CNP ASSURANCES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Contents

2014 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS (in € millions)	Notes	31.12.2014	31.12.2013 restated*
Goodwill	7	473.8	236.0
Value of business In-Force	7	20.8	81.9
Other intangible assets	7	122.9	200.2
Total intangible assets		**617.5**	**518.1**
Investment property	8	2,408.4	2,540.6
Held-to-maturity investments	9	564.4	603.1
Available-for-sale financial assets	9	285,235.5	265,664.0
Securities held for trading	9	68,775.3	65,514.4
Loans and receivables	9	4,984.4	4,662.4
Derivative instruments	9	5,173.0	5,855.1
Insurance investments		**367,141.1**	**344,839.7**
Banking and other investments		**15.0**	**48.5**
Investments in associates	**5**	**358.8**	**332.6**
Reinsurers' share of insurance and financial liabilities	**10**	**10,951.1**	**9,794.6**
Insurance or reinsurance receivables	12	3,053.2	2,773.3
Current tax assets		698.1	318.5
Other receivables	12	6,733.0	4,645.3
Owner-occupied property and other property and equipment	8	349.0	348.8
Other non-current assets		1,365.9	508.7
Deferred participation asset	10	0.0	0.0
Deferred tax assets	13	281.1	232.4
Other assets		**12,480.3**	**8,827.0**
Non-current assets held for sale		**3,041.5**	**0.0**
Cash and cash equivalents		**795.9**	**1,069.0**
TOTAL ASSETS		**395,401.2**	**365,429.5**

* The application of IFRS 10, IFRS 11 and IFRS 12 constitutes a change in accounting method that needs to be applied retrospectively to all accounting periods beginning on or after 1 January 2014. Consequently these periods need to be restated. The impact of these new standards is disclosed in Note 3.2 "Changes in accounting policies".

EQUITY AND LIABILITIES (in € millions)	Notes	31.12.2014	31.12.2013 restated*
Share capital	4	686.6	686.6
Share premium account		1,716.8	1,716.8
Revaluation reserve		3,162.4	2,084.7
Cash flow hedge reserve	9	(11.7)	(11.6)
Subordinated notes	4	2,635.3	2,141.7
Retained earnings		7,498.7	7,076.2
Profit for the period		1,079.8	1,030.2
Translation reserve		(88.0)	(98.4)
Equity attributable to owners of the parent		**16,679.9**	**14,626.4**
Non-controlling interests		1,619.6	1,367.4
Total equity		**18,299.5**	**15,993.7**
Insurance liabilities (excluding unit-linked)	10	132,914.4	121,124.6
Insurance liabilities (unit-linked)	10	31,034.6	27,977.8
Insurance liabilities		**163,949.1**	**149,102.4**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	10	140,338.7	143,172.2
Financial liabilities – financial instruments without DPF (excluding unit-linked)	10	811.4	779.8
Financial liabilities – unit-linked financial instruments	10	7,471.3	8,051.8
Financial liabilities		**148,621.5**	**152,003.8**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	10	31,783.1	18,980.0
Insurance and financial liabilities		**344,353.7**	**320,086.2**
Provisions	**14**	**250.1**	**245.7**
Subordinated debt	11	3,175.0	2,614.4
Financing liabilities		**3,175.0**	**2,614.4**
Operating liabilities represented by securities		8,847.5	9,163.2
Operating liabilities due to banks		154.8	136.9
Liabilities arising from insurance and reinsurance transactions	15	2,147.8	1,598.4
Current taxes payable		298.1	259.2
Current account advances		42.1	43.4
Liabilities towards holders of units in controlled mutual funds		820.7	1,169.6
Derivative instruments	9	5,806.4	6,114.2
Deferred tax liabilities	13	1,378.5	1,138.6
Other liabilities	15	7,168.8	6,866.1
Other liabilities		**26,664.8**	**26,489.5**
Liabilities related to assets held for sale		**2,658.1**	**0.0**
TOTAL EQUITY AND LIABILITIES		**395,401.2**	**365,429.5**

* The application of IFRS 10, IFRS 11 and IFRS 12 constitutes a change in accounting method that needs to be applied retrospectively to all accounting periods beginning on or after 1 January 2014. Consequently these periods need to be restated. The impact of these new standards is disclosed in Note 3.2 "Changes in accounting policies".

INCOME STATEMENT

(in € millions)	Notes	31.12.2014	31.12.2013 restated*
Premiums written		30,643.4	27,489.9
Change in unearned premiums reserve		(107.7)	(70.8)
Earned premiums	**16**	**30,535.7**	**27,419.1**
Revenue from other activities	**16**	**150.4**	**153.7**
Other operating revenue		**0.0**	**0.0**
Investment income		10,452.9	10,311.2
Gains and losses on sales of investments, net		546.0	970.7
Change in fair value of financial assets at fair value through profit or loss		2,629.8	3,169.7
Impairment losses on financial instruments		650.7	387.8
Investment income before finance costs	**20**	**14,279.3**	**14,839.7**
Net revenue		**44,965.5**	**42,412.4**
Claims and benefits expenses	17	(37,842.8)	(35,375.8)
Investment and other financial expenses, excluding finance costs	20	(887.9)	(808.9)
Reinsurance result	19	196.7	(115.1)
Expenses of other businesses		1.1	0.2
Acquisition costs	18	(3,355.4)	(3,239.3)
Amortisation of value of In-Force business acquired and distribution agreements	7	(16.6)	(18.2)
Contract administration expenses	18	(196.6)	(195.1)
Other recurring operating income and expense, net	18	(487.9)	(449.3)
Total other recurring operating income and expense, net		**(42,589.3)**	**(40,201.5)**
Recurring operating profit		**2,376.1**	**2,210.9**
Other non-recurring operating income and expense, net		(45.8)	(12.4)
Operating profit		**2,330.4**	**2,198.5**
Finance costs	20	(177.8)	(154.9)
Change in fair value of intangible assets	7	1.4	(54.9)
Share of profit of associates	5	22.1	20.5
Income tax expense	21	(773.2)	(686.1)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Profit for the period		**1,402.9**	**1,323.1**
Non-controlling interests		(323.1)	(292.9)
Attributable to owners of the parent		**1,079.8**	**1,030.2**
Basic earnings per share *(in €)*		1.49	1.46
Diluted earnings per share *(in €)*		1.49	1.46

* The application of IFRS 10, IFRS 11 and IFRS 12 constitutes a change in accounting method that needs to be applied retrospectively to all accounting periods beginning on or after 1 January 2014. Consequently these periods need to be restated. The impact of these new standards is disclosed in Note 3.2 "Changes in accounting policies".

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	(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**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2013

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2014										
(in € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Subordinated debt	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Adjusted 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 subordinated notes corresponds to a €500 million issue of equity instruments and issuance costs accounted for as a deduction from equity.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2013

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

The amount shown in subordinated notes mainly corresponds to the buyback of a portion of the €1,250 million perpetual notes.

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) in Position No. 2011-13. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

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

Definition of cash flows from operating activities

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

Definition of cash flows from investing activities

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

Definition of cash flows from financing activities

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

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

Reconciliation of cash and cash equivalents reported in the balance sheet and in the statement of cash flows

(in € millions)	31.12.2014	31.12.2013 restated*
Cash and cash equivalents (reported in the balance sheet)	795.9	1,069.0
Cash and cash equivalents relating to assets held for sale	84.4	0.0
Operating liabilities due to banks	(121.3)	(87.1)
Securities held for trading	13,755.2	9,108.9
Total (reported in the consolidated statement of cash flows)	**14,514.3**	**10,090.8**

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)	31.12.2014	31.12.2013 restated*
Operating profit before tax	**2,330.4**	**2,198.5**
Gains and losses on disposal of investments	(320.5)	(1,028.9)
Depreciation and amortisation expense, net	97.0	108.3
Change in deferred acquisition costs	(31.3)	(60.4)
Impairment losses, net	(568.3)	(363.6)
Charges to technical reserves for insurance and financial liabilities	11,669.8	7,758.3
Charges to provisions, net	5.3	39.3
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(2,611.2)	(3,150.3)
Other adjustments	(170.6)	(54.1)
Dividends received from associates	22.1	13.4
Total adjustments	***8,092.2***	***3,262.0***
Change in operating receivables and payables	(1,706.2)	1,148.9
Change in securities sold and purchased under repurchase and resale agreements	(237.7)	4,569.3
Change in other assets and liabilities	(42.8)	(38.3)
Income taxes paid, net of reimbursements	(1,113.3)	(871.6)
Net cash provided by operating activities	**7,322.4**	**10,268.7**
Acquisitions of subsidiaries and joint ventures, net of cash acquired[(1)]	(327.5)	(10.9)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash used by divestments and acquisitions	***(327.5)***	***(10.9)***
Proceeds from the sale of financial assets	65,477.7	121,728.3
Proceeds from the sale of investment properties	164.9	14.8
Proceeds from the sale of other investments	33.6	4.2
Net cash provided by sales and redemptions of investments	***65,676.2***	***121,747.4***
Acquisitions of financial assets	(68,115.9)	(133,219.2)
Acquisitions of investment properties	(117.2)	(99.5)
Acquisitions and/or issuance of other investments	0.0	0.0
Net cash used by acquisitions of investments	***(68,233.1)***	***(133,318.7)***
Proceeds from the sale of property and equipment and intangible assets	8.4	39.6
Purchases of property and equipment and intangible assets	(83.3)	(171.2)
Net cash used by sales and purchases of property and equipment and intangible assets	***(74.9)***	***(131.6)***
Net cash used by investing activities	**(2,959.4)**	**(11,713.9)**
Issuance of equity instruments[(2)]	1.8	440.0
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	2.9	10.8
Dividends paid	(745.2)	(655.8)
Net cash used by transactions with owners	**(740.2)**	**(205.1)**
New borrowings[(3)]	993.6	389.1
Repayments of borrowings	(30.4)	(682.6)
Interest paid on borrowings	(274.1)	(245.7)
Net cash provided by (used by) other financing activities	***689.1***	***(539.2)***
Net cash used by financing activities	**(51.4)**	**(744.3**
Cash and cash equivalents at beginning of period	**10,090.8**	**10,985.1**
Net cash provided by operating activities	7,322.4	10,268.7
Net cash used by investing activities	(2,959.4)	(11,713.9)
Net cash used by financing activities	(51.4)	(744.3)
Effect of changes in exchange rates	19.9	26.5
Effect of changes in accounting policies and other changes	91.9	1,268.6
Cash and cash equivalents at the reporting date	**14,514.3**	**10,090.8**

(1) First-time consolidation of Santander subsidiaries: net amount of €282.9 (€14.2 million in cash acquired) and Odonto Empresas Convenios Dentarios: €44.6 million, net of cash acquired)
(2) Increase in Previsul's share capital of €1.8 million
(3) Issuance of subordinated notes for amounts of €500 million and €493.6 million on 5 June 2014 and 18 November 2014, respectively.

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SIGNIFICANT EVENTS OF THE YEAR AND SUBSEQUENT EVENTS

Note 1 Significant events of the year

• *Completion of two subordinated bond issues totalling €1 billion*

On 27 May 2014, CNP Assurances completed a €500-million issue of subordinated bonds with a final maturity date of 5 June 2045 and a first-call date of 5 June 2025. This issue will be classified as debt under IFRS. The bonds will pay a 4.25% fixed rate of interest over the first 11 years and the coupon will subsequently be adjusted every five years in line with future benchmark interest rates.

A second €500-million issue of perpetual subordinated bonds was completed on 12 November 2014 with a first-call date of 18 November 2024, and callable every five years thereafter. The issue will be classified as equity under IFRS. The bonds will pay a 4% fixed rate of interest over the first 10 years and the coupon will subsequently be adjusted every five years in line with future benchmark interest rates.

The two issues have been structured to be recognized as capital under both Solvency 1 and 2 standards and Standard & Poor's rating rules. Proceeds from the issues will be used to refinance bonds maturing in the near future.

• *Long-term strategic partnership with Banco Santander*

On 9 July 2014, CNP Assurances signed an agreement to acquire a 51% stake in Santander Consumer Finance's Irish life and non-life insurance subsidiaries, the terms of which also provided for an exclusive long-term distribution agreement with Santander Consumer Finance (Banco Santander Group).

The partnership includes a full range of protection insurance products; personal risk products and Payment Protection Insurance (PPI) will be developed in priority. It covers 10 European countries where Santander Consumer Finance enjoys leading market positions: Germany, Poland, Italy, Spain, Austria, Portugal, Norway, Sweden, Denmark and Finland.

The agreement was finalised on 17 December 2014 after the necessary approvals were obtained from the regulatory authorities thus satisfying all of the conditions precedent.

Consideration for the transaction amounts to €297 million and this figure may be adjusted upwards or downwards based on the acquiree's financial performance. Contingent consideration, which will be payable in 2018, 2021 and 2024, is capped at €97 million in earn-outs, or at €62 million in price reductions.

The three entities acquired under this agreement (Santander Insurance Life, Santander Insurance Europe and Santander Insurance Services Ireland) were fully consolidated at 31 December 2014, however, for purposes of simplicity and given the proximity of the transaction completion date to the reporting date and the non-material amounts involved, the contribution of the Santander entities to 2014 consolidated net income is deemed to be zero.

• *Decision of the Sanctions Committee of the French financial services supervisor (ACPR) concerning the processing of unclaimed life insurance settlements*

On 31 October 2014, the Sanctions Committee of the French financial services supervisor (*ACPR*) issued a reprimand to CNP Assurances and fined it €40 million as part of ongoing controls of insurers' legal obligation to search for potential beneficiaries of unclaimed policies which have been stepped up since 2007.

While CNP Assurances has noted this decision, it has deployed considerable resources and processes over the past few years to ensure that deceased policyholders and potential beneficiaries of unclaimed policies are identified rapidly to prevent a backlog of unclaimed settlements.

Moreover, it should also be stressed that – as the ACPR itself indicated in its press release of 3 November 2014 – neither the written submissions nor the exchanges that took place at CNP Assurances' hearing before the Committee indicate that any profit was derived as a result of delays in identifying or paying over sums due to potential beneficiaries.

• *Protocol agreement with 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. On 18 February 2015, the Board of Directors of CNP Assurances approved the terms of the definitive agreements.

These new agreements concern the expiry of the old agreement between CNP Assurances and BPCE on 31 December 2015 and 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 is planned to come into effect on 1 January 2016 for an initial period of seven years, and would provide 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's exposure on savings and retirement business undertaken with Caisses d'épargne through a progressive rundown of new business in 2016, the retention of future instalments on in-force business and a mechanisms to align interests of both parties concerning the management of existing contracts. The savings in-force business undertaken with Caisses d'épargne will be reinsured by Natixis Assurances through quota-share reinsurance of 10%.

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

For information, the contribution of this agreement to the consolidated financial statements at 31 December 2014 was as follows:

- premium income: €9.8 billion
- commissions paid: €875 million
- technical reserves: €115.9 billion

• *Sale of stake in CNP BVP to Barclays Bank*

On 22 December 2014, CNP Assurances announced the sale of its 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) to Barclays Bank for a total of €453 million, including a special dividend of €36 million.

The deal, which is subject in particular to approval by the relevant anti-trust authorities and the Spanish insurance supervisor, is scheduled to be completed before the end of the first-half of 2015. This transaction should result in a capital gain of approximately €200 million in the fiscal year 2015 (this estimated amount may be adjusted when the transaction is recorded in the accounts).

At 31 December 2014, CNP Assurances' stake in CNP BVP is accounted for as a “non-current asset held for sale”.

Note 2 Subsequent events

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

Assets and liabilities

Note 3 Summary of significant accounting policies

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

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

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

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

The consolidated financial statements for the year ended 31 December 2014 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 18 February 2015.

3.1 Statement of compliance

In accordance with EU Directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2014.

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

New accounting standards adopted since 1 January 2014

- IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, Revised IAS 27 – Separate Financial Statements and Revised IAS 28 – Investments in Associates and Joint Ventures, published on 12 May 2011 and applicable from 1 January 2014.

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

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

  IFRS 11 replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-monetary Contributions by Venturers. It focuses on rights and obligations in joint arrangements and distinguishes between two forms of such arrangements: joint ventures and joint operations. For consolidation of joint ventures, the proportionate method is replaced by the equity method. IAS 28 has also been amended to bring it into line with the new provisions of IFRS 11.

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

The impact of these three new standards that focus on the scope of consolidation is disclosed in Note 3.2.

- Amendments to transition guidance for IFRS 10, IFRS 11 and IFRS 12, published on 28 June 2012 and applicable for accounting periods beginning on or after 1 January 2014, clarify retrospective application arrangements and propose simplified disclosure requirements for non-consolidated special purpose entities.

- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), published on 31 October 2012 and applicable for accounting periods beginning on or after 1 January 2014, introduce the investment entity consolidation exemption. Where an entity meets the definition of an 'investment entity' it does not consolidate its subsidiaries but is required to measure them at fair value through profit or loss. Special disclosure requirements also apply. These amendments do not have any impact on the Group's consolidated financial statements.

- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities, published on 16 December 2011, and applicable to accounting periods beginning on or after 1 January 2014, sets out the rules for offsetting financial assets and financial liabilities. These amendments do not have any impact on the Group's consolidated financial statements.

- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting, published on 27 June 2013 and applicable to accounting periods beginning on or after 1 January 2014: these amendments provide an exception to the requirement to discontinue hedge accounting if a hedging instrument is novated to a central counterparty as a result of laws or regulations. The application of these amendments does not have any impact on the Group's consolidated financial statements.

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

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

- The IFRS annual improvements 2011-2013 cycle, as published on 12 December 2013 and applicable for accounting periods beginning on or after 1 January 2015 at EU level, includes minor amendments to four standards and is not expected to 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 purpose of the amendment is to clarify the scope 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 of IFRS 3 – Business combinations and IAS 40 when classifying property as investment property or owner-occupied property.

- IFRIC 21 – Levies, published on 20 May 2013 and applicable for the first accounting period beginning after 16 July 2014, subject to adoption by the European Union: this interpretation provides guidance in accounting for a levy imposed by a government in the payer entity's financial statements, and in particular when to recognise a liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. This interpretation is not expected to have a material impact on the Group's consolidated financial statements when it becomes effective in 2015.

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, IASB published the first (partial) version of IFRS 9 – Financial Instruments, focusing exclusively on "classification and measurement" of financial assets
  - on 28 October 2010, IASB published the second (partial) version of IFRS 9 – Financial Instruments, incorporating requirements on accounting for financial liabilities
  - on 19 November 2013, 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.

  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.

  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 the asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a 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.

In the field tests organised by the European Financial Reporting Advisory Group (EFRAG) on the classification of assets, CNP Assurances performed analyses to estimate the impact of IFRS 9 on the classification and measurement of the Group's financial assets. The ultimate impact of the new standard will depend on its effective date for insurers. It will also depend on how insurance policies are interpreted within the project's framework which will influence decisions taken in terms of the practical application of IFRS 9.

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.

These aspects of IFRS 9 are currently being studied by the Group.

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.

These aspects of IFRS 9 are currently being studied by the Group.

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.

- 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 their related interpretations and 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.

- 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. 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 IAS 19 – Defined Benefit Plans: Employee Contributions, published on 21 November 2013 and applicable to accounting periods beginning on or after 1 July 2014, subject to adoption by the European Union. These limited amendments are intended to simplify the accounting treatment of contributions by employees or third-parties to defined benefit plans where the amounts of the contributions are independent of the number of years of service. The Group is currently studying the potential impact of these amendments. 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 depreciation on the assumption that this is not an appropriate method of amortising the economic benefits embodied in an intangible asset.

- 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 will not 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/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.
- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27): Application of the investment entity consolidation exemption, published on 18 December 2014 and applicable from 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.
- Amendments to IAS 1 – Disclosures, 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 IAS 16 and IAS 41 – Agriculture: bearer biological assets: 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.
- The IFRS annual improvements 2010-2012 cycle, as published on 12 December 2013 and applicable for accounting periods beginning on or after 1 July 2014 – subject to adoption by the European Union – includes minor amendments to seven standards and is not expected to have a material impact on the Group’s consolidated financial statements.
- The IFRS annual improvements 2012-2014 cycle, as published on 25 September 2014 and applicable for 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.

3.2 Impacts of changes in accounting policies

3.2.1 Comments concerning the application of IFRS 10, IFRS 11, IFRS 12, Revised IAS 27 and Revised IAS 28

The main impacts of applying these new standards involves replacing the proportionate method (used until 31 December 2013) by the equity method when accounting for joint ventures. The resulting impact on the consolidated financial statements is not material.

IFRS 10 – Consolidated Financial Statements and IFRS 11 – Joint Arrangements

First-time application of IFRS 10 does not have a material impact on the Group.

A review of CNP Assurances' control over its international subsidiaries based on IFRS 10 criteria has not undermined the Group's exclusive control. An assessment of the right to appoint the majority of the board of directors, the power to appoint key management executives and the limited number of "reserved areas" requiring the joint agreement of the partners, would all appear to confirm CNP Assurances' exclusive control over its international subsidiaries (Caixa Seguros Holding, CNP UniCredit Vita, CNP Barclays Vida y Pensiones and CNP Cyprus Insurance holdings) and the subsidiaries belonging to them.

The consolidation scope of mutual funds remains stable despite the application of the new IFRS 10 control model, especially analysis of the agent-principal relationship and the application of a threshold for assessing exposures to variable returns.

Banque Postale Prévoyance, two mutual funds and a property company that were accounted for by the proportionate method through end-2013 are now consolidated using the equity method.

CNP Assurances has elected for the simplified approach to accounting for mutual funds using the equity method, and has measured its investments in two jointly-controlled mutual funds at fair value through profit or loss in accordance with IAS 39.

These changes have not had a material impact on the Group's consolidated financial statements.

IFRS 12 – Disclosure of Interests in Other Entities

The consolidated financial statements at 31 December 2014 include new notes to meet disclosure requirements introduced by IFRS 12, particularly those concerning material non-controlling interests, joint arrangements and investments in non-consolidated special purpose entities.

Revised IAS 27 – Separate Financial Statements and Revised IAS 28 – Investments in Associates and Joint Ventures

Application of Revised IAS 27 and Revised IAS 28 does not have any impact on the Group.

3.2.2 Transition of the consolidated balance sheet at 1 January 2013 and at 31 December 2013

ASSETS (in € millions)	31.12.2012 (reported)	La Banque Postale Prévoyance	Other*	01.01.2013 (restated)	Movements for the period	31.12.2013 (restated)
Goodwill	334.2	(22.9)	0.0	311.3	(75.3)	236.0
Value of business In-Force	103.1	0.0	0.0	103.1	(21.2)	81.9
Other intangible assets	209.6	(0.1)	0.0	209.5	(9.3)	200.2
Total intangible assets	**646.8**	**(23.0)**	**0.0**	**623.9**	**(105.7)**	**518.1**
Investment property	2,528.0	0.0	0.0	2,528.0	12.6	2,540.6
Held-to-maturity investments	854.1	0.0	0.0	854.1	(251.0)	603.1
Available-for-sale financial assets	255,287.7	(688.2)	0.0	254,599.5	11,064.5	265,664.0
Securities held for trading	65,492.2	(23.9)	0.0	65,468.4	46.1	65,514.4
Loans and receivables	4,967.4	0.0	0.0	4,967.4	(305.0)	4,662.4
Derivative instruments	4,340.8	0.0	0.0	4,340.8	1,514.3	5,855.1
Insurance investments	**333,470.2**	**(712.1)**	**0.0**	**332,758.2**	**12,081.5**	**344,839.7**
Banking and other investments	**52.8**	**0.0**	**0.0**	**52.8**	**(4.2)**	**48.5**
Investments in associates	**0.0**	**136.7**	**168.9**	**305.6**	**27.0**	**332.6**
Reinsurers' share of insurance and financial liabilities	**8,926.7**	**39.0**	**0.0**	**8,965.7**	**828.9**	**9,794.6**
Insurance or reinsurance receivables	3,035.3	(51.8)	0.0	2,983.4	(210.2)	2,773.3
Current tax assets	286.2	(0.8)	0.0	285.4	33.1	318.5
Other receivables	4,948.6	(1.5)	(8.6)	4,938.5	(293.2)	4,645.3
Owner-occupied property and other property and equipment	264.4	(0.6)	0.0	263.8	85.0	348.8
Other non-current assets	460.0	(0.1)	0.0	459.9	48.8	508.7
Deferred participation asset	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	169.6	0.0	(32.4)	137.2	95.2	232.4
Other assets	**9,164.1**	**(54.9)**	**(41.0)**	**9,068.2**	**(241.2)**	**8,827.0**
Non-current assets held for sale	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash and cash equivalents	**955.2**	**(1.4)**	**(12.2)**	**941.6**	**127.5**	**1,069.0**
TOTAL ASSETS	**353,215.8**	**(615.7)**	**115.7**	**352,715.9**	**12,713.7**	**365,429.5**

* Impact of switching from the proportionate method to the equity method to consolidate the property company PB6. Changing consolidation methods in accordance with the simplified method has no impact on the Group's consolidated financial statements.

EQUITY AND LIABILITIES (in € millions)	**31.12.2012 (reported)**	**La Banque Postale Prévoyance**	**Other***	**01.01.2013 (restated)**	**Movements for the period**	**31.12.2013 (restated)**
Share capital	643.5	0.0	0.0	643.5	43.1	686.6
Share premium account	1,321.0	0.0	0.0	1,321.0	395.8	1,716.8
Revaluation reserve	1,955.5	0.0	0.0	1,955.5	129.2	2,084.7
Cash flow hedge reserve	3.6	0.0	0.0	3.6	(15.2)	(11.6)
Subordinated notes	2,515.8	0.0	0.0	2,515.8	(374.0)	2,141.7
Retained earnings	6,672.9	0.0	0.0	6,672.9	403.3	7,076.2
Profit for the period	951.4	0.0	0.0	951.4	78.9	1,030.2
Translation reserve	83.2	0.0	0.0	83.2	(181.6)	(98.4)
Equity attributable to owners of the parent	**14,146.9**	**0.0**	**0.0**	**14,146.9**	**479.5**	**14,626.4**
Non-controlling interests	1,441.1	0.0	0.0	1,441.1	(73.7)	1,367.4
Total equity	**15,588.0**	**0.0**	**0.0**	**15,588.0**	**405.8**	**15,993.7**
Insurance liabilities (excluding unit-linked)	112,800.4	(533.6)	136.5	112,403.3	8,721.3	121,124.6
Insurance liabilities (unit-linked)	28,455.4	0.0	0.0	28,455.4	(477.6)	27,977.8
Insurance liabilities	**141,255.8**	**(533.6)**	**136.5**	**140,858.7**	**8,243.7**	**149,102.4**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	145,707.7	0.0	0.0	145,707.7	(2,535.5)	143,172.2
Financial liabilities – financial instruments without DPF (excluding unit-linked)	881.5	0.0	0.0	881.5	(101.8)	779.8
Financial liabilities – unit-linked financial instruments	7,913.0	0.0	0.0	7,913.0	138.7	8,051.8
Financial liabilities	**154,502.3**	**0.0**	**0.0**	**154,502.3**	**(2,498.5)**	**152,003.8**
Deferred participation reserve	19,097.8	(33.4)	(14.9)	19,049.6	(69.6)	18,980.0
Insurance and financial liabilities	**314,855.9**	**(567.0)**	**121.6**	**314,410.5**	**5,675.7**	**320,086.2**
Provisions	**220.5**	**(1.3)**	**0.0**	**219.3**	**26.5**	**245.7**
Subordinated debt	2,559.6	0.0	0.0	2,559.6	54.8	2,614.4
Financing liabilities	**2,559.6**	**0.0**	**0.0**	**2,559.6**	**54.8**	**2,614.4**
Operating liabilities represented by securities	4,593.8	0.0	0.0	4,593.8	4,569.3	9,163.2
Operating liabilities due to banks	129.3	(0.3)	0.0	129.0	7.9	136.9
Liabilities arising from insurance and reinsurance transactions	2,062.5	(1.4)	0.0	2,061.1	(462.7)	1,598.4
Current taxes payable	355.2	0.0	0.0	355.2	(96.0)	259.2
Current account advances	48.3	0.0	0.0	48.3	(4.9)	43.4
Liabilities towards holders of units in controlled mutual funds	1,085.6	0.0	0.0	1,085.6	84.0	1,169.6
Derivative instruments	4,622.4	0.0	0.0	4,622.4	1,491.8	6,114.2
Deferred tax liabilities	1,092.7	(11.9)	0.0	1,080.8	57.9	1,138.6
Other liabilities	6,002.1	(33.9)	(5.9)	5,962.4	903.7	6,866.1
Other liabilities	**19,991.9**	**(47.5)**	**(5.8)**	**19,938.5**	**6,551.0**	**26,489.5**
Liabilities related to assets held for sale	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES	**353,215.8**	**(615.7)**	**115.8**	**352,715.9**	**12,713.7**	**365,429.5**

* Impact of switching from the proportionate method to the equity method to consolidate the property company PB6. Changing consolidation methods in accordance with the simplified method has no impact on the Group's consolidated financial statements.

3.2.3 Transition of the consolidated income statement for the year ended 31 December 2013

(in € millions)	31.12.2013 (reported)	La Banque Postale Prévoyance	31.12.2013 (restated)
Premiums written	27,679.6	(189.8)	27,489.9
Change in unearned premiums reserve	(70.9)	0.1	(70.8)
Earned premiums	**27,608.7**	**(189.7)**	**27,419.1**
Revenue from other activities	**153.7**	**0.0**	**153.7**
Other operating revenue	**0.0**	**0.0**	**0.0**
Investment income	10,335.2	(23.7)	10,311.5
Gains and losses on sales of investments, net	972.5	(1.8)	970.7
Change in fair value of financial assets at fair value through profit or loss	3,169.6	0.1	3,169.7
Impairment losses on financial instruments	387.4	0.3	387.8
Investment income before finance costs	**14,864.8**	**(25.2)**	**14,839.7**
Net revenue	**42,627.2**	**(214.8)**	**42,412.4**
Claims and benefits expenses	(35,512.5)	136.7	(35,375.8)
Investment and other financial expenses, excluding finance costs	(810.8)	1.9	(808.9)
Reinsurance result	(105.9)	(9.2)	(115.1)
Expenses of other businesses	0.2	0.0	0.2
Acquisition costs	(3,289.4)	50.1	(3,239.3)
Amortisation of value of In-Force business acquired and distribution agreements	(18.2)	0.0	(18.2)
Contract administration expenses	(202.8)	7.8	(195.1)
Other recurring operating income and expense, net	(448.3)	(1.1)	(449.7)
Total other recurring operating income and expense, net	**(40,387.8)**	**186.3**	**(40,201.4)**
Recurring operating profit	**2,239.5**	**(28.6)**	**2,210.9**
Other non-recurring operating income and expense, net	(12.4)	0.0	(12.4)
Operating profit	**2,227.0**	**(28.6)**	**2,198.5**
Finance costs	(154.9)	0.0	(154.9)
Change in fair value of intangible assets	(54.9)	0.0	(54.9)
Share of profit of associates	2.6	18.0	20.5
Income tax expense	(696.7)	10.6	(686.1)
Profit (loss) from discontinued operations, after tax	0.0	0.0	0.0
Profit for the period	**1,323.1**	**0.0**	**1,323.1**
Non-controlling interests	(292.9)	0.0	(292.9)
Attributable to owners of the parent	**1,030.2**	**0.0**	**1,030.2**
Basic earnings per share *(in €)*	1.46	0.0	1.46
Diluted earnings per share *(in €)*	1.46	0.0	1.46

3.2.4 Transition of the consolidated statement of cash flows at 31 December 2013

(in € millions)	31.12.2013 (reported)	La Banque Postale Prévoyance	Other	31.12.2013 (restated)
Operating profit before tax	**2,227.0**	**(28.8)**	**0.2**	**2,198.5**
Gains and losses on disposal of investments	(1,030.7)	1.8	0.0	(1,028.9)
Depreciation and amortisation expense, net	108.4	(0.1)	0.0	108.3
Change in deferred acquisition costs	(60.4)	0.0	0.0	(60.4)
Impairment losses, net	(363.2)	(0.3)	0.0	(363.6)
Charges to technical reserves for insurance and financial liabilities	7,829.6	(72.7)	1.4	7,758.3
Charges to provisions, net	38.9	0.7	(0.3)	39.3
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(3,150.3)	(0.1)	0.0	(3,150.3)
Other adjustments	(88.0)	33.9	0.0	(54.1)
Dividends received from associates	0.0	13.4	0.0	13.4
Total adjustments	**3,284.3**	**(23.3)**	**1.1**	**3,262.0**
Change in operating receivables and payables	1,176.7	(36.8)	8.9	1,148.9
Change in securities sold and purchased under repurchase and resale agreements	4,569.3	0.0	0.0	4,569.3
Change in other assets and liabilities	(38.3)	0.0	0.0	(38.3)
Income taxes paid, net of reimbursements	(880.6)	8.9	0.0	(871.6)
Net cash provided by (used by) operating activities	**10,338.5**	**(80.0)**	**10.2**	**10,268.7**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	(10.9)	0.0	0.0	(10.9)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0	0.0	0.0
Acquisitions of associates	0.0	0.0	0.0	0.0
Divestments of associates	0.0	0.0	0.0	0.0
Net cash used by divestments and acquisitions	**(10.9)**	**0.0**	**0.0**	**(10.9)**
Proceeds from the sale of financial assets	121,762.1	(33.8)	0.0	121,728.3
Proceeds from the sale of investment properties	14.8	0.0	0.0	14.8
Proceeds from the sale of other investments	4.2	0.0	0.0	4.2
Net cash provided by (used by) sales and redemptions of investments	**121,781.2**	**(33.8)**	**0.0**	**121,747.4**
Acquisitions of financial assets	(133,322.7)	103.5	0.0	(133,219.2)
Acquisitions of investment properties	(99.5)	0.0	0.0	(99.5)
Acquisitions and/or issuance of other investments	0.0	0.0	0.0	0.0
Net cash provided by (used by) acquisitions of investments	**(133,422.2)**	**103.5**	**0.0**	**(133,318.7)**
Proceeds from the sale of property and equipment and intangible assets	39.6	0.0	0.0	39.6
Purchases of property and equipment and intangible assets	(171.3)	0.1	0.0	(171.2)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	**(131.7)**	**0.1**	**0.0**	**(131.6)**
Net cash provided by (used by) investing activities	**(11,783.7)**	**69.8**	**0.0**	**(11,713.9)**
Issuance of equity instruments	440.0	0.0	0.0	440.0
Redemption of equity instruments	0.0	0.0	0.0	0.0
Purchases and sales of treasury shares	10.8	0.0	0.0	10.8
Dividends paid	(656.9)	0.0	1.0	(655.8)
Net cash used by transactions with owners	**(206.1)**	**0.0**	**1.0**	**(205.1)**

New borrowings	389.1	0.0	0.0	389.1
Repayments of borrowings	(682.6)	0.0	0.0	(682.6)
Interest paid on borrowings	(245.7)	0.0	0.0	(245.7)
Net cash provided by (used by) other financing activities	**(539.2)**	**0.0**	**0.0**	**(539.2)**
Net cash used by financing activities	**(745.3)**	**0.0**	**1.0**	**(744.3)**

Cash and cash equivalents at beginning of period	**11,018.9**	**(21.6)**	**(12.2)**	**10,985.1**
Net cash provided by (used by) operating activities	10,338.5	(80.0)	10.2	10,268.7
Net cash provided by (used by) investing activities	(11,783.7)	69.8	0.0	(11,713.9)
Net cash used by financing activities	(745.3)	0.0	1.0	(744.3)
Effect of changes in exchange rates	26.5	0.0	0.0	26.5
Effect of changes in accounting policies and other changes	1,268.6	0.0	0.0	1,268.6
Cash and cash equivalents at the reporting date	**10,123.5**	**(31.7)**	**(1.0)**	**10,090.8**

Reconciliation of cash and cash equivalents reported in the balance sheet and in the statement of cash flows

(in € millions)	**31.12.2013 (reported)**	**La Banque Postale Prévoyance**	**Other**	**31.12.2013 (restated)**
Cash and cash equivalents (reported in the balance sheet)	1,080.3	(10.3)	(1.0)	1,069.0
Cash and cash equivalents relating to assets held for sale	0.0	0.0	0.0	0.0
Operating liabilities due to banks	(87.5)	0.5	0.0	(87.1)
Securities held for trading	9,130.8	(21.9)	0.0	9,108.9
Total (reported in the consolidated statement of cash flows)	**10,123.5**	**(31.7)**	**(1.0)**	**10,090.8**

3.3 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 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 of CNP Assurances for the year ended 31 December 2012 and the related Statutory Auditors' report, as presented on pages 129 to 225, and pages 226 to 227, respectively, of the Registration Document filed with the AMF on 4 April 2013.

The consolidated financial statements 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.

3.4 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. Where the relevant activities are directed by means of contractual arrangements, such arrangements need to be assessed in order determine whether an investor has rights sufficient to give it 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 in accordance with the IFRSs applicable
- 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.

3.5 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.

3.6 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:

3.6.1 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.

3.6.2 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.

3.7 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.

3.8 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.

3.9 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 non-controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss.

3.10 Intangible assets

3.10.1 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.

3.10.2 Life insurance portfolios

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

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

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

3.10.3 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.

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

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

3.10.5 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 ongoing maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset and comply with the other provisions of IAS 38. Costs that do not fulfil the criteria for recognition as an asset are recorded in expenses for the period.

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

3.11 Investments

3.11.1 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.

3.11.2 Financial assets

Classification

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

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

Recognition

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

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

Derecognition

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

Valuation method

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

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with a discretionary participation feature (DPF) (in accordance with the shadow accounting principle, see Note 3.14.2) 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 3.14.2) 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.

3.11.3 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.

3.11.4 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.

3.11.5 Repurchase and securities lending transactions

Repurchase and securities lending transactions are part of the Group’s portfolio optimisation strategy.
The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership.
They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in “Operating liabilities represented by securities”.
The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

3.11.6 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.

3.12 Equity

3.12.1 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 3.17).

3.12.2 Capital management

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

At 31 December 2014, 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.

3.13 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 3.16.2). Treasury stock is recorded as a deduction from equity in the IFRS accounts.

3.14 Insurance and financial liabilities

3.14.1 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.

3.14.2 Insurance contracts and financial instruments with DPF

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

Insurance contracts

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

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

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

Financial instruments with a DPF

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

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

Hybrid contracts

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

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

> Life insurance and savings contracts

Premiums

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

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

Technical and mathematical reserves

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

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

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

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

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

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

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

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

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

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

> Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

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

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

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

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

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

A reserve is also recorded for claims handling expenses.

> Liability adequacy test

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

> Shadow accounting

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

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

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

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

> Testing deferred participation assets for recoverability

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

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

> Reinsurance

Outward reinsurance

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

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

Inward reinsurance

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

3.14.3 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.

3.14.4 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.

3.15 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.

3.16 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.

3.16.1 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.

3.16.2 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.

3.17 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.

3.18 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.

3.19 Taxation

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, 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, Écureuil Vie Crédit, 270 Investment, US Real Estate EVJ et US Real Estate 270.

Current and deferred taxes

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

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

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

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

3.20 Operating segments

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

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

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

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

- premium income: new money, corresponding to premium income measured under French GAAP, i.e., before adjustments related to the deposit component of financial instruments without a discretionary participation feature
- net new money: premium income as defined above, net of claims settled during the period, and excluding changes in the unexpired risks reserve
- net revenue from insurance activities: loadings on premiums recognised on insurance products, net of commissions paid
- general expenses: expenses allocated to each reportable segment based on analyses carried out by the Planning and Performance department

- EBIT: operating profit adjusted for net fair value adjustments to financial assets and before finance costs, taxes and non-controlling interests. EBIT is a key indicator of profit by reportable segment based on analyses by senior group management. EBIT corresponds to attributable profit for the period adjusted for:
    - finance costs
    - share of profit of associates
    - non-recurring items
    - income tax expense
    - non-controlling interests
    - fair value adjustments on the trading portfolio (corresponding to unrealised gains and disposal gains on financial instruments recognised as at fair value through profit or loss) and
    - net capital gains on equity securities and property, after non-recurring write-downs on the portfolio and goodwill (corresponding to disposal gains on equity instruments classified as available-for-sale financial assets and write-downs on financial instruments and property assets).
- equity: equity under IFRS, broken out by reportable segment and based on each segment's average regulatory solvency capital
- segment assets and liabilities: assets and liabilities under IFRS, broken out by reportable segment and validated by the Executive Committee are presented in the notes to the consolidated financial statements. On the assets side, only "Goodwill and the value of In-Force business" and "Financial investments and investments in associates" are tracked by reportable segment on a regular basis. Revenue and financial assets are broken out by geographic area in Note 9.9. In view of the non-material amounts involved and the excessive cost of preparing such information when compared with the related benefits, non-current assets (excluding financial assets, deferred tax assets and assets arising under insurance contracts) by geographic area are not disclosed.

Comparative disclosures have been analysed using the same basis.

3.21 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

31.12.2014				
(in € millions)	**Issuance date**	**Interest rate**	**Currency**	**Amount**
Subordinated notes (attributable to owners of the parent)				**2,635.3**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	Mar. 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	EUR	870.0
	Dec. 2006	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	EUR	108.0
	Oct. 2012	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	380.0
	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 in a gross amount of €500 million on 12 November 2014 (see Note 1).

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

* Buyback of €380 million of a €1,250 million perpetual notes issue on 11 July 2013.

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,616,540	40.87%
Sopassure (La Banque Postale and BPCE)	248,926,986	36.25%
French State	7,645,754	1.11%
Total shares held in concert	**537,189,280**	**78.24%**
Private investors	149,429,197	21.76%
of which: CNP Assurances (treasury shares)*	454,823	0.07%
TOTAL	**686,618,477**	**100.00%**

* The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the draft resolutions submitted to the CNP Assurances Annual General Meeting included in the 2013 Registration Document.

4.3 Equity

Issued capital	Ordinary shares	
	31.12.2014	**31.12.2013**
Number of shares outstanding at the beginning of the period	**686,618,477**	**643,500,175**
Shares issued during the period	0	43,118,302
Number of shares outstanding at the end of the period	**686,618,477**	**686,618,477**

4.4 2014 dividends

The recommended 2014 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)	31.12.2014	31.12.2013
Profit attributable to owners of the parent	1,079.8	1,030.2
Charge on deeply-subordinated notes, net of tax	(59.8)	(56.3)
Profit attributable to ordinary shares	**1,020.0**	**973.9**
Number of ordinary shares at 1 January	686,618,477.0	643,500,175.0
New shares (weighted number)	0.0	25,398,451.9
Weighted average number of shares at end of reporting period	**686,618,477.0**	**668,898,626.9**
Treasury shares	(416,018.67)	(989,604.4)
Weighted average number of shares at end of reporting period	**686,202,458.3**	**667,909,022.4**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares	**1.49**	**1.46**

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the reporting period.

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 €288.3 million in dividends from its subsidiaries during the period, comprising €89.9 million from its French subsidiaries, €168.2 million from its Brazilian subsidiaries, €11.4 million from CNP UniCredit Vita, €2.2 million from CNP Seguros de Vida, €13.9 million from Barclays Vida y Pensiones and €2.7 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	(1,439.8)	
Claims and benefits	(47.0)	(16.0)
Reinsurance		
Employee benefits expense	(12.7)	(1.7)
Financial income and loans	64.1	1,534.3
Financial expenses and borrowings	(11.2)	(491.9)
Dividends	(407.7)	
Other		

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

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

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

Dividends relating to 2013 and paid to the Group's shareholders in 2014 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	(4.5)	(0.4)
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 2014, CNP Assurances received €11.9 million in dividends relating to 2013 from 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	0.6	(0.5)
Reinsurance	0.0	0.0
Employee benefits expense	3.9	5.8
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 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.

In 2013

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

Note 5 Scope of consolidation

5.1 Consolidated companies and percentage of voting rights at 31 December 2014

Company	Consolidation method	Country	Business	31.12.2014 % rights	31.12.2014 % interest	31.12.2013 % rights	31.12.2013 % interest
1. Strategic subsidiaries							
CNP Assurances	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
Préviposte	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
ITV	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP International	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
La Banque Postale Prévoyance	Equity method	France	Insurance	50.00%	50.00%	50.00%	50.00%
MFPrévoyance SA	Full	France	Insurance	51.00%	65.00%	51.00%	64.72%
CNP Seguros de Vida	Full	Argentina	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/ fines determinados	Full	Argentina	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias Ltda	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Vida e Previdência	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Consórcios	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil	Insurance	70.00%	36.23%	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	51.75%	51.75%	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%	0.00%	0.00%
Holding Caixa Seguros Participações em Saude Ltda	Full	Brazil	Insurance	100.00%	51.75%	0.00%	0.00%
CNP UniCredit Vita	Full	Italy	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Partners (formerly Vida de Seguros y Reaseguros)	Full	Spain	Insurance	94.47%	94.47%	94.47%	94.47%
Estalvida d'Assegurances y Reassegurances SA	Full	Spain	Insurance	100.00%	94.47%	80.30%	75.86%
CNP Insurance Services	Full	Spain	Insurance	100.00%	94.47%	100.00%	94.47%
CNP Barclays Vida y Pensiones	Full	Spain	Insurance	50.00%	50.00%	50.00%	50.00%
CNP Cyprus Insurance holdings	Full	Cyprus	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Cyprus Tower Ltd	Full	Cyprus	Insurance	100.00%	50.10%	0.00%	0.00%
CNP Zois	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Praktoriaki	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Cyprialife	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Asfalistiki	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
Santander Insurance Life Ltd	Full	Ireland	Insurance	100.00%	51.00%	0.00%	0.00%
Santander Insurance Europe Ltd	Full	Ireland	Insurance	100.00%	51.00%	0.00%	0.00%
Santander Insurance Services Ireland Ltd	Full	Ireland	Insurance	100.00%	51.00%	0.00%	0.00%
CNP Europe Life	Full	Ireland	Insurance	100.00%	100.00%	100.00%	100.00%

2. Mutual fund units							
Écureuil Profil 30	Full	France	Mutual fund units	95.75%	95.76%	95.76%	95.76%
Univers CNP 1 FCP	Full	France	Mutual fund units	99.71%	99.71%	99.73%	99.73%
LBPAM Act. Diversif 5DEC	Full	France	Mutual fund units	0.00%	0.00%	57.26%	57.26%
LB ACT.D.A. SI 5DEC	Full	France	Mutual fund units	0.00%	0.00%	98.86%	98.86%
CNP ACP Oblig FCP	Equity method	France	Mutual fund units	49.71%	49.71%	49.69%	49.69%
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%	49.78%	49.78%
Écureuil Profil 90	Full	France	Mutual fund units	54.21%	54.21%	53.17%	53.17%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
OPCVM Caixa Seguradora S.A.	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalizaçao S.A	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 Consorcios	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 AEP247	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI Écureuil Vie Développement	Full	France	Brokerage	51.00%	51.00%	51.00%	51.00%

5.2 Analysis of purchase price of Santander Insurance

Calculation of goodwill on Santander Insurance

(in € millions)	on a 100% basis	CNP Group's 51% share
Acquisition cost	582.6	297.1
Net revalued assets at 31/12/2014	164.7	84.0
Goodwill		213.1

The final amount of goodwill to be recognised on the acquisition of Santander Insurance will be calculated within one year of the acquisition date, i.e., before the end of 2015, in accordance with IFRS 3. As of 31 December 2014, with the exception of other intangible assets already capitalised such as the value of In-Force business, the initial consolidation difference has been allocated in full to goodwill.

5.3 Summary financial information: consolidated entities with material non-controlling interests

	CAIXA		CUV		BVP		CIH		MFP	
(in € millions)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Earned premiums / Revenue	2,828.7	3,018.5	2,692.4	2,303.8	312.6	288.8	142.6	163.1	301.6	308.1
Net profit (100%)	**539.9**	**485.8**	**45.3**	**44.0**	**33.5**	**37.8**	**37.7**	**0.9**	**1.4**	**25.3**
Net profit – non-controlling interests	269.4	241.7	19.3	18.7	16.8	19.0	18.8	0.4	0.5	8.9
OCI (100%)	(45.5)	(61.4)	116.4	61.2	29.6	10.9	5.0	3.4	16.6	9.9
Comprehensive income (100%)	**494.4**	**424.4**	**161.7**	**105.2**	**63.2**	**48.7**	**42.8**	**4.3**	**17.9**	**35.2**
Comprehensive income – non-controlling interests	244.2	207.7	68.7	44.7	31.6	24.4	21.3	2.1	6.3	12.4
Assets	12,413.9	10,924.0	12,955.5	11,211.3	2,918.8	2,766.6	819.4	773.0	1,402.5	1,503.6
Liabilities	10,718.0	9,461.8	12,093.7	10,430.2	2,651.1	2,523.4	530.3	510.1	1,218.0	1,327.1
Net assets (100%)	**1,695.9**	**1,462.3**	**861.8**	**781.2**	**267.8**	**243.2**	**289.0**	**262.9**	**184.5**	**176.5**
Net asset – non-controlling interests	831.3	721.9	366.3	332.0	133.9	121.6	144.2	131.2	64.6	62.3
Net cash provided by (used by) operating activities	845.0	1,320.0	1,005.7	(314.5)	19.2	(47.9)	18.0	(15.1)	47.2	45.0
Net cash provided by (used by) investing activities	(517.0)	(1,097.3)	(937.0)	215.0	(44.2)	33.3	(42.6)	93.2	(62.9)	(29.0)
Net cash provided by (used by financing activities	(368.2)	(263.9)	(56.7)	(21.9)	(27.7)	(16.6)	(19.0)	(14.1)	0.0	(2.5)
Dividends paid to non-controlling interests	(26.1)	(31.4)	(8.4)	(8.4)	(13.9)	(8.3)	(2.6)	0.0	0.0	(0.9)

5.4 Summary financial information: material joint arrangements

	LBPP	
(in € millions)	2014	2013
Earned premiums / Revenue	515.6	467.4
Income tax expense / income	(23.4)	(21.6)
Profit	**18.7**	**35.9**
OCI	84.2	42.9
Comprehensive income	**103.0**	**78.8**
Cash and cash equivalents	**1.7**	**20.5**
Insurance-related investments	**1,959.5**	**1,661.3**
Other assets	127.0	82.0
Insurance-related liabilities	1,572.4	1,349.9
Other liabilities	225.5	178.6
Net assets	**290.4**	**235.3**
Net assets - CNP Assurances share	145.2	117.7
Net assets - excluding CNP Assurances share	145.2	117.7
Reconciling items		
Equity-accounted value for CNP Assurances (opening balance)	**140.5**	**136.7**
Comprehensive income (attributable to owners of the parent)	39.4	17.3
Dividends received	(11.9)	(13.4)
Other adjustments	0.0	0.0
Equity-accounted value for CNP Assurances (closing balance)	**168.1**	**140.5**
Net assets (attributable to owners of the parent)	**145.2**	**117.7**
Goodwill	22.9	22.9
Other adjustments	0.0	0.0
Equity-accounted value for CNP Assurances (closing balance)	**168.1**	**140.5**

5.5 Summary financial information: non-material joint arrangements

	Joint Ventures		Associates	
(in € millions)	2014	2013	2014	2013
Carrying amount of investments accounted for using the equity method in CNP Assurances balance sheet	168.9	168.9	21.8	23.1
Contribution to CNP Assurances net profit	0.0	0.0	3.4	2.6
Contribution to CNP Assurances OCI	0.0	0.0	(0.8)	(1.3)
Contribution to CNP Assurances comprehensive income	**0.0**	**0.0**	**2.6**	**1.3**

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

	31.12.2014			
(in € millions)	Total assets	Equity	Revenue	Profit
La Banque Postale Prévoyance	2,088.2	290.4	515.6	37.5
FPC Par Corretora de Seguros S.A.	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

	31.12.2013			
(in € millions)	Total assets	Equity	Revenue	Profit
La Banque Postale Prévoyance	1,763.8	258.6	467.4	35.9
FPC Par Corretora de Seguros S.A.	57.1	53.3	102.2	19.8
PB6	27.4	21.6	0.0	(2.8)
CNP ACP OBLIG FCP	788.2	788.2	0.0	0.0
CNP ACP 10 FCP	779.3	779.3	0.0	0.0

5.6.2 Investments accounted for by the equity method

(in € millions)	31.12.2014	31.12.2013
At 1 January	**332.6**	**305.6**
Increase in investment	0.0	0.3
Change in accounting method	0.0	0.0
Newly-consolidated companies	0.0	21.5
Increase in capital	0.0	0.0
Share in earnings	22.6	20.5
Share in identifiable net assets	20.8	(1.9)
Dividends received	(17.2)	(13.4)
At 31 December	**358.8**	**332.6**

Note 6 Segment information

6.1 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 business In-Force	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)*							
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**

6.2 Balance sheet by business segment at 31 December 2013

Assets *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total segments	LBPP adjustment	Total IFRS
Goodwill and value of business In-Force	73.8	4.9	262.1	0.0	**340.8**	(22.9)	**317.9**
Financial investments and investments in associates	290,178.4	38,496.4	17,088.9	147.2	**345,910.9**	(690.1)	**345,220.8**
Other assets					**19,854.6**	36.2	**19,890.9**
Total assets					**366,106.3**	**(676.7)**	**365,429.5**
Equity and liabilities *(in € millions)*							
Total equity	11,427.9	1,565.2	2,991.7	8.9	**15,993.7**	0.0	**15,993.7**
Financial liabilities (including deferred participation reserve)	160,543.0	9,906.4	562.6	0.0	**171,012.0**	(28.2)	**170,983.8**
Insurance liabilities	105,761.6	32,340.1	11,600.2	0.0	**149,702.2**	(599.8)	**149,102.4**
Other liabilities					**29,398.4**	(48.8)	**29,349.7**
Total equity and liabilities					**366,106.3**	**(676.7)**	**365,429.6**

6.3 Income statement by business segment at 31 December 2014

(in € millions)	Savings	Pensions	Personal risk	Other (excluding insurance)	Total segments	Reconciliation with IFRS financial statements: 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)**

6.4 Income statement by business segment at 31 December 2013

(in € millions)	Savings	Pensions	Personal risk	Other (excluding insurance)	Total segments	Reconciliation with IFRS financial statements: Adjustments relating to the deposit component of financial instruments (IAS 39)	LBPP adjustment	Total IFRS
Premium income	18,482.7	3,828.2	6,202.5		28,513.4	(845.6)	(189.7)	27,478.1
Net new money	(2,531.1)	1,095.9	3,319.1		1,883.9		(150.8)	1,733.1
Net revenue from insurance activities	**1,620.5**	**260.3**	**1,257.1**	**95.6**	**3,233.5**		**(45.3)**	**3,188.2**
General expenses	(405.7)	(99.5)	(328.8)	(45.4)	(879.4)		17.5	(861.9)
EBIT	**1,214.8**	**160.8**	**928.3**	**50.2**	**2,354.1**		**(27.8)**	**2,326.3**
Finance costs					(154.9)		0.0	(154.9)
Share in earnings of associates					2.6		18.0	20.5
Non-recurring items					(226.8)		0.0	(226.8)
Income tax expense (effective tax rate)					(793.4)		10.4	(783.0)
Non-controlling interests					(321.1)		0.0	(321.1)
Fair value adjustments on securities held for trading					101.6		(0.8)	100.8
Net gains on equities and property					68.2		0.1	68.3
Attributable to owners of the parent					**1,030.2**		**0.0**	**1,030.2**

(in € millions)	Desensitised income statement 31.12.2013 (reported)	LBPP JV adjustments	Desensitised income statement 31.12.2013
EBIT	**2,354.1**	**(27.8)**	**2,326.5**
Net fair value adjustments	149.0	(1.3)	147.7
Net gains on equities and property	90.4	0.2	90.6
Non-recurring items	(366.4)	0.0	(366.4)
Operating profit	**2,227.0**	**(28.9)**	**2,198.4**

Note 7 Intangible assets

7.1 Intangible assets by category

(in € millions)	31.12.2014				
	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	**867.1**	**0.0**	**(393.2)**	**0.0**	**473.8**
Value of business In-Force	**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**

(in € millions)	31.12.2013				
	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	**629.2**	**0.0**	**(393.2)**	0.0	**236.0**
Value of business In-Force	**443.3**	**(202.6)**	**(158.8)**	0.0	**81.9**
Distribution agreements	**141.2**	**(24.5)**	**(4.8)**	0.0	**111.9**
Software	**289.2**	**(208.2)**	0.0	0.0	**81.0**
Internally-developed software	131.3	(87.2)	0.0	0.0	44.2
Other software	157.8	(121.0)	0.0	0.0	36.9
Other*	**173.8**	**(42.8)**	**(64.1)**	**(59.6)**	**7.3**
TOTAL	**1,676.7**	**(478.1)**	**(620.9)**	**(59.6)**	**518.1**

* Since 31 December 2010, “Other” includes the intangible asset related to the reform of the French pension system. The year-on-year decrease in this item from the original €161.9 million to €4.2 million mainly corresponds to:

- a negative amount of €57.2 million related to a downward revision of the impact of the reform on technical reserves (in the income statement, this impact together with the adjustment to the corresponding amortisation, is almost completely offset by the related adjustment to reinsurers’ share in technical reserves)
- a negative amount of €64.6 million due to the decision to finance the increased provisions required under the reform by reallocating existing provisions. This reallocation resulted in the reversal of existing provisions which offset the impairment losses booked on intangible assets in the income statement and it was based on an analysis of existing margins performed on a sample of the contracts concerned. This analysis is on-going on the rest of the portfolio;
- a negative amount of €35.9 million related to accumulated amortisation.

7.2 Goodwill

7.2.7 Goodwill by company

(in € millions)	Original goodwill	Goodwill investments held at 31.12.2014	Goodwill investments held at 31.12.2013
Caixa Seguros Group	388.9	225.9	195.1
CNP UniCredit Vita	366.5	0.0	0.0
CNP Cyprus Insurance holdings	81.6	34.8	34.8
CNP Barclays Vida y Pensiones	55.9	0.0	6.2
Santander Insurance	213.1	213.1	0.0
TOTAL	**1,106.0**	**473.8**	**236.0**

Goodwill relating to La Banque Postale Prévoyance no longer appears in consolidated goodwill as this entity has been accounted for using the equity method since 1 January 2014. This change in accounting method has been applied retrospectively and comparative financial periods have been restated accordingly.

The Group's annual goodwill impairment testing procedures are described in Note 3.10.1. The recoverable amount of the CGUs to which the entities listed above have been allocated corresponds to their value in use, based on net asset value plus expected future cash flows from existing policies and new business. Projected future revenues are estimated by taking the embedded value of In-Force insurance policies and financial instruments, and the value of new business. The terminal values of subsidiaries do not assume growth to infinity.

Caixa Seguros group

The expected future cash flows are taken from the four-year business outlook (2015-2019) validated by management and extrapolated using an average growth rate by business segment of between 8% and 14% for new business between 2019 and 2033, and then discounted to present value using a post-tax discount rate of approximately 13%.

At 31 December 2014, 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 2014, expected future cash flows are taken from the four-year business outlook (2015-2019) validated by management and extrapolated using a stable growth rate (of between 1.5% in the life insurance and 3% in the non-life insurance segment) for new business between 2018 and 2028 (when the current agreement with Cyprus Popular Bank expires), and then discounted to present value using a post-tax discount rate of approximately 11.0% for the Cypriot business. The goodwill of the Greek subsidiary is no longer tested for impairment as of 31 December 2014 because its banking partner – which constituted its sole distribution channel – is in liquidation, thus severely compromising its future development prospects.

At 31 December 2014, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows, or a significant reduction in future volumes of business in Greece and Cyprus, did not result in the recognition of an impairment loss.

The decrease in the value of goodwill attributable to CNP Barclays Vida y Pensiones is due to adjustments to the acquisition price actually paid, or estimated and relating to future periods – that were booked during the period.

CNP Barclays Vida y Pensiones

The goodwill previously recognised for CNP Barclays Vida y Pensiones has been written down in full and the related amount now appears in Non-current assets held for sale and discontinued operations.

Santander Insurance

The final amount of goodwill to be recognised on the acquisition of Santander Insurance will be calculated within one year of the acquisition date, i.e., before the end of 2015, in accordance with IFRS 3. As of 31 December 2014, with the exception of other intangible assets already capitalised such as the value of In-Force business, the initial consolidation difference has been allocated in full to goodwill.

7.2.8 Changes in goodwill for the period

(in € millions)	31.12.2014	31.12.2013
Carrying amount at the beginning of the period	**236.0**	**311.3**
Goodwill recognised during the period	241.4	12.5
Adjustments to provisional accounting	0.0	0.0
Adjustments resulting from changes in earnouts[(1)]	(2.5)	(3.2)
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustment on gross value	2.6	(40.0)
Other movements	0.0	0.0
Impairment losses recognised during the period[(2)]	0.0	(44.6)
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	(3.6)	0.0
Carrying amount at the end of the period	**473.8**	**236.0**

[(1)] The changes in the value of goodwill are due to adjustments to the acquisition price – actually paid, or estimated and relating to future periods – that were booked during the period, particularly in relation to Barclays Vida y Pensiones.
[(2)] Impairment losses are reported in the income statement under "Change in fair value of intangible assets".

7.3 Value of In-Force business and distribution agreements

7.3.1 Value of business In-Force

(in € millions)	Original value	Carrying amount at 31 December 2014	Carrying amount at 31.12.2013
Caixa Seguros group	123.5	4.7	4.9
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	0.0	0.0
CNP Seguros de Vida	0.9	0.0	0.0
CNP Cyprus Insurance holdings	44.4	15.6	17.2
CNP Barclays Vida y Pensiones	101.4	0.0	57.8
MFPrévoyance SA	8.3	0.5	2.1
TOTAL	**477.8**	**20.8**	**81.9**

The value of In-Force business for CNP Barclays Vida y Pensiones has been written down in full as it now appears in Non-current assets held for sale.

7.3.2 Changes in the value of In-Force business

(in € millions)	31.12.2014	31.12.2013
Gross at the beginning of the period	**443.3**	**457.7**
Newly-consolidated companies	0.0	4.1
Translation adjustments	0.9	(18.5)
Acquisitions for the period	1.0	0.0
Disposals for the period	0.0	0.0
Non-current assets held for sale and discontinued operations	(101.4)	0.0
Gross at the end of the period	**343.8**	**443.3**
Accumulated amortisation and impairment at the beginning of the period	(361.4)	(354.7)
Translation adjustments	(0.9)	17.4
Amortisation for the period	(10.7)	(12.5)
Impairment losses recognised during the period*	0.0	(11.6)
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	49.9	0.0
Accumulated amortisation and impairment at the end of the period	**(323.0)**	**(361.4)**
Carrying amount at the end of the period	**20.8**	**81.9**

* Relates to the value of CNP Cyprus Insurance holdings In-Force business at 31 December 2013.

7.3.3 Distribution agreements

(in € millions)	31.12.2014	31.12.2013
Carrying amount at the beginning of the period	**111.9**	**117.6**
Acquisitions for the period	2.9	0.0
Amortisation for the period	(5.9)	(5.6)
Adjustments	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	0.0	0.0
Other movements	0.0	0.0
Non-current assets held for sale and discontinued operations	(106.4)	0.0
Carrying amount at the end of the period	**2.6**	**111.9**

7.4 Software and other intangible assets

7.4.1 Internally-developed software

(in € millions)	31.12.2014	31.12.2013
Carrying amount at the beginning of the period	**44.2**	**42.1**
Acquisitions for the period	25.2	18.9
Amortisation for the period	(7.7)	(6.8)
Impairment losses	(0.5)	(9.8)
Translation adjustments	0.0	0.0
Other movements	0.7	(0.2)
Carrying amount at the end of the period	**61.9**	**44.2**

7.4.2 Other software and other intangible assets

(in € millions)	31.12.2014	31.12.2013
Carrying amount at the beginning of the period	**44.1**	**49.9**
Acquisitions for the period	26.0	21.3
Amortisation for the period	(7.9)	(12.8)
Impairment losses	(15.3)	(11.1)
Translation adjustments	(0.1)	(4.8)
Other movements	11.8	1.7
Non-current assets held for sale and discontinued operations	(0.2)	0.0
Carrying amount at the end of the period	**58.4**	**44.1**

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)*	**31.12.2014**	**31.12.2013**
Investment property measured by the cost model		
Gross value	2,121.0	2,360.8
Accumulated depreciation	(342.1)	(387.2)
Accumulated impairment losses	(15.5)	(37.7)
Carrying amount	**1,763.4**	**1,935.8**
Investment property measured by the fair value model		
Gross value	645.0	604.8
Total investment property	**2,408.4**	**2,540.6**

Investment property (other than property held in unit-linked portfolios) *(in € millions)*	**31.12.2014**	**31.12.2013**
Carrying amount at the beginning of the period	**1,935.9**	**1,903.6**
Acquisitions	45.5	85.9
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(211.7)	(1.0)
Depreciation for the period	(40.0)	(43.3)
Impairment losses recognised during the period	(1.0)	(12.9)
Impairment losses reversed during the period	23.2	1.5
Translation adjustments	0.0	0.0
Other movements	11.5	2.2
Non-current assets held for sale and discontinued operations	0.0	0.0
Carrying amount at the end of the period	**1,763.4**	**1,935.8**

Investment property held in unit-linked portfolios *(in € millions)*	**31.12.2014**	**31.12.2013**
Carrying amount at the beginning of the period	**604.8**	**624.4**
Acquisitions	63.9	13.6
Post-acquisition costs included in the carrying amount of property	4.8	0.0
Properties acquired through business combinations	17.4	0.0
Disposals	(49.7)	(18.1)
Net gains (losses) arising from remeasurement at fair value	(0.3)	(7.4)
Translation adjustments	0.0	0.0
Other movements	4.1	(7.7)
Carrying amount at the end of the period	**645.0**	**604.8**

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)*	**31.12.2014**	**31.12.2013**
Carrying amount at the beginning of the period	**289.5**	**209.7**
Acquisitions	21.1	105.1
Post-acquisition costs included in the carrying amount of property	0.1	0.0
Properties acquired through business combinations	0.4	0.0
Disposals	0.0	(7.7)
Depreciation for the period	(5.3)	(5.2)
Impairment losses recognised during the period	(1.2)	(1.1)
Impairment losses reversed during the period	1.1	0.9
Translation adjustments	0.4	(14.3)
Other movements	(1.5)	2.0
Carrying amount at the end of the period	**304.6**	**289.5**

Other property and equipment *(in € millions)*	**31.12.2014**	**31.12.2013**
Carrying amount at the beginning of the period	**59.3**	**54.1**
Acquisitions for the period	12.2	32.7
Depreciation for the period	(16.6)	(17.8)
Disposals for the period	(1.2)	(7.9)
Translation adjustments	0.1	(1.8)
Other movements	(9.2)	0.0
Non-current assets held for sale and discontinued operations	(0.2)	0.0
Carrying amount at the end of the period	**44.4**	**59.3**

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 2014

(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					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	
	Total					**68,775.3**	
Derivative instruments	Derivative instruments (positive fair value)					5,173.0	
	Derivative instruments (negative fair value)					(5,806.4)	
	Total					**(633.4)**	
Available-for-sale financial assets	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	
	Total	**251,790.4**	**2,580.4**	**(5,944.1)**	**36,808.7**	**285,235.5**	
Held-to-maturity investments	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
	Total	**582.9**	**0.0**	**(18.5)**	**0.0**	**564.4**	**1.6**
Loans and receivables	Loans and receivables	5,001.6	0.0	(17.1)	0.0	4,984.4	4.5
	Total	**5,001.6**	**0.0**	**(17.1)**	**0.0**	**4,984.4**	**4.5**
Investment property	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
	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**

* To enhance the internal presentation of the table, available-for-sale securities have been reclassified between non-voting loan stock, equities and investment funds in 2014. Consequently, these three line items are no longer comparable year on year and comparisons should be made on the basis of the AFS sub-total.

Unit-linked portfolios at fair value through profit or loss at 31 December 2014

	Carrying amount		Total
(in € millions)	Unit-linked	Traditional savings	
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**
TOTAL	**33,546.1**	**35,229.3**	**68,775.3**

9.1.2 Investments at 31 December 2013

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					11,117.5	
	Variable-rate bonds					18,429.3	
	TCNs (money market securities)					196.8	
	Equities					5,056.1	
	Investment funds					29,234.2	
	Shares in non-trading property companies					1,317.8	
	Other (including lent securities and repos)					162.7	
	Total					**65,514.4**	
Derivative instruments	Derivative instruments (positive fair value)					5,855.1	
	Derivative instruments (negative fair value)					(6,114.2)	
	Total					**(259.1)**	
Available-for-sale financial assets	Fixed-rate bonds	161,143.2	1,686.1	(0.5)	11,398.0	174,226.7	
	Variable-rate bonds	25,245.1	840.6	(65.1)	1,790.1	27,810.7	
	TCNs (money market securities)	6,820.2	0.1	0.0	9.3	6,829.7	
	Equities	12,331.0	0.0	(4,993.7)	5,365.9	12,703.2	
	Investment funds	23,283.8	0.0	(248.3)	1,035.3	24,070.8	
	Shares in non-trading property companies	3,267.9	0.0	(237.9)	1,211.8	4,241.9	
	Non-voting loan stock	3,192.0	0.0	(283.0)	628.6	3,537.6	
	Other (including lent securities and repos)	11,536.6	(88.1)	(743.2)	1,538.0	12,243.3	
	Total	**246,819.8**	**2,438.7**	**(6,571.7)**	**22,977.1**	**265,664.0**	
Held-to-maturity investments	Fixed-rate bonds	205.4	0.0	0.0	0.0	205.4	1.9
	Variable-rate bonds	417.9	0.0	(20.2)	0.0	397.7	28.4
	Total	**623.3**	**0.0**	**(20.2)**	**0.0**	**603.1**	**30.2**
Loans and receivables	Loans and receivables	4,679.6	0.0	(17.1)	0.0	4,662.4	5.0
	Total	**4,679.6**	**0.0**	**(17.1)**	**0.0**	**4,662.4**	**5.0**
Investment property	Investment property at amortised cost	2,360.8	(387.2)	(37.7)	0.0	1,935.8	868.4
	Investment property measured by the fair value model	604.8	0.0	0.0	0.0	604.8	0.0
	Total	**2,965.6**	**(387.2)**	**(37.7)**	**0.0**	**2,540.6**	**868.4**
TOTAL				**(6,646.7)**	**22,977.1**	**338,725.5**	**903.7**

Unit-linked portfolios at fair value through profit or loss at 31 December 2013

(in € millions)	Carrying amount: Unit-linked	Carrying amount: Traditional savings	Total
Fixed-rate bonds	5,646.3	5,471.3	11,117.5
Variable-rate bonds	5,877.8	12,551.4	18,429.3
TCNs (money market securities)	97.7	99.1	196.8
Equities	310.6	4,745.5	5,056.1
Investment funds	18,302.6	10,931.5	29,234.2
Shares in non-trading property companies	0.0	1,317.8	1,317.8
Other	161.4	1.3	162.7
Assets at fair value through profit or loss	**30,396.4**	**35,118.0**	**65,514.4**

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)	31.12.2014	31.12.2013
Analysis of investments	361,334.7	338,725.5
Balance sheet – liabilities – Derivative instruments (negative fair value)	(5,806.4)	(6,114.2)
Balance sheet – assets – Insurance investments	367,141.1	344,839.7
Variance	**0.0**	**0.0**

9.1.4 Non-consolidated structured entities

(in € millions)	Investment funds (excluding unit-linked): Carrying amount	Investment funds (excluding unit-linked): Gains / (losses) over the period	Asset-backed security funds (excluding unit-linked): Carrying amount	Asset-backed security funds (excluding unit-linked): Gains / (losses) over the period	Structured entities held in unit-linked portfolios: Carrying amount	Structured entities held in unit-linked portfolios: Gains / (losses) over the period
Securities held for trading	12,075.2	356.6	1 010.9	70.5		
Financial assets 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		
Held-to-maturity investments			92.4	2.8		
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 is 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 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).

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 2013

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	TOTAL
Financial assets at fair value through profit or loss*	55,190.0	16,154.3	25.2	**71,369.5**
Available-for-sale financial assets	238,133.3	27,493.2	37.5	**265,664.0**
Total financial assets	**293,323.3**	**43,647.5**	**62.7**	**337,033.5**
Investment property at amortised cost	(167.5)	2,971.6	0.1	**2,804.2**
Investment property at fair value	0.0	604.8	0.0	**604.8**
Total investment property	**(167.5)**	**3,576.4**	**0.1**	**3,409.0**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	**0.0**
Financial liabilities – financial instruments without DPF (excluding unit-linked)	777.4	2.4	0.0	**779.8**
Financial liabilities (linked liabilities) - financial instruments without DPF	4,490.6	53.2	0.0	**4,543.8**
Derivative instruments	0.0	6,114.2	0.0	**6,114.2**
Total financial liabilities	**5,268.0**	**6,169.8**	**0.0**	**11,437.8**

* Includes derivative financial instruments (assets).

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

	31.12.2014											
(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	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**

31.12.2013

(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	39.4	123.0	0.0	0.0	0.0	0.0	0.0	0.0	(104.0)	(33.1)	0.0	25.2
Available-for-sale financial assets	492.0	0.7	(1.7)	3.0	(314.4)	0.0	(162.9)	56.3	0.0	(33.1)	(2.3)	37.5
Total financial assets	**531.4**	**123.7**	**(1.7)**	**3.0**	**(314.4)**	**0.0**	**(162.9)**	**56.3**	**(104.0)**	**(66.2)**	**(2.3)**	**62.7**
Investment property at amortised cost	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Total investment property	**0.0**	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**
Total financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

9.3 Repurchase agreements

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

(in € millions)		Carrying amount 31.12.2014	Carrying amount 31.12.2013
Available-for-sale financial assets	Fixed-rate bonds	9,485.5	10,235.2
	Equities	0.0	0.0
	Total	**9,485.5**	**10,235.2**

9.4 Lent securities

The following table analyses the carrying amount of lent securities, by asset category and intended holding period:

(in € millions)		Carrying amount 31.12.2014	Carrying amount 31.12.2013
Available-for-sale financial assets	Fixed-rate bonds	3,534.3	0.0
	Equities (quoted)	1,770.3	1,955.0
	Total	**5,304.5**	**1,955.0**

9.5 Movements for the period

9.5.1 2014

(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	65,514.4	28,045.8	(27,050.9)	3,295.6	0.0	0.0	(1,143.4)**	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**

* See note 20.3.
** Mainly corresponds to the derecognition of two mutual funds.
*** Includes the reclassification of CNP Barclays Vida y Pensiones to assets held for sale.

9.5.2 2013

(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	65,468.4	29,281.0	(30,863.9)	3,192.2	0.0	0.0	(562.1)**	(1,001.2)	65,514.4
Derivative instruments	(281.6)	1,940.1	(2,005.1)	87.6	0.0	0.0	0.0	0.0	(259.1)
Available-for-sale financial assets	254,599.5	101,331.9	(89,188.5)	(1,162.6)	(184.5)	578.8	(21.9)	(288.6)	265,664.0
Held-to-maturity investments	854.1	57.3	(171.9)	0.0	(4.2)	25.1	0.0	(157.3)	603.1
Loans and receivables	4,967.4	3,622.4	(3,991.4)	0.0	(17.1)	0.0	7.6	73.5	4,662.4
Investment property	2,528.0	56.2	(25.1)	(9.9)	(12.9)	2.7	0.0	1.7	2,540.6
TOTAL	**328,135.8**	**136,288.9**	**(126,246.1)**	**2,107.2**	**(218.8)**	**606.6**	**(576.3)**	**(1,371.9)**	**338,725.5**

* See Note 20.3.
** Corresponds to the derecognition of a mutual fund and to first-time consolidation of Previsul.

9.6 Derivative instruments

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

	31.12.2014											
	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)**

	31.12.2013											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
(in € millions)	FV+	FV -	FV+	FV -	FV+	FV -	FV+	FV -	FV+	FV -	FV+	FV -
Swap	167.5	(209.4)	369.9	(481.7)	2,808.8	(3,316.6)	593.8	(575.9)	1,123.4	(1,363.6)	5,063.4	(5,947.2)
Swaption	0.0	0.0	0.0	0.0	0.0	(2.7)	0.0	(15.6)	0.0	0.0	0.0	(18.3)
Cap/floor	18.8	0.0	101.5	(14.7)	644.0	(119.6)	0.0	(0.7)	12.0	(12.3)	776.3	(147.3)
Equity	1.3	0.0	7.2	0.0	6.9	0.0	0.0	0.0	0.0	(1.4)	15.4	(1.4)
Total	**187.7**	**(209.4)**	**478.7**	**(496.5)**	**3,459.7**	**(3,439.0)**	**593.8**	**(592.2)**	**1,135.3**	**(1,377.3)**	**5,855.1**	**(6,114.2)**

9.7 Derivative instruments qualifying for hedge accounting

	31.12.2014	31.12.2013
(in € millions)	Currency swap	
Notional amount	**722.7**	**722.7**
Cash flow hedge reserve	**(0.1)**	**(15.2)**
Change in cash flow hedge reserve during the period	74.4	(52.8)
Cash flow hedge reserve recycled through profit or loss during the period	(74.6)	28.4
Deferred taxes	0.1	9.2

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 3.11.3). At 31 December 2014, 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 USD 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 2014.

9.8 Credit risk

9.8.1 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	21.1%
BBB	61,346.7	24.3%
Non-investment grade	4,352.6	1.8%
Not rated	2,040.2	0.0%
TOTAL	**258,399.6**	**100.0%**

9.8.2 Analysis of the bond portfolio at 31 December 2013 by issuer rating

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	26,943.8	10.8%
AA	102,519.5	41.1%
A	54,907.6	22.0%
BBB	57,179.7	22.9%
Non-investment grade	5,750.5	2.3%
Not rated	2,182.2	0.9%
TOTAL	**249,483.3**	**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 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**
	Rest of	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**
	Rest of	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**

List of countries (for information)	31.12.2014 Gross exposure – carrying amount*	31.12.2014 Gross exposure – fair value	31.12.2014 Net exposure – fair value	31.12.2013 Gross exposure – carrying amount*	31.12.2013 Gross exposure – fair value	31.12.2013 Net exposure – fair value
France	67,676.2	81,013.0	4,344.1	67,395.7	74,007.3	3,652.4
Italy	9,644.9	11,117.8	1,093.0	9,774.2	10,158.3	1,016.4
Belgium	8,201.0	9,617.8	417.3	8,407.6	9,288.3	341.5
Spain	3,695.8	4,378.1	304.9	4,460.0	4,601.6	260.6
Austria	4,793.8	5,739.5	202.1	4,906.1	5,545.1	170.1
Brazil	1,628.0	1,528.5	917.7	1,885.5	1,720.4	1,032.9
Portugal	431.7	468.5	11.7	766.4	734.8	18.4
Netherlands	124.8	154.0	10.4	133.5	152.3	13.9
Ireland	608.5	724.4	18.2	660.3	716.3	14.9
Germany	2,637.4	3,031.1	217.7	2,995.1	3,298.9	216.0
Greece	4.3	4.6	0.2	4.3	6.8	0.3
Finland	34.4	38.6	4.3	32.8	35.5	2.9
Poland	337.2	391.1	31.4	365.2	402.5	16.0
Luxembourg	34.1	39.0	15.4	34.4	37.2	14.6
Sweden	1.2	2.4	1.1	3.2	4.4	2.4
Denmark	45.2	49.2	3.3	204.6	210.6	7.8
Slovenia	237.9	269.4	14.2	247.7	249.4	3.6
United Kingdom	78.1	213.6	0.0	78.1	158.1	0.0
Canada	548.1	625.7	61.9	495.6	554.4	57.7
Cyprus	15.7	16.2	4.0	23.9	22.2	11.2
Other	6,414.2	7,617.0	650.0	6,438.3	7,080.7	551.9
TOTAL	**107,192.3**	**127,039.4**	**8,322.9**	**109,312.5**	**118,984.8**	**7,405.6**

* Carrying amount, including accrued coupon.

At 31 December 2014, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €127.0 billion, or an estimated exposure net of deferred participation and deferred taxes of €8.3 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 3.14.2, respectively, regarding the Group's accounting policies for more information). The relatively low weighting of contracts with a guaranteed rate of return and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 6.6% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 62.6% corresponding to the impact of the average weighted tax rate on the Group's entities) and a deferred participation impact (a 10.5% 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 ratio of 6.6% (62.6% multiplied by 10.5%) of net exposure to gross exposure.

The difference between gross and net exposure does not necessarily represent the loss that would be borne by policyholders. The recoverability of successive losses on sovereign debt is limited by the following:

– the policyholder surplus reserve which totalled €5.5 billion at 31 December 2014 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 0.6% for a projected DPF rate of around 2.2% at end-2014, whereas in Italy, Spain and Portugal this ability is limited by the guaranteed yields on policies in these countries;
- unrealised gains, especially on property (€2.4 billion) and on equities (€10 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 2013

		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	92,407	8,284	15,652	56,162	10,480	1,401	24,481	**208,867**
	Investment funds	17,777	148	29	5,967	1	0	149	**24,071**
	Equities	6,973	2,601	589	2,379	0	14	150	**12,703**
	Rest of	19,946	0	0	32	0	42	2	**20,023**
Held-for-trading and FVO	Debt securities	12,277	554	1,326	5,128	730	7,637	2,091	**29,743**
	Investment funds	24,074	25	132	4,761	26	170	47	**29,235**
	Equities	1,490	492	99	1,113	1,322	168	372	**5,056**
	Rest of	1,318	0	77	85	0	0	0	**1,480**
Held-to-maturity investments	Debt securities	50	0	42	91	0	421	0	**603**
Loans and receivables		4,193	0	0	393	0	69	7	**4,662**
Derivative instruments		(272)	(1)	0	13	0	0	0	**(259)**
Investment property		2,518	0	0	23	0	0	0	**2,541**
TOTAL		**182,752**	**12,103**	**17,943**	**76,147**	**12,559**	**9,922**	**27,299**	**338,725**

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 2013 and 2014.

9.11 Commitments given and received

Under IFRS, forward financial instruments are recognised in the balance sheet.

Commitments given

(in € millions)	31.12.2014	31.12.2013
Financing commitments	18.6	17.8
Guarantees	11,149.6	11,235.9
Securities commitments	4,110.6	3,418.7

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 unchanged in 2014. It was first put in place and recognised in the income statement in 2011 and is now recognised at its current cost of €12.2 million.

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

Commitments received

(in € millions)	31.12.2014	31.12.2013
Financing commitments	0.0	0.0
Guarantees	70.1	81.3
Securities commitments	9,778.8	8,814.5

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 2014

	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 equalization 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			

10.1.2 Analysis of insurance and financial liabilities at 31 December 2013

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**6,981.4**	**5,997.0**	**984.4**
Unearned premium reserves	260.2	247.5	12.8
Outstanding claims reserves	5,139.8	4,330.0	809.8
Bonuses and rebates (including claims equalization reserve on group business maintained in liabilities)	41.3	39.0	2.3
Other technical reserves	1,540.0	1,380.5	159.5
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**142,121.0**	**133,457.7**	**8,663.3**
Unearned premium reserves	181.3	180.0	1.3
Life premium reserves	136,454.2	127,893.9	8,560.3
Outstanding claims reserves	2,004.4	1,911.4	93.1
Policyholder surplus reserve	3,234.9	3,232.6	2.3
Other technical reserves	246.2	239.9	6.3
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**146,680.2**	**146,680.2**	**0.0**
Life premium reserves	143,158.4	143,158.4	0.0
Outstanding claims reserves	2,244.2	2,244.2	0.0
Policyholder surplus reserve	1,277.6	1,277.6	0.0
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,323.6**	**5,176.7**	**146.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**18,980.0**	**18,980.0**	**0.0**
Total insurance and financial liabilities	**320,086.2**	**310,291.6**	**9,794.6**
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 – 2014

	Before reinsurance	Net	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)
Rest of	354.2	185.1	169.1
Mathematical reserves at the end of the period	**287,621.9**	**278,478.8**	**9,143.1**

10.2.1.2 Changes in mathematical reserves – life insurance – 2013

(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**275,254.5**	**267,513.3**	**7,741.2**
Premiums	23,351.4	22,912.3	439.2
Extinguished liabilities (benefit payments)	(25,277.4)	(24,952.2)	(325.2)
Locked-in gains	7,633.4	7,242.2	391.2
Change in value of linked liabilities	381.1	381.2	0.0
Changes in scope (acquisitions/divestments)	1,177.4	1,177.4	0.0
Outstanding loadings	(1,520.5)	(1,520.5)	0.0
Surpluses/deficits	(8.0)	(8.0)	0.0
Currency effect	(1,380.5)	(1,380.5)	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.1	0.1	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other*	1.1	(312.9)	314.0
Mathematical reserves at the end of the period	**279,612.6**	**271,052.3**	**8,560.3**

* Includes reclassification of an amount of €217.7 million to enhance regulatory consistency in terms of classification of technical reserves for the Personal Risk and Term Creditor Insurance business segments.

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance – 2014

(in € millions)	Before reinsurance	Net	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**

* In 2014, the estimate of delegated claims settlement costs was refined for all Term Creditor Insurance and Group Personal Risk products. Accordingly, the Group set aside €22 million in provisions for claims handling expenses for Group Personal Risk and €17 million for Term Creditor Insurance at 31 December 2014.

10.2.2.2 Changes in technical reserves – non-life insurance – 2013

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	**715.1**	**484.9**	**230.2**
Claims expenses for the period	1,590.7	1,356.0	234.7
Prior period surpluses/deficits	13.8	10.8	3.0
Total claims expenses	**1,604.5**	**1,366.8**	**237.7**
Current period claims settled during the period	(591.7)	(940.1)	348.4
Prior period claims settled during the period	(38.9)	(34.5)	(4.3)
Total paid claims	**(630.5)**	**(974.6)**	**344.1**
Changes in scope (acquisitions/divestments)	3,492.5	3,492.5	0.0
Currency effect	(41.8)	(39.5)	(2.2)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**5,139.8**	**4,330.0**	**809.8**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

(in € millions)	31.12.2014		
	Before reinsurance	Net	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**

(in € millions)	31.12.2013		
	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**5,251.0**	**5,109.1**	**141.9**
Premiums	860.2	852.1	8.2
Extinguished liabilities (benefit payments)	(805.3)	(784.5)	(20.8)
Locked-in gains	55.6	55.6	0.0
Change in value of linked liabilities	174.8	157.2	17.6
Changes in scope (acquisitions/divestments)	(58.4)	(58.4)	0
Currency effect	(155.6)	(155.6)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	1.2	1.2	0.0
Mathematical reserves at the end of the period	**5,323.6**	**5,176.7**	**146.9**

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 3.14.2).

(in € millions)	31.12.2014			31.12.2013		
Deferred participation	**DPA**	**DPR**	**Total**	**DPA**	**DPR**	**Total**
Deferred participation on remeasurement at fair value through profit	0.0	(198.6)	198.6	0.0	(841.1)	841.1
Deferred participation on remeasurement at fair value recognised in equity	0.0	31,981.7	(31,981.7)	0.0	19,821.1	(19,821.1)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**31,783.1**	**(31,783.1)**	**0.0**	**18,980.0**	**(18,980.0)**

The following table analyses year-on-year changes:

	31.12.2014		31.12.2013	
(in € millions)	**DPA**	**DPR**	**DPA**	**DPR**
Amount at the beginning of the period	**0.0**	**18,980.0**	**0.0**	**19,049.6**
Deferred participation on remeasurement at fair value of securities through profit	0.0	642.5	0.0	1,210.6
Deferred participation on remeasurement at fair value of securities recognised in equity	0.0	12,160.6	0.0	(1,280.2)
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**	**31,783.1**	**0.0**	**18,980.0**

10.4 Changes in financial liabilities – linked liabilities

10.4.1 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**

* Refer to reconciliation table in Note 10.4.2.

10.4.2 Changes in 2013

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Technical reserves at the beginning of the period	**31,999.0**	**31,993.0**	**5.9**
(+) Entries (new contracts, transfers between contracts, replacements)	4,146.6	4,146.3	0.3
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	784.3	784.3	0.0
(-) Exits (paid benefits and expenses)	(4,669.5)	(4,668.7)	(0.8)
(+/-) Entries/exits related to portfolio transfers	776.0	776.0	0.0
(-) Outstanding loadings deducted	(121.2)	(121.2)	0.0
(+/-) Surpluses/deficits	0.0	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0	0.0
(+/-) Translation adjustment	(1,287.5)	(1,287.5)	0.0
(+/-) Newly-consolidated companies	0.0	0.0	0.0
Other	(142.0)	(141.8)	(0.1)
Technical reserves at the end of the period*	**31,485.8**	**31,480.5**	**5.3**

* Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown.

(in € millions)	31.12.2014	31.12.2013
Financial liabilities – linked liability financial instruments – balance sheet	**38,506.0**	**36,029.6**
Changes in financial liabilities – linked liabilities other than IAS 39	34,138.3	31,485.8
Changes in financial liabilities – linked liabilities – IAS 39	4,367.7	4,543.8
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 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%**

10.5.2 Credit risk on reinsured business at 31 December 2013

		Ceded technical reserves	
(in € millions)	Credit rating	Amount	%
First reinsurer	A	3,759.3	38.38%
Second reinsurer	BBB-	2,465.7	25.17%
Third reinsurer	AA-	1,217.7	12.43%
Fourth reinsurer	A	574.6	5.87%
Other reinsurers	-	1,777.3	18.15%
Total		**9,794.6**	**100%**

Note 11 Subordinated liabilities

11.1 Subordinated liabilities at 31 December 2014

(in € millions)	Issuance date	Interest rate	Amount in currency	Cur-rency	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	April 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		857.1
CNP Assurances	April 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	92.8
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	500.0	USD	411.8						411.8	449.4
CNP Assurances	Jun. 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												
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 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*.**

11.2 Subordinated liabilities at 31 December 2013

(in € millions)	Issuance date	Interest rate	Amount in currency	Cur-rency	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					**2,569.4**	**14.0**	**0.0**	**0.0**	**200.0**	**1,809.8**	**545.6**	**2,748.0**
CNP Assurances	April 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		789.7
CNP Assurances	April 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	359.8					359.8		397.3
CNP UniCredit Vita	June 2009	6-month Euribor 3.25%		EUR	14.0	14.0						14.0
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		807.6
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016, then 3-month Euribor +1.6%		EUR	93.0						93.0	85.4
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	91.3
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +2% from 24.06.13		EUR	200.0				200.0			179.5
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	362.6						362.6	383.3
Undated subordinated notes												
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0	0.0	0.0	0.0	0.0	0.0	45.0	40.8
Total					**2,614.4**	**14.0**	**0.0**	**0**	**200.0**	**1,809.8**	**590.6**	**2,788.8**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been €159.4 million at 31 December 2013.

Note 12 Insurance and reinsurance receivables

12.1 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2014 and 2013.

(in € millions)	31.12.2014	31.12.2013
Earned premiums not yet written	2,452.0	2,388.4
Other insurance receivables	455.3	323.9
Reinsurance receivables	145.9	60.9
Total	**3,053.2**	**2,773.3**
Of which, doubtful receivables	3.8	3.4

Analysis by maturity

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**

31.12.2013			
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,388.4	0.0	0.0
Other insurance receivables	321.0	2.9	0.0
Reinsurance receivables	62.0	(1.0)	0.0
Total	**2,771.4**	**1.9**	**0.0**

12.2 Other receivables

(in € millions)	31.12.2014	31.12.2013
Receivables from employees	1.3	1.6
Receivables due from government and social security bodies	803.2	817.6
Sundry receivables	5,928.5	3,826.2
Total	**6,733.0**	**4,645.3**

Note 13 Deferred taxes

This note presents total deferred tax assets and liabilities by type of temporary difference.

Sources of temporary differences *(in € millions)*	31.12.2014 Assets	31.12.2014 Liabilities	31.12.2014 Net
Goodwill	15.6	(1.1)	14.5
Value of business In-Force	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)
Provisions	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)**

Sources of temporary differences *(in € millions)*	31.12.2013 Assets	31.12.2013 Liabilities	31.12.2013 Net
Goodwill	18.2	(1.1)	17.1
Value of business In-Force	0.0	(20.9)	(20.9)
Other intangible assets	0.0	(33.1)	(33.1)
Investment property	0.0	(89.0)	(89.0)
Financial assets	54.7	(8,367.3)	(8,312.6)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.7	0.0	0.7
Owner-occupied property and other property and equipment	0.0	(1.0)	(1.0)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	203.4	0.0	203.4
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	10.9	0.0	10.9
Provisions	127.6	0.0	127.6
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(2.6)	(2.6)
Deferred participation asset/reserve	7,193.7	0.0	7,193.7
Other liabilities	0.0	(0.6)	(0.6)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(7,376.9)	7,376.9	0.0
Net deferred tax asset or liability	**232.4**	**(1,138.6)**	**(906.2)**

Note 14 Provisions

Provisions cover commercial, employee-related and tax risks resulting in obligations that will most likely give rise to an outflow of resources, the amount of which may be reliably determined.

14.1 Provisions - 2014

(in € millions)	Provisions for claims and litigation	Rest of	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**

14.2 Provisions - 2013

(in € millions)	Provisions for claims and litigation	Rest of	Total
Carrying amount at 1 January 2013	**77.1**	**142.1**	**219.3**
New provisions set up during the period and increases in existing provisions	83.6	55.8	139.4
Amounts utilised during the year	0.0	(11.1)	(11.1)
Surplus provisions released during the period	(50.4)	(38.7)	(89.1)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(12.9)	(4.2)	(17.1)
Changes in scope of consolidation	0.0	4.2	4.2
Reclassifications	0.0	0.0	0.0
Carrying amount at 31 December 2013	**97.5**	**148.2**	**245.7**

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 2014 and at 31 December 2013.

(in € millions)	31.12.2014	31.12.2013
Cash deposits received from reinsurers	325.7	300.5
Liabilities arising from insurance transactions	911.7	812.4
Liabilities arising from reinsurance transactions	604.5	478.9
Deferred acquisition costs	305.9	6.6
Total	**2,147.8**	**1,598.4**

Analysis by maturity

	31.12.2014			31.12.2013		
(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	159.0	166.7	0.0	150.2	150.3	0.0
Liabilities arising from insurance transactions	911.7	0.0	0.0	812.4	0.0	0.0
Liabilities arising from reinsurance transactions	603.9	0.6	0.0	478.9	0.0	0.0
Deferred acquisition costs	5.6	95.7	204.7	6.6	0.0	0.0
Total	**1,680.2**	**263.0**	**204.7**	**1,448.1**	**150.3**	**0.0**

15.2 Other liabilities

(in € millions)	31.12.2014	31.12.2013
Receivables from employees	376.0	338.5
Accrued payroll charges and other taxes	1,386.1	1,250.2
Sundry payables	5,406.7	5,277.4
Total	**7,168.8**	**6,866.1**

15.3 Employee benefits – IAS 19

15.3.1 Main assumptions

Discount rate

At 31 December 2014, the discount rate corresponds to the yield on investment-grade corporate bonds (rated AA) with maturities that match the duration of the benefit obligation in accordance with IAS 19. Until 31 December 2010, defined benefit plan obligations in France were discounted to present value based on the French government bond (OAT) rate. This change did not have a material impact on measurement of obligations.

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	9	1.49%	3.0%	Incl. in salary increases	N/A
Jubilees	14	1.09%	3.0%	Incl. in salary increases	N/A
Article 39 of the French Tax Code	9	1.03%	3.0%	Incl. in salary increases	1.03%
Other plans: Italy	24	2.00%	3.0%	1.5%	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

(in € millions)	Post-employment plans 31.12.2014	Post-employment plans 31.12.2013
Projected benefit obligation	184.3	153.9
Fair value of plan assets	(0.1)	0.0
Projected benefit obligation net of plan assets	**184.2**	**153.9**
Unrecognised past service cost	0.0	0.0
Liability recognised in the balance sheet - defined benefit plans	**184.2**	**153.9**
Liability recognised in the balance sheet - defined contribution plans	54.3	50.5
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**238.5**	**204.4**
Other long-term benefit obligations	19.1	19.8
Of which length-of-service and jubilee awards	*19.1*	*19.8*
Total liability recognised in the balance sheet for long-term benefit obligations	**257.6**	**224.2**

* Benefit obligations are mainly carried on the books of the French (€256.3 million) and Italian entities (€0.8 million).

15.3.3 Analysis of cost of benefit obligations

(in € millions)	Post-employment plans	
	31.12.2014	31.12.2013
Current service cost (net of employee contributions)	**9.0**	**7.6**
Interest cost	3.9	3.6
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	**12.9**	**11.2**
Post-employment benefit expense - defined contribution plans	15.0	15.0
Total post-employment benefit expense	**27.9**	**26.1**

15.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

(in € millions)	Post-employment plans	
	31.12.2014	31.12.2013
At 1 January[(1)]	**153.9**	**141.3**
Effect of changes in exchange rates[(2)]	0,0	0.0
Post-employment benefit expense	12.9	11.1
Employer's contributions[(3)]	(8.5)	(13.7)
Benefits paid[(4)]	(3.0)	(4.8)
Actuarial gains and losses recognised directly in equity [(5)]	37.2	20.0
Actuarial gains and losses recognised through profit	(8.2)	0.0
Changes in scope of consolidation	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0
At 31 December	**184.2**	**153.9**

(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	
	31.12.2014	31.12.2013
Actuarial gains and losses recognised in equity at the beginning of the period	**96.5**	**80.2**
Actuarial gains and losses related to changes in discount rates	23.0	(1.3)
Actuarial gains and losses related to changes in assumptions regarding retirement age	1.3	13.8
Actuarial gains and losses related to changes in technical rates	4.3	1.9
Actuarial gains and losses related to annuity contributions	2.9	0.0
Actuarial gains and losses related to historical loss adjustments	5.6	1.9
Actuarial gains and losses recognised in equity at the end of the period	**133.6**	**96.5**

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 *(in € millions)*	**31.12.2014**	**31.12.2013**
Insurance contracts	**25,341.1**	**21,803.3**
Life	**22,435.1**	**18,964.2**
Pure premiums	21,191.7	17,729.5
Loadings	1,243.4	1,234.7
Non-life	**2,906.1**	**2,839.0**
Pure premiums	2,176.8	2,108.1
Loadings	729.3	731.0
Financial instruments with DPF	**5,194.5**	**5,615.8**
Pure premiums	5,125.3	5,543.6
Loadings	69.2	72.2
Earned premiums	**30,535.7**	**27,419.1**

Revenue from other activities *(in € millions)*	**31.12.2014**	**31.12.2013**
Financial instruments without DPF	**59.9**	**50.3**
Loadings	59.9	50.3
On premiums	53.7	59.0
On outstandings	6.2	(8.8)
Services (IAS 18)	**91.2**	**101.6**
Other activities	**(0.6)**	**1.8**
Total	**150.4**	**153.7**

16.2 Reconciliation to reported revenue

(in € millions)	**31.12.2014**	**31.12.2013**
Earned premiums	30,535.7	27,419.1
Loadings on premiums on financial instruments without DPF (IAS 39)	53.7	59.0
Total	**30,589.3**	**27,478.1**

16.3 Revenue by distribution partner

(in € millions)	31.12.2014	31.12.2013
La Banque Postale	9,489.8	8,621.0
BPCE	9,792.5	7,525.5
CNP Trésor	530.5	524.3
Financial institutions	1,498.0	1,503.6
Companies and Local Authorities	1,796.7	1,781.3
Mutual Insurers	911.4	883.1
International subsidiaries	6,298.6	6,571.3
Rest of	271.7	68.1
Total revenue	**30,589.3**	**27,478.1**

16.4 Revenue by business segment

(in € millions)	31.12.2014	31.12.2013
Savings	**21,459.5**	**17,763.2**
Pensions	**2,906.9**	**3,702.7**
Personal Risk	1,944.6	1,863.3
Term Creditor Insurance	3,360.6	3,295.1
Health insurance	570.0	501.1
Property & Casualty	347.8	352.6
Sub-total personal risk and other	**6,222.9**	**6,012.1**
Other business segments	**0.0**	**0.0**
Total revenue	**30,589.3**	**27,478.1**

16.5 Revenue by company

(in € millions)	31.12.2014	31.12.2013
CNP Assurances	21,718.1	18,813.7
CNP IAM	2,242.9	2,213.0
Préviposte	151.8	163.7
ITV	15.7	19.0
CNP International	0.0	0.0
MFPrévoyance SA	223.0	232.0
CNP Seguros de Vida	45.0	55.5
Odonto Empresas Convenios Dentarios LTDA	10.2	0.0
Caixa Seguros group	2,818.5	3,018.5
CNP UniCredit Vita	2,692.4	2,303.8
CNP Partners	208.8	186.3
CNP Cyprus Insurance holdings	142.6	163.1
CNP Europe Life	7.8	20.7
CNP Barclays Vida y Pensiones	312.6	288.8
Total revenue	**30,589.3**	**27,478.1**

16.6 Revenue by country

	Under IFRS		Under French GAAP	
(in € millions)	31.12.2014	31.12.2013	31.12.2014	31.12.2013
France	24,290.7	20,906.8	24,505.4	21,043.6
Italy	2,922.8	2,548.2	3,031.0	2,810.6
Portugal	90.9	82.8	157.6	162.9
Brazil	2,828.7	3,018.5	3,157.9	3,383.8
Argentina	45.0	55.5	45.0	55.5
Spain	265.3	263.7	265.3	263.7
Cyprus	137.1	154.4	137.7	154.8
Ireland	0.9	0.9	0.9	0.9
Rest of	7.9	447.2	8.3	447.9
Total revenue	**30,589.3**	**27,478.1**	**31,309.1**	**28,323.7**

16.7 Direct and inward reinsurance premiums

(in € millions)	31.12.2014	31.12.2013
Insurance premiums	29,771.8	26,594.7
Inward reinsurance premiums	817.5	883.3
Total revenue	**30,589.3**	**27,478.1**

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)*	31.12.2014	31.12.2013
Incurred claims	10,584.1	10,224.5
Endowments due	293.2	1,575.7
Benefits due	1,249.0	1,226.9
Surrenders	14,307.3	14,632.8
Credited interest and policyholder dividends included in paid benefits	(21.4)	(60.9)
Benefit and claim handling expenses	128.7	131.3
Claims and benefits	**26,541.1**	**27,730.4**
Change in technical reserves - insurance contracts	9,528.4	4,793.9
Change in technical reserves - financial instruments with DPF	(7,225.7)	(7,203.3)
Change in other technical reserves	(396.3)	(239.3)
Change in technical reserves	**1,906.4**	**(2,648.7)**
Credited interest	1,446.5	1,478.7
Policyholder dividends	7,948.8	8,815.4
Credited interest and policyholder dividends	**9,395.3**	**10,294.1**
Claims and benefits expenses	**37,842.8**	**35,375.8**

Note 18 Administrative expenses and business acquisition costs

18.1 Expenses analysed by function

(in € millions)	31.12.2014	31.12.2013
Commissions	(3,125.7)	(3,090.9)
Expenses analysed by function	(229.7)	(148.4)
Business acquisition costs	**(3,355.4)**	**(3,239.3)**
Contract administration expenses	**(196.6)**	**(195.1)**
Other underwriting income and expenses	(236.1)	(221.9)
Other income and expenses	(228.0)	(202.8)
Employee profit-sharing	(23.7)	(24.6)
Other recurring operating income and expense, net	**(487.9)**	**(449.3)**
Total	**(4,039.9)**	**(3,883.7)**

18.2 Expenses analysed by nature

(in € millions)	31.12.2014	31.12.2013
Depreciation and amortisation expense and impairment losses	(31.5)	(28.7)
Employee benefits expense	(422.5)	(430.5)
Taxes other than on income	(128.5)	(114.8)
Other	(332.2)	(326.0)
Total	**(914.6)**	**(899.9)**

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)	31.12.2014	31.12.2013
Contract administration costs, net		
- Excluding international subsidiaries and other businesses	585.1	560.7
- Including international subsidiaries and other businesses	895.6	861.9
Ratio* Contract administration costs		
Technical reserves**		
- Excluding international subsidiaries and other businesses	0.20%	0.20%
- Including international subsidiaries and other businesses	0.29%	0.29%

* Excluding CNP Trésor set-up expenses

** Insurance and financial liabilities, excluding deferred participation.

18.4 Analysis of commission expense

(in € millions)	31.12.2014	31.12.2013
Caisses d'Epargne	875.1	848.0
La Banque Postale	596.9	552.9
Rest of	1,653.7	1,690.0
Total	**3,125.7**	**3,090.9**

Note 19 Reinsurance result

	31.12.2014	31.12.2013
Ceded premiums	(695.1)	(1,426.5)
Change in ceded technical reserves	948.5	1,428.1
Reinsurance commissions received	268.9	270.6
Investment income	(325.6)	(387.3)
Total	**196.7**	**(115.1)**

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 2014 and 2013.

(in € millions)		31.12.2014	31.12.2013
Available-for-sale financial assets	Income from debt securities	126.7	(28.1)
	Interest income	7,012.3	7,469.1
	Income from other financial assets	1,709.9	1,271.7
	Capital gains and losses on disposals	78.3	696.5
	Impairment	628.3	394.2
	Net income from available-for-sale financial assets	**9,555.4**	**9,803.4**
Held-to-maturity investments	Income from debt securities	0.0	(0.9)
	Interest income	62.4	71.5
	Other income	0.0	0.9
	Impairment	1.7	20.9
	Net income from held-to-maturity investments	**64.1**	**92.4**
Loans and receivables	Interest income	10.4	14.4
	Other income	0.0	0.0
	Impairment	0.0	(17.1)
	Net income from loans and receivables	**10.4**	**(2.7)**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	4,028.1	4,042.4
	Profit (loss) on derivative instruments held for trading and hedging	(577.5)	(79.5)
	Capital gains and losses on disposals	382.5	276.3
	Net income (expense) from financial assets at fair value through profit or loss	**3,833.0**	**4,239.2**
Investment property	Rent and other revenue	131.2	97.8
	Fair value adjustments	(36.4)	3.7
	Capital gains and losses on disposals	85.2	(3.0)
	Net income from investment property	**180.0**	**98.6**
Other investment expenses		**(251.4)**	**(200.2)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**13,391.4**	**14,030.8**
Interest on subordinated debt at amortised cost		(177.8)	(154.9)
Interest on subordinated debt at fair value		0.0	0.0
Total finance costs		**(177.8)**	**(154.9)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**13,213.7**	**13,875.9**

Reconciliation of investment income and expenses to the amounts reported in the income statement

(in € millions)	31.12.2014	31.12.2013
Investment income before finance costs	14,279.3	14,839.7
Investment and other financial expenses, excluding finance costs	(887.9)	(808.9)
Finance costs	(177.8)	(154.9)
Total	**13,213.7**	**13,875.9**

20.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2014 and 2013.

20.2.1 Fair value adjustments to assets – 2014

(in € millions)		Investments held at 31.12.2014	Investments held at 31.12.2013	Movements in 2014
Assets at fair value through profit or loss	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
	Total	**68,775.3**	**65,514.4**	**3,260.9**
Derivative instruments	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
	Total	**(633.4)**	**(259.1)**	**(374.3)**
Available-for-sale financial assets	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
	Total	**285,235.5**	**265,664.0**	**19,571.5**
Held-to-maturity investments	Fixed-rate bonds	151.1	207.3	(56.2)
	Variable-rate bonds	414.8	426.0	(11.2)
	Total	**565.9**	**633.3**	**(67.4)**
Loans and receivables	Loans and receivables	4,988.9	4,667.5	321.4
	Total	**4,988.9**	**4,667.5**	**321.4**
Investment property	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	40.3
	Total	**3,232.5**	**3,409.0**	**(176.6)**
TOTAL		**362,164.7**	**339,629.2**	**22,535.6**

* To enhance the internal presentation of the table, available-for-sale securities have been reclassified between non-voting loan stock, equities and investment funds in 2014. Consequently, these three line items are no longer comparable year on year and comparisons should be made on the basis of the AFS sub-total.

20.2.2 Fair value adjustments to assets – 2013

(in € millions)		Investments held at 31.12.2013	Investments held at 31.12.2012	Movements in 2013
Assets at fair value through profit or loss	Fixed-rate bonds	11,117.5	10,388.1	729.4
	Variable-rate bonds	18,429.3	20,055.1	(1,625.8)
	TCNs (money market securities)	196.8	154.1	42.7
	Equities	5,056.1	4,641.6	414.5
	Investment funds	29,234.2	28,793.9	440.3
	Shares in non-trading property companies	1,317.8	1,324.6	(6.8)
	Other (including lent securities and repos)	162.7	110.9	51.9
	Total	**65,514.4**	**65,468.4**	**46.1**
Derivative instruments	Derivative instruments (positive fair value)	5,855.1	4,340.8	1,514.3
	Derivative instruments (negative fair value)	(6,114.2)	(4,622.4)	(1,491.8)
	Total	**(259.1)**	**(281.6)**	**22.5**
Available-for-sale financial assets	Fixed-rate bonds	174,226.7	171,894.8	2,332.0
	Variable-rate bonds	27,810.7	29,559.1	(1,748.3)
	TCNs (money market securities)	6,829.7	9,298.4	(2,468.7)
	Equities	12,703.2	12,179.9	523.3
	Investment funds	24,070.8	20,347.8	3,723.0
	Shares in non-trading property companies	4,241.9	3,486.3	755.6
	Non-voting loan stock	3,537.6	3,393.2	144.4
	Other (including lent securities and repos)	12,243.3	4,440.0	7,803.3
	Total	**265,664.0**	**254,599.5**	**11,064.5**
Held-to-maturity investments	Fixed-rate bonds	207.3	389.4	(182.1)
	Variable-rate bonds	426.0	553.1	(127.0)
	Total	**633.3**	**942.5**	**(309.2)**
Loans and receivables	Loans and receivables	4,667.5	4,975.8	(308.3)
	Total	**4,667.5**	**4,975.8**	**(308.3)**
Investment property	Investment property at amortised cost	2,804.3	2,890.3	(86.0)
	Investment property measured by the fair value model	604.8	624.4	(19.6)
	Total	**3,409.0**	**3,514.7**	**(105.6)**
TOTAL		**339,629.2**	**329,219.2**	**10,410.0**

20.2.3 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

(in € millions)	31.12.2014	31.12.2013
Fair value of investments	362,164.7	339,629.2
Unrealised gains and losses, net	(830.1)	(903.7)
Carrying amount of investments	**361,334.7**	**338,725.5**

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)	31.12.2014	31.12.2013
Available-for-sale financial assets	**(115.5)**	**(184.5)**
Fixed-rate bonds	0.0	(0.5)
Variable-rate bonds	(40.5)	(54.8)
TCNs (money market securities)	0.0	0.0
Equities	(22.5)	(84.5)
Equity funds	(1.7)	(9.9)
Non-voting loan stock	(8.5)	(1.7)
Other (including mutual fund units)	(42.3)	(33.1)
Held-to-maturity investments	**(0.1)**	**(4.2)**
Loans and receivables	**0.0**	**(17.1)**
Total impairment expense	**(115.5)**	**(205.9)**
Available-for-sale financial assets	**743.8**	**578.8**
Fixed-rate bonds	0.0	1.2
Variable-rate bonds	62.2	105.1
TCNs (money market securities)	0.0	0.0
Equities	592.0	281.0
Equity funds	36.1	84.1
Non-voting loan stock	47.1	49.2
Other (including mutual fund units)	6.4	58.2
Held-to-maturity investments	**1.8**	**25.1**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**745.5**	**603.9**
Net change in impairment provisions	**630.0**	**398.0**

Reversals of writedowns on equities as a result of disposals relate to shares in Nokia, Ageas and Mediaset.

Note 21 Income tax expense

The purpose of the table below is to disclose the main components of income tax expense (benefit).

(in € millions)	31.12.2014	31.12.2013
Current tax	(768.6)	(765.5)
Deferred tax	(4.6)	79.4
Income tax expense	**(773.2)**	**(686.1)**
Profit for the period	1,402.9	1,323.1
Tax rate	35.53%	34.46%
Income tax expense	**(773.2)**	**(686.1)**

Tax proof *(in € millions)*	31.12.2014		31.12.2013	
	Rate	Amounts	Rate	Amounts
Profit before tax		2,176.1		1,991.3
Income tax at the standard French tax rate	38.00%	(826.9)	38.00%	(756.7)
Permanent differences	-0.05%	1.1	-1.63%	32.5
Effects of changeover to the equity method	-0.39%	8.4	0.17%	10.9
Capital gains and losses taxed at reduced rate	-0.20%	4.4	0.17%	(3.5)
Effects of differences in foreign tax rates*	-0.13%	2.9	-0.91%	18.4
Tax credits and tax loss carryforwards used	-1.66%	36.2	-1.17%	23.5
Rest of	-0.04%	0.8	0.55%	(11.0)
Total	**35.53%**	**(773.2)**	**34.46%**	**(686.1)**

* In late 2011, the French government introduced a 5% income tax surcharge for companies with gross revenue exceeding €250 million. This surcharge was raised to 10.7% for income tax due in 2014 and 2015 for financial years 2013 and 2014, respectively. The additional contribution of 3.3% raises the theoretical tax rate for 2014 to 38.00%.

Deferred taxes on: *(in € millions)*	31.12.2014	31.12.2013
Fair value adjustments to financial assets held for trading	173.5	521.7
Deferred participation asset/reserve	(151.7)	(464.3)
Fair value adjustments to other financial assets	104.7	0.4
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	(121.9)	(137.3)
Total	**4.6**	**(79.4)**

OTHER ANALYSES

Note 22 Financial risks

22.1 Credit risk

The Group's credit risk policies are presented in section 2 of this Registration Document in corporate governance and internal control (section 2.5.5).

Note 9.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

22.2 Currency risk

Most portfolios covering insured liabilities are invested in assets denominated in their own functional currency. As a result, portfolio exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

The Group performs currency stress testing to assess the impact on profit and equity of fluctuations of +10% in the euro/dollar and euro/sterling exchange rates as most of its currency exposure is on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 3.5% and 2%, respectively, of recurring operating profit.

22.3 Interest rate risk on financial assets

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

22.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2014 and 31 December 2013.

22.3.1.1 Caps and floors at 31 December 2014

		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%	3,417	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**

22.3.1.2 Caps and floors at 31 December 2013

(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%	2,655	3,417	3,588	3,087	4,293	3,740	1,365	1,580	5,630	1,594	**30,949**
≥ 5%	< 6%	1,455	4,545	3,590	3,509	2,310	880	300	300	0	3,760	**20,649**
≥ 6%	< 7%	0	0	0	0	0	6	0	0	0	0	**6**
≥7%	< 8%	0	0	0	0	0	0	0	0	0	0	**0**
≥ 8%	< 9%	0	0	0	0	0	0	0	0	0	0	**0**
≥ 9%	< 10%	0	0	0	0	0	0	0	0	2	0	**2**
Total		**4,110**	**7,962**	**7,178**	**6,596**	**6,603**	**4,626**	**1,665**	**1,880**	**5,632**	**5,354**	**51,607**

22.3.2 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

	31.12.2014		31.12.2013	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	3.57%	EUR	3.68%
Italy	EUR	3.22%	EUR	3.31%
Brazil	Real	7.09%	Real	8.45%
Spain	EUR	3.94%	EUR	4.40%

22.3.2.2 Effective interest rates at balance sheet date

	31.12.2014		31.12.2013	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	0.74%	EUR	1.88%
Italy	EUR	3.15%	EUR	3.15%
Brazil	Real	7.06%	Real	8.41%
Spain	EUR	1.47%	EUR	3.10%

22.3.3 Carrying amounts by maturity

22.3.3.1 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	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**

22.3.3.2 Carrying amounts by maturity at 31 December 2013

Type of instrument *(in € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	Total
Fixed-rate bonds	17,833.2	14,695.2	14,093.5	13,940.1	14,953.9	111,279.4	**186,795.4**
Zero coupon bonds	7,750.7	248.3	526.8	899.1	724.9	10,454.6	**20,604.4**
Adjustable-rate bonds	967.6	463.3	460.1	400.0	265.5	1,596.9	**4,153.3**
Variable-rate bonds	698.6	471.1	262.3	579.5	135.1	464.9	**2,611.6**
Index-linked fixed-rate bonds	7.6	354.0	702.2	1,374.6	173.8	10,018.8	**12,631.0**
Other bonds	2,990.1	1,879.2	2,529.9	2,447.3	1,879.5	10,324.3	**22,050.3**
Total	**30,247.7**	**18,111.1**	**18,574.8**	**19,640.6**	**18,132.7**	**144,139.0**	**248,846.0**

22.3.4 Carrying amounts at maturity – held-to-maturity investments

22.3.4.1 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	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**

22.3.4.2 Carrying amount at 31 December 2013

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	Total
Held-to-maturity investments	79.5	138.1	50.1	139.9	21.7	173.9	**603.1**
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	**79.5**	**138.1**	**50.1**	**139.9**	**21.7**	**173.9**	**603.1**

22.3.5 Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

22.3.5.1 Average remaining life of securities – 31 December 2014

France	Italy	Brazil	Spain
5.9	4.1	1.3	5.9

22.3.5.2 Average remaining life of securities – 31 December 2013

France	Italy	Brazil	Spain
6.0	4.1	1.0	5.3

22.4 Sensitivity of MCEV© to market risks

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV©) to market and insurance risks.

The Group's embedded value reporting is based on CFO Forum MCEV© Principles (Market Consistent European Embedded Value Principles developed by a group of Finance Directors from Europe's top insurance companies set up in 2002). The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees.

CNP Assurances uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2014.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Actual future experience may vary from that assumed in the calculation of the embedded value.

MCEV© is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business
- the value of In-Force business, comprising the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For France, the reference rate curve is the swap yield curve plus a liquidity premium determined using product typologies in accordance with QIS 5 technical specifications under Solvency II. MCEV© for CNP UniCredit Vita (the Italian subsidiary), CNP Partners (the Spanish subsidiary) and CNP Barclays Vida y Pensiones (subsidiary with activities in Italy, Spain and Portugal) was measured using the relevant government bond yield curves.

The market risk sensitivity of MCEV© is tested to measure the impact of interest rate and equity volatilities. MCEV© principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary Caixa, the Italian subsidiary CNP UniCredit Vita, the Spanish subsidiaries CNP Partners and CNP Barclays Vida y Pensiones, and the Cypriot subsidiary, CNP Cyprus Insurance Holdings. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the swap yield curve. This would result in:
  - a revaluation of bond prices
  - a 100-basis point adjustment to the reinvestment rate for all categories of assets and
  - a change in discount rates.

  The impact on mathematical reserves for unit-linked portfolios is not measured;
- the impact of an immediate 10% fall in equity and property prices. As well as a 10% fall in equity and property prices, this also leads to a drop in mathematical reserves for the proportion of unit-linked portfolios invested in equities.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

Market risk sensitivity of MCEV© to interest rate and equity volatilities at 31 December 2014

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	**432.0**	**(1,275.0)**	**(1,100.0)**

Market risk sensitivity of MCEV© to interest rate and equity volatilities at 31 December 2013

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease
Impact on MCEV©	**(416.0)**	**(13.0)**	**(601.0)**

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 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

23.1.1.2 Future cash flows from assets at 31 December 2013

Intended holding period *(in € millions)*	**Less than 1 year**	**1 to 5 years**	**5 to 10 years**	**Beyond 10 years**
Available-for-sale financial assets	28,946	78,022	113,869	25,958
Assets held for trading and assets measured at FV	6,109	12,332	9,187	2,840
Held-to-maturity investments	93	516	303	72
Loans and receivables	4	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 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

23.1.2.2 Payment projections by maturity at 31 December 2013

(in € millions)	**Less than 1 year**	**1 to 5 years**	**5 to 10 years**	**5 to 15 years**	**Beyond 15 years**
Insurance and financial liabilities (incl. linked liabilities)	18,919.5	73,896.4	61,015.1	46,506.2	152,827.2

23.1.3 Contracts with immediate surrender option

(in € millions)	31.12.2014	31.12.2013
Contracts with immediate surrender option	263,932.9	256,999.9
Contracts with no immediate surrender option	48,638.2	44,106.0

Contracts with an immediate surrender option represented a total liability of €263.9 billion at 31 December 2014 (€257.0 billion at 31 December 2013). 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 (section 5.6.2).

23.3 Reconciliation of unit-linked assets and liabilities

(in € millions)	31.12.2014	31.12.2013
Investment properties held to cover linked liabilities	1,091.2	1,119.5
Financial assets held to cover linked liabilities	37,310.1	34,802.1
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	**38,401.4**	**35,921.6**
Linked liabilities – financial instruments without DPF	7,471.3	8,051.8
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	31,034.6	27,977.8
Total linked liabilities	**38,506.0**	**36,029.6**
Guaranteed capital reserves	2.1	2.3
Total linked liabilities	**38,508.1**	**36,031.9**

The asset/liability mismatch on unit-linked contracts mainly relates to provisions for outstanding claims included in linked liabilities but with no dedicated assets for the purpose of this note.

Note 24 Risks related to insurance and financial liabilities

24.1 Management of risks related to insurance and financial liabilities

CNP Assurance's insurance businesses expose it to a number of risks, particularly those relating to product development, calculating adequate reserves and devising its reinsurance strategy.

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders.

These management information systems:

- analyse risk-adjusted profitability during the product launch process
- roll down Group objectives to the level of the individual businesses
- analyse the components of profit and value creation and the basis used for underwriting and pricing decisions, as well as determining the appropriate pricing and provisioning strategies
- track risks with a technical component
- optimise reinsurance strategies.

These routine analyses are rounded out by stress tests performed on key economic and technical assumptions to measure their impact on the Group's performance indicators.

Asset and liability projections are produced annually and are used to calculate policyholder dividend rates for the year, as well as to produce budgets and multi-year business plans.

The Group's policies for managing risks related to insurance and financial liabilities are presented in section 5 of this Registration document on corporate governance and internal control (Note 5.6.2).

24.2 Contract terms and conditions

24.2.1 Types of insured risk by class of business

The Group offers a full range insurance products both inside and outside France.

The main traditional individual insurance policies written are savings products, term life insurance, endowment policies and deferred annuity contracts with or without contingency insurance. The Group also markets products that combine a traditional savings component and one or several unit-linked components.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, personal risk policies and term creditor insurance.

In addition, the Group’s subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance holdings) write Property & Casualty and liability insurance. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

CNP Assurances may also be exposed to emerging risks – in other words new, continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or deemed of minor importance could prove to have a material impact on the Group in the future.

Specific processes exist to identify and analyse emerging risks and the Group keeps abreast of relevant scientific publications, market trends, regulations and case law, etc.

The insurer’s risks differ depending on the type of policy:

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 human catastrophes.

Although CNP Assurances’ business model focuses primarily on personal insurance, a wave of global climate-related disasters, acts of terrorism, the spread of pandemics such as the H5N1 or H1N1 viruses, or fallout from global warming, aside from immediate damage that such events would cause, could also significantly impact the Group’s earnings and business.

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. The main types of contracts are as follows:

- term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled
- contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured
- death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period
- term creditor contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided
- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance holdings) write Property & Casualty and liability insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

24.2.3 Participation clauses

Traditional savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

Participation rates are determined based on the local accounts.

24.3 Valuation of insurance liabilities (assumptions and sensitivities)

24.3.1 Technical reserve models

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated
- administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts
- unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts
- premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments

24.3.2 Modelling objectives

The approach used to ensure that technical reserves are adequate focuses on:

- managing the risks associated with a fall in interest rates
- adjusting technical reserves following a change in mortality tables
- using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

24.3.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

- detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years
- the creation of files at each period-end to check the consistency of reserves with technical flows
- recurring audits of management system calculations, based on random tests and detailed repeat calculations
- detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

24.3.4 Assumptions used to calculate reserves

Technical reserves for non-life insurance do not have to be discounted under French insurance regulations (with the exception of the annuity component).

Mathematical reserves for individual savings products are recognised at the surrender value of the policies in accordance with insurance regulations.

Mathematical reserves for individual and group pension plans (with the exception of "Article L.441" plans) are calculated using the discount rate applicable at the contractual date (i.e., the contractual rate) or the premium payment or settlement date, depending on the type of policy.

Reserves for group personal risk products and term creditor insurance are generally calculated based on current discount rates.

All other assumptions are determined by reference to internal experience-based data.

24.3.5 Use of different assumptions

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.)
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different.

In addition, the allocation keys used to apportion unrealised capital gains or losses between policyholders and shareholders are based on the calculations of the present value of future profits used to determine embedded value. As such, they do not reflect observed historical data.

24.3.6 Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

24.3.7 Sensitivity of MCEV© to changes in surrender rates and loss ratios

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.
At 31 December 2014, a 10% fall in surrender rates would have a positive impact of €232 million on MCEV©. A 5% fall in observed losses would have a positive impact of €173 million on MCEV© in respect of mortality and disability risks, and a negative impact of €117 million in respect of longevity.

24.4 Risk of guaranteed yields on insurance and financial liabilities

Traditional savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

- contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures
- contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years
- contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables.

31.12.2014		
Guaranteed yield *(in € millions)*	**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.

31.12.2013		
Guaranteed yield *(in € millions)*	**Technical reserves**	**%**
0%[1]	160,271.9	53.2%
]0%-2%]	21,659.2	7.2%
]2%-3%]	28,806.6	9.6%
]3%-4%]	1,527.8	0.5%
]4%-4.5%]	4,987.1	1.7%
>4.5%[2]	1,415.8	0.5%
Linked liabilities	36,029.6	12.0%
Other[3]	46,408.0	15.4%
TOTAL	**301,105.9**	**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 LBPP, 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 2014) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:

  a) death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool (“*Décès-IPA3*” policy).. The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP Assurances' share is 28%) and reinsurance cover purchased by the pool from external reinsurers. There are eight levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 50 XS €50 million; level 3: 100 XS €100 million; level 4: 100 XS €200 million; level 5: 100 XS €300 million; level 6: 100 XS €400 million; level 7: 100 XS €500 million; level 8: 100 XS €600 million with 200% paid reconstitution except for nuclear and NBC terrorism risks. A loss event is defined as involving three or more victims.

  b) catastrophic risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.25 million per loss event and the reinsurers cover €37 million per loss event and €74 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €37 million per loss year.

All group 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 (section 5.6.3).