 1,840 |
| Reinsurers' share of policyholder surplus | | | | | 172 |
| Reinsurance commissions received | | | | | 85,691 |
| **Reinsurance result** | | **(263)** | **(19,384)** | **(5)** | **(36,712)** |
| **UNDERWRITING RESULT** | **16,092** | **78,892** | **938,850** | **11,835** | **225,626** |
| **Other information** | | | | | |
| Policy surrenders | 3,116 | 114 | 9,671,678 | 157,773 | 538 |
| Gross credited interest | 26 | 463 | 1,116,983 | 36,679 | 1,654 |
| Technical reserves – end of period | 847,351 | 49,856 | 228,345,112 | 1,525,531 | 1,139,478 |
| Technical reserves - start of period [(2)] | 684,530 | 95,852 | 222,850,093 | 1,699,417 | 1,522,860 |

*(1) Including PERP plans governed by Article L.441*

*(2) Gross technical reserves at the start of the period take into account the reclassification of the Group whole life cover policies category to the group life policies category for €404.4 million*

| Group life insurance | Single premium or flexible premium unit-linked life or endowment policies | Regular premium unit-linked life or endowment policies | Group policies governed by Article L.441-1 of the French Insurance Code [(1)] | PERP | Inward reinsurance (life) | TOTAL |
|---|---|---|---|---|---|---|
| 207,418 | 3,131,000 | 66,998 | 662,973 | 132,728 | 151,303 | 22,175,020 |
| 246,127 | 1,081,578 | 46,945 | 475,596 | 30,869 | 61,698 | 19,875,924 |
| 91,975 | 2,584,068 | 28,092 | (27,724) | 95,348 | 16,695 | 167,690 |
| | 858,108 | 13,266 | | 8,194 | | 879,568 |
| **(130,684)** | **323,462** | **5,227** | **215,101** | **14,705** | **72,910** | **3,010,974** |
| 3,789 | 46,503 | 290 | 24,218 | 4 | 40 | 979,963 |
| 7,407 | 139,714 | 1,242 | (161) | 15,042 | 7,309 | 1,403,041 |
| **11,196** | **186,217** | **1,532** | **24,057** | **15,046** | **7,349** | **2,383,004** |
| 169,365 | 26,814 | 18,614 | 262,505 | 41,682 | (100) | 8,439,983 |
| 153,141 | 75,758 | 16,479 | 554,573 | 41,341 | 998 | 7,808,380 |
| **16,224** | **(48,944)** | **2,135** | **(292,068)** | **341** | **(1,098)** | **631,603** |
| 38,886 | 469 | | 212,393 | | 77 | 451,159 |
| 31,444 | (304) | | 269,505 | | | 355,916 |
| 17,945 | 103 | | (191,457) | | | (171,573) |
| 3,911 | | | 299,542 | | | 303,625 |
| 499 | (372) | | | | | 85,818 |
| **14,913** | **(1,042)** | | **165,197** | | **(77)** | **122,627** |
| **(110,743)** | **87,259** | **5,830** | **64,173** | | **64,386** | **1,382,200** |
| | | | | | | |
| 30,906 | 674,554 | 20,037 | 48,227 | 23,606 | | 10,630,549 |
| 62,758 | | 8,526 | | | 728 | 1,227,817 |
| 5,549,387 | 26,598,630 | 958,502 | 15,797,099 | 1,438,776 | 545,431 | 282,795,153 |
| 5,168,608 | 24,983,835 | 925,870 | 15,265,440 | 1,302,408 | 355,044 | 274,853,957 |

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## NON-LIFE

| Classes 20 – 39 (in € thousands) | Individual bodily injury policies | Group bodily injury policies | Inward reinsurance | Total |
|---|---|---|---|---|
| **Earned premiums** | **7,952** | **1,519,853** | **641,449** | **2,169,254** |
| 1a. Earned premiums | 7,964 | 1,512,693 | 641,449 | 2,162,106 |
| 1b. Change in earned premiums reserve and unexpired risks reserve | 12 | (7,160) | | (7,148) |
| **Claims and benefits** | **(9,130)** | **1,225,822** | **607,831** | **1,824,523** |
| 2a. Paid claims and expenses | 2,209 | 932,632 | 543,025 | 1,477,866 |
| 2b. Change in outstanding claims reserves | (11,339) | 293,190 | 64,806 | 346,657 |
| **Underwriting profit (loss)** | **17,082** | **294,031** | **33,618** | **344,731** |
| Business acquisition costs | 207 | 486,889 | 3,902 | 490,998 |
| Other contract administration costs, net | 1,531 | 109,099 | 6,307 | 116,937 |
| **Acquisition and contract administration costs, net** | **1,738** | **595,988** | **10,209** | **607,935** |
| Investment income | 1,115 | 185,148 | (4,626) | 181,637 |
| Policyholder bonuses | 6 | 46,002 | 34,671 | 80,679 |
| **Net** | **1,109** | **139,146** | **(39,297)** | **100,958** |
| Reinsurers' share of earned premiums | | 409,578 | 3,631 | 413,209 |
| Reinsurers' share of paid claims | | 651,520 | 35,205 | 686,725 |
| Reinsurers' share of outstanding claims reserves | | (337,764) | (33,076) | (370,840) |
| Reinsurers' share of policyholder bonuses | | 832 | | 832 |
| Reinsurance commissions received | | 165,770 | 123 | 165,893 |
| **Reinsurance result** | | **70,780** | **(1,379)** | **69,401** |
| **UNDERWRITING RESULT** | **16,453** | **(92,031)** | **(17,267)** | **(92,845)** |
| **Other information** | | | | |
| Earned premiums reserve and unexpired risks reserve – end of period | 34 | 62,382 | | 62,416 |
| Earned premiums reserve and unexpired risks reserve – start of period | 22 | | | 22 |
| Outstanding claims reserve – end of period | 1,239 | 3,427,659 | 1,997,788 | 5,426,686 |
| Outstanding claims reserve – start of period | 679 | 167,268 | 19,567 | 187,514 |
| Other technical reserves – end of period | 22,581 | 1,315,599 | 247,057 | 1,585,237 |
| Other technical reserves – start of period | 22,508 | 52,018 | (11,903) | 62,623 |

Provisions after the integration of branches 1 and 2 from CNP IAM stand at:

| **Other information** | | | | |
|---|---|---|---|---|
| Earned premiums reserve and unexpired risks reserve – start of period | 22 | 69,542 | | 69,564 |
| Outstanding claims reserve – start of period | 2,608 | 3,239,133 | 1,932,612 | 5,174,353 |
| Other technical reserves – start of period | 32,468 | 168,459 | 218,218 | 1,419,145 |

## 6.3 PAYROLL COSTS

Payroll costs break down as follows:

| *(in € thousands)* | 31.12.2015 | 31.12.2014 | Year-on-year change |
|---|---|---|---|
| Wages and salaries | 175,097 | 170,994 | 2.4% |
| Payroll taxes | 87,533 | 110,943 | -21.1% |
| Other | 9,120 | 5,657 | 61.2% |
| **TOTAL** | **271,750** | **287,594** | **-5.5%** |

## 6.4 COMMISSIONS

Insurance commissions recorded during the period amounted to €2,423,347 thousand.

The total includes all types of commissions paid to the Company's distribution partners.

## 6.5 NON-RECURRING AND OTHER INCOME AND EXPENSES

| Income statement items *(in € thousands)* | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Other (non-technical) income** | **33,562** | **7,970** |
| Interest income from miscellaneous loans | 25 | 2 |
| Other income | 155 | 412 |
| Reversals from the capitalisation reserve credited to the non-technical account | 33,382 | 7,556 |
| **Other (non-technical) expenses** | **31,909** | **13,157** |
| Transfers to the capitalisation reserve from the non-technical account | 2,619 | 1,214 |
| Other expenses | 29,290 | 11,943 |
| **Non-recurring income** | **26,301** | **26,489** |
| Income relating to prior years | 114 | 25,893 |
| Other non-recurring income | 1,455 | 517 |
| Reversal of provisions for contingencies | 24,732 | 79 |
| Gains on the disposal of operating property | | |
| **Non-recurring expenses** | **43,848** | **74,087** |
| Losses relating to prior years | 4,943 | 2,831 |
| Other non-recurring expenses | 5,691 | 47,173 |
| Impairment expense | 111 | 5,804 |
| Additions to provisions for contingencies | 33,104 | 18,279 |

## 6.6 INCOME TAX EXPENSE

| Income tax expense *(in € thousands)* | 31.12.2015 | 31.12.2014 | Year-on-year change |
|---|---|---|---|
| Tax expense on recurring operations | 233,421 | 285,006 | |
| Tax (credit) expense on non-recurring operations | 0 | 0 | |
| **Income tax expense** | **233,421** | **285,006** | **-18.1%** |

## 6.7 POLICYHOLDER PARTICIPATION IN UNDERWRITING PROFIT AND INVESTMENT INCOME

| Description *(in € thousands)* | 31.12.2015 | 31.12.2014 | 31.12.2013 | 31.12.2012 | 31.12.2011 |
|---|---|---|---|---|---|
| **A. Policyholder participation** | **7,889,060** | **8,157,002** | **8,582,471** | **8,094,578** | **7,320,095** |
| A1. Policyholder dividends and credited interest | 6,397,087 | 6,918,687 | 7,743,761 | 7,516,356 | 7,357,847 |
| A2. Change in the policyholder surplus reserve | 1,491,973 | 1,238,315 | 838,710 | 578,222 | (37,752) |
| **B. Policyholder participation: policies in the categories governed by Article A.132.2** [(1)] | | | | | |
| B1. Average mathematical reserves [(1)] | 237,085,421 | 230,820,659 | 224,669,386 | 220,325,197 | 214,364,250 |
| B2. Minimum policyholder participation | 4,569,340 | 4,901,854 | 5,024,096 | 4,609,769 | 4,184,024 |
| B3. Actual policyholder participation [(2)] | 5,711,896 | 6,067,746 | 6,260,975 | 5,923,946 | 5,613,395 |
| B3a. Policyholder dividends and credited interest | 4,299,236 | 4,830,193 | 5,425,611 | 5,359,900 | 5,656,802 |
| B3b. Change in the policyholder surplus reserve | 1,412,659 | 1,237,553 | 835,364 | 564,046 | (43,408) |

*(1) Half of the sum of opening and closing mathematical reserves, for policies in the categories governed by Article A.331.3*
*(2) Actual participation (expense for the period, including credited interest), corresponding to policies in the categories governed by Article A.331.3*

## 6.8 EMPLOYEE INFORMATION

The number of employees by category at 31 December 2015 was as follows:

| Status *(number of employees)* | 31.12.2015 | 31.12.2014 | Year-on-year change |
|---|---|---|---|
| Management-grade | 1,746 | 1,722 | 1.4% |
| Non-management-grade | 1,151 | 1,186 | -3.0% |
| **TOTAL** | **2,897** | **2,908** | **-0.4%** |

The above figures do not include employees of the CNP TI intercompany partnership.

## 6.9 MANAGEMENT REMUNERATION

The following disclosures present the cumulative remuneration and the remuneration category 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 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 and the Chairman of the Board of Directors.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer or to 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.

### In 2014

- 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 2014 amounted to €1,303,350.
- 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 and the Chairman of the Board of Directors.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer or to the Chairman or members of the Board of Directors in 2014.
- Share-based payments: no share-based payments were made by the Company in 2014. No stock options or performance shares were granted to any senior executives or members of the Board in 2014.

## 6.10 PREMIUM INCOME BY GEOGRAPHICAL SEGMENT

| Gross amount<br>Premium income by geographical segment *(in € thousands)* | **31.12.2015** | 31.12.2014 | % |
|---|---|---|---|
| France | 24,257,285 | 21,918,062 | 10.7% |
| International | 86,988 | 70,693 | 23.1% |
| *Italian branch* | *84,510* | *70,284* | *20.2%* |
| *Spanish branch* | *2,478* | *754* | *228.7%* |
| *Danish branch* | *0* | *(345)* | *-100.0%* |
| **TOTAL** | **24,344,274** | **21,988,755** | **10.7%** |

* *The increase in premium income includes the impact of the merger of CNP IAM's accident and health insurance businesses into CNP Assurances effective 1 January 2015*

## 6.11 FEES PAID TO THE AUDITORS IN 2015

Fees paid to the Auditors in 2015
*(in € thousands)*

| Audit | Mazars | % | Pricewaterhouse Coopers | % |
|---|---|---|---|---|
| **Audit of the financial statements of the Company and the Group** | **987** | **60%** | **994** | **56%** |
| CNP Assurances | 987 | | 994 | |
| **Other audit and special engagements *** | **668** | **40%** | **768** | **44%** |
| **TOTAL** | **1,656** | **100%** | **1,763** | **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 forward financial instrument *(in € thousands)* | Amounts at 31.12.2015 Commitments received | Commitments given | Remaining life 1 year or less | 1 to 5 years | Over 5 years |
|---|---|---|---|---|---|
| **Yield strategy** | | | | | |
| **Equity instruments** | | | | | |
| Purchases of calls and puts | (1,089,911) | | 184,217 | (181,521) | (1,092,606) |
| Sales of calls and puts | | | | | |
| **Interest rate instruments** | | | | | |
| Purchases of caps | 54,941,000 | | 6,763,000 | 19,994,000 | 28,184,000 |
| Sales of caps | | 41,385,000 | 4,383,000 | 9,998,000 | 27,004,000 |
| **Swaps** | | | | | |
| Receive positions | 8,113,091 | | 310,285 | 3,234,898 | 4,567,908 |
| Pay positions | | 8,394,552 | 316,800 | 3,260,246 | 4,817,506 |
| **TOTAL RECEIVED** | **61,964,180** | | **7,257,501** | **23,047,377** | **31,659,302** |
| **TOTAL GIVEN** | | **49,779,552** | **4,699,800** | **13,258,246** | **31,821,506** |
| **NET COMMITMENT** | **12,184,628** | | **2,557,701** | **9,789,131** | **(162,204)** |

# Note 8 Disclosures related to subordinated liabilities

## REDEEMABLE SUBORDINATED NOTES

| Issuance date | Legal form | ISIN | Currency | Total issue *(in millions of issue currency)* | Total issue *(in € millions)* | Interest rate | Maturity |
|---|---|---|---|---|---|---|---|
| 07.04.2011 | Subordinated notes Fixed/ variable rate | FR0011034065 | GBP | 300 | 409 | 7.375% until Sept. 2021, then 12-month Libor +448.2 bps | 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 | 30.09.2041 |
| 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 | 23.06.2023 |
| 15.11.2004 | 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 | 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 | Undated |
| 14.09.2010 | Subordinated notes Fixed/ variable rate | FR0010941484 | EUR | 750 | 750 | 6% until Sept. 2020, then 3-month Euribor +447.2 bps | 14.09.2040 |
| 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 | 05.06.2045 |
| 10.12.2015 | Subordinated notes Fixed/ variable rate | FR0013066388 | EUR | 750 | 750 | 4.5% until June 2027, then 3-month Euribor +460 bps | 10.06.2047 |
| **TOTAL REDEEMABLE SUBORDINATED NOTES** | | | | **3,383** | **3,492** | | |

## SUBORDINATED NOTES

| Issuance date | Legal form | ISIN | Currency | Total issue *(in millions of issue currency)* | Total issue *(in € millions)* | Interest rate | Maturity |
|---|---|---|---|---|---|---|---|
| 21.06.2004 | Subordinated notes Variable rate | FR0010093328 | EUR | 250 | 250 | Tec 10 +10 bps, capped at 9% | Perpetual |
| 24.09.2004 | Subordinated notes Variable rate | FR0010093328 | EUR | 50 | 50 | Tec 10 +10 bps, capped at 9% | Perpetual |
| 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 | Perpetual |
| 11.03.2005 | Subordinated notes Variable rate | FR0010167247 | EUR | 225 | 225 | 6.5% until Mar. 2008, then 3% +22.5% times10-year EUR CMS | Perpetual |
| 27.06.2005 | Subordinated notes Variable rate | FR0010203026 | EUR | 75 | 75 | 7% until June 2010, then 10-year CMS +30 bps | Perpetual |
| 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) | Perpetual |
| 22.12.2006 | Subordinated notes Fixed rate | FR0010409789 | EUR | 870 | 870 | 4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps | Perpetual |
| 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 | Perpetual |
| 18.10.2012 | Subordinated notes Fixed rate | FR0011345552 | USD | 500 | 459 | 7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps | Perpetual |
| 18.07.2013 | Subordinated notes Fixed rate | FR0011538461 | USD | 500 | 459 | 6.875% until July 2019, then reset at the 6-year fixed swap rate +500 bps | Perpetual |
| 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 | Perpetual |
| **TOTAL SUBORDINATED NOTES** | | | | **3,262** | **3,180** | | |
| **TOTAL SUBORDINATED LIABILITIES** | | | | **6,645** | **6,672** | | |

# 3.4 Other information

## 3.4.1 Proposed appropriation of 2015 profit

Net profit for the year ended 31 December 2015 came in at €1,274,816,517.86. Including retained earnings brought forward from the prior year of €393,295,626.38, the total amount available for distribution is €1,668,112,144.24.

The Ordinary General Meeting approves the proposal of the Board of Directors:

- to distribute a total dividend of €528,696,227.29 to be shared between all shareholders;
- to transfer the balance of €1,139,415,916.95 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 €0.77.

The shares will trade ex-dividend on NYSE Euronext Paris as from 4 May 2016 and the dividend will be paid as from 6 May 2016.

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)* | **31.12.2015** | 31.12.2014 | 31.12.2013 | 31.12.2012 | 31.12.2011 |
|---|---|---|---|---|---|
| Share capital *(in € thousands)* | 686,618 | 686,618 | 686,618 | 643,500 | 594,151 |
| Number of ordinary shares outstanding (2) | 686,618,477 | 686,618,477 | 686,618,477 | 643,500,175 | 594,151,292 |
| **Results of operations** *(in € thousands)* | | | | | |
| Premium income excluding tax | 24,344,274 | 21,988,755 | 18,985,447 | 19,042,303 | 21,345,143 |
| Earnings before tax, depreciation, amortisation and provisions (EBTDA) | 1,508,238 | 1,035,412 | 1,062,203 | 739,281 | 589,153 |
| Income tax expense | 233,421 | 285,006 | 332,235 | 94,740 | 98,045 |
| Net profit | 1,274,817 | 714,073 | 735,289 | 554,702 | 473,121 |
| **Per share data** *(in €)* (2) | | | | | |
| Earnings per share before tax, depreciation, amortisation and provisions (EBTDA) | 2.20 | 1.51 | 1.55 | 1.15 | 0.99 |
| Earnings per share | 1.86 | 1.04 | 1.07 | 0.86 | 0.80 |
| Dividend per share (1) | 0.77 | 0.77 | 0.77 | 0.77 | 0.77 |
| **Employee data** | | | | | |
| Average number of employees | 2,897 | 2,908 | 2,998 | 3,118 | 3,077 |
| Total payroll and benefits *(in € thousands)* | 271,750 | 287,594 | 288,911 | 307,929 | 253,039 |

*(1) 2015 dividend subject to shareholder approval at the Annual General Meeting on 28 April 2016*
*On 6 July 2010, CNP Assurances carried out a four-for-one share split and reduced the par value per share from €4 to €1*
*(2) The number of shares outstanding for the period and prior periods has been adjusted to reflect the four-for-one share split on 6 July 2010*

# 3.5 Statutory Auditors' report on the financial statements

**For the year ended 31 December 2015**

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2015, 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 consolidated 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 2015 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 matter:

- certain technical items specific to insurance and reinsurance, on both the assets and liabilities sides of the balance sheet, such as technical reserves, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 4.5, 4.6 and 4.7 to the financial statements.

  We verified that the methods and assumptions used were reasonable, in particular in view of the Company's regulatory environment and experience;
- the provisions for impairment of the securities portfolio are measured in accordance with the methods set forth in Note 4.3 to the financial statements. In particular, we verified the methods used to identify the 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.332-20 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.332-19 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, 1 March 2016

The Statutory Auditors

**PRICEWATERHOUSECOOPERS AUDIT**

Eric Dupont

63 rue de Villiers

92208 Neuilly-sur-Seine Cedex

**MAZARS**

Olivier Leclerc

61, rue Henri Regnault

92 400 Courbevoie

# 4 CORPORATE SOCIAL RESPONSIBILITY

## Labour, social and environmental information presented in the management report

The following report presents the Group's Corporate Social Responsability (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. One of our Statutory Auditors 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. Key data was subject to a fair presentation review which includes tests of detail on corresponding quantitative indicators; the other data was 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 2015 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

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 in May 2015, 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 AND SHARED PROGRAMMES WITH PARTNERS

In line with the Group's business model, our main subsidiaries have one or several local partners, generally banks that distribute their products. These subsidiaries develop CSR policies in line with Group principles. There is regular dialogue between CNP Assurances and its subsidiaries and they share the same performance indicators.

#### The ten principles of the Global Compact

**Human rights**

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
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; and
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; and
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

Being a responsible insurer means acting as a value-adding financial intermediary between policyholders looking for security and an economy exposed to risks. We protect policyholders by minimising their exposure to the risks of everyday life. Our excellent risk assessment skills and long-term investment strategy ensure that we are able to fulfil our commitments. Beyond these commitments, which are the bedrock of the insurance offer, we innovate by offering real social value-added.

CNP Assurances' CSR approach is organised around four strong commitments that inspire all our actions.

- 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;
  - provide a working environment that fosters well-being and performance;
  - roll out 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 stakeholder satisfaction 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.

Regular satisfaction surveys are conducted 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 section 4.2.3 – 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.

The cnp.fr website, which is accessible to all, had nearly 400,000 visitors in 2015, nearly a quarter of which were to the section devoted to individuals.

In addition to institutional labour relations and employee satisfaction surveys, diagnostic reviews of psychosocial risks performed in 2013 and 2015 helped improve our understanding of how employees perceive their work environment. Following the Company's reorganisation into business units, a survey was conducted in two phases to determine employees' reactions to the change. The results were discussed by the Occupational Health, Safety and Working Conditions Committee.

The international subsidiaries also participate in local professional bodies. The Caixa Seguradora group carries out an annual CSR assessment in conjunction with research institute Ethos.

## 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. Since 2013, sustainable development indicators established by the Green Group have been included in the Management Committee's quarterly report.

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 part of broader strategic objectives. The Company launched its "Multiplicar" CSR programme and created a Sustainability Committee in July 2015.

# 4.1.3 A measure of CSR performance

## 4.1.3.1 CNP ASSURANCES' OBJECTIVES

### Results at the end of 2015: key objectives achieved

- "Create value for all CNP Assurances stakeholders as a responsible insurer and investor":
  - finance the energy transition: Publication of the carbon footprint of the financial portfolio of directly held listed equities. Exclusion and sale of shares in companies whose business is closely related to thermal coal. Development of "green investments": €800 million at 31 December 2015;
  - measure the environmental footprint of the digitisation of borrower products from subscription to electronic signature.
- Assess suppliers from a CSR perspective: An assessment covering 45% of the amount of purchases was performed in 2015.
- Continue to reduce $CO_2$ emissions per FTE for internal operations: Not achieved in 2015 due to a change in methodology.

### Additional 2016 objectives focused on the priority low-carbon strategy

Extend the measurement of the carbon footprint to corporate bonds, and publish it by the end of 2016.

Start achieving the 2020 objective of reducing the carbon footprint of the portfolio of directly held listed equities by 20%.

Double green investments to €1.6 billion between 2015 and 2017.

Reduce energy consumption in real estate assets by 20% between 2006 and 2020.

## 4.1.3.2 2015 CSR RATING FOR CNP ASSURANCES SHARES

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.

### Ratings summary (unsolicited ratings)

| Rating agency | CSR rating | Comment | Methodology |
|---|---|---|---|
| Sustainalytics | 83/100 (August 2014) | 5/94 global insurance sector | http://www.sustainalytics.com |
| Oekom | Prime C+ (October 2015) | | http://www.oekom-research.com/index_fr.php?content=corporate-rating |
| Vigeo | 54/100 (2014)<br>2015 in progress | 7/37 insurance sector | http://www.vigeo.com |
| CDP | 92 D (July 2015) | | |

### SRI indices that include CNP Assurances

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.

In 2015, the share joined the FTSE4Good Index.

### Recognition of Caixa Seguradora in the fields of CSR and innovation

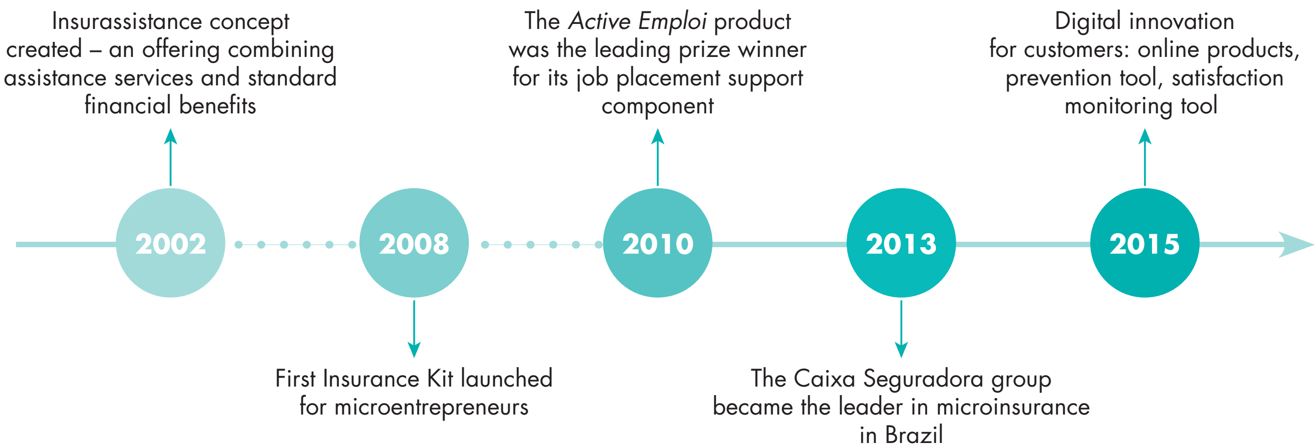
In 2015, weekly magazine IstéoDinheiro ranked Caixa Seguradora number two among Brazilian insurance companies on criteria spanning sustainable development, corporate governance, human resource management, and social and environmental responsibility, as well as innovation and quality.

# 4.2 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.

Adapting to different situations is our way of helping to combat financial exclusion. 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 extra administrative costs. The €30 tranche represented 20% of new money invested in life insurance contracts in 2015, and 46% of regular deposits.

La Banque Postale Prévoyance has offered long-term dependent care insurance with simplified subscription formalities since the beginning of 2015. This cover, combined with public assistance, helps vulnerable policyholders stay in their homes.

In 2010, CNP Assurances strengthened its ties with social economy stakeholders by becoming the insurer for loans granted by Procilia, a partner to the French government's *Action Logement* low-income housing loan scheme. This cooperation with social economy stakeholders such as *Action Logement*, local welfare committees (*comités sociaux*) and micro-finance institutions operating according to the pawnbroker principle (*crédits municipaux*) was pursued in 2014, 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 218 new Basic Insurance kit contracts were sold in 2015. 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.

### In Brazil, innovative microinsurance products

In Brazil, the Caixa Seguradora group was the first insurer to enter the Brazilian 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 66,800 microentrepreneurs at 31 December 2015.

## 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 seven 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 is also involved in the revision of the AERAS Convention concerning the right to be forgotten. 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 15, and fifteen years after the end of the treatment protocol for other cancers. Moreover, in common with all insurers, CNP Assurances is working on a reference grid allowing an alignment with the normal rate for people having been affected by certain diseases, including cancer.

## 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.

The level of transparency in respect of the contractual information provided to policyholders 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 specific survey was conducted in 2015 on the degree of clarity of the letters sent to beneficiaries of death insurance policies.

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 offering a website that is accessible to everyone. 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 is continuing to update its offer to adapt to the latest changes 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 the distribution partners, the Group's entities conduct research to anticipate new needs arising from emerging social and demographic trends. For CNP Assurances, these studies focused in large part in 2015 on how the heads of microenterprises perceive their activity and their environment, as well as on their expectations in respect of online service.

Since 2007, La Banque Postale Prévoyance has worked with TNS Sofres to conduct a "long-term care survey" to assess the needs of people who are starting to require long-term care. With its scientific and financial support for an "old-age dependency" research chair starting in 2016, its tasks are to model demand and supply of care and services related to the loss of autonomy.

**Innovative guarantees** are available covering the problems of loss of autonomy, job loss and ageing. In France, for example, 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.

The Effinance term creditor insurance contract for home-buyers, co-insured with La Banque Postale Prévoyance, won an award in 2013 "for its broad acceptance criteria, useful guarantees, small number of exclusions and affordability".

Assistance in finding a new job, including distribution of CVs and online career advice, has been offered to Caixa Seguradora policyholders who lose their jobs since 2014. 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.

### *Trophées de l'Assuré 2015*, Gold award winner: La Banque Postale Prévoyance for its *Assurance Autonomie* product

The panel rewarded the performance of the dependency insurance offer, which provides innovative benefits:

1/ home care, with visits from post office employees to promote social cohesion and to alert paramedics if necessary;

2/ an intergenerational approach including the possibility of taking out cover with a third party as beneficiary;

3/ consideration of the decline in purchasing power in retirement, with a 20% reduction in the premium after the age of 65 (optional) and in the event of dependency, with couples exempted from payment.

## 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 against cardiovascular risks. It provides listening and support services for carers and people with long-term illnesses – specifically women with cancer – both medically and socially. In 2015, Filassistance implemented solutions designed to prevent absenteeism among the 12,000 employees of a large company. Solutions include the provision of assistance in the event of unexpected unavailability of childcare so as 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.

### E-health prototype

To meet growing demand for interactive and instant information on health and prevention, CNP Assurances launched "Lyfe", a pilot website for its customers and partners, in late November 2015. In addition to the provision of 24/7 healthcare advice and personalised support by videoconference, the platform offers the possibility of obtaining a medical appointment, a check-up or other appropriate medical examinations with very little waiting time.

### Prevention campaigns

CNP Cyprus Insurance Holdings conducts prevention campaigns targeting obesity and stress in its collective contracts in Cyprus. In addition, CNP Assurances deploys numerous workplace programmes to promote the health and well-being of local government employees.

### Prevention for all

In 2015, CNP Assurances launched "cespetiteschoses.fr", a digital platform offering information and support and spreading awareness on the theme of "living well late in life". 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 with bank partners over the last six years enabled 78% of health questionnaires to be processed electronically in 2015. Since 2013, policyholders have been able to complete the questionnaire at home, making life easier for customers, particularly those who don't 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 reporting 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.

The Caixa Seguradora group has responded to customer calls for an extension of its online services to include the purchase of insurance, 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 set 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 could 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 2015, CNP Assurances carried out three quantitative satisfaction surveys on the management processes applied to individual contracts. The Group also conducted for the first time three face-to-face surveys aimed at grasping the level of understanding of correspondence.

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. The satisfaction rate of the beneficiaries of individual contracts was 85% in 2015.

CNP Assurances has recently acquired online survey software, which among other benefits will allow it to send weekly questionnaires to Amétis advisors in 2016, with a view to improving the contract production process.

CNP Assurances carries out an annual satisfaction survey of local authorities and institutions holding health, death and disability insurance contracts. Satisfaction scores are stable at between 7 and 8 out of 10 depending on the local authority.

Satisfaction surveys are conducted annually by CNP Assurances Compañia de Seguros and La Banque Postale Prévoyance, and as often as monthly in Brazil. 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 4.2 out of 5 in 2015.

### 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.

#### Processing complaints more quickly

In 2013, CNP Assurances committed to replying within two months of a complaint being filed. 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.

In addition, a standard definition of the term "complaint" has been adopted throughout CNP Assurances. Under the new definition, a complaint is any expression of discontent by a customer as regards the perceived quality of a product or service, whether justified or not. 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 2015, the number of complaints 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 creditor insurance, CNP Assurances' positions were maintained in 69% of cases in 2015.

In accordance with the marketplace decision, mediation involving CNP Assurances has been provided by the French Federation of Insurance Companies (Fédération française des sociétés d'assurances – FFSA) since 2015.

### Unclaimed settlements at CNP Assurances

The French law of 17 December 2007 introduced a requirement for life insurers to proactively identify any unreported deaths, and to trace and pay beneficiaries. The law also gave insurers the legal and practical means of being informed when policyholders die.

Internal resources have been gradually strengthened in view of the complexity of operations. In 2015, over 300 FTEs were dedicated to the treatment of death contracts, regardless of the date on which the death occurred. In 2015, CNP Assurances was able to find 59,700 beneficiaries of unclaimed policies, representing a total amount paid of more than €180 million.

In view of the efforts made by our teams on a daily basis and the resources deployed since 2008, we believe that the fine levied in 2014 by the Sanctions Committee of the French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR) was harsh. It should be noted that CNP Assurances does not profit from unclaimed amounts: income from the investment of such amounts is not recognised as Company income; rather, it is added to the amounts due to all policyholders, as is the case for all life insurance policies.

In addition to the commitment made to the Sanctions Committee at the end of 2014 to process the 99,618 contracts not settled prior to 2007, the Company also processed 44,246 such contracts dating from 2008 to 2010 before the end of 2015.

### Disputes

There were 1,431 disputes in progress at CNP Assurances at the end of 2015. Sixty-nine percent of cases were won in the first instance in 2015, 81% on appeal and 81% 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.

Requests for access to the personal information of policyholders 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 prepares an annual report.

In addition, policyholders must give their consent to the use of their 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".

### IT security

CNP Assurances established a structured approach to securing its computer system more than ten years ago. It relies on a security framework aligned with the best practices laid down in the ISO 27001 standard 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.

In 2015, in view of the surge in cybercrime at a time when it is impossible to disregard the need for digitisation, CNP Assurances initiated a major change in its security approach by strengthening the governance of the process, by adjoining detection and incident treatment systems to existing defence capacities and making users the key actors in the process.

### 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. Employees at CNP Europe Life received special training in data protection in 2015. At MFPrévoyance, where medical confidentiality is a particular concern, 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.

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 on an annual basis. In 2015, the Compliance department commissioned 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 within the legal framework are taken into account.

CNP Assurances and several subsidiaries have obtained ISO 9001 certification of their main business processes. The certification scope is expanded each year (at the end of 2014, operational monitoring moved up to level 2) while ensuring that previously acquired certifications are renewed. 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 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, the only "green" products are SRI funds in savings products. They are offered in each of the flagship unit-linked products available in the individual insurance offerings from CNP Assurances, 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 2015. At the end of the year, nearly 112,000 life insurance policies included an SRI fund. SRI assets totalled €543 million at that date, an increase of more than 6% compared with 2014.

Environmental, social and governance criteria are increasingly integrated into the management of the assets underlying all our traditional savings products and own-funds portfolios. 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 selected by taking into account exclusion rules on environmental (coal), social (Global Compact) and governance (sensitive countries) issues applicable to financial assets (see 4.3.1 – Be a responsible investor).

### Solutions to raise policyholders' awareness

- 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.
- 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.
- 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.

# 4.3 For 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.

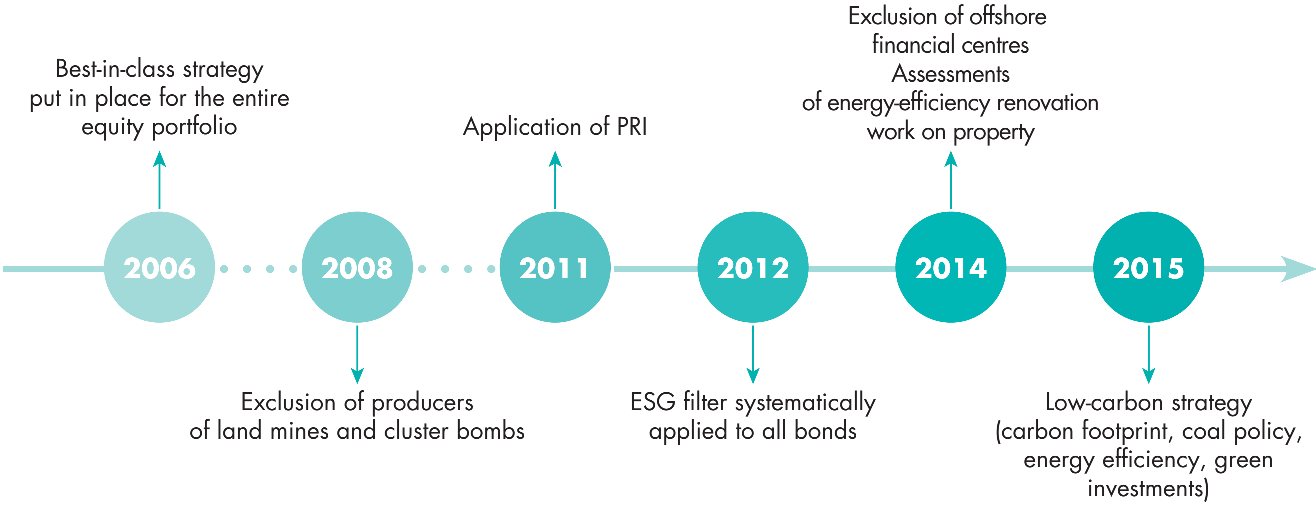
In line with the belief that including socially responsible investment criteria in the investment selection process optimises the yield-to-risk ratio over the long term, ESG screens have been applied to the majority of CNP Assurances' assets and those of its French subsidiaries over the last few years.

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

CNP Assurances' responsible investor story




### 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 of its policyholders and its own assets, but does not manage assets for third parties, and delegates asset management activities. 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, reflected in the integration of a low-carbon strategy in 2015. At 31 December 2015, 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. Whenever a problem of non-compliance with ESG criteria is detected, constructive dialogue is engaged with the company concerned, either through our asset managers or during the lead-up to the Shareholders' Meeting. 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 for listed equity funds supports the goal of energy and environmental transition, particularly with the development since 2014 by the SRI experts in our asset management companies 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. 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 publishes and measures the carbon footprint of its financial portfolio. The measure initially concerns the portfolio of directly held listed equities.

At 31 December 2015, the footprint is estimated at 0.44 t.eq. $CO_2$/thousand euros invested. CNP Assurances has set a goal of reducing the end-2015 level by 20% by 2020, notably through dialogue with the companies whose shares it holds. This calculation is an estimate of Scope 1 and 2 greenhouse gas emissions by portfolio companies without adjustment for duplications, based on the portfolio's asset value.

In addition to this indicator, which does not necessarily take into account initiatives taken to further the energy transition, CNP Assurances 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.

### 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.

### Disinvestment in the coal sector

In 2015, CNP Assurances sold nearly €300 million in corporate bonds issued by companies that extract coal and produce coal-based energy. At the end of 2015, it no longer had any direct holdings of listed equities or bonds issued by companies that derive more than 25% of their revenue from thermal coal.

### Mutual fund units

Companies that speculate on agricultural commodities as well as companies that manufacture cluster bombs and land mines are excluded from dedicated mutual funds. Since 2015, exclusion has been extended to the securities of companies that fail to comply with the principles of the Global Compact and the issue of coal as described in the approach taken on bonds (see above).

Surveys (the most recent, involving 64 companies, was conducted in late 2015) ensure that all the funds held by the Group, including open-ended funds, exclude producers of cluster bombs and land mines.

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 in new dedicated mutual funds.

Furthermore, CNP Assurances has purchased SRI mutual funds in the amount of €2.1 billion, or 5% of assets of all mutual funds held at 31 December 2015. For details of policyholder investments in SRI funds, see section 4.2.4.2.

## 4.3.1.2 A RESPONSIBLE SHAREHOLDER

Systematic exercise of voting rights: 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 2015, CNP Assurances voted at the Shareholders' Meetings of companies representing 99.9% of the portfolio of French equities and around 20 European issuers. In all, we attended 102 meetings and analysed 1,892 resolutions, voting against 21.30% of the resolutions put to the vote. 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 €10.2 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 the portfolio constantly aim to make the properties more energy efficient. Renovation projects are carried out to the highest environmental standards (18% of property assets under direct management are certified to HQE, THPE, BBC or Bream Very Good standards).

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

To meet recent requirements introduced by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 112 of CNP Assurances' fully 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.

## 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 new private equity investment. A total of 15 private equity funds were rated in 2015. In addition, CNP Assurances has invested in several socially beneficial funds for a total amount of nearly €135 million at 31 December 2015. 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 2015, 52% of infrastructure funds took part in this reporting or voluntarily provided their own CSR reporting.

### Investments in funds supporting the energy and environmental transition

At 31 December 2015, CNP Assurances had €45 million invested in private equity funds in the clean energy, clean industry and clean tech sector. Investments in renewable energy infrastructure and water and waste treatment represented total assets of €187 million at 31 December 2015. An additional €471 million is invested directly in bonds related to specific environmental projects, or green bonds.

Thanks to progress in its low-carbon strategy in 2015, CNP Assurances achieved its initial goal and has now committed to bringing its investments in the energy and environmental transition sector to €1.6 million by the end of 2017, a tripling of its assets between 2014 and 2017.

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.

### 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. We have continued our strategy of investing to support the real economy, both directly through co-financing deals and indirectly through specialised funds.

CNP Assurances supports businesses in difficulty through specific funds, with €128 million committed in 2015.

In addition, MFPrévoyance invested €7 million in funds supporting mid-tier companies and employment in renewable energy projects.

## 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 54,351 hectares at 31 December 2015. 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 2015, tree growth in CNP Assurances' forests helped to sequester 539,020 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 290,584 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 Iniciativa Verde's tree-planting programmes in the Atlantic forest (6,600 trees at 31 December 2015), thus earning the subsidiary CarbonFree certification. 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 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 2015. It reinforced the monitoring of the bird population in the Gaudinière forest in partnership with the association Perche Nature. Société Forestière also prepared a management plan for the European Natura 2000 network "special protection area" in the Paradis forest (in France's Eure et Loir department). It has undertaken to preserve birds of European significance on this site, by avoiding forestry work during their reproduction period for instance. The management plan was approved by the forestry administration in November 2015. It provides a guarantee of sustainable forest stewardship. 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 among investments with equivalent risk and yield profiles, priority is given to those with the best social and/or environmental profile. At 31 December 2015, 22% of its assets were dedicated to supporting projects in the real economy or with demanding ESG criteria. In 2015, CNP UniCredit Vita applied the exclusion rules defined by CNP Assurances covering sensitive securities and countries to its bond portfolio, representing 47% of financial assets.



## 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 4.3.2.3).

Nearly all of CNP Assurances' suppliers of goods and intellectual or other services are based 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.

### 4.3.2.2 THE CAIXA SEGURADORA GROUP – CSR CLAUSES IN ALL CONTRACTS

Since 2008, the Caixa Seguradora group has included 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). Contracts signed before 2008 have been amended to include these provisions. Suppliers and subcontractors working for the Caixa Seguradora group pledge to comply with regulations and act responsibly towards the environment. Non-compliance is grounds for termination of the contract or other appropriate legal responses.

### 4.3.2.3 A PLATFORM FOR SUPPLIER ESG AUDITS

CNP Assurances has signed a partnership agreement with EcoVadis to pool supplier environmental, social and ethical performance tracking processes. The information is compiled through a collaborative platform that covers 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, responsible purchasing) and a list of their strengths and areas for improvement.

Supplier assessments are requested for major tenders and approvals, as is the EcoVadis 200 rating (CNP Assurances' 200 biggest suppliers). At 31 December 2015, 153 suppliers representing 45.4% of total purchases had been assessed.

The "CNP Assurances' CSR Commitment" leaflet has also been included in tender documents since last July.

## 4.3.3 Other initiatives

### 4.3.3.1 COMBATING MONEY LAUNDERING, TERRORISM AND FRAUD

#### A shared requirement

As a financial intermediary, we are deeply involved in the fight against money laundering, the funding 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.

#### Dedicated teams

Supported by 20 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.

#### Specific training

Training programmes are carried out regularly in subsidiaries with support from the corporate Risk Management department. Newcomers and employees who have changed jobs are systematically trained at CNP Assurances (115 employees in 2015), as well as at CNP UniCredit Vita and CNP TI. Moreover, an e-learning module developed in partnership with the French Federation of Insurance Companies and several major insurers, taken in 2014 by CNP Assurances employees in accordance with their exposure profile, was rolled out in 2015 to partners offering high-end products.

### 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

Procedures are in place to guarantee the traceability of all fund transfers, to prevent corruption.

Updated and expanded in 2010, the CNP Assurances code of conduct sets out standard operating procedures. It is posted on the Intranet and features in the Employee Orientation Guide for new hires. All employees were reminded of the rules governing corporate gifts and benefits, which are listed in the code of conduct, as well as in that of the Cypriot subsidiary. All other entities in the Group also have guidelines, specifications and regulations. The launch of Caixa Seguradora's new code of ethics at the end of 2015 was an opportunity for employees to make an official commitment by signing the document.

Some more exposed professions have specific codes:

- The CNP Assurances code of conduct includes rules on conflicts of interests and gifts, and an ethical purchasing guide provides practical guidance on applying the 2006 purchasing code of ethics in key situations encountered by the Company's buyers;
- Similarly, a specific code of ethics spells out standards for sales representatives of the Amétis network, while the Compliance unit verifies that they comply with the regulations applicable to insurance sales.

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.

In Italy, a specialised committee of internal and external legal experts is tasked with monitoring the implementation of the organisational model for the fight against corruption and illegal behaviour, approved annually by the Board of Directors.

### Targeted training

In France, training based on the code of conduct was dispensed two years ago to all managers with supervisory roles, who then trained their staff with the help of a video and a booklet.

The relevant employees of CNP Cyprus Insurance Holdings and the network receive annual training on developments in know-your-customer and acceptance procedures.

### A clear set of procedures governing the management of financial assets

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

| 2015 *(in € millions)* | France | Latin America | Europe excluding France | Total |
|---|---|---|---|---|
| Corporate income tax | (370) | (315) | (23) | (708) |

In addition, the Group's insurance companies in France paid more than €1 billion in taxes on behalf of policyholders.

### 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.

A compliance review of the assets in these countries has been performed, and the results were presented to the Board of Directors in early 2015. The volumes involved were limited by virtue of the fact that most of the principles have been in place for a long time. The divestment of the remaining assets is planned by 2017.

# 4.4 Be an attractive employer

By promoting each employee's professional development, 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 to enter the workforce and to promote gender equality in the workplace.

- Priority No. 1: develop skills in line with the Group's strategy.
- Priority No. 2: provide a working environment that fosters well-being and performance.
- Priority No. 3: roll out a robust policy on gender equality in the workplace.

## 4.4.1 Priority No. 1: develop skills in line with the Group's strategy

### 4.4.1.1 HUMAN RESOURCES PLANNING – PRUDENT EMPLOYEE MANAGEMENT

#### Number of Group employees

The CNP Assurances Group had a total of 4,740 employees at 31 December 2015, representing an increase of 1% compared with 2014.

| Headcount of entities | Country | 2015 | 2014 | 2013 |
|---|---|---|---|---|
| CNP Assurances | France | 3,006 | 3,009 | 3,095 |
| Caixa Seguradora group | Brazil | 863 | 799 | 813 |
| CNP UniCredit Vita | Italy | 163 | 163 | 158 |
| CNP Cyprus Insurance Holdings | Cyprus/Greece | 285 | 283 | 290 |
| CNP Partners | Spain, Italy, France | 176 | 164 | 152 |
| MFPrévoyance | France | 76 | 76 | 75 |
| La Banque Postale Prévoyance | France | 54 | 63 | 62 |
| CNP Santander Insurance * | Ireland, Italy | 44 | - | - |
| CNP Assurances Compañia de Seguros | Argentina | 65 | 69 | 79 |
| CNP Europe Life | Ireland | 8 | 10 | 14 |
| **CONSOLIDATED TOTAL – GROUP** | | **4,740** | **4,705** | **4,809** |

* *CNP Santander Insurance is the new subsidiary acquired in 2014 with Banco Santander*

CNP Assurances manages its workforce carefully, relying on the human resources planning process it initiated in 2013/2014 and expanded in 2015. CNP Assurances' permanent workforce changed little in 2015 (-0.1%), allowing the Group to continue to grow in line with its strategy.

The stabilisation of the permanent workforce resulted from contrasting trends:

- a persistently large number of retirements, although this trend is slowing 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 economic environment;

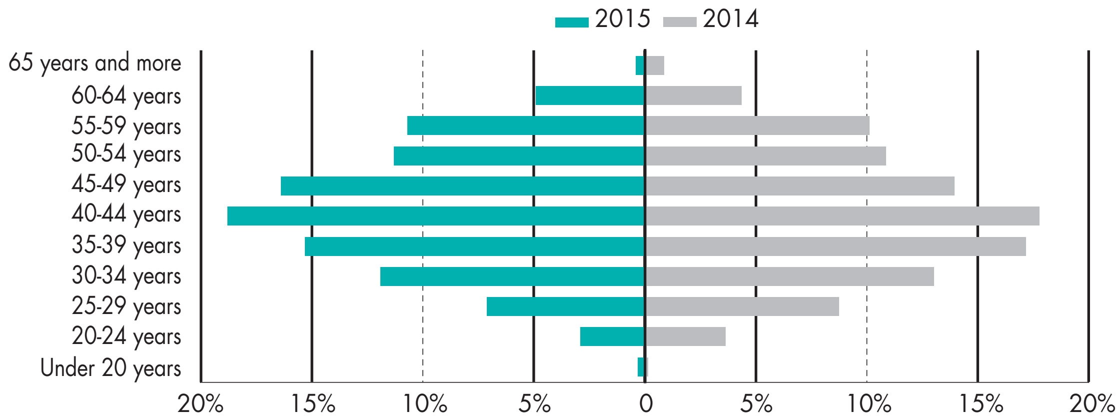
- external recruitment targeting new or specific technical skills related to digital, skills-based or managerial developments;
- an active policy of internal mobility, with most vacant positions filled by internal candidates.

### Characteristics of headcount

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Percentage of employees with permanent employment contracts | 96% | 96% | 0% | 100% |
| Percentage of women | 60% | 60% | 0% | 100% |
| Average age of permanent employees | 43.4 years | 43.2 years | n/a | 100% |

Virtually all of the Group's employees (98%) are covered by local insurance industry collective bargaining agreements. The only exceptions, in accordance with local regulations, are for 8 employees in Ireland and for 21 in Argentina.

### Age pyramid




CNP Assurances' workforce includes 131 civil servants seconded from Caisse des Dépôts, 58% of whom have management status. The average length of service within the Group is 13 years, and is stable compared with 2014.

### 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. The policy is part of the human resources planning process initiated in 2013/2014 and expanded in 2015. It results in the vast majority of vacancies being filled with skills available internally and external recruitment being focused on skills not already present within the Group.

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 2015, 72% of permanent positions were filled by internal candidates, providing scope for targeted external hiring to strengthen the core skills needed to implement the Group's strategy, to fill new positions or open up new areas of development (high-end digital skills), or to secure our processes and comply with tougher regulatory requirements.

In 2015, most of the positions open to external candidates related to finance, actuarial analysis or risk management, or to sales.

With a view to ensuring growth in digital technologies, CNP Assurances increased its visibility as an employer brand on social networks in 2015, and is now present on LinkedIn, Twitter and Viadeo.

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Number of new hires | 535 | 388 | +38% | 100% |
| Percentage of new hires with permanent employment contracts | 67% | 62% | +8% | 100% |

### Departures from the Group

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| **Total departures** | **462** | **473** | **-2.3%** | **100%** |
| ▪ dismissals | 88 | 71 | +24% | 100% |
| ▪ terminations by mutual agreement | 21 | 13 | +61% | 100% |
| ▪ resignations | 125 | 159 | -21% | 100% |
| ▪ retirements | 64 | 75 | -15% | 100% |
| ▪ departures at the end of fixed-term contracts | 154 | 145 | +6% | 100% |
| **Turnover rate** | **6.4%** | **6.7%** | **-4.5%** | **100%** |

Turnover within the Group's entities reflects varying situations: it is low at CNP Assurances (3.7%), and much higher at La Banque Postale Prévoyance (26%) and MFPrévoyance (11%). Caixa Seguradora maintained a turnover rate of 13% in 2015. CNP Cyprus Insurance Holdings reported a turnover rate of 3.16% in 2015, down 60% compared with 2014, despite the economic climate. Nearly one departure of a fixed employee out of every two at CNP Assurances was a retirement, which is consistent with the age structure.

### Mergers/acquisitions/disposals/restructuring

Internationally, two developments impacted the Group's scope of consolidation in 2015, within Ireland the consolidation of CNP Santander Insurance, the new subsidiary resulting from the partnership between CNP Assurances and Banco Santander, and in Spain the sale of the CNP BVP subsidiary to Barclays. None of the Group's entities carried out a restructuring plan during the year.

### A human resources planning process built over time for the benefit of the various stakeholders

Since 2013/2014, CNP Assurances has implemented a human resources planning process involving all stakeholders.

Alongside the stated policy of opening vacant positions to internal candidates, professional development was further boosted by the programme of personalised support for employees in drawing up and implementing a career plan. Thus, in 2015, more than 373 employees were able to benefit from internal mobility and 125 were promoted.

Every year, managers are asked to conduct a performance review with each member of their team. Across the Group, 96% of employees had a performance review in 2015. CNP Assurances revisited its annual appraisal interview in 2015. Now paperless, it has taken the name of "annual performance review" and consolidates this special opportunity for dialogue between manager and employee. It allows participants to summarise the events of the past year, highlight strengths and areas for improvement, and agree on expectations and objectives for the coming year.

## 4.4.1.2 TRAINING – A STRONG AND SUSTAINED COMMITMENT

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Number of training hours | 103,346 | 95,019 | +8.7% | 100% |
| Percentage of employees who received training | 88% | 87% | +1% | 100% |

At CNP Assurances, the number of training hours fell slightly in 2015, edging down by 1.2% compared with 2014, primarily due to the fact that annual performance reviews were carried out later in the year.

### A wide range of training courses

The development of employees' skills is central to CNP Assurances' priorities, as a means of capitalising on its image and expertise, and to facilitate internal mobility. This is evidenced by training budgets, which average approximately 5% of the payroll. In 2015, more than 90% of employees attended a training course, and 67 employees were able to work towards a diploma, with a view to achieving their professional goals. Over the past three years, more than 7% 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 2015 covered:

- managerial skills, notably to accompany the implementation of the new annual performance review;
- support for the implementation of strategic development, support for the commercial business lines and the associated customer relationship workshops, and training for new CRM tools, or product training, and particular support this year for management profiles through technical insurance training;
- personal skills training for employees through a range of cross-cutting courses.

Lastly, the 2015 incentive scheme included awareness raising for all employees about digital culture.

CNP Assurances also factored the reform of vocational training into its processes in 2015. The most noteworthy steps were the revision of the procedure for access to degree courses in connection with the individual training account, the inclusion of the professional review and the focus on professional development.

Elsewhere in the Group, more people received training in virtually all entities in 2015. 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 three 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.

In 2015, the Caixa Seguradora group developed training programmes in behavioural studies, in organisational culture and in an online course system. Encouraged by senior management, CNP Partners this year devoted more money to training, enabling 93% of employees to benefit. In 2015, CNP UniCredit Vita continued to provide training. Its diversity training, initially mandatory for all members of middle and senior management, was made compulsory for all staff. The company also tested training on smartworking and telework.

## 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 46 security staff, 73 cleaning staff (including regional offices), 23 maintenance workers and 8 receptionists, *i.e.*, a total of 157 people, compared with 149 in 2014. IT operations have been transferred to an intercompany partnership established in 2012 (CNP TI), which employs 365 people.

The use of temporary staff grew significantly in volume in 2015 due to new guidelines for temporary reinforcements.

There is significant use of outside contractors at the Caixa Seguradora group and CNP Partners, which outsource their IT operations (276 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: provide 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 8 employees, and the new subsidiary CNP Santander Insurance, acquired in 2014, which has 44 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, a representative of employees 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 in accordance with the law). A total of 192 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.

### Agreements to improve employment conditions

CNP Assurances has agreements covering the main areas: classification and remuneration through the labour adjustment agreement, working hours (ARTT agreement), gender equality, employees with disabilities, union resources, psychosocial risks, PERCO voluntary pension plan, discretionary profit-sharing, statutory profit-sharing, etc. There is also an action plan for the intergenerational contract designed to put in place initiatives to help young people and seniors enter and stay in the workforce and develop their skills. In 2015, CNP Assurances signed an agreement within the scope of the mandatory annual negotiation, an agreement to pay additional discretionary profit-sharing, an amendment to the discretionary profit-sharing agreement, and an agreement extending the agreement on gender equality until the end of 2016.

The 2015-2018 agreement on the employment of people with disabilities: the six successive agreements already signed since 1995 have shaped corporate policy and helped change views about employing people with disabilities, implement practical measures and develop partnerships with specialised organisations. In this seventh agreement, the signatories reaffirm their commitment to promoting measures to help people with disabilities to enter and remain in the workforce. This shared political commitment is one of the human resources policies developed by CNP Assurances in keeping with the Group's ethical, moral and civic values.

Note that two agreements were signed in 2015 at La Banque Postale Prévoyance: mandatory annual negotiation and profit-sharing. At MFPrévoyance, a collective agreement on the introduction of compulsory health insurance, a collective agreement on wages and a collective agreement on the PERCO voluntary pension plan were signed. A statutory profit-sharing agreement for employees was signed at the Caixa Seguradora group in 2015.

Spending on social matters for Group employees represented 1.6% of the payroll in 2015.

### The European dimension

The European Works Council had one Ordinary Meeting in 2015 to present the report on the Group's activities, projects and results.

### CNP Assurances' focus on managerial communication

Since 2015, the principles of action, 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. Various management circles have been identified and communication processes have been established, including conference calls with the CEO, special seminars, employee discussion forums, etc.

By way of illustration, in 2015, the seminar for 250 senior managers enabled them to work on CNP Assurances' digital ambition.

### 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.

It 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 April 2012 agreement with trade unions on this subject provides a practical and shared framework, through the mechanisms it describes, for the identification, prevention and management of psychosocial risks.

The first review of psychosocial risks and stress provided for in the agreement was carried out in the second quarter of 2013 in order to analyse employees' perceptions of their working conditions and their experiences. It resulted in an action plan that ran over the term of the agreement. A second audit to measure the effects of the actions undertaken was performed at the end of 2015.

An anonymous group discussion platform set out under the 2012 agreement has been in place since 2013. Managers answer the questions raised in plenary sessions and the questions and answers are then posted on the platform. Each year, 50 meetings are held within this framework.

In-house mediation: the in-house mediation service aims to prevent and deal with allegations of harassment and discrimination, stress and everyday conflicts. In 2015, it received approximately 40 referrals, most of which concerned requests for advice and support.

A dedicated commission: a commission set up under the 2012 agreement with trade union representatives on psychosocial risks (notably to handle situations involving groups of employees) meets quarterly in each of the Paris, Angers and Arcueil facilities. All employees also have access to a 24/7 hotline all year round (Filassistance), if they need to talk to someone.

### 4.4.2.3 MULTIPLE INITIATIVES IN EACH SUBSIDIARY

All CEOs worldwide follow stress management training. The Caixa Seguradora group has also 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 started paying particular attention to psychosocial risks in 2012, and a special training course has been included in the management training programme. CNP Assurances Compañia de Seguros's code of ethics provides for the implementation of accident and occupational illness prevention programmes. 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 for middle management in 2014. Lastly, a mutual insurer is responsible for occupational risk prevention measures for CNP Partners employees.

4

### 4.4.2.4 ORGANISATION OF WORKING HOURS

#### Annual number of hours

At consolidated Group level, annual working hours range from 1,575 to 1,980, depending on local legislation. At CNP Assurances and MFPrévoyance, full-time corresponds to 1,575 hours per year (ARTT agreement of November 2001).

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Percentage of employees working part time | 14% | 14% | 0% | 100% |
| Number of overtime hours | 30,534 | 23,918 | +28% | 100% |
| Percentage of overtime hours | 0.38% | 0.29% | +31% | 100% |

The subsidiaries in Italy and Brazil are the main contributors to overtime, with a significant increase in Brazil and at CNP Assurances.

### 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 14% of the workforce. For CNP Assurances, 21% of the employees worked part-time in 2015, 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, 64% 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.

## 4.4.2.5 REMUNERATION

| Average gross salary by country | 2015 | 2014 | Year-on-year change | Average annual increase by country |
|---|---|---|---|---|
| France | EUR 57,698 | EUR 55,936 | +3.1% | 0.4% |
| Brazil | BRL 66,029 | BRL 64,337 | +2.6% | 7.4% |
| Italy | EUR 55,008 | EUR 53,778 | +2.3% | 0% |
| Cyprus/Greece | EUR 37,133 | EUR 36,052 | +3% | 0% |
| Spain | EUR 49,099 | EUR 48,668 | +0.9% | 2.24% |
| Ireland (excluding Santander) | EUR 66,933 | EUR 57,532 | +16.2% | n.c. |
| Argentina | ARS 382,680 | ARS 292,122 | +31% | 31.5% |

For the consolidated CNP Assurances Group, the average pay rise was 2.15% across the board, with variations among countries due to inflation, particularly in Argentina.

At CNP Assurances, €7,161,671 was paid out under the discretionary profit-sharing plan in 2015, €17,151,466 was paid out under the statutory profit-sharing plan, and €505,586 was paid in profit-related bonuses to seconded civil servants. All CNP Assurances, MFPrévoyance and La Banque Postale Prévoyance 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.

In 2015, the Group's compensation policy was revisited in the context of Solvency II, notably to make it compatible with the "Fit and Proper" standards.

An individual report on these issues was distributed to each employee of CNP Assurances for the first time in 2015. This approach reflects, through customised information, the Company's determination to make its remuneration and benefits policy comprehensible, as part of its commitment to its employees.

## 4.4.2.6 HEALTH AND SAFETY

### Absenteeism

The Group absenteeism rate rose very slightly in 2015.

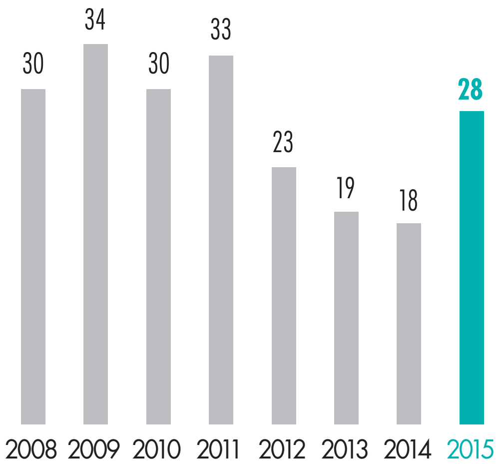
| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Absenteeism rate | 6.35% | 6.28% | +1.1% | 100% |
| Absenteeism rate excluding maternity leave | 5.39% | 5.15% | +4.7% | 100% |

## Health and safety

No occupational illness were reported in the Group. There were no deaths resulting from a workplace accident or occupational illnesses in 2015.

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Number of workplace accidents | 28 | 18 | +55% | 100% |
| Occupational illnesses | 0 | 1 | -100% | 100% |

### Number of workplace accidents within the Group




Almost all workplace accidents took place at CNP Assurances, and only half of them resulted in time lost, a level comparable with 2014. The CNAM-measured lost-time accident frequency rate for 2014 was 0.3% for Paris (down significantly compared with 2013), with a severity rate of 0.14%. The rate for 2015 will not be published by the CNAM until later in 2016.

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 relies on an important Italian law that lays down a strict health and safety framework in the workplace.

### Workplace health and safety agreements

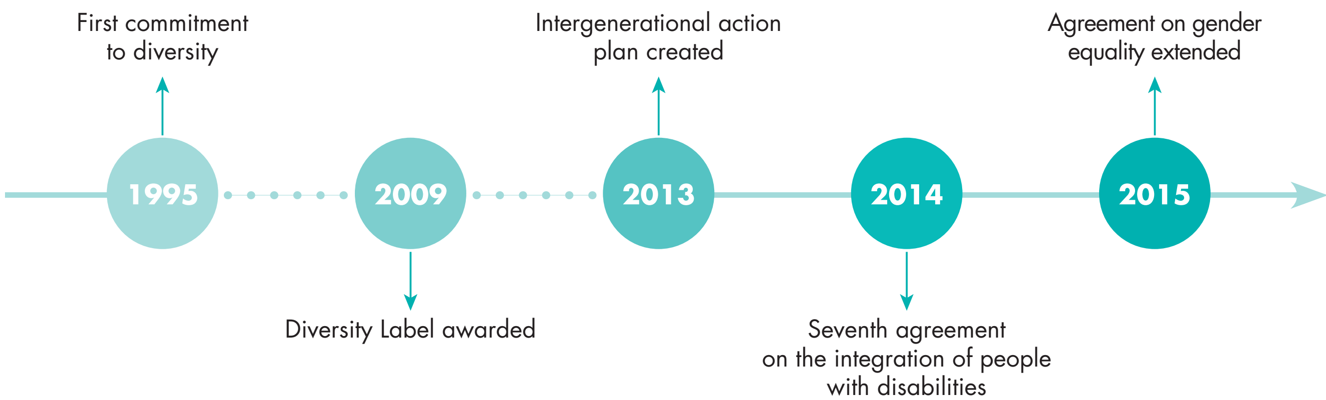
In all, 98% of the Group's employees are covered by collective agreements dealing with the main health and safety issues.

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 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 and La Banque Postale Prévoyance also have an Occupational Health, Safety and Working Conditions Committee, which met eight times in 2015.

## 4.4.3 Priority No. 3: roll out a robust policy on gender equality in the workplace

**Timeline**




### 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 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, revealed an overall performance rate, in respect of the practices of CNP Assurances compared with the requirements set under the label specifications, that was close to exemplary (64%).

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 2015, CNP Assurances ranked eighth 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 6.4% of CNP Assurances' workforce at 31 December 2015, an increase of more than 1 percentage point compared with 2014. 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.

<u>A continuous improvement initiative</u>: 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 in Arcueil and Angers 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.

<u>A commitment applied across the Group</u>: 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's code of ethics. CNP Cyprus Insurance Holdings's 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 2015.

## 4.4.3.2 PROMOTING GENDER EQUALITY IN THE WORKPLACE

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Proportion of female management-grade staff | 50% | 50% | 0% | 99% |
| Proportion of female senior executives | 33% | 33% | 0% | 99% |
| Average male/female income ratio by category | 105% | 109% | -4% | 99% |

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion. The second agreement on gender equality, signed by all trade unions in 2011, sets measurable goals in terms of gender parity, promotions, training and work-life balance. Particular attention is paid to women returning to work from maternity leave. A new agreement extending it until the end of 2016 was signed in 2015.

At 31 December 2015, 39% of Board members were women (seven directors). The proportion of women on the Board of Directors and the Executive Committee has increased steadily in recent years, exceeding 38% at the end of 2014. 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 2015.

## 4.4.3.3 THE EMPLOYMENT AND INTEGRATION OF EMPLOYEES WITH DISABILITIES

### Number of employees with disabilities

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Number of employees with disabilities | 140 | 130 | +8% | 99% |

CNP Assurances this year celebrated the 20th anniversary of its disability programme. During these years, it has implemented a proactive policy to help people with disabilities enter the workforce. A seventh agreement was signed in 2014, committing to Company to helping people with disabilities enter and stay in the workforce over a period of four years from 2015 to 2018. Including the 124 disabled employees on permanent contracts (up 10% compared with 2014) and the employees of the 170 sheltered workshops used by the Company, the proportion of disabled employees was 6.4% of the workforce at 31 December 2015.

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 recommendations from the audit 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. At CNP UniCredit Vita, employees with disabilities represented 6.13% of the workforce in 2015.

## 4.4.3.4 FIGHTING AGE DISCRIMINATION

### Hiring young people

CNP Assurances makes every effort to help young people to find employment. In 2015, permanent employees aged under 25 accounted for 3.4% of the workforce. An action plan to implement the French government's intergenerational contract initiative was drawn up in 2013, describing CNP Assurances' commitment to helping young people find lasting employment under a permanent contract. In 2015, 12 people aged under 25 were hired on permanent contracts. At 31 December 2015, CNP Assurances had more than 100 young employees on work-study contacts. CNP Assurances also hosted 86 interns in 2015. In addition, MFPrévoyance signed an intergenerational contract with employee representatives in 2013.

### Employing seniors

CNP Assurances' intergenerational plan sets measurable goals for the hiring and retention of seniors. With 30 seniors on fixed-term contracts at the end of 2015, the Company is upholding its commitments. Nineteen seniors with expertise were hired in 2015. Employees aged over 55 accounted for more than 21.2% of the workforce at 31 December 2015, an increase of nearly 4% compared with end-2014.

### 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 site.

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.

## 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, 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 CNP Assurances, 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 insurance industry collective bargaining agreements (except in Ireland and for senior managers in Argentina). 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, 47% 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.

### AWARENESS CAMPAIGNS

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:

- in recent years, CNP Assurances has organised competitions, surveys and conferences, shared guidelines, and raised awareness on eco-driving. In 2014, a conference was held in Paris for all employees on socially responsible investment;
- in 2015 a collection of used coffee capsules was organised during Sustainable Development Week on CNP Assurances sites (Paris, Arcueil, Angers). The sale of material obtained from waste raised money that was matched by the Company and donated to Alliance française in Vanuatu for reconstruction efforts in the archipelago, and Iniciativa Verde for reforestation efforts in Brazil's Atlantic forest;

- Sustainable Development Week was also an opportunity to launch a 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;
- COP21 was widely discussed within CNP Assurances, with a wide variety of information distributed *via* the Intranet and the issuance of a press release highlighting the Company's commitments in respect of the environmental and energy transition. Nine hundred employees took part in an interactive serious game on these issues and on the strategy implemented by CNP Assurances to meet this challenge;
- various awareness campaigns focused on eco-gestures within the Group's entities: MFPrévoyance educated employees about sorting, and La Banque Postale Prévoyance raised awareness about three eco-responsible habits (turning off lights and computers, limiting print-outs). The Caixa Seguradora group continues its intense employee awareness campaign each year. In Argentina, 2015 was marked by the launch of the "Multiplicar" programme aimed at reinforcing the responsible behaviour of employees through regular activities on the themes of recycling and solidarity, including training on sorting;
- in addition, in conjunction with the installation of defibrillators in CNP Partners offices, 58 Company employees participated in races to promote their use. Caixa Seguradora circulated its new code of ethics and conduct to all of its employees.

## TRAINING

The Caixa Seguradora group offers e-learning courses on socio-environmental responsibility for all staff, with 238 people trained in 2015.

CNP UniCredit Vita provided diversity training to all staff in 2015. It also tested a smart-working approach during the months of the World Expo in Milan, focusing on work-life balance, teleworking and remote control.

# 4.5 Fostering a sustainable society and environment

Every year, when renewing their membership of the UN Global Compact, CNP Assurances and its various 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 Seguradora Institute are evidence of the importance the Group places on its impact on the world around it. COP21 was an opportunity to take this approach further.

- 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: control the local impact.

## 4.5.1 Priority No. 1: optimise the environmental footprint of the Group's internal workings

Everyone in the Group has a role to play in reducing its environmental impact, primarily by effectively managing the three main direct sources of greenhouse gas emissions: paper use, business travel and office building management. 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 by each entity. The resources mobilised for this purpose vary with the entity's size. Group subsidiaries report to the parent company on their environmental performance on an annual basis.

CNP Assurances has a Sustainable Development department, which reports directly to the Chief Executive Officer. Environmental issues are addressed and monitored by the corporate Purchasing, Working Environment and Property Investment departments. 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 in charge of environmental issues. CSR projects were previously monitored by the Green Group, 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 Company, is chaired by the chairperson of the Group's Executive Committee. The initiatives in the environmental programme help to instil a culture of sustainable development within the Company.

## 4.5.1.2 GREENHOUSE GAS EMISSIONS AUDIT

### CNP Assurances' greenhouse gas emissions

CNP Assurances' emissions of $CO_2$ equivalent have been monitored for five years. Since 2012, they have been measured in accordance with Article 75 of France's Grenelle law of 12 July 2010, and were as follows:

| | 2015 | 2014 | Year-on-year change |
|---|---|---|---|
| Direct greenhouse gas emissions (Scope 1) | 2,673 t.$CO_2$eq. | 2,643 t.$CO_2$eq. | +1% |
| Indirect greenhouse gas emissions related to energy consumption (Scope 2) | 2,246 t.$CO_2$eq. | 2,074 t.$CO_2$eq. | +8% |
| Other indirect emissions (excluding financial assets, see section 4.5.2.2) | 16,485 t.$CO_2$eq. | 15,267 t.$CO_2$eq. | +8% |

Scope 1 and 2 emissions are not material, which means that their volatility is inevitable, regardless of optimisation efforts: the slight increase in direct GHG emissions (Scope 1) is attributable to the higher level of maintenance work and tests on generators carried out in 2015. Heating over a full year of the new Parisian building purchased in 2014 explains the change in indirect GHG emissions attributable to energy (Scope 2).

The gap in respect of indirect emissions (Scope 3, excluding financial assets) is attributable chiefly to a change in methodology in determining the services.

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 2.63 tonnes of $CO_2$ equivalent per employee. With its emissions offset by reforestation in the Atlantic Forest carried out with Iniciativa Verde, Caixa Seguradora has earned CarbonFree certification for several years in a row.

## 4.5.1.3 ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

As CNP Assurances is a service company, its environmental footprint is related to employee behaviour and IT server activity. Energy, business travel and paper are the most significant items.

| Emission sources | 2015 emissions in t.$CO_2$eq. for CNP Assurances |
|---|---|
| Energy | 3,414 |
| Business travel | 2,955 |
| Paper | 940 |

### 4.5.1.3.1 Business travel

Car travel is a big part of the CNP Assurances Group's 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. It is promoted 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 2015, 11,742 hours of video conferencing were recorded across the Group, an increase of 31%, of which 70% at CNP Assurances.

#### 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

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Million km travelled by plane | 15.6 | 13.9 | +12% | 98% |
| Million km travelled by train | 3.7 | 3.9 | -5% | 99% |
| Million km travelled by car | 10.2 * | 0.9 | -11% like-for-like | 93% |

* Including CNP Assurances from 2015

The increase in air travel is attributable chiefly to 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 3.5 million kilometres by train, of which more than half between its main sites in Angers and Paris.

Kilometres travelled by car increased sharply during the year due to the consolidation of CNP Assurances (92% of the total). In previous years, car travel at CNP Assurances was expressed in terms of fuel consumption.

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 40% of taxi journeys in 2015, up from 36% in 2014.

A large number of subsidiaries cut back on business travel or opted for cleaner modes of transport in 2015. As such, CNP UniCredit Vita continued its work to raise employee awareness (train versus plane and public transport), offering staff annual subscriptions at reduced rates after negotiation with the public transport company of Milan.

## 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. In 2013, for instance, CNP UniCredit Vita's paper use was included as 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

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Paper use for internal purposes | 32.6 million sheets | 35.5 million sheets | -8% | 98% |
| Proportion of recycled paper used for internal purposes | 19.4% | 17.2% | +13% | 97% |

Thanks to the concerted efforts of employees, CNP Assurances is reducing its paper use year after year, with savings of 11% in 2012, 5% in 2013 and almost 6% in 2015. Caixa Seguradora and CNP Assurances Compañia de Seguros have significantly reduced their paper purchases for internal purposes, by 30% and 14% respectively. CNP UniCredit Vita and CNP Europe Life use only recycled paper for internal purposes.

### Green office supply purchasing

In line with last year's figure, 35% of office supplies ordered by CNP Assurances are 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.

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Electricity consumption | 22.1 million kWh | 21.6 million kWh | +2% | 99% |
| Gas consumption | 2.2 million kWh | 2.3 million kWh | +4% | 98% |
| Fuel oil consumption | 87,945 litres | 56,010 litres | +57% | 63% |

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 room temperature guidelines and the regulation of fan coil units, whose efficiency has been improved by the closure of the doors.

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 with renovation work on 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 has begun, with the aim of fully renovating the ventilation and air conditioning system. For this, a management system and control equipment have been established;
- 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;
- the installation of LED lighting at SIC Beaucouzé resulted in an energy gain.

Furthermore, in accordance with Article L.233-1 of the French Energy Code, CNP Assurances conducted an energy audit on 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 were taken of the consumption of the various buildings.

A total of 4.44 million kWh of heating supplied by the CPCU district heating network in Paris was used to heat CNP Assurances' Paris offices in 2015. Fuel oil consumption, which is occasional and not material, relates exclusively to the power generators at the main sites in France.

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.

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).

The buildings used by Group entities are not currently equipped with systems for generating renewable energy.

#### Water use

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Water consumption in cubic metres | 63,205 | 71,960 | -12% | 98% |

An analysis of local restrictions on the Group's water use, based on the Global Water Tool 2015, shows that 5% of its water use is in extremely water-scarce areas (Cyprus), 8% in water-scarce areas, 2% in water-stressed areas, 46% in water-sufficient areas and 39% in water-abundant areas (see the area definitions at http://www.wbcsd.org).

The removal of open cooling towers at CNP Assurances and the installation of more energy-efficient equipment at the new headquarters of the Caixa Seguradora group (modern air conditioning and water pressure limiting system) explain the drop in water consumption recorded in 2015.

### Waste management

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Proportion of employees with access to waste sorting | 95% | 89% | +7% | 98% |
| Tonnes of waste paper and cardboard recycled | 237 | 179 | +32% | 91% |

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 within the organisation and a survey of employee behaviour.

The CNP Assurances recycling system was extended in 2011, with the addition of a dedicated process for office furniture. Used batteries and light bulbs are collected at the main facilities, representing over half a tonne in 2014.

Computer equipment is also a significant source of waste. CNP Assurances sells or gives away over half 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 has been carried out by an association employing people with disabilities. It has also led a campaign involving the replacement of individual bins in favour of collective bins. To go further, all obsolete computer equipment is given 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 $CO_2$. Nonetheless, as part of its woodland management, it employs 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.

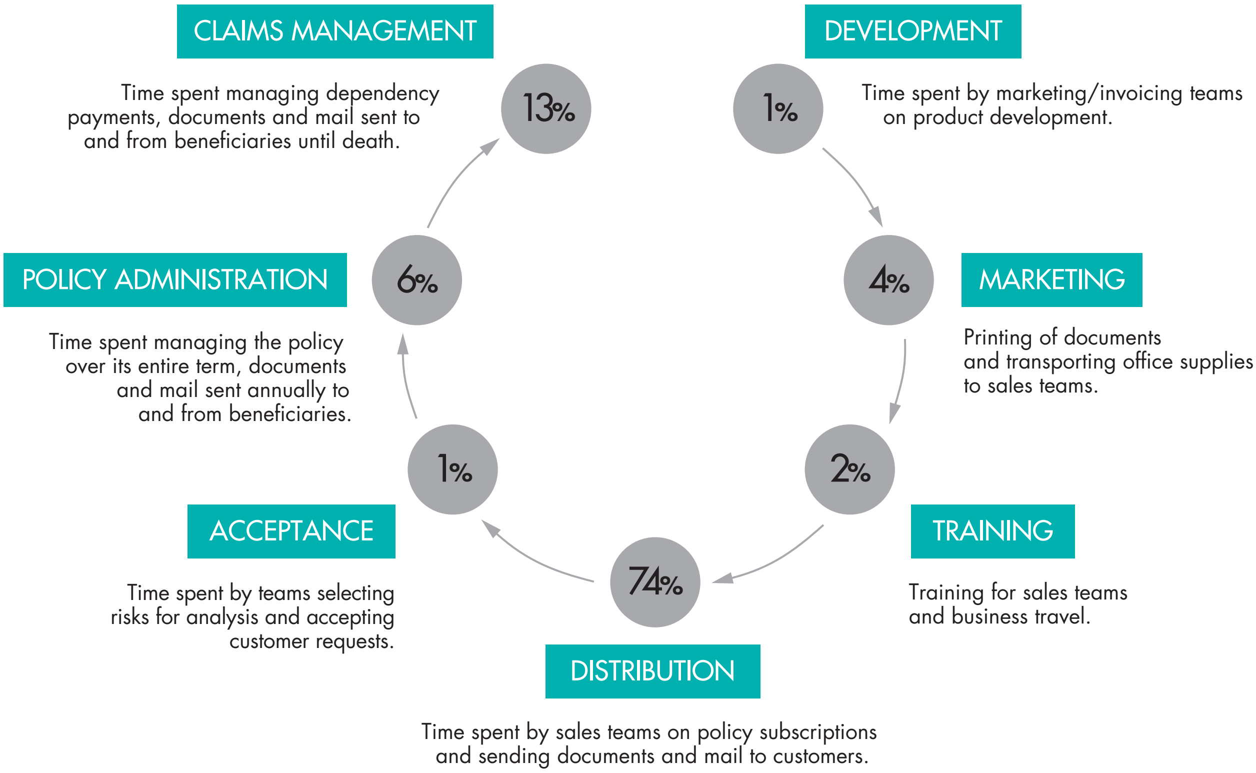
## 4.5.2 Priority No. 2: reduce the carbon and environmental impact of products

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 several years ago, CNP Assurances worked hard in 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 of the actors of the Paris financial centre on climate change".

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 cradle-to-grave carbon 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, leading to our current work on reducing the environmental footprint of our internal operations, promoting 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 consumption for internal purposes

| | 2015 | 2014 | Year-on-year change | Level of coverage |
|---|---|---|---|---|
| Paper consumption for customers [1] | 116 million sheets | 86 million sheets | +34% | 97% |
| Proportion of paper certified as environmentally sustainable [2] | 89% | 90% | -1% | 97% |

*(1) Paper use for contractual documents, claims management and customer communication*
*(2) All paper, excluding chemical carbon paper limited to contractual documents*

The increase in paper consumption for customer purposes is attributable chiefly to the increase in the amount of customer correspondence required by changes to regulations. A total of 103.4 million sheets of paper were purchased for CNP Assurances' corporate brochures and contractual documents. 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 two years. Moreover, CNP Assurances' corporate brochures accounted for 369,719 sheets, down 20% in 2015.

For several years, some Group entities, including Caixa Seguradora, CNP Partners and MFPrévoyance, have outsourced the printing of their contractual documents and/or customer correspondence.

Eighty-nine percent of paper used by the Group (including for internal purposes) has a sustainable management label such as FSC, PEFC or EU Ecolabel.

### 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 has sharply reduced the printing of contractual documents, 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

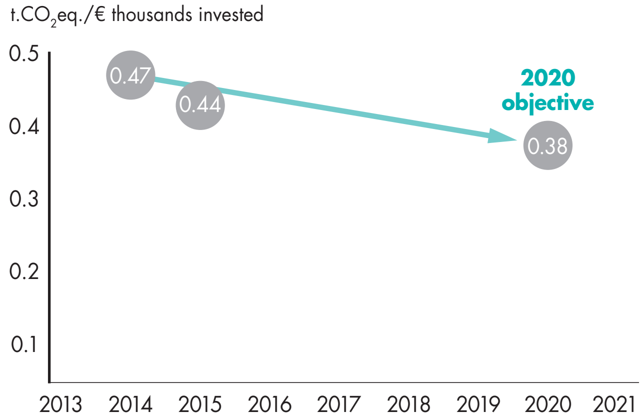
CNP Assurances applies environmental screens to all of its equity and corporate bond portfolios, thereby prioritising, in the same way as CNP Assurances Compañia de Seguros, companies with a good environmental performance and taking into account the carbon risks and opportunities (see section 4.3.1 – 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 539,020 tonnes of carbon dioxide in 2015. After deducting timber sold or cut down during the year, a net 290,584 tonnes of carbon dioxide was added to the sequestered total. 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

**ESTIMATE OF THE CARBON FOOTPRINT OF THE PORTFOLIO OF DIRECTLY HELD LISTED EQUITIES**




After nearly ten years of monitoring the carbon well formed by its forests, CNP Assurances elected to measure the greenhouse gas emissions from its equity securities in 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.

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 subscribed in 2015: Gold sponsor of the "climate finance days", signatory to the Montreal Carbon Pledge, actor in the "Declaration of the actors of the Paris financial centre on climate change", pioneer, alongside the Caisse des Dépôts Group as a whole, in the commitment to provide multi-year data on the reduction in its GHG emissions.

# 4.5.3 Priority No. 3: control 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 2015, 73% of Executive or Management Committee members had been hired locally.

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.

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 it host countries.

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 in the surrounding region, in partnership with local cultural centres. This programme was acknowledged in 2010 for its innovative character, and received an award for its actions in the fight against AIDS/HIV in 2015. These initiatives were shared internationally in 2015 at the World Congress against Crime in Doha and a conference on sex education in the United States;
- in 2014, CNP Assurances invested in DomusVi, a major provider of residential and home care services for the elderly.

### 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 FFSA 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 Sustainable Development Committee of the AFA (association combining the FFSA and the Association of Mutual Insurance Companies).

CNP Assurances is 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 of the actors of the Paris financial centre on climate change" signed by seven associations, including ORSE, Paris Europlace and the AFA, 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.

La Banque Postale Prévoyance has undertaken to start supporting in 2016 a research chair entitled "Dependence of the Elderly" created by the Médéric Alzheimer Foundation in partnership with the Paris School of Economics.

- Integration:

The CNP Assurances Group has a long history of introducing young people to the world of work. At the end of 2015, CNP Assurances had 101 employees on combined work-study or apprenticeship contracts, as well as 194 interns and 195 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.

### CNP Assurances Corporate Foundation

CNP Assurances made a significant commitment in 2015 in favour of public health through its corporate foundation. It has a multi-year €4 million programme 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 the Civic Service Agency (*Agence du Service Civique*) 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 instal defibrillators in public places and to provide first aid training to larger numbers (financing the implementation of more than 3,000 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 or 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 Caixa Seguradora, 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.

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 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, 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 2015 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 persons involved at CNP Assurances and at all subsidiaries in preparing this section. 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 2,860 sq.m. at regional sites), CNP IAM, Previposte, ITV, CNP International, La Banque Postale Prévoyance, MFPrévoyance, CNP Partners (for environmental data excluding CIS 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. Differences compared with 2014 are the inclusion of CNP Santander Insurance and the removal of CNP Barclays Vida y Pensiones.

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.

**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. Section 4 therefore covers a total of 99.54% of the consolidated Group's employees at 31 December 2015.

**Change** is the percentage difference between the 2014 and 2015 data. 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 2015 to 31 December 2015 (excluding CNP Assurances business travel, which is presented over a trailing 12-month period from 1 November 2014 to 30 October 2015); indicators of stocks are as at 31 December 2015.

## Historical data and changes in scope

Differences compared with 2014 are the inclusion of CNP Santander Insurance and the removal of CNP Barclays Vida y Pensiones. Slight variations in scope can appear when indicators have not been provided for an entity or sub-entity in 2014, but have been in 2015.

## 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. CSR officers have been appointed for each entity (a total of 16 CSR officers). They prepare the first level of consolidation within the entity concerned. Thirteen 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 three years have also enabled quality standards to be tightened. 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. This applies in particular to water and energy consumption data for buildings, which is 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

One of our Statutory Auditors 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. A fairness review was performed for the most significant information, including detailed tests on the corresponding measurable indicators, and the other information was reviewed for consistency. The audit report 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 geographic region | Fairness | 4.4.1.1 |
| ▪ Hires and terminations | Fairness | 4.4.1.1 |
| ▪ Remuneration and changes in remuneration | Fairness | 4.4.2.5 |
| **b) Working hours** | | |
| ▪ Organisation of working hours | Fairness | 4.4.2.4 |
| ▪ Absenteeism | Fairness | 4.4.2.6 |
| **c) Employee relations** | | |
| ▪ Organisation of social dialogue (employee information and consultation procedures and negotiation processes) | Fairness | 4.4.2.1 |
| ▪ Corporate agreements | Fairness | 4.4.2.1 |
| **d) Health and safety** | | |
| ▪ Workplace health and safety conditions | Fairness | 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 | Fairness | 4.4.2.6 |
| **e) Training** | | |
| ▪ Training policies | Fairness | 4.4.1.2 |
| ▪ Total number of training hours | Fairness | 4.4.1.2 |
| **f) Equal opportunity** | | |
| ▪ Measures taken to promote gender equality | Fairness | 4.4.3.2 |
| ▪ Measures taken to promote the employment and integration of people with disabilities | Consistency | 4.4.3.3 |
| ▪ Anti-discrimination policy | Fairness | 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 assurance | 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 | Not covered in view of the Group's activities as a service provider | |
| Environmental provisions and warranties | Consistency | No provisions or guarantees |
| **b) Pollution and waste management** | | |
| Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment | Not covered in view of the Group's activities as a service provider | |
| Measures to prevent, recycle and eliminate waste | Consistency | 4.5.1.3 |
| Measures to address noise and other forms of pollution specific to an activity | Consistency | 4.5.1.3 |
| **c) 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 | Fairness | 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 | Fairness | 4.5.1.3 |
| Land use | Consistency | 4.3.1.5 |
| **d) Climate change** | | |
| Greenhouse gas emissions | Fairness | 4.5.1.2 |
| 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 assurance | 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 | Fairness | 4.5.3.2 |
| **c) Subcontractors and suppliers** | | |
| Integration of labour and environmental issues in purchasing policy | Fairness | 4.3.2 |
| Outsourcing and the importance of including CSR in dealings with suppliers and subcontractors | Fairness | 4.3.2 |
| **d) Fair practices** | | |
| Action taken to prevent corruption | Fairness | 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 one of the Statutory Auditors, appointed as an independent third party, on the consolidated labour, environmental and social information included in the management report

**For the year ended 31 December 2015**

*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, appointed as an independent third party and certified by COFRAC under number 3-1060 [(1)], we hereby report to you our report on the consolidated labour, environmental and social information for the year ended 31 December 2015, included in the management report (hereinafter named "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

## Company's responsibility

The Board of Directors of CNP Assurances is responsible for preparing a Company's management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the 2015 CSR reporting process used by the Company (hereinafter the "Guidelines"), summarised in chapter "4.6 Methodology" of the management report and available on request from CNP Assurances' Sustainable Development department.

## Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics (*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, French professional standards and applicable legal and regulatory requirements.

(1) *whose scope is available at www.cofrac.fr*

# Statutory Auditor's responsibility

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).

Our work involved five persons and was conducted between November 2015 and February 2016 during a five week period.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 [1] concerning our conclusion on the fairness of CSR Information.

## 1. ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

### Nature and scope of our work

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 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 section 4.6 "Methodology" of the management report.

### Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

## 2. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

### Nature and scope of our work

We conducted around ten interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for 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.

*(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information*

Regarding the CSR Information that we considered to be the most important [(2)]:

- 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 data. 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 [(3)] 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 data 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 69% of headcount and 85% of quantitative environmental data.

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.

Neuilly-sur-Seine, 26 February 2016

One of the Statutory Auditors

**PRICEWATERHOUSECOOPERS AUDIT**

| | |
|---|---|
| Éric Dupont | Sylvain Lambert |
| Partner | Partner in charge of the Sustainable Development department of PricewaterhouseCoopers Advisory |

*(2) The list of the most important CSR Information is available in the appendix of this report*

*(3) CNP Assurances, MFPrévoyance (France), CNP Partners (Spain)*

# Appendix: List of information that we considered to be the most important

## QUANTITATIVE LABOUR INFORMATION

- Headcount: employees as of 31 December 2015 and percentage of employees with permanent employment contracts
- New hires and dismissals: number of hires, total number of departures and breakdown by reason
- Remuneration and changes in remuneration: average annual individual remuneration, discretionary and statutory profit-sharing
- Absenteeism rate excluding maternity leave
- Frequency and seriousness of occupational accidents
- Number of training hours
- Measures taken to promote gender equality: percentage of women in Executive Management positions

## QUALITATIVE LABOUR INFORMATION

- Organisation of working hours
- Organisation of labour relations and agreements with employee representatives
- Workplace health and safety conditions
- Training policies
- Anti-discrimination policy

## QUANTITATIVE ENVIRONMENTAL INFORMATION

- Energy consumption by source
- Greenhouse gas emissions (scopes 1, 2 and 3)

## QUALITATIVE ENVIRONMENTAL INFORMATION

- Raw material consumption and measures to encourage efficiency
- Measures taken to encourage energy efficiency

## QUALITATIVE SOCIAL INFORMATION

- Responsible investment
- Partnership or philanthropy initiatives
- Integration of social and environmental issues in purchasing policy
- Outsourcing and the importance of including CSR in dealings with suppliers and their own subcontractors
- Action taken to prevent corruption

# 5

# CORPORATE GOVERNANCE AND INTERNAL CONTROL

# 5.1 Report of the Chairman of the Board of Directors of CNP Assurances

*2015*

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 16 February 2016 is intended to inform shareholders about:

- the Company's governance and the practices of its administrative, management and supervisory bodies; and
- the main elements 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 Composition of the Board, preparation and organisation of its work

### a) Composition of the Board of Directors

Since the IPO in October 1998, the composition of the Board of Directors of CNP Assurances has reflected its ownership structure and particularly the holdings of its four main shareholders: Caisse des Dépôts, La Banque Postale and BPCE – whose interests are held through a joint holding company, Sopassure – and the French State, all of whom have entered into a shareholders' agreement. The agreement expired on 31 December 2015 and has been renewed for a further two-year period ending on 31 December 2017 in line with the mechanism agreed between the signatories.

The shareholders' agreement organises the composition of the Board of Directors of CNP Assurances as follows:

- six directors recommended by Caisse des Dépôts;
- five directors recommended by Sopassure;
- one director recommended by the French State;
- one director recommended as an employee shareholder representative;
- four directors recommended as "independent qualified persons".

The current composition of the Board of Directors of CNP Assurances does not fully comply with the AFEP-MEDEF Corporate Governance Code for Listed Companies (AFEP-MEDEF Code) which recommends that one-third of the directors should be independent. The ratio for CNP Assurances is currently 22%, *i.e.*, four independent directors out of eighteen.

While this situation is mainly attributable to the provisions of the shareholders' agreement, it should be noted that this same agreement affirms the signatories' intention to remain shareholders of the Company over the long term and to implement a common policy in terms of investment strategy (aside from financial investments) and other strategic decisions. This represents a key commitment to CNP Assurances' future growth.

In accordance with the Board's internal rules, the Board of Directors and the Remuneration and Nominations Committee apply the AFEP-MEDEF Code's objective criteria for director independence (section 9), along with other personal criteria such as the candidate's competence and experience.

Applying these criteria, and especially the criterion relating to the significance of any business dealings they may have with the Company, at its meeting on 11 February 2016 the Remuneration and Nominations Committee prepared a report to the Board of Directors meeting held on 16 February 2016 concerning the independence of Jean-Paul Faugère, Stéphane Pallez, Rose-Marie Van Lerberghe and Marcia Campbell who, as independent directors, have joined the Strategy Committee.

The Board of Directors reviewed and approved the Remuneration and Nominations Committee's work on the criteria and the identification of independent members of the Board. It also approved the Committee's recommendation that the directors concerned should be qualified as independent based on the criteria in the AFEP-MEDEF Code.

### Directors' independence criteria

| | |
|---|---|
| AFEP-MEDEF Code | Not to be an employee of CNP Assurances (currently or in the previous five years) |
| | Not to be an Executive Director [(1)] [(2)] of CNP Assurances (currently or in the previous five years) |
| | Not to be a director or an employee of the parent company (currently or in the previous five years) |
| | Not to be a director or an employee of a company that the parent company consolidates (currently or in the previous five years) |
| | Not to be an Executive Director of a company<br>■ in which CNP Assurances holds a directorship, directly or indirectly (currently or in the previous five years)<br>■ in which an employee appointed as such or an Executive Director of CNP Assurances is a director (currently or in the previous five years) |
| | Not to be a customer, supplier, investment banker or commercial banker:<br>■ that is material to CNP Assurances or its group, or<br>■ that depends on CNP Assurances or its group for a significant part of its business |
| | Not to be related by close family ties to an Executive Director |
| | Not to have been an auditor of CNP Assurances within the previous five years |
| | Not to have been a director of CNP Assurances for more than twelve years |
| | Not to represent a shareholder that owns over 10% of CNP Assurances' share capital |

*Excerpt from Articles 9.3 and 9.4 of the AFEP-MEDEF Code:*

*"Qualification as an independent director should be discussed by the Nominations Committee and reviewed every year by the Board of Directors prior to publication of the Annual Report. The Board of Directors must, upon the motion of the Nominations Committee, review individually the position of each of its members on the basis of the criteria mentioned below, then report its conclusions to the shareholders in the Annual Report and at the General Meeting when the directors are elected, so that identification of independent directors is carried out not only by the corporation's management but by the Board itself."*

*(1) "Although he or she may be an Executive Director, a Chairman of the Board may be considered as independent if the corporation can justify this based on the criteria set out above"*

*(2) Executive Directors include the Chairman, the Chief Executive Officer and the Chief Operating Officer(s) of companies administered by a Board of Directors, the members of the Executive Board of companies with an Executive Board and a Supervisory Board, and the managing partners of partnerships limited by shares*

After amending its Articles of Association in 2012 to allow voting and non-voting directors to be elected on a rotating basis, the Annual General Meeting of 6 May 2014 reduced the maximum term of office of directors from five to four years, effective from that meeting.

The drive to achieve gender parity on the Board led to the appointment in 2015 of Florence Lustman as permanent representative of Sopassure, raising the number of women to seven or 38.88% of Board members.

The shareholders' agreement also provides for the election of non-voting directors to participate in Board meetings in a consultative role. They are elected at the Annual General Meeting according to a process that is similar to that applied for other directors, involving a review by the Board of recommendations submitted by the Remuneration and Nominations Committee.

Non-voting directors have access to the same information as voting directors. They also have the same obligations to attend meetings, to exercise due professionalism and to respect confidentiality. Their experience and diverse backgrounds enable them to make an invaluable contribution to discussions at Board meetings. As of 31 December 2015, the Board of Directors had two non-voting directors – Jean-Louis Davet, who will be standing for re-election at the Annual General Meeting on 28 April 2016, and Pierre Garcin.

The Solvency II directive applicable from 1 January 2016 sets stricter requirements concerning the individual and collective competence of the directors. Their aim is to promote the election of directors from diverse backgrounds and ensure that a wide range of experience and knowledge is represented on the Board at all times, so that it is equipped to meet the challenges facing the Company in a complex and fast-changing regulatory and economic environment.

The members of CNP Assurances' Board of Directors collectively possess qualifications, experience and knowledge about at least (i) insurance and financial markets; (ii) CNP Assurances' business strategy and model; (iii) its system of governance; (iv) financial and actuarial analysis, and (v) the regulatory framework and requirements that are appropriate to the exercise of the responsibilities assigned to the Board of Directors.

### b) Respective roles of the Chairman and the Chief Executive Officer

In July 2007, the Company chose to organise its governance structure by separating the role of Chairman of the Board of Directors from that of Chief Executive Officer in order to ensure a clear distinction between the strategic, decision-making and supervisory roles that belong to the Board's sphere of expertise, and the operating and executive functions that are the responsibility of Executive Management.

The Annual General Meeting held on 29 June 2012 reaffirmed this separation of roles as well as the non-executive powers of the Chairman and the executive functions of the Chief Executive Officer.

#### Chairman

The Chairman organises and oversees the work of the Board of Directors, calling meetings at least four times per year, or more frequently if warranted by circumstances. In 2015, the Board met nine times (2014: seven times). The Chairman ensures that the administrative, management and supervisory bodies operate smoothly 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 in respect of matters to be decided by the Board.

#### Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in the Company's name in all circumstances subject to the restrictions on his or her powers and the financial authorisations decided by the Board of Directors and set out in its internal rules which may be consulted at www.cnp-finance.fr. These restrictions concern in particular acquisitions (aside from portfolio management transactions) exceeding certain financial limits or that are not fully aligned with the strategy decided by the Board.

Frédéric Lavenir 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 oversee Group strategy decided by the Board.

The Chief Executive Officer is assisted in his managerial and operational duties by the two Deputy Chief Executive Officers and the members of the Executive Committee.

### c) Role of the Board, preparation and organisation of its work

In accordance with Article L.225-35 of the French Commercial Code and its own internal rules, the Board of Directors determines the Company's strategy and oversees its implementation, examines all issues concerning the efficient running of the Company's operations and decides all matters that concern the Company. The Board also signs off on the annual budget and the financial statements of the Company and the Group, and oversees the quality of the Group's communications to the market concerning its results or specific operations.

The procedures involved in preparing and organising the work of the Board are set out in its internal rules. Every year, the dates and agendas for the upcoming meetings of the Board and its committees are drawn up and approved.

As stipulated in the internal rules of the Board of Directors, Board members receive the notice of meeting at least five days before the meeting is due to be held.

The Chairman provides the directors with all documents and information required to enable them to fulfil their duties and prepare their discussion of agenda items.

In addition to briefing documents on the matters to be discussed at the meeting, the directors are also sent the draft minutes of the previous meeting and a file containing press cuttings and selected analyst reports concerning the Company or the Group.

Works Council Representatives and non-voting directors also receive all of the documents sent to the directors and are invited to attend all Board meetings.

Between any two Board meetings, directors may also be sent briefings on important topics or copies of press releases by e-mail.

The Secretary to the Board of Directors presents newly-elected directors with a pack containing detailed information on the Company and the Group, its structure and businesses to help them fulfil their duties. Directors may request additional training at any time.

The participants in Board meetings have a duty to exercise discretion, particularly with regard to information of a confidential nature that is presented as such by the Chairman of the Board of Directors.

#### Assessing the performance 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 2015 and the results were presented to the directors at the meeting held on 29 July 2015.

In 2016, the directors will conduct a formal assessment of the Board's ability to fulfil the expectations of the shareholders who voted them into office, based on a review of the composition, organisation and performance of the Board and the Board committees.

## ACTIVITIES OF THE BOARD OF DIRECTORS IN 2015

In 2015, the Board of Directors met nine times. Each meeting lasted on average three hours. The discussions and decisions of the Board are transcribed in the minutes prepared after each meeting. The directors' active participation in the activities of the Board was illustrated by the 86% average attendance rate at Board meetings held during the year. As a further demonstration of their commitment to the Company, each director personally owns at least 200 CNP Assurances shares (400 in the case of the Chairman).

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. The Board is 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.

It also receives detailed updates on developments regarding commercial, financial and operational issues that help it to track implementation of the Group's strategy and better understand its businesses and outlook.

Of particular interest to the Board in 2015 was the status of negotiations concerning:

- the distribution agreements between CNP Assurances and its two main partners, the BPCE Group and La Banque Postale; and
- the launch of a new partnership with AG2R LA MONDIALE in the area of company retirement savings plans.

The Board continued to be advised by the special committee set up in November 2013 to examine the key implications of changes in the distribution agreements. This committee provided an independent structure – free of any conflicts of interest – for tracking the key aspects of the discussions initiated by Executive Management on the proposed new distribution agreements between CNP Assurances and its two main French partners (La Banque Postale and BPCE) for the period beyond 31 December 2015, and made recommendations when the Board had to take decisions in these matters. It met five times in 2015.

The Board closely monitored the Company's compliance with the undertakings given to France's banking and insurance supervisor, ACPR, concerning the timely processing of unclaimed life insurance settlements, after it was fined by the ACPR in October 2014 for processing delays.

The Board stepped up its focus on the technical aspects of the Solvency II project in 2015. Its work included reviewing the own risk and solvency assessment (ORSA) process and approving written policies * designed to guarantee the sound, prudent and efficient management of the business. This involved writing procedures that could be implemented without changing the current organisation, many of which were already being followed informally. The process also created an opportunity to formally describe a framework for decision-making and for assigning responsibility.

## COMMITTEES OF THE BOARD OF DIRECTORS

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.

### a) The Audit and Risk Committee

This Committee had six members as of 31 December 2015: Stéphane Pallez and Marcia Campbell (both of whom are qualified as independent directors under the AFEP-MEDEF Code), Florence Lustman, Jean-Yves Forel, Olivier Mareuse and Philippe Baumlin. The Committee is chaired by Stéphane Pallez.

The dates of upcoming meetings of the Board and its committees are always set to enable the Audit and Risk Committee to meet on the eve of the Board meeting held to approve the financial statements. The short interval between the two meetings makes it easier for the members to be physically present at both, particularly those members who live outside Paris or abroad.

In addition, the Committee members have every opportunity to ask for any other information they may require following their review of the briefing documents, and the Finance Director and the Auditors attend all meetings of the Committee in order to provide members with on-the-spot information and explanations as needed.

During 2015, the Committee also made enquiries of the persons responsible for preparing the financial statements of the Company and the Group.

* *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*

Its opinions and recommendations presented to the Board are notably based on discussions with the Auditors held without any members of management being present.

The possible risks and uncertainties identified by the Auditors represent a key focus of the Committee's work.

It also ensures that a system is in place to identify and analyse risks that could have a material impact on the accounting and financial information and assets and liabilities of CNP Assurances. More specifically, the Committee is tasked with:

- tracking the risk mapping and analysis process led by Executive Management, monitoring changes in these risks over time and examining the Group's risk control charter;
- ensuring that any identified weaknesses are remedied and that appropriate action plans are deployed in the event of a system or process failure.

The Committee interviews the Head of Internal Audit and presents its observations concerning the Group's internal audit policy and annual internal audit programme.

The Audit and Risk Committee oversees the auditor selection process, drawing up a short-list of candidates and making recommendations to the Board on the choice of candidate and the fee budget.

In 2015, as well as overseeing the audit of the financial statements of the Company and the Group, the appropriateness of the accounting policies used to prepare the financial statements and their consistent application, the Committee reviewed:

- the Group's risk exposure, based on an examination of quarterly risk reports and of the annual assessment of major financial risks performed by an outside firm;
- the status of the Solvency II project (Group risk appetite, written policies, stress tests required by the ACPR in the run-up to Solvency II application, etc.);
- guidelines for the Group's reinsurance programmes, investment policy and policy concerning the use of financial futures;
- the situation of the Group's main international subsidiaries;
- reports by the Risk Management & Compliance department, the Risk Management & Solvency department and the Internal Audit department for 2014 together with their respective programmes going forward;
- the auditor selection process, for Auditors whose appointment ends at the close of the Annual General Meeting on 28 April 2016.

In preparation for the application of Solvency II, the Committee paid close attention to reviewing the risk management and other policies adopted by the Board of Directors during 2015.

As is the case for the Board of Directors, the proportion of independent members on the Committee (one-third) is below the proportion of two-thirds recommended by the AFEP-MEDEF Code. Again, it should be stressed that this situation reflects the Company's ownership structure.

The Audit and Risk Committee met seven times in 2015. The average duration of meetings was three hours and the average attendance rate was 98%.

### b) Remuneration and Nominations Committee

The Remuneration and Nominations Committee is responsible for selecting candidates for election as voting and non-voting director, and reviewing proposed nominations for the positions of Chairman of the Board of Directors, Chief Executive Officer, and Chairman and member of the Committees of the Board.

The Committee makes recommendations concerning the remuneration of the Chairman of the Board of Directors as well as the total individual remuneration to be attributed to the Chief Executive Officer. It decides on the amount of directors' fees to be attributed to the voting and non-voting directors based on pre-defined criteria such as attendance rate and membership of a Committee of the Board.

The Committee also reviews any planned employee rights issues or share grant plans.

As of 31 December 2015, the Remuneration and Nominations Committee was made up of five members: Rose-Marie Van Lerberghe (an independent director who also chairs the Committee), the representative of Caisse des Dépôts, Odile Renaud-Basso, Philippe Wahl (Chairman of La Poste), François Pérol (Chairman of the Executive Board of BPCE) and Jean-Paul Faugère.

This gives a proportion of independent directors which is slightly less than the 50% recommended by the AFEP-MEDEF Code. As explained previously, this situation is a consequence of CNP Assurances' ownership structure.

The presence on the Committee of the Chairman of the Board of Directors is considered appropriate because, as a permanent point of contact for Executive Management, he is in a good position to inform Committee members about the management of the Company's business. The Chairman of the Board of Directors does not participate in the Committee's discussion of his own remuneration.

The Remuneration and Nominations Committee met four times in 2015. The average duration of the meetings was one and a quarter hours and the average attendance rate was 90%.

During these meetings, it mainly examined the remuneration packages of the Chairman of the Board of Directors and the Chief Executive Officer, and made recommendations in light of the guidelines applicable to the corporate officers of public sector companies [1].

The Committee recommended keeping Jean-Paul Faugère's remuneration as Chairman of the Board of Directors at €250,000 [2]. It also recommended that Mr Faugère should not be paid any directors' fees for participating in meetings of the Board of Directors or the Committees of the Board.

Concerning the Chief Executive Officer, the Committee recommended maintaining Frédéric Lavenir's fixed remuneration at €400,000 and his variable remuneration at €50,000 depending on the achievement of fixed and clearly-defined objectives. In addition, it recommended that Mr Lavenir should not be paid any directors' fees for participating in meetings of the Board of Directors or the Committees of the Board.

As recommended in the AFEP-MEDEF Code, the remuneration packages of the Chairman of the Board of Directors and the Chief Executive Officer for 2015 will be submitted to an advisory vote by shareholders at the Annual General Meeting to be held on 28 April 2016.

The Committee was also kept informed of the remuneration policy for senior managers and recommended that an in-depth review should be conducted into Executive Management succession plans.

Lastly, in preparation for the application of Solvency II, the Committee looked into the designation of the "persons responsible for effectively running the undertaking" and oversaw the preparation of formal "Fit and proper" and "Remuneration" policies.

### c) The Strategy Committee

As of 31 December 2015, the Strategy Committee was made up of seven members: Stéphane Pallez, Marcia Campbell, Franck Silvent, Jean-Paul Faugère, Rémy Weber, Jean-Yves Forel and Olivier Mareuse.

The Strategy Committee met six times in 2015. The average duration of the meetings was two hours and the average attendance rate was 89%.

During these meetings, the Committee mainly focused on:

- deployment of the strategic priorities decided by the Board in February 2013;
- the partnership with Caixa Econômica Federal;
- the new partnership with AG2R LA MONDIALE in company retirement savings plans.

On 26 November 2015, members of the Board of Directors attended a strategy seminar on expected developments in the personal insurance market in the period to 2020 and the ways in which the Group would have to adapt.

### d) Application of the AFEP-MEDEF Code

Effective from 2008, CNP Assurances refers to the AFEP-MEDEF Corporate Governance Code for Listed Companies [3].

*(1) Decree no. 2012-915 of 26 July 2012*

*(2) The Committee also recommended that the Board of Directors raise his remuneration for 2016 to €280,000, which the Board approved*

*(3) The AFEP-MEDEF Code may be consulted at: http://www.afep.com/uploads/medias/documents/Code_de_gouvernement_entreprise_revise_novembre_2015.pdf*

Without calling this principle into question, CNP Assurances' 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.225-37-6 of the French Commercial Code.

| AFEP-MEDEF Code Recommendations | Difference compared with CNP Assurances' governance practices in 2015 | Explanations |
|---|---|---|
| **Composition of the Board of Directors and its committees** | | |
| Proportion of independent directors | | 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 (refer to the detailed explanations above). |
| ■ Board of Directors: proportion should be over 33% in controlled companies | Proportion is 22% | |
| ■ Audit and Risk Committee: proportion should be greater than 66% | Proportion is 33% | |
| ■ Remuneration and Nominations Committee: proportion should be greater than 50% | Proportion is 40% | |
| The Remuneration and Nominations Committee should not include any Executive Directors and should be chaired by an independent director. The Committee should also include an employee director. | The Chairman of the Board of Directors is a member of the Remuneration and Nominations Committee. The Committee does not include any employee director. | The Chairman's presence on this Committee is considered appropriate, notably in view of his knowledge of the managerial and operational skills of the CEO. He does not take part in the Committee's discussion or vote on his own remuneration (refer to the detailed explanations on pages 274 to 275). |
| The accounts should be reviewed by the Audit Committee at least two days before they are reviewed by the Board of Directors. | The Audit Committee meets on the eve of the Board meeting called to review the accounts. | The short interval between the two meetings makes it easier for the members to be physically present at both, particularly those members who live outside Paris or abroad (refer to the detailed explanations on pages 273 to 274). |
| Article 9.4 stipulates that one of the criteria that the Committee and the Board of Directors should examine when assessing whether or not a director is independent is that he/she should not be an employee or Executive Director of the corporation. | | The Chairman of the Board of Directors, Jean-Paul Faugère, fulfils the Code's other independence criteria and has the additional professional qualities required under the Board's own internal rules. The Board of Directors therefore considers that his position as Chairman does not prevent him from exercising the objective and unbiased judgement required to qualify as an independent director. |

## PARTICIPATING AND VOTING IN GENERAL MEETINGS OF SHAREHOLDERS

Every shareholder is entitled to participate in General Meetings under the conditions provided for by law. Information on participation and voting at the General Meeting may be found in Article 11 of the Company's Articles of Association and in this Registration Document in the section entitled "Participation in General Meetings". The same information is included in the notices of meeting published by the Company prior to each General Meeting.

In accordance with Article L.225-123 of the French Commercial Code, double voting rights are awarded to fully paid-up shares registered in the name of the same holder for at least two years. 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 (disclosures required by Article L.22-100-3 of the French Commercial Code) is provided in the Board of Directors' management report.

# 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 has chosen to base its risk management and internal control mechanisms on the reference framework published by France's securities regulator (Autorité des Marchés Financiers – 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 (Autorité de Contrôle Prudentiel et de Résolution – ACPR).

And beginning in 2016, the Group will be 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 2015, the Group actively pursued its preparations for the application of this directive by making the necessary improvements to its risk management and internal control system.

## 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:

- first-tier controls are set up by each business unit and Corporate department to manage the risks associated with their activities;
- second-tier controls (risk oversight) cover 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 French and international subsidiaries 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 reorganisation of the Group in 2014 into dedicated business units by distribution partner or model contributes to meeting these objectives and fulfilling the Group's corporate mission of protecting the interests of policyholders and employees, maintaining balanced, long-term partnerships and creating value for shareholders. In 2015, the partnership agreement with the BPCE Group was renewed and a preliminary memorandum of understanding was signed with La Banque Postale for the renewal of the partnership with effect from 2016.

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 Risk Factors section 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 Group's approach to risk management consists of incorporating 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 CEO.

The new risk management committees set up in 2014 held regular meetings in 2015. 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 in line with the principles of segregating functions and efficiently allocating available resources. The department reports to Executive Management and the Group Risk Committee.

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 affecting the Group's assets and liabilities and all operational 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 responsible for implementing the Solvency II project, leading all of the teams involved in 2015 and coordinating quarterly meetings of a Solvency II steering committee chaired by the Chief Executive Officer. It is also tasked with independently validating the Group's business model, notably as part of the ORSA process. This gives it a key role in safeguarding the Company's value, assets and reputation.

The risk appetite and overall solvency capital requirement presented to and approved by the Board for the first time in 2014 were reviewed in 2015 in the light of the very low interest environment. This phase formally documents the link between actions and the Group's objectives and values. In 2015, the remaining policies were written up and submitted to the Board of Directors for approval with the policies that already existed in writing. These policies will be reviewed annually, in line with Solvency II requirements.

During the year, the internal control teams joined the Group Risk department, which now comprises some 80 people supported in the subsidiaries by around 30 risk managers and 30 internal control managers.

***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 and validates delegated exposure limits. 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, drawing upon reviews of specific risks (market, underwriting, operational risk, etc.) already performed by the other committees or equivalent structures in Group subsidiaries.

The Group Risk Committee liaises with the smaller committees that deal with specific risks.

***The Underwriting Risk Committee and the Commitments Committee***

These committees oversee liability risk management. The Underwriting Risk Committee, which met over a dozen times in 2015, 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 strategic profitability and value creation objectives 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 underwriting risk mapping for each entity and the Group's overall risk management guidelines.

Meetings of the Commitments Committee are called in the event of a deviation from underwriting policy and/or a 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. In 2015, the Commitments Committee examined around 60 dossiers.

***The Investment Committee, Asset Risk Monitoring Committee, Strategic Asset Allocation Committee and ALM Committee***

These committees oversee the asset risk management framework. The Group Investment Committee held around 25 meetings in 2015 to oversee the asset risk acceptance process and approve 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 to (i) invest 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; (ii) add mutual funds to the list of authorised investments, (iii) carry out securities lending and repo transactions (limits by issuer), (iv) grant significant waivers, (v) sign contract addenda; (vi) agree to restructuring operations; (vii) initiate debt recovery procedures. It may also overrule or uphold decisions made at a lower level that are challenged by the Investment department, the Group Risk department or the subsidiaries and decides on any changes to investment guidelines that may have to be made between two Group Risk Committee meetings. The Investment Committee's decisions are based on the briefing files prepared by the business units and the second tier analysis performed by the Group Risk department 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 risk mitigation initiatives relating to assets. To this end, it is notified when limits are breached so that it may identify appropriate action, *i.e.*, either 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. In 2015, the Asset Risk Monitoring Committee met eleven times and performed around 20 industry risk reviews.

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 ALM models for the different portfolios, yield targets and capital consumption targets.

The ALM Committee tracks and measures asset/liability risk. Asset/liability management (ALM) 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. Coordination between Group ALM and the Brazilian subsidiaries was stepped up in 2015 and further advances will be made in this area in 2016.

***Operational risk monitoring***

Operational risk management focuses on safeguarding the Company's assets and preventing/containing losses resulting from inadequate or failed processes, people and systems. It enhances customer service quality and the Company's ability to fulfil its commitments to customers. The operational risk management policy approved by the Board of Directors in 2015 represents a formal description of the system in place.

An Operational Risk Committee has been set up for each business unit and group function to track the main operational risks and decide on appropriate action plans to contain these risks as effectively as possible. Its area of responsibility includes the subsidiaries of the business unit concerned. 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 group 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. Ten Operation Risk Committee meetings were held in 2015.

***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.

The economic capital allocation process is incorporated into the budgeting process.

Consolidated acceptable risk is allocated among the business units and partnerships in a coherent, coordinated manner in line with Group development objectives set out in its strategic business plan. This allocation provides the business units and partnerships with a clear risk management framework that reflects the Group's expectations, allowing the Group to limit the overall risk and manage it on a consolidated basis. It sets operational risk tolerance limits by subsidiary and business unit and facilitates decision-making in each subsidiary and business unit by permitting calculation of the estimated return on allocated risk.

The Group Risk department ensures compliance with the Group's risk appetite.

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* *Own Risk and Solvency Assessment*

***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. This reporting process involves identifying key risk indicators and setting up data gathering procedures. An annual risk report is also compiled by the Group Risk department for presentation to the Audit and Risk Committee.

In 2015, the Group Risk department launched a joint project with the Group Technical Affairs department to improve the quality of data used to calculate the main measurable indicators required under Solvency II. It also continued to develop faster and more accurate applications for data gathering and Group risk reporting. These applications concern, for example, the calculation and analysis of Solvency II ratios 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 2016, 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 its applications' performance in order to ensure that the target year-end closing deadlines are met.

***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") has its own risk management framework and its own Chief Risk Officer (CRO) who reports on a dotted-line basis to the Group Risk Officer. In Brazil, to comply with the segregation of tasks principle and create a better fit with the Group's organisation, the risk management and actuarial functions are now organised as two separate departments. The subsidiaries liaise closely with the Group Risk department for each type of risk. High level decisions concerning the subsidiaries are examined by the different Group level committees.

In 2016, the risk function will continue to be deployed throughout the Group, with the extension of the Group's underwriting risk monitoring system to all the subsidiaries and branches.

## 2) Risk management process

***Risk identification***

The aim of identifying and assessing recurring risks is to provide oversight structures with the information needed to manage the risks inherent to each business activity and to define an overall risk management strategy at Group level.

A risk mapping exercise has identified three main categories of risk: financial risks, insurance risks (also known as underwriting risks) and operational risks. The main risks in each of these categories, the assessment methods and the control mechanisms are set out below. As the risk map is updated over time, all potential risks should eventually be identified.

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***

Risk assessment processes highlight financial, technical and operational risks. Required capital calculations under Solvency II and the ORSA process reflect the relationship between these different risks. The uniform risk assessment framework deployed throughout the Group in recent years represents the necessary underpinning for optimal allocation strategies between the different types of risk.

In 2015, quantitative risk assessment processes were enhanced by stress tests and by Solvency II preparatory phase exercises initiated by the ACPR. The Company submitted to the ACPR a selection of annual and quarterly Solvency II reports and an ORSA report comprising an analysis of the scenarios required by the ACPR.

Risk monitoring has three key focuses:

- changes in solvency capital requirement and Group solvency capital;
- policyholder yields;
- the Group's financial performance, as reflected in its book profit.

### Financial risks

Like any insurer, the financial risks faced by the CNP Assurances Group can be broadly broken down into credit risks and risks relating to the performance and volatility of the financial markets. For purposes of clarity they are presented here by type of risk but 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, thereby exposing it to the risks of increasingly scarce liquidity and higher interest rates. In February 2015, Standard & Poor's reaffirmed the Company's credit rating of A with a stable outlook. In December 2015, to prepare for upcoming debt maturities and take advantage of favourable market conditions, the Group issued €750 million worth of dated subordinated notes.

The conditions in which the Group could cover its solvency capital requirement have been stress-tested using a number of different scenarios and alternative financing solutions have been analysed to optimise the coverage cost.

### Risks related to exposure to issuers of debt instruments

These risks arise from an increased probability of default or outright default 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. A counterparty exposure 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 (particularly Greece, Italy, Portugal, Spain, Ireland and Cyprus). The Group is exposed to this risk through its investments in France and in its foreign subsidiaries. Close attention is paid to sovereign risks and the economic situation of the European countries concerned is continuously monitored. The control mechanism, which has been strengthened considerably in recent years, involves:

- 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 Cypriot, Italian and Spanish sovereign issuers into growth forecasts for the subsidiaries that do business in these countries.

Improvements in these countries' economic situations and budget deficits combined with massive sovereign debt purchases by the 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

#### 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 matching liabilities with a guaranteed yield to fixed-income investments with similar maturities and by reducing average yield guarantees. For example, minimum yields may be reset annually rather than being guaranteed over the life of the policy or over its first few years. In 2015, the Group withdrew the option 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.

After reducing its overall stock market exposure over several years, in 2015 the Group decided to increase its investments in this asset class for the second year running, 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 and infrastructure investments**
In 2015, the Group decided to increase the weighting of property investments in its asset portfolio, in line with the decisions of the Strategic Asset Allocation Committee. This decision was influenced by medium-term inflation forecasts and the advantages of holding this class of assets under Solvency II. The Group also considers investing in infrastructure projects and funds as an ideal opportunity to diversify its asset portfolio and boost its yield-to-risk ratio. Its property and infrastructure acquisition strategy reflects both specific objectives and market opportunities. As of 31 December 2015, these asset classes represented approximately 3.5% of the Group's total asset portfolio.

**Currency risk exposure**
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. Assets denominated in foreign currencies and currency hedges on the books of French entities are tracked on a regular basis;
- borrowings denominated in foreign currencies: depending on their IFRS classification, currency exposure on these borrowings may be hedged either by investing the proceeds in assets denominated in the same currency (natural hedge), or by means of cross-currency swaps;
- net investments in foreign operations, particularly in Brazil: since 2013, the Board of Directors has been paying close attention to this risk, which can potentially affect the value of its past investments or their future contributions to Group earnings. The risk is partially hedged, covering the Brazilian subsidiary's estimated annual contribution to consolidated profit and, since 2014, the amount of dividends receivable from the subsidiary.

### Underwriting risk

The procedures implemented to price and assess underwriting risks, determine the amount of related technical reserves and track the profitability of In-Force business, are documented under the procedures for managing underwriting risks approved by the Risk Committee.

These risks are analysed as part of the strategic decision-making process and are tracked by the Risk Committees. The issues addressed at Group level during 2015 included (i) analyses of the insurance books of the French entities and foreign subsidiaries, especially those in Italy and Brazil; (ii) business trends since the partnership agreements were renewed; (iii) surrender risk in the current low interest environment (leading to the risk of rate increases); (iv) the portfolio of unit-linked contracts; (v) increases in benefits payable under group pension contracts governed by Article L.441 of the French Insurance Code; (vi) the effect of new regulations on business margins and (vii) oversight of employee benefits contracts, long-term care contracts and reinsurance cover.

Embedded value and new business value are calculated for CNP Assurances and each of its subsidiaries. The calculations are reviewed by a qualified independent actuary at each period-end and the values are disclosed in the annual and interim reports.

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 2015 mainly consisted of updating the risk profile, deploying the operational risk management system and organising meetings of operational Risk Committees in the business units and corporate functions, examining operational risk scenarios for ORSA purposes and giving new impetus to the incident reporting process and related improvement plans. Policies covering the management of operational risks, outsourcing, internal control and contingency planning were approved during the year. In 2016, controls over the management of unit-linked contracts will be stepped up and a dedicated cross-functional project will be organised.

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 and money-laundering 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 – now manages the bulk of the Group's legal affairs:
  - the Insurance Legal & Tax 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 Legal 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 2015, this unit aligned the French entities' governance structures with Solvency II requirements, for example by designating the persons responsible for the key functions, and helping to prepare written policies for approval by the Board of Directors. It also contributed to the renewal of the partnership agreements with the BPCE Group and La Banque Postale,
  - the International Legal unit is tasked with providing a legal and contractual safety net for the Group's international businesses,
  - a dedicated team is responsible for relations with the regulatory authorities. The Group is faced with a growing number of requests for information from the insurance supervisor and is also subject to regular audits as part of the supervision process. 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.

Following the Group-wide reorganisation carried out in 2014 changes had to be made to the system of delegations of authority. This task was close to being completed at the end of 2015. A global approach was adopted that entailed cataloguing all legal actions and contracts throughout the organisation and standardising the system of delegations of authority across all business units and corporate functions.

Measures to combat money laundering and verify the legitimacy of all financial flows have been deployed in all of the subsidiaries (alongside measures to comply with local regulations in the case of the international subsidiaries). In response to the authorities' growing demands in this area, the Group has gradually strengthened its system with the help of its partners who are frequently the first point of contact with customers.

The Group works hard to trace the beneficiaries of unclaimed settlements. Following an audit carried out in 2012, the insurance supervisor (ACPR) levied a fine on the Group. In response to the supervisor's findings, in late 2014, Executive Management submitted to the Board of Directors a plan to expand the resources dedicated to this process. Throughout 2015, the Board of Directors received regular status reports, allowing it to verify the Company's fulfilment of the commitment given to the ACPR to begin processing all of the cases concerned by the audit before the end of the year.

**Risk of fraud**

Combating the risk of fraud is an integral part of the risk management system and is covered by second-tier controls at operational department level. 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.

### 3) Ongoing steering of the risk management system

The risk management system, which has been formally described since 2014, is organised around various committees dedicated to specific risk types. These committees were very active in 2015. 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. In 2015, an ORSA report was presented to the insurance supervisor for the second annual Solvency II preparatory phase exercise.

### 4) Financial and accounting communication and information

With input from other departments, the Investor and Shareholder Relations unit produces the financial information communicated to the market (analysts and investors) and to private shareholders. Through their contributions and reviews the departments concerned help this unit to avoid the risk of material errors or publication of incorrect information, to communicate information on a timely basis, to avoid any breaches of confidentiality and to ensure that all shareholders are treated equally.



## 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

In 2015, the Group Risk department was given responsibility for leading the internal control system, in order to improve the fit with the operational risk management system and, in this way, achieve greater efficiency. 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 mapped business processes. The results of control assessments and the related action plans are presented to the Executive Committee. Approximately 20 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.

A major internal control upgrade was launched in 2015 to align the system with changes in the Group's strategy and organisation, based on the business units and corporate functions created in 2014, and also to take into account the many recent changes in the Group's information systems and the regulatory environment. An additional aim of the project is to reduce the volume of existing controls and make them more practical.

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. There is no acute risk exposure in the Group as a whole.

***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 Legal & Tax 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 work undertaken in 2015 concerned (i) the implications for the Term Creditor Insurance business of the Hamon Act and recent court decisions; (ii) the implications of the Eckert Act on unclaimed life insurance settlements; (iii) preparations for the creation of a national register of life insurance policies (FICOVIE), which is designed to combat tax evasion, and (iv) implementation of the recommendations published by the insurance supervisor. The Group is careful to strike a balance between the flexibility provided by these new applications – and sought by policyholders – and the legal risk arising from digital transactions (admissibility of electronic signatures, establishment of proof, documentation of advice).

Digital applications can give rise to a risk in terms of loss of 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 2015, the Group decided to join the mediation system set up by French insurers, in the expectation that the authorities would require something similar in the legislation transposing the directive of 4 February 2014 into French law. The Group pays close attention to the recommendations of the ACPR regarding advertising by insurers and a process of formal validation by all units concerned using a compliance checklist has now 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. These operations are also key to achieving the Group's strategic and efficiency-related objectives. As part of the recent reorganisation, the policy administration centres have been 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 promoted 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 were updated in 2015 to reflect the renegotiated partnership agreements and include all Solvency II requirements, with the entire contractual framework due to be finalised in 2016;
- quality controls based on shared procedures and systems, and quality and efficiency standards;
- compliance checks on validations performed 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 2015, all departments directly involved in policy administration deployed projects to enhance the quality of services provided to policyholders. Most of these projects entailed working more closely and in a more integrated manner with the partners, for example by adjusting processes in order to improve service response times, compliance, quality and security. Following completion of the project to upgrade processes and systems in 2014, a programme was launched in 2015 to improve risk management and compliance, sustainably reduce processing time and enhance customer and partner satisfaction. The project to upgrade administrative flows and processes, based on paperless documents and greater use of e-mail, was rolled out to death cover processes during the year and will be extended to policy life cycle processes in 2016.

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. In 2015, a project to upgrade policyholder communications was launched, with the aim of replacing all letters and policyholder statements with e-mails and PDF files. An initial prototype was developed in 2015 and will be trialled in 2016 in a pilot network.

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.

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;
- securing service channels;
- producing business and technical account indicators and analyses by risk and by referral agent;
- providing training to raise awareness among the partners of the Group's aims and challenges;
- performing audits under a multi-year risk-based plan and monitoring implementation of improvement action plans.

These controls are reviewed at regular intervals in light of regulatory developments, contractual modifications and the experiences of partners.

The Group has also deployed internal controls over service quality, claim and benefit processing and the security of financial flows.

#### 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;
- transactions involving financial futures carried out under the hedging strategies approved annually by the Board of Directors and managed and monitored by a dedicated unit.

The Palladio software application enabling financial information to be produced according to several different accounting standards came on stream during 2015. This application streamlines and automates investment processing and provides more detailed and more frequent controls of positions and financial projections prepared according to different accounting standards (French GAAP, IFRS, Solvency II). Migration to the new application which is now interfaced with the accounting system was completed in January 2015. The main calculation and performance allocation functions will be deployed in 2016.

Finally, it should be noted that 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.

In 2015, budget control processes were enhanced to include, for example, a review of expenses based on the management accounts and new policy administration indicators. In addition, specific reports were introduced on contracts awaiting settlement, to help track progress in this area. Faster reporting and enhanced reliability of financial information also remained a priority through Group-wide deployment of the application brought on stream in France at the end of 2014. Finally, a review of intra-group billing processes was launched to check compliance with all regulatory requirements.

In 2016, the Planning and Performance department will focus on monitoring more closely the earnings impact of the Group's strategic priorities, aligning its analyses with the expressed needs of Executive Management and the business units, and leading planning and performance activities throughout the Group based on standard principles and methods.

#### 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 2015, the International Partnerships department assisted with the integration into the Group's management system of the new Irish subsidiary owned in partnership with Santander and coordinated the sale of the Group's interest in CNP BVP to Barclays Bank. It also continued to support the Group's strategic priorities and interests by helping to prepare decisions of the international subsidiaries' boards and monitoring their implementation. In 2016, the Solvency II transition year, it will oversee full application of the directive by the international subsidiaries, in coordination with Group guidelines.

#### 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, particularly on the topic of the reorganisation; agreements signed in 2015 concerned the annual pay round and the extension until 2016 of a gender equality agreement signed in 2011. The remuneration policy was revised to take into account the provisions of Solvency II. In 2016, negotiations will be launched concerning the quality of working life and the process for consulting employee representatives will be aligned with the new requirements contained in the Rebsamen and Macron Acts;
- 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 2014 – including clear policies to combat all forms of discrimination and promote diversity;
- implementation of Human Resources policies aligned with the needs of the business, focusing on tighter cost control and sustained investment in employee training. Talks on Human Resources planning and development resumed in 2015;
- active participation in risk management and internal control systems through the development of training modules that forge a common approach to 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 contribution of information systems to the Group's strategy, to ensure the security and continuity of operations and to guarantee the quality of service and computer applications. It pays close attention to developing core competencies in-house and improving control over outsourced activities.

The control systems in place 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 analyses of vast quantities of data ("big data"), 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 systems operate in a secure manner, protecting data integrity and managing IT security. An initial programme to improve information systems security was deployed between 2012 and 2014 and a new programme covering the period from 2015 to 2017 has been launched to address the growing security risk. This programme is being led by the IT Security Officer appointed in 2015, 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 has been set up that would allow data processing operations to resume within 48 hours. Operational risk scenarios tested as part of the ORSA process included complete paralysis of the data centre, IT network failure, intrusion and fraud, and 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.

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 2015.

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. A “euro-croissance” product offer was developed for the BPCE in 2015 and a similar offer is currently under development for La Banque Postale.

A documented approach has been adopted to improve the project management process. A special committee validates the department’s input, by obtaining the agreement of all concerned units to the proposed solution taking into account the choices made in terms of architecture, security, production, risk management and investments. In 2016, the department will introduce stricter 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 data quality project is currently in progress under the direct oversight of the Chief Executive Officer to improve data quality and controls, especially data used to monitor risks and prepare the financial statements and regulatory reports. The project objectives for 2015 concerned key data for the largest portfolios and strategic Solvency II data.

The aim of the project is 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 group insurance, employee benefits 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 Group functions, such as the Multi-standard Liabilities Platform, guarantee 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 2015, mission-critical outsourcing contracts were revised to include clauses allowing the Group to monitor and control these activities in accordance with Solvency II requirements. This initiative will be pursued in 2016. In 2015, three of the operational risk scenarios tested as part of the ORSA reporting process concerned a subcontractor’s failure to perform outsourced IT operations or other mission-critical activities.

The outsourcing governance structure was strengthened in 2015 with the creation of an Outsourcing Commitments Committee, whose role is to review proposed outsourcing arrangements, assess whether the activities concerned should be qualified as mission critical or important, and check compliance with the Group’s outsourcing rules and policy.

#### Digital transition

In 2015, the Group appointed a Chief Digital Officer to lead all aspects of the digital transition, including as regards relations with customers, partners and employees.

### c) Steering the internal control system and regularly reviewing its effectiveness

The Group has chosen to set up a system of internal control self-assessments based around the five components of the common risk management framework. This procedure, which is deployed on an annual basis and involves all employees, provides an internal quality assessment validated by the line managers’ direct superiors who may propose corrective action if necessary. Key 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. It tests controls that are deemed to be satisfactory based on a random sample representing at least 10% of controls in order to validate the reliability of the self-assessments. The tests performed in 2015 for the purpose of certifying the self-assessment process mostly focused on key controls and ensuring that these continued to be performed effectively after the Group's reorganisation. Results were satisfactory for the bulk of the processes tested. 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. In 2015, as explained above, a major project was launched to upgrade and rationalise key controls. This project will be pursued in 2016.

### d) Compliance function

The compliance function required by Solvency II is performed by the Compliance and Sustainable Development department which closely monitors product compliance risks and the legitimacy of financial flows, in line with the money laundering and terrorist financing provisions of the compliance policy approved by the Board of Directors. The department is working to strengthen its money laundering and terrorist financing controls and aligning them with the new regulatory requirements.

In 2015, it partnered the development of new premium products, drew up a compliance manual with the Legal department, reviewed contractual, marketing and advertising documents, and examined the new types of unit-linked contracts with particular emphasis on those qualified as complex. In 2016, formal definition of ex-post compliance checks, with input from the internal control unit, 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 Technical Affairs 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, technical reserves under French GAAP, IFRS and Solvency II) and forecasting underwriting results.

This department also has a separate technical summaries unit which prepares guidelines for technical reserves and MCEV© *, conducts research and actuarial development work, and prepares the summaries and analysis reports required by the Technical Affairs department. During 2015, it pursued work on the internal modelling tool for calculating underwriting commitments in the new environment resulting from the implementation of Solvency II. The technical reserves report prepared in anticipation of future regulatory requirements provides an overview of the Group's commitments.

#### 2. Control of management tools and process development

Upgrades of tools and processes form part of the Finance programme described above. 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 current and future standards (IFRS, Solvency II, MCEV©, etc.). There were major changes in 2014 to the Group's consolidation application and processes, 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 2015.

#### 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 closing 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 analysis and control team. 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 Legal department in internal control campaigns.

In the case of 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.

* *Market Consistent Embedded Value*

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. Control systems were revised accordingly.

### 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 Legal department. The operational ties forged with correspondents at the French securities regulator have also helped enhance the financial communication process.

## INTERNAL AUDIT

The final level of control is provided by the Internal Audit department. This department assesses the relevance and durability of the Group's general control system. It also assesses the design and effectiveness of the internal control and risk management processes deployed in the audited activity or critical business processes, and makes recommendations to improve quality and compliance. In 2014, the department's IFACI quality certification was renewed for three years.

A team of 19 people work for the Internal Audit department supported by 14 local Auditors based in the subsidiaries.

The internal audit policy approved in 2015 is currently being rolled out throughout the Group.

It provides for a multi-year audit plan covering all of the significant risks within a five-year period, or more often if necessary.

The planned audits are coordinated between the Group and the subsidiaries. The plan is drawn up based on the findings of the internal control and compliance assessment process and interviews conducted with the risk governance structures, the other Solvency II key functions (actuarial function, compliance verification function) and the Statutory Auditors. The audit plan also reflects changes in Group strategy, regulatory changes and the recommendations of the French banking and insurance supervisor (ACPR).

The annual internal audit plan is presented to the Executive Committee and is also submitted to the Audit and Risk Committee for approval by the Board of Directors.

Executive Management may also request that internal audit conduct audits not initially included in the plan, in response to a specific need.

In 2015, the headquarters internal audit team performed 15 audits as follows: one in strategy and governance; two in regulations and compliance; five in technical issues, finance and accounting; four in operations and IT systems and three in subsidiaries.

The internal Auditors follow up their recommendations to ensure that the necessary action plans have been implemented.

## 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.

## STATUTORY AUDITORS' COMMENTS

The Statutory Auditors have not informed the Company of any material internal control weaknesses identified during their audit.

# 5.2 Governance structure

CNP Assurances' governance structure, the organisation of its governing bodies and their 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.

Besides the legal and regulatory standards that apply due to its status as a listed insurance company, CNP Assurances strives to apply the recommendations outlined in the AFEP-MEDEF Corporate Governance Code adopted by the AMF. Any discrepancies with this code and the reasons therefor are set out in the Chairman's report in accordance with the "comply or explain" principle laid down in Article L.225-37 of the French Commercial Code (*Code de commerce*).

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.

## 5.2.1 Breakdown of skills and responsibilities

Under the one-tier board system adopted by CNP Assurances the powers are divided between the Board of Directors, responsible for overseeing management and setting the strategic priorities, and Executive Management, represented by an executive body that ensures the Company's day-to-day management.

The Board of Directors is responsible for management oversight of the Company. It outlines strategic priorities, ensures they are implemented, monitors and manages strategy closely, approves the annual financial statements and provisional budget and may examine any issue that affects the smooth running of the Company.

CNP Assurances' Board of Directors is organised in keeping with the Company's particular characteristics and is constantly striving for improvement: it has a stable, closely involved shareholder base, recognised expertise in the bancassurance field, shows continuous interest in its corporate officers who have in-depth business knowledge, and is progressively and steadily expanding its international businesses and improving its economic and financial performance.

The quality of governance depends on the very committed team of corporate officers.

This mode of governance, comprising specialised committees that have clearly defined duties and are free to organise their work as they see fit in preparation for Board of Directors' discussions, simplifies the decision-making process in a sector of the economy that places an extremely high value on being able to innovate and adapt.

The balance of power is maintained as a result of each member's duties being clearly defined and separated. The Board of Directors comprises 18 members who are free in thought and independent in judgement. They receive information on a constant basis and have the means at their disposal to carry out their duties as required. The Executive Management team proposes a strategy to the Board and implements it on behalf of the Company and Group.

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 part of its powers to the Chief Executive Officer for the performance of its own decisions and those of the General Meeting.

However, the Board of Directors must ensure that the Chief Executive Officer performs his activities within a decision-making framework enabling the sustainable performance of the Company and the Group.

Therefore, before any management decision is made, certain strategic transactions must be submitted for prior review to the Board of Directors. The internal rules provide that the Chief Executive Officer may only make certain important decisions subject to authorisation by the Board.

The breakdown of duties and responsibilities within the Company has been adapted as follows to pave the way for the introduction of Solvency II governance requirements from 1 January 2016:

- the designation of two people who effectively run the undertaking and four senior executives in charge of key functions (internal audit, actuarial analysis, risk management and compliance verification);
- the adoption by the Board of Directors of written policies and reports intended for the Regulator or the general public;
- more stringent requirements in terms of professional qualifications and proof of good repute for people in charge of key functions.

## 5.2.2 Separation of the positions of Chairman and Chief Executive Officer

Since 2007, CNP Assurances has chosen to separate the role of Chairman of the Board of Directors from that of Chief Executive Officer in accordance with one of the recommendations of the AFEP-MEDEF Code, which distinguishes the strategic, decision-making and supervisory roles from the operating and executive functions.

In accordance with the converging recommendations of the AFEP-MEDEF Code and the AMF, which stipulate that companies having opted for such separation must describe the Chairman's duties in detail, the internal rules of the Board give a detailed account of the duties of the Chairman, which are not limited exclusively to the operation and functioning of the Board. Particular mention is given to the duties entrusted to the Chairman for the purposes of representing the Company in its corporate relations, notably with its major partners or public authorities, at national or international level.

The Board's decision-making methods implement structured and documented procedures.

The Deputy Chief Executive Officers and the operational or functional managers of the Company's key functions are regularly invited to attend Board meetings to enable the Board to assess the risks, responsibilities and challenges associated with such roles.

The Chairman ensures that the Board members respect the roles and prerogatives of executive management. He is also committed to ensuring that the directors remain vigilant as regards the impact of the Board's decisions on the Company's medium- to long-term growth. He makes sure the Board of Directors is kept permanently informed of all of the Company's activities and performances. As well as highly committed directors with a range of complementary skills and experience (international, finance and banking expertise), some of whom have in-depth knowledge of the Company's history and business environment, all of the directors are extremely conscientious and keep a very close eye on the Company's affairs.

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 Board continuity, while encouraging the transmission of knowledge and experience to new directors, in June 2012 the Company amended its Articles of Association to allow directors to be reappointed on a rotation basis with a view to gradually renewing the entire Board every five years. This period was gradually reduced to four years following the General Meeting of 6 May 2014. The Annual General Meeting of 28 April 2016 will therefore deliberate upon the terms of office of six other directors which expire at this meeting.

## 5.2.3 Executive Management procedures

The Chief Executive Officer set up an Executive Committee to carry out the Group's operational management and implement the strategy decided by the Board of Directors. As of 31 December 2015, the Executive Committee comprises the Company's two Deputy Chief Executive Officers and ten other senior executives, including five women.

The Committee meets regularly and, as well as acting in a strategic planning role, it coordinates and shares Group-level initiatives and monitors cross-functional projects. It combines a very broad range of managerial and operational skills within an internal structure.

The Executive Committee also oversees the consistency of action plans implemented by the operating units and subsidiaries, and makes suggestions to the Chief Executive Officer concerning any necessary trade-offs between conflicting priorities. It monitors the Group's results and financial ratios and reviews the action plans to be implemented by the Group. It focuses more particularly on ensuring the efficiency of internal control, internal audit and risk management systems, which are considered to be key drivers of good corporate governance.

## 5.2.4 Limitations on the powers of the Chief Executive Officer

The following decisions are subject to the prior approval of the Board of Directors:

- the issue of guarantees to secure the Company's commitments in excess of €100 million per commitment;
- business acquisitions and disposals for amounts in excess of €50 million per transaction, whether they are carried out by CNP Assurances or by one of its direct or indirect subsidiaries; this threshold takes into account the price, the net debt of the target, any put options or subscription promises provided by the Company and any off-balance sheet commitments. This threshold does not apply to disposals of assets as part of the portfolio management process;
- business acquisitions and disposals for any amounts that are not part of the strategy decided by the Board of Directors. These provisions do not apply to transactions carried out on an experimental basis.

On 16 February 2016, the Board of Directors also renewed the Chief Executive Officer's authorisations to:

- issue sureties, bonds and other guarantees in the Company's name for up to €100 million annually, or the equivalent in any foreign currency, covering the commitments of subsidiaries and other third parties in accordance with Article L.225-35, paragraph 4 of the French Commercial Code;
- issue, on one or several occasions, bonds or similar securities for a maximum of 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);
- as and when required, to buy back, on one or several occasions, at the prices and according to terms and conditions that he shall determine at his sole discretion, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations. The maximum nominal amount of the securities that can be bought back pursuant to this authorisation may not exceed five hundred million euros (€500,000,000) or the equivalent of this amount in foreign currencies, or any other unit of account established by reference to a set of currencies (or currency basket);
- as and when required, to establish or unwind, on one or several occasions, at his sole discretion, in France or abroad, 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 (€1.3 billion) or equivalent value in foreign currencies in the form of swaps with the following options: convert the interest and principal into euros (currency swaps) or exchange future interest payments (interest rate swaps);
- subject to the authorisation to be granted to the Board of Directors by the Annual General Meeting to trade in the Company's shares, the Board has delegated all necessary powers to the Chief Executive Officer in order to trade in the Company's shares, expiring at the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2016, and may not exceed a total of 18 months; the adoption of the resolution by the Annual General Meeting will automatically entail fulfilment of the condition precedent.

The comprehensive text on the limitations of powers and financial authorisations is available at www.cnp.fr, appended to the internal rules of the Board of Directors and its specialised committees.

# 5.3 Composition of the Board of Directors

## FUNCTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND LIST OF TERMS OF OFFICE

### JEAN-PAUL FAUGÈRE

**BORN:**

12 December 1956

**NATIONALITY:**

French

**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 2015:**

1,500

Main function: Chairman of the Board of Directors of CNP Assurances.

**Jean-Paul Faugère was elected to the Board of Directors by the General Meeting of 29 June 2012 for a term of five years (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**
**He was appointed Chairman by the Board on the same day.**

#### 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)
- Auditor at the *Conseil d'État* (French supreme administrative court) (1982)
- *Maître des requêtes* (Counsel) at the *Conseil d'État* (1986)
- Deputy Secretary General of the *Conseil d'État* (1986-1987)
- Technical advisor to the Office of the Ministry of Infrastructure, Housing, Territorial Development and Transport (1987-1988)
- Government representative on the Special Litigation Committee (*Assemblée du contentieux*) of the *Conseil d'État* (1988-1990)
- Advisor to the General Director (1990) and then Finance Director and Secretary General (1991-1994) of the French Atomic Energy Commission (CEA)
- Director of Civil Liberties and Legal Affairs at the Ministry of the Interior and Territorial Development (1994-1997)
- Prefect for Loir and Cher (1997-2001), for Vendée (2001-2002)
- State councillor (1998)

Jean-Paul Faugère has been the Chairman of the Board of Directors of CNP Assurances since 29 June 2012. He is Chairman of the Strategy Committee and a member of the Remuneration and Nominations Committee of CNP Assurances.

#### 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:**

Graduate of 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 2015:**

4,000

Main function: Chief Executive Officer of CNP Assurances.

**Frédéric Lavenir was elected to the Board of Directors by the General Meeting of 25 April 2013, for a term of four years (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**

### 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 Ministry of the Economy, Finance and Industry from 1997 to 2000.

He joined BNP Paribas in 2001, initially as Chief Executive Officer and then as Chairman and Chief Executive Officer of BNP Paribas Lease Group. From 2007 to end-September 2012 he was Head of Human Resources and a member of the Executive Committee of BNP Paribas group.

Frédéric Lavenir 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*

**Other directorships and functions**

- Caisse des Dépôts, *member of the General Management Committee of the Group*
- Deputy Chairman of French not-for-profit microfinance association ADIE since 1996

## PIERRE-RENÉ LEMAS

**BORN:**

23 February 1951

**NATIONALITY:**

French

**EDUCATION:**

Postgraduate degree in Public law, Institut d'études politiques de Paris and École nationale d'administration

**BUSINESS ADRESS**

Caisse des Dépôts
56 rue de Lille
75007 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

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 elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

### PROFESSIONAL EXPERIENCE

- Deputy Prefect of the Dordogne département, followed by the Val-de-Marne département (1981-1983)
- 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 Official Journals (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 Executive 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*

**Directorships and functions held in the period 2010 to 2014**

- None

## 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, Master's degree in financial management/management control from Paris IX-Dauphine University

**BUSINESS ADDRESS:**

Caisse des Dépôts
12 avenue Pierre Mendès France
75914 Paris Cedex 13, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

Main function: Caisse des Dépôts, Head of Investments and Accounting in the Pension and Solidarity department.

**Virginie Chapron du Jeu was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**

### PROFESSIONAL EXPERIENCE

Virginie Chapron du Jeu has exercised various management responsibilities with IXIS CIB (2004-2007), CDC IXIS (2001-2004), Caisse des Dépôts et consignations (1989-2001) and OSEO (1986-1989). After heading up the department of financial balance, deposits and complex financing in the Savings Funds division of Caisse des Dépôts et consignations from 2007, she worked as Project Executive reporting to the Deputy CEO of Caisse des Dépôts et consignations between October 2011 and February 2013.

Since February 2013, Virginie Chapron du Jeu has been Head of Investments and Accounting in the Pensions and Solidarity department of Caisse des Dépôts et consignations.

**Directorships and functions outside the CNP Assurances Group**

- Caisse des Dépôts, *Head of investments and accounting in the Pension and Solidarity department*
- AEW Europe (SA), *representative of Caisse des Dépôts, director*
- CDC Placement (SA), *director*
- Humanis Retraite Arrco (supplementary pension plans), *director*
- BPI France, *director, member of the Risk Committee and the Audit Committee*

**Directorships and functions held in the period 2010 to 2014**

- Caisse des Dépôts, *Project Executive reporting to the Deputy CEO of Caisse des Dépôts (October 2011 to February 2013)*
- Caisse des Dépôts, *Savings Fund department, Finance department, Head of Financial Balance, Deposits and Complex Financing department (June 2004 to October 2011)*

## ANNE-SOPHIE GRAVE

**BORN:**

6 February 1960

**NATIONALITY:**

French

**EDUCATION:**

Graduate of École nationale supérieure des mines de Paris (Mines Paris Tech).

**BUSINESS ADDRESS:**

Caisse des Dépôts
12 avenue Pierre Mendès France
75914 Paris Cedex 13, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

228

Main function: Caisse des Dépôts, Pensions and Solidarity Director and member of the Executive Committees of Caisse des Dépôts and of the Group.

**After serving as representative of Caisse des Dépôts from 23 March 2012, Anne-Sophie Grave was co-opted as Director of CNP Assurances by the Board of Directors on 13 November 2012, to replace Antoine Gosset-Grainville.**

**The General Meeting of 25 April 2013 ratified her appointment for the remainder of her predecessor's term of office (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

### PROFESSIONAL EXPERIENCE

Previously, she served as Chief Executive Officer of Opievoy (2001-2006), Chairman of the Management Board of Efidis (an SNI subsidiary), member of the Executive Committee of SNI (2007-2011) and member of the Management Board of SNI (2010-2011).

She has been Pensions and Solidarity Director with Caisse des Dépôts et consignations since March 2011.

**Directorships and functions outside the CNP Assurances Group**

- Caisse des Dépôts, *Pensions and Solidarity Director and member of the Executive Committees of Caisse des Dépôts and of the Group*
- GIC *(Groupement Interprofessionnel pour la Construction) (non-profit association), President*
- Informatique CDC (GIE), *director*
- Maisons Saines Air et Lumière (SA), *Chairman and CEO*
- Osica (SA), *Chairman of the Supervisory Board since 15 December 2015, previously Chairman of the Board of Directors*
- SNI (SA), *member of the Supervisory Board*
- Efidis (SA), *member of the Supervisory Board since 14 December 2015*

**Directorships and functions held in the period 2010 to 2014**

- AEW Europe (SA), *director (term expired October 2013)*
- Efidis (SA), *Chairman of the Executive Board (term expired March 2011)*
- Domef (SA), *Chief Executive Officer (term expired March 2011)*
- Sageco (SA), *Chairman of the Board of Directors (term expired June 2010)*
- SCET, *director (term expired October 2013)*
- Valestis (SA), *Chairman of the Board of Directors (term expired May 2011)*

5

## OLIVIER MAREUSE

Main function: Caisse des Dépôts, Director of Finance of the Group, member of the Executive Committees of Caisse des Dépôts and of the Group.

**After serving as representative of Caisse des Dépôts from 25 April 2013 in replacement of Antoine Gosset-Grainville, Olivier Mareuse was co-opted as Director of CNP Assurances by the Board of Directors on 18 December 2013, to replace André Laurent Michelson, who had resigned.**

**The General Meeting of 6 May 2014 ratified his appointment and voted to extend his term of office for an additional four-year period that expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements.**

**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
56 rue de Lille
75007 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

### 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, Management Control and Shareholder Relations, responsible for the Group's IPO before becoming Chief Investment Officer of CNP Assurances in 1998.

Olivier Mareuse has been the Caisse des Dépôts Group's Finance Director since 15 December 2010. He is also a member of the Audit and Risk Committee and the Strategy Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- Caisse des Dépôts, *Director of Finance of the Group, member of the Executive Committees of Caisse des Dépôts and of the Group*
- AEW Europe (SA), *director*
- AF2i (French institutional investors association), *director*
- 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*
- CDC GPII (SA), *representative of Caisse des Dépôts, director*
- Icade (listed SA), *director, member of the Audit, Sustainable Development and Risk Committee*
- Qualium Investissement (SA), *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 2010 to 2014**

- 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)*

## ODILE RENAUD-BASSO

Main function: Caisse des Dépôts, Deputy Chief Executive Officer and Director of the Savings Funds, member of the Executive Committees of Caisse des Dépôts and of the Group.

**Odile Renaud-Basso was co-opted as Director of CNP Assurances by the Board of Directors on 25 September 2013, to replace Michel Bouvard, who had resigned.**

**The General Meeting of 6 May 2014 ratified her appointment for the remainder of her predecessor's term of office (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**

**BORN:**

2 June 1965

**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
75007 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

### PROFESSIONAL EXPERIENCE

Odile Renaud-Basso started her career as an Auditor in the French state audit office (*Cour des Comptes*) in 1990 before becoming Deputy Head of the CFA Franc zone in the Treasury department in 1994. In 1996 she then served as Secretary General of Club de Paris, heading up the office in charge of Debt and Credit Insurance at the Treasury department. In 1999, Odile Renaud-Basso was made head of the SME Financing Office and Secretary General of the Interministerial Restructuring Committee (CIRI) at the Treasury department before being appointed Deputy Director in charge of European and multilateral affairs in the Treasury department in 2001. Before becoming Head of International Affairs in the Treasury department in 2004, Odile Renaud-Basso held the position of Head of the Economy and Finance department in 2003. In 2005, she was appointed Director at the European Commission. In 2010, she became Deputy Head of the Cabinet of the President of the European Council before going on to hold the position of Deputy Director of the Office of the Prime Minister in 2012.

Odile Renaud-Basso is Deputy Chief Executive Officer of Caisse des Dépôts and Director of the Savings Funds since 1 September 2013. She is also a member of the Remuneration and Nominations Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- Caisse des Dépôts, *Deputy Chief Executive Officer and Director of the Savings Funds, member of the Executive Committees of Caisse des Dépôts and of the Group*
- CDC International Capital (SA), *director*
- La Poste (SA), *director, member of the Remuneration and Nominations Committee, Audit Committee, Strategy and Investment Committee, and Quality and Sustainable Development Committee*

**Directorships and functions held in the period 2010 to 2014**

- SNI (SA), *Chairman of the Supervisory Board (term expired December 2014)*

5

## FRANCK SILVENT

Main function: Caisse des Dépôts, Director of the Finance, Strategy and Investments division of Groupe Caisse des Dépôts, member of the Executive Committees of Caisse des Dépôts and of the Group.

**After serving on the Supervisory Board of CNP Assurances since 25 April 2007, and as director since 10 July 2007, Franck Silvent's term of office was last renewed for four years by 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).**

**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 2015:**

226

### PROFESSIONAL EXPERIENCE

Franck Silvent began his career as a Finance Inspector at the Ministry of the Economy and Finance in 1998. In 2002, he became Deputy Director of Strategy, Finance, Management Control and Accounting at Caisse des Dépôts. In 2005, he was appointed Finance, Strategy and Development Director and a Board member at Compagnie des Alpes, before becoming Deputy Executive Director of Compagnie des Alpes in 2009.

In January 2013, he rejoined Caisse des Dépôts as Director of the Finance, Strategy and Investments division. He is also a member of the Strategy Committee and the Board of Directors of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- Caisse des Dépôts, *Director of the Finance, Strategy and Investments division of Groupe Caisse des Dépôts, member of the Executive Committees of Caisse des Dépôts and of the Group*
- BPI France Investissement (SAS), *director*
- BPI France Participations (SA), *director, member of the Investment Committee*
- BPI Group (Banque Publique d'Investissement Groupe) (SA), *director, member of the Remuneration and Nominations Committee, formerly representative of Caisse des Dépôts, director*
- CDC International Capital (SA), *representative of Caisse des Dépôts, director, Chairman of the Investment Committee*
- Icade (listed SA), *director, Chairman of the Nomination and Remunerations Committee*
- La Poste (SA), *director, Chairman of the Audit Committee, member of the Strategy and Investment Committee and the Quality and Sustainable Development Committee*
- Transdev Group (SA), *director, Chairman of the Audit Committee, member of the Remuneration and Nominations Committee*

**Directorships held in the period 2010 to 2014**

- 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 Managing Director, member of the Executive Committee (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, 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 2015:**
200

Main function: Chairman of the Executive Board of BPCE.

**After serving as director since 21 April 2009, François Pérol's term of office was renewed for four years by 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 Office at the French Treasury. From 1999 to 2001 he was Secretary General of the Club de Paris, responsible for international debt negotiations. He was Deputy Director of Business Financing and Development at the French Treasury in 2001, before being appointed Deputy Director of the Office of Francis Mer, Minister of the Economy, Finance and Industry in 2002, and Deputy Director of the Office of Nicolas Sarkozy, Minister of State and Minister of the Economy, Finance and Industry in 2004. In 2005, he was appointed managing partner of Rothschild & Cie. In May 2007, he was appointed Deputy Secretary-General to the office of the French President.

From 2 March to 1 August 2009 François Pérol held the role of Chairman of the Executive Board of Caisse Nationale des Caisses d'Epargne and Chief Executive Officer of Banque Fédérale des Banques Populaires.

Since 1 August 2009 François Pérol has been Chairman of the Executive Board of BPCE. He is also a member of the Remuneration and Nominations Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- BPCE (SA), *Chairman of the Executive Board*
- Association des BP pour la création d'entreprises, *Chairman of the Board of Directors (term expired 2015)*
- Fédération Bancaire Française (Federation) (FBF), *Chairman (term expired 31 August 2015)*
- Banque Centrale Populaire (Morocco), *representative of BPCE Morocco, director*
- CE Holding Promotion (SAS), *Chairman and director*
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors*
- Groupement Européen des Caisses d'Epargne (ESBG), *Chairman (term expired 12 June 2015)*
- Natixis (listed SA), *Chairman of the Board of Directors*
- Sopassure (SA), *director*

**Directorships and functions held in the period 2010 to 2014**

- Banques Populaires Participations (SA), *Chief Executive Officer (term expired 5 August 2010)*
- BPCE International et Outre-Mer (BPCE IOM) (SA), *Chairman of the Board of Directors (term expired 5 December 2012)*
- Caisse d'Epargne Participations (SA), *Chief Executive Officer (term expired 5 August 2010)*
- Crédit Immobilier et Hôtelier (CIH) (Morocco), *Vice-Chairman of the Board of Directors (term expired 2012)*
- Fédération Bancaire Française (Federation) (FBF), *Chairman (term expired 1 September 2011)*
- Foncia Groupe (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)*
- SCI Ponant Plus, representative of BPCE, *legal manager (term expired 31 December 2014)*
- SNC Bankéo, representative of BPCE, *legal manager (term expired 22 November 2012)*

5

## PHILIPPE WAHL

**BORN:**

11 March 1956

**NATIONALITY:**

French

**EDUCATION:**

Graduate of Institut d'études politiques de Paris and École nationale d'administration, postgraduate degree in economics.

**BUSINESS ADDRESS:**

La Banque Postale
115 rue de Sèvres
75275 Paris Cedex 06, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

Main function: Chairman and Chief Executive Officer of La Poste.

**After serving as director since 22 February 2011, Philippe Wahl's term of office was last renewed for four years by 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 Stock Exchange Commission (COB), and in 1989 he joined the office of Prime Minister Michel Rocard as technical advisor responsible for economic, financial and tax affairs. In 1991, he was advisor to the Chairman of Compagnie Bancaire, before being appointed member of the Steering Committee in 1992 and Deputy Chief Executive Officer in 1994. In 1997, he took responsibility for specialised financial services at Paribas and became a member of the Executive Committee. In 1999, Philippe Wahl was appointed Chief Executive Officer of Caisse Nationale des Caisses d'Epargne (CNCE). Accordingly, he 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 Executive 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. He is also a member of the Remuneration and Nominations Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- La Poste (SA), *Chairman-CEO, Director*
- La Banque Postale (SA), *Chairman of the Supervisory Board (since 15 October 2013), member of the Nominations Committee and member of the Remuneration Committee (since 16 December 2014)*
- 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*
- Poste Immo (SA), representative of La Poste, *director*
- Sopassure (SA), *director*

**Directorships and functions held in the period 2010 to 2014**

- 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), Chairman of the Supervisory Board (term expired 2011), *member of the Supervisory Board (term expired 2013)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors, member then Chairman of the Remuneration and Nominations 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)*
- Paris Europlace (non-profit organisation), *director (term expired 24 April 2014)*
- Royal Bank of Scotland PLC, *Chief Executive Officer (term expired 2011)*
- SF2 (SA), *Chief Executive Officer and Chairman of the Board (term expired 2013)*
- 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)*
- The Royal Bank of Scotland NV, *Chief Executive Officer (term expired 2011)*
- X Ange Private Equity (SA), *Chairman of the Supervisory Board (term expired 2011)*

## FLORENCE LUSTMAN

**BORN:**

20 January 1961

**NATIONALITY:**

French

**EDUCATION:**

Graduate of École polytechnique, Institut d'études politiques de Paris, Institut des actuaires français

**BUSINESS ADDRESS:**

La Banque Postale
115 rue de Sèvres
75275 Paris Cedex 06, France

Main function: Chief Financial Officer, La Banque Postale.

**Florence Lustman was appointed representative of Sopassure on 1 September 2015 following the retirement of Marc-André Feffer. She was also appointed to the Audit and Risk Committee of CNP Assurances on the same date.**

**Sopassure was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**

### PROFESSIONAL EXPERIENCE

Florence Lustman began her career as Insurance commissioner and comptroller for the Commission de contrôle des assurances (the French insurance regulator, now known as ACPR) and rose to become its Secretary General in 2000. In 2004, she was appointed Insurance Comptroller General before becoming head of the Corps de contrôle des assurances (special control unit to supervise the insurance sector) 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 accounting and actuarial regulatory bodies. Florence was a founding member of CEIOPS (which became EIOPA in 2011) and a member of the Executive Committee of AIS between 2006 and 2007. In December 2012, Florence Lustman was appointed Inspector General of La Banque Postale as well as a 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*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board, member of the Audit and Risk Committee and Chairman of the Audit and Risk Committee (since 17 June 2015)*
- La Banque Postale Assurances IARD (SA), *director and member of the Audit Committee*
- La Banque Postale Financement (SA), *member of the Supervisory Board, member of the Audit Committee, member of the Risk Committee (since 11 December 2015)*
- 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*
- La Banque Postale Assurance Santé (SA), *representative of La Banque Postale, director (since 30 July 2015)*
- Sopassure (SA), *director (since 1 October 2015)*

## 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 2015:**
200

Main function: member of the Executive Board of BPCE in charge of commercial banking and insurance.

**After serving as director since 11 December 2012, Jean-Yves Forel's term of office was renewed for four years by 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 professional career in 1983, at Banque Populaire des Alpes. In 1992, after working in high-street banking, he was appointed Director of Operations, and, in 1995, General Director. In 1997, he joined Banque Populaire Atlantique as General Director and was responsible for business development and the business subsidiaries. In 2000, he was appointed head of business development at Banque Fédérale des Banques Populaires and became a member of the General Management Committee in 2001. In 2003, he moved to Natexis Banques Populaires where he was appointed member of the General Management Committee and Director of the Banking, Financial and Technological Services Line.

In 2005, he was appointed Director of the Specialised Financial Services division. In November 2006, he became member of the General Management Committee and Director of the Specialised Financial Services division of Natixis, the BPCE Group's finance, investment, asset management and services bank.

Jean-Yves Forel has been a member of the Executive Board (commercial banking and insurance) of BPCE since 21 November 2012. He is also a member of the Audit and Risk Committee and the Strategy Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- BPCE (SA), *member of the Executive Board (commercial banking and insurance)*
- BPCE International et Outre-mer (SA), *Chairman of the Board of Directors*
- Banque Palatine (SA), *Chairman of the Board of Directors, formerly Chairman of the Supervisory Board*
- Crédit Foncier de France (SA), *director*
- Ecureuil Vie Développement (SAS), *representative of BPCE, director*
- Média Consulting & Investment (SA), *director*
- Natixis Algérie (Algeria), *Chairman-CEO, formerly Chairman of the Board of Directors*
- Natixis Cofi ciné (SA), *director*
- Partecis (SAS), *director (term expired 10 March 2015)*
- Sopassure (SA), *Chairman of the Board of Directors and Chief Executive Officer*

**Directorships and functions held in the period 2010 to 2014**

- Algiers Business Centers (Algeria), *director (term expired 11 June 2013)*
- Albian-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)*
- 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)*
- 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

Main function: Chairman of the Executive Board, La Banque Postale.

**Rémy Weber was co-opted as Director of CNP Assurances by the Board of Directors on 6 November 2013, to replace Jean-Paul Bailly, who had resigned.**

**The General Meeting of 6 May 2014 ratified his appointment and voted to extend his term of office for an additional four-year period (current term expires at the Annual General Meeting to be called in 2018 to approve the 2017 financial statements).**

**BORN:**

18 November 1957

**NATIONALITY:**

French

**EDUCATION:**

Graduate of Institut d'études politiques d'Aix en Provence and HEC

**BUSINESS ADDRESS:**

La Banque Postale
115 rue de Sèvres
75275 Paris Cedex 06, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

### PROFESSIONAL EXPERIENCE

Rémy Weber began his career at the Large Business Division (*direction des grandes entreprises*) of Banque Française du Commerce Extérieur (BFCE), before becoming an advisor at the International Affairs department of the French Treasury. He was then made head of the department responsible for drafting and monitoring credit insurance policies, operating funding procedures and hedging (Coface), before joining Financière BFCE in 1990 as Deputy Head of investments and M&A.

In 1993, Rémy Weber joined the Crédit Mutuel-CIC group. After holding several management positions, he became Chairman and Chief Executive Officer of CIC Lyonnaise de Banque, member of the Executive Board of CIC group from 2002 to 2010 and then member of the Executive Committee of CIC group.

Rémy Weber has been Chairman of the Executive Board of La Banque Postale, Deputy Chief Executive and Director of Financial Services at La Poste since 15 October 2013. He is also a director and member of the Strategy Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- La Banque Postale (SA), *Chairman of the Executive 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 (federation) (FBF), *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, formerly Chairman of the Remuneration Committee (term expired 17 June 2015)*
- La Banque Postale Assurances Iard (SA), *director, Chairman of the Board of Directors, Chairman of the Remuneration Committee*
- La Banque Postale Assurance Santé (SA), *director, formerly Chairman of the Board of Directors (term expired 7 January 2015)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee*
- La Poste (SA), *Executive Vice-President, Director of Financial Services*
- Opéra de Lyon (non-profit organisation), *director, Chairman of the Board of Directors (since 12 June 2015)*
- Paris Europlace (association), *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 internal audit and Risk Committee and member of the Accounts Committee*
- Sopassure (SA), *director, Chairman-CEO (term expired 28 March 2015)*

**Directorships and functions held in the period 2010 to 2014**

- ACM Iard SA (SA), *representative of Groupe des Assurances du Crédit Mutuel, director (term expired 2013)*
- CIC (SA), *member of the Executive Committee (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)*
- 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 October 2013)*
- EURO P3C (SA), *director (term expired October 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 2014)*
- Gesteurop (SAS), *Chairman (term expired 2013)*
- 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)*
- UVP (mutual insurer), *representative of CIC Lyonnaise de Banque, director (term expired 2013)*

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## PHILIPPE BAUMLIN

**BORN:**

16 June 1957

**NATIONALITY:**

French

**BUSINESS ADDRESS:**

CNP Assurances
4 place Raoul Dautry
75015 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

1,511

Main function: Special advisor to the retail and business market, social protection and services unit of CNP Assurances.

**After serving on the Supervisory Board of CNP Assurances since 8 June 2004, and as director since 10 July 2007 acting as employee shareholder representative, Philippe Baumlin's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

### PROFESSIONAL EXPERIENCE

Philippe Baumlin is special advisor to the retail and business market, social protection and services unit of CNP Assurances.
He is also Chairman of the Supervisory Board of the Actions CNP corporate mutual fund and a member of the Audit and Risk Committee of CNP Assurances.

### DIRECTORSHIPS AND FUNCTIONS

**Within the CNP Assurances Group**

- FCPE Actions CNP, *Chairman of the Supervisory Board*

**Outside the CNP Assurances Group**

- AG2R Retraite AGIRC, *director*
- PRIMA SA (member company of GIE AG2R), *director, Chairman of the Board of Directors*

**Directorships and functions held in the period 2010 to 2014**

- Union Générale de Retraite des Cadres (UGRC), *director (term expired 5 December 2012)*

## ANTOINE SAINTOYANT

Main function: Deputy Director of the Directorate General of the Treasury in charge of public interest banking and finance.

**Antoine Saintoyant was appointed as the French State's representative on the Board of Directors of CNP Assurances by ministerial order of 23 September 2014.**

**The French State was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

**BORN:**

28 August 1977

**NATIONALITY:**

French

**EDUCATION:**

Graduate of Institut d'études politiques de Paris and École nationale d'administration

**BUSINESS ADDRESS:**

Agence des participations de l'État,
139 rue de Bercy
75572 Paris Cedex 12, France

### PROFESSIONAL EXPERIENCE

After graduating from ENA (as one of the "René-Cassin" graduates) in 2003, Antoine Saintoyant was appointed to the Multilateral Affairs, Trade and Development department at the Treasury and Economic Policy General Directorate (2003-2007). He then became an advisor (to financial institutions and services, banks, stock market, insurance firms) with the European Commission's Economic and Financial Affairs department as part of France's Permanent Representation to the European Union in Brussels (2007-2009). Head of the Banking Affairs Bureau at the Treasury and Economic Policy General Directorate (March 2010) which became the Directorate General of the Treasury (2009-2012), he was simultaneously Deputy Secretary General of the CCLRF (consultation committee on banking legislation and regulations).

In July 2012, Antoine Saintoyant joined the Government Shareholding Agency (APE), first as Head of the Bureau and then as Deputy Director, Defence and Aeronautical Services (from July 2013). He was appointed Director of Investment Services and Finance at the APE in July 2014 and has been Deputy Director of the Directorate General of the Treasury in charge of public interest banking and finance since January 2016.

**Directorships and functions outside the CNP Assurances Group**

- *Deputy Director of the Directorate General of the Treasury in charge of public interest banking and finance (since January 2016)*
- Agence des participations de l'Etat, *director of shareholdings in the services and finance sectors*
- Bpifrance Investissement (SA), *government representative, director (since 23 September 2014)*
- Bpifrance Participations (SA), *government representative, director (since 23 September 2014)*
- La Poste (SA), *director (since 23 May 2013)*
- Orange (listed SA), *government representative, director (since 15 May 2013)*

**Directorships and functions held in the period 2010 to 2014**

- Société des prises de participation de l'Etat (SPPE), *director*
- Société de gestion de garanties et de participations (SGGP), *government representative, director (from 28 August 2012 to 12 July 2013)*
- Nouvelle Société de réalisation de défaisance (NSRD), *government representative, director (from 18 July 2012 to 12 October 2014)*
- ODAS (SA), *government representative, director (from 4 December 2013 to 5 September 2014)*
- Société de financement local (SFIL), (SA) *government representative, director (from January 2013 to 13 October 2014)*

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## 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 2015:**

750

Main function: director, Chairman of the Transmission Committee, member of the Audit Committee, Sainsbury's Bank.

**After serving as director since 22 February 2011, Marcia Campbell's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

### PROFESSIONAL EXPERIENCE

Marcia Campbell began her career in 1982 working as an advisor for Proudfoot Plc International Management consultants and became CEO for the UK in 1988. In 1990, she joined Standard Life Plc where, before becoming Director of Operations and Chairman and Chief Executive Officer of Asia-Pacific between 2004 and 2010, she occupied a number of senior positions including: Director of Sales Development (1990-1993), Director of Customer Services (1993-1996), General Advisor and Director of Business Services (1996-2004).

Marcia Campbell was Director of Operations of 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 sits on the boards of directors and Audit Committee of Sainsbury's Bank and Murray International Trust Plc. She is also a member of the Audit and Risk Committee and the Strategy Committee of CNP Assurances.

**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, *director and member of the Audit Committee*
- AVIVA (UK and Ireland), *member of the Independent Governance committee*
- Canada Life Group (Canada), *director*
- Canada Life Limited (Canada), *director*

**Directorships and functions held in the period 2010 to 2014**

- Barnardos Scotland (charitable institution), *member of the Board (term expired 2011)*
- Scottish Government, *Chairman of the Advisory Committee for environmental strategy (term expired 2014)*
- HDFC Standard Life, *director and member of the Audit and Remuneration Committee (2006 to 2010)*
- Heng An Standard Life, *director and Chairman of the Audit Committee (2006 to 2010)*
- Ignis Asset management (subsidiary of Phoenix Group plc), *Director of Operations (2010 to March 2012)*
- Scottish Business in the Community (charitable institution), *director (2006 to 2012)*
- Standard Life Asia, *director and member of the Audit Committee (2006 to 2010)*
- Standard Life Ethical Fund, *Chairman of the Committee supervising ethical funds investments (2002 to 2010)*
- Standard Life Plc, *Director of Operations (2004 to 2010) and Chairman and Chief Executive Officer of Asia-Pacific (2006 to 2010)*

## STÉPHANE PALLEZ

**BORN:**

23 August 1959

**NATIONALITY:**

French

**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 2015:**

200

Main function: Chairman and Chief Executive Officer, La Française des Jeux.

**After serving as director since 5 April 2011, Stéphane Pallez's term of office was renewed for four years by the Annual General Meeting of 29 June 2012 (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements).**

### PROFESSIONAL EXPERIENCE

Stéphane Pallez began her career in 1984 and served as a Technical Advisor in charge of 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 consequently became 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, responsible for financing and treasury strategy, cash management, tax, 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.

She has been Chairman and Chief Executive Officer of La Française des Jeux since November 2014. Stéphane Pallez 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 (since 6 November 2014)*
- Caisse centrale de réassurance (SA), *Chairman and Chief Executive Officer (term expired 14 January 2015)*
- 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 2010 to 2014**

- Crédit Agricole CIB (SA) (formerly Calyon), *director (term expired 2013)*
- France Télécom Orange (listed SA), *Deputy Chief Financial Officer at France Télécom Orange, responsible for financing and treasury strategy, cash management, tax, audit, risk management, internal control, fraud prevention, and financial reporting. Member of the Group's Investment Committee and Risk Committee, Chairman of the Treasury and Financing Committee, the Tax Committee and the Disclosure Committee (April 2004 to April 2011)*
- ENGIE (formerly GDF-Suez), *government representative, 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'administration, Insead, and École normale supérieure. History graduate and philosophy professor.

**BUSINESS ADDRESS:**

Institut Pasteur
25-28 rue du Docteur Roux
75015 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

Main function: Chairman of the Board of Directors, Institut Pasteur (Foundation). Rose-Marie Van Lerberghe was co-opted as Director of CNP Assurances by the Board of Directors on 25 September 2013, to replace Henri Proglio, who had resigned.

**The Annual Shareholders' Meeting on 6 May 2014 ratified Rose-Marie Van Lerberghe's appointment for the remainder of her predecessor's term of office (current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements).**

### PROFESSIONAL EXPERIENCE

Rose-Marie Van Lerberghe worked as Inspector General of Social Affairs and Deputy Director of Defence and Promotion in the Employment department of the French Ministry of Labour. She then worked with the Danone group for 10 years, notably as Head of Human Resources, before becoming delegate general for employment and vocational training at the French Ministry of Labour. She then became Director General for the Paris public hospitals authority (*Assistance Publique – Hôpitaux de Paris*) and between 2006 and December 2011, she acted as Chairman of the Executive Board of the Korian group.

Rose-Marie Van Lerberghe has been Chairman of the Board of Directors of Institut Pasteur (Foundation) since 2013. She is also Chairman of the Remuneration and Nominations Committee of CNP Assurances.

**Directorships and functions outside the CNP Assurances Group**

- Institut Pasteur (Foundation), *Chairman of the Board of Directors*
- Bouygues (listed SA), *director*
- BPI Group, *senior advisor*
- Casino (listed SA), *director*
- Supreme Judicial Council (Conseil Supérieur de la Magistrature), *member*
- 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 2010 to 2014:**

- Air France (listed SA), *director*
- Korian (listed SA), *Chairman of the Executive Board (term expired December 2011)*

## PIERRE GARCIN

**BORN:**

8 February 1960

**NATIONALITY:**

French

**EDUCATION:**

Graduate of École centrale de Paris

**BUSINESS ADDRESS:**

NATIXIS
30 avenue Pierre Mendès France
75013 Paris, France

**CNP ASSURANCES SHARES HELD AS OF 31 DECEMBER 2015:**

200

Main function: Director of the Insurance Division, BPCE Group.

**After serving as non-voting director since 7 October 2010, Pierre Garcin's term of office was renewed for four years by 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

Pierre Garcin began his career in 1985 at the BFCE where he held various posts within the Major Accounts Division and the Financial Markets Division. He joined the AXA Group in 1992, with responsibility for financial engineering at AXA IM. In 1993, within AXA Corporate Solutions (IARD) he successively held the roles of New Risks Director, Specialist Lines Director, Vehicle Fleet & Alternative Solutions Director and, finally, Technical & Financial Director. In 2004, he was appointed Sales Director France & International of Axa Assurances Collectives (Vie), then in 2008 he was made Deputy Chief Executive Officer of Direct Assurance and Financial Director of AXA Global Direct.

Pierre Garcin has been director of the Insurance Division, BPCE Group since October 2010.

**Directorships and functions outside the CNP Assurances Group**

- Natixis (listed SA), *Director of Insurance Solutions (since 1 December 2014)*
- BPCE Vie, *director*
- BPCE IARD (SA), *representative of BPCE, director*
- Ecureuil Vie Développement (SAS), *director*
- Holassure (SAS), *Chairman*
- Muracef (mutual insurance company), *Chief Executive Officer since 16 December 2014*
- Natixis Assurances (SA), *representative of BPCE, director*
- Natixis Assurances Production Services (formerly GCE Assurances Production Services) (SAS), *member of the Supervisory Board*
- Réacomex (Luxembourg), *Chairman*
- Sopassure (SA), *director*
- Surassur (SA), *Chairman of the Board of Directors*

**Directorships and functions held in the period 2010 to 2014**

- Axa Global Direct, *Finance Director (term expired 2010)*
- BPCE Assurances (SA), *Chairman of the Board of Directors (term expired 24 October 2014)*
- CEMM (SAS), *director (term expired 30 December 2012)*
- CGE Courtage (SA), *Chairman of the Board of Directors (term expired 1 January 2010), then Chairman (from 1 September 2010 to 1 January 2011)*
- Direct Assurance, *Deputy Chief Executive Officer (term expired 2010)*
- FONGÉPAR (SA), *representative of BPCE, director (term expired 2 November 2011)*
- GIE Partenariat CEMM (EIG), *representative of BPCE, sole director and member of the Partnership Committee (term expired 30 December 2012) then liquidator (from 30 December 2012 to 31 December 2012)*
- Muracef (mutual insurance company), *representative of BPCE, director (term expired 16 December 2014)*
- Natixis Assurances Partenaires (SA), *director (term expired 31 December 2013)*
- Serena (SA), *Vice-Chairman of the Supervisory Board (term expired 14 November 2011)*
- SOCRAM Banque (SA), *representative of BPCE, director (term expired 25 January 2012)*

## 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 elected to the Board of Directors as a non-voting director by the General Meeting of 6 May 2014, for a term of two years (current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 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 6 in 1985. In 1988, he became Head 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, Ernst & Young). In 2006, he joined Mutualité Française as director and advisor to the Chief Executive Officer. In 2008, Jean-Louis 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 (since 2015)*
- MGEN Union (Mutual Insurance Union), *Chief Executive Officer (since 2015)*
- MGEN Action Sanitaire et Sociale (Mutual Insurance Group), *Chief Executive Officer (since 2015)*
- MGEN Centres de santé (Mutual Insurance Group), *Chief Executive Officer (since 2015)*
- MGEN Vie (Mutual Insurance Group), *Chief Executive Officer (since 2015)*
- MGEN Filia (Mutual Insurance Group), *Chief Executive Officer (since 2015)*
- ISTYA Group (Mutual Insurance Group Union), *Chief Executive Officer (since 2011)*
- OFIVALMO (SA), *non-voting director (since 2012)*
- OFI Asset Management (SA), *non-voting director (since May 2014)*
- MFPrévoyance (SA), *non-voting director on the Supervisory Board (since May 2012)*
- Chorégie (Gie), MGEN TECH *representative, director (since 2015)*
- EGAMO (SA), MGEN Filia *representative, director (since April 2012)*
- ICMIF (Federation), *director (since May 2014)*
- EGAS (SAS), *Chief Executive Officer (since 2014)*
- Mutuelle Intégrale (Belgian mutual insurance union), *director (since May 2014)*
- Egareseaux (SAS), *Chief Executive Officer (since November 2014)*
- Integrale Insurance Services (Belgian SA [corporation]), MGEN *representative, director (since 2015)*
- MGEN TECH (GIE), *Chairman (since 2015)*
- MGEN IB (SAS), *Chairman (since 2015)*
- SOGESTOP L, *Chairman (since 2015)*
- SAFM (SAS), *member of the Supervisory Board (since 2015)*
- ISTYA Collectives (SAS), *director (since 2014)*

# 5.4 Remuneration of the corporate officers of CNP Assurances

CNP Assurances uses the AFEP-MEDEF Code, and in particular its recommendations of 16 June 2013 concerning the remuneration paid to executive corporate officers.

In order to improve clarity and comparability, CNP Assurances uses the standardised format recommended by AFEP-MEDEF and the AMF for the disclosure of information concerning the remuneration of executive corporate officers.

## Table 1

### GROSS REMUNERATION PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER *(IN EUROS)*

| **Jean-Paul Faugère, Chairman of the Board of Directors** | 2014 | **2015** |
|---|---|---|
| Remuneration payable for the year *(see breakdown in Table 2)* | 284,463 | 299,100 |
| Valuation of multi-annual variable remuneration granted over the year | | None |
| Valuation of stock options granted over the year *(Table 4)* | | No stock options granted |
| Valuation of performance shares granted over the year *(Table 6)* | | No performance shares granted |
| **TOTAL** | **284,463** | **299,100** |

| **Frédéric Lavenir, Chief Executive Officer** | 2014 | **2015** |
|---|---|---|
| Remuneration payable for the year *(see breakdown in Table 2)* | 450,000 | 450,000 |
| Valuation of multi-annual variable remuneration granted over the year | | None |
| Valuation of stock options granted over the year *(Table 4)* | | No stock options granted |
| Valuation of performance shares granted over the year *(Table 6)* | | No performance shares granted |
| **TOTAL** | **450,000** | **450,000** |

# Table 2

## GROSS REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER *(IN EUROS)*

| Chair of the Board of Directors<br>Jean-Paul Faugère, Chairman of the Board of Directors | 2014 | | 2015 | |
|---|---|---|---|---|
| | Payable [1] | Paid [2] | Payable [1] | Paid [2] |
| Fixed remuneration | 250,000 | 250,000 | 250,000 | 250,000 |
| Annual variable remuneration | None | None | None | None |
| Multi-annual variable remuneration | None | None | None | None |
| Exceptional remuneration | None | None | None | None |
| Directors' fees | 34,463 | 41,963 | 49,101 | 31,101 |
| Benefits in kind | None | None | None | None |
| **TOTAL** | **284,463** | **291,963** | **299,101** | **281,101** |

| Executive Management<br>Frédéric Lavenir, Chief Executive Officer | 2014 | | 2015 | |
|---|---|---|---|---|
| | Payable [1] | Paid [2] | Payable [1] | Paid [2] |
| Fixed remuneration | 400,000 | 400,000 | 400,000 | 400,000 |
| Annual variable remuneration | 47,961 | 48,471 | 47,961 | 47,961 |
| Multi-annual variable remuneration | None | None | None | None |
| Exceptional remuneration | None | None | None | None |
| Directors' fees | None | None | None | None |
| Benefits in kind [3] | 2,039 | 1,529 | 2,039 | 2,039 |
| **TOTAL** | **450,000** | **450,000** | **450,000** | **450,000** |

*(1) The "Payable" columns indicate the remuneration granted to each executive corporate officer for the duties performed for each year concerned, regardless of the payment date*
*(2) The "Paid" columns show the total remuneration paid to each executive corporate officer for the duties performed for each of the periods*
*(3) Benefits relating to the use of a company car*

## ADDITIONAL INFORMATION ON THE REMUNERATION OF JEAN-PAUL FAUGÈRE, CHAIRMAN OF THE BOARD OF DIRECTORS

| 2014 | 2015 |
|---|---|
| **Salary and bonus**<br>On 19 February 2014, the Board of Directors set Jean-Paul Faugère's annual salary for 2014 at €250,000. | **Salary and bonus**<br>On 18 February 2015, the Board of Directors set Jean-Paul Faugère's annual salary for 2015 at €250,000. |
| **Directors' fees**<br>The directors' fees "payable" in 2014 (€34,463) correspond to the amounts received from Caixa Seguros Holding (€22,463) and Icade (€12,000).<br>The directors' fees "paid" in 2014 (€41,963) correspond to the amounts received from Caixa Seguros Holding (€22,463) and Icade (€19,500). | **Directors' fees**<br>The directors' fees "payable" in 2015 (€49,101) correspond to the amounts received from Caixa Seguros Holding (€19,101) and Icade (€30,000).<br>The directors' fees "paid" in 2015 (€31,101) correspond to the amounts received from Caixa Seguros Holding (€19,101) and Icade (€12,000). |
| **Benefits in kind**<br>Jean-Paul Faugère does not receive any benefits in kind. He was provided with a company car to carry out his duties during 2014. This benefit was not renewed at 1 January 2015. | **Benefits in kind**<br>Jean-Paul Faugère does not receive any benefits in kind. |

## ADDITIONAL INFORMATION ON THE REMUNERATION OF FRÉDÉRIC LAVENIR, CHIEF EXECUTIVE OFFICER

| 2014 | 2015 |
|---|---|
| **Fixed remuneration**<br>On 19 February 2014, the Board of Directors set Frédéric Lavenir's fixed gross annual salary for 2014 at €400,000, stable since his appointment in 2012.<br>**Variable remuneration**<br>On the same date, at the Board of Directors' meeting of 19 February 2014, his maximum bonus for 2014 was fixed at €50,000, *i.e.*, a maximum of 12.5% of his annual salary, stable since his appointment in 2012.<br>The Board of Directors' meeting of 19 February 2014 also set the targets that will be used to decide on such variable bonus in 2015, on the basis of:<br>■ the change in the ratio of Group management costs/total NIR, as per the budget forecasts presented to the Board of Directors in December 2013;<br>■ the change in EBIT as per the budget forecasts presented to the Board of Directors in December 2013;<br>■ an appraisal of initiatives and action plans carried out in 2015 by the Chief Executive Officer, with a focus on:<br>• the development and renewal of partnerships in France,<br>• development of the Group's international business mode,<br>• new initiatives in France and abroad, and<br>• his managerial performance.<br>**In 2015,** in accordance with a proposal made by the Remuneration and Nominations Committee on 4 February 2015, on 18 February 2015, the Board of Directors, on the basis that 50% of the bonus set should depend on quantitative criteria and the remaining 50% on qualitative criteria, found that the targets set for the quantitative criteria had been reached and that the Chief Executive Officer had achieved all of the qualitative targets set. Consequently, they decided to award him the maximum possible bonus for 2014 of €50,000, including €2,039 worth of benefits in kind relating to his company car. | **Fixed remuneration**<br>On 18 February 2015, the Board of Directors set Frédéric Lavenir's fixed gross annual salary for 2015 at €400,000, stable since his appointment in 2012.<br>**Variable remuneration**<br>On the same date, at the Board of Directors' meeting of 18 February 2015, his maximum bonus for 2015 was fixed at €50,000, *i.e.*, a maximum of 12.5% of his annual salary, stable since his appointment in 2012.<br>The Board of Directors' meeting of 18 February 2015 also set the targets that will be used to decide on such variable bonus in 2016, on the basis of:<br>a) quantitative criteria (50%):<br>■ the change in the ratio of Group management costs/total NIR, as per the budget forecasts presented to the Board of Directors in December 2014,<br>■ the change in EBIT as per the budget forecasts presented to the Board of Directors in December 2014;<br>b) qualitative criteria (50%) — an appraisal of initiatives and action plans carried out in 2015 by the Chief Executive Officer, with a focus on:<br>■ changes in CNP Assurances' overall business model in the current interest rate environment,<br>■ the deployment of three core strategic projects (ANI agreement [extension of supplementary health insurance to all employees of small businesses and microenterprises, as well as to self-employed individuals], the digital transition programme and the plan to revamp Caixa Seguradora),<br>■ successful completion of negotiations with La Banque Postale, and<br>■ his managerial performance.<br>**In 2016,** in accordance with a proposal made by the Remuneration and Nominations Committee on 11 February 2016, on 16 February 2016, the Board of Directors, on the basis that each of the two quantitative criteria should account for 50% of the bonus, and that the four qualitative criteria should account for one-quarter of the remaining 50%, found that the targets set for the quantitative criteria had been reached and that the Chief Executive Officer had achieved all of the qualitative targets set. Consequently, they decided to award him the maximum possible bonus for 2015 of €50,000, including €2,039 worth of benefits in kind relating to his company car. |
| **Benefits in kind**<br>Since 2014, Frédéric Lavenir has had the use of a company car. | **Benefits in kind**<br>Frédéric Lavenir continued to have the use of a company car in 2015. |

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# Table 3

## DIRECTORS' FEES PAID BY CNP ASSURANCES

| Members of the Board of Directors | Directors' fees paid in 2014 *(in €)* | | **Directors' fees paid in 2015** *(in €)* | | Paid to |
|---|---|---|---|---|---|
| | In respect of second-half 2013 | In respect of first-half 2014 | **In respect of second-half 2014** | **In respect of first-half 2015** | |
| Jean-Paul Faugère [(1)] | - | - | - | - | |
| Frédéric Lavenir [(1)] | - | - | - | - | |
| Marc-André Feffer (Sopassure) [(2)] | 15,200 | 11,400 | 11,400 | 17,500 | Sopassure |
| Jean-Paul Bailly [(2)] | 6,850 | - | - | - | Sopassure |
| Philippe Wahl [(2)] | 18,250 | 10,650 | 18,250 | 10,650 | Sopassure |
| Rémy Weber [(2)] | 7,600 | 17,500 | 24,350 | 17,500 | Sopassure |
| François Pérol [(2)] | 18,250 | 10,650 | 11,400 | 3,050 | Sopassure |
| Jean-Yves Forel [(2)] | 24,350 | 10,650 | 21,300 | 26,650 | Sopassure |
| Virginie Chapron du Jeu | 21,300 | 11,400 | 15,200 | 11,400 | CDC |
| Jean-Pierre Jouyet | 3,800 | 3,800 | - | - | CDC |
| Pierre-René Lemas | - | 3,800 | 11,400 | 3,800 | CDC |
| Odile Renaud-Basso [(2)] | 7,600 | 10,650 | 10,650 | 14,450 | CDC |
| Olivier Mareuse [(2)] | 20,550 | 13,700 | 27,400 | 19,800 | CDC |
| Anne-Sophie Grave | 11,400 | 7,600 | 11,400 | 7,600 | CDC |
| André Laurent Michelson | 7,600 | - | - | - | CDC |
| Franck Silvent [(2)] | 15,200 | 3,800 | 15,200 | 13,700 | CDC |
| Ramon Fernandez (State) | 7,600 | 0 | 3,800 | - | French treasury |
| Antoine Saintoyant (State) | - | - | 11,400 | 11,400 | French treasury |
| Henri Proglio [(2)] | 3,800 | - | - | - | Henri Proglio |
| Rose-Marie Van Lerberghe [(2)] | 20,550 | 29,700 | 26,650 | 23,600 | Rose-Marie Van Lerberghe |
| Stéphane Pallez [(2)] | 48,750 | 35,050 | 41,900 | 38,850 | Stéphane Pallez |
| Marcia Campbell [(2)] | 36,550 | 29,700 | 42,650 | 26,650 | Marcia Campbell |
| Philippe Baumlin [(2)] [(3)] | 27,400 | 17,500 | 27,400 | 20,550 | Philippe Baumlin |
| Alain Quinet | 11,400 | 0 | - | - | Alain Quinet |
| Jacques Hornez (non-voting director) | 15,200 | 3,800 | - | - | Jacques Hornez |
| Jean-Louis Davet (non-voting director) | - | - | 7,600 | 3,800 | MGEN |
| Pierre Garcin (non-voting director) | 11,400 | 11,400 | 15,200 | 11,400 | Sopassure |
| **TOTAL** | **360,600** | **242,750** | **354,550** | **282,350** | |

*(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 2013 and 30 June 2015*

*(3) Philippe Baumlin decided to pay his total fees to charity including CDC Tiers-Monde*

## 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 21 April 2009 (for 2008 and subsequent years) amount to €721,650. Based on the recommendations of the Remuneration and Nominations Committee and the notifications received by the Company, directors' fees were allocated as follows:

For the 2014 financial year:

- for each meeting attended during the first six months and second six months of 2014, 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 fee allocated to Stéphane Pallez was double the amount allocated to the other members of the Audit and Risk Committee by virtue of her Chairmanship of that Committee;
- Ms Campbell, Ms Pallez and Ms Van Lerberghe received directors' fees of €3,050 per meeting of the *Ad Hoc* Committee attended.

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;
- Chairmanship of each Board committee gives entitlement to double the amount allocated to the other members of the committees;
- Ms Campbell, Ms Pallez and Ms Van Lerberghe received directors' fees of €3,050 per meeting of the *Ad Hoc* 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 *Ad Hoc* Committee meeting of 2015, corresponding to a total amount of €107,950 will be paid subject to approval of the overall increase in fees by the Annual General Meeting of 28 April 2016.

# Table 4 *

### STOCK OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER

| Stock options granted to each executive corporate officer by the issuer and by all Group companies (list of names) | Plan no. and date | Type of stock options (purchase or subscription) | Valuation of stock options based on the method used for the consolidated financial statements | Number of stock options granted during the year | Exercise price | Exercise period |
|---|---|---|---|---|---|---|
| Not applicable | Not applicable | Not applicable | Not applicable | None | Not applicable | Not applicable |

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

# Table 5 *

## STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

| Stock options exercised by executive corporate officers (list of names) | Plan no. and date | Number of stock options exercised during the year | Exercise price | Year granted |
|---|---|---|---|---|
| Not applicable | Not applicable | None | Not applicable | Not applicable |

# Table 6 *

## PERFORMANCE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

| Performance shares granted during the year to each executive corporate officer by the issuer and by all Group companies (list of names) | Plan no. and date | Number of shares granted during the year | Valuation of shares based on the method used for the consolidated financial statements | Vesting date | Availability date |
|---|---|---|---|---|---|
| | Not applicable | None | Not applicable | Not applicable | Not applicable |

# Table 7 *

## PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE CORPORATE OFFICER

| Executive corporate officers for whom performance shares became available (list of names) | Plan no. and date | Number of shares that became available during the year | Vesting conditions | Year granted |
|---|---|---|---|---|
| Not applicable | Not applicable | None | Not applicable | Not applicable |

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

# Table 8 *

## 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 *

| Ten employees (other than corporate officers) having received the greatest number of stock options and number of options exercised | Total number of stock options granted/exercised | Average weighted price | Plan 1 | Plan 2 |
|---|---|---|---|---|
| Not applicable | None | Not applicable | Not applicable | Not applicable |

# Table 10

## HISTORICAL INFORMATION CONCERNING SHARE GRANTS INFORMATION ON SHARES GRANTED

| | Plan 1 | Plan 2 |
|---|---|---|
| Date of AGM | 7 June 2005 | 7 June 2005 |
| Date of Executive Board meeting | 5 July 2006 | 19 June 2007 |
| Total number of shares granted to employees | 201,120 | 202,260 |
| Total number of shares granted to corporate officers | 0 | 0 |

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* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees*

# Table 11

## ADDITIONAL INFORMATION CONCERNING THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE EXECUTIVE CORPORATE OFFICER

| Executive corporate officers<br>Corporate officers | Employment contract | | Supplementary pension plan (Article 39 of the French Tax Code) | | Allowances or benefits payable or likely to be payable in the event of termination or change of duties | | Benefits arising from non-compete clauses | |
|---|---|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No | Yes | No |
| Jean-Paul Faugère,<br>Chairman of the Board of Directors<br>Term of office started: 29.06.2012<br>Term of office expires: 2017 AGM<br>to approve the 2016 financial statements | | X | | X | | X | | X |
| Frédéric Lavenir,<br>Chief Executive Officer<br>Term of office started: 26.09.2012<br>Term of office expires: 2017 AGM<br>to approve the 2016 financial statements | | X | | X | | X | | X |

## SUPPLEMENTARY PENSION PROVISIONS

| | Gross annual benefit *(in €)* under the supplementary pension plan | |
|---|---|---|
| | 31.12.2014 | **31.12.2015** |
| Jean-Paul Faugère, Chairman of the Board of Directors | - | - |
| Frédéric Lavenir, Chief Executive Officer | - | - |

CNP Assurances set up a defined benefit supplementary pension plan as approved by the 20 December 2005 Supervisory Board meeting.

**Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not qualify for this supplementary pension plan.**

## TERMINATION BENEFITS

| | At 30.06.2014 (Theoretical gross amount) | At 30.06.2014 (Gross amount paid) | **At 31.12.2015 Theoretical gross amount** |
|---|---|---|---|
| Jean-Paul Faugère<br>Chairman of the Board of Directors since 29 June 2012 | None | None | None |
| Frédéric Lavenir, Chief Executive Officer since 26 September 2012 | None | 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, no termination benefits will be paid to them.**

### RETIREMENT BENEFITS

(Article 43 of the Company-wide agreement relating to all the employees)

| | At 31.12.2014 (Gross amount paid) | At 31.12.2015 (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, no retirement benefits will be paid to them.**

## Remuneration of members of Executive Management

In the following table, the remuneration paid to Frédéric Lavenir, Chief Executive Officer, is presented in full, and the breakdown of remuneration is described in more detail in the tables regarding the remuneration of corporate officers.

### SUMMARY TABLE OF EXECUTIVE MANAGEMENT REMUNERATION

| **Frédéric Lavenir, Chief Executive Officer** | Remuneration paid in 2014 *(in €)* | **Remuneration paid in 2015** *(in €)* |
|---|---|---|
| Fixed remuneration | 400,000 | 400,000 |
| Variable remuneration | 48,471 | 47,961 |
| Directors' fees received from CNP Assurances, its subsidiaries and other companies | 0 | 0 |
| Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car) | 1,529 | 2,039 |
| **TOTAL** | **450,000** | **450,000** |

Information relating to the remuneration of Deputy Chief Executive Officers is not required by law and is presented voluntarily for reasons of transparency.

| **Antoine Lissowski, Deputy Chief Executive Officer**<br>**Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer** | Remuneration paid in 2014 *(in €)* | **Remuneration paid in 2015** *(in €)* |
|---|---|---|
| Total fixed remuneration for the Deputy Chief Executive Officers | 655,000.00 | 654,999.96 |
| Total variable remuneration for the Deputy Chief Executive Officers | 344,818.00 | 344,818.00 |
| Benefits in kind for the Deputy Chief Executive Officers (company car) | 5,477.00 | 6,138.98 |
| Directors' fees (subsidiaries of CNP Assurances) | 54,888.88 | 50,625.80 |
| Miscellaneous (holiday indemnities, EPI, bonus) | 78,078.34 | 82,019.22 |
| **Total remuneration – Deputy Chief Executive Officers** | **1,138,262.22** | **1,138,601.96** |
| Giving an average remuneration per Deputy CEO of | 569,131.11 | 569,300.98 |
| **TOTAL REMUNERATION – EXECUTIVE MANAGEMENT (CEO + DEPUTY CEOS)** | **1,588,262.22** | **1,588,601.96** |
| Giving an average remuneration per Executive Committee member of | 529,420.74 | 529,533.99 |

# 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

To the best of the Company's knowledge and at the date of the publication of this document, there are no potential conflicts of interest between the duties of members of the Board of Directors or Executive Management and CNP Assurances, in their capacity as corporate officer, and their private interests and/or other duties. To the best of the Company's knowledge and at the date of the publication of this document, no arrangements or agreements have been entered into with the main shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or Executive Management.

To the best of the Company's knowledge and at the date of the publication of this document, with the exception of the issue noted in the "Shareholders' Agreement" section, no restrictions have been accepted by the members of the Board of Directors or Executive Management concerning the sale of their interests in the Company's capital.

In accordance with the internal rules of the Board of Directors and in order to prevent risks associated with conflicts of interest, each member of the Board of Directors is required to report to the Board any situation that leads to, or could lead to a conflict of interest between the interests of CNP Assurances and the member's personal interests or those of the shareholder or group of shareholders that he represents, as soon as he is aware of it (see section 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 executive corporate officers of CNP Assurances.

# 5.6 Risk factors

## INTRODUCTION: MACROECONOMIC ENVIRONMENT

The 2015 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 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.

This 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 contracts, 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 risks, 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, ratings downgrade risk, partner risk, regulatory and antitrust risk, modelling risk.

This presentation should be read in conjuction 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, term life insurance, endowment policies with death cover 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 life and protection insurance written by the Group.

CNP Assurances 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–TYPE RISKS

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4 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 stock market performance, the performance of competitors' products, policyholder behaviour (*e.g.*, a need to raise cash), customer confidence, and tax considerations. 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 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. Unit-linked products are subjected to an internal analysis and selection process before being marketed.

## PENSION PRODUCTS GIVE RISE TO MAINLY FINANCIAL AND UNDERWRITING RISKS

Risks associated with annuity-based pension portfolios concern:

- 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 strategies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or the risk that yields on plan assets will fall significantly short of the 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.

Deteriorating loss ratios for temporary disability cover provided under term creditor insurance and employee benefit plans, together with longer observed life expectancies of insureds requiring long-term care have 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 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 human catastrophes.

Although CNP Assurances' business model focuses primarily on personal insurance, a wave of global climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 and Ebola viruses, 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 GROUP IS EXPOSED TO CONCENTRATION RISK

The Group has potential exposure to concentration risk which could arise from:

- one or a number of Group entities underwriting the same risk;
- one or a number of Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and approval procedure and product portfolio management, 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:

- the reinsurance policy is implemented throughout the Group, covering business written by the Company and by its subsidiaries;
- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability;
- risks are shared on large-scale new Personal Risk business.

Other reinsurance treaties have been set up for strategic and commercial reasons.

Applications have been developed to monitor reinsured portfolios and these are presented in Note 10.5 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 hinges on numerous factors and these 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 experience-based table developed internally;
- 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 the utilisation of reserves.

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 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 (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, underwriting costs, 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).

## 5.6.2 Risk factors linked to the financial markets

### THE GROUP MUST ALWAYS MAINTAIN A MATCH BETWEEN ASSET AND LIABILITY MATURITIES AND YIELDS

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 maturities to be matched to the profiles of the Group's different liabilities. However, as with all modelling techniques, there are inherent risks. If assumptions used were to be invalidated by actual events or if a situation not provided for under any of the models were to arise, CNP Assurances may be forced to sell off assets at a loss or it may have insufficient amounts of profitable assets to meet its commitments to policyholders.

### 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 planned premium loadings more difficult to apply and exposes the insurer to a risk of lower margins on traditional life insurance products.

In more extreme scenarios, despite the relatively low weighting 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 pensions – as well as certain personal risk and group death/disability contracts are particularly exposed to the risk of a fall in interest rates.

This is confirmed by asset/liability simulations based on falling interest rates. However, the negative impact is attenuated by certain measures implemented in recent years such as restricting yield guarantees and applying dynamic investment strategies.

In 2015, very low interest rates across all of Europe increased the Group's exposure to this risk.

### A SHARP RISE IN INTEREST RATES INCREASES POLICY SURRENDER RISK

In the event of a sharp increase in interest rates, yields on the Group's investment portfolios may lag behind the market, generating a mismatch between the yields paid on the Group's products and those available on other financial products.

CNP Assurances may then have to contend with an increase in life insurance policy surrenders as policyholders seek higher yields elsewhere.

A spike in the surrender rate could force the Group to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the 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;

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- 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 hedges against the risk of higher interest rates. In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the 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 an investment-grade government bond with the same characteristics.

Credit spreads vary according to investor perceptions of the issuer's counterparty risk.

Historically, spreads on corporate bonds tend to narrow in periods of growth and they widen during a recession when the number of issuer defaults generally increases.

The Group would be exposed to losses in the event of one or a number of issuer defaults.

But even without an actual default, at certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy business forecasts that push down the value of the investment portfolio.

Changes in credit spread 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 tracking investments constantly.

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, fears may grow concerning the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, 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.

Following the difficulties encountered by private issuers in 2008 and 2009, the period 2011 to 2013 was characterised by increased sovereign risk. The Greek debt crisis led to heightened uncertainty over the ability of sovereign issuers to service their debt. Despite the creation of a European financial stability mechanism, these uncertainties spread to other European states, including Italy, Spain and Portugal.

A large proportion of the Group's financial assets is invested in European government – especially French – bonds and is sensitive to any widening in spreads. A rise in interest rates coupled with a large number of policy surrenders would trigger losses on the sale of bonds which could in turn impact the Group's equity. 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. For CNP Assurances, liquidity risk is the possibility that it will be unable to pay policyholders in the event of a sharp rise in surrender rates.

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.

It should be noted that the Group's subordinated debt is not subject to financial covenants.

## CNP ASSURANCES 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.

The insurer may have to set aside impairment provisions for unrealised losses on certain securities and this will negatively affect 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.

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.

Although stock markets in and outside Europe have remained generally volatile and may be subject to major fluctuations (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks), the Eurostoxx 50 index of European stocks nevertheless gained in value over 2015.

## CNP ASSURANCES 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, 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 consumption, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance.

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 in private equity: the yield risk and the risk associated with the lack of a liquid market for these investments which require a medium-term perspective.

A decline in the value of such investments (equities, property, infrastructure, private equity or unlisted investments) can have an adverse impact on consolidated earnings due to the provisions that must be set aside under the French Insurance Code.

### CNP ASSURANCES IS EXPOSED TO CURRENCY RISK

See Note 9.10 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. Indeed, the Brazilian subsidiary's contribution to the Group's performance – both in terms of premium income and earnings – is already substantial and continuing to grow meaning that fluctuations in the Brazilian real 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 could prove inadequate or ineffective.

In 2015, the increased volatility of the Brazilian real led to an increase in the Group's exposure to currency risk.

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 risk is very limited.

The report of the Chairman of the Board of Directors of CNP Assurances analyses the Group's currency risk exposure.

CNP Assurances has issued deeply-subordinated notes denominated in US dollars and in sterling. It has contracted currency hedges for two of these issues and a third issue has been match-funded to investments denominated in the same currency.

See the tables in the following notes to the consolidated financial statements: Note 11 – Subordinated liabilities 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.

CNP Assurances tracks all types of financial market risk very closely and manages the exposure of both its assets and its liabilities through various hedging programmes.

However, these programmes may prove incomplete, 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 one of the various hedging instruments or strategies it uses proves to be ineffective.

Any unexpected market developments may lessen the effectiveness of hedging strategies and recognition of gains and losses arising on the ineffective portion of certain hedges may subject the Group's reported results to greater volatility.

## 5.6.3 Risk factors linked to the business

Operational risk is defined as "the risk of loss resulting from inadequate or failed processes, people and systems or from external events". This definition includes legal and compliance risks.

Risk management systems are designed to enhance operating managers' risk management capabilities and to be clearly identifiable to facilitate the crucial work of monitoring. Procedures are structured around the risk profile of the parent company and each of the subsidiaries. These operational risk management procedures round out the Group's internal control system – which could prove fallible – by tackling risks by category instead of using a unitary risk level approach based around processes and an upstream focus and they include risk mapping.

## CERTAIN ACTIVITIES OUTSOURCED TO PARTNERS OR OUTSIDE CONTRACTORS MAY GIVE RISE TO A RISK OF NON-COMPLIANCE WITH INSURANCE REGULATIONS OR TO QUALITY-RELATED RISKS

Subcontracting risk – as defined under Solvency II – has been highlighted as a significant risk within 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 subcontracting 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 subcontracting policy is helping to gradually increase employee understanding, monitoring and control of the related risks.

## 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 concern the national inter-professional agreement on employee benefit plans, but they also address customer protection issues, with the introduction of many new regulations on such topics as complaint processing, funeral product marketing 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, 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.

There are also numerous regulatory and contractual obligations throughout the life of a policy.

In the interests of customer service quality, over the past few years the Group has obtained quality certifications from recognised professional standards bodies (ISO 9001 for key management or marketing processes, CMMI or ITIL for IT processes). Regulatory texts and the recommendations published by France's banking and insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution) are incoporated 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 and the use of mediation has become much more popular, especially as all correspondence with policyholders now clearly explains how to use the mediation service. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group but a provision is set aside for the estimated financial risk when appropriate.

## AS A FINANCIAL INTERMEDIARY, THE 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 businesses.

The business model, in which vast numbers of transactions are conducted by partners on the Group's behalf, 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.

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 customer bank accounts referenced in the networks of the partners who perform background checks on cash flows.

Taking on board the observations of the French financial services supervisor (ACPR) and participating in industry studies helps the Group to adapt its processes where necessary and in particular to prepare for the Fourth EU directive which will require stricter prevention mechanisms.

CNP also has to contend with fraud. 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 administration units, as well as processes for analysing data on financial flows and contracts. Any suspicion of fraud detected by the administration units – either inside or outside the Group – or any ethically questionable practices or abuse of people in a vulnerable position by sales personnel are subject to an in-depth investigation by a specialised unit within the Group. The investigation is followed by a detailed report and recommendations where necessary.

### 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 assets and cover liability risks, comprising 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.

### AS A MAJOR INSURANCE PLAYER, 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 systems are of critical importance and they must be able to adapt 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 the Group has invested considerable resources in ensuring that IT systems and processes are secure and fluid and that data integrity is protected, systems could still be hit by technical problems that have an adverse impact on operations.

### THE GROUP COULD BE EXPOSED TO EMPLOYEE-RELATED OR ENVIRONMENTAL RISK

The Group's reputation could be adversely affected by poor human resources management. This could concern the handling of psychosocial risks or a failure to promote gender equality, for example. The Group's image could also be tarnished by poor management of its forestry assets or property portfolios and the related environmental risk.

## 5.6.4 Other risk factors

### CHANGES IN TAX LEGISLATION MAY HAVE A MATERIAL IMPACT ON THE GROUP'S SITUATION

Tax risk covers all taxes and levies payable by the Group or collected on behalf of the government.

It concerns the application – sometimes retrospectively – and interpretation of changes to 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 in life insurance, 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, could have an 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.

## IF CNP ASSURANCES' 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 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.

Standard and Poor's regularly reviews the ratings of CNP Assurances and its subsidiaries. The Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 to the consolidated financial statements – Subordinated liabilities.

## 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 economic 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. Moreover, each stage of the operation is framed by governance processes that analyse the potential fit of the acquiree, thus enabling the relevant decision-making body to establish the conditions and parameters for finalising the operation.

Integrating these partnerships into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and big negative variances may result in impairment losses being recognised on goodwill or other intangible assets that will negatively impact the Group's financial position (see Note 7.1 to the consolidated financial statements – Intangible assets by category).

A partnership may have to be reviewed in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners.

In order to manage all of these risks, the investment (or long-term partnership) is integrated into the Group's financial reporting system. Its performance is monitored and any necessary adjustments and corrective action is taken, sometimes in conjunction with the distribution partner.

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.

For example, in February 2015, after discussions had taken place over several quarters, the Board of Directors approved the final terms of the agreement covering deployment of the renewed partnership between CNP Assurances and the BPCE Group for a period of seven years commencing 1 January 2016.

In December 2015, after many months of discussions, 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 ten years.

In December 2015, a partnership framework agreement was signed with AG2R LA MONDIALE in the area of retirement savings.

## 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.

In 2015, Caixa Seguradora's host country, Brazil, plunged into recession and experienced a major political crisis. The Group has kept a close watch over the situation. To date, the main consequences have been a high rate of inflation and depreciation of the real against the euro (see discussion of currency risk in section 5.6.2 – Risk factors linked to the financial markets). Caixa Seguradora's business continued to grow in 2015, despite the turbulent conditions.

## RISKS RELATED TO NEW REGULATIONS

The introduction of new regulations either inside or outside Europe 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 2015, the introduction of new regulations governing protection insurance (notably, the "Hamon Act", the "Marini Amendment" and the health insurance act in France and new regulations in Italy) is likely to affect loss ratios for the classes of business concerned. The new regulations have been analysed to enable the Group to adapt to the new regulatory framework.

In 2016, the Solvency II directive will come 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 will give 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 banking and insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution). 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.

## 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, and commercial and investment banks, etc.) subject to different regulations and using many different distribution channels to market alternative products, some of which may be cheaper than the Group's offering.

This competitive pressure may force 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 2015**

*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 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 2015.

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 February 2016

The Statutory Auditors

| PRICEWATERHOUSECOOPERS AUDIT | MAZARS |
|---|---|
| Éric Dupont | 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 2015**

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.322-7 of the French Insurance Code (*Code des assurances*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code and Article R.322-7 of the French Insurance Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

## AGREEMENTS AND COMMITMENTS 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) Final agreements covering deployment of the renewed partnership between CNP Assurances and the BPCE Group commencing 1 January 2016

#### Persons concerned

François Perol (Director of CNP Assurances, Chairman of the Management Board of BPCE, Chairman of the Board of Directors of Natixis) and Jean-Yves Forel (Director of CNP Assurances, member of the Management Board of BPCE).

#### Nature and purpose

In March 2015, CNP Assurances and Groupe BPCE 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 savings and pensions (*i.e.*, life and endowment) policies distributed by the Caisses d'Epargne network during 2016, the renewed partnership will include:

- mechanisms to align the interests of policyholders with those of CNP Assurances concerning the on-going management by CNP Assurances of contracts purchased by Caisses d'Epargne customers up until 31 December 2015. These mechanisms consist mainly of two reinsurance treaties covering new business ("tranche 1" and "tranche 2" treaties), a mechanism concerning 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 term creditor insurance partnership with Natixis Assurances (co-insured 66% by CNP Assurances and 34% by Natixis Assurances) covering all BPCE Group networks, 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*).

### Terms and conditions

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 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 are 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;
- 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 inforce 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 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 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,

- 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 networks (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne network, Banque Palatine and Crédit Foncier, the main components of the new agreements are as follows:
  - co-insurance agreement between CNP Assurances, CNP IAM, ABP Vie and ABP Prévoyance (CNP Assurances and CNP IAM 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,
  - several agreements that are a standard feature of this type of partnership, including a financial agreement, a brokerage agreement between CNP Assurances, CNP IAM, BPCE, ABP Vie and ABP Prévoyance and a delegated management and service level agreement between CNP Assurances, CNP IAM 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,
  - 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.

### Benefits for the Company

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 [...]".

The benefits of this agreement, especially its financial terms, were examined by a special committee set up by the Board of Directors on 6 November 2013 to review the main implications of changes in the Company's distribution agreements. The committee's report was presented to the Board at its meeting on 18 February 2015.

No payments were made or received under these agreements during 2015.

Since the year-end, ABP Vie has paid to CNP Assurances the reinsurance commission provided for in the 10% quota share reinsurance treaty covering In-Force business sold through the BPCE Group, in the amount of €300 million. The reinsurance commission will be adjusted in 2017 to take into account the policies sold between 1 January 2016 and the date on which the Caisses d'Epargne and the associated banks stop selling new CNP Assurances savings and pension (life and endowment) policies.

## 2) Preliminary memorandum of understanding for the renewal of the partnership with La Banque Postale and extension, until the renewal date, of existing agreements for the distribution of life and endowment policies that were originally due to expire on 31 December 2015

### 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, purpose, terms and conditions

With the authorisation of the Board of Directors given at its meeting on 9 December 2015, CNP Assurances and La Banque Postale signed on 17 and 18 December 2015 a preliminary memorandum of understanding in the areas of life and endowment insurance, term creditor insurance and personal risk insurance, with a view to renewing their partnership for a period of ten years commencing on 1 January 2016.

In addition, with the authorisation of the Board of Directors given at the same meeting on 9 December 2015, CNP Assurances and La Banque Postale agreed on 17 December 2015 to extend their existing agreements until the effective date of the new partnership agreements referred to above.

### Benefits for the Company

The reasons for authorising these agreements are presented in the discussion of the final agreements for the deployment of the renewed partnership between CNP Assurances and La Banque Postale as from 1 January 2016 (as authorised at the Board Meeting of 16 February 2016).

The benefits of this preliminary memorandum of understanding, especially its financial terms, were examined by a special committee set up by the Board of Directors on 6 November 2013 to review the main implications of changes in the Company's distribution agreements. The committee's report was presented to the Board at its meeting on 9 December 2015.

## AGREEMENTS AND COMMITMENTS AUTHORISED AFTER THE YEAR-END

We were informed of the following agreements and commitments, which have been authorised since the year-end by the Board of Directors.

## 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 master partnership agreement:

- defines and organises the contractual framework created by the new partnership agreements;
- sets 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 will commence when La Banque Postale and BPE begin distributing new CNP Assurances policies;
- specifies 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 agreements are not renewed, the parties will negotiate in good faith the terms and conditions for unwinding their partnership, particularly the fate of In-Force life and endowment policies sold through La Banque Postale and BPE, and the solution to be adopted to ensure that La Banque Postale and BPE retain their right to commission on these policies for as long as they remain in force;
- generally organises and defines relations between the parties under the renewed partnership.

Various new partnership agreements and agreements for the application of the master partnership agreement were also signed, as follows:

- in the area of life and endowment policies, 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 (excluding wealth management customers served on an open model basis) will distribute CNP Assurances' life and endowment insurance products under a clause that guarantees exclusive product distribution up to an amount corresponding to CNP Assurances' market share, with a "shared outcome" fee arrangement 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 sales promotion financing agreement whereby CNP Assurances contributes to the promotional 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 retainining *inter alia* the Personal Risk Insurance business. The sale is subject to anti-trust approval by France's banking and insurance supervisor (Autorité de Contrôle Prudentiel et de Résolution et Contrôle des Concentrations – ACPR). It is due to be completed in mid-2016 and will be accompanied by the signature of (i) a delegated management agreement whereby CNP Assurances will continue to administer current personal risk insurance products with the same fee arrangements as apply currently, (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 5% quote share reinsurance treaty covering new home-buyer Term Creditor Insurance business between La Banque Postale Prévoyance and CNP Assurances. The ten-year treaty will come into effect when La Banque Postale and BPE start distributing CNP Assurances' new group policies.

### Benefits for the Company

The benefits of this agreement, especially its financial terms, were examined by a special committee set up by the Board of Directors on 6 November 2013 to review the main implications of changes in the Company's distribution agreements. The committee's report was presented to the Board at its meeting on 16 February 2016.

During its discussion of the contracts' benefits for the Company, the Board of Directors noted that:

- renewal of the life and endowment insurance partnership for a long period on satisfactory financial terms would protect the value of the partnership between CNP Assurances and La Banque Postale;
- the overall agreement is balanced, with the removal from the partnership of individual Personal Risk Insurance business being offset by the extension of activities in the wealth management segment with BPE and the strengthening of the home-buyer Term Creditor Insurance business;
- the sale price 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.

## 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 2015.

### 1) Acquisition of a 25% interest in the share capital of GRTgaz by the public consortium comprising CNP Assurances, Caisse des Dépôts and CDC Infrastructure

#### Nature and purpose

On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts laid the foundations for a long-term partnership with GDF Suez in natural gas transportation in France and the rest of Europe. The partnership is based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion.

On 27 June 2011, CNP Assurances signed an investment agreement (hereinafter "the Investment Agreement") with GDF Suez, Société d'Infrastructures Gazières (SIG), CDC Infrastructure and Caisse des Dépôts.

The investment agreement sets out the terms and conditions of SIG's investment in GRTgaz's share capital. This investment was completed on 12 July 2011 via (i) an increase in GRTgaz's share capital subscribed by SIG, and (ii) SIG's simultaneous acquisition of GRTgaz shares held by GDF Suez.

The acquisition price for around 18.2% of the share capital was set at €810 million and the subscription of shares representing 6.8% of the share capital totalled €300 million. The total cost of the operation was therefore €1.1 billion.

A shareholders' agreement relating to GRTgaz was signed on 27 June 2011 between GDF Suez and SIG in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts (hereinafter "the Shareholders' Agreement"). The Shareholders' Agreement sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. The Shareholders' Agreement was entered into for a term of 20 years and is renewable once for a term of ten years. The Shareholders' Agreement grants SIG the usual rights of a non-controlling shareholder.

At its meeting on 5 April 2011, the Board of Directors authorised the Investment Agreement and the Shareholders' Agreement.

#### Terms and conditions

This interest was acquired via two companies: Holding d'Infrastructures Gazières (HIG) controlled jointly by the consortium and Société d'Infrastructures Gazières (SIG) wholly owned by HIG, and which holds a non-controlling interest of 25% in GRTgaz. HIG financed the investment through (i) a capital increase (of which €358 million – or 54.4% of the total – was subscribed by the CNP Assurances Group) which allowed HIG to subscribe to a capital increase by SIG, and (ii) a bond issue by SIG in the amount of €500 million subscribed in full by the consortium (including an amount of €270 million subscribed by the CNP Assurances Group).

At 31 December 2015, CNP Assurances held 51.21% of the share capital of HIG (€337 million) as well as bonds issued by SIG in the amount of €220 million.

### 2) Agreement between CNP Assurances and La Banque Postale Prévoyance (LBPP)

#### Nature and purpose

At its meeting on 7 October 2010, the Board of Directors authorised the signing of an agreement between CNP Assurances and La Banque Postale for the purpose of defining the terms and conditions for giving greater autonomy to La Banque Postale Prévoyance (LBPP).

This agreement, applicable with retroactive effect as from 1 January 2010, sets out the measures taken in terms of governance, operating mode, and updating of the cost of policy administration services provided by CNP Assurances on behalf of LBPP.

Within the framework of this agreement, technical assistance and financial management services provided by CNP Assurances for LBPP will be invoiced at a maximum amount of €1,550 thousand for 2010, €1,100 thousand for 2011 and €650 thousand for 2012.

#### Terms and conditions

In connection with the increased autonomy of its subsidiary LBPP, CNP Assurances invoiced the following amounts in 2015:

- €0.78 million for technical assistance and financial management services;
- €17.4 million for policy administration services.

### 3) Sale of CNP Assurances' interest in its subsidiary, CNP Assurances Compañia de Seguros, 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 Assurances Compañia de Seguros, and to sell most of the other non-controlling interests held by CNP Assurances in Argentina to the Brazilian company Brasil Limitada (CNP BHL), a subsidiary of CNP Assurances.

In 2008, the following Argentine interests were sold: Provincia Seguros de Vida (to CNP BHL for €2,084,526), Prévisol Compañia de Seguros de Retiro (to CNP BHL for €1,000), Asociart (ARS 180,058.94), and Prévisol Compañia de Seguros de Vida (ARS 44,700).

The interest in Provincia Aseguradora de Riesgos des Trabajo was sold in 2009 for ARS 3,460.

#### Terms and conditions

The sale of the CNP Assurances Compañia de Seguros and Previsol Administradora de Fondos de Jubilaciones y Pensiones (Previsol AFJP) interests did not take place in 2015.

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.

### 4) Real estate management agreement with AEW Europe

#### Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a real estate portfolio management agreement with AEW Europe. A framework agreement was signed on 11 July 2008 and amended on 25 January 2012 and later in January 2015 for a period of 3 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 purposes: a half-yearly lump sum payment;
- a percentage of the purchase and/or sale price of the real estate properties purchased or sold with its assistance.

In 2015, fees paid by CNP Assurances to AEW for these services amounted to €2 million.

### 5) Securities management agreement with Natixis AM

#### Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM, formerly IXIS Asset Management, a BPCE Group company. The contract signed on 30 June 2008 was amended in 2013.

Pursuant to this agreement, CNP Assurances gives full powers to Natixis AM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

#### Terms and conditions

Natixis AM receives a fee for its financial management services, determined as follows:

- a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds);
- a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances pursuant to this agreement in 2015 amounted to €20.9 million. This amount was rebilled to the subsidiaries concerned.

### 6) Extension of the master partnership agreement between CNP Assurances and Caisse d'Epargne Group (since renamed BPCE Group)

#### Nature and purpose

At its meeting on 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and Caisse d'Epargne Group setting the terms and conditions of their cooperation in the individual life insurance and savings market through Ecureuil Vie, which merged with CNP Assurances on 1 January 2007.

#### Terms and conditions

The remuneration received by Caisse d'Epargne Group as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products.

The amount paid by CNP Assurances under the commission agreement between CNP Assurances and Caisse d'Epargne Group came to €569.5 million in 2015.

### 7) Extension of the master partnership agreement between CNP Assurances and La Banque Postale

#### Nature and purpose

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale. The agreement sets the terms and conditions of the two partners' cooperation in the individual life insurance and savings market through La Banque Postale.

#### Terms and conditions

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products.

Fees paid by CNP Assurances pursuant to this agreement in 2015 amounted to €511.7 million.

## 8) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

### Nature and purpose

At its meeting on 18 April 2006, the Supervisory Board of Ecureuil Vie authorised the Company to issue perpetual subordinated notes in the amount of €108 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

### Terms and conditions

Interest rate on the notes: Euribor 3 months +95 bps until 20 December 2026, then Euribor 3 months +195 bps.

The interest expense recorded by CNP Assurances in 2015 amounted to €1.1 million.

## 9) 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 and 2015.

Pursuant to this agreement, CNP Assurances gives full powers to LBPAM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

### Terms and conditions

LBPAM receives a fee for its financial management services, determined as follows:

- an annual commission based on the value of assets under management, and the type of securities held;
- fees on portfolio transactions carried out.

Fees paid by CNP Assurances pursuant to this agreement in 2015 amounted to €16.1 million. This amount was rebilled to the subsidiaries concerned.

## 10) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

### Nature and purpose

At its meeting on 2 April 2004, the Supervisory Board of Ecureuil Vie authorised the Company to enter into an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €183 million, divided into two tranches of €90 million and €93 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

### Terms and conditions

Interest rate on the notes:

- first tranche: 4.93% until 2016, then Euribor +160 bps from 15 November 2016;
- second tranche: Euribor 3 months +70 bps until 2016, then Euribor 3 months +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2015 amounted to €4.1 million for the first tranche and €0.6 million for the second tranche.

### 11) 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, the Supervisory Board of Ecureuil Vie authorised the Company to sign an agreement for the issue of fixed-term subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €200 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

#### Terms and conditions

Interest rate on the notes is Euribor +200 bps. The interest expense recorded by CNP Assurances in 2015 amounted to €4 million.

### 12) Partnership agreement between CNP Assurances and Sofaxis (formerly Dexia Crédit Local de France and SOFCA)

#### Nature and purpose

At its meeting on 20 March 2000, the Supervisory Board of CNP Assurances authorised the partnership agreement between Dexia Crédit Local de France and SOFCA (collectively, Sofaxis) and CNP Assurances concerning cooperation in the local government market. The agreement, entered into and amended in 2006, sets out the arrangements for loading management expenses and determining the remuneration to be received by each partner, based on their respective tasks.

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' accounts in 2015 in respect of this agreement consisted of an expense for brokerage fees totalling €36.3 million (this includes the fees charged to CNP IAM, which were absorbed by CNP Assurances with retroactive accounting and tax effect from 1 January 2015) and a working capital advance granted to Sofaxis for €7.8 million.

Neuilly-sur-Seine and Courbevoie, 1 April 2016

The Statutory Auditors

| | |
|---|---|
| **PRICEWATERHOUSECOOPERS AUDIT** | **MAZARS** |
| Éric Dupont | 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

## 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 prudential supervision and resolution authority appointed by the French State (Autorité de Contrôle Prudentiel et de Résolution – ACPR). CNP Assurances is listed on NYSE Euronext Paris and is also regulated by the AMF.

## 6.1.3 Date of incorporation and term of the Company

The origins of the Company date back to 1850 when the National Insurance Funds (Caisses nationales d'assurance) were founded. CNP Assurances was created in 1959 and was given the status of a public industrial and commercial establishment (*Établissement public à caractère industriel et commercial* – EPIC) by French Decree No. 87-833 of 12 October 1987. Its current status, that of a *société anonyme d'assurances*, results from Act No. 92-665 of 16 July 1992 (Official Journal of 17 July 1992). CNP Assurances is a public sector company.

The Company was incorporated for a term of 99 years, until 15 July 2086.

## 6.1.4 Corporate purpose (Article 2 of the Articles of Association)

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 as shown by the annual statement of assets and liabilities, after deduction of overheads and other payroll charges, all depreciation and amortisation of assets and all contingency provisions, forms net profit.

Distributable profit consists of the profit for the financial year, less prior losses and amounts appropriated to the reserves pursuant to the law and the Articles of Association, and increased by retained earnings.

On the recommendation of the Board of Directors, the Ordinary General Meeting may decide to allocate any amounts it considers appropriate to retained earnings or to one or more extraordinary, general or special reserve funds. They may be allocated in any manner decided by the General Meeting, on the recommendation of the Board of Directors. It may also decide, on the recommendation of the Board of Directors, to distribute all or part of the profit in the form of dividends.

The General Meeting may decide to grant each shareholder an option of either payment in cash or in shares, for all or part of the dividend distributed or the interim dividends.

# 6.1.7 Participation in General Meetings

## 6.1.7.1 PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACT FROM ARTICLE 27 – GENERAL MEETINGS)

In accordance with Article 27 of the Company's Articles of Association, General Meetings are convened and are held in accordance with the conditions set down by law. Meetings take place at the Company's headquarters or at any other place indicated in the notice of meeting.

## 6.1.7.2 EXERCISE OF VOTING RIGHTS BY SHAREHOLDERS

All shareholders are invited to attend the General Meeting, regardless of the number of shares they hold. Shareholders may be represented at any General Meeting by any individual or legal entity of their choice (Article L.225-106 of the French Commercial Code [*Code de commerce*]).

### How to participate in the General Meeting

- Shareholders wishing to participate in the General Meeting, to be represented or to vote by post will have to provide proof of registration of their shares at least two business days before the General Meeting by midnight (Paris time).
- Holders of registered shares must record their shares in the Company's registers.
- Holders of bearer shares must record their shares, in their name or in the name of the intermediary acting on their behalf if they are domiciled outside France, in their share accounts held by the bank or broker managing the share account.

This recording of shares must be evidenced by a share ownership certificate (or proof of registration) issued by the bank or broker.

This share ownership certificate issued by the bank or broker must be attached to the postal voting form, the request for a share ownership certificate from holders of bearer shares wishing to participate in the General Meeting by Internet, the proxy form or the admission card request form sent, *via* the bank or broker, to Caceis Corporate Trust * – Assemblées générales centralisées, 14 rue Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Only the shareholders meeting these conditions, at least two business days before the General Meeting at midnight (Paris time) in accordance with Article R.225-85 of the French Commercial Code, will be able to participate in the General Meeting.

### How to exercise voting rights

Please note, voting by video conference will not be used at the meeting of 28 April 2016.

#### 1. Shareholders wishing to attend the General Meeting in person

Shareholders wishing to attend the General Meeting in person can ask for an admission card as follows:

***a) Request an admission card by post***

- Holders of registered shares (pure and administered) should complete the form attached to the notice of the Annual General Meeting that they automatically received, specifying that they wish to attend the meeting and obtain an admission card, sign and return it, using the prepaid (France only) envelope enclosed with the notice of the Annual General Meeting, to Caceis Corporate Trust, Service Assemblées Générales – 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9 (hereinafter Caceis Corporate Trust).
- Holders of bearer shares should ask the bank or broker responsible for managing their share account (hereinafter financial intermediary) to send them an admission card.

Shareholders who have not received their admission card three days before the General Meeting can go directly to the relevant desk on the day of the meeting, simply with an identity card for holders of registered shares, and also with the share ownership certificate issued by the financial intermediary for holders of bearer shares. Holders of bearer shares who are in this situation are invited to contact the call centre for admission cards of Caceis Corporate Trust at +33 (0)1 57 78 32 32.

***b) Request an admission card online***

Shareholders wishing to attend the General Meeting can also ask for an admission card online *via* the Votaccess platform according to the following conditions:

- holders of registered shares (pure and administered) should use the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com);
- holders of registered shares who have already logged on to OLIS-Actionnaire should click on "Access my account";
- when connecting for the first time, shareholders should click on "First connection" and follow the on-screen instructions;

* *As registrar, Caceis Corporate Trust holds CNP Assurances' share accounts*

- once connected, shareholders should click on the "Vote online" link to be automatically redirected to the Votaccess platform where they can request an admission card;
- holders of bearer shares: only holders of bearer shares, whose account-keeping institution is a member of the Votaccess system and offers this service for the General Meeting, will have access to Votaccess.

If the shareholders' account-keeping institutions are connected to the Votaccess platform, they will have to connect to their account-keeping institution's Internet portal with their usual access codes. Shareholders will then have to follow the on-screen instructions to access the Votaccess platform and vote, request an admission card, or appoint or revoke a proxy.

Consequently, holders of bearer shares who are interested in this service are invited to contact their account keeper to acquire information on the conditions of use.

The Votaccess platform will be open from 1 April 2016 at 9am to 27 April 2016 at 3pm (Paris time), 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 of the platform.

## 2. Shareholders wishing to vote by post or by proxy

***a) Paper proxy/postal voting form***

Instructions for shareholders wishing to vote by post or by proxy in paper form:

- holders of registered shares (pure and administered) should complete the form attached to the notice of the Annual General Meeting that they automatically received, specifying that they wish to be represented or vote by post, sign and return it, using the prepaid (France only) envelope enclosed with the notice of the Annual General Meeting or by letter addressed to Caceis Corporate Trust, Service Assemblées Générales – 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9;
- holders of bearer shares should request the form from the financial intermediary managing their shares, as from the date of the notice of the Annual General Meeting, complete it, specifying that they wish to be represented or vote by post, sign and return the form, together with a share ownership certificate issued by the financial intermediary by letter addressed to Caceis Corporate Trust, Service Assemblées Générales – 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Shareholders wishing to be represented will have to send their form to Caceis Corporate Trust according to the conditions set out above, it being specified that Caceis Corporate Trust will have to receive the forms duly completed and signed no later than 25 April 2016, otherwise they will not be accepted.

***b) Online proxy/postal voting form***

Shareholders may give their voting instructions and appoint or revoke a proxy online before the General Meeting on the Votaccess platform dedicated to the General Meeting in the conditions described below:

- holders of registered shares (pure and administered) should use the username on the voting form to log on to the OLIS-Actionnaire website (https://www.nomi.olisnet.com);
- holders of registered shares who have already logged on to OLIS-Actionnaire should click on "Access my account";
- when connecting for the first time, shareholders should click on "First connection" and follow the on-screen instructions.

Once connected, shareholders should click on the "Vote online" link to be automatically redirected to the Votaccess platform where they can give their voting instructions.

Holders of bearer shares should find out whether their account-keeping institution is connected to the Votaccess platform and acquire information on the Votaccess conditions of use, if applicable. If the shareholders' account-keeping institutions are connected to the Votaccess platform, shareholders will have to connect to their account-keeping institution's Internet portal with their usual access codes. Shareholders will then have to follow the on-screen instructions to access the Votaccess platform and vote, or appoint or revoke a proxy.

If the shareholders' account-keeping institutions are not connected to the Votaccess platform, the form appointing and revoking a proxy can be sent electronically in accordance with the provisions of Article R.225-79 of the French Commercial Code, by sending an email to: ct-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 will have to ask the financial intermediary that manages their account to send written confirmation no later than 25 April 2016 by post to Caceis Corporate Trust – Service Assemblées Générales – 14 rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, or by email to the following address: ct-mandataires-assemblees@caceis.com or by fax at +33 (0)1 49 08 05 82 or +33 (0)1 49 08 05 83.

Only appointed or revoked proxies duly signed, completed, received and confirmed no later than three days before the date of the Annual General Meeting will be accepted. In addition, only appointed or revoked proxies can be sent to the above email address, any other request or notice on another subject-matter will not be accepted and/or processed.

The Votaccess platform for the General Meeting of Thursday, 28 April 2016 will be open as from 1 April 2016.

Shareholders will have the possibility to vote, appoint or revoke a representative, or request an admission card online before the General Meeting until Wednesday, 27 April 2016 at 3pm (Paris time).

To avoid any bottlenecks of the Votaccess platform, shareholders are advised not to wait until the day before the General Meeting to enter their instructions.

### Request for items and draft resolutions to be added to the agenda, written questions and consultation of documents made available to shareholders

1. Requests to have items and draft resolutions added to the agenda from shareholders meeting the conditions required by Articles R.225-71 and R.225-73 of the French Commercial Code must be sent to CNP Assurances' headquarters by registered letter with return receipt requested or by email to actionnaires@cnp.fr, up to twenty (20) days of the notice of meeting being published in the BALO (French legal gazette) of 7 March 2016.

This request must include the share ownership certificate evidencing that the fraction of capital required by Article R.225-71 of the French Commercial Code is registered by the shareholders making the request. The request to add draft resolutions to the agenda must include the text of the draft resolutions and the reasons for the request, where appropriate. Reasons for adding items to the agenda unrelated to a draft resolution must be provided.

Furthermore, the review by the General Meeting of the items or draft resolutions submitted by the shareholders is subject to the provision, by the shareholders of a new certificate evidencing that the shares are recorded under the same conditions as of the second business day preceding the General Meeting at midnight (Paris time).

If the draft resolution concerns the presentation of candidates to sit on the Board of Directors, it must include the information provided in paragraph 5 of Article R.225-83 of the French Commercial Code. The text of the draft resolutions presented by the shareholders and the list of the items to be added to the agenda at the shareholders' request will be promptly published on the Company's website. The Company can also publish a comment from the Board of Directors for each item to be added to the agenda.

2. Shareholders may send written questions to the Chairman of the Board of Directors, in accordance with Article R.225-84 of the French Commercial Code, once the notice of meeting has been published and by the fourth business day preceding the General Meeting at the latest together with a share ownership certificate. The Board of Directors will reply at the General Meeting or the reply will be deemed given if it is posted on the website at http://www.cnp.fr under the heading "replies" in accordance with Article L.225-108 of the French Commercial Code.

3. In accordance with the applicable law and regulations, all documents that must be provided to General Meetings will be made available to the shareholders at CNP Assurances' headquarters within the time limits set by law, and all documents referred to in Article R.225-73-1 of the French Commercial Code will be available on the Company's website at http://www.cnp.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 2015 and prior years, are made available to shareholders at the Company's headquarters in accordance with the applicable legal and regulatory provisions. The Registration Documents of CNP Assurances, filed with the AMF for each of the last five financial years, the Interim Financial reports and the Group's results presentations and outlook are accessible on the Company's website. In accordance with Article L.451-1-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the annual information document summarising certain information published by CNP Assurances, can also be viewed on the Company's website.

# 6.1.8 Existence of disclosure thresholds

## FORM RIGHTS AND TRANSFER OF SHARES (ARTICLES 11, 13 AND 14 OF THE ARTICLES OF ASSOCIATION)

CNP Assurances' Articles of Association are available on the Company's website at www.cnp.fr

Article 11 of the Articles of Association – Form and transfer of shares: disclosure thresholds with regard to the holding of the share capital.

### 6.1.8.1 FORM OF SHARES

*"Shares may be held either in registered or bearer form, at the shareholder's discretion. Holders of bearer shares will be identified under the conditions set out below. The Company may request information, in accordance with the applicable laws and regulations, from any organisation or accredited intermediary including the share transaction clearing organisation or the intermediary registered on behalf of a shareholder not domiciled in France within the meaning of Article 102 of the French Civil Code related to the holders of securities which convey immediate or future voting rights in its General Meetings, including their identity, nationality, address, the number of shares they hold, and any restrictions on the shares or securities held.*

*The shares are registered in an account held by the Company or an accredited intermediary."*

### 6.1.8.2 TRANSFER OF SHARES

*"The shares are freely transferable subject to legal and regulatory provisions and according to the conditions provided by law."*

### 6.1.8.3 DISCLOSURE THRESHOLDS WITH REGARD TO INTERESTS IN THE SHARE CAPITAL OR VOTING RIGHTS

*"Any person who, acting alone or in concert raises his direct or indirect interest in the capital or voting rights to at least 0.5%, 1% or any multiple of 1% is required to notify the Company by registered letter with return receipt requested within five days of the recording in the share account of the shares that lead to this threshold being reached or crossed, of the total number of shares and the number of voting rights held. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.*

(…)

*The above disclosure thresholds are an addition to the disclosures of thresholds provided by law."*

In connection with the application of this provision of the Articles of Association, CNP Assurances has been notified that:

Norges Bank Investment Management exceeded the 1.0% threshold and held 1.05% of the capital on 14 July 2015.

Article 13 of CNP Assurances' Articles of Association – Rights attached to shares

*"Each share shall entitle its holder to a share of the Company's profits and net assets proportionate to the number of outstanding shares as set out below. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and these Articles of Association.*

*Where a shareholder must own a specific number of shares to exercise a particular right the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required."*

Article 14 of CNP Assurances' Articles of Association – Transfer of rights and seals:

*"The rights and duties attached to shares shall be transferred with title to the shares. Share ownership shall automatically require shareholders to comply with these Articles of Association and the decisions made at General Meetings. The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property and documents of the Company, or that they be sold by auction or divided, nor shall they interfere in any way in its administration. In order to exercise their rights, they shall refer to the Company's statements of assets and liabilities and to the resolutions of the General Meetings."*

# 6.2 General information – Information about the Company's capital

## 6.2.1 Share capital, par value of the shares

Amount of fully subscribed and paid-up share capital at 31 December 2015:

€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

Ninth and tenth resolutions adopted by the Ordinary and Extraordinary General Meeting of 6 May 2015. Expiry: 6 July 2017.

### 6.2.2.2 DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS WITH A VIEW TO GRANTING SHARES

Eleventh resolution adopted by the Ordinary and Extraordinary General Meeting of 6 May 2015. Expiry: 6 July 2018.

## 6.2.3 Financial authorisations

### 6.2.3.1 AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The terms of the resolution to be adopted by the Annual General Meeting of 28 April 2016 are set out below:

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Article 241-2 of the General Regulations of the French financial markets authority (Autorité des Marchés Financiers – AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings:

- decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 6 May 2015 pursuant to its seventh resolution;
- decides to adopt the programme referred to below and, for this purpose:
  - to authorise the Board of Directors (which may sub-delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's General Regulations) to purchase shares of the Company, capped at the statutory limit of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution, is 5%,
  - decides that the shares bought back may be used for the following purposes:
    - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm that complies with the code of ethics of AMAFI (French association of financial and investment firms) recognised by the AMF,
    - to hold shares for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company,

- to grant shares to eligible employees of the Company or the Group, under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan,
- to deliver shares on exercise of rights attached to securities that are convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to applicable securities regulations,
- to cancel shares, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders adopting the extraordinary resolution authorising capital reductions),

- decides that the maximum purchase price per share may not exceed twenty-five euros (€25), excluding transaction costs,
- decides that the Board of Directors may, however, adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and the grant of shares, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share,
- decides that the maximum amount of funds used to carry out this share buyback programme may not exceed one billion, seven hundred and sixteen million, five hundred and forty-six thousand, one hundred and ninety-two euros, and fifty cents (€1,716,546,192.50),
- decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and, where applicable, by off-market transactions or through the use of options or derivatives other than the sale of put options, at the times that the Board of Directors considers appropriate subject to the limits provided for by stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time,
- grants full powers to the Board of Directors (which may delegate such powers) to ensure that these transactions are effectively completed, and to set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract in compliance with the Amafi code of ethics recognised by the AMF,
  - place any and all buy and sell orders on or off the market,
  - adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share,
  - enter into all agreements, in particular with a view to keeping registers of share purchases and sales,
  - prepare all documents and make all disclosures and filings with the AMF and any other organisation,
  - carry out all formalities and issue all publications, and
  - in general, do whatever is necessary in order to make use of this authorisation,
  - decides that this authorisation is given for a term that will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2016, without exceeding 18 months as from the date of this General Meeting.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will inform the Annual General Meeting of transactions carried out within the scope of this resolution.

### 6.2.3.2 AUTHORISATION TO ISSUE AND BUY BACK BONDS, SECURITIES OR DEBT SECURITIES

**The Board of Directors' decision taken at the meeting of 16 February 2016 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 issued may be subordinated or unsubordinated, fixed term or open ended and may pay interest at a fixed or variable rate (or any other form of remuneration, including indexation), or any other securities and/or debt securities (it being specified that they may not carry warrants giving a right to the allotment, acquisition or subscription of other securities and/or debt securities).

Within the framework of this authorisation, the Board of Directors set the maximum nominal amount of the securities to be issued at one billion, three hundred million euros (€1,300,000,000) or the equivalent of such amount in foreign currency, or in any other unit of account established by reference to a set of currencies (or basket of currencies).

Full powers are given to the Chief Executive Officer, under the conditions provided for by law and for the maximum amount of the authorisation set above, in order to:

- decide on the nature, forms, terms and conditions of the issues;
- decide on the features of the securities to be issued and, in particular, set the conditions for their exercise, their ranking, which may be subordinated where applicable, the method of amortisation and payment of the securities, the frequency of the interest payments and the date and method of redemption of the capital, with or without a premium, as well as the amount of any redemption premium which will be added to the total maximum amount of the securities that may be issued pursuant to this delegation of authority, and determine the governing law;
- decide, where appropriate, to attach a guarantee to the securities to be issued and, where applicable, define and grant such guarantee; and
- in general, decide on all the rates, terms and conditions that the Chief Executive Officer considers appropriate in light of market conditions and the Company's interests.

This authorisation shall be valid for a one-year period;

b) the Board also authorises, as necessary, the Chief Executive Officer of the Company to buy back, on one or more occasions, at the prices and according to terms and conditions that he shall determine at his sole discretion, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations.

The maximum nominal amount of the securities that can be bought back pursuant to this authorisation may not exceed five hundred million euros (€500,000,000) or the equivalent of this amount in foreign currencies, or any other unit of account established by reference to a set of currencies (or currency basket).

This authorisation shall be valid for a one-year period;

c) the Board also authorises, as necessary, the Chief Executive Officer of the Company to establish or unwind, on one or several occasions, at his sole discretion, in France or abroad, 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 with the following options: convert the interest and principal into euros (currency swaps) or exchange future interest payments (interest rate swap).

This authorisation shall be valid for a one-year period.

## 6.2.4 Changes in share capital

Between 1987 and the legislative reform of 16 July 1992, CNP Assurances was a public industrial and commercial institution with no share capital within the meaning of the French Act of 24 July 1966. The changes in the capital of CNP Assurances since it became an insurance company limited by shares on 9 December 1992 are set out below.

| Date | Description of the transactions carried out | Issued capital | Aggregate par value | Net premium |
|---|---|---|---|---|
| 31.12.1991 | Initial capital | 50,000 | FRF 5,000,000 (1) | – |
| 01.01.1992 | Shares issued in payment for assets acquired from CNP EPIC | 28,500,000 | FRF 2,850,000,000 (1) | FRF 4,243,612,960 (credited to reserve accounts) |
| 23.04.1993 | Shares issued for cash | 3,170,000 | FRF 317,000,000 (1) | FRF 538,900,000 |
| 27.10.1994 | Four-for-one share split | 126,880,000 | FRF 3,172,000,000 (2) | – |
| 18.09.1998 | Shares issued for cash | 9,803,922 | FRF 245,098,050 (2) | FRF 1,244,619,067 |
| 31.12.2000 | Employee rights issue | 443,786 | FRF 11,094,650 (2) | FRF 67,620,016 |
| 01.01.2001 | Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros | n/a | €25,886,223.98 (3) | – |
| 21.06.2002 | Employee rights issue | 726,356 | €2,905,424 | €17,105,683.80 |
| 25.06.2004 | Employee rights issue | 731,402 | €2,925,608 | €20,508,512.08 |
| 22.12.2004 | Employee rights issue | 49,836 | €199,344 | €1,678,476.48 |
| 06.02.2007 | Share issue with pre-emptive subscription rights | 9,902,521 | €39,610,084 | €660,003,024.65 |
| 06.07.2010 | Four-for-one share split | n/a | n/a | n/a |
| 24.07.2012 | Shares issued for cash following the 2011 dividend reinvestment plan | 49,348,883 | €49,348,883 | €339,520,315.04 |
| 28.05.2013 | Shares issued for cash following the 2012 dividend reinvestment plan | 43,118,302 | €43,118,302.00 | €395,826,012.36 |

*(1) Par value of FRF 100*
*(2) Par value of FRF 25*
*(3) Par value of €4*
*n/a not applicable*

## 6.2.5 Shareholder structure and changes in share capital

### 2013 FINANCIAL YEAR

Number of shares: 686,618,477

Voting rights: 686,157,804

| Shareholders | Number of shares | % share capital | % voting rights (1) |
|---|---|---|---|
| Caisse des Dépôts | 280,616,540 | 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)** | **537,189,280** | **78.24%** | **78.29%** |
| Public, Company employees and other | 149,429,197 | 21.76% | 21.71% |
| of which: | of which: | of which: | of which: |
| CNP Assurances (treasury shares) | 460,673 | 0.07% | - |
| **TOTAL CNP ASSURANCES SHARES** | **686,618,477** | **100.0%** | **100.0%** |

*(1) The difference between the percentages in share capital and voting rights can be attributed to the Company's 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. Note that 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 shareholdings above in the total concert shares and issued from the payment on 24 July 2012 and on 28 May 2013 of a share dividend by the Company are excluded from the definition of "pact shares" as per the shareholders' pact signed on 12 September 1998 by the concert party*

*As far as the Company is aware, no other shareholder owns more than 5% of the Company's share capital or voting rights*

### 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% | 40.93% |
| Sopassure (La Banque Postale and BPCE holding company) | 248,926,986 | 36.25% | 31.31% |
| 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 | 149,429,197 | 21.76% | 21.65% |
| 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 percentages in share capital and voting rights can be attributed to the Company's 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. Note that 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 shareholdings above in the total concert shares and issued from the payment on 24 July 2012 and on 28 May 2013 of a share dividend by the Company, are excluded from the definition of "pact shares" as per the shareholders' agreement signed on 12 September 1998 by the concert party*

*As far as the Company is aware, 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 | 149,429,197 | 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 percentages in share capital and voting rights can be attributed to the Company's 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. Note that 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 shareholdings above in the total concert shares and issued from the payment on 24 July 2012 and on 28 May 2013 of a share dividend by the Company, are excluded from the definition of "pact shares" as per the shareholders' agreement signed on 12 September 1998 by the concert party*

*As far as the Company is aware, no other shareholder owns more than 5% of the Company's share capital or voting rights*

Pursuant to the law, double voting rights were conferred on 3 April 2016, on all registered, fully paid up shares held by the same person for at least two years as from 2 April 2016.

## SHAREHOLDERS' AGREEMENT

### MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2009)

**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**<br><br>**Initial term: 5 years, automatically renewable for 2-year periods.** | ▪ Caisse des Dépôts: 40%<br>▪ La Poste: 20%<br>▪ CENCEP: 12.5%<br>▪ 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.<br>They agreed to consult each other prior to all major decisions, such as proposed amendments to the Articles of Association, capital projects excluding financial investments, membership of the Executive Board and Supervisory Board and, more generally, all strategic decisions for CNP Assurances. | The agreement contains clauses placing a temporary ban on the sale of the parties' CNP Assurances shares and a pre-emptive subscription right applicable to all sales except for those made by the State:<br>▪ 100% of the shares the first year, 80% the following year and 75% thereafter until the fifth year are temporarily non-transferable;<br>▪ 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;<br>▪ the parties that are State-controlled must together hold 61% of the capital. |

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**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:**<br>**19 December 2000**<br><br>**Term:**<br>**Amended to**<br>3 years following the decision by La Poste and Cencep to combine their interests within a joint holding company, Sopassure on:<br>**5 January 2004** | ■ Caisse des Dépôts: 37% (40% R 37%)<br>36% [ ■ La Poste (20% R 18%)<br>■ CNCE (formerly CENCEP) (12.5% R 18%) ]<br>■ 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 are aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ends, La Poste and Caisse d'Epargne group will recover direct ownership of their CNP Assurances shares and will decide whether to continue their joint policy with regard to the Company. The number of seats on the Supervisory Board held by each signatory remained unchanged (Caisse des Dépôts: five seats; La Poste: three seats; CNCE: two seats; French State: one seat).<br>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:<br>■ 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%);<br>■ interests held by CNP Assurances, La Poste and Caisse d'Epargne group combined within a joint holding *company,* Sopassure (a public sector entity) 50.1%-owned by La Poste;<br>■ Sopassure's interest will remain below that of Caisse des Dépôts (at around 36% and 37% respectively). |
| **Second addendum** | | | |
| **Signed:**<br>**26 May 2003**<br><br>**Term:**<br>**Extended until**<br>**31 December 2008** | ■ Caisse des Dépôts: 37%<br>36% [ ■ La Poste<br>■ CNCE (formerly CENCEP) ]<br>■ 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.<br>To maintain the balance of shareholders' interests, Caisse des Dépôts' interest is maintained at 50,582,880 shares and that of Sopassure at 49,191,780 shares. |

**CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998**
**(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – Conseil des marchés financiers/Autorité des Marchés Financiers)**

| Signature date, duration of the agreement and addenda | Signatories and % interest | Main terms | Main clauses concerning the capital |
|---|---|---|---|
| **Third addendum** | | | |
| **Signed:** **8 January 2007** <br><br> **Term:** **Extended until** **31 December 2015** <br> AMF ref.: 207C0117-16.01.2007 | ■ Caisse des Dépôts: 37% <br> 36% [ ■ La Banque Postale ■ CNCE ] <br> ■ French State: 1% | The third addendum extended the term of the shareholders' agreement to 31 December 2015. <br> Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. <br> Seats on the Supervisory Board have been allocated as follows: one person proposed by the French State, six by Caisse des dépôts et consignations, five by Sopassure, one by shareholders having acquired shares through cooperation agreements, one employee shareholder representative and four independent members. | Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. <br> The signatories undertake not to carry out any share purchases or other transactions, that would result in: <br> (i) Caisse des Dépôts holding over 40% * of CNP Assurances' capital, directly or indirectly, and/or; <br> (ii) Sopassure, La Banque Postale and CNCE together holding over 35.48% * of its capital, directly or indirectly. |
| **Fourth addendum** | | | |
| **Signed:** **9 July 2007** <br><br> **Term (unchanged):** **31 December 2015** <br> AMF ref.: 207C1599-27.07. 2007 | ■ Caisse des Dépôts: 40% <br> 35.48% [ ■ La Banque Postale ■ CNCE ] <br> ■ 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. <br> For the full term of the shareholders' agreement, the signatories will recommend that members of the Board be proposed as follows: <br> one member appointed by the French State; six by Caisse des Dépôts; five by Sopassure; one employee representative; and four independent directors. | The main clauses relative to the capital are not amended by this fourth addendum. They remain unchanged and in full force and effect. |

* *The percentages indicated do not include shares issued to pay scrip dividends*

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**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:**<br>**28 July 2009**<br><br>**Term (unchanged):**<br>**31 December 2015**<br>AMF ref.:<br>209C1086-<br>04.09.2009 | ■ Caisse des Dépôts: 40%<br>35.48% [ ■ La Banque Postale<br>■ BPCE (formerly CNCE)<br>■ French State: 1.09% | As a result of the alliance between Caisses d'Epargne and Banques Populaires, the new cooperative banking group, BPCE, was formed on 31 July 2009.<br>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.<br>This will not, however, change the balance of interests of CNP Assurances' shareholders or the business agreements, which will remain unchanged as a result of the operation. The other provisions of the agreement that are not amended by the fifth addendum remain unchanged and in full force and effect. | The main clauses relative to the capital are not amended by this fifth addendum, which does not affect the existence of Sopassure, jointly owned by La Banque Postale and BPCE. |

**Note: The 31 December 2015 expiry date was automatically extended for a two-year period until 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 commission on shareholdings and transfers and the order adopted by the French Minister of Economy and Finance on 23 September 1998, the French State sold approximately 6.5% of the Company's capital to new shareholders: the civil service mutual insurance companies AGRR Prévoyance and Compagnie Suisse de réassurances.

The above two share sales had the effect of reducing the French State's interest in CNP Assurances' capital from 42.38% to 23.39%.

Following the transfer of CNP Assurances to the private sector, the French State continued to hold a residual stake of approximately 2.24% of the Company's capital. A total of 61% of CNP Assurances' capital was nevertheless still in the hands of public sector shareholders, through the interests held by Caisse des Dépôts and La Poste.

Using the authorisation given at the Extraordinary General Meeting of 18 September 1998, the Executive Board decided to increase the Company's capital by FRF 245,098,050 to FRF 3,417,098,050 through the issuance of 9,803,922 new shares with a par value of FRF 25 each, by reference to the prices at which the shares held by the French State were sold to private sector shareholders and the price spread of FRF 149 to FRF 153 set by the French Minister of Economy and Finance for the CNP Assurances initial public offering.

The new shares were issued at a price of FRF 153 each, including a premium of FRF 128, and are in the same class as existing shares.

### 1999

There were no changes in ownership structure during the year.

### 2000

On 25 September 2000, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000. A total of 443,786 new FRF 25 par value shares reserved for employees were issued on 15 December 2000, ranking *pari passu* with existing shares. The issue proceeds totalled €11,999,973.44 (FRF 78,714,665.78), including FRF 11,094,650 credited to the capital account and FRF 67,620,015.78 to the share premium account.

At 31 December 2000, current and former employees of the Company held a total of 1,207,896 shares either directly or indirectly through Group employee share ownership plans.

On 19 December 2000, the main shareholders of CNP Assurances that signed the shareholders' agreement in September 1998 – Caisse des Dépôts, La Poste, Caisse d'Epargne group and the French State – decided to reorganise their majority interests in CNP Assurances. At the end of this process, which was completed on 5 January 2001, the situation of the majority shareholders of the Company was as follows:

- the respective 18% interests of La Poste and Caisse d'Epargne group were held by a joint holding company, Sopassure, which thus owned 36% of the capital of CNP Assurances;
- the interest of Caisse des Dépôts stood at around 37% versus 40% prior to the reorganisation and the interest of the French State came to 1.2% versus 1.7%.

### 2001

The Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to convert the share capital into euros effective as of 1 January 2001, by converting the par value of the shares and rounding up the converted amount to the nearest whole number of euros. The resulting capital increase – from FRF 3,428,192,700 to €548,510,832 (divided into 137,127,708 fully paid up ordinary shares with a par value of €4) – was paid up by capitalising reserves.

Within the scope of this authorisation, the Executive Board was given the power to amend the Articles of Association accordingly.

### 2002

On 17 April 2002, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a second employee rights issue. A total of 726,356 new €4 par value shares reserved for employees were issued on 21 June 2002, ranking *pari passu* with existing shares. The issue proceeds totalled €20,011,107.80, including €2,905,424 credited to the capital account and €17,105,683.80, to the share premium account. Following this issue, the share capital amounted to €551,416,256, divided into 137,854,064 fully paid up ordinary shares with a €4 par value.

At 31 December 2002, current and former employees of the Company held a total of 1,744,969 shares, directly or indirectly through Group employee share ownership plans, representing 1.26% of the capital.

## 2003

There were no changes in the Company's capital in 2003. At 31 December 2003, current and former employees of the Company held a total of 1,482,563 shares, directly or indirectly through Group employee share ownership plans, representing 1.08% of the capital.

## 2004

On 7 January 2004, the Executive Board decided to use the authorisation given at the Annual General Meeting of 4 June 2002 to carry out an employee right's issue. A total of 731,402 new €4 par value shares reserved for employees were issued on 25 June 2004, ranking *pari passu* with existing shares.

The issue proceeds totalled €23,434,120.08, including €2,925,608 credited to the capital account and €20,508,512.08 to the share premium account. Following this issue, the share capital was raised from €551,416,256 to €554,341,864, divided into 138,585,466 fully paid up ordinary shares.

On 19 July 2004, the Executive Board decided to carry out another employee rights issue reserved for members of the CNP Assurances International Group employee share ownership plan. A total of 49,836 new €4 par value shares reserved for employees were issued on 22 December 2004, ranking *pari passu* with existing shares.

The issue proceeds totalled €1,877,820.48, including €199,344 credited to the capital account and €1,678,476.48 to the share premium account. Following this issue, the share capital was raised from €554,341,864 to €554,541,208, divided into 138,635,302 fully paid up ordinary shares.

## 2005

There were no changes in ownership structure during the year.

At 31 December 2005, employees and former employees held 148,300 shares directly and 1,445,276 shares indirectly through the corporate mutual fund "Actions", representing approximately 1.15% of the capital.

## 2006

There were no changes in ownership structure during the year.

At 31 December 2006, employees and former employees held 1,458,866 shares indirectly through the corporate mutual fund "Actions" representing approximately 1% of the capital.

## 2007

A rights issue with pre-emptive subscription rights was launched on 8 January 2007 to finance part of the cost of acquiring 49.9% of Ecureuil Vie. 9,902,521 new shares were issued. The gross issue proceeds amounted to €699,613,108.65.

On 6 February 2007, after the new shares had been listed on Eurolist by Euronext Paris, the number of shares outstanding stood at 148,537,823.

At 31 December 2007, employees held 0.58% of the capital, directly and indirectly through Group employee share ownership plans.

## 2008

At 31 December 2008, employees held 0.6% of the capital, directly and indirectly through Group employee share ownership plans.

## 2009

BPCE acquired CNCE's interest in Sopassure (holding company owned jointly by La Banque Postale and CNCE).

At 31 December 2009, employees held 0.37% of the capital, directly and indirectly through Group employee share ownership plans.

## 2010

The only change to the structure of the share capital in 2010 was a four-for-one share split decided on 6 July 2010 bringing the number of shares in circulation to 594,151,292.

At 31 December 2010, employees held 0.36% of the capital, directly and indirectly through Group employee share ownership plans.

## 2011

At 31 December 2011, employees held 0.35% of the capital, directly and indirectly through Group employee share ownership plans.

## 2012

CNP Assurances increased its capital following the payment of a scrip dividend for 2011. The dividend reinvestment option was enthusiastically received by shareholders, particularly the major shareholders (Caisse des Dépôts, Sopassure and the French State).

These signatories of the shareholders' agreement declared to the AMF that the balance of shareholders' interests had not changed by reference to the situation prevailing before 24 July 2012, Caisse des Dépôts remaining the majority shareholder (AMF decision and information no. 212C1016 of 6 August 2012).

86.2% of dividends were reinvested. On 24 July 2012, 49,348,883 new shares were issued to cover the scrip dividend. On 31 December 2012, the Company's share capital stood at 643,500,175 shares with a par value of €1 each.

At 31 December 2012, employees held 0.33% of the capital, directly and indirectly through Group employee share ownership plans.

## 2013

CNP Assurances increased its capital following the payment of a scrip dividend for 2012. The dividend reinvestment option was again well received by shareholders, particularly the major shareholders (Caisse des Dépôts, Sopassure and the French State).

The new shares from the dividend reinvestment plan, ranking *pari passu* with existing shares, were listed on the NYSE Euronext Paris stock exchange on 30 May 2013. As a result of the reinvestment dividend plan, CNP Assurances' capital was 40.87%-held by Caisse des Dépôts, 36.25%-held by Sopassure and 1.11%-held by the French State.

At 31 December 2013, employees held 0.29% of the capital, directly and indirectly through Group employee share ownership plans.

## 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.

# 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 share is included in the following indices: SBF 120, Euronext 100 and DJ Eurostoxx Insurance.

## TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

| Date | Trading Volume | Low * *(in €/share)* | High * *(in €/share)* |
|---|---|---|---|
| 31.01.2014 | 9,306,803 | 14.31 | 15.7 |
| 28.02.2014 | 6,496,679 | 13.845 | 15.7 |
| 31.03.2014 | 7,109,055 | 14.405 | 16.1 |
| 30.04.2014 | 5,968,659 | 15.255 | 16.75 |
| 30.05.2014 | 5,358,910 | 15.545 | 16.85 |
| 30.06.2014 | 5,300,739 | 15.035 | 16.335 |
| 31.07.2014 | 5,844,042 | 14.62 | 15.9 |
| 29.08.2014 | 5,402,636 | 13.99 | 15.34 |
| 30.09.2014 | 4,891,260 | 14.71 | 15.5 |
| 31.10.2014 | 7,589,203 | 13.435 | 14.97 |
| 28.11.2014 | 5,073,983 | 14.39 | 15.04 |
| 31.12.2014 | 5,308,985 | 13.85 | 15.22 |
| 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 |

* *Intraday lows and highs*

## 6.2.8 Dividends

Dividends paid by CNP Assurances for 2011, 2012, 2013, 2014 and 2015 were as follows:

| Year of distribution | 2011 | 2012 | 2013 | 2014 | 2015 * |
|---|---|---|---|---|---|
| Earnings per share | €1.37 | €1.46 | €1.46 | €1.49 | €1.54 |
| Dividend per share | €0.77 | €0.77 | €0.77 | €0.77 | €0.77 |
| Number of shares with dividend rights | 594,151,292 | 643,500,175 | 686,618,477 | 686,618,477 | 686,618,477 |

* *Subject to the decision of the General Meeting of 28 April 2016*

Dividends not claimed within five years are statute-barred and are paid over to the French State.

### DIVIDEND POLICY

The Company's dividend policy is determined by the Board of Directors after review of the financial position and results of the Group.

This policy takes into account the Group's investment needs, the economic environment and any other factor deemed relevant.

The Company's dividend policy has always been consistent with its development strategy while seeking to ensure dividend sustainability by maintaining a reasonable payout ratio for its shareholders.

## 6.2.9 Guarantees and endorsements

To the best of the Company's knowledge, at the date of publication of this Registration Document, none of the Company's shares were subject to a pledge, guarantee or collateral.

See Note 9.11 "Commitments given and received" in section 3.1 "Consolidated financial statements".

## 6.2.10 Discretionary and statutory profit-sharing plans

### DISCRETIONARY PROFIT-SHARING PLAN

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. These amounts do not include any complementary contributions by the Company.

Amounts allocated on this basis to employees of CNP Assurances over the last five years:

| Year | Total discretionary profit-sharing amount | Number of recipients |
|---|---|---|
| 2011 | €6,364,630.08 | 3,339 |
| 2012 | €6,505,676.46 | 3,301 |
| 2013 | €6,570,565.60 | 3,293 |
| 2014 | €6,418,171.17 | 3,175 |
| 2015 | €6,494,396.06 | 3,128 |

### 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 immediately to the beneficiary, 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 May of the payment year) or in an employee share ownership plan or Group insurance plan, both of which are managed by Inter Expansion-Fongepar. Funds are frozen for five years in the case of the blocked current account and the employee share ownership plan, or until the employee concerned retires in the case of the Group insurance plan, 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 Group employee share ownership plan.

| Year | Total statutory profit-sharing | Number of recipients |
|---|---|---|
| 2011 | €12,947,254.00 | 3,083 |
| 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 |

## 6.2.11 Employee stock options

Not applicable.

## 6.2.12 Disputes

From time to time CNP Assurances Group is involved in legal proceedings in the ordinary course of business.

The principal proceedings are presented in Note 24.5.4 to the consolidated financial statements and in section 5.6.3 under the heading "Risk factors related to the business". The CNP Assurances Group is not currently aware of any legal proceedings or claims that it believes will have in the aggregate a material adverse effect on the Company's financial position or the results of its operations.

Neither the Company nor the Group has knowledge of any legal, governmental or arbitration proceedings, including either instances of which it is already aware, or any which may be pending or threatened against the Company, that may have had in the past 12 months, or may subsequently have a material adverse effect on its financial position or the results of its operations.

# 6.3 Transactions carried out in 2015 under the share buyback programme

The AGM held on 6 May 2015 renewed the share buyback programme introduced to coincide with the Company's IPO.

## 6.3.1 Purchase and sale of shares

Pursuant to the authorisation granted by the Annual General Meeting of 6 May 2015, the Company purchased (between 1 January 2015 and 31 December 2015) 7,676,530 of its own shares at an average price of €14.48, and sold 7,108,286 treasury shares for an average price of €14.44.

### FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

| | 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: | 7,676,530 | 7,108,286 | Call options purchased | Put options sold | Futures | Call options purchased | Put options sold | Futures |
| Maximum average security | None | None | None | None | None | None | None | None |
| Average transaction price *(in €)* | 14.48 | 14.44 | | | | | | |
| Average exercise price | None | None | None | None | None | None | None | None |
| Total *(in €)* | 111,156,154 | 102,643,650 | | | | | | |

### SUMMARY

| Treasury share transactions in the period from 1 January 2015 to 31 December 2015 | |
|---|---|
| Percentage of issued capital held by the Company, directly and indirectly | 0.15% |
| Number of shares cancelled in the last 24 months | None |
| Number of shares held in treasury as of 31 December 2015 | 1,023,067 |
| Book value (fair value *) | €12,726,953 |
| Market value * | €12,726,953 |

* *At closing price on 31 December 2015: €12.44*

## 6.3.2 Purpose of the transactions

All of the transactions were carried out as part of a market-making initiative 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 2015 share buyback programme. All of the shares held on 31 December 2015 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 REGISTRATION DOCUMENT

*"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.*

*I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and that the report of the Board of Directors, the different sections of which are listed on the contents page of the Registration Document, presents fairly the changes in business, results and financial position of the Company and the entities included in the scope of consolidation, as well as a description of their principal risks and contingencies.*

*I have received a letter from CNP Assurances' Statutory Auditors confirming that they have verified the information about the Company's financial position and financial statements provided in this Registration Document and that they have also verified the embedded value information for the 2015 financial year.*

*The Statutory Auditors' reports on the financial statements and the consolidated financial statements for the year ended 31 December 2015 included in this Registration Document are presented on pages 160 and 161 and 218 and 219, respectively.*

*The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014, which is presented on pages 162 and 163 of the Registration Document filed with the AMF on 9 April 2015 under number D.15-0308, contains an observation.*

*The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2013, which is presented on pages 150 and 151 of the Registration Document filed with the AMF on 10 April 2014 under number D.14-0321, contains an observation."*

**Frédéric Lavenir**

## STATUTORY AUDITORS

| Statutory Auditors of CNP Assurances | First appointed | Current term expires |
|---|---|---|
| **PricewaterhouseCoopers Audit**<br>63 rue de Villiers<br>92200 Neuilly-sur-Seine<br>Represented by Éric Dupont * | 2010 financial year | AGM to be held to approve the 2015 financial statements |
| Deputy: Yves Nicolas * | 2010 financial year | AGM to be held to approve the 2015 financial statements |
| **Mazars**<br>61 rue Henri Regnault – Tour Exaltis<br>92400 Courbevoie<br>Represented by Olivier Leclerc * | 1998 financial year<br>Renewed in 2010 | AGM to be held to approve the 2015 financial statements |
| Deputy: Franck Boyer * | 2010 financial year | AGM to be held to approve the 2015 financial statements |

* *Member of the Versailles Regional Association of Statutory Auditors*

### Information policy

#### Person responsible for financial information

Antoine Lissowski, Deputy Chief Executive Officer

4 place Raoul Dautry – 75716 Paris CEDEX 15

#### Documents concerning the Company may be consulted at its headquarters

Service "Droit des sociétés"

4 place Raoul Dautry – 75716 Paris CEDEX 15

Phone: +33 (0)1 42 18 88 88

# 6.5 Fees paid to the Statutory Auditors

| | MAZARS | | | | PWC | | | |
|---|---|---|---|---|---|---|---|---|
| | Amount incl. VAT | | % | | Amount incl. VAT | | % | |
| *In € thousands* | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 |
| **Audit** | | | | | | | | |
| Audit of the financial statements of the Company and the Group | 1,577 | 1,981 | 70% | 71% | 2,120 | 1,910 | 72% | 80% |
| *Issuer* | *987* | *819* | *44%* | *29%* | *994* | *826* | *34%* | *34%* |
| *Fully consolidated companies* | *590* | *1,162* | *26%* | *42%* | *1,126* | *1,084* | *38%* | *45%* |
| Other audit-related services * | 678 | 813 | 30% | 29% | 818 | 412 | 28% | 17% |
| *Issuer* | *668* | *324* | *30%* | *12%* | *768* | *410* | *26%* | *17%* |
| *Fully consolidated companies* | *10* | *489* | *0%* | *18%* | *50* | *2* | *2%* | *0%* |
| **Sub-total** | **2,255** | **2,794** | **100%** | **100%** | **2,938** | **2,322** | **99%** | **97%** |
| **Other services rendered by the Auditors to the fully consolidated companies** | | | | | | | | |
| Legal, tax and labour-law advisory services | | | | | 27 | 73 | 1% | 3% |
| Other services | | | | | | | | |
| **Sub-total** | | | | | **27** | **73** | **1%** | **3%** |
| **TOTAL** | **2,255** | **2,794** | **100%** | **100%** | **2,965** | **2,395** | **100%** | **100%** |

* *"Other audit-related services" 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 unsettled life insurance policies*

# 7 ANNUAL GENERAL MEETING OF 28 APRIL 2016

# 7.1 Annual General Meeting of 28 April 2016

## 7.1.1 Board of Directors' additional report on the proposed resolutions (outline and purpose)

The proposed resolutions to be submitted for approval by CNP Assurances' shareholders at the Ordinary General Meeting 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 2015 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 2015, after considering the Board of Directors' management report, the Chairman's report prepared pursuant to Article L.225-37, paragraph 6, of the French Commercial Code 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, and the Statutory Auditors' reports.

These financial statements are presented in the 2015 Registration Document and have been published in accordance with the applicable legal and regulatory requirements. They are also available for consultation on the Company's website (www.cnp.fr).

Consolidated profit attributable to owners of the parent amounted to €1,130 million in 2015 compared to €1,079.8 million in 2014.

#### Appropriation of 2015 distributable profit (3rd resolution)

***Purpose:*** At its meeting on 16 February 2016, the Board of Directors decided to recommend paying a cash dividend of €0.77 per share in 2016. The recommended total dividend is similar to that for 2015, at €528,696,227.29, and corresponds to a payout rate of 47% of consolidated profit attributable to owners of the parent.

This recommended appropriation reflects the Company's commitment to promoting a responsible dividend policy that maintains the necessary balance between preserving its investment capacity, remunerating employees and offering shareholders a fair return on their investment.

The Company's financial statements show a profit of €1,274,816,517.86 for 2015 (versus €714,073,224.49 in 2014).

Distributable profit for 2015 amounts to €1,668,112,144.24, corresponding to the sum of the above-mentioned profit and retained earnings of €393,295,626.38 brought forward from the prior year. The Board of Directors recommends that shareholders appropriate the distributable profit and set the dividend amount and payment date (as from 6 May 2016 as 5 May is not a business day), as proposed in the third resolution.

Dividends paid to private shareholders resident in France for tax purposes are subject to:

- 21% withholding tax treated as an instalment of income tax 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*).

The following dividends were distributed to CNP Assurances shareholders in respect of the previous three financial years:

| Financial year | Number of shares with dividend rights | Dividend per share |
|---|---|---|
| 2012 | 643,500,175 | €0.77 |
| 2013 | 686,618,477 * | €0.77 |
| 2014 | 686,618,477 | €0.77 |

* *Further to the scrip option offered to shareholders at the Annual General Meeting of 25 April 2013, 43,118,302 new shares with a par value of €1 each were issued in payment of 2012 dividends*

## Related party agreements and commitments referred to in Article L.225-38 of the French Commercial Code (4th and 5th resolutions)

***Purpose:*** On the basis of the Statutory Auditors' special report on related-party agreements and commitments, in the 4th and 5th resolutions shareholders are asked to approve the new related party agreements governed by Articles L.225-38 *et seq.* of the French Commercial Code authorised by the Board of Directors and entered into by CNP Assurances.

### 1) Partnership agreement with the BPCE Group

This agreement renewing the partnership between CNP Assurances and the BPCE Group came into effect on 1 January 2016 for an initial period of seven years.

As of 1 January 2016, Natixis Assurances will underwrite all savings and retirement policies (life and endowment insurance) distributed by the Caisses d'Epargne networks. In parallel, the renewed partnership provides for the implementation of an exclusive group term creditor insurance partnership with Natixis Assurances covering all the BPCE Group networks, along with specific partnerships in individual and group death/disability and health insurance (see the national inter-professional agreement – *Accord National Interprofessionnel*).

It also includes the introduction of a mechanism to align the interests of both partners concerning the contracts purchased by Caisse 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.

### 2) Partnership agreements with La Banque Postale

These agreements concern the ten-year partnership between CNP Assurances and La Banque Postale starting on 1 January 2016 and covering the following aspects:

- life and endowment insurance: the renewed partnership for a period of 10 years starting on 1 January 2016 has been expanded to include BPE (La Banque Postale's wealth management arm and a wholly-owned subsidiary of La Banque Postale since 2013);
- personal risk/protection insurance:
  - a direct ten-year partnership with La Banque Postale covering term creditor insurance for home-buyers. CNP Assurances will replace La Banque Postale Prévoyance in this segment,
  - sale by CNP Assurances to La Banque Postale of its interest in La Banque Postale Prévoyance, which will continue to write individual personal risk insurance.

Shareholders are informed that no new related-party agreements governed by Article L.225-42-1 of the French Commercial Code were entered into during 2015.

The Statutory Auditors' report, which is presented in the Registration Document, also provides information about related party agreements and commitments entered into and approved in prior years that remained in effect in 2015. These agreements are reviewed annually by the Board of Directors in accordance with Article L.225-40-1 of the French Commercial Code.

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 a director, the Chief Executive Officer or a shareholder of CNP Assurances owning more than 10% of the voting rights, and a company in which CNP Assurances holds more than a 50% interest.

## Advisory vote on the remuneration packages of the Chairman of the Board of Directors and the Chief Executive Officer (6th and 7th resolutions)

***Purpose:*** The AFEP-MEDEF Corporate Governance Code (section 24.3), to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, recommends that the components of the remuneration payable or granted for the reporting period to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors and to Frédéric Lavenir in his capacity as Chief Executive Officer be submitted to an advisory vote by shareholders at the Annual General Meeting.

The remuneration awarded to Jean-Paul Faugère and Frédéric Lavenir by the Board of Directors for 2015 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 2015 (see chapter 5, point 4 "Remuneration of corporate officers of CNP Assurances" of this Registration Document).

The advisory vote by shareholders applies to all components of the remuneration payable or granted to Jean-Paul Faugère and Frédéric Lavenir for 2015 by the CNP Assurances Group, *i.e.*, CNP Assurances and its subsidiaries. These components are summarised in the table below. Jean-Paul Faugère and Frédéric Lavenir are not entitled to any share-based payments and their total remuneration is therefore qualified as "payable" with no components qualified as "granted".

| | 2015 | |
|---|---|---|
| Jean-Paul Faugère, Chairman of the Board of Directors | Payable (1) | Granted (2) |
| Fixed remuneration | €250,000 | Not applicable |
| Annual variable remuneration | Not applicable | Not applicable |
| Deferred annual variable remuneration | Not applicable | Not applicable |
| Long-term variable remuneration | Not applicable | Not applicable |
| Exceptional remuneration | 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) | €19,101 | Not applicable |
| Benefits in kind | Not applicable | Not applicable |
| **TOTAL** | **€269,101** | **NOT APPLICABLE** |

| | 2015 | |
|---|---|---|
| Frédéric Lavenir, Chief Executive Officer | Payable (1) | Granted (2) |
| Fixed remuneration | €400,000 | Not applicable |
| Annual variable remuneration | €47,961 | Not applicable |
| Deferred annual variable remuneration | Not applicable | Not applicable |
| Long-term variable remuneration | Not applicable | Not applicable |
| Exceptional remuneration | 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*

## Composition of the Board of Directors: Re-election or appointment of six directors and one non-voting director (8th to 14th resolutions)

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 five directors and one non-voting director whose terms expire at the Annual General Meeting, and to elect a director to represent employee shareholders.

The purpose of the 8th to 12th resolutions is to re-elect Caisse des Dépôts, the French State, Anne-Sophie Grave, Stéphane Pallez * and Marcia Campbell * as directors for a four-year term expiring at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

The purpose of the 13th resolution is to elect Laurence Guitard as director representing employee shareholders to replace Philippe Baumlin whose term of office expires at the Annual General Meeting of 28 April 2016.

Laurence Guitard's candidature was presented to the Board of Directors of the "Actions CNP" corporate mutual fund, through which around two-thirds of shares owned by employees were held at 31 December 2015.

At its meeting on 16 February 2016, the Board of Directors assisted by the Remuneration and Nominations Committee reviewed these directors' backgrounds 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 Executive 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.

In the 14th resolution, shareholders are asked to re-elect Jean-Louis Davet as non-voting director for a four-year term expiring at the Annual General Meeting to be called in 2020 to approve the 2019 financial statements. The election of non-voting directors is provided for in the Company's Articles of Association which stipulate that they should have access to the same information as that provided to the directors.

### Re-appointment of the Statutory Auditors; re-appointment or appointment of substitute Statutory Auditors (15th and 16th resolutions)

***Purpose:*** The Board of Directors, on the recommendation of the Audit and Risk Committee, has decided to ask shareholders to renew the appointment of Mazars and Franck Boyer as co-Statutory Auditor and substitute Statutory Auditor, respectively. The Board also recommends renewing the appointment of PricewaterhouseCoopers Audit as co-Statutory Auditor and to appoint Xavier Crépon as new substitute Statutory Auditor.

Their six-year appointment will expire at the close of the Annual General Meeting to be called in 2022 to approve the 2021 financial statements.

### Authorisation for the Board of Directors to implement a share buyback programme. Maximum purchase price: €25/share (17th resolution)

***Purpose:*** The authorisation given to the Board of Directors by the shareholders at the Annual General Meeting on 6 May 2015 to trade in the Company's shares expires on 6 November 2016. The purpose of the 17th resolution is to renew this authorisation for the statutory period of 18 months.

The share buyback programme authorised in this resolution is identical in all respects to that approved at the Annual General Meeting of 6 May 2015, except for the buyback price, which has been reduced to a maximum of €25 per share, and the maximum amount that may be invested in the programme, which has been reduced accordingly to €1,716,546,192.50.

In accordance with legal provisions, 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.

As the next meeting of the Board of Directors will not take place until several weeks after the Annual General Meeting of 28 April 2016, at the meeting held to approve the financial statements and the resolutions to be presented at the Annual General Meeting, the Board delegated these powers to the Chief Executive Officer subject to shareholder approval of the related resolution.

Approval by the Annual General Meeting will automatically result in this condition precedent being lifted and Frédéric Lavenir, Chief Executive Officer, will be able to implement the share buyback programme immediately.

### Adjustment of the total directors' fees awarded to the Board of Directors (18th resolution)

***Purpose:*** In the 18th resolution, shareholders are asked to approve the maximum annual amount of directors' fees that may be awarded to the Board of Directors.

The increased workload of the Board of Directors and its Committees led to an increase in the number of meetings held in 2015 (31 *versus* 25 in 2014). The Board therefore proposes raising the total amount of fees that may be awarded to the directors. This total amount will be allocated among the individual directors in strict compliance with the Board's internal rules, according to which the fees paid by CNP Assurances to its directors will be below the average observed for comparable companies included in the SBF 120 index.

* *Independent directors based on the criteria in the AFEP-MEDEF Code.*

The Board of Directors is therefore asking shareholders to set the maximum total fees awarded to the Board of Directors for 2015 at €830,000 (compared with €721,650 currently) representing an increase of around 15%. If this resolution is adopted, the maximum fees awarded to the Board of Directors will remain unchanged in future years until a new decision is made by the Annual General Meeting.

### Powers to carry out formalities (19th resolution)

***Purpose:*** The 19th resolution is a standard resolution that authorises the bearer of a copy of the minutes to carry out all publication and filing formalities required by law after the Annual General Meeting.

## 7.1.2 Agenda

### ORDINARY RESOLUTIONS

The Board of Directors' management report, the Board of Directors' 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 2015
- **II –** Approval of the consolidated financial statements for the year ended 31 December 2015
- **III –** Appropriation of 2015 profit and setting of the dividend
- **IV –** Approval of the partnership agreement with the BPCE Group
- **V –** Approval of the agreements related to the partnership with La Banque Postale
- **VI –** Advisory vote on the remuneration of the Chairman of the Board of Directors
- **VII –** Advisory vote on the remuneration of the Chief Executive Officer
- **VIII –** Re-election as director of Caisse des Dépôts
- **IX –** Re-election as director of the French State
- **X –** Re-election as director of Anne-Sophie Grave
- **XI –** Re-election as director of Stéphane Pallez
- **XII –** Re-election as director of Marcia Campbell
- **XIII –** Re-election as director representing employee shareholders of Laurence Guitard
- **XIV –** Re-election as non-voting director of Jean-Louis Davet
- **XV –** Re-appointment of Mazars as Statutory Auditor and Franck Boyer as substitute Statutory Auditor
- **XVI –** Re-appointment of PricewaterhouseCoopers Audit as Statutory Auditor and appointment of Xavier Crépon as substitute Statutory Auditor
- **XVII –** Authorisation for the Board of Directors to implement a share buyback programme
- **XVIII –** Adjustment of the total amount of fees awarded to the Board of Directors for 2015 and subsequent years
- **XIX –** Powers for formalities

## 7.1.3 Proposed resolutions

### ORDINARY RESOLUTIONS

#### First resolution

**(Approval of the financial statements of the Company for the year ended 31 December 2015)**

Having considered:

- the Board of Directors' report on the management of the Company and the Group during 2015;
- 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 General Meeting approves the Company's financial statements for the year ended 31 December 2015 as presented, showing net profit of €1,274,816,517.86, as well as the transactions reflected in these financial statements or referred to in these reports.

The General Meeting also approves the transfer of €2,278,371 from the Company's discretionary reserves to the guarantee fund reserve set up in accordance with the French Act of 25 June 1999.

#### Second resolution

**(Approval of the consolidated financial statements for the year ended 31 December 2015)**

Having considered the reports of the Board of Directors and the Statutory Auditors, the General Meeting expressly approves the consolidated financial statements for the year ended 31 December 2015 as presented, showing profit attributable to owners of the parent of €1,130 million, as well as the management of the Group, as reflected in these financial statements and reports.

#### Third resolution

**(Appropriation of 2015 profit and setting of the dividend)**

Having noted that net profit for the year ended 31 December 2015 totalled €1,274,816,517.86 and that retained earnings brought forward from the prior year amounted to €393,295,626.38, resulting in distributable profit of €1,668,112,144.24, the 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 €528,696,227.29 to be shared between all shareholders;
- to transfer the balance of €1,139,415,916.95 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 €0.77.

The dividend will be paid as from 6 May 2016 and the shares will trade ex-dividend on NYSE Euronext Paris from 4 May 2016.

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 (*Code général des impôts*).

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 |
|---|---|---|
| 2012 | 643,500,175 | €0.77 |
| 2013 | 686,618,477 * | €0.77 |
| 2014 | 686,618,477 | €0.77 |

* *Further to the scrip option offered to shareholders at the Annual General Meeting of 25 April 2013, 43,118,302 new shares with a par value of €1 each were issued in payment of 2012 dividends*

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 2012, 2013 and 2014 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 partnership agreement with the BPCE Group)

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 partnership agreement between CNP Assurances and the BPCE Group mentioned and described in the Statutory Auditors' report.

## Fifth resolution

### (Approval of the agreements related to the partnership with 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 agreements related to the partnership with La Banque Postale mentioned and described in the Statutory Auditors' report.

## Sixth resolution

### (Advisory vote on the remuneration of the Chairman of the Board of Directors)

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3), the Ordinary General Meeting delivers a favourable opinion on the remuneration payable or granted to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors of CNP Assurances, as set out in the Board of Directors' report and in point 1 of section 7 "Annual General Meeting of 28 April 2016" of the 2015 Registration Document.

## Seventh resolution

### (Advisory vote on the remuneration of the Chief Executive Officer)

Pursuant to the AFEP-MEDEF Corporate Governance Code for listed companies (paragraph 24.3), the Ordinary General Meeting delivers a favourable opinion on the remuneration payable or granted to Frédéric Lavenir in his capacity as Chief Executive Officer of CNP Assurances, as set out in the Board of Directors' report and in point 1 of section 7 "Annual General Meeting of 28 April 2016" of the 2015 Registration Document.

## Eighth resolution

### (Re-election as director of Caisse des Dépôts)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Caisse des Dépôts as director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

## Ninth resolution

### (Re-election as director of the French State)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect the French State as director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Tenth resolution

#### (Re-election as director of Anne-Sophie Grave)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Anne-Sophie Grave as director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Eleventh resolution

#### (Re-election as director of Stéphane Pallez)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Stéphane Pallez as director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Twelfth resolution

#### (Re-election as director of Marcia Campbell)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Marcia Campbell as director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Thirteenth resolution

#### (Election as director representing employee shareholders of Laurence Guitard)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to elect Laurence Guitard as director representing employee shareholders for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Fourteenth resolution

#### (Re-election of Jean-Louis Davet as non-voting director)

Having considered the report of the Board of Directors, the Ordinary General Meeting resolves to re-elect Jean-Louis Davet as non-voting director for a four-year term expiring at the close of the Annual General Meeting to be called in 2020 to approve the 2019 financial statements.

### Fifteenth resolution

#### (Re-appointment of Mazars as Statutory Auditor and Franck Boyer as substitute Statutory Auditor)

The Ordinary General Meeting resolves to re-appoint Mazars, 61 rue Henri Regnault, 92400 Courbevoie, as Statutory Auditor and Franck Boyer, 61 rue Henri Regnault, 92400 Courbevoie, as substitute Statutory Auditor, for a period of six years expiring at the close of the Annual General Meeting to be called in 2022 to approve the 2021 financial statements.

### Sixteenth resolution

#### (Re-appointment of PricewaterhouseCoopers Audit as Statutory Auditor and appointment of Xavier Crépon as substitute Statutory Auditor)

The Ordinary General Meeting resolves to re-appoint PricewaterhouseCoopers Audit, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, as Statutory Auditor and to appoint Xavier Crépon, 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, as substitute Statutory Auditor, for a period of six years expiring at the close of the Annual General Meeting to be called in 2022 to approve the 2021 financial statements.

### Seventeenth resolution

#### (Authorisation for the Board of Directors to implement a share buyback programme)

The Ordinary General Meeting, having considered the Board of Directors' report and the description of the proposed programme as published in accordance with Article 241-2 of the Autorité des Marchés Financiers' general rules, resolves:

- to cancel, with immediate effect, the unused portion of the authorisation given by the Annual General Meeting of 6 May 2015 in the seventh 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 241-6 of the Autorité des Marchés Financiers' general rules, 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 AMAFI (French financial markets association) 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 governed by Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan,
- to 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-five euros (€25), 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 seven hundred and sixteen million five hundred and forty six thousand one hundred and ninety two euros and fifty cents (€1,716,546,192.50).
- 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 purchase 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 2016 or eighteen 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.

## Eighteenth resolution

### (Adjustment of the total directors' fees awarded to the Board of Directors)

The Ordinary General Meeting, having considered the report of the Board of Directors, resolves to set at €830,000 the total annual fees awarded to the Board of Directors for 2015.

These maximum fees awarded to the Board of Directors will remain unchanged in future years until a new decision is made by the Annual General Meeting.

## Nineteenth resolution

### (Powers for formalities)

The General Meeting gives full powers to the bearer of a copy of or an extract from the minutes of this Meeting to carry out all the formalities required by the applicable laws 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

| Type of authorisation | Purpose | Duration | Ceiling | Utilisations in 2015 |
|---|---|---|---|---|
| Share buyback programme | Buy and sell CNP Assurances shares | Granted by the AGM of 6 May 2014 (7th resolution) Duration: 18 months Expires: 6 November 2015 | 10% of share capital outstanding at the date of purchase | At 30 April 2015, 539,558 shares held in treasury (0.08% of share capital) |
| | Buy and sell CNP Assurances shares | Granted by the AGM of 6 May 2015 (7th resolution) Duration: 18 months Expires: 6 November 2016 | 10% of share capital outstanding at the date of purchase | At 31 December 2015, 1,023,067 shares held in treasury (0.15% of share capital) |
| Employee rights issues, stock options, share grants * | Issue of shares to members of an employee share ownership plan | Granted by the AGM of 25 April 2013 (11th resolution) Duration: 26 months Expires: 25 June 2015 | 3% of share capital | None |
| | Issue of shares to members of an employee share ownership plan | Granted by the AGM of 6 May 2015 (10th resolution) Duration: 26 months Expires: 6 July 2017 | 3% of share capital | None |

| Type of authorisation | Purpose | Duration | Ceiling | Utilisations in 2015 |
|---|---|---|---|---|
| | Share grants | Granted by the AGM of 6 May 2015 (11th resolution) Duration: 38 months Expires: 6 July 2018 | 0.5% of share capital outstanding at the date of the AGM | None |
| Rights issue | Issue of ordinary shares with preemptive subscription rights | Granted by the AGM of 25 April 2013 (10th resolution) Duration: 26 months Expires: 25 June 2015 | €50,000,000 (par value) | None |
| | Issue of ordinary shares with preemptive subscription rights | Granted by the AGM of 6 May 2015 (9th resolution) Duration: 26 months Expires: 6 July 2017 | €50,000,000 (par value) | None |

* *Two share grant plans were set up, on 5 July 2006 and 19 June 2007 respectively. Following the second plan, the free shares granted (120 shares for each non-executive employee and 60 for each executive employee) vested on 19 June 2009, i.e., at the end of the two-year vesting period. A total of 202,260 CNP Assurances shares were delivered to 2,385 employees. These shares have been freely transferable since June 2011, which marked the end of the holding period*

*As of 31 December 2015, employees held 0.27% of the Company's capital (versus 0.23% at end-2014)*

# 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.

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* *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 2013 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2013, as presented on pages 150 and 151 of Registration Document No. D.14-0321 filed with the AMF on 10 April 2014;*
- *the financial statements of CNP Assurances for the year ended 31 December 2013 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2013, as presented on pages 203 and 204 of Registration Document No. D.14-0321 filed with the AMF on 10 April 2014*
- *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. 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. 15-0308 filed with the AMF on 9 April 2015*
- *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 28 April 2016.



*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).

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# Appendices

## For more information, go to www.cnp.fr

Find out more about CNP Assurances, its businesses, its commitments and performance, read its latest news, find out about its innovations, obtain answers to your questions about life insurance, pensions and personal risk insurance.

The new site has specific pages dedicated to your information needs depending on your profile (individual, partner/professional, journalist, individual shareholder or investor/analyst).

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 the future.

All Group financial information is available in the Investor/Analyst (http://www.cnp.fr/en/Investor-Analyst) and individual shareholder (http://www.cnp.fr/en/Individual-shareholder) sections.

They 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.

Email queries can be sent directly to the investor relations team at actionnaires@cnp.fr for private shareholders and infofi@cnp.fr for investors.

## Comprehensive financial and shareholder publications

The Registration Document, the Shareholders' Guide, the Shareholders' Letter, the Annual Report and the Corporate Social Responsibility report are available on request or can be downloaded from the CNP Assurances website.

## Spaces dedicated to shareholders

Shareholders can join the Shareholders' Club (*Cercle des actionnaires*) at www.cnp-lecercle.fr. This site provides information on special services and Club events for members.

In France, a toll-free number N° Vert 0 800 544 544 APPEL GRATUIT DEPUIS UN POSTE FIXE (toll-free only from a landline) provides shareholders with real-time CNP Assurances share prices, the latest benchmark index values and access to a recorded telephone news briefing updated regularly.

Shareholders can also select 4 on the toll-free number menu to contact the shareholder relations helpdesk (Monday to Friday) for information on the Company, or to request membership of the Shareholders' Club, request financial documentation or register a change of address.

# 2016 Investor Calendar

### 28 April

- Annual General Meeting at the Palais Brongniart in Paris, France

### 11 May

- First-quarter 2016 revenue and profit indicators

### 27 June

- Le Revenu La Rochelle Shareholders' Meeting

### 28 July

- First-half 2016 revenue and results

### 13 September

- Le Revenu Avignon Shareholders' Meeting

### 9 November

- Nine-month 2016 revenue and profit indicators insuring all our futures

GROUPE Caisse desDépôts