EMBEDDED VALUE REPORT
AT 31 DECEMBER 2014

CONTENTS

1. Introduction

Since 1999, CNP Assurances Group financial reporting has included disclosures of embedded value and the value of new business. The reporting scope covers the Group's entities that significantly contribute to the value, namely CNP Assurances and its subsidiaries in France, Latin American and the rest of Europe.

These indicators provide a picture of the present value of future profits expected from insurer's stock portfolio. Through the New Business value, it offers a more detailed view of the new businesses sold during the current year.

Disclosed values are based on a "Market Consistent" approach. The CNP Assurances Group's calculations comply with MCEV© [1] standards, as set out in the "The European Insurance CFO Forum Market Consistent Embedded Value Principles", with the exceptions of the valuation of Caixa Seguradora, which is based on the traditional embedded value method.
Valuations are duly subject to attestation by audit firms PWC and Mazars.

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2. Results

2.1 MCEV© as of 31st December 2014

MCEV© Standards	MCEV 2014 before payment of 2014 dividends		MCEV 2013 after payment of 2013 dividends and dilutive effects		Change before payment of 2014 dividends		MCEV 2013 before payment of 2013 dividends	
	€m	€ per share [2]	€m	€ per share [2]	€m	%	€m	€ per share [2]
ANAV – Adjusted Net Asset Value	**11,649**	**17.0**	**10,894**	**15.9**	**755**	**7%**	**11,422**	**16.6**
Required Capital	7,766	11.3	8,665	12.6	-899	-10%	8,665	12.6
Free Surplus	3,883	5.7	2,229	3.2	1,654	74%	2,757	4.0
VIF – Value of In Force	**5,881**	**8.6**	**4,553**	**6.6**	**1,328**	**29%**	**4,553**	**6.6**
Present Value of Future Profits	10,376	15.1	7,003	10.2	3,373	48%	7,003	10.2
Time Value of Options and Guarantees	-3,040	-4.4	-728	-1.1	-2,312	318%	-728	-1.1
Frictional Costs of Required Capital	-896	-1.3	-1,110	-1.6	214	-19%	-1,110	-1.6
Costs of Non-Hedgeable Risks	-559	-0.8	-612	-0.9	53	-9%	-612	-0.9
MCEV© - Market Consistent Embedded Value	**17,530**	**25.5**	**15,447**	**22.5**	**2,083**	**13%**	**15,975**	**23.3**

[2] Number of shares at 31/12/2014 and at 31/12/2013 : 686 618 477

The 2014 MCEV© value of CNP Assurances is €17,530 million, 13.5% up on the 2013 value after dividends. This trend reflects a 29% increase in the value of in-force business and a 7% increase in adjusted net asset value.

The downward trend in financial markets, in particular the fall in rates, results in a sharp rise of surrender options and guaranteed rates.

A detailed analysis of the main factors explaining the observed changes is presented in the following sections. Chapter 3 presents a breakdown of In-force values by geographical area.

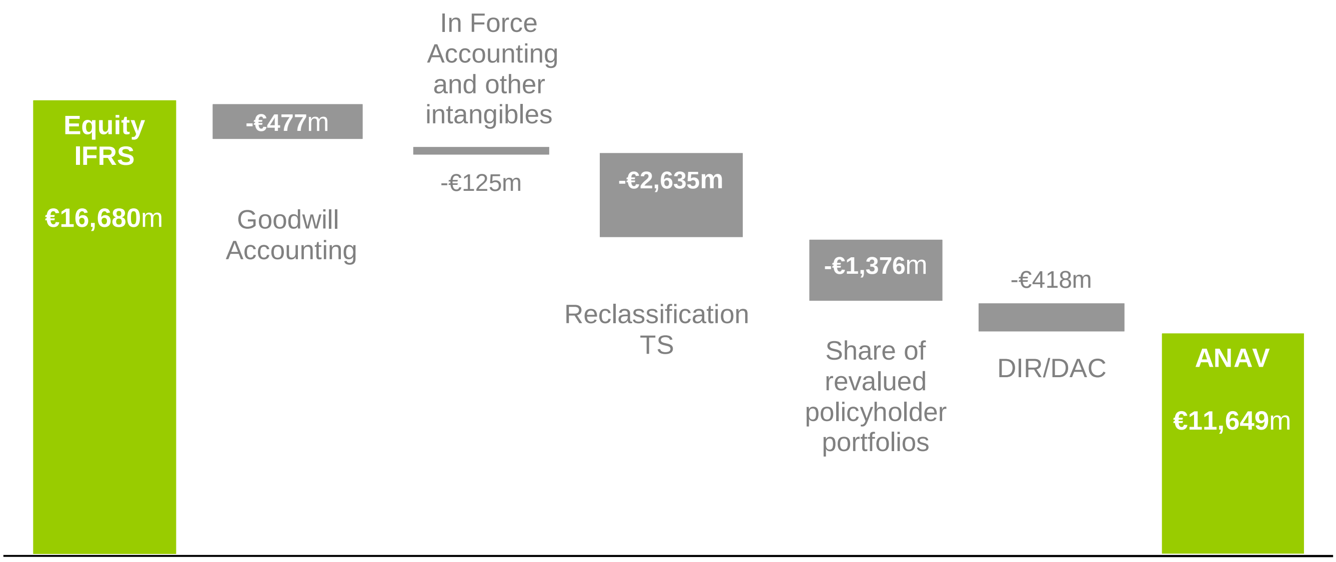
- ***Adjusted Net Asset Value***

The Adjusted Net Asset Value is calculated on the basis of IFRS Equity, after adjusting for the following elements:

- elimination of intangible assets such as goodwill and distribution agreements, book in-force values and deferred acquisition costs,
- deduction of unrealized capital gains and losses already accounted for in the VIF, and add-back 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.

Further to the acquisition of a 51% stake in the life insurance and non-life subsidiaries of Santander Consumer Finance, this new reporting scope is included in the 2014 MCEV© up to the value of its adjusted net asset value, after restatement of intangibles (goodwill and deferred income revenue/deferred acquisition costs). The VIF of this scope is not valued at this stage.

The following diagram shows the reconciliation between IFRS equity and adjusted net asset value at 31 December 2014:



2.2 Value of new business (VNB) at 31 December 2014

MCEV© Standards	2014 €m	2014 € per share	2013 €m	2013 € per share	Change €m	Change %
Present Value of Future Profits	703	1.0	605	0.9	97	16%
Time Value of Options and Guarantees	-244	-0.4	-98	-0.1	-145	148%
Frictional Costs of Required Capital	-46	-0.1	-68	-0.1	22	-33%
Costs of Non-Hedgeable Risks	-56	-0.1	-63	-0.1	6	-10%
Value of New Business	**357**	**0.5**	**376**	**0.5**	**-19**	**-5%**
APE (Annual Premium Equivalent) [3]	2,998		2,659		338	13%
PVNBP [4]	26,513		23,336		3,177	14%
APE ratio	**11.9%**		**14.1%**		**-2.2%**	**-16%**
PVNBP ratio	**1.3%**		**1.6%**		**-0.3%**	**-16%**

[3] 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.
[4] PVNBP is the present value of new business premiums.

The value of new business in 2014 totalled €357m, down 5%. Most of the loss in VNB arises in Europe excluding France, due to the high proportion of guaranteed rates in a context of falling rates. The Group's APE ratio has fallen to 11.9%.

The detailed trend by geographical area is presented in section 3.2 of this report.

The following table presents a detailed analysis of the changes in the value of new business:

MCEV© standards - €m	VNB	Change	APE Ratio
Value of New Business 2013	**376**		**14.1%**
Updated model	420	44	16.0%
Change in the APE volume	478	58	16.0%
Change in the Product Mix	466	-12	15.6%
Change in the experience	504	38	16.8%
Change in financial market conditions	355	-149	11.9%
Updated taxation	355	0	11.9%
Change in the foreign exchange rate	357	2	11.9%
Value of New Business 2014	**357**	**-19**	**11.9%**

The updated model has a positive impact of €44 million on the value of new business, especially in France.

The updated APE volume per entity has had a positive impact of €58m on the value of new business.

The updated product mix reduces the value of new business by €12 million, with a higher proportion of unit-linked products in France and the rest of Europe.

The impact of updated experience data is €38 million.

The updated financial markets figures (higher rate and share volatility, lower interest rates) decreases the value of new business by €149 million and the APE ratio by 4.9 points.

The higher Brazilian exchange rate, which has levelled off slightly below its rate at the end of 2013, has an impact of €2 million.

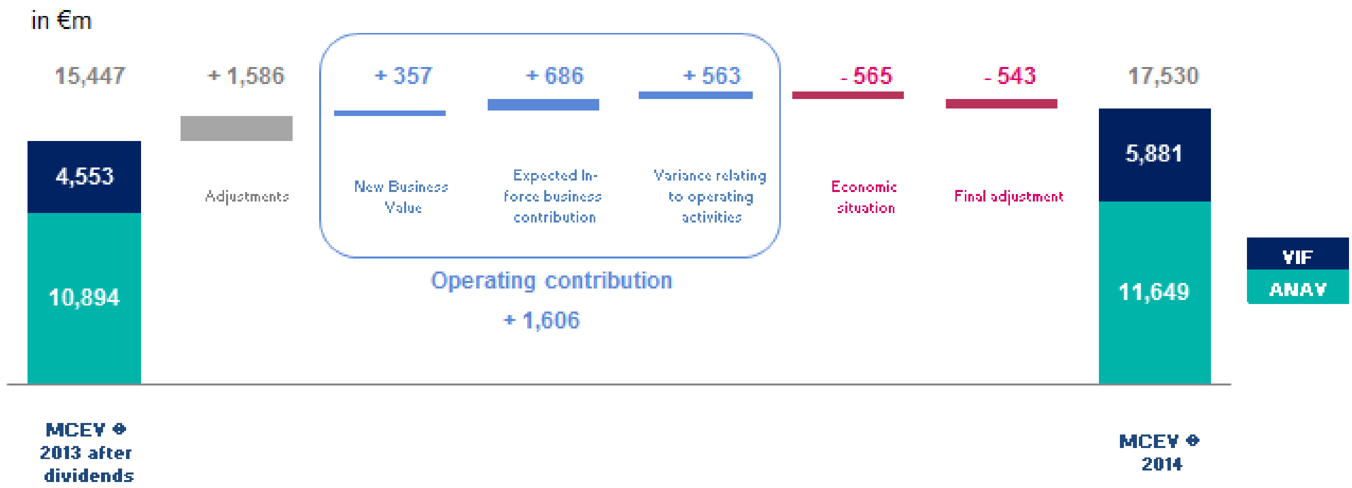
2.3 Sensitivities

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

MCEV© standards	ANAV €m	VIF €m	MCEV €m	VNB €m
MCEV - Market Consistent Embedded Value	**11,649**	**5,881**	**17,530**	**357**
+100 bp change p.a. in the interest rate environment	-337	937	600	172
- 100 bp change p.a. in the interest rate environment	338	-1,502	-1,163	-298
+10 bp change in the liquidity premium		156	156	19
10% decrease in equity/property capital values	-344	-756	-1,100	
10% proportionate decrease in lapse rates		232	232	38
10% decrease in maintenance expenses		429	429	33
Required Capital equal to regulatory solvency margin		179	179	8
Claims rates - 5% - Risk of longevity		-117	-117	-1
Claims rates - 5% - Risk of mortality & disability		173	173	60
25% increase in swaption implied volatilities		-305	-305	-40
25% increase in equity/property implied volatilities		-521	-521	-35
Value of New Business - marginal methodolody				55

The method for applying sensitivities is explained in detail in part 4.5 of this report.

2.4 Group variance analysis



The following table shows the analysis of earnings split between the Value of In-Force and the ANAV, the latter being broken down into Required Capital and Free Surplus. These last two concepts stem from the MCEV© publication standards as defined by the CFO Forum. Required Capital is the capital required for an insurer to do business according to its own criteria. CNP Assurances has set its capital requirement at 110% of the regulatory solvency margin requirement (as per Solvency I), 47% of it (group average) being funded by subordinated debt. The Free Surplus is the remaining capital once the Required Capital has been deducted.

MCEV© Standards - €m	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2013	**11,422**	**2,757**	**8,665**	**4,553**	**15,975**
Opening adjustments	-528	-442	-87	1,585	1,057
Adjusted MCEV 2013	**10,894**	**2,316**	**8,578**	**6,138**	**17,032**
New business value	-31	-818	787	388	357
Expected existing business contribution	74	74	0	612	686
Transfers from the VIF and required capital to free surplus	1,103	1,923	-820	-1,103	0
Experience variances	-78	-297	219	334	256
Changes in assumptions relating to operating activities	0	0	0	191	191
Other operating variance	0	1,000	-1,000	116	116
Operating MCEV Earnings	**1,068**	**1,882**	**-814**	**538**	**1,606**
Economic variances	270	270	0	-803	-533
Other non-operating variance	-34	-34	0	2	-32
Total MCEV earnings	**1,304**	**2,118**	**-814**	**-263**	**1,041**
Closing adjustments	-548	-550	2	6	-543
MCEV 2014	**11,649**	**3,883**	**7,766**	**5,881**	**17,530**

The MCEV© rose by €1,555 million between 2013 and 2014.

Initial adjustments impact on ANAV (-€528m) due to payment of the 2013 dividend. The positive adjustment of VIF (+€1,585m) is primarily due to restatements for the France reporting scope.

The value of new business has contributed +€357m to the change in MCEV©. This value includes the net loss of €31m in new business in 2014. The increase in Required Capital pertaining to this new business amounted to €787m.

The contribution of existing business (+€686m) is mechanically valued and results from the combined effects of the accretion of the VIF (+€612m) and the expected return on Free Surplus (+€74m). Furthermore, the 2014 profits attached to the VIF as at 31/12/2013 are transferred to the ANAV without affecting the MCEV©.

Observed variances in operating activities have an impact of €334m on VIF, primarily due to the effect of movements of provisions, the cost of which is recognized in ANAV, which furthermore benefit from non-recurrent revenues generating a difference between actual and projected income. Recent experience had led the CNP Assurances group to review certain assumptions relating to operating activity, such as cost or claims rates, generating an overall impact of +€191m.

With regard to Required Capital, variances in core operations have led to a €219m increase in the capital requirement. Issues of sovereign debt totalling €1,000m in 2014 resulted in a reduction in the MCEV capital requirement and a €116m gain in VIF

Trends on financial markets in 2014 led to a €533m reduction in MCEV. In a context of falling rates, the rise in initial riches on assets represented by equity and provisions has not offset the rise in the cost of surrender and rate options in the savings and pension ranges.

The final adjustment mainly corresponds to exchange rate fluctuations and the impact of the acquisition of a 51% stake in Santander Consumer Finance's life and non-life insurance subsidiaries, as intangibles (goodwill and deferred income revenue/deferred acquisition cost) are not recognized in MCEV.

A detailed analysis per geographical area is presented in section 3.

2.5 Operating Free Cash Flow

The “Operating Free Cash-Flow” indicator (cash flow generated by operating activities) materializes the capacity of the CNP Assurances group to generate Free Surplus for:

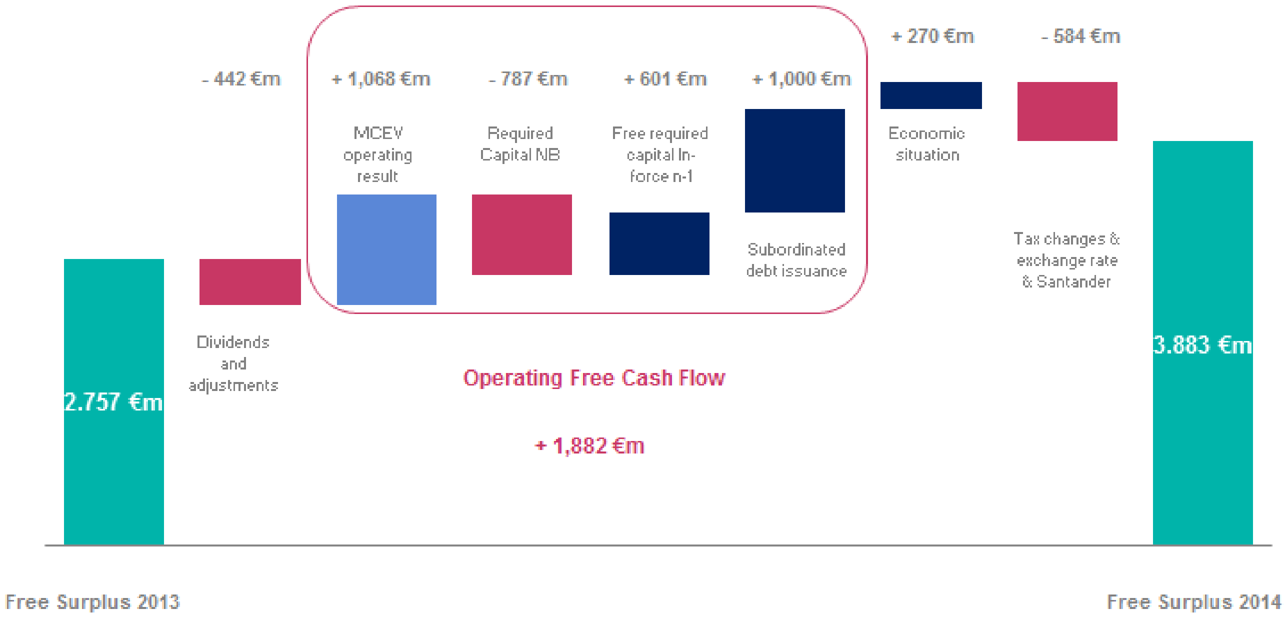
- paying its dividends
- expanding through sales of new business or through external growth by acquisition.

- €m -	Group 2013	Group 2014
VIF transfers to Free Surplus	787	1,103
Financial income from Free Surplus	66	74
Release of required capital to Free Surplus	715	820
Experience variances	-125	703
Expected contribution of In-Force	**1,444**	**2,700**
Capital required for new business	-816	-787
Earnings attributable to new business	-22	-31
Capital required for new business	**-838**	**-818**
Operating Free Cash Flow	**606**	**1,882**

Operating Free Cash Flow (€1,882m) is up, €882m excluding subordinated debt funding capital.

- €m - 2014	Group	France	Latin America	Europe excluding France
VIF transfers to Free Surplus	1,103	870	169	64
Financial income from Free Surplus	74	41	24	9
Release of required capital to Free Surplus	820	751	33	36
Experience variances	703	635	72	-4
Expected contribution of In-Force	**2,700**	**2,296**	**299**	**105**
Capital required for new business	-787	-677	-68	-41
Earnings attributable to new business	-31	-10	8	-29
Capital required for new business	**-818**	**-688**	**-60**	**-70**
Operating Free Cash Flow	**1,882**	**1,608**	**239**	**35**

2.6 Free Surplus variance analysis



The Free Surplus increased by 1,126€m through new business, acquisitions, dividend payment and the change in methodology in the consideration of the funding by subordinated debt (more sharing between countries).

The operating contribution brings to 1,882€m:

- MCEV© operating result 1,068€m
- a change in the capital requirements required to 186€m, broken down into a 787€m charge related to new business and a release of capital of 601€m in the in-force portfolio on 31/12/2013;
- a subordinated debt issuance increasing the subordinated debt share in the funding of capital required; the need for capital net of subordinated debt decreased by 1,000€m.

The economic contribution is 270 €m.

The final adjustment mainly corresponds to the impact of the acquisition of a 51% stake in Santander Consumer Finance's life and non-life insurance subsidiaries, as intangibles (goodwill and deferred income revenue/deferred acquisition cost) are not recognized in MCEV.

2.7 IDR Implied Discount Rate

The IDR stands as at 6.02% at group level as of 31/12/2014, against 5.75% on 31/12/2013. Its evolution is mainly due to the increase in the cost of options and financial guarantees.

At 31 December 2014, the IDR is calculated on the basis of a 20 bp spread on the benchmark yield curve and a 20 bp spread on corporate bonds. Shares and property benefit respectively from a risk premium of 310 bp and 230 bp (310 bp and 230 bp on 31 December 2013).

3. Detailed results by geographical area

The following chapter provides an analysis of the main indicators and trend vectors by geographical area.

3.1 VIF

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

MCEV© standards - €m		Group	France	Latin America	Europe excluding France
MCEV 2014	Present Value of Future Profits	10,376	9,420	666	290
	Time Value of Options and Guarantees	-3,040	-3,019	0	-22
	Frictional Costs of Required Capital	-896	-852	-38	-6
	Costs of Non-Hedgeable Risks	-559	-544	0	-15
	Value of In-Force	**5,881**	**5,005**	**628**	**248**
MCEV 2013	Present Value of Future Profits	7,003	6,130	608	265
	Time Value of Options and Guarantees	-728	-722	0	-6
	Frictional Costs of Required Capital	-1,110	-1,068	-34	-8
	Costs of Non-Hedgeable Risks	-612	-591	0	-21
	Value of In-Force	**4,553**	**3,749**	**573**	**230**
Variation	€m	**1,328**	**1,256**	**55**	**17**
	%	**29%**	**34%**	**10%**	**7%**

The group's VIF (€5,881m), up 29%, benefits from restatement effects in France on savings and the credit life insurance, as well as the contribution of new business. The fall in the rates is the main cause of the increase in the cost of options and financial guarantees. The rise in VIF in Latin America (up 8.3% at constant exchange rates) is mainly due to the contribution of new business and positive economic effects.

3.2 VNB

3.2.1 APE volume

- €m -	Group	France	Latin America	Europe excluding France
IFRS 2014 Revenue	**30,802**	**24,503**	**2,874**	**3,425**
IFRS 2013 Revenue	27,668	21,097	3,074	3,497
Revenue progression rate	11%	16%	-7%	-2%
APE 2014	**2,998**	**2,311**	**441**	**245**
APE 2013	2,659	1,998	389	272
APE evolution rate	13%	16%	13%	-10%
PVNBP 2014	**26,513**	**22,754**	**1,841**	**1,918**
PVNBP 2013	23,336	19,340	1,800	2,195
Evolution rate of the PVNBP	14%	18%	2%	-13%

- **France**

The volume of APE revenue in France (€2,311m), up 16% on 2013, is characterized by a sharp rise in inflows of unit-linked contracts (+83%) and euro savings contracts (+16%). The volumes allocated to risk benefits contracts are up 2%, and credit life insurance contracts are down 6%.

- **Latin America**

APE revenue of the Brazilian subsidiary Caixa Seguradora (€441m) is up 13% (+12% at constant exchange rates). The risk benefits and protection activities (57% of the subsidiary's APE revenue) are particularly bullish, showing 18% growth over the year.

- **Europe excluding France**

The volume of APE revenue of the European subsidiaries and branches (excluding France) stands at €245m, down 10% on 2013 (up 6.5% after restatement of one exceptional deal in 2013). There is an upturn in the volumes of unit-linked business (+9% of APE revenue) and credit life insurance (+48% of APE revenue), more particularly in Italy and Spain. In Spain and Portugal, APE revenue allocated to euro savings contracts is also up.

3.2.2 VNB

MCEV© Standards - €m	Group		France		Latin America		Europe excluding France	
	VNB	APE Ratio	VNB	APE Ratio	VNB	APE Ratio	VNB	APE Ratio
Value of New Business 2013	**376**	**14.1%**	**211**	**10.6%**	**132**	**34.0%**	**32**	**11.8%**
Updated model	420	16.0%	261	13.0%	134	34.5%	25	10.7%
Change in the APE volume	478	16.0%	302	13.0%	150	34.5%	26	10.5%
Change in the Product Mix	466	15.6%	305	13.2%	136	31.3%	24	9.8%
Change in the experience	504	16.8%	344	14.9%	140	32.0%	20	8.3%
Change in financial market conditions	355	11.9%	208	9.0%	140	32.1%	7	2.7%
Updated taxation	355	11.9%	208	9.0%	140	32.1%	7	2.8%
Change in the exchange rate	357	11.9%	208	9.0%	142	32.1%	7	2.8%
Value of New Business 2014	**357**	**11.9%**	**208**	**9.0%**	**142**	**32.1%**	**7**	**2.8%**
Change	**-19**	**-2.2%**	**-3**	**-1.6%**	**9**	**-2.0%**	**-25**	**-9.0%**

- **France**

With a APE ratio of 9%, France benefits from the changes in credit life insurance models and the projection of costs linked to own accounts. France's VNB saw its product mix improve in 2014, the rise in revenue from unit-linked products offsetting the fall in credit life insurance. Updated experience data (better operating ratio, repricing of risk benefits) was favourable in 2014 and has resulted in a rise of 1.7 in the APE ratio. The bearish financial markets (higher volatility in rates and equities, lower interest rates) is the main cause of the fall of 1.6 points in the APE ratio.

- **Latin America**

The Brazilian subsidiary's VNB is up 7%, due to the sharp rise in volumes of health-related products, which have smaller margins than other products (risk benefits/protection). Inflows are very dynamic (+18% over the year) on these segments that overall have large margins.

- **Europe excluding France**

The value of new business in Europe excluding France was down €25m in 2014 with a APE ratio of 2.8%. The 9-point fall in the APE ratio compared with 2013 is mainly attributable to the high proportion of euro savings contracts in the portfolio, combined with the worsening financial markets over the period.

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

	MCEV© Standards - €m	Group €m	France €m	Latin America €m	Europe excluding France €m
2014	Present Value of Future Profits	703	538	152	13
	Time Value of Options and Guarantees	-244	-241	0	-3
	Frictional Costs of Required Capital	-46	-34	-11	-1
	Costs of Non-Hedgeable Risks	-56	-54	0	-2
	Value of New Business	**357**	**208**	**142**	**7**
	APE	2,998	2,311	441	245
	PVNBP	26,513	22,754	1,841	1,918
	VNB/APE Ratio	**11.9%**	**9.0%**	**32.1%**	**2.8%**
	VNB/PVNBP Ratio	1.3%	0.9%	7.7%	0.4%
2013	Present Value of Future Profits	605	424	144	37
	Time Value of Options and Guarantees	-98	-97	0	-1
	Frictional Costs of Required Capital	-68	-56	-11	-1
	Costs of Non-Hedgeable Risks	-63	-60	0	-3
	Value of New Business	**376**	**211**	**132**	**32**
	APE	2,659	1,998	389	272
	PVNBP	23,336	19,340	1,800	2,195
	VNB/APE Ratio	**14.1%**	**10.6%**	**34.0%**	**11.8%**
	VNB/PVNBP Ratio	1.6%	1.1%	7.4%	1.5%
Change	**VNB**	**-19**	**-3**	**0**	**-16**
	APE	338	313	0	25
	PVNBP	3,177	3,414	0	-237
	VNB	-5%	-1%	7%	-79%
	VNB / APE Ratio	**-2.2%**	**-1.6%**	**-2.0%**	**-9.0%**
	VNB / PVNBP Ratio	-0.3%	-0.2%	0.3%	-1.1%

3.2.3 Duration

The table below shows the durations of new business by geographical area :

Duration (year)	Group	France	Latin America	Europe excluding France
Savings & Pensions	11.7	12.2	4.9	6.0
Risk & Protection	6.7	7.0	4.3	5.2

3.3 Sensitivities

3.3.1 VIF sensitivities

MCEV© standards	Group €m	France €m	Latin America €m	Europe excluding France €m
Value of In-Force	**5,881**	**5,005**	**628**	**248**
+100 bp change p.a. in the interest rate environment	937	915	1	21
- 100 bp change p.a. in the interest rate environment	-1,502	-1,474	-2	-26
+10 bp change in the liquidity premium	156	151		4
10% decrease in equity/property capital values	-756	-747		-9
10% proportionate decrease in lapse rates	232	198	25	9
10% decrease in maintenance expenses	429	409	8	13
Required Capital equal to regulatory solvency margin	179	96		1
Claims rates - 5% - Risk of longevity	-117	-114	0	-3
Claims rates - 5% - Risk of mortality & disability	173	140	27	6
25% increase in swaption implied volatilities	-305	-303		-2
25% increase in equity/property implied volatilities	-521	-515		-5

3.3.2 VNB sensitivities

MCEV© standards	Group €m	France €m	Latin America €m	Europe excluding France €m
Value of New Business	**357**	**208**	**142**	**7**
+100 bp change p.a. in the interest rate environment	172	158	1	14
- 100 bp change p.a. in the interest rate environment	-298	-285	-1	-13
+10 bp change in the liquidity premium	19	17		1
10% proportionate decrease in lapse rates	38	28	9	1
10% decrease in maintenance expenses	33	27	4	2
Required Capital equal to regulatory solvency margin	8	5		3
Claims rates - 5% - Risk of longevity	-1	-1	0	0
Claims rates - 5% - Risk of mortality & disability	60	50	10	0
25% increase in swaption implied volatilities	-40	-39		0
25% increase in equity/property implied volatilities	-35	-34		-1
Value of New Business - marginal methodolody	55	48		7

3.4 Variance analysis by geographical area

- **France**

MCEV© Standards - €m	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2013	**10,069**	**1,803**	**8,266**	**3,749**	**13,818**
Opening adjustments	-324	-172	-152	1,587	1,263
Adjusted MCEV 2013	**9,745**	**1,630**	**8,114**	**5,336**	**15,081**
New business value	-10	-688	677	219	208
Expected existing business contribution	41	41	0	492	533
Transfers from the VIF and required capital to free surplus	870	1,620	-751	-870	0
Experience variances	-151	-365	214	310	159
Changes in assumptions relating to operating activities	0	0	0	206	206
Other operating variance	0	1,000	-1,000	116	116
Operating MCEV Earnings	**749**	**1,608**	**-859**	**472**	**1,222**
Economic variances	267	267	0	-804	-537
Other non-operating variance	-20	-20	0	0	-20
Total MCEV earnings	**996**	**1,855**	**-859**	**-331**	**665**
Closing adjustments	-580	-580	0	0	-580
MCEV 2014	**10,161**	**2,906**	**7,255**	**5,005**	**15,166**

The "initial adjustments" item includes payment of the 2013 dividend and dividends paid by subsidiaries for financial year 2013. The adjustments also include the improved forecast assumptions for the savings and credit life insurance models and the impact of non-pooling in the Group of sources of funds like subordinated notes and debentures.

Improvements were made to the models during the course of 2014, in particular:
- In savings, recognitions of the profit-sharing liability at entity level, the minimum profit-sharing restriction and the provision for liquidity risk on technical liabilities (€883m of gains in economic context of 31/12/2013),
- In credit life insurance, the switch to a monthly model and the calibration of new laws of experience (VIF increase of €282m),
- On costs in all business segments, the review of unit costs and the new modelling of committed costs (an overall gain of €145m),
- The use of the economic scenarios generator LMM+ (+€146m) and the distribution of corporate credit spreads (-€59m).

In 2014 the new business value contributed €208m to the change in the MCEV©. The increase in Required Capital pertaining to this new business amounted to €677m.

The observed variances in operating activities increase VIF by €310m, chiefly due to the effect of movements in provisions, the expense of which is recognized in ANAV. Recent experience has led CNP Assurances to review certain assumptions relating to operating activities, generating an overall impact of +€206m.

The experience variances from operational activities affecting the ANAV total €214m. Issues of subordinated debt totalling €1,000m in 2014 resulted in a reduction in the MCEV capital requirement and a €116m gain in VIF.

The economic outlook has had a adverse effect on value (-€537m). In a context of falling rates, the rise in initial riches on assets represented by equity and provisions has not offset the rise in the cost of surrender and rate options in the savings and pension ranges and the cost of minimum profit-sharing henceforth modelled at entity level.This figure includes also the impact of the 2014 accounting charge in the profit-sharing liability at entity level.

The other non-operating variances mainly include tax changes and the payment of the ACPR penalty (€40m).

The final adjustment mainly corresponds to the impact of the acquisition of a 51% stake in Santander Consumer Finance's life and non-life insurance subsidiaries, as intangibles (goodwill and deferred income revenue/deferred acquisition cost) are not recognized in MCEV.

- **Latin America**

MCEV© Standards - €m	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2013	**714**	**519**	**194**	**573**	**1,287**
Opening adjustments	-175	-175	0	5	-170
Adjusted MCEV 2013	**539**	**344**	**194**	**579**	**1,117**
New business value	8	-60	68	134	142
Expected existing business contribution	24	24	0	91	115
Transfers from the VIF and required capital to free surplus	169	203	-33	-169	0
Experience variances	67	72	-5	5	73
Changes in assumptions relating to operating activities	0	0	0	-9	-9
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**269**	**239**	**30**	**52**	**321**
Economic variances	-7	-8	0	-8	-16
Other non-operating variance	-11	-11	0	0	-11
Total MCEV earnings	**250**	**220**	**30**	**44**	**294**
Closing adjustments	31	29	2	6	37
MCEV 2014	**820**	**594**	**227**	**628**	**1,448**

The 2013 MCEV© of Caixa Seguradora adjusted for the 2013 dividend, improvements in method and model, stands at €1,117m. New Business contributed €142m at current exchange rates to the increase in the MCEV©.

Observed variance relating to operating activities result:
- at VIF level (€5m) from movements of provisions;
- at ANAV level (€67m), from lower than expected claims rates, more particularly on portfolios credit life insurance and risk benefits insurance.

The rise in interest rates has led to unrealized bond losses reducing the ANAV of Caixa Seguradora by €7m.
The fall in the Brazilian exchange rate has increased the MCEV© by €37m.

- **Europe excluding France**

MCEV© Standards - €m	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2013	**640**	**435**	**204**	**230**	**870**
Opening adjustments	-29	-94	65	-7	-36
Adjusted MCEV 2013	**610**	**341**	**269**	**223**	**834**
New business value	-29	-70	41	36	7
Expected existing business contribution	9	9	0	30	38
Transfers from the VIF and required capital to free surplus	64	100	-36	-64	0
Experience variances	6	-4	9	19	24
Changes in assumptions relating to operating activities	0	0	0	-6	-6
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**49**	**35**	**15**	**14**	**63**
Economic variances	11	11	0	9	19
Other non-operating variance	-3	-3	0	2	0
Total MCEV earnings	**58**	**43**	**15**	**24**	**82**
Closing adjustments	0	0	0	0	0
MCEV 2014	**668**	**384**	**284**	**248**	**916**

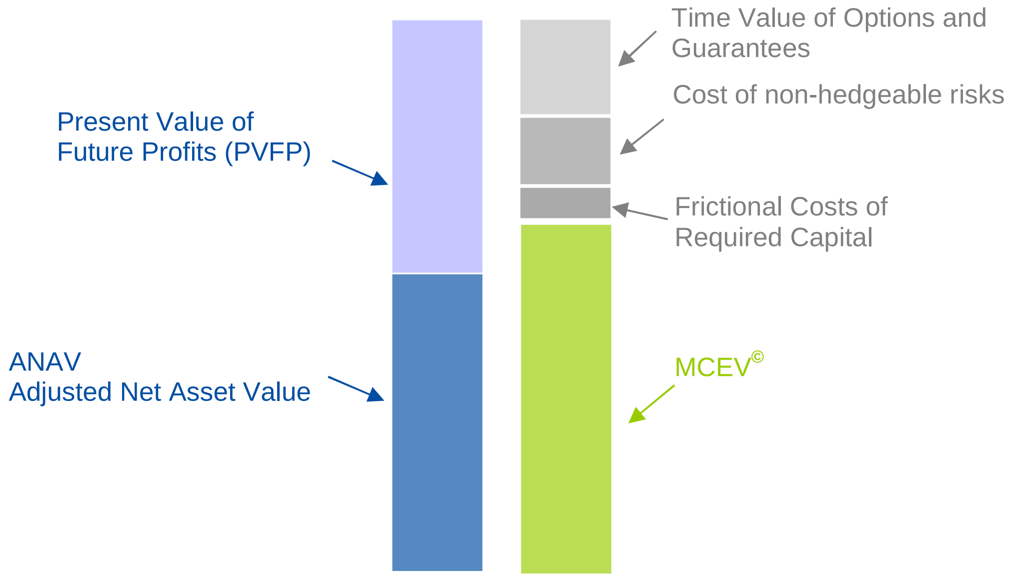
The 2013 MCEV© for Europe excluding France adjusted for the 2013 dividend, improvements in method and model, stands at €834m.

The value of new business has contributed +€7m to the change in MCEV©. This value includes a net loss of -€29m in new business in 2014 due to the discounted commission paid to the Unicredit network in Italy. The increase in Required Capital pertaining to this new business amounted to €41m.

Observed variances in operating activities result on ANAV mainly from the activation and amortization of deferred income revenue and deferred acquisition costs (Cyprus, Italy) and provisions made in Spain for computer developments. They also include the non-modelled scope in Cyprus (non-life) and in Greece, thereby generating a difference between actual and projected income. Furthermore, the fall in surrenders observed in Italy (unit-linked and euro savings contracts) explains the positive operating variance in required capital.

The effects of the economic situation (€19m) reflect a rise in the unrealized gains of asset portfolios further to the narrowing spreads of Italian, Spanish and Portuguese borrowing rates observed in 2014.

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 CNP Assurances Group is based on the MCEV© calculation standards as set out in "The European Insurance CFO Forum Market Consistent Embedded Value Principles" in October 2009. This chapter details the principles adopted by the CNP Group.

4.1 Reporting scope

The reporting scope includes the Group's entities that significantly contribute to the value, namely CNP Assurances and its subsidiaries in France, Latin American and the rest of Europe.

Geographical area	Entities	Shares owned
France	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	MFPrévoyance	64.72%
	La Banque Postale Prévoyance	50%
Italy	CNP Unicredit Vita	57.5%
	Italian branch of CNP Assurances	100%
Brazil	Caixa Seguradora	51.75%
Spain	CNP Vida	94.47%
	EstalVida	94.47%
	CNP Barclays Vida y Pensiones [5]	50%
Cyprus	CNP Cyprus Insurance Holdings	50.1%

[5] including business activities in Portugal and Italy

The other entities were valued in compliance with IFRS principles. The following changes have not been considered in valuation: changes that will occur on the partnership with BPCE as of January 1, 2016, the sale of CNP BVP which will occur in 2015, and the possible evolution of the partnership with the Banque Postale, which expires end of 2015.

New reporting entities:

Further to the announcement on 10 July 2014 of a strategic agreement with the Banco Santander Group, and after approvals obtaining the necessary regulatory approvals, CNP finalized the acquisition of a 51% stake in the life and non-life insurance subsidiaries of Santander Consumer Finance and an exclusive distribution agreement on all protection insurance products in 10 European countries.
At this juncture, this new entity has been valued in MCEV ANAV on the basis of IFRS principles after intangible items retreatment.

Scheduled derecognitions (first half of 2015):

As reported in the press release published on 22 December 2014, the CNP Assurances group is selling its 50% stake in Spanish company CNP BVP (CNP Barclays Vida y Pensiones) to Barclays Bank for a total of €453m, including exceptional dividends.
Subject among other things to the approval of the competition authorities and the Spanish insurance regulator, this deal should be finalized by the end of first half 2015.
The value of CNP BVP is already included in the MCEV as at 31/12/2014, the capital gain has not been measured at this juncture.

Group activities:

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

- Individual Savings in euro and unit-linked accounts
- Individual retirement savings
- Individual and Collective Protection
- Collective Retirement Savings

- Credit Life Insurance

All calculations are stated as Group share, net of reinsurance and external co-insurance.

4.2 Adjusted Net Asset Value

The Adjusted Net Asset Value (ANAV) reflects the market value of the assets backing shareholders' equity after deduction of intangible assets, subordinated 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,
- deduction of unrealized capital gains and losses already accounted for in the VIF, and add-back 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.

4.2.1 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 controls its own risks. The capital level set by the CNP Assurances Group to manage its risk equals 110% of the regulatory solvency margin requirement (Solvency I standard) net of all other sources of funding such as subordinated debt. Subordinated debt covers 49% of the CNP Assurances entity's margin requirement as of 31/12/2014.

4.2.2 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.

4.3 Value of In-Force

4.3.1 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. It is based on a going concern assumption and the continuation of partnerships beyond their contractual term, including BPCE.
PVFP is calculated using a Market Consistent methodology except for Caixa Seguradora, for which the traditional methodology is maintained. For this entity, the unrealized gains and losses are accounted in the ANAV.
This value reflects the embedded value of financial options and guarantees in the portfolio, their time value being accounted for separately in the TVOG to determine the VIF.

According to the MCEV© methodology, no risk premium is included in the projected returns and in the discount rates. The reference interest rate curve is based on the swap rate curve plus a liquidity premium.

4.3.2 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.

4.3.3 Time Value of Options and Guarantees

CNP Assurances has chosen a Market Consistent approach to value the main financial options and guarantees stipulated in the contracts.

The main options and guarantees include:

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

Method for calculating risk-neutral valuation

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 equiprobable 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. Share and property dividend rates (set at 2,5%) are assumed to be constant.

The techniques the Group uses to calibrate this economic scenario 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.

4.3.4 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 risk, expenses risk. An additional cost, related to the underlying uncertainty inherent in making such assumptions, has been included in the value.

4.4 New Business Value

4.4.1 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 2014.

- Individual Savings in Euros and Unit-linked

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.

- Individual risk:

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

- Group retirement savings:

The New Business volumes of L.441 contracts include new policies and ad hoc single premium contributions on existing contracts. On the rest of the segment, future regular premiums on existing contracts are included in the Value of In-Force.

- Collective risk:

As future premiums on existing policies are not valued in In-Force contracts, new business volumes for group benefit products are equal to the 2014 accounting premiums.

- Credit Life insurance:

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

4.4.2 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 31/12/2014.

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

4.4.3 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 annualized 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. Furthermore, the exchange rate is that at 31/12/2014, not the average rate used to determine IFRS revenue.

4.5 Sensitivities

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

- Rates curve +/- 100 bp:

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

- a revaluation of the market value of bonds;
- a 100 bp adjustment of the reinvestment rate of all asset classes;
- and updated 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 31/12/2014 on initial maturities, the parallel translation for the falling 100 bp 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 published in October 2009). Furthermore, the UFR is not chocked.

- Interest rates curve with a liquidity premium +10 bp:

This sensitivity corresponds to a 10 bp increase in the liquidity premium. This entails an adjustment of the reinvestment rate of all classes of assets and an updating of discount rates.

- 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.

- A new marginal methodology uses to value new business:

In 2014 the CNP Assurances group decided to adopt a so-called "marginal" methodology in the context of sensitivity to value the new business of France and Italy entities. This methodology is different from the “standalone” approach currently used by the CNP Assurances group in that it includes a proportion of the unrealized gains of the In-force stock. This method take into account the sharing of riches and diversification in the same portfolio between In-force stock and new business. The figures in this report include the saving euro for France and Italy.

5. Assumptions

5.1 Financial assumptions

The Embedded Value calculations are based on economic conditions as at 31/12/2014.

5.1.1 Reference interest rate curve

Maturity	Swap rate 31/12/2013	Swap rate 31/12/2014
1	0.39%	0.16%
2	0.56%	0.18%
5	1.27%	0.36%
10	2.23%	0.83%
15	2.70%	1.18%
20	2.85%	1.38%
30	3.17%	2.01%
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 connection with the Solvency 2 reform. 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%.

In compliance with MCEV© Principle 14, CNP Assurances integrates a liquidity premium into the reference rate curves. The market liquidity premium corresponds to the Maximum [0; 50% * (Spread of corporate bonds - 40 bp)], the spread of corporate bonds being determined as the margin on the swap rate of the iBoxx € Corporates bond index. The liquidity premium (24 bp at 31/12/2014) is added to the swap rate curve at 100% on the non-extrapolated portion then decreases as the curve converges towards the ultimate forward rate. Moreover, only a fraction of this premium is allocated to different groups of contracts according to degree of illiquidity of the underlying liabilities. The table below summarizes the liquidity premium selected for the main categories of products, in reference to the swap rate curve:

Category	2013	2014
Unit-linked savings	15 bp	12 bp
Individual protection risk	15 bp	12 bp
Credit life insurance	22 bp	18 bp
Group protection risk	22 bp	18 bp
Euro savings	22 bp	18 bp
Individual retirement savings	22 bp	18 bp
Group retirement savings	22 bp	18 bp

5.1.1 Calibration of the interest rate model

The economic scenario generator used for nominal rates changed in 2014 and is now 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© 31/12/2013	23.7%	24.3%	24.0%	21.7%	18.4%
MCEV© 31/12/2014	43.5%	41.2%	36.0%	32.5%	28.4%

The actual rates are generated using the Vasicek model with two factors, which has been calibrated on treasury bonds indexed-linked to inflation.

5.1.2 Calibration of the equity 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 31/12/2014.

Maturity	1 year	2 years	5 years	10 years
MCEV© 31/12/2013	17.8%	18.9%	20.1%	20.6%
MCEV© 31/12/2014	20.7%	20.8%	20.7%	20.8%

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

Likewise, property volatility is fixed at 15%.

5.1.3 Calibration of the corporate credit spread model

In 2014 the CNP Assurances group adopted the Credit G2 (JLT) corporate credit spread model. Its parameters are calibrated so as to reproduce the spread of an A-rated bind maturing in 7 years (52bps at 31/12/2014) 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	94.0%	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%	2.0%	0.5%	0.5%	0.4%
	BB	0.1%	0.6%	1.3%	6.7%	82.2%	6.8%	0.6%	1.7%
	B	0.0%	0.1%	1.3%	1.8%	6.5%	80.8%	5.3%	4.3%
	CCC	0.0%	0.0%	1.1%	1.4%	2.6%	8.7%	73.3%	12.8%
	Default	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

5.1.4 Financial Assumptions for Brazil

		2014	2015	2016	2017	2018	2019	Post 2019
Discount rate	MCEV© 13	12.7%	12.8%	12.5%	12.2%	11.5%	11.3%	11.3%
Assets yield		10.3%	10.5%	10.0%	9.5%	8.3%	8.0%	8.0%
Inflation		5.8%	5.9%	5.5%	5.5%	5.4%	5.4%	5.4%
Risk Premium		6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Discount rate	MCEV© 14	13.6%	14.0%	13.5%	12.9%	12.5%	11.9%	11.9%
Assets yield		11.8%	12.5%	11.7%	10.6%	10.0%	9.0%	9.0%
Inflation		6.4%	6.5%	5.7%	5.5%	5.5%	4.5%	4.5%
Risk Premium		6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The euro-to-real (EUR/BRL) exchange rate weakened from 3.2576 on 31/12/2013 to 3.2207 on 31/12/2014.

5.2 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	Portugal	Brazil	Cyprus
MCEV© 31/12/2013	38% [7]	34.3%	30.0%	29.0%	40% [6]	12.5%
MCEV© 31/12/2014	38% [8]	34.3%	28.0%	28.5%	40% [6]	12.5%

[6] With the exception of CAIXA Consorcio, for w hich the tax rate has been maintained at 34%.

[7] Exceptional surcharge on tax paid in 2013 and 2014. After 2014, the tax rate is 34.43%.

[8] Exceptional surcharge on tax paid in 2014 and 2015. After 2015, the tax rate is 34.43%.

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

5.3 Cost of capital for residual non-hedgeable risks

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

The average rate applied to the capital was 2.5% on 31/12/2014 (2.4% on 31/12/2013).

5.4 Non-economic assumptions

5.4.1 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.

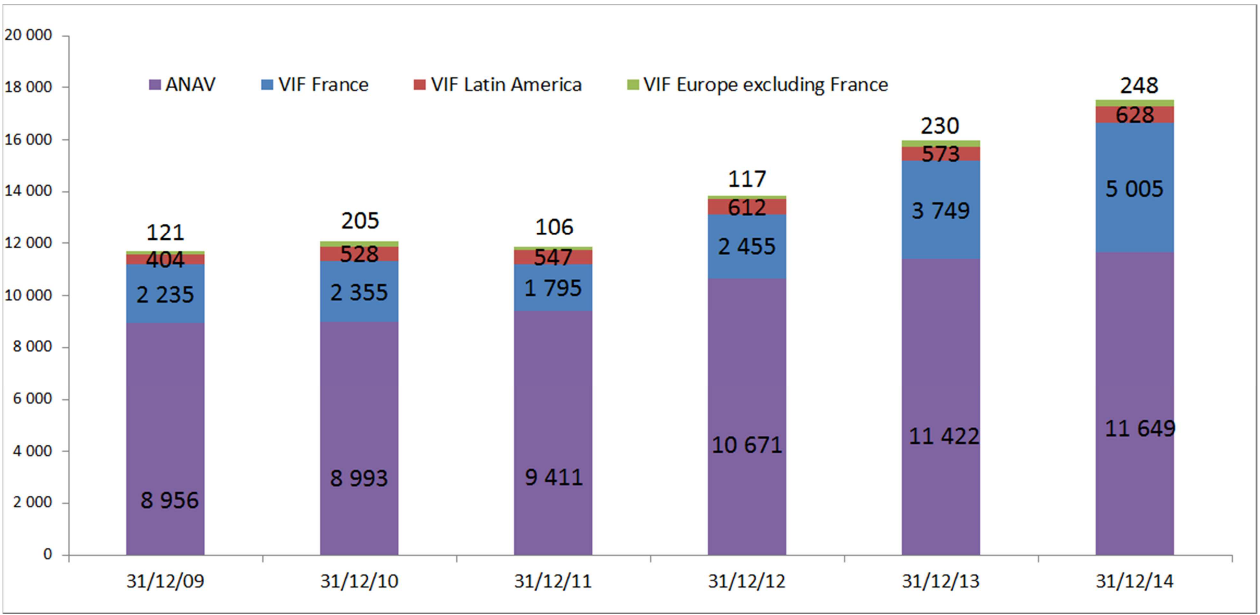
An annual inflation rate of 1% is applied to unit costs for European entities.

5.4.2 Claims and persistency assumption

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.

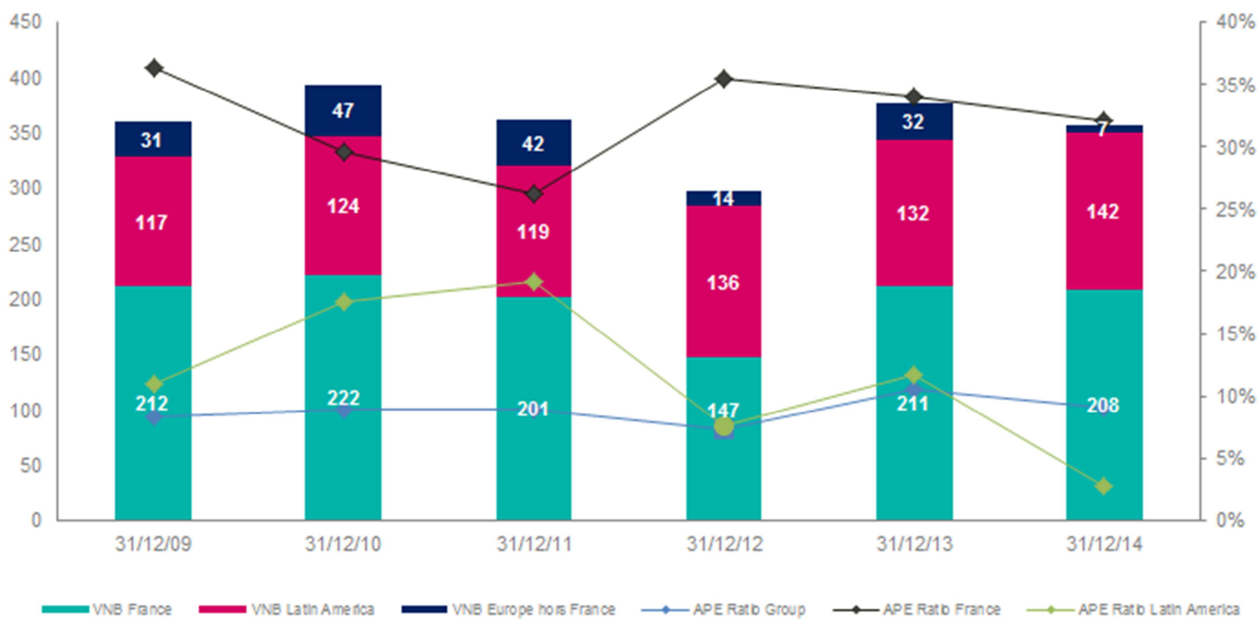
6. MCEV© trend since 2009

6.1 MCEV© history (in €m)



The MCEV© history, prepared in accordance with the principles of the CFO Forum, shows the resilience of the CNP Assurances group's MCEV© to various shocks.

6.2 VNB history (in €m and APE ratio as a percentage)



7. 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©[2]) information regarding the MCEV© and its components, the value of new business, the analysis of movement in MCEV© and the sensitivities (hereinafter referred to as "the MCEV© Information") at 31 December 2014 of the CNP Assurances Group, presented in the attached document ("Embedded Value Report at 31 December 2014", 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 compliance of the results of the MCEV© Information with the methodology and assumptions adopted by management and with the MCEV© principles and guidance published by the CFO Forum in October 2009, as well as on the consistency of the accounting information used with the consolidated financial statements as at 31 December 2014.

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;
- A review of the "market consistent" approach used by management and described in the EV Report, with regards to its compliance with the MCEV© principles and guidance published by the CFO Forum;
- A review of the consistency of the methodology applied with that described in the EV Report;
- A review of the economic assumptions used and their consistency with observable market data;
- A review of 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 2014;
- Obtaining the information and the 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. With respect to the partnership with BPCE, we note that the final agreements have not been taken into account in the Embedded Value 2014; these new agreements have been concluded after the closing and will enter into force only by 2016.

Based on our work, we do not have any observations regarding:
- The compliance of the results of the MCEV© Information at 31 December 2014 presented in the EV Report with the methodology and the assumptions adopted by management, which are compliant with the MCEV© principles 1 to 16 and guidance published by the CFO Forum in October 2009;
- The consistency of the accounting information used with the CNP Assurances Group consolidated financial statements at 31 December 2014, upon which we expect to issue our audit report on 26 February 2015.

Neuilly-sur-Seine and Courbevoie, February 19, 2015

PricewaterhouseCoopers Audit		Mazars	
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