CNP ASSURANCES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Contents

2015 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

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

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

INCOME STATEMENT

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

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2015

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2015

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

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

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)	31.12.2015	31.12.2014
Cash and cash equivalents (reported in the balance sheet)	1,328.0	795.9
Cash and cash equivalents relating to assets held for sale	0.0	84.4
Operating liabilities due to banks	(41.9)	(121.3)
Securities held for trading	13,893.9	13,755.2
Total (reported in the consolidated statement of cash flows)	**15,180.0**	**14,514.3**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	31.12.2015	31.12.2014
Operating profit before tax	**2,308.8**	**2,330.4**
Gains and losses on disposal of investments	(1,179.0)	(320.5)
Depreciation and amortisation expense, net	120.6	97.0
Change in deferred acquisition costs	(381.4)	(31.3)
Impairment losses, net	(168.1)	(568.3)
Charges to technical reserves for insurance and financial liabilities	10,817.2	11,669.8
Charges to provisions, net	15.9	5.3
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(1,810.5)	(2,611.2)
Other adjustments	396.0	(170.6)
Dividends received from associates	13.0	22.1
Total adjustments	***7,823.8***	***8,092.2***
Change in operating receivables and payables	3,195.5	(1,706.2)
Change in securities sold and purchased under repurchase and resale agreements	(3,959.1)	(237.7)
Change in other assets and liabilities	(51.6)	(42.8)
Income taxes paid, net of reimbursements	(436.7)	(1,113.3)
Net cash provided by (used by) operating activities	**8,880.6**	**7,322.4**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	0.0	(327.5)
Divestments of subsidiaries and joint ventures, net of cash sold(1)	131.8	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash used by divestments and acquisitions	***131.8***	***(327.5)***
Proceeds from the sale of financial assets	82,896.4	65,477.7
Proceeds from the sale of investment properties	112.3	164.9
Proceeds from the sale of other investments	2.2	33.6
Net cash provided by (used by) sales and redemptions of investments	***83,010.9***	***65,676.2***
Acquisitions of financial assets	(92,075.6)	(68,115.9)
Acquisitions of investment properties	(388.8)	(117.2)
Acquisitions and/or issuance of other investments	0.0	0.0
Net cash provided by (used by) acquisitions of investments	***(92,464.4)***	***(68,233.1)***
Proceeds from the sale of property and equipment and intangible assets	29.1	8.4
Purchases of property and equipment and intangible assets	(95.6)	(83.3)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	***(66.5)***	***(74.9)***
Net cash provided by (used by) investing activities	**(9,388.3)**	**(2,959.4)**
Issuance of equity instruments(2)	3.8	1.8
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	(10.9)	2.9
Dividends paid	(770.7)	(745.2)
Net cash provided by (used by) transactions with owners	**(777.8)**	**(740.2)**
New borrowings(3)	750.0	993.6
Repayments of borrowings	(33.7)	(30.4)
Interest paid on borrowings	(312.2)	(274.1)
Net cash provided by (used by) other financing activities	***404.1***	***689.1***
Net cash provided by (used by) financing activities	**(373.7)**	**(51.4)**
Cash and cash equivalents at beginning of period	**14,514.3**	**10,090.8**
Net cash provided by (used by) operating activities	8,880.6	7,322.4
Net cash provided by (used by) investing activities	(9,388.3)	(2,959.4)
Net cash provided by (used by) financing activities	(373.7)	(51.4)
Effect of changes in exchange rates	37.9	19.9
Effect of changes in accounting policies and other changes(3)	1,509.2	91.9
Cash and cash equivalents at the reporting date	**15,180.0**	**14,514.3**

(1) Sale of stake in CNP BVP: €131.8 million net of €84.9 million in cash sold.

(2) Share issues by Santander Insurance Life for €2.7 million, CNP Seguros de Vida for €0.9 million and Outlet Invest for €0.2 million.

(3) At CNP Assurances, reclassification as "Ordinary money market funds" of €1.5 billion worth of units in dynamic funds that are highly sensitive to changes in market prices.

SIGNIFICANT EVENTS OF THE YEAR AND SUBSEQUENT EVENTS

Note 1 Significant events of the year

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

On 22 December 2014, CNP Assurances announced the planned sale of its 50% stake in Spanish-based CNP Barclays Vida y Pensiones (CNP BVP) to Barclays Bank. At 31 December 2014, CNP Assurances' stake in CNP BVP was accounted for within “Non-current assets held for sale and discontinued operations” in accordance with IFRS 5.
The sale was completed on 21 April 2015 following clearance from the regulatory authorities, for an amount of €457 million including a special dividend of €36 million. The transaction led to a pre-tax capital gain of €248.5 million in first-half 2015 (post-tax gain of €231.8 million).

• *Protocol – Proposed terms of the agreement between CNP Assurances and the BPCE Group*

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

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

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

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

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

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

Year ended 31 December 2015

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

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

In connection with the new shareholder agreement between CNP Assurances, BPCE and Natixis, on 31 December 2015 the decision was made that in 2016, CNP Assurances would transfer to Natixis Assurances 2% of the capital and voting rights of Ecureuil Vie Développement (EVD), in order to enable Natixis Assurances to own 51% of EVD. The impact of this transfer is not material. CNP Assurances' analysis shows that Ecureuil Vie Développement will be controlled jointly, justifying the use of the equity method to account for this entity after the transfer.

• *Memorandum of understanding for the renewal of the partnership between CNP Assurances and La Banque Postale*

On 10 December 2015, CNP Assurances and La Banque Postale announced the signature of a preliminary memorandum of understanding for the renewal of their partnership as of 2016 for a further period of 10 years.

The renewed partnership would cover the following aspects:

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

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

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

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

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

• *Signing of a partnership framework contract between AG2R LA MONDIALE and CNP Assurances on the creation of market leader in retirement savings*

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

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

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

The partnership framework contract covers the following main aspects:

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

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

• *Successful completion of a €750-million subordinated bond issue*

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

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

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

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

Note 2 Subsequent events

• *CNP Assurances successfully completes USD 500 million private placement*

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

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

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

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

Assets, equity and liabilities

Note 3 Summary of significant accounting policies

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

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

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

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

The consolidated financial statements for the year ended 31 December 2015 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 16 February 2016.

3.1 Statement of compliance

In accordance with EU Directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2015.

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

New accounting standards adopted since 1 January 2015

- IFRIC 21 – Levies, published on 20 May 2013 and applicable in the European Union as of the start of the first accounting period beginning after 16 June 2014: this interpretation provides guidance in accounting for a levy imposed by a government in the payer entity's financial statements, and in particular when to recognise a liability in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. The clarifications set out in IFRIC 21 lead to a change in the event that triggers the recognition of certain taxes. The interpretation does not have a material impact on the Group's consolidated financial statements.
- The IFRS annual improvements 2011-2013 cycle, as published on 12 December 2013 and applicable to accounting periods beginning on or after 1 January 2015 at EU level. They include minor amendments to four standards and do not have a material impact on the Group's consolidated financial statements. The four standards in question are:
    - IFRS 1 – First-time Adoption of International Financial Reporting Standards: the amendment seeks to clarify the meaning of "effective IFRSs"
    - IFRS 3 – Business Combinations: the amendment clarifies that IFRS 3 excludes from its scope joint arrangements as defined by IFRS 11
    - IFRS 13 – Fair Value Measurement: the amendment seeks to clarify the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis
    - IAS 40 – Investment Property: the amendment seeks to clarify the interrelationship between IFRS 3 – Business Combinations and IAS 40 when classifying property as investment property or owner-occupied property.

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

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions, published on 21 November 2013 and applicable in the European Union as from the start of the first accounting period beginning after 1 February 2015. These limited amendments are intended to simplify the accounting treatment of contributions by employees or third-parties to defined benefit plans where the amounts of the contributions are independent of the number of years of service. The Group is currently studying the potential impact of these amendments.

- The IFRS annual improvements 2010-2012 cycle, as published on 12 December 2013 and applicable in the European Union as from the start of the first accounting period beginning after 1 February 2015. They include minor amendments to seven standards and are not expected to have a material impact on the Group’s consolidated financial statements. The seven standards in question are:
  - IFRS 2 – Share-based Payment: the purpose of this amendment is to define "vesting condition"
  - IFRS 3 – Business Combinations: the amendment concerns the accounting for contingent consideration in a business combination
  - IFRS 8 – Operating Segments: the amendment concerns the aggregation of operating segments and the reconciliation of the total of the reportable segments' assets to the entity's total assets
  - IFRS 13 – Fair Value Measurement: the amendment deals with short-term receivables and payables
  - IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets: the amendment concerns the revaluation method (proportionate restatement of accumulated depreciation/amortisation)
  - IAS 24 – Related Party Disclosures: the amendment looks at the definition of key management personnel.

Accounting standards and interpretations published but not yet in force

- IFRS 9 – Financial Instruments: issued in definitive form on 24 July 2014 and mandatory from 1 January 2018 subject to adoption by the European Union. This standard, which replaces IAS 39 – Financial Instruments, sets down accounting principles and disclosure requirements for financial assets and liabilities. This comprehensive final version of IFRS 9 follows three earlier partial publications:
  - on 12 November 2009, the IASB published the first (partial) version of IFRS 9 – Financial Instruments, focusing exclusively on "classification and measurement" of financial assets
  - on 28 October 2010, the IASB published the second (partial) version of IFRS 9 – Financial Instruments, incorporating requirements on accounting for financial liabilities
  - on 19 November 2013, the IASB published a new section of IFRS 9 – Financial Instruments, focusing on hedge accounting and amendments to IFRS 9, IFRS 7 – Disclosures and IAS 39 – Financial Instruments: Recognition and Measurement. This new section includes the definition of a business model that more closely reflects an insurance company's strategy for holding and managing financial assets.

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

Main provisions of IFRS 9

a) Classification and measurement

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

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

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

IFRS 9 introduces two types of business model as follows:

- the financial asset is held within a business model whose objective is to collect the contractual cash flows. If this is the case, the financial asset is measured at amortised cost

- o the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If so, the financial asset must be measured at FVTOCI.

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

Equity instruments are always measured at FVTPL with the exception of those not held for trading. An entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading (including realised gains and losses). Only dividends received from such investments are to be recognised in profit or loss.

IFRS 9 retains the accounting treatment of financial liabilities but adds guidance on certain issues, notably the impact of changes in own credit risk in profit or loss when non-trading financial liabilities are measured at fair value.

b) Impairment

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

Under the new model, assets move through three stages:

- o at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument
- o 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
- o stage 3: if a credit event affects the issuer, lifetime expected credit losses are recognised and interest income is calculated on the net carrying amount.

c) Hedge accounting

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

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

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

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

IFRS 9 transition arrangements

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

- o the first option, which would concern insurance companies that chose to adopt IFRS 9 as from 1 January 2018, would consist of reclassifying from profit or loss to other comprehensive income the additional volatility caused by applying IFRS 9 to assets previously accounted for as available-for-sale financial assets or financial assets at amortised cost under IAS 39 (the "overlay approach"). Insurers would have the option of applying this approach throughout the period until the effective date of the new insurance contracts standard

- the second option would be to grant an optional temporary exemption from applying IFRS 9 for a period of three years ending on 1 January 2021 (the "deferral approach").

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

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

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

Estimated impact for CNP Assurances of applying IFRS 9

The information presented below corresponds to overall estimates of the impact of applying IFRS 9 as it currently stands.

However, confirmation of these estimates will depend on:

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

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

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

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

- IFRS 15 – Revenue from Contracts with Customers: published on 28 May 2014 and applicable to accounting periods beginning on or after 1 January 2017, subject to adoption by the European Union, provides a single model to be applied to all contracts with customers. It replaces the standards currently dealing with revenue recognition, namely IAS 18 – Revenue and IAS 11 – Construction Contracts and related interpretations along with the following interpretations: IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services.

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

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard also introduces enhanced disclosure requirements and provides a framework for dealing with transactions that were not comprehensively covered previously as well as improved guidance for contracts with multiple-element arrangements. The core principle is delivered in a five-step model framework:

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

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

- IFRS 14 – Regulatory Deferral Accounts: published on 30 January 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. Pending the definitive version, the European Commission has decided not to launch an adoption process for the provisional standard. This provisional standard allows first-time adopters of IFRSs to continue to account for rate-regulated activities in accordance with its previous GAAP until such time as the IASB can complete its comprehensive project on rate regulated activities. This amendment is not expected to have a material impact on the Group’s consolidated financial statements.
- Amendments to IFRS 11 – Accounting for the Acquisition of an Interest in a Joint Operation: published on 6 May 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments seek to clarify how to account for the acquisition of an interest in a joint operation that is a business within the meaning of IFRS 3 – Business Combinations. These amendments are not expected to have a material impact on the Group’s consolidated financial statements.
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation: published on 12 May 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments limit the use of revenue-based methods to calculate the depreciation of an asset because revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants: published on 30 June 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments introduce new disclosure requirements for certain biological assets. They are not expected to have a material impact on the Group’s consolidated financial statements.
- Amendments to IAS 27 – Equity Method in Separate Financial Statements: published on 12 August 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. These amendments will enable entities to account for their subsidiaries, joint arrangements and associates using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures. Because they concern separate financial statements, they are not expected to have any impact on the Group’s consolidated financial statements.
- Amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture, published on 11 September 2014 and applicable to accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. The purpose of these amendments is to reduce the inconsistencies between the requirements in IFRS 10 and IAS 28 so that the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. These amendments are not expected to have a material impact on the Group’s consolidated financial statements.
- The IFRS annual improvements 2012-2014 cycle, as published on 25 September 2014 and applicable to accounting periods beginning on or after 1 January 2016 – subject to adoption by the European Union – includes minor amendments to four standards and is not expected to have a material impact on the Group’s consolidated financial statements.

- Amendments to IAS 1 – Disclosure Initiative, published on 18 December 2014 and applicable to accounting periods beginning on or after 1 January 2016. These amendments are designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. The Group is currently studying the potential impact of these amendments.
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception, published on 18 December 2014 and applicable to accounting periods beginning on or after 1 January 2016. These amendments are intended to clarify the rules for exempting investment entities from consolidation and for using the equity method for accounting for investment entity investees. They are not expected to have a material impact on the Group's consolidated financial statements.

3.2 Basis of preparation of the consolidated financial statements

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

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2014 and the related Statutory Auditors' report, as presented on pages 55 to 161, and pages 162 to 163, respectively, of the Registration Document filed with the AMF on 9 April 2015
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2013 and the related Statutory Auditors' report, as presented on pages 51 to 149, and pages 150 to 151, respectively, of the Registration Document filed with the AMF on 10 April 2014.

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

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

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

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

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

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

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

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

They have been applied uniformly by all Group entities.

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates. Other than the regulatory capital requirements of the insurance subsidiaries, the Group does not have any restrictions limiting its access to assets or settling the liabilities of the entities within its scope of consolidation.

Subsidiaries

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

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

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

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

Subsidiaries are fully consolidated.

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

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

Jointly-controlled entities (joint arrangements)

A joint venture is a contractual arrangement whereby the Group and one or more other parties exercise joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangement:

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

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

Associates

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

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

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

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

3.4 Intragroup transactions

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

3.5 Deferred participation asset/reserve

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

There are two types of deferred participation:

3.5.1 Unconditional participation

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

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

3.5.2 Conditional participation

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

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

3.6 Foreign currency translation into the Group's presentation currency

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

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

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

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

3.7 Foreign currency balances

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

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

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

3.8 Business combinations and other changes in scope of consolidation

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

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

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

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

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

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

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

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

3.9 Intangible assets

3.9.1 Goodwill

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

Positive goodwill is:

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

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

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

- each year on the same date, usually close to the reporting date
- or more frequently if events or changing market conditions indicate that it may be impaired since it was last tested for impairment
- or at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

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

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

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

3.9.2 Life insurance portfolios

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

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

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

3.9.3 Distribution agreements

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

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

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

3.9.5 Software

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

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

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

3.10 Investments

3.10.1 Property

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

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

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

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

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

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

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

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

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

Depreciation

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

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

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

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

Impairment

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

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

3.10.2 Financial assets

Classification

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

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

Recognition

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

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

Derecognition

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

Valuation method

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

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

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

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

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

Impairment

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

Assets measured at amortised cost and debt instruments available for sale

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

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

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

Available-for-sale equity instruments

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

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

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

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

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

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

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

Reversals of impairment losses

Available-for-sale financial assets

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

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

Loans and receivables, held-to-maturity investments

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

3.10.3 Derivative instruments

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

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

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

c) it is settled at a future date.

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

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

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

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

Hedge accounting

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

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

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

3.10.4 Measurement at fair value

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

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

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

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

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

Structured product valuation principles

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

The valuation techniques used:

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

Fair value hierarchies

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

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

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

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

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

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

3.10.5 Repurchase and securities lending transactions

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

3.10.6 Structured entities

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

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

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

3.11 Equity

3.11.1 Components of equity

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

3.11.2 Capital management

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

At 31 December 2015, the insurance subsidiaries and the Group as a whole complied with these minimum solvency capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French prudential supervision and resolution authority (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR).

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

3.12 Treasury shares

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

3.13 Insurance and financial liabilities

3.13.1 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

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

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

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

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

3.13.2 Insurance contracts and financial instruments with DPF

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

Insurance contracts

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

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

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

Financial instruments with a DPF

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

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

Hybrid contracts

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

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

> Life insurance and savings contracts

Premiums

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

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

Technical and mathematical reserves

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

Mathematical reserves for traditional savings contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

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

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

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

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

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

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

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

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

> Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

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

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

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

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

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

A reserve is also recorded for claims handling expenses.

> Liability adequacy test

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

> Shadow accounting

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

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

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

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

> Testing deferred participation assets for recoverability

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

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

> Reinsurance

Outward reinsurance

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

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

Inward reinsurance

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

3.13.3 Financial instruments without DPF (IAS 39)

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

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

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

3.13.4 Service contracts

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

3.14 Property and equipment

Property and equipment consists mainly of office equipment and miscellaneous installations.
Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

3.15 Employee benefit obligations

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

3.15.1 Employee benefit plans

Defined benefit pension plan

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

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

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

Pension plans in the international entities

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

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

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

Early-retirement plans

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

Business start-up grants

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

Discount rate

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

Accounting treatment

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

Liabilities under unfunded plans are recognised in the balance sheet.

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

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

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

3.15.2 Share-based payment

Accounting treatment of employee share grants

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

3.16 Financing liabilities and subordinated debt

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

3.17 Acquisition costs and operating expenses

Underwriting expenses are presented by function:

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

Cost recognition and allocation:

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

Other costs are analysed between:

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

3.18 Taxation

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Carrés Bleus SA, Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ, US Real Estate 270, SAS PIAL 34 and SAS Foz Participations.

Current and deferred taxes

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

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

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

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

3.19 Operating segments

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

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

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

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

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

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

Comparative disclosures have been analysed using the same basis.

3.20 Contingent liabilities

A contingent liability is:

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

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

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

Note 4 Share capital

4.1 Undated subordinated notes reclassified in equity

31.12.2015

(in € millions)	Issuance date	Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**2,635.2**
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	379.9
	Nov. 2014	4% until Nov. 2024 then reset at the 5-year fixed swap rate +410 bps	EUR	493.6
Total				**2,635.2**

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.

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,616,540	40.87%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%
French State	7,645,754	1.11%
Total shares held in concert	**537,189,280**	**78.24%**
Private investors	149,429,197	21.76%
of which: CNP Assurances (treasury shares)*	1,023,067	0.15%
TOTAL	**686,618,477**	**100.00%**

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

4.3 Equity

Issued capital	Ordinary shares	
	31.12.2015	31.12.2014
Number of shares outstanding at the beginning of the period	686,618,477	686,618,477
Shares issued during the period	0	0
Number of shares outstanding at the end of the period	**686,618,477**	**686,618,477**

4.4 2015 dividends

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

4.5 Basic and diluted earnings per share

(in € millions)	31.12.2015	31.12.2014
Profit attributable to owners of the parent	1,130.5	1,079.8
Charge on deeply-subordinated notes, net of tax	(74.4)	(59.8)
Profit attributable to ordinary shares	**1,056.1**	**1,020.0**
Number of ordinary shares at 1 January	686,618,477.0	686,618,477.0
New shares (weighted number)	0.0	0.0
Weighted average number of shares at end of reporting period	**686,618,477.0**	**686,618,477.0**
Treasury shares	(744,140.4)	(416,018.7)
Weighted average number of shares at end of reporting period	**685,874,336.6**	**686,202,458.3**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares	**1.54**	**1.49**

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

4.6 Related party information

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

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

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

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

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

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

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

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

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

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

2014 dividends paid to the Group's shareholders in 2015 amounted to €407.7 million, comprising amounts of €216.1 million, €95.8 million and €95.8 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively

4.6.2 Transactions with joint ventures and associates

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

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

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

4.6.3 Transactions with other related parties

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

(in € millions)	Transaction (income statement)	Balance sheet
Commissions	0.0	0.0
Claims and benefits	2.9	2.7
Reinsurance	0.0	0.0
Employee benefits expense	3.6	0.7
Financial income and loans	0.0	0.0
Financial expenses and borrowings	0.0	0.0
Dividends	0.0	0.0
Other	0.0	0.0

4.7 Management remuneration

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

In 2015

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,424,876.16
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €6,700,104
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement
- Share-based payment: no share-based payments were made in 2015 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2014

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,386,723.34
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €6,139,329
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement
- Share-based payment: no share-based payments were made in 2014 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

Note 5 Scope of consolidation

5.1 Consolidated companies and percentage of voting rights at 31 December 2015

Company	Consolidation method	Country	Business	31.12.2015		31.12.2014	
				% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM(1)	Full	France	Insurance	0.00%	0.00%	100.00%	100.00%
Préviposte	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
ITV	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP International(2)	Full	France	Insurance			100.00%	100.00%
La Banque Postale Prévoyance(3)	Equity method	France	Insurance	50.00%	50.00%	50.00%	50.00%
MFPrévoyance SA	Full	France	Insurance	51.00%	65.00%	51.00%	65.00%
CNP 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(4)	Full	Brazil	Insurance	100.00%	51.75%	70.00%	36.23%
Caixa Seguros Participações Do Sul Ltda	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
CSP Participações Ltda	Full	Brazil	Insurance	0.00%	0.00%	51.75%	51.75%
FPC Par Corretora de Seguros SA	Equity method	Brazil	Brokerage	25.00%	12.94%	25.00%	12.94%
Odonto Empresas Convenios Dentarios Ltda	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
Holding Caixa Seguros Participações em Saude Ltda	Full	Brazil	Insurance	100.00%	51.75%	100.00%	51.75%
CNP UniCredit Vita	Full	Italy	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Partners (formerly Vida de Seguros y Reaseguros)(5)	Full	Spain	Insurance	99.50%	99.50%	94.47%	94.47%
Estalvida d'Assegurances y Reassegurances SA(6)	Full	Spain	Insurance	0.00%	0.00%	100.00%	94.47%
CNP Insurance Services	Full	Spain	Insurance	100.00%	99.50%	100.00%	94.47%
CNP Barclays Vida y Pensiones	Full	Spain	Insurance	0.00%	0.00%	50.00%	50.00%
CNP Cyprus Insurance Holdings	Full	Cyprus	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Cyprus Tower Ltd	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Zois	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Praktoriaki	Full	Greece	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Cyprialife	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Asfalistiki	Full	Cyprus	Insurance	100.00%	50.10%	100.00%	50.10%
Santander Insurance Life Ltd	Full	Ireland	Insurance	100.00%	51.00%	100.00%	51.00%
Santander Insurance Europe Ltd	Full	Ireland	Insurance	100.00%	51.00%	100.00%	51.00%
Santander Insurance Services Ireland Ltd	Full	Ireland	Insurance	100.00%	51.00%	100.00%	51.00%
CNP Europe Life	Full	Ireland	Insurance	100.00%	100.00%	100.00%	100.00%

2. Mutual fund units

Ecureuil Profil 30	Full	France	Mutual fund units	96.04%	96.04%	95.75%	95.76%
Univers CNP 1 FCP	Full	France	Mutual fund units	99.68%	99.68%	99.71%	99.71%
CNP ACP Oblig FCP	Equity method	France	Mutual fund units	48.99%	48.99%	49.71%	49.71%
Natixis Ionis	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP	Equity method	France	Mutual fund units	49.79%	49.79%	49.79%	49.79%
Ecureuil Profil 90	Full	France	Mutual fund units	55.67%	55.67%	54.21%	54.21%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	79.92%	79.92%	100.00%	100.00%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalizaçao SA	Full	Brazil	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdencia	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Consórcios	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Holding Caixa Seguros Holding SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%

3. Property companies

Assurbail Patrimoine	Full	France	Lease financing	100.00%	100.00%	100.00%	100.00%
AEP 3 SCI	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
CIMO	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
AEP 4 SCI	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
PB6	Equity method	France	Property	50.00%	50.00%	50.00%	50.00%
OPCI AEW Imcom 6	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
SICAC	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
Assur-immeuble	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEW Imcom 1	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEP 247	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
Ecureuil Vie Développement(7)	Full	France	Brokerage	51.00%	51.00%	51.00%	51.00%
Outlet Invest	Full	France	OPCI	99.95%	99.95%	0.00%	0.00%

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

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

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

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

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

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

(7) The new shareholders' agreement signed on 23 March 2015 between CNP Assurances, Natixis Assurances and BPCE, provides for 2% of the capital and voting rights of Ecureuil Vie Développement to be sold to Natixis Assurances. 2% of the total assets and liabilities of Ecureuil Vie Développement has not been reclassified as "Non-current assets held for sale and

discontinued operations" in accordance with IFRS 5 because the reclassification would not have a material impact on the presentation of the consolidated financial statements.

5.2 Analysis of purchase price of Santander Insurance

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

Calculation of goodwill on Santander Insurance

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

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

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

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

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

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

5.4 Summary financial information: material joint arrangements

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

5.5 Summary financial information: non-material joint arrangements

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

5.6 Information relating to entities accounted for by the equity method

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

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

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

5.6.2 Investments accounted for by the equity method

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

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

Note 6 Segment information

Segment information includes CNP Assurances' proportionate share (50%) in its subsidiary La Banque Postale Prévoyance (LBPP). Given the Group's shared ability to direct the activities of LBPP with the second shareholder, the Group considers that this presentation reflects the information provided to management to enable it to oversee the Group's performance and businesses.

6.1 Balance sheet by business segment at 31 December 2015

Assets *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total segments	LBPP adjustment	Total IFRS
Goodwill and value of In-Force business	48.6	0.6	235.1	0.0	**284.3**	0.0	**284.3**
Financial investments and investments in associates	308,485.3	44,230.4	18,272.5	114.8	**371,103.0**	0.0	**371,103.0**
Other assets					**23,212.3**	(867.3)	**22,345.0**
Total assets					**394,599.6**	**(867.3)**	**393,732.3**
Equity and liabilities *(in € millions)*							
Total equity	13,037.5	1,876.0	3,648.9	8.3	**18,570.7**	0.0	**18,570.7**
Financial liabilities (including deferred participation reserve)	159,016.4	13,059.2	578.9	0.0	**172,654.4**	0.0	**172,654.4**
Insurance liabilities	128,372.2	35,631.5	13,146.9	0.0	**177,150.7**	2.3	**177,153.0**
Other liabilities					**26,223.8**	(869.6)	**25,354.2**
Total equity and liabilities					**394,599.6**	**(867.3)**	**393,732.3**

6.2 Balance sheet by business segment at 31 December 2014

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

Equity and liabilities *(in € millions)*							
Total equity	13,109.3	1,869.8	3,311.2	9.2	**18,299.5**	0.0	**18,299.5**
Financial liabilities (including deferred participation reserve)	167,406.7	12,267.1	787.3	0.0	**180,461.1**	(56.5)	**180,404.6**
Insurance liabilities	116,237.2	35,163.1	13,227.0	0.0	**164,627.3**	(678.2)	**163,949.1**
Other liabilities					**32,828.4**	(80.4)	**32,748.0**
Total equity and liabilities					**396,216.3**	**(815.1)**	**395,401.2**

6.3 Income statement by business segment at 31 December 2015

(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	21,850.8	3,410.4	6,730.7		31,991.9	(407.1)	(213.2)	31,371.6
Net new money	1,570.2	727.9	3,533.5		5,831.6		(164.9)	5,666.7
Net revenue from insurance activities	**1,614.4**	**243.7**	**1,366.1**	**64.0**	**3,288.1**		**(50.7)**	**3,237.4**
General expenses	(407.7)	(83.2)	(336.2)	(34.5)	(861.6)		16.4	(845.2)
EBIT	**1,206.7**	**160.5**	**1,029.9**	**29.5**	**2,426.5**		**(34.4)**	**2,392.1**
Finance costs					(192.2)		0.0	(192.2)
Share in earnings of associates					3.4		21.7	25.1
Non-recurring items					(312.2)		0.0	(312.2)
Income tax expense (effective tax rate)					(810.9)		13.6	(797.3)
Non-controlling interests					(303.2)		0.0	(303.2)
Fair value adjustments on securities held for trading					23.6		(0.3)	23.3
Net gains on equities and property					295.6		(0.6)	295.0
Attributable to owners of the parent					**1,130.5**		**0.0**	**1,130.5**

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

6.4 Income statement by business segment for the year ended 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)	Reconciliation with IFRS financial statements: LBPP adjustment	Reconciliation with IFRS financial statements: Total IFRS
Premium income	21,967.2	3,118.6	6,432.9	0.0	31,518.7	(716.9)	(212.6)	30,589.3
Net new money	2,304.5	517.2	3,023.7	0.0	5,845.5		(167.9)	5,677.5
Net revenue from insurance activities	**1,668.5**	**205.3**	**1,376.1**	**87.3**	**3,337.3**		**(47.3)**	**3,290.0**
General expenses	(402.1)	(98.5)	(349.9)	(45.1)	(895.6)		17.9	(877.8)
EBIT	**1,266.4**	**106.9**	**1,026.2**	**42.2**	**2,441.7**		**(29.5)**	**2,412.2**
Finance costs					(177.8)		0.0	(177.8)
Share in earnings of associates					3.4		18.7	22.1
Non-recurring items					(201.2)		0.0	(201.2)
Income tax expense (effective tax rate)					(823.6)		11.4	(812.2)
Non-controlling interests					(322.6)		0.0	(322.6)
Fair value adjustments on securities held for trading					77.0		(0.3)	76.7
Net gains on equities and property					82.9		(0.3)	82.6
Attributable to owners of the parent					**1,079.8**		**0.0**	**1,079.8**

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

Note 7 Intangible assets

7.1 Intangible assets by category

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

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

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

7.2 Goodwill

7.2.7 Goodwill by company

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

* Net goodwill of €213.1 million at 31 December 2014 corresponds to goodwill arising on acquisition of CNP Santander Insurance. In accordance with IFRS 3 (paragraph 45), the Group had one year from the acquisition date to identify and value the intangible assets included in the acquisition. Upon completion of the purchase accounting adjustments, €14.7 million before tax was allocated to the value of acquired In-Force business and €387.0 million before tax was allocated to the distribution agreement, reflecting the profits to be derived from future new business.
The final amount of goodwill recognised in the financial statements at 31 December 2015 was €54.4 million.

The Group's annual goodwill impairment testing procedures are described in Note 3.10.1. 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 projections (2016-2020) approved by management and extrapolated using an average new business growth rate of zero between 2021 and 2040, and then discounted to present value using a post-tax discount rate of approximately 12%.

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

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

CNP Cyprus Insurance Holdings

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

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

CNP Santander Insurance

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

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

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

7.2.8 Changes in goodwill for the period

(in € millions)	31.12.2015	31.12.2014
Carrying amount at the beginning of the period	**473.8**	**236.0**
Goodwill recognised during the period	0.0	241.4
Adjustments to provisional accounting(1)	(137.0)	0.0
Adjustments resulting from changes in earn outs	20.8	(2.5)
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustment on gross value(2)	(57.3)	2.6
Other movements	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustment on movements during the period	0.0	0.0
Increase in interest rates	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(3.6)
Carrying amount at the end of the period	**258.8**	**473.8**

(1) Adjustments resulting from changes in asset values during the 12 months after the acquisition date are mainly due to the allocation of the initial goodwill (determined at the time of acquisition of CNP Santander Insurance) to the value of intangible assets, in accordance with IFRS 3 (paragraph 45).
(2) The €57.3 million negative translation adjustment concerns goodwill arising on acquisition of Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda in Brazil.

7.3 Value of In-Force business and distribution agreements

7.3.1 Value of In-Force business

(in € millions)	Original value	Carrying amount at 31.12.2015	Carrying amount at 31.12.2014
Caixa Seguros group	123.5	4.9	4.7
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	0.0	0.0
CNP Seguros de Vida	0.9	0.0	0.0
CNP Cyprus Insurance Holdings	44.4	13.9	15.6
MFPrévoyance SA	8.3	0.0	0.5
CNP Santander Insurance(1)	14.7	6.8	0.0
TOTAL	**391.0**	**25.5**	**20.8**

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

7.3.2 Changes in the value of In-Force business

(in € millions)	31.12.2015	31.12.2014
Gross at the beginning of the period	**343.8**	**443.3**
Newly-consolidated companies	17.2	0.0
Translation adjustments	(23.6)	0.9
Acquisitions for the period	0.0	1.0
Disposals for the period	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(101.4)
Gross at the end of the period	**337.4**	**343.8**
Accumulated amortisation and impairment at the beginning of the period	(323.0)	(361.4)
Translation adjustments	22.2	(0.9)
Amortisation for the period	(11.0)	(10.7)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	49.9
Accumulated amortisation and impairment at the end of the period	**(311.9)**	**(323.0)**
Carrying amount at the end of the period	**25.5**	**20.8**

7.3.3 Distribution agreements

(in € millions)	31.12.2015	31.12.2014
Carrying amount at the beginning of the period	**2.6**	**111.9**
Acquisitions for the period[1]	388.2	2.9
Amortisation for the period	(19.6)	(5.9)
Adjustments	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	(0.8)	0.0
Other movements	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(106.4)
Carrying amount at the end of the period	**370.4**	**2.6**

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

7.4 Software and other intangible assets

7.4.1 Internally-developed software

(in € millions)	31.12.2015	31.12.2014
Carrying amount at the beginning of the period	**61.9**	**44.2**
Acquisitions for the period	24.1	25.2
Amortisation for the period	(11.3)	(7.7)
Impairment losses	(2.1)	(0.5)
Translation adjustments	0.0	0.0
Other movements	(5.8)	0.7
Carrying amount at the end of the period	**66.9**	**61.9**

7.4.2 Other software and other intangible assets

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

Note 8 Investment and owner-occupied property

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

It presents:

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

8.1 Investment property

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

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

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

As explained in the description of significant accounting policies, investment properties backing linked liabilities are measured at fair value, while other investment properties are measured using the cost model.

8.2 Owner-occupied property and other property and equipment

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

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

Note 9 Investments by category

9.1 Investments by category

The following tables show the fair value of securities held by the Group, by category and intended holding period.

9.1.1 Investments at 31 December 2015

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

Unit-linked portfolios at fair value through profit or loss at 31 December 2015

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

9.1.2 Investments at 31 December 2014

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
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**

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

(in € millions)	Carrying amount Unit-linked	Carrying amount Traditional savings	Total
Fixed-rate bonds	6,610.2	5,613.9	**12,224.1**
Variable-rate bonds	5,503.2	12,579.6	**18,082.8**
TCNs (money market securities)	98.1	16.9	**115.0**
Equities	148.0	3,719.2	**3,867.1**
Investment funds	21,016.7	12,077.9	**33,094.6**
Shares in non-trading property companies	0.0	1,219.6	**1,219.6**
Other	169.9	2.1	**172.0**
Assets at fair value through profit or loss	**33,546.1**	**35,229.3**	**68,775.3**

9.1.3 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1 and 9.1.2

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

9.1.4 Non-consolidated structured entities

9.1.4.1 Non-consolidated structured entities at 31 December 2015

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

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

9.1.4.2 Non-consolidated structured entities at 31 December 2014

(in € millions)	Investment funds (excluding unit-linked)		Asset-backed security funds (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/ (losses) over the period	Carrying amount	Gains/ (losses) over the period	Carrying amount	Gains/ (losses) over the period
Securities held for trading	12,075.2	356.6	1,010.9	70.5		
Financial assets designated on initial recognition as being at fair value through profit or loss	2.7	0.2	3.5	0.0	21,028.0	1,032.5
Available-for-sale financial assets	37,237.8	567.6	1,498.6	30.0		
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 was limited to the amounts invested and no financial support was provided during the period.

9.2 Measurement of assets recognised at fair value

The following tables show financial assets classified at fair value whose prices are estimated using a valuation technique.

9.2.1 Valuation methods at 31 December 2015

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	TOTAL
Financial assets at fair value through profit or loss*	59,952.7	13,957.0	0.0	**73,909.7**
Available-for-sale financial assets	265,757.6	22,132.2	18.3	**287,908.1**
Total financial assets	**325,710.3**	**36,089.2**	**18.3**	**361,817.8**
Investment property at amortised cost	0.0	2,621.4	20.9	**2,642.3**
Investment property measured by the fair value model	0.0	1,005.5	7.2	**1,012.6**
Total investment property	**0.0**	**3,626.8**	**28.1**	**3,654.9**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	
Financial liabilities – financial instruments without DPF (excluding unit-linked)	605.9	0.0	0.0	**605.9**
Financial liabilities (linked liabilities) – financial instruments without DPF	4,187.5	0.0	0.0	**4,187.5**
Derivative instruments	0.0	4,834.1	0.0	**4,834.1**
Total financial liabilities	**4,793.4**	**4,834.1**	**0.0**	**9,627.4**

* Includes derivative financial instruments (assets).

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

9.2.2 Valuation methods at 31 December 2014

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	TOTAL
Financial assets at fair value through profit or loss*	59,545.1	14,403.3	0.0	**73,948.4**
Available-for-sale financial assets	259,884.4	25,281.5	69.5	**285,235.4**
Total financial assets	**319,429.6**	**39,684.7**	**69.5**	**359,183.8**
Investment property at amortised cost	0.0	2,585.8	1.7	**2,587.5**
Investment property at fair value	0.0	645.0	0.0	**645.0**
Total investment property	**0.0**	**3,230.8**	**1.7**	**3,232.5**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	**0.0**
Financial liabilities – financial instruments without DPF (excluding unit-linked)	811.4	0.0	0.0	**811.4**
Financial liabilities (linked liabilities) – financial instruments without DPF	4,367.7	0.0	0.0	**4,367.7**
Derivative instruments	0.0	5,806.4	0.0	**5,806.4**
Total financial liabilities	**5,179.1**	**5,806.4**	**0.0**	**10,985.6**

* Includes derivative financial instruments (assets).

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

	31.12.2015											
(in € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at FV with change in FV through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	69.5	7.3	0.0	0.0	(58.3)	0.0	0.0	0.5	0.0	0.0	(0.6)	18.3
Total financial assets	**69.5**	**7.3**	**0.0**	**0.0**	**(58.3)**	**0.0**	**0.0**	**0.5**	**0.0**	**0.0**	**(0.6)**	**18.3**
Investment property at fair value	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	7.2
Investment property at amortised cost	1.7	0.0	0.0	23.0	0.0	0.0	0.0	0.0	0.0	0.0	3.7	20.9
Total investment property	**1.7**	**8.3**	**0.0**	**23.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(4.8)**	**28.1**
Total financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

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**

9.3 Repurchase agreements

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

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

9.4 Lent securities

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

		Carrying amount	
(in € millions)		31.12.2015	31.12.2014
Available-for-sale financial assets	Fixed-rate bonds	9,430.8	3,534.3
	Equities (quoted)	1,087.4	1,770.3
	Total	**10,518.1**	**5,304.5**

9.5 Movements for the period

9.5.1 2015

(in € millions)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment*	Reversals of provisions for impairment*	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	68,775.3	36,076.6	(34,303.6)	1,653.8	0.0	0.0	(24.4)	(2,685.2)	69,492.6
Derivative instruments	(633.4)	108.9	(38.2)	145.8	0.0	0.0	0.0	0.0	(416.9)
Available-for-sale financial assets	285,235.5	92,392.9	(86,328.5)	(2,986.6)	(291.7)	436.8	(85.1)	(465.1)	287,908.1
Held-to-maturity investments	564.4	381.9	(183.6)	0.0	0.0	18.5	0.0	(139.8)	641.5
Loans and receivables	4,984.4	1,414.2	(790.5)	0.0	0.0	0.0	80.5	(2.0)	5,686.8
Investment property	2,408.4	348.3	(41.4)	33.1	(2.4)	12.8	0.0	(1.2)	2,757.6
TOTAL	**361,334.6**	**130,722.8**	**(121,685.7)**	**(1,154.0)**	**(294.1)**	**468.2**	**(29.0)**	**(3,293.3)**	**366,069.6**

* See Note 20.3.

9.5.2 2014

(in € millions)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment*	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 as "Assets held for sale".

9.6 Derivative instruments

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

31.12.2015												
(in € millions)	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	
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	48.4	(57.2)	1,320.0	(1,435.9)	1,386.6	(1,522.9)	475.4	(584.6)	153.3	(226.0)	3,383.7	(3,826.6)
Cap/floor	10.0	(12.7)	216.8	(302.5)	657.5	(553.0)	0.2	(55.7)	1.0	(75.8)	885.4	(999.7)
Equity	28.4	(7.8)	10.7	0.0	109.0	0.0	0.0	0.0	0.0	0.0	148.0	(7.8)
Total	**86.7**	**(77.7)**	**1,547.4**	**(1,738.4)**	**2,153.1**	**(2,075.9)**	**475.6**	**(640.3)**	**154.3**	**(301.8)**	**4,417.2**	**(4,834.1)**

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

9.7 Derivative instruments qualifying for hedge accounting

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

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

- the first derivative instrument is a cross-currency swap for a notional amount of GBP 300 million (€339.5 million) used to hedge against fluctuations in the euro-sterling exchange rate through 30 September 2021 that could impact interest and principal repayments on sterling-denominated notes issued by the Group in 2011. It qualifies for hedge accounting as a cash flow hedge (see Note 3.11.3). At 31 December 2015, no amount had been recognised in profit or loss for the ineffective portion of the hedge
- the second derivative instrument is a currency swap that immediately transforms dollar-denominated payments of interest and the initial and final repayments of principal into euro-denominated cash outflows through 18 July 2019. The notional amount of the hedge is 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 2015.

9.8 Credit risk

9.8.1 Analysis of the bond portfolio at 31 December 2015 by issuer rating

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	23,057.3	9.1%
AA	108,857.2	42.9%
A	46,638.3	18.4%
BBB	50,686.2	20.0%
Non-investment grade	13,598.5	5.4%
Not rated	10,737.3	4.2%
TOTAL	**253,574.8**	**100.0%**

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

Rating *(in € millions)*	Bond portfolio at fair value	%
AAA	26,164.4	10.1%
AA	110,163.2	42.6%
A	54,332.5	21.1%
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%**

9.9 Classification of investments by type of asset and by geographic region

9.9.1 Classification by type of asset and by geographic region at 31 December 2015

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	95,212	10,563	16,833	45,316	12,786	1,588	25,707	**208,006**
	Investment funds	29,144	285	39	11,378	102	0	248	**41,195**
	Equities	10,131	2,601	659	2,393	0	7	569	**16,359**
	Other	20,403	523	39	1,339	0	6	38	**22,347**
Held-for-trading and FVO	Debt securities	12,447	1,088	829	3,758	428	7,879	2,526	**28,956**
	Investment funds	28,619	17	58	6,775	18	244	74	**35,815**
	Equities	489	417	102	975	1,216	88	305	**3,593**
	Other	961	0	105	62	0	0	1	**1,129**
Held-to-maturity investments	Debt securities	50	0	42	0	0	550	0	**641**
Loans and receivables		5,332	0	0	344	0	4	7	**5,687**
Derivative instruments		(411)	(4)	0	(2)	0	0	0	**(417)**
Investment property		2,676	25	0	42	0	14	0	**2,758**
TOTAL		**205,053**	**15,516**	**18,706**	**72,390**	**14,551**	**10,380**	**29,475**	**366,070**

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

* Carrying amount, including accrued coupon.

At 31 December 2015, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €121.1 billion, or an estimated exposure net of deferred participation and deferred taxes of €9.2 billion. Virtually all of the securities concerned are classified as available-for-sale financial assets. The Group's exposure is calculated based on asset values and before non-controlling interests.

The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles. In accordance with these principles, a change in the deferred participation reserve is recorded to offset unrealised gains or losses on financial assets taking into account contractual participation obligations and the Group's policyholder bonus policy (see Notes 3.19 and 3.14.2, 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 7.6% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 66.1% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (a 11.5% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses).

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

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

- the policyholder surplus reserve which totalled €7.1 billion at 31 December 2015 for France
- the Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.5% for a projected DPF rate of around 1.9% at end-2015, whereas in Italy, Spain and Portugal this ability is limited by the guaranteed yields on policies in these countries
- unrealised gains, especially on property (€2.7 billion) and on equities (€12.6 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

In the absence of an incurred loss, no other sovereign debt securities have been impaired.

9.9.2 Classification by type of asset and by geographic region at 31 December 2014

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	95,128	16,814	7,239	56,459	11,700	1,519	25,534	**214,392**
	Investment funds	27,479	33	250	9,255	1	0	220	**37,238**
	Equities	8,113	602	2,769	2,464	0	12	150	**14,111**
	Other	19,475	0	0	18	0	0	2	**19,495**
Held-for-trading and FVO	Debt securities	12,486	848	678	4,635	531	8,782	2,335	**30,296**
	Investment funds	27,242	93	10	5,374	30	253	58	**33,059**
	Equities	480	115	429	989	1,322	139	392	**3,867**
	Other	1,242	214	0	66	0	0	32	**1,554**
Held-to-maturity investments	Debt securities	92	0	0	0	0	380	92	**564**
Loans and receivables		4,614	0	0	303	0	47	20	**4,984**
Derivative instruments		(630)	0	(3)	0	0	0	0	**(633)**
Investment property		2,363	0	0	43	0	2	0	**2,408**
TOTAL		**198,085**	**18,718**	**11,371**	**79,606**	**13,585**	**11,135**	**28,834**	**361,335**

9.10 Foreign currency balances

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) represented less than 0.5% of consolidated assets and liabilities in both 2014 and 2015.

9.11 Commitments given and received

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

Commitments given

(in € millions)	31.12.2015	31.12.2014
Financing commitments	208.9	418.5
Guarantees	11,026.0	11,149.6
Securities commitments	4,848.6	3,710.7

Guarantees mainly concern the guarantee that CNP Assurances gives to Crédit Immobilier de France in respect of CNP Caution's maximum exposure. This guarantee was first put in place and recognised in the income statement in 2011. The current cost of €0.3 million has already been recognised.

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

Commitments received

(in € millions)	31.12.2015	31.12.2014
Financing commitments	0.0	0.0
Guarantees	22.3	70.1
Securities commitments	10,974.2	9,778.8

Securities commitments correspond to securities pledged by cedants under the terms of inward reinsurance contracts.

Note 10 Analysis of insurance and financial liabilities

10.1 Analysis of insurance and financial liabilities

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS:

10.1.1 Analysis of insurance and financial liabilities at 31 December 2015

	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,372.2**	**7,033.8**	**1,338.4**
Unearned premium reserves	676.6	558.1	118.5
Outstanding claims reserves	5,917.1	4,953.6	963.6
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	41.5	40.6	0.8
Other technical reserves	1,737.0	1,481.6	255.4
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**168,780.7**	**158,975.5**	**9,805.2**
Unearned premium reserves	1,199.6	1,012.4	187.1
Life premium reserves	161,156.9	151,729.1	9,427.7
Outstanding claims reserves	2,021.8	1,845.5	176.4
Policyholder surplus reserve	3,766.0	3,761.0	5.0
Other technical reserves	636.5	627.4	9.1
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**138,684.8**	**138,684.8**	**0.0**
Life premium reserves	132,834.6	132,834.6	0.0
Outstanding claims reserves	2,453.1	2,453.1	0.0
Policyholder surplus reserve	3,397.0	3,397.0	0.0
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,793.4**	**4,646.3**	**147.1**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**29,176.2**	**29,176.2**	**0.0**
Total insurance and financial liabilities	**349,807.3**	**338,516.5**	**11,290.8**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.1.2 Analysis of insurance and financial liabilities at 31 December 2014

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**7,997.2**	**6,743.4**	**1,253.8**
Unearned premium reserves	598.8	448.4	150.3
Outstanding claims reserves	5,740.4	4,847.6	892.8
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	42.8	41.0	1.8
Other technical reserves	1,615.2	1,406.4	208.9
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**155,951.9**	**146,418.4**	**9,533.5**
Unearned premium reserves	993.7	718.4	275.3
Life premium reserves	148,384.3	139,241.2	9,143.1
Outstanding claims reserves	2,209.5	2,105.8	103.8
Policyholder surplus reserve	3,836.6	3,833.2	3.3
Other technical reserves	527.8	519.9	8.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**143,442.4**	**143,442.4**	**0.0**
Life premium reserves	139,237.7	139,237.7	0.0
Outstanding claims reserves	2,368.6	2,368.6	0.0
Policyholder surplus reserve	1,836.1	1,836.1	0.0
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,179.1**	**5,015.3**	**163.8**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**31,783.1**	**31,783.1**	**0.0**
Total insurance and financial liabilities	**344,353.6**	**333,402.5**	**10,951.1**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.2 Change in technical reserves

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 Changes in mathematical reserves – life insurance – 2015

	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**287,621.9**	**278,478.8**	**9,143.1**
Premiums	26,871.5	26,524.6	346.9
Extinguished liabilities (benefit payments)	(24,445.3)	(24,148.4)	(296.8)
Locked-in gains	7,052.0	6,747.6	304.4
Change in value of linked liabilities	922.9	922.9	0.0
Changes in scope (acquisitions/divestments)	38.4	38.4	0.0
Outstanding loadings	(1,667.3)	(1,667.3)	0.0
Surpluses/deficits	(4.8)	(4.8)	0.0
Currency effect	(2,173.4)	(2,173.4)	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(228.7)	(158.9)	(69.8)
Mathematical reserves at the end of the period	**293,987.3**	**284,559.5**	**9,427.7**

10.2.1.2 Changes in mathematical reserves – life insurance – 2014

(in € millions)	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)
Other	354.2	185.1	169.1
Mathematical reserves at the end of the period	**287,621.9**	**278,478.8**	**9,143.1**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance – 2015

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,740.4**	**4,847.6**	**892.8**
Claims expenses for the period	1,713.3	1,488.9	224.3
Prior period surpluses/deficits	(0.2)	(0.1)	(0.1)
Total claims expenses	**(1,713.0)**	**(1,488.8)**	**224.2**
Current period claims settled during the period	(1,451.0)	(1,309.7)	(141.3)
Prior period claims settled during the period	(43.2)	(35.0)	(8.2)
Total paid claims	**(1,494.2)**	**(1,344.7)**	**(149.5)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(47.6)	(43.6)	(3.9)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**5,911.7**	**4,948.1**	**963.6**

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

10.2.3 Changes in mathematical reserves – financial instruments with DPF

(in € millions)	31.12.2015		
	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**5,179.1**	**5,015.3**	**163.8**
Premiums	474.2	467.4	6.9
Extinguished liabilities (benefit payments)	(811.0)	(775.4)	(35.6)
Locked-in gains	47.3	47.3	0.0
Change in value of linked liabilities	182.4	170.3	12.0
Changes in scope (acquisitions/divestments)	(72.0)	(72.0)	0.0
Currency effect	(204.7)	(204.7)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(2.0)	(2.0)	0.0
Mathematical reserves at the end of the period	**4,793.4**	**4,646.3**	**147.1**

(in € millions)	31.12.2014		
	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**5,323.6**	**5,176.7**	**146.9**
Premiums	716.3	708.7	7.7
Extinguished liabilities (benefit payments)	(797.8)	(780.5)	(17.3)
Locked-in gains	52.0	52.0	0.0
Change in value of linked liabilities	492.7	466.1	26.6
Changes in scope (acquisitions/divestments)	(27.5)	(27.5)	0.0
Currency effect	8.1	8.1	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	(531.7)	(531.7)	0.0
Other	(56.5)	(56.5)	0.0
Mathematical reserves at the end of the period	**5,179.1**	**5,015.3**	**163.8**

10.3 Deferred participation (shadow accounting adjustments)

This note breaks down the sources of deferred participation arising from the use of shadow accounting. The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset (see Note 3.14.2).

(in € millions)	31.12.2015			31.12.2014		
Deferred participation asset/reserve	**DPA**	**DPR**	**Total**	**DPA**	**DPR**	**Total**
Deferred participation on remeasurement at fair value through profit	0.0	222.3	(222.3)	0.0	(198.6)	198.6
Deferred participation on remeasurement at fair value recognised in equity	0.0	28,953.8	(28,953.8)	0.0	31,981.7	(31,981.7)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**29,176.2**	**(29,176.2)**	**0.0**	**31,783.1**	**(31,783.1)**

The following table analyses year-on-year changes:

	31.12.2015		31.12.2014	
(in € millions)	**DPA**	**DPR**	**DPA**	**DPR**
Amount at the beginning of the period	**0.0**	**31,783.1**	**0.0**	**18,980.0**
Deferred participation on remeasurement at fair value of securities through profit	0.0	421.0	0.0	642.5
Deferred participation on remeasurement at fair value of securities recognised in equity	0.0	(3,027.8)	0.0	12,160.6
Other movements	0.0	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0	0.0	0.0
Deferred participation at the end of the period	**0.0**	**29,176.2**	**0.0**	**31,783.1**

10.4 Changes in financial liabilities – linked liabilities

10.4.1 Changes in 2015

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Technical reserves at the beginning of the period	**34,138.3**	**34,138.3**	**0.0**
(+) Entries (new contracts, transfers between contracts, replacements)	6,647.5	6,647.5	0.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,698.2	1,698.2	0.0
(-) Exits (paid benefits and expenses)	(2,800.4)	(2,800.4)	0.0
(+/-) Entries/exits related to portfolio transfers	(1,104.5)	(1,104.5)	0.0
(-) Outstanding loadings deducted	(196.9)	(196.9)	0.0
(+/-) *Surpluses/deficits*	0.0	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0	0.0
(+/-) Translation adjustment	(2,092.3)	(2,092.3)	0.0
(+/-) Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	1.7	1.7	0.0
Technical reserves at the end of the period*	**36,291.5**	**36,291.5**	**0.0**

* Refer to reconciliation table in Note 10.4.2.

10.4.2 Changes in 2014

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Technical reserves at the beginning of the period	**31,485.8**	**31,480.5**	**5.3**
(+) Entries (new contracts, transfers between contracts, replacements)	5,296.7	5,296.6	0.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	2,190.8	2,190.8	0.0
(-) Exits (paid benefits and expenses)	(3,375.8)	(3,375.8)	0.0
(+/-) Entries/exits related to portfolio transfers	(997.9)	(991.9)	(6.0)
(-) Outstanding loadings deducted	(149.4)	(149.4)	0.0
(+/-) *Surpluses/deficits*	0.0	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0	0.0
(+/-) Translation adjustment	48.0	48.0	0.0
(+/-) Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	(343.8)	0.0	0.0
Other	(16.1)	(360.5)	0.6
Technical reserves at the end of the period*	**34,138.3**	**34,138.3**	**0.0**

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

(in € millions)	31.12.2015	31.12.2014
Financial liabilities – linked liability financial instruments – balance sheet	**40,479.0**	**38,506.0**
Changes in financial liabilities – linked liabilities other than IAS 39	36,291.5	34,138.3
Changes in financial liabilities – linked liabilities – IAS 39	4,187.5	4,367.7
Variance	**0.0**	**0.0**

10.5 Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer for CNP France and the main subsidiaries in the Group:

a) excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA

b) for quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows.

10.5.1 Credit risk on reinsured business at 31 December 2015

		Ceded technical reserves	
(in € millions)	Credit rating	Amount	%
First reinsurer	A+	4,117.0	36.46%
Second reinsurer	BBB+	2,644.7	23.42%
Third reinsurer	AA	1,339.1	11.86%
Fourth reinsurer	A	776.7	6.88%
Other reinsurers	-	2,413.3	21.38%
Total		**11,290.8**	**100.00%**

10.5.2 Credit risk on reinsured business at 31 December 2014

		Ceded technical reserves	
(in € millions)	Credit rating	Amount	%
First reinsurer	AA-	3,913.4	35.73%
Second reinsurer	BBB	2,573.7	23.50%
Third reinsurer	AA-	1,298.8	11.86%
Fourth reinsurer	A	668.2	6.10%
Other reinsurers	-	2,497.1	22.81%
Total		**10,951.1**	**100.00%**

Note 11 Subordinated liabilities

11.1 Subordinated debt at 31 December 2015

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Dated subordinated notes					**3,951.0**	**0.0**	**0.0**	**200.0**	**0.0**	**3,108.7**	**642.3**	**4,194.0**
CNP Assurances	April 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		819.4
CNP Assurances	April 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	408.7					408.7		457.9
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3 month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		837.2
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016, then 3-month Euribor +1.6%		EUR	93.0						93.0	90.5
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	91.0
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +2% from 24.06.13		EUR	200.0			200.0				181.3
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	459.3						459.3	494.0
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/ 365)		EUR	500.0					500.0		493.7
CNP Assurances	December 2015	4.5% until June 2027, then 3-month Euribor +460 bps		EUR	750.0					750.0		729.0
Undated subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**40.4**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0						45.0	40.4
Total					**3,996.0**	**0.0**	**0.0**	**200.0**	**0.0**	**3,108.7**	**687.3**	**4,234.3**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact on 2015 profit would have been a decrease of €148.6 million before tax. The fair values of unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

Subordinated liabilities are not subject to financial covenants.

11.2 Subordinated liabilities at 31 December 2014

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Dated subordinated notes					**3,130.0**	**0.0**	**0.0**	**0.0**	**200.0**	**2,335.2**	**594.8**	**3,519.2**
CNP Assurances	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	82.8
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +2% from 24.06.13		EUR	200.0				200.0			188.5
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500	USD	411.8						411.8	449.4
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365)		EUR	500.0					500.0		526.1
Undated subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**42.6**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0						45.0	42.6
Total					**3,175.0**	**0.0**	**0.0**	**0.0**	**200.0**	**2,335.2**	**639.8**	**3,561.9**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been a negative amount of €212.5 million before tax at 31 December 2014. The fair values of unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

Subordinated liabilities are not subject to financial covenants.

Note 12 Insurance and reinsurance receivables

12.1 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2015 and 2014.

(in € millions)	31.12.2015	31.12.2014
Earned premiums not yet written	2,293.6	2,452.0
Other insurance receivables	288.4	455.3
Reinsurance receivables	113.3	145.9
Total	**2,695.3**	**3,053.2**
Of which, doubtful receivables	4.8	3.8

Analysis by maturity

	31.12.2015		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,293.6	0.0	0.0
Other insurance receivables	269.6	7.8	11.1
Reinsurance receivables	108.5	4.8	0.0
Total	**2,671.6**	**12.6**	**11.1**

	31.12.2014		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,452.0	0.0	0.0
Other insurance receivables	426.0	19.8	9.4
Reinsurance receivables	144.8	1.1	0.0
Total	**3,022.8**	**20.9**	**9.4**

12.2 Other receivables

(in € millions)	31.12.2015	31.12.2014
Receivables from employees	1.0	1.3
Accrued payroll charges and other taxes	745.9	803.2
Sundry receivables	2,897.2	5,928.5
Total	**3,644.2**	**6,733.0**

Note 13 Deferred taxes

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

Sources of temporary differences *(in € millions)*	31.12.2015		
	Assets	Liabilities	Net
Goodwill	17.3	(1.0)	16.3
Value of In-Force business	0.0	(2.9)	(2.9)
Distribution agreements	0.0	(46.0)	(46.0)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(94.7)	(94.7)
Financial assets	76.5	(11,613.5)	(11,537.1)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	171.9	0.0	171.9
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	0.0	(7.5)	(7.5)
Other assets	217.0	0.0	217.0
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(27.6)	(27.6)
Provision for liabilities and charges	227.9	0.0	227.9
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	0.0	0.0
Deferred participation asset/reserve	10,033.1	0.0	10,033.1
Other liabilities	0.0	(0.9)	(0.9)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(10,465.0)	10,465.0	0.0
Net deferred tax asset or liability	**278.6**	**(1,330.0)**	**(1,051.4)**

Sources of temporary differences *(in € millions)*	31.12.2014		
	Assets	Liabilities	Net
Goodwill	15.6	(1.1)	14.5
Value of In-Force business	0.0	(2.7)	(2.7)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(83.3)	(83.3)
Financial assets	41.3	(13,771.2)	(13,729.9)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	45.2	0.0	45.2
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	471.6	0.0	471.6
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(8.9)	(8.9)
Provision for liabilities and charges	162.9	0.0	162.9
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	0.0	0.0
Deferred participation asset/reserve	12,034.6	0.0	12,034.6
Other liabilities	0.0	(0.6)	(0.6)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(12,490.1)	12,490.1	0.0
Net deferred tax asset or liability	**281.1**	**(1,378.5)**	**(1,097.5)**

Note 14 Provision for liabilities and charges

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

14.1 Provisions for liabilities and charges – 2015

(in € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2015	**93.7**	**156.4**	**250.1**
New provisions set up during the period and increases in existing provisions	72.8	163.9	236.7
Amounts utilised during the year	0.0	(139.5)	(139.5)
Surplus provisions released during the period	(72.3)	(9.0)	(81.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(21.0)	(2.0)	(23.0)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Carrying amount at 31 December 2015	**73.2**	**170.0**	**243.1**

14.2 Provisions for liabilities and charges – 2014

(in € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2014	**97.5**	**148.2**	**245.7**
New provisions set up during the period and increases in existing provisions	85.9	27.8	113.7
Amounts utilised during the year	(14.4)	(2.8)	(17.2)
Surplus provisions released during the period	(76.3)	(14.9)	(91.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	0.5	0.1	0.7
Changes in scope of consolidation	0.5	0.0	0.5
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(2.1)	(2.1)
Carrying amount at 31 December 2014	**93.7**	**156.4**	**250.1**

Note 15 Liabilities arising from insurance and reinsurance transactions

15.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of insurance and reinsurance liabilities at 31 December 2015 and at 31 December 2014.

(in € millions)	31.12.2015	31.12.2014
Cash deposits received from reinsurers	315.8	325.7
Liabilities arising from insurance transactions	588.6	911.7
Liabilities arising from reinsurance transactions	698.2	604.5
Deferred acquisition costs	206.3	305.9
Total	**1,808.9**	**2,147.8**

Analysis by maturity

(in € millions)	31.12.2015			31.12.2014		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	166.2	149.6	0.0	159.0	166.7	0.0
Liabilities arising from insurance transactions	588.0	0.6	0.0	911.7	0.0	0.0
Liabilities arising from reinsurance transactions	697.1	0.1	1.0	603.9	0.6	0.0
Deferred acquisition costs	4.4	64.3	137.6	5.6	95.7	204.7
Total	**1,455.7**	**214.6**	**138.6**	**1,680.2**	**263.0**	**204.7**

15.2 Other liabilities

(in € millions)	31.12.2015	31.12.2014
Receivables from employees	390.2	376.0
Accrued payroll charges and other taxes	1,205.0	1,386.1
Sundry payables	4,095.5	5,406.7
Total	**5,690.8**	**7,168.8**

15.3 Employee benefits – IAS 19

15.3.1 Main assumptions

Discount rate

At 31 December 2015, the discount rate corresponds to the yield on investment-grade corporate bonds (rated AA) with maturities that match the duration of the benefit obligation in accordance with IAS 19. Until 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	11	1.50%	3.00%	Incl. in salary increases	N/A
Jubilees	7	0.95%	3.00%	Incl. in salary increases	N/A
Article 39 of the French Tax Code	7	0.98%	3.00%	Incl. in salary increases	0.98%
Other plans: Italy	23	2.00%	3.00%	1.50%	N/A

Mortality tables

The Group based its calculations on prospective mortality tables by generation, particularly table TGH05-TGF05 for obligations in France.

15.3.2 Recognised benefit obligations

	Post-employment plans	
(in € millions)	**31.12.2015**	**31.12.2014**
Projected benefit obligation	194.3	184.3
Fair value of plan assets	0.0	(0.1)
Projected benefit obligation net of plan assets	**194.3**	**184.2**
Unrecognised past service cost	0.0	0.0
Liability recognised in the balance sheet – defined benefit plans	**194.3**	**184.2**
Liability recognised in the balance sheet – defined contribution plans	57.8	54.3
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**252.1**	**238.5**
Other long-term benefit obligations	19.8	19.1
Of which length-of-service and jubilee awards	*19.8*	*19.1*
Total liability recognised in the balance sheet for long-term benefit obligations	**271.9**	**257.6**

* Benefit obligations are mainly carried on the books of the French and Italian entities (€270.7 million and €0.9 million respectively).

15.3.3 Analysis of cost of benefit obligations

(in € millions)	Post-employment plans 31.12.2015	Post-employment plans 31.12.2014
Current service cost (net of employee contributions)	**9.7**	**9.0**
Interest cost	2.1	3.9
Expected return on plan assets for the period	0.0	0.0
Curtailments and settlements	0.0	0.0
Amortisation of past service cost	0.0	0.0
Post-employment benefit expense – defined benefit plans	**11.8**	**12.9**
Post-employment benefit expense – defined contribution plans	13.8	15.0
Total post-employment benefit expense	**25.6**	**27.9**

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

(in € millions)	Post-employment plans 31.12.2015	Post-employment plans 31.12.2014
At 1 January[(1)]	**184.2**	**153.9**
Effect of changes in exchange rates[(2)]	0.0	0,0
Post-employment benefit expense	11.9	12.9
Employer's contributions[(3)]	(1.8)	(8.5)
Benefits paid[(4)]	(2.6)	(3.0)
Actuarial gains and losses recognised directly in equity[(5)]	2.6	37.2
Actuarial gains and losses recognised through profit	0.0	(8.2)
Changes in scope of consolidation	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0
At 31 December	**194.3**	**184.2**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans.
(2) Pension (charges)/revenue arising from defined benefit plans.
(3) Management fees paid on plan assets.
(4) Fees paid by the Group (or rebilled by Caisse des Dépôts).
(5) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies.

15.3.5 Change in actuarial gains

(in € millions)	Post-employment plans 31.12.2015	Post-employment plans 31.12.2014
Actuarial gains and losses recognised in equity at the beginning of the period	**133.6**	**96.5**
Actuarial gains and losses related to changes in discount rates	0.2	23.0
Actuarial gains and losses related to changes in assumptions regarding retirement age	0.0	1.3
Actuarial gains and losses related to changes in technical rates	2.7	4.3
Actuarial gains and losses related to annuity contributions	0.0	2.9
Actuarial gains and losses related to historical loss adjustments	(0.3)	5.6
Actuarial gains and losses recognised in equity at the end of the period	**136.2**	**133.6**

15.3.6 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its commitments to employees in relation to changes in discount rates, employee turnover rates, rate of salary increase, technical rates and mortality tables. Accrued employee benefit commitments are most sensitive to changes in the salary revaluation rate and the discount rate. A 25 bps change in these two rates, for the French entities, would result in either a 3% increase or decrease in employee benefit commitments.

ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

Note 16 Revenue

Revenue comprises:

- earned premiums
- loadings on premiums on financial instruments without DPF (IAS 39), reported under "Revenue from other activities".

16.1 Earned premiums and revenue from other activities

Business segment and contract type *(in € millions)*	**31.12.2015**	**31.12.2014**
Insurance contracts	**26,911.5**	**25,341.1**
Life	**24,001.6**	**22,435.1**
Pure premiums	22,322.8	21,191.7
Loadings	1,678.8	1,243.4
Non-life	**2,909.9**	**2,906.1**
Pure premiums	1,994.1	2,176.8
Loadings	915.8	729.3
Financial instruments with DPF	**4,417.7**	**5,194.5**
Pure premiums	4,356.3	5,125.3
Loadings	61.4	69.2
Earned premiums	**31,329.2**	**30,535.7**

Revenue from other activities *(in € millions)*	**31.12.2015**	**31.12.2014**
Financial instruments without DPF	**54.0**	**59.9**
On premiums (IAS 39)	42.4	53.7
On outstandings	11.6	6.2
Services (IAS 18)	**75.7**	**91.2**
Other activities	**(3.2)**	**(0.6)**
Total	**126.5**	**150.4**

16.2 Reconciliation to reported revenue

(in € millions)	**31.12.2015**	**31.12.2014**
Earned premiums	31,329.2	30,535.7
Loadings on premiums on financial instruments without DPF (IAS 39)	42.4	53.7
Total	**31,371.6**	**30,589.3**

16.3 Revenue by distribution partner

(in € millions)	31.12.2015	31.12.2014
La Banque Postale	8,768.6	9,489.8
BPCE	10,705.2	9,792.5
CNP Trésor	460.3	530.5
Financial institutions	1,449.0	1,498.0
Companies and local authorities	1,896.8	1,796.7
Mutual insurers	808.0	911.4
International subsidiaries	6,808.1	6,298.6
Other	475.6	271.7
Total revenue	**31,371.6**	**30,589.3**

16.4 Revenue by business segment

(in € millions)	31.12.2015	31.12.2014
Savings	**21,493.0**	**21,459.5**
Pensions	**3,358.7**	**2,906.9**
Personal Risk	1,902.0	1,944.6
Term Creditor Insurance	3,771.6	3,360.6
Health insurance	508.2	570.0
Property & Casualty	338.2	347.8
Sub-total personal risk and other	**6,519.9**	**6,222.9**
Other business segments	**0.0**	**0.0**
Total revenue	**31,371.6**	**30,589.3**

16.5 Revenue by company

(in € millions)	31.12.2015	31.12.2014
CNP Assurances	24,243.9	21,718.1
CNP IAM*	0.0	2,242.9
Préviposte	129.9	151.8
ITV	14.7	15.7
CNP International	0.0	0.0
MFPrévoyance SA	224.5	223.0
CNP Seguros de Vida	65.0	45.0
Odonto Empresas Convenios Dentarios LTDA**	0.0	10.2
Caixa Seguros group	3,161.1	2,818.5
CNP UniCredit Vita	2,555.9	2,692.4
CNP Partners	243.2	208.8
CNP Cyprus Insurance Holdings	139.9	142.6
CNP Europe Life	1.9	7.8
CNP Barclays Vida y Pensiones	99.5	312.6
CNP Santander Insurance	492.1	0.0
Total revenue	**31,371.6**	**30,589.3**

(*) CNP IAM was merged into CNP Assurances with retroactive effect on 1 January 2015.
(**) Odonto Empresas Convenios Dentarios LTDA is now included in the Caixa Seguros group.

16.6 Revenue by country

	Under IFRS		Under French GAAP	
(in € millions)	31.12.2015	31.12.2014	31.12.2015	31.12.2014
France	24,563.5	24,290.7	24,618.8	24,505.4
Italy	2,729.4	2,922.8	2,800.8	3,031.0
Portugal	36.7	90.9	44.3	157.6
Brazil	3,161.1	2,828.7	3,435.3	3,157.9
Argentina	65.0	45.0	65.0	45.0
Spain	182.0	265.3	182.0	265.3
Cyprus	137.0	137.1	138.0	137.7
Ireland	493.1	0.9	493.1	0.9
Other	3.8	7.9	4.1	8.3
Total revenue	**31,371.6**	**30,589.3**	**31,781.4**	**31,309.1**

16.7 Direct and inward reinsurance premiums

(in € millions)	31.12.2015	31.12.2014
Insurance premiums	30,470.5	29,771.8
Inward reinsurance premiums	901.1	817.5
Total revenue	**31,371.6**	**30,589.3**

Note 17 Claims and benefits expenses

This note shows assets, liabilities, income and expenses generated by insurance contracts.

IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF *(in € millions)*	**31.12.2015**	**31.12.2014**
Incurred claims	11,065.1	10,584.1
Endowments due	188.9	293.2
Benefits due	927.5	1,249.0
Surrenders	13,927.2	14,307.3
Credited interest and policyholder dividends included in paid benefits	(32.8)	(21.4)
Benefit and claim handling expenses	150.9	128.7
Claims and benefits	**26,226.8**	**26,541.1**
Change in technical reserves – insurance contracts	10,254.8	9,528.4
Change in technical reserves – financial instruments with DPF	(8,213.9)	(7,225.7)
Change in other technical reserves	54.4	(396.3)
Change in technical reserves	**2,095.3**	**1,906.4**
Credited interest	1,304.2	1,446.5
Policyholder dividends	7,383.0	7,948.8
Credited interest and policyholder dividends	**8,687.2**	**9,395.3**
Claims and benefits expenses	**37,009.3**	**37,842.8**

Note 18 Administrative expenses and business acquisition costs

18.1 Expenses analysed by function

(in € millions)	**31.12.2015**	**31.12.2014**
Commissions	(3,683.5)	(3,125.7)
Expenses analysed by function	66.7	(229.7)
Business acquisition costs	**(3,616.8)**	**(3,355.4)**
Contract administration expenses	**(168.1)**	**(196.6)**
Other underwriting income and expenses	(327.2)	(236.1)
Other income and expenses	(189.9)	(228.0)
Employee profit-sharing	(24.4)	(23.7)
Other recurring operating income and expense, net	**(541.5)**	**(487.9)**
Total	**(4,326.4)**	**(4,039.9)**

18.2 Expenses analysed by nature

(in € millions)	31.12.2015	31.12.2014
Depreciation and amortisation expense and impairment losses	(39.0)	(31.5)
Employee benefits expense	(441.9)	(422.5)
Taxes other than on income	(67.7)	(128.5)
Other	(327.6)	(332.2)
Total	**(876.1)**	**(914.6)**

As these tables only include line item disclosures required under IAS 1, total expenses analysed by nature do not tie back to total expenses analysed by function.

18.3 Administrative expenses, net

(in € millions)		31.12.2015	31.12.2014
Contract administration costs, net			
- Excluding international subsidiaries and other businesses		596.4	585.1
- Including international subsidiaries and other businesses		861.6	895.6
Ratio*	Contract administration costs		
	Technical reserves**		
- Excluding international subsidiaries and other businesses		0.20%	0.20%
- Including international subsidiaries and other businesses		0.27%	0.29%

* Excluding CNP Trésor set-up expenses.
** Insurance and financial liabilities, excluding deferred participation.

18.4 Analysis of commission expense

(in € millions)	31.12.2015	31.12.2014
Caisses d'Epargne	886.1	875.1
La Banque Postale	583.8	596.9
Other	2,213.6	1,653.7
Total	**3,683.5**	**3,125.7**

Note 19 Reinsurance result

(in € millions)	31.12.2015	31.12.2014
Ceded premiums	(1,108.8)	(695.1)
Change in ceded technical reserves	1,198.3	948.5
Reinsurance commissions received	279.4	268.9
Investment income	(279.7)	(325.6)
Total	**89.2**	**196.7**

Note 20 Investment income

20.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or loss or directly in equity for 2015 and 2014.

(in € millions)		31.12.2015	31.12.2014
Available-for-sale financial assets	Income from debt securities	(17.4)	126.7
	Interest income	6,704.9	7,012.3
	Income from other financial assets	1,494.3	1,709.9
	Capital gains and losses on disposals	878.8	78.3
	Impairment	145.1	628.3
	Net income from available-for-sale financial assets	**9,205.6**	**9,555.4**
Held-to-maturity investments	Income from debt securities	0.0	0.0
	Interest income	87.7	62.4
	Other income	(17.9)	0.0
	Impairment	18.5	1.7
	Net income from held-to-maturity investments	**88.4**	**64.1**
Loans and receivables	Interest income	9.3	10.4
	Other income	0.0	0.0
	Impairment	0.0	0.0
	Net income from loans and receivables	**9.3**	**10.4**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	2,562.9	4,028.1
	Profit (loss) on derivative instruments held for trading and hedging	(123.9)	(577.5)
	Capital gains and losses on disposals	419.3	382.5
	Net income (expense) from financial assets at fair value through profit or loss	**2,858.3**	**3,833.0**
Investment property	Rent and other revenue	115.6	131.2
	Fair value adjustments	32.3	(36.4)
	Capital gains and losses on disposals	70.9	85.2
	Net income from investment property	**218.8**	**180.0**
Other investment expenses		**(251.8)**	**(251.4)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**12,128.5**	**13,391.4**
Interest on subordinated debt at amortised cost		(192.2)	(177.8)
Interest on subordinated debt at fair value		0.0	0.0
Total finance costs		**(192.2)**	**(177.8)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**11,936.3**	**13,213.7**

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

(in € millions)	31.12.2015	31.12.2014
Investment income before finance costs	12,991.6	14,279.3
Investment and other financial expenses, excluding finance costs	(863.1)	(887.9)
Finance costs	(192.2)	(177.8)
Total	**11,936.3**	**13,213.7**

20.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2015 and 2014.

20.2.1 Fair value adjustments to assets – 2015

(in € millions)		Investments held at 31.12.2015	Investments held at 31.12.2014	Movements in 2015
Assets at fair value through profit or loss	Fixed-rate bonds	9,908.9	12,224.1	(2,315.2)
	Variable-rate bonds	18,877.4	18,082.8	794.6
	TCNs (money market securities)	142.9	115.0	27.9
	Equities	3,592.5	3,867.1	(274.6)
	Investment funds	35,841.8	33,094.6	2,747.2
	Shares in non-trading property companies	960.2	1,219.6	(259.5)
	Other (including lent securities and repos)	168.8	172.0	(3.2)
	Total	**69,492.6**	**68,775.3**	**717.2**
Derivative instruments	Derivative instruments (positive fair value)	4,417.2	5,173.0	(755.9)
	Derivative instruments (negative fair value)	(4,834.1)	(5,806.4)	972.4
	Total	**(416.9)**	**(633.4)**	**216.5**
Available-for-sale financial assets	Fixed-rate bonds	173,056.5	179,008.4	(5,951.9)
	Variable-rate bonds	31,432.4	31,827.6	(395.2)
	TCNs (money market securities)	3,517.3	3,556.2	(38.9)
	Equities	16,359.2	14,110.7	2,248.4
	Investment funds	41,195.5	37,237.8	3,957.7
	Shares in non-trading property companies	5,160.2	4,606.2	554.0
	Non-voting loan stock	60.0	88.9	(28.9)
	Other (including lent securities and repos)	17,127.1	14,799.6	2,327.5
	Total	**287,908.1**	**285,235.5**	**2,672.6**
Held-to-maturity investments	Fixed-rate bonds	365.9	151.1	214.8
	Variable-rate bonds	282.1	414.8	(132.8)
	Total	**648.0**	**565.9**	**82.0**
Loans and receivables	Loans and receivables	5,730.0	4,988.9	741.0
	Total	**5,730.0**	**4,988.9**	**741.0**
Investment property	Investment property at amortised cost	2,451.7	2,587.5	(135.8)
	Investment property measured by the fair value model	1,102.6	645.0	367.6
	Total	**3,464.3**	**3,232.5**	**231.8**
TOTAL		**366,826.0**	**362,164.7**	**4,661.3**

20.2.2 Fair value adjustments to assets – 2014

(in € millions)		Investments held at 31.12.2014	Investments held at 31.12.2013	Movements in 2014
Assets at fair value through profit or loss	Fixed-rate bonds	12,224.1	11,117.5	1,106.60
	Variable-rate bonds	18,082.8	18,429.3	(346.50)
	TCNs (money market securities)	115.0	196.8	(81.80)
	Equities	3,867.1	5,056.1	(1,189.00)
	Investment funds	33,094.6	29,234.2	3,860.40
	Shares in non-trading property companies	1,219.6	1,317.8	(98.20)
	Other (including lent securities and repos)	172.0	162.7	9.30
	Total	**68,775.3**	**65,514.4**	3,260.90
Derivative instruments				-
	Derivative instruments (positive fair value)	5,173.0	5,855.1	(682.10)
	Derivative instruments (negative fair value)	(5,806.4)	(6,114.2)	307.80
	Total	**(633.4)**	**(259.1)**	(374.30)
Available-for-sale financial assets				-
	Fixed-rate bonds	179,008.4	174,226.7	4,781.70
	Variable-rate bonds	31,827.6	27,810.7	4,016.90
	TCNs (money market securities)	3,556.2	6,829.7	(3,273.50)
	Equities	14,110.7	12,703.2	1,407.50
	Investment funds	37,237.8	24,070.8	13,167.00
	Shares in non-trading property companies	4,606.2	4,241.9	364.30
	Non-voting loan stock	88.9	3,537.6	(3,448.70)
	Other (including lent securities and repos)	14,799.6	12,243.3	2,556.30
	Total	**285,235.5**	**265,664.0**	19,571.50
Held-to-maturity investments				-
	Fixed-rate bonds	151.1	207.3	(56.20)
	Variable-rate bonds	414.8	426.0	(11.20)
	Total	**565.9**	**633.3**	(67.40)
Loans and receivables				-
	Loans and receivables	4,988.9	4,667.5	321.40
	Total	**4,988.9**	**4,667.5**	321.40
Investment property				-
	Investment property at amortised cost	2,587.5	2,804.3	(216.80)
	Investment property measured by the fair value model	645.0	604.8	40.20
	Total	**3,232.5**	**3,409.0**	(176.50)
TOTAL		**362,164.7**	**339,629.2**	22,535.50

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

(in € millions)	31.12.2015	31.12.2014
Fair value of investments	366,826.0	362,164.7
Unrealised gains and losses, net	(756.4)	(830.1)
Carrying amount of investments	**366,069.6**	**361,334.7**

20.3 Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit or loss, by significant category of financial assets.

(in € millions)	31.12.2015	31.12.2014
Available-for-sale financial assets	**(291.7)**	**(115.5)**
Fixed-rate bonds	0.0	0.0
Variable-rate bonds	(7.7)	(40.5)
TCNs (money market securities)	0.0	0.0
Equities	(177.0)	(22.5)
Equity funds	(2.5)	(1.7)
Non-voting loan stock	(0.0)	(8.5)
Other (including mutual fund units)	(104.6)	(42.3)
Held-to-maturity investments	**0.0**	**(0.1)**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(291.7)**	**(115.5)**
Available-for-sale financial assets	**436.8**	**743.8**
Fixed-rate bonds	0.0	0.0
Variable-rate bonds	18.1	62.2
TCNs (money market securities)	0.0	0.0
Equities	288.6	592.0
Equity funds	44.5	36.1
Non-voting loan stock	0.0	47.1
Other (including mutual fund units)	85.7	6.4
Held-to-maturity investments	**18.5**	**1.8**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**455.4**	**745.5**
Net change in impairment provisions	**163.7**	**630.0**

In 2015, reversals of impairment provisions on equities as a result of disposals primarily relate to shares in Lafarge, Portugal Telecom and UPM Kymmene.

Note 21 Income tax expense

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

(in € millions)	31.12.2015	31.12.2014
Current tax	(637.2)	(768.6)
Deferred tax	(70.9)	(4.6)
Income tax expense	**(708.1)**	**(773.2)**
Profit for the period	1,435.2	1,402.9
Tax rate	33.04%	35.53%
Income tax expense	**(708.1)**	**(773.2)**

Tax proof *(in € millions)*	31.12.2015		31.12.2014	
	Rate	Amounts	Rate	Amounts
Profit before tax		2,143.2		2,176.1
Income tax at the standard French tax rate	38.00%	(814.4)	38.00%	(826.9)
Permanent differences	-1.09%	23.4	-0.05%	1.1
Effects of changeover to the equity method	-0.45%	9.6	-0.39%	8.4
Capital gains and losses taxed at reduced rate	-5.66%	121.4	-0.20%	4.4
Effects of differences in foreign tax rates*	1.43%	(30.7)	-0.13%	2.9
Tax credits and tax loss carryforwards used	-1.37%	29.5	-1.66%	36.2
Other	2.18%	(46.8)	-0.04%	0.8
Total	**33.04%**	**(708.1)**	**35.53%**	**(773.2)**

* The decrease in the effective tax rate is due to the capital gain recognised with respect to BVP that is exempt from corporation tax. Only the portion of costs and expenses – initially equal to 12% of the amount of the capital gain – is subject to corporation tax. The 2016 Finance Act includes the non-renewal of certain tax measures whose impact was to reduce the tax rate from 38% to 34.43%. As it is effective from 30 December 2016, there is no immediate impact on current tax due, but on deferred tax (liability method).
In late 2011, the French government introduced a 5% income tax surcharge for companies with gross revenue exceeding €250 million. This surcharge was raised to 10.7% for income tax due in 2015 and 2016 for financial years 2014 and 2015, respectively.
Including the current additional contribution of 3.3%, the theoretical tax rate for 2015 is 38.00%.

Deferred taxes on: *(in € millions)*	31.12.2015	31.12.2014
Fair value adjustments to financial assets held for trading	(13.5)	173.5
Deferred participation asset/reserve	22.6	(151.7)
Fair value adjustments to other financial assets	28.5	104.7
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0
Timing differences	0.0	0.0
Other	33.3	(121.9)
Total	**70.9**	**4.6**

OTHER ANALYSES

Note 22 Financial risks

22.1 Credit risk

The Group's credit risk policies are presented in section 2 of this Registration Document in Corporate governance and internal control (Note 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 limited(For example: net of hedging exposure to a currency other than the euro represents less than 5% of the investments of French companies of the group CNP Assurances)..

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

22.3 Interest rate risk on financial assets

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

22.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2015 and 31 December 2014.

22.3.1.1 Caps and floors at 31 December 2015

		Residual life										
(in € millions)		**1 year**	**2 years**	**3 years**	**4 years**	**5 years**	**6 years**	**7 years**	**8 years**	**9 years**	**≥ 10 years**	**Total**
	<5%	3,638	3,337	5,693	2,540	6,445	11,480	5,070	1,594	0	0	**39,797**
>=5%	**<6%**	3,590	3,514	2,410	883	300	200	1,850	1,910	0	0	**14,657**
>=6%	**<7%**	0	0	0	0	0	0	0	0	0	0	**0**
>=7%	**<8%**	0	0	0	0	0	0	0	0	0	0	**0**
>=8%	**<9%**	0	0	0	0	0	0	0	0	0	0	**0**
>=9%	**<10%**	0	0	0	0	0	0	0	0	0	0	**0**
Total		**7,228**	**6,851**	**8,103**	**3,423**	**6,745**	**11,680**	**6,920**	**3,504**	**0**	**0**	**54,454**

22.3.1.2 Caps and floors at 31 December 2014

(in € millions)		Residual life 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
	<5%	3,417	3,588	3,087	4,293	3,740	1,365	7,850	5,630	1,594	0	**34,564**
>=5%	**<6%**	4,550	3,590	3,509	2,310	880	300	300	0	3,760	0	**19,199**
>=6%	**<7%**	0	0	0	0	3	0	0	0	0	0	**3**
>=7%	**<8%**	0	0	0	0	0	0	0	0	0	0	**0**
>=8%	**<9%**	0	0	0	0	0	0	0	0	0	0	**0**
>=9%	**<10%**	0	0	0	0	0	0	0	0	0	0	**0**
Total		**7,967**	**7,178**	**6,596**	**6,603**	**4,623**	**1,665**	**8,150**	**5,630**	**5,354**	**0**	**53,766**

22.3.2 Effective interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the purchase date and at the end of the reporting period.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France
- Italy
- Brazil
- Spain.

22.3.2.1 Effective interest rates at purchase

	31.12.2015		31.12.2014	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	3.35%	EUR	3.57%
Italy	EUR	3.14%	EUR	3.22%
Brazil	BRL	11.65%	BRL	10.24%
Spain	EUR	3.32%	EUR	3.94%

22.3.2.2 Effective interest rates at balance sheet date

	31.12.2015		31.12.2014	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	0.66%	EUR	0.74%
Italy	EUR	3.03%	EUR	3.15%
Brazil	BRL	15.11%	BRL	10.10%
Spain	EUR	1.66%	EUR	1.47%

22.3.3 Carrying amounts by maturity

22.3.3.1 Carrying amounts by maturity at 31 December 2015

Type of instrument *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Fixed-rate bonds	16,252.1	13,948.9	14,907.8	19,546.8	21,662.4	91,517.1	**177,835.1**
Zero coupon bonds	4,008.9	1,024.2	702.5	2,190.5	679.8	11,042.9	**19,648.8**
Adjustable-rate bonds	29.5	6.0	3.3	3.1	79.2	1,278.3	**1,399.4**
Variable-rate bonds	1,920.4	2,640.0	1,391.1	2,609.2	1,256.0	2,625.8	**12,442.5**
Index-linked fixed-rate bonds	603.2	1,345.2	174.0	681.3	1,540.7	9,320.8	**13,665.2**
Other bonds	2,156.1	1,929.8	1,786.9	1,445.8	2,467.1	7,910.2	**17,695.9**
Total	**24,970.3**	**20,894.0**	**18,965.6**	**26,476.7**	**27,685.3**	**123,695.1**	**242,686.9**

22.3.3.2 Carrying amounts by maturity at 31 December 2014

Type of instrument *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Fixed-rate bonds	19,967.9	13,619.1	14,217.2	15,425.4	20,950.0	109,158.3	**193,338.0**
Zero coupon bonds	3,722.6	525.5	922.2	732.9	2,190.4	11,384.3	**19,478.0**
Adjustable-rate bonds	20.5	1.6	12.8	3.8	4.9	73.6	**117.1**
Variable-rate bonds	1,171.5	1,712.8	2,300.8	843.9	2,184.9	2,419.0	**10,632.9**
Index-linked fixed-rate bonds	345.0	674.7	1,350.9	171.8	678.8	11,034.3	**14,255.5**
Other bonds	2,001.6	2,548.0	2,374.0	1,938.9	1,640.2	9,509.8	**20,012.3**
Total	**27,229.0**	**19,081.7**	**21,177.9**	**19,116.7**	**27,649.2**	**143,579.2**	**257,833.8**

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

22.3.4.1 Carrying amount at 31 December 2015

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Held-to-maturity investments	215.2	142.3	48.3	45.3	41.8	148.5	**641.5**
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	**215.2**	**142.3**	**48.3**	**45.8**	**41.3**	**148.5**	**641.5**

22.3.4.2 Carrying amount at 31 December 2014

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Held-to-maturity investments	144.6	50.1	160.3	28.9	0.0	180.5	**564.4**
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Total	**144.6**	**50.1**	**160.3**	**28.9**	**0.0**	**180.5**	**564.4**

22.3.5 Average life of securities

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

22.3.5.1 Average remaining life of securities – 31 December 2015

France	Italy	Brazil	Spain
5.9	3.6	1.5	5.2

22.3.5.2 Average remaining life of securities – 31 December 2014

France	Italy	Brazil	Spain
5.9	4.1	2.1	5.9

22.4 Sensitivity of MCEV© to market risks

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

The Group's embedded value reporting is based on CFO Forum MCEV© [(1)] Principles (Market Consistent European Embedded Value Principles developed by a group of Finance Directors from Europe's top insurance companies set up in 2002). The Brazilian subsidiary Caixa Seguros and the Argentinian subsidiary have continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees.

The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees. CNP Assurances uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2013.

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

MCEV© is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business. The adjusted net asset value is determined on the valuation date at the consolidated level excluding minority interests and breaks down into Required Capital and Free Surplus.
- the value of In-Force business, comprising the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For all subsidiaries of the Group within the € area, the data used to determine the curve of the reference rates come from the smoothed and zero-coupon swap rate curve. The extrapolation method has been adjusted since 2014 in line with the approach being currently developed within the framework of the Solvency 2 reform. The yield curve is extrapolated with an entry point to 20 years that converge over 40 years using the Smith-Wilson method, to the ultimate forward rate of 4.2%. In accordance with MCEV © principles which allow the adoption of the requirements of the Solvency 2 regulation, the reference rate curve includes a credit risk adjustment and a volatility adjustment according to prudential regulatory requirements

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

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

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

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

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Market risk sensitivity of MCEV© to interest rate and equity volatilities at 31 December 2015

(in € millions)	100 bp decrease in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	**970.0**	**(1,489.0)**	**(1,185.0)**

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

(in € millions)	100 bp decrease 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)**

Sensitivity to insurance risks is presented in Note 24.

Note 23 Liquidity risk and asset/liability management

23.1 Liquidity risk

23.1.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

23.1.1.1 Future cash flows from assets at 31 December 2015

Intended holding period (in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	24,015	93,623	81,250	22,465
Assets held for trading and assets measured at FV	2,890	7,326	4,980	1,614
Held-to-maturity investments	328	533	82	66
Loans and receivables	0	0	0	0

23.1.1.2 Future cash flows from assets at 31 December 2014

Intended holding period (in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	24,269	87,676	102,776	22,175
Assets held for trading and assets measured at FV	7,673	11,898	7,915	2,789
Held-to-maturity investments	159	503	210	74
Loans and receivables	0	0	0	0

23.1.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and Property & Casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.1.2.1 Payment projections by maturity at 31 December 2015

(in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	16,798.3	57,194.9	60,810.6	44,389.5	149,056.3

23.1.2.2 Payment projections by maturity at 31 December 2014

(in € millions)	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	18,097.4	60,612.9	64,288.3	46,856.8	147,867.8

23.1.3 Contracts with immediate surrender option

(in € millions)	31.12.2015	31.12.2014
Contracts with immediate surrender option	253,996.6	263,932.9
Contracts with no immediate surrender option	66,634.5	48,638.2

Contracts with an immediate surrender option represented a total liability of €254.0 billion at 31 December 2015 (€263.9 billion at 31 December 2014). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing for their surrender or transfer by the policyholder.
Term creditor products, group personal risk products, certain annuity products and "Madelin Act" pension products do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.1.2.

23.2 Asset/liability management

The Group's ALM policy is presented in section 5 of this Registration Document in Corporate governance and internal control (Note 5.6.2).

23.3 Reconciliation of unit-linked assets and liabilities

(in € millions)	31.12.2015	31.12.2014
Investment properties held to cover linked liabilities	1,110.4	1,091.2
Financial assets held to cover linked liabilities	39,292.5	37,310.1
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by consolidated non-trading property companies)	0.0	0.0
Total assets held to cover linked liabilities – carrying amount	**40,402.9**	**38,401.4**
Linked liabilities – financial instruments without DPF	7,652.4	7,471.3
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	32,826.6	31,034.6
Total linked liabilities	**40,479.0**	**38,506.0**
Guaranteed capital reserves	2.0	2.1
Total linked liabilities	**40,481.0**	**38,508.1**

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

Note 24 Risks related to insurance and financial liabilities

24.1 Management of risks related to insurance and financial liabilities

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

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

These management information systems:

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

These routine analyses are 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 in Corporate governance and internal control (Note 5.6.2).

24.2 Contract terms and conditions

24.2.1 Types of insured risk by class of business

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

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

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

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

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

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

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

Savings contracts give rise to mainly financial-type risks

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period (see Note 24.4). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (e.g., a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both the Group's earnings and solvency
- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products.

Pension products give rise to mainly financial and underwriting risks

Risks associated with annuity-based pension portfolios depend on:

- the benefit payment period, which is not known in advance
- the interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions. Technical reserves are calculated using regulatory mortality tables based on statistical data on population trends. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables.

Personal risk policies give rise to mainly underwriting risks

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

Deteriorating loss ratios on temporary disability risks provided under term creditor and personal risk policies – especially under group policies – has led to a major rethink of the pricing strategy for these products.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection although the risk is limited somewhat by the use of certain types of medical questionnaires and the enforcement of a waiting period.

The Group's business may be affected by the occurrence of natural or man-made catastrophes.

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

24.2.2 Description of the main policyholder guarantees

Traditional savings contracts give rise to a commitment to pay a capital sum. These contracts generally pay a minimum yield plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

- voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum
- compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities paid to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary
- defined benefit plans ("Article 39" plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities
- points-based pay-as-you-go group pension plans ("Article L.441-1" plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of one point. Annuities are adjusted based on changes in the value of a point
- immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

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

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

24.2.3 Participation clauses

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

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

Participation rates are determined based on the local accounts.

24.3 Valuation of insurance liabilities (assumptions and sensitivities)

24.3.1 Technical reserve models

Technical reserves are defined as follows:

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

24.3.2 Modelling objectives

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

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

24.3.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

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

24.3.4 Assumptions used to calculate reserves

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

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

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

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

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

24.3.5 Use of different assumptions

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:
- economic, demographic, social, legislative, regulatory or financial trends
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.)
- factors specific to life insurance such as mortality, morbidity or longevity.

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

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

24.3.6 Assumption correlations

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

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

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.
At 31 December 2015, a 10% fall in surrender rates would have a positive impact of €218 million on MCEV©. A 5% fall in observed losses would have a positive impact of €188 million on MCEV© in respect of mortality and disability risks, and a negative impact of €106 million in respect of longevity.

24.4 Risk of guaranteed yields on insurance and financial liabilities

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

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

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

31.12.2015

Guaranteed yield *(in € millions)*	Technical reserves	%
0%[1]	179,518.8	56.0%
]0%-2%]	19,456.5	6.1%
]2%-3%]	19,122.4	6.0%
]3%-4%]	1,431.9	0.4%
]4%-4.5%]	6,186.5	1.9%
>4.5%[2]	1,357.7	0.4%
Linked liabilities	40,477.7	12.6%
Other[3]	53,079.7	16.6%
TOTAL	**320,631.1**	**100.00%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 11% (see Note 22.3).
(3) Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves.

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.

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 2015) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:
  a) death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool ("*Décès-IPA3*" policy). The system provides successively for the retention of the two largest claims per insurer, €600 million in co-insurance cover (of which CNP Assurances' share is 30%) and reinsurance cover purchased by the pool from external reinsurers. This external reinsurance cover exists in five layers (of which CNP Assurances has only underwritten mandatory layers 2, 3 and 4): layer 1: 20 XS €30 million; layer 2: 150 XS €50 million; layer 3: 300 XS €200 million; layer 4: 100 XS €500 million; layer 5: 100 XS €600 million. A loss event is defined as involving three or more victims.

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

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations
- the number, size and cause of paid claims, including a detailed analysis of the largest claims
- underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

24.5.3 Counterparty risk on reinsurance balances

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA (a detailed schedule of reinsurer ratings is presented in Note 10.5).

24.5.4 Insurance-related legal risks

The Group's insurance-related legal risks and its risk management policy are presented in section 5 of this Registration Document on corporate governance and internal control (Note 5.6.3).