CONSOLIDATED FINANCIAL STATEMENTS

Group BNP Paribas Cardif

December 31th, 2016

BNP PARIBAS CARDIF

L'assureur
d'un monde
qui change

Content

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2016 (before appropriation)

(In millions of euros)

ASSETS	Note	31 December 2016	31 December 2015
Goodwill	4.a	**163,7**	**174,6**
Intangible assets	4.b	**231,9**	**290,8**
Insurance company investments	4.c	**131 431,7**	**126 657,2**
- Real Estate Investments		5 708,8	5 032,1
- Investments in affiliated undertakings and participating interests		4 014,8	4 064,9
- Other investments		121 708,2	117 560,2
Investments backing unit-linked contracts		**41 931,9**	**38 781,2**
Investments from other companies	4.e	**240,9**	**241,0**
Investments in associates - Equity method	4.f	**648,5**	**580,9**
Receivables arising from outward reinsurance operations	4.g	**3 027,4**	**3 053,3**
Receivables from direct insurance or reinsurance	4.h	**1 032,5**	**1 115,8**
Receivables from entities in the banking sector	4.i	**930,2**	**1 317,6**
Other receivables	4.j	**2 216,4**	**1 740,9**
Other assets	4.k	**20,8**	**23,0**
Accrued income and other assets	4.l	**3 718,1**	**3 415,0**
- Deferred acquisition costs		1 513,4	1 370,9
- *Other*		2 204,7	2 044,1
Foreign exchange differences		**-**	**-**
TOTAL ASSETS		185 594,2	177 391,4

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless otherwise indicated.

(In millions of euros)

LIABILITIES	Note	31 December 2016	31 December 2015
Shareholders' equity - Group share	5.a	**3 065,3**	**3 707,0**
- Share capital		150,0	150,0
- Shares premiums		2 988,3	2 988,3
- Interim dividend		338,7	177,3
- Consolidated reserves		(849,8)	
- Net Consolidated income		438,1	391,4
		-	-
Minority interests		**36,2**	**37,4**
Subordinated debts	5.b	**3 934,4**	**3 084,7**
Gross technical reserves	5.c	**119 248,2**	**115 280,0**
- Life Technical reserves		115 258,2	111 553,1
- Non Life Technical reserves		3 990,1	3 726,9
Technical reserves related to unit-linked contracts		**42 507,1**	**39 414,1**
Provisions for risks and charges	5.d	**280,8**	**212,2**
Debts arising out of direct insurance or reinsurance	5.e	**3 080,0**	**3 226,8**
Liabilities due to banking sector companies	5.f	**11 239,1**	**10 423,9**
Other debts	5.g	**1 827,8**	**1 602,9**
Accrued expenses and other liabilities	5.h	**367,1**	**397,7**
Foreign exchange differences		**8,1**	**4,6**
TOTAL LIABILITIES		185 594,2	177 391,4

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless otherwise indicated.

CONSOLIDATED TABLE OF COMMITMENTS GIVEN AND RECEIVED

(In millions of euros)

COMMITMENTS RECEIVED AND GIVEN	Note	31 December 2016	31 December 2015
Commitments received	6	789,9	**810,4**
- Insurance companies		789,9	810,4
- Other companies		-	-
Commitments given	6	1 018,1	**1 106,6**
- Insurance companies		761,9	848,2
- Other companies		256,2	258,4

Commitments relating to financial instruments are detailed in a specific schedule in 6b

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

(In millions of euros)

	Note	NON LIFE Insurance Activities	LIFE Insurance Activities	Banking Activities	Others businesses	Year to 31 Dec. 2016	Year to 31 Dec. 2015
Gross written premiums	8.b	2 826,7	17 981,0			20 807,7	22 126,2
Change in unearned premiums		(75,2)	-			(75,2)	(57,2)
Earned gross premiums		**2 751,5**	**17 981,0**			**20 732,5**	**22 068,9**
Income from other activities	8.a.3				45,7	45,7	60,0
Other operating income		16,4	229,8			246,3	318,2
Net investment income	7.a	139,2	4 936,4		(130,3)	4 945,3	5 992,9
Operating revenues		**2 907,1**	**23 147,2**		**(84,6)**	**25 969,8**	**28 440,2**
Technical charges related to insurance activities		(941,6)	(19 575,9)			(20 517,5)	(22 888,4)
Net result from outward reinsurance	8.a	(21,4)	(82,1)			(103,5)	(43,4)
Expenses from banking activities						-	-
Expenses from other activities	8.a.3				(232,2)	(232,2)	(229,1)
Management expenses	7.b	(1 735,5)	(2 594,4)		(0,6)	(4 330,5)	(4 520,2)
Operating expenses		**(2 698,5)**	**(22 252,3)**		**(232,8)**	**(25 183,7)**	**(27 681,1)**
NET OPERATING INCOME		**208,6**	**894,9**		**(317,4)**	**786,1**	**759,1**
Other income and expenses						(0,4)	(3,6)
Exceptional result	7.d					(2,6)	(8,8)
Corporate Income Tax	7.e					(387,6)	(391,4)
NET INCOME FROM CONSOLIDATED COMPANIES						**395,5**	**355,2**
Shares in earnings of associates	7.c					56,8	51,2
Goodwill amortization	4.a					(16,6)	(15,8)
NET CONSOLIDATED INCOME AFTER TAX						**435,6**	**390,6**
Minority interests						2,5	0,8
NET CONSOLIDATED INCOME - GROUP SHARE						**438,1**	**391,4**
Earnings per share (in euros)						7,01	6,26
Diluted earnings per share (in euros)						7,01	6,26

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 CONSISTENCY OF ACCOUNTING PRINCIPLES

1.a. Basis for preparation

The consolidated financial statements of the BNP Paribas Cardif Group are prepared in compliance with rules on consolidation and presentation set out in regulation n°2000-05 dated 7 December 2000 of the Comité de la Réglementation Comptable (CRC) for companies governed by the French Insurance Code (Code des assurances), including any modification introduced subsequently by other CRC and ANC regulations (notably the regulation n°2015-09 and n°2016-05), and in accordance with the methods and valuation rules described in section 2.b.

The consolidated financial statements present the Group's business activities by segment. These categorise business activities into Life Insurance, Non-Life Insurance and other businesses. Each segment follows its own chart of accounts, respectively the insurance company chart of accounts (as defined in the ANC regulation 2015-11 relating to the annual financial statements of insurance companies and the provisions set out by the French Insurance Code) and the general chart of accounts (as detailed in the ANC regulation n°2014-03 modified for other businesses), subject to the specific provisions regarding the aforementioned consolidation and presentation rules of consolidated financial statements.

1.b. Highlights

Change in consolidation thresholds as at June 30th, 2016

The indicators and criteria used to determine whether an entity should be included in BNP Paribas Cardif consolidation scope were determined in 2003. Since then, the BNP Paribas Cardif Group has deeply changed, through both organic growth (particularly in France with the growth in Cardif Assurance Vie General Fund, in Asia and in Latin America) and through external growth notably through the acquisition of Cardif Vita in Italy. As at 31 December 2015, assets amounted to a total 177 billion euros, and the Group Net result reached 391.4 million euros.

The necessary speeds up of the closing process induced by Solvency 2 implementation and the constant search for increased operational efficiency have led to reconsider consolidation thresholds. These constraints are applicable at both local and corporate level. The BNP Paribas Cardif Group thresholds were revised upwards, so as to:

- Ensure that they are consistent with the size and business mix of BNP Paribas Cardif.
- Introduce an activity indicator specific to insurance business, to take into account the growing share of Protection entities in the global activity.

Thresholds for full consolidation have been set up at 150 million euros as total of balance sheet (against 40 million euros previously), 40 million euros of gross written premiums for protection and mixed activities entities (against 8 million euros of technical and financial result previously), 10 million euros of net operating income or net income before tax (against 4 million euros previously). Controlled entities which net income before tax is between 1 and 10 million euros are consolidated through simplified equity method. For entities proportionally consolidated, those thresholds are to be applied to the proportional share.

The consolidation thresholds for entities under significant influence (associates) are set up at 1 million euros of share in net income and 150 million euros of share in balance sheet (against 40 million euros previously).

As a consequence of this change in consolidation thresholds, Cardif Polska Life (Poland) is now consolidated under Equity Method (against full consolidation previously), thus decreasing the balance sheet by 40 million euros.

Other changes in the scope of consolidation between December 31, 2015 and December 31, 2016 are detailed in note 3.b « Main changes ».

1.c. Post balance sheet events

No events arising since the closure of accounts are likely to have an impact on the consolidated financial statement

Note 2 CONSOLIDATION METHODS, RECOGNITION AND MEASUREMENT PRINCIPLES

2.a. Consolidation methods and principles

2.a.1 Consolidation methods

The consolidation scope includes all companies in which the Group's exercise exclusive control (subsidiaries), joint control (joint ventures) or significant influence (associate undertakings). They are accounted for under the appropriate method. Exclusively controlled companies are fully consolidated and joint ventures are accounted for using the proportional method.

An entity is included in consolidation scope when its consolidation, or the one established by the sub-group it heads, is significant in nature.

Three criteria are used to assess this significance: total balance sheet, total gross written premium and the net operating income, which corresponds to the sum of the financial margin and the technical margin. The thresholds applicable are defined according to the nature of control.

In accordance with the provisions of paragraph 1011 of CRC regulation 2000-05, investment funds backing unit-linked contracts are excluded from the scope of consolidation, as are real estate companies backing insurance obligations when the conditions set out by the afore mentioned regulation are met.

Exclusively and jointly controlled companies

The Group has an exclusive control over an entity when being able to govern its financial and operating policies so as to obtain benefits from its activities. Such control stems from:

- direct or indirect ownership of the majority of voting rights in the company; or
- the election, for two successive years, of the majority of the members of the administrative, management or supervisory bodies of the company; or
- the right to exercise dominant influence over the company as per contracts or clauses in the company's articles of association, when allowed by law.

Joint control is the shared control of a company operated jointly by a limited number of partners or shareholders, to the extent that financial and operational policy is the result of their agreement.

Exclusively controlled companies are fully consolidated by BNP Paribas Cardif. Jointly controlled companies are consolidated under the proportional method when they represent a contribution to the Group consolidated financial statements greater than one of the following thresholds:

- +/- 40 million euros for gross written life and non-life premiums;
- +/-10 million euros for gross operating income or net income before tax ;
- 150 million euros in total assets.

Controlled companies that do not meet these thresholds but have gross operating profit or net income before tax of between +/- 1 million euros and +/- 10 million euros are consolidated under the equity method, which is seen as a simplified consolidation method, thus reflecting their significant nature. Other controlled companies that do not reach the thresholds are not consolidated.

Companies under significant influence

Significant influence is the power to participate in the financial and operating policies of a company without exercising control. In particular, significant influence may result from representation on the management or supervisory bodies of the company, participation in strategic decisions, existence of significant inter-enterprise transactions, exchange of management staff or dependency stemming from technical interactions.

Significant influence over the financial and operating policy of a company is presumed when the consolidating company owns, directly or indirectly, at least 20% of the voting rights of the company.

For companies under significant influence, the following thresholds apply:

- 150 million euros for total assets on an equity basis;
- +/-1 million euros for net income on an equity basis.

2.a.2. Goodwill and valuation differences

Goodwill is measured as the excess of the equity securities acquisition cost over the net of the identifiable assets acquired and the liabilities assumed at acquisition date.

For practical reasons, the consolidating entity is granted with a delay, commonly named “allocation period”, which ends at the closing of the first financial year opened after the acquisition. During this period, the company can perform all the required analysis and expert studies necessary to the valuation. Nevertheless, for the first closing following acquisition, a temporary valuation is requested for the elements which estimation is sufficiently reliable.

In accordance with the ANC regulation n°205-09, applicable from 1st of January 2016, goodwill have to be reviewed to define whether their useful life is limited or unlimited:

- if their useful lifetime is not limited, goodwill are not amortized;
- if their useful lifetime are limited, the goodwill are amortized over this period or over 10 years, if their useful lifetime cannot be reliably estimated.

Goodwill are amortised according to conditions specific to each acquisition. They are relating to fully consolidated and proportionally consolidated companies and they are disclosed under the heading “Goodwill”. Goodwill allocated to associated undertakings balance sheet entries were previously recognised under the heading “Investment in associates – Equity method”. They are now recognised under the heading “Goodwill” in accordance with paragraph 291 of CRC regulation 2000-05.

As part of the first time application of regulation ANC n°2015-09 starting on 1st of January 2016, BNP Paribas Cardif has opted to maintain the current amortization plan for all goodwill recorded as at 31t of December 2015.

Goodwill are booked in the functional currency of the acquired entity and are converted at the closing exchange rate.

The revaluation differences measured as the difference between the fair value of assets and liabilities at the acquisition date and the carrying amount of these items is recognised according to the general accepted accounting practices applicable to such items

2.a.3. Currency translation method for foreign subsidiaries

The consolidated financial statements of BNP Paribas Cardif are prepared in euros.

The financial statements of companies whose functional currency is not euro are translated using the closing exchange rate method based on the official rates at balance sheet. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average exchange rate over the period.

Foreign exchange differences relating to financial instruments hedging structural investments in foreign currencies (loans or forward sales of currencies) are recognised in shareholder’s equity under “Translation differences”

When a consolidated entity with a functional currency other than the euro is disposed of, the gain or loss on disposal includes translation differences previously recognised in the Group share of the shareholder’s equity.

2.a.4. Closing date for consolidated entities

Consolidated financial statements are prepared based on the financial statements of the consolidated companies closed on December 31st.

2.a.5. Segment reporting of consolidated financial statements

Consolidated financial statements are presented by business segment: the “Life Insurance” and “Non-life Insurance” segments cover life insurance companies and non-life insurance companies respectively. The “non-life” element of mixed companies is included in the “Non-life Insurance segment”. The “Other Businesses” segment consists of the parent company, BNP Paribas Cardif S.A., intermediate holding companies and brokerage and asset management companies.

During the consolidation process, intragroup transactions are eliminated whether within a segment or between segments.

2.b. Recognition and measurement policies

2.b.1. Intangibles assets

Software are recorded as intangible fixed assets at acquisition cost and amortised linearly whether purchased or created internally. Their amortization period depend on the nature of the software. They are amortized over a period of no more than 8 years for infrastructure developments, and over a 3 or 5 year period for software developed primarily for the customer services.

Intangible assets must be impaired if there is any indication that their value has decreased, particularly if significant changes have already occurred or are anticipated. Those changes include plans for the disposal or restructuring of the activity to which the asset belongs or plans to dispose of the asset by anticipation. Regarding software, accounting standards allow for two possible methods:

- The asset is definitively disposed of, in which case it must be removed from the balance sheet at the date of scrapping (when it is no longer in use)
- The asset is temporarily abandoned, but may be used subsequently either individually or as part of a new project. In this case, a provision must be recognised to bring the asset to its value in use taking account of its useful life.

The acquired business in force relating to insurance contracts is amortized over the residual value of these contracts, not exceeding ten years.

The exclusive distribution rights acquired are amortized in accordance with the underlying assumptions used in their valuation, and are disclosed in the “Other intangible assets” line.

2.b.2. Investments

Investments from life insurance and non-life insurance companies

Real estate Investments

Real estate investments include both the investment properties held by Cardif Assurance Vie and shares in unlisted real estate companies that are not included in the consolidation scope as set out in paragraph 1011 of CRC regulation 2000-05

Regarding land and buildings, the Group applies the CRC regulation 2002-10 relating to the amortisation and depreciation of assets, CRC regulation 2003-07 relating to components and CRC regulation 2004-06 relating to the definition, recognition and valuation of assets.

Real estate assets are classified into four main components: structure, façades, general and technical equipment and fixtures and fittings. Land is recognised separately and is not depreciated.

The component life cycle is defined asset by asset and depends on the type of building. Ranges for depreciation periods are given below:

- Structure: 50 to 80 years;
- Facades: 25 to 30 years;
- General and technical equipment: 20 to 25 years;
- Fixtures and fittings: 12 to 15 years.

Real estate investments in the hotel industry can include acquired leaseholds rights that are non-depreciable and accessory to lands and constructions. Those leaseholds rights, under lease management or management contracts, are elements of the investments backing the general fund of Cardif Assurance Vie, and generate financial yield.

The buildings realisable value is determined on a five-year basis carried out by an independent expert, approved by the regulatory authority (ACPR). An interim review is performed annually and is also certified by an expert. The realisable value of shares in real estate entities (SCI) is based on the liquidation value of their real estate portfolio, which is certified by an independent expert once a year.

Bonds and others fixed-income securities

Bonds and other fixed-income securities include amortizable securities that meet the following criteria:

- securities issued by an entity incorporated under private law which head office is in an OECD member state;
- securities issued and/or guaranteed by an OECD member state or equivalent;

Fixed-income securities are recognised at acquisition cost. The difference between the acquisition cost and the redemption value is recognised profit or loss for the period remaining to the date of redemption.

Unrealized losses, being the difference between the carrying amount and the realizable value, are not subject to provisions unless a counterparty risk is ascertained.

CNC advisory note 2006-07 of 30 June 2006 relating to the impairment of securities referred to in article R 343-9 (previously R 332-19) of the French Insurance Code sets out the objective evidences that a counterparty risk is ascertained as being any information relating to significant financial difficulties of the issuer, and notably:

- default on payments of interest or principal;
- a collective proceeding or a financial restructuring of the issuer becoming likely;
- the introduction, due to the financial difficulties faced by the issuer, of a facility that the holder (lender) would not have granted under other circumstances;
- the disappearance of an active market for these assets due to difficulties faced by the issuer.

In addition, the following observable data should be considered. Together with other events, they could be a sign of the financial difficulties faced by the issuer:

- a significant downgrading of the issuer's rating or an abnormal widening of its spread compared to the spreads of similar issuers with similar rating, and for debt securities with similar duration;
- a significant unrealised loss on the security in a declining interest rate environment.

Variable income securities

For the BNP Paribas Cardif Group, equities and other variable income securities are primarily held though the General Funds of Cardif Assurance Vie and Cardif Risques Divers in France, Cardif Vita Assicurazione in Italy and Cardif Luxembourg Vie in Luxembourg

Equities and other variable-income securities are recognised at acquisition cost. It should be noted that the acquisition related costs are recognised as an expense for the period in which they are incurred.

The realisable value at closing date is determined in accordance with the rules set out in article R 343-11 (previously R 332-20-1) of the French Insurance Code (Code des assurances) and corresponds to the following values:

- for investment and listed securities of all nature, the last market price at closing date;
- for unlisted equity securities, their value in use for the company;
- for other unlisted securities their fair value, determined through quotations from brokers and other counterparties;
- for units in mutual funds such as SICAV (sociétés d'investissement à capital variable) and FCP (fonds communs de placement), the last bid price published at closing date.

Equities and other variable-income securities are subject to impairment when they show a permanent diminution in value. The loss in value is deemed permanent when one of the three following conditions is met:

- the securities has already been impaired;
- the investment has permanently shown unrealized losses compared to its carrying value during a 6-month period prior to closing; under circumstances of high market volatility, the usual threshold of 20% unrealised loss may exceptionally be revised in accordance with advisory note 2002-F from the CNC Emergency Committee dated 18 December 2002. As of December 2015, the usual threshold of 20% applied.

- there is objective evidence that the company will be unable to recover all or part of the carrying amount of the investment.

In the event of impairment, the provision is based on the realisable value determined using a multi-criteria forward-looking approach including the discounted future cash flows, the net asset value method, as well as analysis of ratios commonly used to assess future yields of each line of assets.

Where listed securities are intended to be sold in the short term, the impairment is based on the market price.

Amortizable securities referred to in article R343-10 (previously R 332-20) of the French Insurance Code

ANC regulation 2015-11 of 26 November 2015 that relates to the impairment rules of amortizable securities referred to in article R343-10 (previously R 332-20) of the French Insurance Code introduces the principle of premium/discount. The difference between the acquisition cost and the redemption value is recognised in income over the remaining life of the security on an actuarial basis, and using the yield to maturity observed at the time of acquisition. The amortised portion is recognised in the balance sheet as an asset (discount) or liability (premium) in prepayment or accrual accounts.

The concept of amortizable is defined by the existence of a redemption date and a repayment guarantee.

Amortizable securities referred to in article R 343-10 (previously R 332-20) are impaired according to ANC regulation 2015-11 of 26 November 2015. This regulation defines the general method of depreciation that takes into account the company intent and capacity to hold the instruments and that distinguishes between credit risk and other risks relating to market fluctuations.

If the insurance company has the intention and the ability to hold the debt securities referred to in article R.343-11 of the French Insurance Code up to maturity, permanent impairment is analysed only in view of credit risk; if no credit risk is ascertained, the unrealized loss due to the increase in risk free rate is not booked in the financial statements.

If the insurance company does not have the intention nor the ability to hold these investments to maturity, permanent impairment is recognised based of an analysis of all risks identified for the investment, and taking into account the projected holding period.

If the insurance company does not have the intention or the ability to hold these investments to a determined term, the permanent impairment is defined as the difference between the net book value and the realisable value.

Investments backing unit-linked contracts

Securities and shares backing unit-linked contracts are recognised at fair value at the closing date in accordance with article R 343-13 (previously R 332-5) of the French Insurance Code. Valuation differences thus observed are recognised in income and presented as adjustments to unit linked contracts (as income or expense). As being recognized in a way to balance changes in technical reserves on unit-linked contracts, these adjustments have no impact have no impact on technical income and net income for the year.

Investments from other companies

These investments include the ones made by companies in the “Other businesses” segment and are mainly related to the equity holdings of BNP Paribas Cardif S.A., the parent company, and the British holding company Pinnacle Insurance Holding Inc. They also include short-term investments by the holding companies.

Bonds and other fixed-income securities

Bonds and negotiable debt securities are valued at their average market price over the last month of the accounting period. When this line-by-line valuation is lower than the carrying amount, no impairment is booked for the difference. The difference between the acquisition cost and the redemption price (premium or discount) is either amortised or recognised as income over the remaining life of the securities.

Variable income securities

Shares and units in UCITS are valued at their probable trading price. This is usually defined by reference to the last known trading price or liquidation value at the closing date. When this line-by-line valuation is lower than the carrying amount, impairment is booked for the difference.

.

Participating interests

Participating interests are equity shares that are held during a long lasting which make them considered to be useful for the Group's activity. Consequently, they enable the group to achieve various benefits mainly from an economic point of view, as they may allow for special trading relationships.

Such investments are recognised at their acquisition cost. At closing date, they are valued at their value in use. For unlisted participating interests, the value in use is based on available information such as discounted future cash flows, net asset value, prudential valuations (Solvency 2) or the appropriate ratios commonly used to assess future yields and exit opportunities for each line of securities. The difference between the carrying value and the value in use is booked as impairment.

When being significant and related to external costs (advisory, translation and business provider fees, etc.), transaction costs may be included in the acquisition price.

Financial instruments

Insurance companies

Derivatives transactions entered into on various markets by an insurance company are either related to assets held or to be held. They may also be made in anticipation of investments. Derivatives instruments are either part of an investment strategy or a divestment one. They may also be a part of a performance management strategy.

In application of CRC regulation 2002-09 of 12 December 2002, completed by CNC notice 2004-04 of 25 March 2004:

- the cash flows relating to derivatives subscribed to hedge a forecast investment transaction are recorded in accrual accounts, to be included in the purchase price of the investments once acquired,
- the cash flows received, paid or unrealised that relate to derivatives held in a performance management strategy are recognised in the income statement on a staggered basis over the strategy schedule, in the light of the effective yield rate of the derivative.

For option and forward contracts, the BNP Paribas Cardif group did not choose the option offered to account for the derivative at market value.

Other companies

Forward exchange rate contracts are mainly initiated as part of the net investment hedging of BNP Paribas Cardif foreign investments. Differences in interest relating to such forward currency transactions (premiums and discounts) are recognised in income over the effective life of the hedged transaction.

The BNP Paribas Cardif group did not early apply ANC regulation 2015-05 of 2 July 2015, applicable to financial years starting on January 1st, 2017.

However, when the hedging amount is temporarily higher than the accounting value of the investments hedged, impairment for unrealized losses can be booked, by analogy with the provision of article 628-17 of this regulation. This provision is cancelled in the consolidated accounts (cf.Payables and receivables in foreign currency).

Payables and receivables in foreign currency

Transactions in foreign currencies, including those of branches, are converted at the closing exchange rates. Exchange rate differences that are unrealised at the closing date are recognised in income during the period to which they are related.

As an exception, differences relating to the translation of permanent foreign currency financing at closing exchange rates (including forward contracts) that hedge investments in foreign subsidiaries and branches are recognised in equity. Symmetrically, the foreign currency translation adjustment relating to these entities is recognised in equity. When the Group does not have access to local capital markets, the hedging is achieved through a composite instrument that combines a borrowing in dollars and a forward sale contract of the considered currency against dollars.

The provision booked in the social accounts of the entities for which the general chart of account (PCG) is applied when the hedging amount is temporarily higher that the accounting value of the investments hedged is cancelled in the consolidated accounts.

Deferred acquisition costs

For life insurance, acquisition costs are deferred within the limit of the product future net margin that includes a duly justified financial margin, notably where there is a difference between the discount rate used and the expected rate of return prudently estimated. They are amortised on a consistent basis with the recognition of contracts future net margins, revalued at each closing date. When appropriate, they are impaired if the contract future margins prove insufficient compared to the amortisation schedule. This treatment is mainly applied to upfront discounted commissions of life insurance contracts sold abroad.

For non-life insurance, deferred acquisition costs on creditor's insurance policies are computed solely based on unearned commissions. Such deferred costs are amortised on a basis that is consistent with unearned premiums amortization..

2.b.3. Technical reserves

Life Insurance

Technical reserves represent the difference between the expected present value of commitments of the insurer and the insured. They must be sufficient to meet the insurer's commitment. Future management costs that are not covered are subject to a management reserve.

The BNP Paribas Cardif Group values its life insurance reserves using a discount rate not exceeding the expected return, cautiously estimated, on the assets backing these reserves. The rates used by the various life insurance companies in discounting their commitments in their local financial statements are representative of rates not exceeding the expected return, cautiously estimated, on the assets backing these reserves.

Technical reserves on variable insurance contracts are revalued based on the fair value of the unit linked at the closing date.

For certain collective contracts covering life risks (mainly death) and issued in branches, detailed information for each insured person is not available as required for the calculation of technical reserves. In such cases, the mathematical reserve is approximated using a premium deferral approach applied contract by contract after deduction of acquisition costs.

When claims have been submitted, their recognition is made in the year of their occurrence. Otherwise, their recognition is made on estimation basis, claim reserves, relating to claims incurred and reported, are valued using the technical basis applied for the pricing of risk. The valuation of claim reserves includes settlement costs for estimated claims. For death benefit of protection contracts, late reported claims are valued using either a flat-rate method if the claims historical experience is not sufficient, or using triangulation methods.

For diversified contracts, a technical diversification reserve is created to absorb fluctuations in the values of the assets backing the contract, and over which each policyholder holds individual rights in the form of units. This provision is supplemented by all or part of the premiums paid by policyholders and by the share of the contract return that is not allocated as technical reserves. It is reduced by deduction of losses, fees charged, and withdrawals for benefits paid and by retention of the policyholders' shares in technical reserves.

Life insurance and savings companies must share their technical and financial benefits with the policyholders as set out in the contract terms and conditions, and as specified by the regulation. In France, the regulation sets a minimum level of profit sharing to be allocated by the company for each financial year. This minimum amount is equal to the credit balance of the profit sharing account determined in accordance with article A.132-11 of the French Insurance code, less the interest credited to technical reserves. For the segregated diversified contracts, profit sharing is calculated for each segregated accounts.

There are two different types of deferred policyholder benefit recognised in the Group's financial statements:

- Unconditional profit sharing is recognised whenever there is a difference between the basis of calculation of future policyholders benefits in statutory accounts and in the consolidated accounts. This is notably the case for policyholder benefits relating to valuation differences and restatements of individual accounts, whether positive or negative. Their amount is modified according to a method that is consistent with the initial valuation and the reversal to income of valuation differences or restatements.
- Contingent profit sharing is recognised when there is a difference between the basis of calculation of future policyholders benefits between statutory accounts and consolidated accounts but becomes due as a result of a management decision or the occurrence of an event. This is notably the case for policyholder rights linked to the restatement of the capitalisation reserve.

All liabilities relating to deferred policyholder benefits are recognised; assets relating to deferred policyholder benefits are only recognised if it is highly probable that they will be offset against future policyholder benefit, on a company by company basis, In such cases the deferred policyholder benefit asset are recognised for their recoverable amount under the heading "Receivables arising from insurance operations".

Non-life Insurance

Premiums being booked when issued, premiums earned but not yet issued may be recognised.

An unearned premium reserve is recorded regarding to the part of premium that is issued but related to subsequent years. It is calculated either contract by contract or by using a statistical method when its results are very close to those that would have been obtained by applying the contract-by-contract approach. The methods used are based on the risk emergence profile.

The unexpired risk reserve is designed to cover future claims costs when premiums are not sufficient. For each company within consolidation scope, the reserve is computed by homogenous group of contracts based the expected futures losses.

Claims are recognised by accident year. They are based on claim reports when they have been notified. Otherwise, there are estimated. Outstanding claim reserves are recognised to cover incurred and reported insurance claims. They are valued using the technical basis used for risk pricing. Their valuation covers estimated claims handling costs. Late reported claims are valued either using a fixed rate where the claims history is not adequate, or using triangulation methods.

The increasing risk reserve is related to accident and health risks. It is recorded for contracts with constant regular premium and for which the risk increases with the age of the insured.

Other technical reserves

Equalization reserve

Groups providing creditors insurance are exposed to certain events that occur rarely but which can have a significant effect in terms of costs (catastrophes, macroeconomic shocks, changes in behaviour, pandemics, etc.). For these contracts, an equalisation reserve may be recorded in accordance with §30013 of CRC regulation n°2000-05. It is intended to cover the risk evolution over time for those created by the production structure and which have a low frequency of occurrence and high unit costs.

Capitalization reserve

A capitalization reserve is set up in individual statutory accounts of French life-insurance companies on the sale of amortizable securities in order to defer part of the net realized gain and hence maintain the yield to maturity on the portfolio of admissible assets. In the consolidated financial statements, this reserve is reclassified into “Policyholders’ surplus” on the liabilities side of the consolidated balance sheet, to the extent that it is highly probable it will be used.

Capital losses on future assets sales reserve

This reserve is eliminated in consolidated financial statements. The restatement is balanced by corresponding adjustments to the deferred profit sharing reserve where changes in capital losses on future assets sales reserve in individual accounts are taken into account for the determination of such participation benefit.

Reinsurance

Elements received from ceding companies are immediately booked. Accounts not received are estimated at 30 June 2016 and are booked as receivables and debts arising from reinsurance transactions. Where a loss arising on assumed reinsurance operations is known, a provision is set aside for the expected loss.

Elements ceded (premiums, claims, technical reserves) are determined depending on the reinsurance treaties using the same accounting and valuation rules applied to gross elements.

Provisions for risks and charges

Provisions for risks and charges recognised the liabilities resulting from an obligation that is probable or certain at the closing date but which timing or amount has not been precisely determined.

Employees benefits

Under various agreements, the BNP PARIBAS CARDIF Group is committed to pay to its employees:

- Long-term benefits, including compensated absences and long-service awards; The actuarial techniques used are similar to those used for defined benefit post-employment benefits, the revaluation items are recognised immediately in profit and loss account.
- Post-employment benefits which consisted primarily of retirement bonuses: in accordance with the ANC recommendation n°2013-02, retirement benefits are considered as defined-benefit scheme, representing a commitment for the company, which must be valued and funded.

Post-employment benefits obligations under defined benefit plans are reviewed on a yearly basis. The corresponding liability is adjusted to reflect the change in the net present value of the obligations, so as to ensure that they are fully provided for. It is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This valuation takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets. The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This valuation method takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The annual expense with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability/asset, the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of net defined-benefit liability are recognised directly in profit and loss account. They include actuarial gains and losses, the return on plan assets and any changes in the effect of asset ceiling (excluding amounts included in net interest on the defined-benefit liability/asset).

Current and deferred taxes

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused carry forwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

BNP Paribas Cardif S.A. and French subsidiaries in which it holds a stake of more than 95% are eligible to be members of the tax group created around BNP Paribas S.A. In accordance with the terms of the tax consolidation agreement, companies within the tax subsidiaries recognise in their profit and loss an expense equal to the tax that they would have paid were there no tax group.

Overheads segmental analysis

Overheads for companies in the “Other Businesses” segment are recognised by nature of expenses, whilst those for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised by intended use: technical expenses, non-technical expenses and exceptional expenses.

In principle, expenses in the “Non-life Insurance” and “Life Insurance” segments are technical expenses. Expenses incurred for activities without a technical relationship with insurance activities are recognised as non-technical expenses. Transactions which by their nature are non-recurring and outside the scope of standard operations are recognised as exceptional expenses. Recognition of expenses by their intended use is carried out individually for expenses that can be directly allocated to one category. Where an expense item has more than one intended use or cannot be directly allocated, it is split between categories using an allocation keys.

The allocation of expenses to their intended use is carried out by the so called uniform sections method, which consists of analysing each consolidated company by cost centres which are allocated to the various intended use.

Segment on net investment income

Investment income and expenses for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised in the non-life insurance technical account or the life insurance technical account respectively.

The financial margin contractually charged by insurers under unit-linked contracts is reclassified as financial income due to its nature.

2.b.4. Earnings per share

Calculation methods for earnings per share and diluted earnings per share are based on the Ordre des Experts-Comptables advisory note 27. Earnings per share are calculated by dividing the net income for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. Calculation of diluted earnings per share is similar to that of earnings per share with the difference that net income for the year (Group share) of the parent and the weighted average number of shares outstanding are adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares.

At the date of closing, there are no dilutive equity instruments into ordinary shares.

Note 3 CONSOLIDATION SCOPE

3.a. List of companies consolidated

The 47 companies consolidated at 31 December 2016 (28 fully consolidated, 3 proportionally consolidated, 16 consolidated using the equity method) were as follow :

Companies consolidated under the equity method	Country	% of interest 2015.12	Change in scope	% of interest 2016.12	% of control 2016.12	Consolidation method
INSURANCE						
Life Insurance						
. Assuvie	France	50,0		50,0	50,0	Equity (*)
. BNP Paribas Cardif Levensverzekeringen NV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif LivForsakring AB	Sweden	100,0		100,0	100,0	Equity (*)
. Cardif Lux Vie	Luxembourg	33,3		33,3	33,3	Equity
. Cardif Mexico Seguros de Vida SA	Mexico	100,0		100,0	100,0	Equity (*)
. BNPP Cardif Seguros de Vida SA	Chile	100,0		100,0	100,0	Fully consolidated
. SBI Life Insurance Company Ltd	India	26,0		26,0	26,0	Equity
. SCI Odyssée	France	100,0		100,0	100,0	Fully consolidated
. Groupe Capital France Hotel	France	-	(4)	98,7	98,7	Fully consolidated
Non Life Insurance						
. Cardif Biztosito Zrt	Hungary	100,0	(1)			
. Cardif Assurance Risques Divers SA	France	100,0		100,0	100,0	Fully consolidated
. Cardif Colombia Seguros Generales SA	Colombia	100,0		100,0	100,0	Fully consolidated
. Cardif Forsakring	Sweden	100,0		100,0	100,0	Equity (*)
. LLC Insurance Company Cardif	Russia	100,0		100,0	100,0	Fully consolidated
. Cardif Mexico Seguros Generales SA	Mexico	100,0		100,0	100,0	Equity (*)
. BNPP Cardif Schadeverzekeringen NV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif do Brasil Seguros e Garantias SA	Brazil	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Seguros Generales	Chile	100,0		100,0	100,0	Fully consolidated
. Luizaseg	Brazil	50,0		50,0	50,0	Proportional
. Natio Assurance	France	50,0		50,0	50,0	Proportional
. Icare Assurance SA	France	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif General Insurance Co Ltd	Korea	77,5	(2)	79,6	79,6	Equity (*)
. CARGEAS Assicurazioni S.p.A	Italy	50,0		50,0	50,0	Equity
. Cardif EL Djazair	Algeria	100,0		100,0	100,0	Equity (*)
. Cardif Cardif Osiguranje	Croatia	100,0		100,0	100,0	Equity (*)

The percentage of voting indicates the Group's direct and indirect holding in the company concerned.

(1) Companies removed from the scope without sale from January 1st 2016 because under qualifying thresholds

(2) Capital Increase: accretion

(*)Fully controlled companies consolidated through simplified consolidation by the equity method

(4) Incoming entities

Companies consolidated under the equity method	Country	% of interest 2015.12	Change in scope	% of interest 2016.12	% of control 2016.12	Consolidation method
Mixed Insurance (Life & Non life)						
. BNPPA Cardif TCB Life Insurance Company Ltd	Taiwan	49,0		49,0	49,0	Equity (*)
. Cardif Seguros	Argentina	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Vita Assicurazioni S.p.A	Italia	100,0		100,0	100,0	Fully consolidated
. Cardif Assurance Vie SA	France	100,0		100,0	100,0	Fully consolidated
. Cardif Do Brasil Vida e Previdencia S.A	Brazil	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Pojisťovna	Czech Republic	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Emeklilik A.S	Turkey	100,0		100,0	100,0	Fully consolidated
. Pinnacle Insurance PLC	United Kingdom	100,0		100,0	100,0	Fully consolidated
. Poistovna Cardif Slovakia	Slovakia	100,0		100,0	100,0	Equity (*)
. Cardif Polska	Poland	100,0	(3)	100,0	100,0	Equity (*)
. BNPP Cardif Life Insurance Co.	Korea	85,0		85,0	85,0	Fully consolidated
. BoB Cardif Life Insurance Company	China	50,0		50,0	50,0	Proportional
OTHER ACTIVITES						
. Pocztylion PTE SA	Poland	33,3	(1)			
. BNP Paribas Cardif Servicios y Asistencia	Chile	100,0		100,0	100,0	Equity (*)
. BNPP PSC Limited	United Kingdom	100,0	(1)			
. GIE BNP Paribas Cardif	France	98,5		98,5	98,5	Fully consolidated
. Cardif I Services	France	100,0	(3)	100,0	100,0	Equity (*)
. Cardif Services	France	100,0	(1)			
. Cardif Pinnacle Insurance Management Services	United Kingdom	100,0		100,0	100,0	Fully consolidated
HOLDINGS						
. BNP Paribas Cardif SA	France	100,0		100,0	100,0	Consolidating company
. BNPP Cardif BV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif Nordic AB	Sweden	100,0		100,0	100,0	Fully consolidated
. CB (UK) - Fond 'C'	United Kingdom	100,0		100,0	100,0	Fully consolidated
. NCVP Participacoes SA	Brazil	100,0		100,0	100,0	Fully consolidated
. Cardif Pinnacle Insurance Holdings PLC	United Kingdom	100,0		100,0	100,0	Fully consolidated
. Icare Holding SA	France	100,0		100,0	100,0	Fully consolidated

The percentage of voting indicates the Group's direct and indirect holding in the company concerned.

(1) Companies removed from the scope without sale from January 1st 2016 because under qualifying thresholds

(3) Change in consolidation method from fully consolidated to equity method due to the increase in consolidation thresholds

(*)Fully controlled companies consolidated through simplified consolidation by the equity method

3.b. Main changes

The BNP Paribas Cardif Group made the following changes to the scope of consolidation as at December 31, 2016:

Companies that no longer comply with group thresholds

Cardif Services (France), BNNP PSC Ltd (United Kingdom), Cardif Biztosito Magyarorszag (Hungary) and Pocztylion Arka Powszechne (Poland) were previously consolidated but no longer comply with the qualifying thresholds of the consolidation method corresponding to the control BNPP Cardif has over them. After an analysis of the business prospects of these activities, they have been deconsolidated.

The impact of deconsolidation is a loss of 1 million euros, booked in ‘Exceptional result’.

Changes in consolidation method

Cardif I-Services (France) is a service company with an IT platform developed with BNP Paribas Personal Finance. The perspective of discontinuing the activity and the platform which has been totally impaired over the past years, lead to a change in consolidation method for this entity, from “fully consolidated” to “equity method”.

Cardif Polska Life (Poland) is specialised in savings, protection and pension fund products. It relies mainly on retail banking networks and partnerships to develop its business. Its jeopardised growth perspectives, mainly due to the loss of local business partners, has led to a change from “fully consolidated” to “equity method”, with the application of the new consolidation thresholds. The impact if this change is presented in the note « 1.b- Highlights »

Capital Increase: accretion

In March 2016, the capital of BNP Paribas Cardif General Insurance Co Ltd (Korea) was increased for a total amount of 12 million euros.

This capital increase has been unequally subscribed by shareholders, BNP Paribas Cardif subscribing on behalf of a non-group minority shareholder (12.49%). The Group percentage of interest was increased from 77.51% to 79.61%.

According to CRC regulation 99-02 § 29, this capital increase is accounted for as a partial acquisition, and gives rise to a goodwill of 1.3 million euros to be amortised over 2 years.

Incoming entities: Capital France Hôtel Group

The Capital France Hotel Group is a holding company with nine subsidiaries holding hotels; it constitutes a real estate investment for Cardif Assurance Vie. The Group was set up in 2007 based on a partnership between Cardif Assurance Vie and General Electric. In June 2016, Cardif Assurance Vie increased its participation and took over the group.

The consolidated balance sheet at the date of acquisition amounted to 231 million euros. The group is fully consolidated in BNP Paribas Cardif accounts since the 1st of July 2016.

It should be noted that the Capital France Hotel group purchased a hotel located at Paris Bercy in July 2016.

NOTES TO BALANCE SHEET, TABLE OF COMMITMENTS GIVEN AND RECEIVED AND INCOME STATEMENT

Note 4 BALANCE SHEET ASSETS

4.a. Goodwill

	31 December 2016			31 December 2015		
	Gross Value	Amortization and impairment	Net Value	Gross Value	Amortization and impairment	Net Value
Cardif lux vie (Luxembourg)	3,8	(1,3)	2,5	3,8	(1,1)	2,7
BNPP Cardif vita Assicurazioni S.p.A (Italie)	140,5	(36,6)	103,9	140,5	(29,6)	110,9
CARGEAS Assicurazioni S.p.A (Italie)	44,7	(31,5)	13,2	44,7	(26,9)	17,8
Groupe Icare (France)	38,7	(7,7)	31,0	38,7	(3,9)	34,8
Groupe Capital France Hotel (France)	4,4	-	4,4	-	-	-
BNPP Cardif General Insurane Co (Corée)	1,3	(0,6)	0,7	-	-	-
BoB Cardif Life Insurance Company (Chine)	8,9	(0,9)	8,0	8,9	(0,4)	8,5
TOTAL	242,3	(78,6)	163,7	236,6	(61,9)	174,7

4.b. Intangible assets

	31 December 2016			31 December 2015		
	Gross Value	Amortization and impairment	Net Value	Gross Value	Amortization and impairment	Net Value
Value of business in force	306,0	(303,8)	2,1	307,6	(264,3)	43,3
Purchased and internally developped software	466,2	(347,6)	118,6	452,4	(330,0)	122,4
Other intangible assets	173,5	(62,2)	111,2	200,5	(75,4)	125,1
TOTAL	945,6	(713,7)	231,9	960,5	(669,7)	290,8

The change in the heading “Value of business in force” between 2015 and 2016 was mainly due to the amortization of the value of the business force of BNP Paribas Cardif Vita Assicurazioni S.p.A (Italia) for an amount of EUR 42 million.

4.c. Insurance company investments

	31 December 2016				31 December 2015		
	Gross value	Impairment	Net value	Realisable value	Gross value	Net value	Realisable value
Real estate investments	6 146,3	(437,6)	5 708,8	6 883,8	5 453,7	5 032,1	6 304,4
Equities and variable income securities	6 552,6	(182,9)	6 369,7	7 409,4	5 755,3	5 609,2	6 435,7
Shares in equities UCITS	10 400,6	(159,1)	10 241,5	12 847,0	10 091,4	10 091,4	12 206,4
Bonds and other fixed-income securities	99 357,6	(84,6)	99 273,1	113 176,5	96 813,1	96 755,6	110 156,2
Shares in bonds UCITS	8 022,9	-	8 022,9	8 745,7	7 423,1	7 423,1	7 886,3
Other investments	1 815,8	-	1 815,8	1 753,1	1 745,9	1 745,9	1 762,5
Total investments	132 295,9	(864,1)	131 431,7	150 815,3	127 282,5	126 657,3	144 751,5
Total listed investments	120 109,0	(413,8)	119 695,2	137 576,2	115 457,7	115 277,9	131 732,7
Total non listed investments	12 186,8	(450,3)	11 736,5	13 239,2	11 824,8	11 379,3	13 018,8
Life insurance investments	127 869,3	(835,2)	127 034,0	145 769,0	123 167,5	122 562,5	140 071,9
Non-life insurance investments	4 426,6	(28,9)	4 397,7	5 046,3	4 115,0	4 094,7	4 679,7

Real estate investments include leaseholds rights held by the Capital France Hotel Group, acquired in 2016 and consolidated for the first as at 31 of December 2016, for an estimated value of 152 million euros.

4.d. Investments backing unit-linked contracts

	31 December 2016	31 December 2015
	Net value	Net value
Real estate investments	2 114,1	1 374,7
Equities and variable income securities	7 155,7	6 423,0
Bonds and other fixed-income securities	2 350,2	2 031,7
Shares in bonds UCITS	2 715,1	2 969,7
Other UCITS	27 596,8	25 982,0
TOTAL	41 931,9	38 781,2

4.e. Investments from other companies

	31 December 2016			31 December 2015		
	Gross value	Impairment	Carrying Value	Gross value	Impairment	Carrying Value
Land and buildings	3,8	(0,3)	3,5	4,5	(0,3)	4,2
Investments in companies EL / LP	265,7	(89,9)	175,8	233,9	(77,4)	156,5
Other Investments	61,6		61,6	80,4	(0,1)	80,3
TOTAL	331,1	(90,2)	240,9	318,8	(77,8)	241,0

As at 31 December 2016, impairment of participating interests amount to 72.5 million euros for BNP Paribas Cardif SA (32.6 million euros as at 31 December 2015) and to 17.4 million euros for Cardif Pinnacle Insurance Holdings PLC (44.8 million euros as at 31 December 2015)

4.f. Investments in associates – Equity method

Table below shows the proportion in “share of equity” and “share of income” either the entities are under significant influence or controlled one but consolidated by equity method as simplified method.

	31 December 2016		31 December 2015	
	Share of equity	of which share of own funds	Share of equity	of which share of own funds
Europe	273,0	247,1	244,5	218,9
America	32,7	38,1	43,9	54,1
Asia	331,2	296,9	282,1	248,1
Africa	11,6	9,6	10,5	8,7
TOTAL	648,5	591,7	581,0	529,8

In Europe, the variation in shareholders equity is explained by the change in the consolidation method of Cardif I-Services and Polska Life that are consolidated by equity method, by the deconsolidation of Cardif Services, Cardif Biztosito Magyarorszag and Pocztylion Arka Powszechne, and by the capital increase in Cardif Nordic AB for a total amount of 32 million euros.

In America, the variation in shareholders equity is explained by the result of the Mexican entities (decrease by 5.4 million euros) and by unfavorable conversion adjustments in Mexico.

In Asia, the variation in shareholders equity is mainly explained by the result of the year for 34 million euros, the transfer to the reserves of most of the 2015 results, and the increase in capital of BNP Cardif General Insurance for 11 million euros.

Table below shows the proportion in “share of equity” and “share of income” either the entities are under significant influence or controlled one but consolidated by equity method as simplified method.

	31 December 2016		31 December 2015	
	Share in equity	Share in shareholders' equity (excluding earnings)	Share in equity	Share in shareholders' equity (excluding earnings)
Equity method for significant influence	434,5	384,1	392,4	338,6
Equity consolidation by simplified consolidation	214,0	207,6	188,5	191,0
TOTAL	648,5	591,7	580,9	529,6

4.g. Receivables arising from outward reinsurance operations

	31 December 2016		31 December 2015	
Life technical reserves		2 008,6		2 007,6
- Life Technical reserves	1 891,8		1 891,3	
- Claim reserves	112,6		112,7	
- Other Technical reserves	4,2		3,6	
Reserves relating to unit-linked contracts		476,1		523,5
Total Life Insurance		2 484,7		2 531,1
Non-Life technical reserves				
- Provisions for unearned premiums	320,2		325,3	
- Claim reserves	217,8		191,1	
- Other Technical reserves	4,8		5,9	
Total Non-Life Insurance		542,7		522,3
TOTAL		3 027,4		3 053,3

4.h. Receivables from direct Insurance or reinsurance

	31 December 2016			31 December 2015		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Premiums earned not yet written	20,1	-	20,1	58,6	-	58,6
Other receivables	814,1	(3,4)	810,7	876,0	(4,1)	871,9
Receivables from reinsurance	201,8	-	201,8	185,3	-	185,3
TOTAL	1 035,9	(3,4)	1 032,5	1 119,9	(4,1)	1 115,8

Receivables arising from insurance or reinsurance transactions are due in less than one year.

Other receivables include notably a policyholders' loss reserve at BNPP Cardif Vita Assicurazioni S.p.A for EUR 126 million (EUR 152 million on 31 December 2015).

In accordance with accounting policies, this amount will be reversed in line with disposals and redemptions of the securities which gave rise to this valuation difference in 2011. This heading also includes receivables from policyholders for EUR 257 million and from insurance intermediaries for EUR 317 million. Receivables arising from reinsurance transactions represent mainly cedants' current accounts.

4.i. Receivables from entities in the banking sector

	31 December 2016			31 December 2015		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance companies – bank cash	818,0	(0,3)	817,7	1 234,6	(0,6)	1 234,0
Other companies – bank cash	112,5	-	112,5	83,6	-	83,6
TOTAL	930,6	(0,3)	930,2	1 318,2	(0,6)	1 317,6

Receivables from entities in the banking sector are due in less than one year.

4.j. Other receivables

	31 December 2016			31 December 2015		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance company						
- Tax and social security receivables	1 281,6		1 281,6	973,7	-	973,7
- Other receivables	860,3	(0,8)	859,6	693,7	(0,6)	693,1
Total insurance company receivables	**2 141,9**	**(0,8)**	**2 141,2**	**1 667,4**	**(0,6)**	**1 666,8**
Other companies						
- Tax and social security receivables	6,7		6,7	6,6	-	6,6
- Other receivables	69,3	(0,8)	68,5	68,3	(0,7)	67,5
Total other company receivables	**76,1**	**(0,8)**	**75,2**	**74,8**	**(0,7)**	**74,1**
TOTAL	2 218,0	(1,6)	2 216,4	1 742,2	(1,3)	1 740,9

Tax and social security receivables include deferred tax assets of EUR 657.3 million, the BNP Paribas current account relating to tax consolidation for EUR 136.8 million and the other taxes to recover for 473 million euros.

Third party accounts are recognised as assets or liabilities depending on their net debtor or creditor position.

4.k. Other assets

	31 December 2016			31 December 2015		
Property, plant and equipment	Gross value	Amortization and impairment	Net value	Gross value	Amortization and impairment	Net value
Office equipment	32,0	(23,0)	8,9	30,7	(21,5)	9,2
Fixtures and fittings	13,1	(8,0)	5,2	12,9	(7,4)	5,4
Other	20,0	(13,3)	6,7	20,9	(12,5)	8,4
TOTAL	65,1	(44,3)	20,8	64,5	(41,5)	23,0

4.l. Accrued income and other assets

	31 December 2016			31 December 2015		
	Life	Non-life	Total	Life	Non-life	Total
Deferred acquisition costs	177,6	1 335,8	1 513,4	183,9	1 187,1	1 370,9

Acquisition costs for creditors insurance CPI (Creditor Protection Insurance) sold in Italy, Germany, Chile, Russia and Brazil represent the bulk of the amounts carried on the balance sheet, as well as the increase from 2015. They are calculated in manner consistent with the calculation of provision for unearned premiums

Other adjustment accounts broke down as follows:

	31 December 2016	31 December 2015
Insurance companies		
- accrued interest and rent	1 802,4	1 813,3
- Other	395,1	222,7
Other companies	7,2	8,0
TOTAL	2 204,7	2 044,1

Note 5 BALANCE SHEET LIABILITES

5.a. Statement of changes in shareholders' equity

	Share capital	Share premiums	Consolidated reserves	Interim dividend	Retained earnings	Total shareholders' equity
Position at 31 December 2014	150,0	3 340,5	24,3		405,3	3 920,1
Changes in 2015:						
- Appropriation of net income for 2014			405,3		(405,3)	
- Net income for 2015					391,4	391,4
- Change in capital						
- dividend payment			(231,8)			(231,8)
- Exchange rates			(20,5)			(20,5)
- Repayment of Share premiums		(352,2)	-			(352,2)
- Others			-			-
Position at 31 December 2015	150,0	2 988,3	177,3	-	391,4	3 707,0
Changes in 2016:						
- Appropriation of net income for 2015			391,4		(391,4)	
- Net income for 2016					438,1	438,1
- Change in capital						
- dividend payment			(250,6)			(250,6)
- Payment of the interim dividend				(849,8)		(849,8)
- Exchange rates			20,5			20,5
- Repayment of Share premiums						
- Others						
Position at 31 December 2016	150,0	2 988,3	338,7	(849,8)	438,1	3 065,3

As part of its capital management policy, BNP Paribas Cardif distributed a 850 million euros interim dividend was distributed in December 2016, drawn from its operating result.

5.b. Subordinated debts

Subordinated debts issued by Group entities have the following characteristics:

Type	Issuer	Subscriber	Issue date	Maturity	31 December 2016
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004		125,0
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004		32,0
PSLN	BNP Paribas Cardif SA	Externe	25/11/2014		1 000,0
PSLN	BNP Paribas Cardif SA	BNP Paribas SA	30/03/2012		710,0
RSLN	Cardif Assurance Vie	BNP Paribas SA	18/12/2015	18/12/2025	182,0
RSLN	Cardif Assurance Vie	BNP Paribas SA	27/09/2016	27/09/2026	650,0
RSLN	Cardif Assurance risques divers	BNP Paribas SA	28/06/2016	28/06/2026	200,0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	23/12/2011	23/12/2021	753,0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	17/12/2012	17/12/2022	277,0
Subordinated debts issued by insurance companies					1 189,0
Subordinated debts issued by BNP Paribas Cardif S.A.					2 740,0
Accrued interest					5,4
TOTAL SUBORDINATED DEBTS					3 934,4

Perpetual Subordinated Loans

The two Perpetual Subordinated Loans issued by Cardif Assurance Vie SA for the amount of 157 million euros and the Perpetual Subordinated Loan Note issued by BNP Paribas Cardif SA for 710 million euros were subject to amendments in 2014. From December 2019 (5 years after the signature of the amendments), these loans and notes can be redeemable at par value.

Redeemable Subordinate Loans

The two Redeemable Subordinated Loan Notes (RSLN) issued by BNP Paribas Cardif S.A. for a total nominal value of 1,030 million euros are redeemable at par for their total amount after 5 years or at maturity date. The RSLN of 277 million euros can nevertheless be replaced by any debt of same characteristics and same nominal value within the first 5 years. The RSLN of 753 million euros is partially or totally redeemable at par within the first 5 years.

These notes can also be redeemable at par at any time in case of regulatory changes or new circumstances that were unpredictable

The 1 billion euro PSLN issued by BNP Paribas Cardif S.A. on the Luxembourg market can be early repaid at nominal value after 11 years. It is also redeemable at any time in case of regulatory changes or new circumstances that were unpredictable.

Redemption of the PSLN and RSLN in the event of liquidation of the company will be subordinated to full repayment of all preferred and unsecured creditors.

In June 2016, as part of its capital management policy, Cardif Assurances Risques Divers issued a 200 million euros RSLN, subscribed by BNP Paribas S.A. This RSLN is redeemable at par from 28 June 2021, after regulator agreement and information to the subscriber. It is also redeemable in case of regulatory, tax or accounting changes.

As part of its capital management policy, Cardif Assurance Vie has issued a subordinated debt security for 650 million euros, subscribed by BNP Paribas SA. This subordinated debt security can be optionally redeemed at par after agreement from the regulator and information of the underwriters, starting from 27/09/2021, or for changes in regulation or accounting rules.

5.c. Technical reserves

	31 December 2016		31 December 2015	
Life Technical reserves:		115 258,2		111 553,1
- Life Technical reserves	108 800,7		105 807,4	
- Claim reserves	1 623,1		1 499,7	
- Participation benefit and Other Technical reserves	4 834,4		4 245,9	
Non Life Technical reserves:		3 990,1		3 726,9
- Provisions for unearned premiums	2 543,0		2 357,5	
- Claim reserves	1 273,3		1 197,6	
- Provisions for unexpired risks	25,3		19,4	
- Participation benefit and Other Technical reserves	148,4		152,4	
TOTAL		119 248,2		115 280,0

Policyholders' benefit reserve breaks down as follows:

	31 December 2016		31 December 2015	
Participation due		245,2		225,9
Deferred participation				
- Unconditional :		3 108,8		2 472,6
- Conditional :		1 341,4		1 351,3
- relating to the elimination of the capitalisation reserve	1 338,1		1 372,6	
- relating to changes in the mortality table	(4,5)		(6,8)	
TOTAL		4 695,4		4 049,8

The deferred policyholder assets have been recognised in accordance with the CNC release dated on January 10th, 2007 regarding the accounting treatment of the effects of changes in the mortality table for annuities.

The analysis of the likelihood that the capitalisation reserve will be used has led to demonstrate that the amount booked in the balance sheet as at 1st January 2016 represents a sufficient protection against the probability of these bond results being distributed. As a consequence, starting from 1st of January 2016, the deferred policyholder's participation reserve will no longer be incremented when capital gains on bonds are realized. However, it will still be written back when capital losses are realized up to 90% of the unrealized losses booked in the statutory accounts. The impact of this change in approach is a profit of 253 million euros, gross of tax.

5.d. Provisions for risks and charges

	31 December 2016	31 December 2015
Provisions for risks	149,3	98,3
Provision for "Employee benefits"	52,4	41,3
Income taxe provision	79,1	72,6
TOTAL	280,8	212,2

Tax provisions correspond to deferred tax liabilities for EURO 67.8 million.

5.e. Debts arising out of direct insurance or reinsurance

	31 December 2016		31 December 2015	
Debts from direct insurance		1 232,7		1 336,1
- Policy holders	246,6		232,0	
- Other debts	986,1		1 104,1	
Debts from reinsurance		1 847,3		1 890,7
- cash deposits from reinsurers	1 752,2		1 737,5	
- other debts	95,1		153,3	
TOTAL		3 080,0		3 226,8

Debts from direct insurance or reinsurance transactions are due in less than one year.

5.f. Liabilities due to banking sector companies

	31 December 2016		31 December 2015	
Insurance companies		8 929,3		8 325,5
- Financing debt	298,7		153,2	
- Loans	760,2		506,6	
- Repurchase agreements	7 870,4		7 665,6	
Other companies		2 309,8		2 098,4
- Financing debt	-		8,7	
- Loans	2 309,8		2 089,8	
TOTAL		11 239,1		10 423,9

Debts to credit institutions fall due in less than one year.

5.g. Other debts

	31 December 2016		31 December 2015	
Insurance companies		1 493,8		1 211,3
- Employee profit sharing	3,3		2,4	
- Staff	14,5		12,3	
- State	238,8		205,3	
- income Tax due	86,6		136,9	
- Other creditors and miscellaneous liabilities	1 150,6		854,4	
Other companies		334,0		391,6
- Staff	29,3		33,1	
- State	7,6		11,0	
- income Tax due	0,4		0,6	
- Other creditors and miscellaneous liabilities	296,7		346,9	
TOTAL		1 827,8		1 602,9

Other debts fall due in less than one year.

5.h. Accrued expenses and other liabilities

	31 December 2016		31 December 2015	
Insurance companies		337,7		381,9
- Deffered income	2,4		2,8	
- Other	335,3		379,1	
Other companies		29,4		15,8
- Deffered income	18,5		14,0	
- Other	10,9		1,8	
TOTAL		367,1		397,7

Liability adjustment account for insurance companies concern mainly the carrying of commissions received from reinsurers for a total of Euro 1774.9 million and settlement account on equity for Euro 38.9 million as of December 31th 2016.

Note 6 COMMITMENTS GIVEN AND RECEIVED

6.a. Commitments given and received in the Insurance segment and other businesses

	31 December 2016		31 December 2015	
Commitments received		789,9		810,4
- Securities received as collateral from reinsurers	584,6		605,4	
- Other commitments received	205,3		205,0	
Commitments given		1 018,1		1 106,6
- Endorsements, deposits and guarantees given	18,3		21,9	
- Other commitments given	999,7		1 084,7	

The consolidated table of commitments given and received does not include:

- Commitments given to and received from internal investment funds, owned by certain foreign insurance companies, to the extent that they match the valuation of unit-linked policies, for which the internal funds in question serve as investment vehicles. Their effects are therefore recognised in the consolidated balance sheet and income statement.

- Commitments given and received relating to the activities of BNP Paribas Cardif Emeklilik as an intermediary for pension fund products. Such commitments totalled approximately EURO 543 million as at December 31th, 2016.

6.b. Commitments given and received on financial instruments

Taking all business segments together, commitments given and received on financial instruments were as follows:

Commitments received	31 December 2016	31 December 2015
- Forward foreign Exchange transactions	3 097,6	3 446,1
- Currency swap contracts	474,7	129,6
- CAP contracts	11 300,0	11 300,0
- Discount remaining to be amortised	23,1	53,6
- Other commitments received on financial instruments	6 106,4	334,6
TOTAL	21 001,7	15 263,9

Commitments given	31 December 2016	31 December 2015
- Forward foreign Exchange transactions	3 061,0	1 949,7
- Currency swap contracts	329,0	104,7
- Other commitments given on financial instruments	135,0	883,7
TOTAL	3 525,1	2 938,1

Forward foreign exchange transactions concern the hedging of net foreign currency investments of foreign subsidiaries and branches whose functional currency is not the euro. These investments are hedge by a foreign currency loan recognised in the balance sheet:

- Undertakings given correspond to the foreign currency to be delivered in the investment currency converted into euros.
- Undertakings received correspond to the foreign currency to be received in the hedging currency converted into euros.

Interest rate swaps held by Cardif Assurance Vie are Cross Currency Swaps and Swap Forward.

- Cross currency swaps hedge USD exposure for the General Fund of Cardif Assurance Vie.
- For the Swap Forward, the lending portion is recorded in “Commitments received” and the borrowing portion is recorded as “commitments given”.

Other undertakings given and received by Cardif Assurance Vie mainly comprise an Equity Swap, Bond Forward contracts booked as “commitments received” and Futures contracts booked as “commitments given”. For the Equity Swap, the equity payer portion is recorded in “Commitments given” and the fixed rate receiver portion is recorded as “commitments received”.

Finally, commitments received relating to disinvestment hedging strategy include CAP contracts for a total amount of 11.3 billion euros and a Swaption recorder in “other commitments” for a total amount of 6 billion euros. The potential disinvestment risk, partially hedged by these derivatives, is mainly linked to the risk of surrenders by policyholders in case of an increase of interest rates.

All this derivatives are used as part of yield hedging strategies except for Bond Forward which are used in a future investment hedging strategy.

Note 7 INCOME STATEMENT

7.a. Net financial income

	Year to 31 Dec. 2016				Year to 31 Dec. 2015
	Non-life	Life	Other activities	Total	Total
Yield on investments	130,9	4 259,6	5,4	4 395,9	4 553,6
Other investment income	10,6	632,9	30,9	674,4	457,6
Realised gains	36,9	1 037,4	2,5	1 076,8	1 365,1
Unit-linked adjustments (unrealised gains) on unit-linked contracts	-	1 752,7	61,6	1 814,3	2 512,2
Investment internal and external handling expenses and interests paid	(11,0)	(526,7)	(151,7)	(689,4)	(431,1)
Other investment expenses	(11,6)	(785,5)	(9,8)	(806,9)	(484,4)
Realised losses	(16,6)	(400,0)	(69,2)	(485,8)	(444,6)
Unit-linked adjustments (unrealised losses) on unit-linked contracts	-	(1 034,1)	-	(1 034,1)	(1 535,5)
NET INVESTMENT INCOME	139,2	4 936,4	(130,3)	4 945,3	5 992,9

7.b. Management income

The Group's general resources are, for French entities, managed by the BNP Paribas Cardif Economic Interest Group (EIG) which invoices its services to Group entities in proportion of use. This internal allocation is eliminated in the presentation of management costs by their intended use.

	Year to 31 Dec. 2016				Year to 31 Dec. 2015
	Non Life Insurance	Life Insurance	Other businesses	Total	Total
External fees and services	(88,8)	(102,5)	(344,5)	(535,8)	(501,8)
Commissions and deferred commissions	(1 405,9)	(1 942,8)	(17,0)	(3 365,8)	(3 500,2)
Taxes and duties	(34,2)	(47,4)	(39,6)	(121,2)	(110,5)
Staff costs	(91,2)	(126,8)	(290,7)	(508,7)	(514,4)
Other income and expense	27,7	99,2	229,1	356,1	246,6
Amortisation, depreciation and impairment	(26,8)	(101,5)	(59,7)	(188,0)	(184,6)
Reversals of provisions	6,7	13,9	12,3	32,9	44,4
Management expenses by nature	**(1 612,5)**	**(2 207,9)**	**(510,1)**	**(4 330,5)**	**(4 520,5)**
Internal eliminations and other reclassification	(123,0)	(386,5)	509,5	-	0,2
TOTAL MANAGEMENT EXPENSES	(1 735,5)	(2 594,4)	(0,6)	(4 330,5)	(4 520,2)

7.c. Share in earning of associates

	Year to 31 Dec. 2016	Year to 31 Dec. 2015
	Including share in earnings for the year	Including share in earnings for the year
Europe	25,9	25,6
America	(5,4)	(10,2)
Asia	34,2	34
Africa	2,1	1,8
TOTAL	56,8	51,2

	Year to 31 Dec. 2016	Year to 31 Dec. 2015
	Including share in earnings for the year	Including share in earnings for the year
Equity method for significant influence	50,4	53,8
Equity consolidation by simplified consolidation	6,4	(2,5)
TOTAL	56,8	51,2

7.d. Exceptional result

	Year to 31 Dec. 2016	Year to 31 Dec. 2015
Income from sales of equity securities	(0,1)	16,0
Provisions for impairment of securities in the United Kingdom	(2,3)	(13,2)
Other income and expense	(0,2)	(11,6)
TOTAL	(2,6)	(8,8)

In 2015, the income on the sale of participating interests relates to the realized gains on the sale of the Taiwanese subsidiaries TCLA and TCIB for 14.7 million euros. The other cost mainly relates to the reposition expenses of the UK activities.

7.e. Corporate income tax

The analysis of the tax charge between deferred tax and tax due was as follows:

	Year to 31 Dec. 2016	Year to 31 Dec. 2015
- Taxes due	(423,2)	(558,8)
- Deferred taxes	35,6	167,3
TOTAL	(387,6)	(391,4)

The reconciliation of the total tax charge recognised and the theoretical tax charge, calculated by applying the tax rate applicable to BNP Paribas Cardif to income before tax, is as follows:

Reconciliation of the effective tax expense at 31 December 2016	Base	Tax
Corporate tax expense on pre-tax income at standard tax rate in France	778,8	(268,2)
Impact of differently taxed foreign profits	418,0	21,2
Other items		23,4
Other effects		(54,7)
Impact of previously unrecognised deffered taxes (tax losses and temporary differences)	299,3	(81,8)
Impact of permanent differences	82,6	(27,6)
TAX		**(387,7)**

The analysis of deferred tax assets and liabilities is as follows:

	Year to 31 Dec. 2016		Year to 31 Dec. 2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences	657,3	67,8	614,0	61,5
Non-capitalised temporary differences	406,6		434,4	-

Temporary differences include deferred tax on tax loss carryfowards which stood at 16.3 million euros at December 31th, 2016 and 16.4 million euros at December 31th, 2015.

7.f. Statutory auditors' fees

The fees paid by the fully consolidated entities within BNP Paribas Cardif consolidation scope as at 31 December 2016 are detailed as follows:

	Year to 31 Dec.2016				Year to 31 Dec.2015			
	Deloitte	Pricewaterhouse-Coopers	Mazars	Total	Deloitte	Pricewaterhouse-Coopers	Mazars	Total
Audit (Certification of accounts)	1,8	1,1	0,0	2,9	1,4	1,4	0,0	2,8
Other services	0,3	0,0	0,0	0,3	0,1	0,0	0,0	0,1

7.g. Other information

At 31 December 2016 the company had 7,246 FTE (full-time equivalent) employees. This represents the employees at fully consolidated companies within the scope of consolidation of BNP Paribas Cardif. At 31 December 2015 this figure was 6,860 FTE employees.

Note 8 SEGMENT INFORMATION

8.a. Income statement by segment

8.a.1. Non-life insurance technical account

	Year to 31 Dec. 2016			Year to 31 Dec. 2015
	Gross	Ceded	Net	Net
Earned premiums	**2 751,5**	**(256,2)**	**2 495,3**	**2 574,2**
- Gross written premiums	2 826,7	(251,2)	2 575,5	2 588,9
- Change in unearned premiums	(75,2)	(5,1)	(80,3)	(14,7)
Net investment income	**139,2**		**139,2**	**153,5**
Other operating income	**16,4**		**16,4**	**11,9**
Claims costs	**(928,5)**	**114,4**	**(814,1)**	**(911,5)**
- Claims and expenses paid	(866,6)	88,8	(777,8)	(806,7)
- Change in outstanding Claim reserves	(61,8)	25,6	(36,2)	(104,8)
Changes in other technical reserves	**(14,4)**	**(1,1)**	**(15,5)**	**(8,6)**
Participation benefits	**0,3**	**2,7**	**3,0**	**(15,1)**
Acquisition and administration costs	**(1 644,6)**	**118,8**	**(1 525,8)**	**(1 542,6)**
- Acquisition costs	(1 488,9)		(1 488,9)	(1 517,6)
- Administration costs	(155,7)		(155,7)	(136,5)
- Commissions received from reinsurers		118,8	118,8	111,5
Other technical expenses	**(91,0)**		**(91,0)**	**(79,0)**
Change in equalization reserve	**1,1**		**1,1**	**(3,0)**
NON LIFE INSURANCE TECHNICAL INCOME	230,0	(21,4)	208,6	179,7

8.a.2. Life insurance technical account

	Year to 31 Dec. 2016			Year to 31 Dec. 2015
	Gross	Ceded	Net	Net
Premiums	**17 981,0**	**(418,4)**	**17 562,6**	**18 721,5**
Net investment income	**4 217,8**		**4 217,8**	**5 003,8**
Unit-linked adjustments (unrealised gains) on unit-linked contracts	**1 752,7**		**1 752,7**	**2 512,2**
Other technical income	**229,8**		**229,8**	**306,4**
Claims	**(13 074,8)**	**279,3**	**(12 795,5)**	**(12 790,0)**
- Claims and expenses paid	(12 957,9)	279,8	(12 678,1)	(12 682,8)
- Change in outstanding Claim reserves	(116,9)	(0,5)	(117,4)	(107,3)
Changes in life insurance technical reserves and other technical reserves	**(3 585,6)**	**(75,1)**	**(3 660,7)**	**(5 054,3)**
- Life Insurance reserves	(1 216,5)	(35,3)	(1 251,8)	(2 144,0)
- Unit-linked contracts	(2 368,8)	(39,8)	(2 408,6)	(2 910,9)
- Other Technical reserves	(0,3)	-	(0,3)	0,5
Participation benefit	**(2 919,3)**	**35,6**	**(2 883,7)**	**(3 629,9)**
Acquisition and administration costs	**(2 473,6)**	**95,9**	**(2 377,7)**	**(2 450,1)**
- acquisition costs	(1 489,2)		(1 489,2)	(1 640,5)
- Administration costs	(984,4)		(984,4)	(954,5)
- Commissions received from reinsurers		95,9	95,9	144,7
Unit-linked adjustments (unrealised losses) on unit-linked contracts	**(1 034,1)**		**(1 034,1)**	**(1 535,5)**
Other technical expenses	**(120,8)**		**(120,8)**	**(192,3)**
Change in equalization reserve	**3,8**	**0,6**	**4,5**	**(2,4)**
LIFE INSURANCE TECHNICAL INCOME	976,9	(82,1)	894,9	889,4

8.a.3. Operating account – Other businesses

	Year to 31 Dec. 2016	Year to 31 Dec. 2015
Operating income	45,7	60,0
Operating expenses	(232,2)	(229,1)
Net charges/reversals to depreciation, amortisation and provisions	(0,6)	0,2
OPERATING INCOME	(187,1)	(168,9)
Net Investment income	(130,3)	(141,0)
NET OPERATING INCOME	(317,4)	(310,0)

8.b. Other segment information

The analysis of earned premiums by geographic area and category is shown below:

	Life insurance		Non-life insurance	
	Year to 31 Dec. 2016	Year to 31 Dec. 2015	Year to 31 Dec. 2016	Year to 31 Dec. 2015
- France	10 754,9	10 864,7	658,8	686,6
- Italy	4 218,1	4 324,4	204,3	191,7
- Luxembourg	-	-	0,7	0,7
- Rest of Europe	531,3	528,5	837,4	953,5
- Latin America	404,4	479,0	901,2	898,2
- Asia	2 072,3	2 998,3	149,1	158,0
TOTAL EARNED PREMIUMS	17 981,0	19 194,9	2 751,5	2 874,1

	Life and Non-life insurance	
	Year to 31 Dec. 2016	Year to 31 Dec. 2015
- Individual savings	14 751,3	16 123,4
- Individual protection	4 793,2	4 851,1
- Employee benefits	886,3	662,1
- Property and casualty	301,7	432,1
TOTAL WRITTEN PREMIUMS	20 732,5	22 068,8

:

The analysis of gross technical reserves by category is shown below:

	Life and Non-life insurance	
	Year to 31 Dec. 2016	Year to 31 Dec. 2015
- Individual savings	144 761,3	138 295,3
- Individual protection	6 156,3	5 749,1
- Employee benefits	9 144,4	8 945,8
- Other global reserves	1 231,0	1 212,4
- Property and casualty	462,3	491,6
TOTAL GROSS TECHNICAL RESERVES	161 755,3	154 694,1