REGISTRATION DOCUMENT

including the Annual Financial Report

2018

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Registration Document

including the Annual Financial Report

2018

The French-language version of this Registration Document *(Document de Référence)* was filed with the AMF on 28 March 2019, in accordance with Article 212-13 of the AMF's General Regulations. It may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the AMF.

This English-language document has been translated and adapted from the French *Document de Référence* filed with the AMF. Only the French-language version is binding on the Company.

The following information is incorporated in this Registration Document:

- the Annual Financial Report that all listed companies are required to prepare and publish within four months of their financial year-end, in accordance with Article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and with Article L.222-3 of the General Regulations of the French financial markets authority *(Autorité des Marchés Financiers* – AMF); and
- the Annual Management Report of the CNP Assurances Board of Directors, to be presented to shareholders at the Annual General Meeting held to approve the financial statements for each financial year, in accordance with Articles L.225-100 *et seq.* of the French Commercial Code (*Code de commerce*).

The concordance table provides cross references to the information provided in the Annual Financial Report and the Management Report.

The following information is incorporated by reference in this Registration Document, in accordance with Article 28 of European Commission Regulation No. 809/2004/EC dated 29 April 2004:

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2017, as presented respectively on pages 112 to 224 and 225 to 229 of Registration Document No. D.18-0209 filed with the AMF on 29 March 2018;
- the financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2017, as presented respectively on pages 231 to 282 and 284 to 289 of Registration Document No. D.18-0209 filed with the AMF on 29 March 2018;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2016 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2016, as presented respectively on pages 66 to 171 and 172 to 173 of Registration Document No. D.17-0337 filed with the AMF on 6 April 2017;
- the financial statements of CNP Assurances for the year ended 31 December 2016 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2016, as presented respectively on pages 174 to 226 and 228 to 229 of Registration Document No. D.17-0337 filed with the AMF on 6 April 2017.

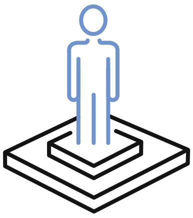
CNP Assurances
Registered office: 4, place Raoul Dautry - 75716 Paris Cedex 15, France
Société anonyme (joint-stock company) with fully paid-up share capital of €686,618,477
Registered in the Paris Trade and Companies Register under no. 341 737 062
Company governed by the French Insurance Code (*Code des assurances*)
Tel: +33 (0)1 42 18 88 88 • www.cnp.fr • Member of the Caisse des Dépôts Group

OUR MISSION IS TO PROTECT OUR POLICYHOLDERS AND EVERYTHING THEY HOLD DEAR OVER THE LONG TERM.

WITH OUR PARTNERS, WE REINVENT PROTECTION SOLUTIONS ALIGNED TO EACH INDIVIDUAL'S NEEDS WHATEVER TURNS THEIR LIFE TAKES.

€1,367 million

IN ATTRIBUTABLE NET PROFIT IN 2018



No. 1 IN FRANCE FOR LIFE INSURANCE [1]

No. 1 IN FRANCE FOR TERM CREDITOR INSURANCE [2]

No. 4 IN EUROPE FOR PERSONAL INSURANCE (EXCL. HEALTH) [3]

No. 4 IN BRAZIL FOR INSURANCE [4]

OPERATIONS IN EUROPE AND LATIN AMERICA, WITH A STRONG PRESENCE IN BRAZIL

A COMPREHENSIVE RANGE OF SOCIAL PROTECTION SOLUTIONS

FOUNDED OVER

160

YEARS AGO

€32.4 billion

IN PREMIUM INCOME IN 2018

EBIT BY SEGMENT *(IN € MILLIONS)*

€313 billion

IN AVERAGE TECHNICAL RESERVES IN 2018

37 million [5]

INSUREDS UNDER PERSONAL RISK / PROTECTION POLICIES [6]

AND

14 million

SAVINGS AND PENSIONS POLICYHOLDERS WORLDWIDE

5,243

EMPLOYEES WORLDWIDE

(1) Source: FFA 2017 data, July 2018
(2) Source: Argus de l'Assurance "*Les bancassureurs*", June 2018
(3) Source: Argus de l'Assurance "2016 European Top 20, Technical Reserves and Premiums", December 2017
(4) Source: Brazilian insurance supervisor SUSEP of Caixa Segurdora, October 2018
(5) Estimates partly based on the number of contracts under management
(6) Personal Risk, Health, Term Creditor and Property & Casualty insurance

1

COMPANY **OVERVIEW**

1.1 Key figures

2018 operational and financial performance

(Source: CNP Assurances 2018 annual results)

(in € millions)		2018	2017	Change
BUSINESS PERFORMANCE	Premium income	32,367	32,127	+0.7%
	Value of New Business	659	782	-15.7%
	Annual Premium Equivalent (APE) margin	21.3%	23.6%	-2.3 pts
EARNINGS	Total revenues	3,846	3,827	+0.5%
	Administrative costs	922	938	-1.6%
	Earnings before interest and taxes (EBIT)	2,924	2,889	+1.2%
	Attributable net profit	1,367	1,285	+6.4%
	Return on equity (ROE)	8.4%	8.0%	+0.5 pts
	Combined ratio [1]	80.9%	82.5%	-1.5 pts
CASH FLOW AND DIVIDEND	*Net operating free cash* flow	€2.13/share	€1.62/share	€0.51/share
	Dividend	€0.89/share [2]	€0.84/share	+6,0%
	Payout ratio	46%	47%	-
	Dividend cover	2.4x	1.9x	-
SOLVENCY	Consolidated SCR coverage ratio	187%	190%	-3 pts
	Consolidated MCR coverage ratio	317%	324%	-7 pts

(1) Personal Risk/Protection segment (Term Creditor insurance, Death/Disability, Health and Property & Casualty insurance)
(2) Recommended at the Annual General Meeting of 18 April 2019

Financial ratings

Standard & Poor's - Financial Strength Rating

A

stable outlook

(Source: Standard & Poor's report – December 2018)

Moody's - Financial Strength Rating

A1

stable outlook

(Source: Moody's report – February 2019)

2018 Non-financial ratings

MSCI

AAA

OEKOM Research

Prime C+

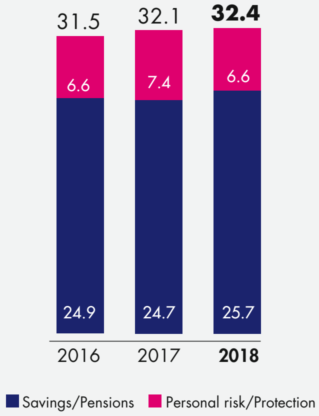
Insurance industry leaders

Vigeo-Eiris

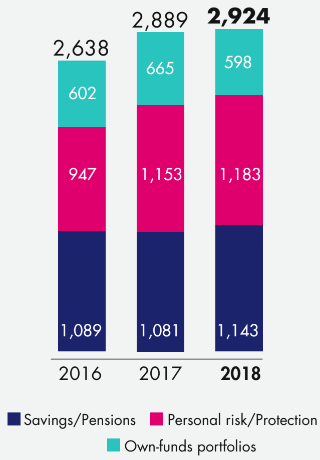
61/100

#4 out of 53 insurers in Europe

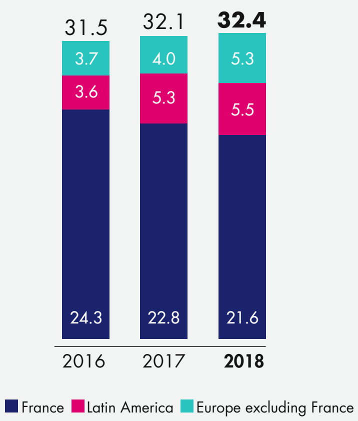
PREMIUM INCOME BY SEGMENT
(in € billions)



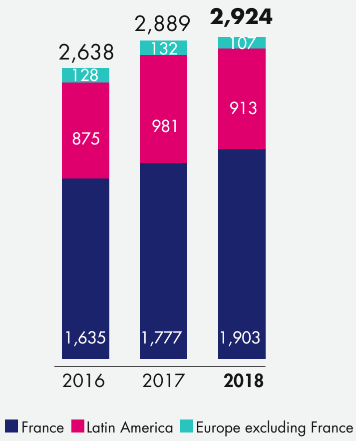
EBIT BY SEGMENT
(in € millions)



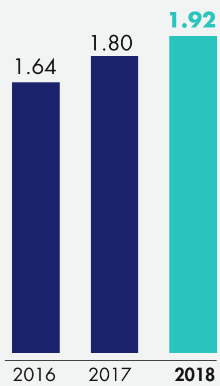
PREMIUM INCOME BY GEOGRAPHY
(in € billions)



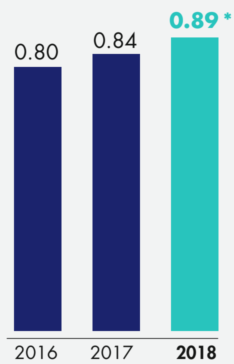
EBIT BY GEOGRAPHY
(in € millions)



EARNINGS PER SHARE
(in €)



DIVIDEND PER SHARE
(in €)



* Recommended at the Annual General Meeting of 18 April 2019

1.2 A multi-partner and multi-channel business model

As an insurer, co-insurer and reinsurer, CNP Assurances delivers its unique protection and savings expertise to its policyholders and partners through a multi-partner and multi-channel business model. Our solutions are distributed in France, Latin America and Europe by our many banking and social economy partners, at bricks-and-mortar points of sale and online.

We have 37 million Personal Risk/Protection [1] policyholders [2] and 14 million Savings/Pensions policyholders worldwide.

1.2.1 Serving everyone

Lifestyles and habits are changing. People may change trajectory a number of times during their lifetime and we are all having to come to terms with the challenges facing today's society, such as new forms of employment, the housing crisis, the challenge of ageing well and changes in social protection.

Our mission is to protect people and support them during their different life experiences.

With our many partners, we innovate so that policyholders can find the best protection solution for their specific situation, in line with our day-to-day commitment to addressing everyone's needs.

Our business, providing personal insurance cover

CNP Assurances plays a major role in meeting the social protection needs of individuals and professionals. Thanks to our many years' experience, we are ideally placed to track and keep pace with economic and social trends. Underlying growth in demand for protection solutions in Europe and Latin America is being driven by demographic trends, increasing life expectancy in Europe and demand for insurance among Brazil's expanding middle class.

Our Group assesses and pools risks in order to offer the type and level of cover sought by each policyholder to protect their future and that of their loved ones against the risks of everyday life and allow them to undertake projects with confidence.

Solutions tailored to policyholders' needs

We work closely with each distribution partner to build offers that are geared to the profiles of their respective clients in terms of age, appetite for risk and income level.

These clients' needs can be very different, such as maintaining their standard of living following retirement or an accident, passing on capital to future generations, ensuring that help will be available in the event of a loss of autonomy and increasing medical cost reimbursement rates. Whatever the need, we offer comprehensive, innovative solutions to our millions of policyholders around the world thanks to our specialised expertise in insuring various types of risk.

Segment	Offers by segment
Savings	Traditional life insurance and life insurance with a unit-linked or *Croissance* (growth fund) formula
Pensions	Supplementary pension plans
Personal Risk Insurance	Death, temporary and permanent disability insurance, long-term care insurance, unemployment insurance, loss of income insurance, support and assistance services
Term Creditor Insurance	Term creditor insurance for home loans, consumer finance and business loans, rent guarantees
Health Insurance	Supplementary health insurance, dental insurance
Property & Casualty	Auto insurance, comprehensive home-owners' insurance

Details of premium income by segment are provided in section 2.2.2 of the 2018 Business review

(1) Personal Risk, Health, Term Creditor and Property & Casualty insurance
(2) Estimates partly based on the number of contracts under management

1.2.2 Closely aligned with our partners

CNP Assurances has developed an original bancassurance model based on long-term partnerships. Combining insurance expertise with a local presence, it is a model that has proved its efficiency and agility over the years.

In France, two bancassurance partners that are also shareholders

Our products are distributed in France by two historical partners, La Banque Postale and the BPCE group (Banques Populaires and Caisses d'Epargne networks). Long-term agreements have been signed with each partner, specifying the product categories and networks concerned in accordance with their respective growth strategies. As CNP Assurances shareholders, both partners have a direct stake in the Group's performance and in its future.

The model exported to Europe and Latin America through joint ventures

The Group has expanded internationally by setting up long-term joint ventures with banking and other partners that have a deep local presence and a broad distribution network. The leading examples of this are the partnerships with Caixa Econômica Federal in Brazil, UniCredit in Italy and Santander Consumer Finance in 12 European countries. Their participation as shareholders in the joint ventures' governance and financial performance incentivises the networks and, as such, is a critical growth driver.

An open and evolutive model

We are inventing new partnership models to increase the pace of business growth. For example, we offer white label insurance products to selected partners, as well as deploying a multi-channel distribution model and direct sales capabilities. In the wealth management market, we propose innovative offers to many different distribution partners in France and Luxembourg, including private banking institutions, high street banks, family offices, wealth management firms, brokers and independent financial advisors. We also create eco-systems with service providers and start-ups to build offers from scratch to address today's needs.

A bespoke model for the social protection market

CNP Assurances is the preferred partner of companies, local authorities, employee benefits institutions, mutual insurers, non-profits and brokers operating in the social protection market. We offer these partners many different types of personal insurance, supported by innovative customer relationship management, product marketing and risk management solutions as well as by a variety of assistance and support services.

Proprietary distribution

Our in-house team of insurance advisors, which operates under the Amétis name, serves its own clients and also markets white label products to social protection partners such as Klésia and Malakoff Médéric Humanis.

As experts in social protection solutions, Amétis insurance advisors partner private individuals, freelancers and sole traders, micro-enterprises and SMEs in both urban and rural areas, by offering them products and services covering the risks they face throughout their life.

Overview of our distribution partners, direct clients and main subsidiaries by segment and by geographical area

FRANCE	Savings	Pensions	Personal Risk	Term Creditor	Health
Distribution partners and shareholders					
La Banque Postale	●	●		●	
BPCE group	●	●	●	●	●
Distribution partners					
Private banking institutions, high street banks, family offices, wealth management firms, brokers and independent financial advisors	●				
Brokers, including 100% digital partners (EasyBourse (1) and Alan (2))	●	●	●	●	●
Financial institutions, including 100% digital partners (Boursorama and ING)				●	
Mutual insurers	●	●	●	●	●
Employee benefits institutions			●	●	●
Proprietary distribution					
To individuals and professionals (freelancers and sole traders, micro-enterprises and SMEs) (3)	●	●	●		●
To local authorities (4)			●		●
To companies		●	●		●
To non-profits and peer groups	●	●	●		
Subsidiaries					
Arial CNP Assurances (5)		●			
MFPrévoyance			●	●	●
Assuristance (through Filassistance) (6)	Assistance services				
Lyfe (7), 100% digital platform	Healthcare, wellness and healthy ageing services				
Youse Home, 100% digital platform	Rent guarantee service				

(1) EasyBourse is La Banque Postale's online brokerage
(2) Alan, a 100% digital insurer, distributes CNP Assurances' personal risk solutions
(3) Products distributed by Amétis, CNP Assurances' in-house network of insurance advisors
(4) Employee benefit solutions and coverage of local authorities' statutory risks
(5) Our joint subsidiary with AG2R La Mondiale, specialised in company retirement savings plans
(6) Our holding company and joint subsidiary with Swiss Life
(7) Our brokerage subsidiary for the mutual insurance, employee benefits institutions and corporates segments

LATIN AMERICA	Savings	Pensions	Personal Risk	Term Creditor	Health	Property & Casualty
Caixa Econômica Federal (1), Brazil	●	●	●	●	●	●
Youse (2), 100% online platform, direct distribution in Brazil			●			●
Brokers, Brazil			●		● (3)	●
Credicoop (4), Argentina	●		●	●		
Brokers, mutual insurers, cooperatives, non-profits, Argentina	●		●	●		●

(1) Through our subsidiary Grupo Caixa Seguradora
(2) Subsidiary of Grupo Caixa Seguradora
(3) Dental insurance only
(4) Through our subsidiary CNP Assurances Compañía de Seguros

EUROPE	Savings	Pensions	Personal Risk	Term Creditor	Health	Property & Casualty
UniCredit [1], Italy	●	●	●	●		
Private banking institutions and independent financial advisors [2], Italy mainly, Spain, Portugal, Luxembourg	●	●				
Brokers and financial institutions [3], Italy, Spain, Portugal	●	●	●	●	●	
Santander Consumer Finance [4], Germany, Poland, Italy, Spain, Austria, Portugal, Norway, Sweden, Denmark, Finland, Belgium and Netherlands			●	●		
Insurance agents [5], Cyprus/Greece	●		●		●	●

(1) Through our subsidiary CNP UniCredit Vita
(2) Through our subsidiaries CNP Partners and CNP Luxembourg
(3) Through our subsidiary CNP Partners
(4) Through our subsidiary CNP Santander Insurance
(5) Through our subsidiary CNP Cyprus Insurance Holdings

1.2.3 Market positioning

France

In 2018, the personal insurance market accounted for 74% of the total insurance market in France [1]. After peaking in 2006, the share of personal insurance decreased while non-life insurance gained ground. Within the personal insurance segment, the share of health and personal injury insurance has grown steadily since 2006, reaching 14% in 2018 [1].

Number 1 in the life insurance market [2]

The French life insurance and endowment market is still highly concentrated. It is dominated by the bancassurers, with traditional and mutual insurers lagging behind. In 2017, the top five players, which include CNP Assurances, together held over 54% of the market. CNP Assurances is France's largest life insurer, based on technical reserves [2], thanks in no small measure to its partners, La Banque Postale and BPCE.

Leader in term creditor insurance [3]

Despite the large number of companies offering term creditor insurance in France – including around 40 traditional insurance companies and bancassurers – the top four account for over 70% of the market, with CNP Assurances ranked no. 1.

In 2017, the term creditor insurance market represented annual premiums of €9.1 billion, an increase of nearly 4% compared with 2016. Of the total, 74% concerned home loans, 20% concerned consumer finance and 6% concerned business loans. Premiums represented 0.7% of the loan amount for home loans and consumer finance, a ratio that has dropped slightly since 2013. At end-2017, consumer debt in France totalled €1,292 billion. Accidental death cover accounted for 71% of term creditor insurance premiums in 2017, temporary and permanent disability cover for 27% and unemployment cover for 2%. In 2017, 88% of term creditor insurance premiums were written by the insurance partners of the lender banks (unchanged compared with 2016), and 12% by insurers chosen by the borrowers.

CNP Assurances partners close to 230 financial institutions, social economy lenders and mutual banks from across the board. We provide wide ranging cover of death, temporary and permanent disability, unemployment and loss of income risks, backed by support services and assistance, to ensure that borrowers are fully protected following the occurrence of an insured event. As a standard bearer in this market, CNP Assurances has also taken a technological lead by offering 100% online underwriting.

(1) Source: French Insurance Dashboard, 2018, FFA, February 2019
(2) Source: 2017 Key Indicators, FFA, July 2018
(3) Sources: term creditor insurance technical reserves in 2017, statistics published by the FFA in June 2018; 2017 term creditor insurance premiums and key figures, published by the FFA in July 2018; Positioning by market participant, Argus de l'assurance "*Les bancassureurs*", June 2018

Pioneering long-term care insurance [1]

As of end-2017, traditional insurers and bancassurers provided long-term care insurance cover to 2.7 million insureds (representing a 38% market share, behind the mutual insurers). The 20% decline in the number of policies compared with 2016 resulted from the termination of a single group policy covering 800,000 insureds, partly offset by an increase in the number of individual policies. 59% of contracts are for long-term care insurance only, while 34% correspond to other types of policies that include a long-term care formula as an option.

CNP Assurances was one of the first insurance companies in France to address the problem of financing long-term care. It is a leading provider of long-term care cover under group policies and has 9% of the individual long-term care insurance market. We offer a selection of compulsory and voluntary participation products allowing insureds to anticipate their future needs in terms of financial and other support in the event of a loss of autonomy.

A major supplementary pensions provider [2]

We are present in the supplementary pension and employee benefit plan market through Arial CNP Assurances, our joint subsidiary with the AG2R La Mondiale group. Arial CNP Assurances is the only insurance company in France specialised exclusively in supplementary pension plans and ranks second in the market, with some 260,000 corporate clients, 1.6 million insureds and around €15.8 billion worth of managed assets. It designs, markets and manages all types of company pension systems.

A service-led differentiation strategy

We pay close attention to the services included in our offers, both for partners and for insureds, and have acquired growing expertise in support services through our dedicated subsidiaries.

Filassistance International, a member of the Assuristance sub-group, has developed an array of personal assistance services, ranging from the most basic to the most innovative, by drawing on the best that new technologies and one-to-one interactions have to offer. More than eight million people benefit from its services, which cover all types of assistance and are provided by a network of 10,000 service providers specially chosen for their skills, efficiency and effectiveness, and their commitment to offering a warm and welcoming service to clients. Filassistance International's network is supported by Âge d'Or Services, a member of the CNP Assurances Group since 2001. In 2018, Âge d'Or operated a network of some 120 agencies dedicated to assisting the elderly and disabled and people requiring long-term care.

To strengthen the service dynamic that adds value to our insurance solutions, we have launched "Lyfe", a digital health, wellness and healthy ageing services platform. Lyfe offers mutual insurance companies, employee benefits institutions and employees of member companies a range of prevention and coaching services, assistance in accessing healthcare services and help for carers, making CNP Assurances the "go-to" provider of support in coping with the challenges of daily life.

Last year's creation of the Youse Home, a 100% digital platform, illustrates our commitment to partnering the revolution in the way we go about our daily lives and the transition to new ways of working, with the aim of winning over new full digital clients. Youse Home's innovative rent guarantee is designed to restore confidence among prospective tenants who do not fit the standard mould, such as freelancers, creators of start-ups and people working in the entertainment industry.

Latin America, a growing market

CNP Assurances has been present in Argentina since 1995. The acquisition of its Brazilian subsidiary, Caixa Seguradora, in 2001 enabled the Group to move up a gear in its Latin American development.

Deep roots in Brazil [3]

The Brazilian insurance market totalled R$ 195 billion (excluding health insurance) in the twelve months ended October 2018, representing a modest 0.4% decline year-on-year. The Savings/Pensions market accounted for 54% of total premiums. The consumer finance term creditor insurance market grew by a strong 19% during the period, while the pensions market contracted by 9%. We expanded our share of this highly concentrated market by two points, to approximately 10%, helped by good performances in the pensions and personal risk/protection insurance segments.

Our Brazilian subsidiary, Caixa Seguradora, is owned jointly with Caixa Econômica Federal, a distribution partner of choice. As Brazil's second-biggest state-owned bank [4], Caixa Econômica Federal plays a major social and economic role, with a deep network of branches serving the local population throughout the country.

Affordable products for the new middle class

Caixa Seguradora offers products for companies and individuals, focusing on Brazil's emerging middle class. It is particularly active in the retirement savings market and is the unchallenged leader in term creditor insurance with 60.2% of the market. Ranked sixth in the personal risk market with a 6.6% share, it is actively developing solutions to meet the Brazilian population's new needs.

A 100% digital insurance platform

Caixa Seguradora was Brazil's first insurer to launch full-online distribution of auto insurance, comprehensive home-owner insurance and personal risk insurance through Youse, a 100% digital insurance platform that came on stream in mid-2016. As of end-2018, Youse had already signed up more than 125,000 clients.

(1) Source: Funeral insurance policies in 2017, FFA, June 2018

(2) Source: 2018 retirement savings plan rankings, Argus de l'assurance, October 2018

(3) Source: insurance market data by class are taken from the databases of Brazil's insurance supervisor, SUSEP, October 2018: http://www2.susep.gov.br/menuestatistica/SES/principal.aspx

(4) Source: Brazilian Central Bank, September 2018

At the heart of a wealthy and mature European market

With operations in 14 countries, CNP Assurances is Europe's fourth largest life insurer [1].

With UniCredit in Italy

In a life insurance market [2] that contracted by 1% in the twelve months ended October 2017 compared with the previous period, CNP UniCredit Vita lifted its market share by one point to 3%. At the end of 2017, CNP Assurances and UniCredit renewed the partnership organised around their joint subsidiary, CNP UniCredit Vita, which was set up in 2005. The new agreement runs until 2024 and covers central and southern Italy, Sardinia and Sicily. CNP UniCredit Vita offers a full range of insurance products for distribution in the territory covered by the agreement. It also provides the services of a dedicated marketing support team to promote sales of unit-linked savings contracts, personal risk insurance and term creditor insurance, in line with our strategic refocusing of the product mix.

Open model distribution to drive growth

CNP Santander Insurance is expanding distribution of our term creditor insurance offer. More than half of the partnership's term creditor insurance premiums are now generated in Germany, while Spain, Poland and the Nordic countries (Norway, Sweden, Denmark and Finland) account for most of the rest. In 2018, distribution was extended to include Belgium and the Netherlands, raising the number of countries targeted by CNP Santander Insurance to 12.

We intend to move up a gear in the development of our business in southern Europe (Italy, Spain and Portugal) by leveraging CNP Partners' multi-partner and multi-channel model. Drawing on the support of a servicing subsidiary, a call centre (in six languages) and four branches, CNP Partners is building sales of two flagship products through three core distribution channels: private banking institutions and independent financial advisors for wealth management products, especially in Italy, and bancassurers and brokers for Personal Risk/Protection insurance offers.

1.2.4 A business model that creates value for stakeholders

Our personal insurance business draws on multiple skill-sets developed in-house and on the expertise of specialised service providers. Our commitments to policyholders cover long periods and significant amounts, compelling us to maintain a robust and sustainable balance sheet structure. We leverage these strengths and the quality of our partners to create value for all of our stakeholders.

A specific feature: the policyholder benefit is deferred

Upstream, the policyholder pays the premium. Downstream, the risk is covered when it occurs.

The average life of a personal insurance policy is ten years and the challenge is therefore to safeguard the funds advanced by the policyholder so that they can be released at any time and over time at the request of the policyholder or the beneficiary.

(1) Source: "2016 European Top 20, Technical Reserves and Premiums", Argus de l'Assurance, December 2017

(2) Source: Italian insurance supervisor (IANA)

A BUSINESS MODEL THAT CREATES VALUE FOR STAKEHOLDERS

RESOURCES

Policyholder premiums

Financial resources

Shareholders

Bond issues

Human and external resources

Employees

Service providers/Suppliers

Distribution partners

CNP ASSURANCES GROUP

The bond of trust between the insured and the insurer

The CNP Assurances Group performs statistical analyses to determine the premium required to cover claims and benefits

The insured transfers his or her risk to the insurer by paying the premium

The CNP Assurances Group

Pools the insured's risk with the risks of its community of insureds to share the probability of the risk occurring and make the premium affordable

Protects premiums by investing them in long-term instruments and optimises its financial management to be able to cash in investments if needed

Guarantees the proper execution of each policy

The insured (or his/her beneficiary) receives the settlement when the risk or need occurs

VALUE CREATION

Insureds

€28.2bn

in lump sum payments or in the form of annuities in the case of surrender, accident, illness, death, loss of autonomy, unemployment, retirement or property damage

Employees
Service providers/Suppliers
Distribution partners

€4.7bn

in wages and salaries, purchases and commissions

Reinsurers

€1.1bn

of ceded premiums

Shareholders/ Bondholders

€0.9bn

of dividends and interest

States*

€0.8bn

in taxes

* CNP Assurances also contributes to government finances in its host countries through the payment of taxes other than corporate income tax

Working seamlessly with our partners to address the end client's needs

We pool our strengths with those of our partners to address the needs of policyholders who are the end clients. These distribution partnerships, forged over the long term in France and other countries, enhance the effectiveness of our unique combination of insurance expertise and in-depth customer understanding. These combined strengths help to ensure that our offers evolve in close alignment with the end clients' changing needs.

They are also leveraged to develop new policyholder experiences. The challenge is to offer the end client a multi-channel experience that is fully integrated from start to finish. Meeting this challenge makes our partners' marketing efforts more effective and increases policyholder satisfaction.

To offer end clients high quality administrative services and quick response times, we have entered into reciprocal commitments with our partners. These commitments reflect our promise to drive constant improvement in our service quality and contribute to the fulfilment of our mutual obligations in terms of data protection (under the General Data Protection Regulation), prevention of money laundering and the financing of terrorism, and the provision of impartial advice to policyholders (under the Insurance Distribution Directive).

Deploying numerous skill-sets

In 2018, we had 5,243 employees around the world. With 160 years' experience in writing personal insurance, we have developed advanced expertise in managing the risks of daily life, with multiple skill-sets and numerous disciplines closely involved at the various stages in the life of each policy.

During the product design phase, the marketing teams analyse policyholders' needs in terms of cover. Designing the contractual framework that will govern relations with the insured and his or her beneficiaries over an average period of ten years – and much longer periods in some cases – involves members of our Compliance, Actuarial, Medical Advisory, Legal, IT and Finance departments.

Marketing of the products involves establishing close relations with partner distribution networks, in order to train and support their insurance advisors. The Amétis network's insurance advisors, who are employees of CNP Assurances, sell policies directly to their clients or to partners in the form of white label products.

During the life of the policy, the highest quality administrative system is essential for us to be able to process events in the lives of millions of different policies. Using the latest technologies, we have developed specific expertise enabling us to process very large volumes of data while also being attentive to each personal situation.

The last step, determining the premium investment strategy, is both decisive and complex. The strategy has to respond to the dual imperatives of performance and security in order to ensure that we are able to honour our financial commitments without knowing in advance when they will fall due. Our financial strategies focus on long-term investment horizons aligned with the duration of our liabilities.

INSIGHT INTO THE POSITIONS OF ACTUARY AND MEDICAL ADVISOR AT CNP ASSURANCES

Actuaries are employed in the various disciplines and functions. They are the guarantors of the models, measurements and valuations of our commitments, contributing to managing risks at all levels by sharing their expertise in support of the Group's profitable and sustainable growth.

They also contribute to the process of innovation to address marketing challenges, improve operating efficiency and comply with regulatory requirements, using artificial intelligence algorithms. One of the recent advances proposed by the actuaries – a solution to speed up the search for beneficiaries – won an award at the *2018 Trophées de l'Assurance*, in the category "customer relationship management innovations".

The actuaries also work closely with universities and research institutes, and are taking part in various projects undertaken by the insurance industry in France as active members of various commissions and industry working groups.

Our medical advisors' primary role is to advise the many units within the organisation on medical issues. They ensure that the necessary internal medical confidentiality rules exist and are applied within the Group, especially rules concerning the protection of insureds' personal medical data (validation of medical documents, training of concerned employees, etc.).

In addition to leading a network of medical correspondents, the medical advisors act as the interface between insureds and CNP Assurances, as well as dealing with the insureds' personal physicians concerning medical and confidentiality issues.

They also continuously monitor medical developments. For example, by participating actively in the AERAS working group on the right to be forgotten as it applies to survivors of serious illnesses, and the "Insurance and Cancer" symposia organised by France's national cancer institute (INCa) for more than five years now, our medical advisors are deeply involved in the process to take into account new medical advances. In this way, they contribute to updating the reference grid designed to standardise the conditions for access to insurance cover, to take account of therapeutic advances, improved understanding of epidemiological data and regulatory developments.

The support of specialised service providers

At all stages in the life of a policy, our teams draw on the support of external resources as needed, including recognised asset managers for the financial aspects and IT engineers to deploy complex bespoke systems and digital apps for use by policyholders.

1.2.5 How CNP Assurances ensures that it is able to honour its commitments over the long term

Solvency and financial strength indicators attest to the Group's ability to manage risks and protect premiums over time. At the same time, the values carried over from our time as a public sector company guarantee our ethical approach to doing business and our commitment to protecting policyholders' data.

The stability afforded by public sector shareholders

Since the IPO in October 1998, the composition of CNP Assurances' Board of Directors has reflected its ownership structure and particularly the holdings of its four historical shareholders – Caisse des Dépôts, La Banque Postale and BPCE (whose interests are held through a joint holding company, Sopassure) and the French State – that are united by a Shareholders' Agreement. On 30 August 2018, the French State, Caisse des Dépôts (CDC), the La Poste group and La Banque Postale announced a project to create a large public financial unit serving territories involving Caisse des Dépôts and La Poste. The project would entail Caisse des Dépôts becoming the majority shareholder of La Poste and La Banque Postale becoming the majority shareholder of CNP Assurances. Its implementation is subject to various prior conditions and conditions precedent.

CNP Assurances turns regularly to the deeply subordinated notes market to increase its own-funds and optimise its financing costs.

A high solvency ratio

At 31 December 2018, CNP Assurances had own-funds of €25.1 billion, representing nearly double its solvency capital requirement of €13.4 billion, with an SCR coverage ratio of 187% under Solvency II.

Sustainably creating value

Since the IPO in 1998, CNP Assurances has consistently reported a profit and has matched or increased its dividend every year. Consolidated net profit has grown at an average rate of 10% over the past 20 years.

Setting premium rates at the right level and protecting premiums are the pre-requisites of sustained financial viability. To satisfy these pre-requisites, we pay very close attention to effectively managing risks (see section 4.1 Risk factors).

The Group's financial sustainability and ability to meet its long-term obligations are also assured thanks to our fundamental commitment to applying ethical business practices and demonstrating high levels of transparency. The Corporate Social Responsibility approach deployed since 2006 embeds and gives shape to these fundamentals.

Recognised financial strength

CNP Assurances is rated by two agencies:

- **A** by Standard & Poor's, indicating that the Group has strong financial security characteristics (rating confirmed in December 2018);
- **A1** by Moody's, indicating that the Group represents a low credit risk (first rating awarded in June 2018 and confirmed in February 2019).

1.2.6 Roadmap and outlook

A multi-partner model, a high quality product mix and a streamlined policyholder experience are the three fundamentals of CNP Assurances' future growth strategy

One ambition, three drivers

Backed by our Group's solid financial results, we aim to offer the full range of insurance solutions to our partners' clients in a digital and ultra-competitive environment, while remaining engaged in helping to meet the human and environmental challenges facing society now and in the future.

We have identified three drivers of future growth:

- development of the multi-partner model, a process that was strengthened in 2018 with the signature of a binding long-term agreement with Caixa Seguridade in Brazil *;
- diversification of the product mix, with the development of the Personal Risk/Protection insurance business and long-term Savings business (with particular focus on retirement savings and employee savings plans), in all markets;
- faster implementation of the digital transformation strategy, to make the client experience more efficient for our partners, more human-centric for policyholders and more agile for our employees.

Developing partnerships and diversifying the product mix

We are continuing to develop our partnerships and diversify our product mix to meet the needs of end clients, whether they are individuals or professionals. The shift in the flow of new money towards Personal Risk/Protection insurance and long-term savings products is being supported by the distribution agreements with La Banque Postale and BPCE, and the partnerships with Klésia and Malakoff Médéric Humanis in France, as well as by the renewed partnership with UniCredit in Italy and the scaling up of term creditor insurance distribution with Santander Consumer Finance in Europe.

Similarly, the alliance with AG2R La Mondiale within our joint subsidiary, Arial CNP Assurances, a major player in the supplementary pension sector in France, is enabling us to pursue the development of our business in this market at the centre of society's emerging needs. These new opportunities for the Group, especially in the retirement savings plan and employee savings plan markets, will be enhanced by France's Pacte law (concerning the government's action plan for business growth and transformation).

In Brazil, the binding framework agreement signed in 2018* paves the way for a long-term distribution agreement with Caixa Seguridade and confirms our local subsidiary's exclusive right to distribute personal risk insurance, consumer finance term creditor insurance and pension products to the 78 million clients of Caixa Econômica Federal. The agreement secures the business's very long-term future (through 2041) and supports our ambitions in this country, as we pursue our expansion in Latin America.

Accelerating the digital transformation process to enhance the client experience

The ramp-up of digitalisation taking place in both Europe and Latin America is having a clear impact on local people, their ways of life and their jobs. This force for change has led to a rethink of personal protection solutions and the design of innovative types of services and innovative methods of delivering them.

Faster digitalisation of the client experience, diversification of distribution channels and the new human-centric client approach are the three areas of the business units' action plans. All of these plans address a major challenge – simplifying the experiences of our clients, partners and employees. This dynamic process supports our constantly renewed ambition to be a responsible insurer and a benchmark partner in Europe and Latin America.

We are pursuing our ambitious programme to invest in and partner innovative start-ups, called "Open CNP". The aim is to help finance these start-ups' growth while working with them to develop advanced solutions in promising areas such as e-health, fintech, assurtech, and offers and technologies that address emerging protection needs. As of end-2018, Open CNP had invested in six start-up partners.

1.2.7 Impact of the business model on society and the environment

To meet today's environmental and social challenges, CNP Assurances' goal is to play a role in the transition to a decarbonised and inclusive economy. In short, its investment policy can contribute to sustainable economic growth and its insurance guarantees to combating financial exclusion.

Our Corporate Social Responsibility (CSR) programme enables us to identify our organisation's positive and negative contributions to society and the environment, using the UN Sustainable Development Goals (SDGs) as a blueprint.

Six of these goals are particularly appropriate for describing the impacts of our business model:

- Reduced inequalities (No. 10);
- Good health and well-being (No. 3);
- Decent work and economic growth (No. 8);
- Responsible consumption and production (No. 12);
- Action against climate change (No. 13);
- Peace, justice and strong institutions (No. 16).

* The agreement is subject to various conditions precedent, including the issuance of the necessary approvals by the competent supervisory and anti-trust authorities. See press release dated 22 March 2019, the content of which is presented under "Subsequent events"on page 30 of this Registration Document

CONTRIBUTIONS TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs) AND TO THE TRANSFORMATIONS RESHAPING THE WORLD

SDG	CNP Assurances Group's contribution to the goal	CNP Assurances Group's CSR challenges [1]
3 GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages	▪ **A product offer** aligned with each person's health situation and the needs of people with low incomes. ▪ **Prevention initiatives** via the dedicated subsidiary Filassistance International and the health, wellness and healthy ageing services platform, Lyfe. ▪ **Initiatives to reduce social inequalities in healthcare** and prevention initiatives through the CNP Assurances corporate foundation. ▪ **For employees**, actions deployed by the workplace health and safety units at the main sites.	Support change in the workplace and society. Commit to offering good working conditions.
8 DECENT WORK AND ECONOMIC GROWTH Promote sustained and sustainable economic growth shared by all, full productive employment and decent jobs for everyone	▪ **An investment policy** based on challenging social and environmental criteria and a strategy of making investments that have a positive impact (in SMEs, start-ups). ▪ **A Group Human Resources policy** that supports our commitment to being a responsible and engaged employer. ▪ **A Human Resources planning and development approach** designed to foster high quality of worklife at a time of major transformations. ▪ **Employment** of more than a hundred school-leavers under work-study contracts.	Integrate ESG [2] and climate criteria into investment strategies. Attract and nurture talents, develop skills. Commit to offering good working conditions.
10 REDUCED INEQUALITIES Reduce inequalities between countries	▪ **Contribution to efforts to eliminate financial** exclusion and reduce social inequalities in healthcare. ▪ **Actions to make products more accessible** (tutorials, communication support for hearing and visually impaired clients). ▪ **Funding for small businesses** that have difficulty overcoming financial and social barriers. ▪ **Support for Human Resources diversity**, with particular focus on hiring young people, seniors and the disabled, recognised by the Diversity Label. Promotion of professional equality between men and women.	Support change in the workplace and society. Integrate ESG [2] and climate criteria into investment strategies (social aspects). Act to improve client satisfaction. Commit to offering good working conditions.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION Promote responsible production and consumption	▪ **Use of ESG filters in the investment process** and policy of shareholder activism. ▪ **Awareness-raising and training programmes** for employees on sustainable development issues. ▪ **Environmental audits** of new suppliers to promote best practices.	Integrate ESG [2] and climate criteria into investment strategies. Use digital technology to transform policyholder services.

(1) The CNP Assurances Group's CSR challenges are presented in section 7.3 "Challenges for promoting a sustainable society, environment and economy", which also includes a description of the methods used to determine and manage these challenges, and the related key performance indictors

(2) ESG: Environmental, Social and Governance

SDG	CNP Assurances Group's contribution to the goal	CNP Assurances Group's CSR challenges [1]
13 CLIMATE ACTION Take urgent action to combat climate change and its effects	▪ **Publication of quantitative objectives** for measures to combat climate change. ▪ **Dialogue on the topic of the energy and environmental transition** with companies whose shares are held in the Group's asset portfolios. ▪ **Active participation** in the work of industry bodies. ▪ **Communication campaigns to inform employees** about these asset management initiatives.	Integrate ESG [2] and climate criteria into investment strategies.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote peaceful societies and access to justice for all, build effective, accountable institutions at all levels, in support of sustainable development	▪ **Creation of C@pEthic**, a code of conduct that describes how to put into practice the principles of respect for people, assets and resources within the Group and apply ethical business practices. ▪ **Ban on investing** in companies established in tax havens, manufacturers of cluster bombs and anti-personnel bombs, and in countries where there is a serious risk of corruption.	Comply with good business ethics. Integrate ESG [2] and climate criteria into investment strategies. Protect the personal data of policyholders and employees.

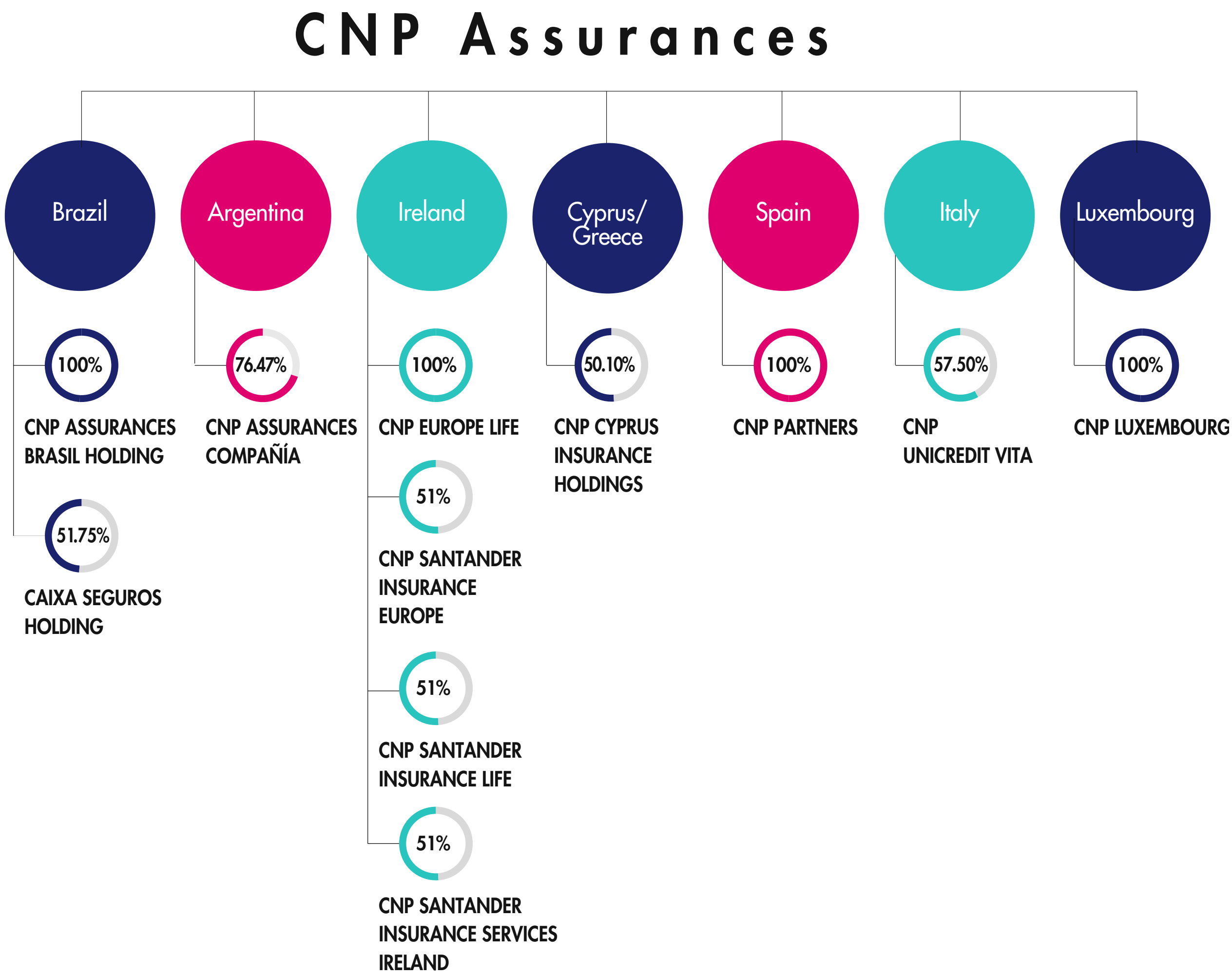
(1) The CNP Assurances Group's CSR challenges are presented in section 7.3 "Challenges for promoting a sustainable society, environment and economy", which also includes a description of the methods used to determine and manage these challenges, and the related key performance indictors

(2) ESG: Environmental, Social and Governance

1.3 Group organisational structure

Simplified organisational structure of CNP Assurances' main subsidiaries and branches outside France at 31 December 2018 *

The list of CNP Assurances' subsidiaries outside France at 31 December 2018 was as follows:



For information about the risks to which the CNP Assurances Group is exposed, see Notes 23 to 25 to the consolidated financial statements and the description of risk factors (Chapter 4)

The senior executives of CNP Assurances do not exercise the same executive duties in the main subsidiaries of the Group

Jean-Paul Faugère, Chairman of the Board of Directors, and Antoine Lissowski, Chief Executive Officer, are directors of the Brazilian subsidiary Caixa Seguros Holding

The strategic partnerships in Latin America and Europe (excluding France) are discussed in pages 9 to 11

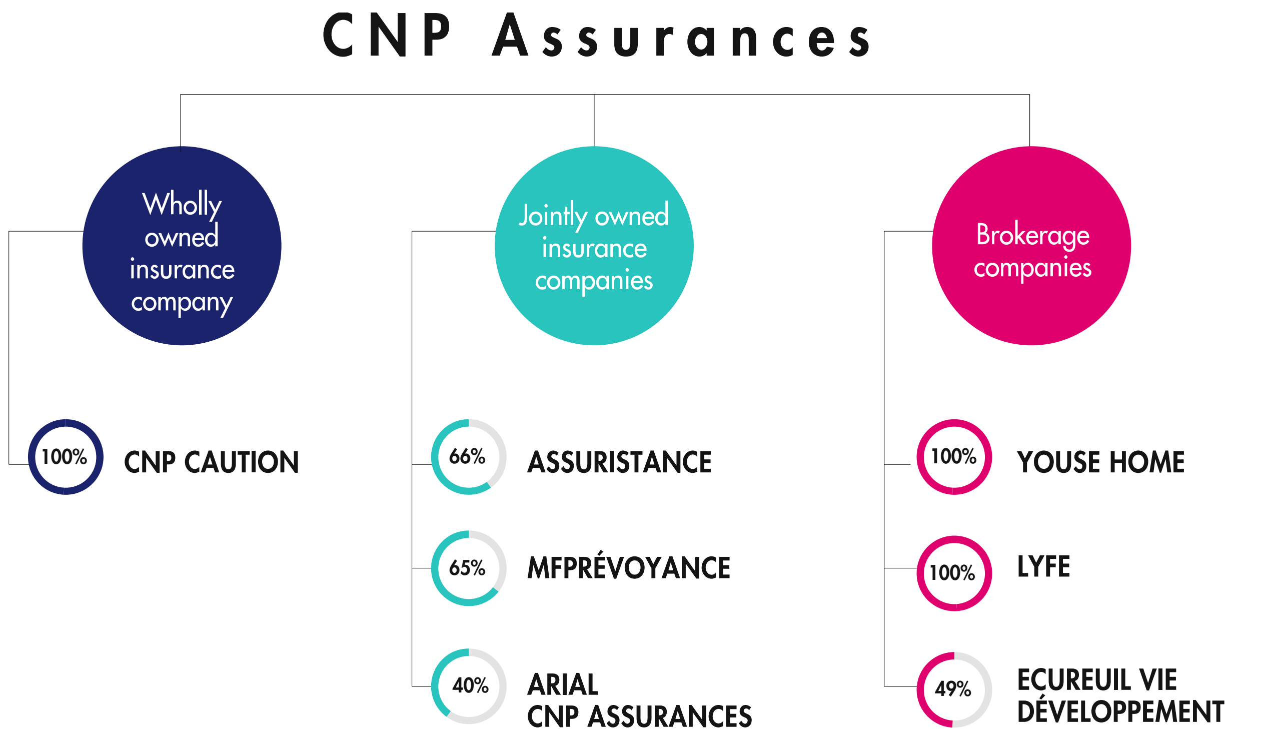
CNP Assurances has signed shareholders' agreements in relation to Caixa Seguros Holding, CNP Assurances Compañía de Seguros, CNP Santander Insurance Europe, CNP Santander Insurance Life, CNP Santander Insurance Services Ireland, CNP Cyprus Insurance Holdings and CNP UniCredit Vita

* The percentages shown indicate both the interest in share capital and the voting rights directly and indirectly held in each subsidiary
A more detailed presentation of CNP Assurances' main subsidiaries is provided in Notes 4.5 to 4.6 to the consolidated financial statements

The list of CNP Assurances' branches outside France at 31 December 2018 was as follows:

Entity	Branch	Country	City
CNP Assurances	CNP Assurances Denmark branch	Denmark	Copenhagen
CNP Assurances	CNP Assurances Italy branch	Italy	Milan
CNP Assurances	CNP Assurances Spain branch	Spain	Madrid
CNP Assurances	CNP Assurances New Caledonia branch	New Caledonia	Noumea
CNP Assurances	CNP Assurances Polynesia branch	Polynesia	Papeete
CNP Caution	CNP Caution Italy	Italy	Milan
CNP Caution	CNP Caution Spain	Spain	Madrid
CNP Santander Insurance Life	Santander Insurance Life Ltd Italy branch	Italy	Turin
CNP Santander Insurance Europe	Santander Insurance Europe Ltd Italy branch	Italy	Turin
CNP Partners	CNP Partners Italy branch	Italy	Milan
CNP Partners Solutions	CNP Partners Solutions Italy branch	Italy	Milan
CNP Partners Solutions	CNP Partners Solutions France branch	France	Nanterre
CNP Asfalistiki	CNP Asfalistiki Greece branch	Greece	Athens

Simplified organisational structure of CNP Assurances' main companies in France at 31 December 2018 *



CNP Assurances has signed shareholders' agreements in relation to Assuristance, MFPrévoyance, Arial CNP Assurances and Ecureuil Vie Développement

For information about the risks to which the CNP Assurances Group is exposed, see Notes 23 to 25 to the consolidated financial statements and the description of risk factors (Chapter 4)

* The percentages shown indicate both the interest in share capital and the voting rights directly and indirectly held in each subsidiary
A more detailed presentation of CNP Assurances' main subsidiaries is provided in Notes 4.5 to 4.6 to the consolidated financial statements

1.4 Providing insurance for over 160 years

For over 160 years, CNP Assurances has been committed to meeting the demand for affordable personal insurance products offering protection against current and future risks.

Thanks to this long experience, we are ideally placed to track and keep pace with economic and social trends.

As a general rule, as economies become more developed people become more risk-averse, while longer life expectancy leads to greater needs in retirement. There is only so much that families can do to meet these needs and state pension schemes can provide only partial coverage. This is where insurance companies play a critical role, by enabling policyholders to protect their own future and that of their loved ones.

The personal insurer's business is to meet these needs. By assessing and pooling risks and offering multiple guarantees, we enable our policyholders to attenuate the financial and day-to-day impact of adverse life events.

In keeping with the strong public-sector roots of its main shareholders, CNP Assurances defines its social and environmental responsibility as an insurer and investor based on three pillars – helping to build a sustainable society, a sustainable environment and a sustainable economy – underpinned by the fundamental aim of establishing a relationship of trust with all stakeholders.

Key dates in the history of CNP Assurances

1850

Creation within Caisse des Dépôts of Caisse Nationale de Retraite pour la Vieillesse (CNRV), France's first pension fund.

1868

Creation of Caisse Nationale d'Assurances en cas d'Accident (CNAA), an accident insurance fund, and of Caisse Nationale d'Assurances en cas de Décès (CNAD), a life insurance fund.

1959

Creation of Caisse Nationale de Prévoyance (CNP), a state institution combining the above three funds within Caisse des Dépôts.

1960

Launch of the first individual insurance policies invested in mutual funds, distributed by La Poste (the French Post Office) and the French Treasury.

1988

Creation of Ecureuil Vie with the Caisses d'Epargne savings banks.

1992

CNP becomes CNP Assurances, a *société anonyme* (joint-stock company) governed by the Insurance Code (*Code des assurances*).

1995

Creation of CNP Assurances Compañia de Seguros in Argentina.

1998

Stock market flotation. Signing of the CNP Assurances Shareholders' Agreement with La Poste, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State.

1999

Acquisition of controlling interests in Global SA and Global Vida SA in Portugal.

2001

Acquisition of a controlling stake in Caixa Seguros in Brazil, now renamed Caixa Seguradora.

Creation of Filassistance International in conjunction with Azur-GMF, dedicated to the provision of local services.

2005

Entry into the Italian market through the acquisition of a 57.5% stake in Fineco Vita, renamed Capitalia Vita in 2006, then CNP UniCredit Vita in 2008.

2006

Extension of the Shareholders' Agreement with La Poste, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State until the end of 2015. Entry into the Spanish market through the acquisition of a 94% stake in Skandia Vida, renamed CNP Vida.

2007

Purchase by CNP Assurances of the 49.9% stake in Ecureuil Vie held by Groupe Caisses d'Epargne.

2008

Expansion into Cyprus and Greece through the acquisition of a 50.1% stake in Marfin Insurance Holdings.

2009

Signing in June of a long-term, exclusive partnership agreement with Barclays, followed by the creation of a joint venture – Barclays Vida y Pensiones Compañia de Seguros (BVP) – to distribute a full range of life insurance and pension products in Spain, Portugal and Italy.

2012

Creation of Groupe Assuristance, 66% owned by CNP Assurances and 34% by Swiss Life. Groupe Assuristance is the parent company of the sub-group made up of Filassistance International and Garantie Assistance, which provides services across all segments of the assistance market.

2013

Through Caixa Seguros, its Brazilian subsidiary, CNP Assurances continues to expand in Latin America, acquiring Previsul, a personal insurance specialist in Southern Brazil, and Tempo Dental, one of the country's largest dental insurance companies.

2014

Renewal of the partnership agreement between BPCE group and CNP Assurances for a seven-year period starting on 1 January 2016, focused on developing the protection insurance business.

Signing of a strategic agreement with the Banco Santander group, providing for the acquisition of 51% of Santander Consumer Finance's life and non-life insurance subsidiaries and a long-term exclusive agreement for the distribution of protection insurance products in ten European countries.

2015

Signing in December of a partnership framework contract between AG2R La Mondiale and CNP Assurances to create the market leader in retirement savings.

Sale of CNP Assurances' interest in CNP BVP to Barclays Bank.

2016

Renewal of the distribution agreement with La Banque Postale for a ten-year period starting on 1 January 2016. The agreement's scope was widened to include distribution of life and endowment insurance through La Banque Postale's wealth management arm, BPE, and a direct partnership has been established to offer term creditor insurance to home buyers.

Partnership between AG2R La Mondiale and CNP Assurances cemented with the acquisition by CNP Assurances of a 39.95% stake in Arial Assurance, a subsidiary of AG2R La Mondiale that has been renamed Arial CNP Assurances.

Launch in September of Youse, Brazil's first 100% digital insurance platform.

2017

Renewal until 31 December 2019 of the Shareholders' Agreement dated 2 September 1998 and its successive amendments, by the process agreed by the signatories (the French State, Caisse des Dépôts, La Banque Postale, the BPCE group and Sopassure).

Renewal of the life insurance partnership in Italy between CNP Assurances and UniCredit, organised around CNP UniCredit Vita, which is 57.5% owned by CNP Assurances, 38.8% by UniCredit and 3.7% by Cardif. Concluded for seven years as from 1 January 2018, the partnership takes the form of a shareholders' agreement among CNP Assurances, UniCredit and Cardif, supplemented by a distribution agreement between CNP UniCredit Vita and UniCredit.

2018

In Brazil, the Group has signed a binding framework agreement with Caixa Econômica Federal (CEF) providing for the establishment of a new long-term exclusive distribution agreement covering the period to 13 February 2041*. The new scope of exclusivity would only cover life and consumer credit life insurance lines and private pension plans (*vida, prestamista, previdência*). The agreement is subject to various conditions precedent, including the issuance of the necessary approvals by the competent supervisory and anti-trust authorities.

* See press release dated 22 March 2019, the content of which is presented under "Subsequent events" on page 30 of this Registration Document

2

BUSINESS AND **FINANCIAL REVIEW**

2.1 Significant events of the year

2.1.1 First half

29 JANUARY 2018

CNP Assurances takes a majority stake in two InsurTechs, Azimut and iSalud.com, operating respectively in France and Spain

On 29 January 2018, CNP Assurances announced that it was taking over two InsurTechs focused on digital marketing and direct distribution of protection and health insurance: iSalud in Spain and Azimut in France.

The investment of some €40 million has enabled CNP Assurances to become the majority shareholder of the two companies.

15 FEBRUARY 2018

CNP Assurances invests in fintech company Lydia, which specialises in mobile payment solutions and services

As part of a funding round of €13 million, CNP Assurances has acquired a stake in fintech company Lydia, France's leading mobile payment solutions provider, through its Open CNP corporate venture programme.

The investment in Lydia is part of CNP Assurances' programme of investments and partnerships with innovative start-ups under Open CNP. Lydia, launched in 2013 by Cyril Chiche and Antoine Porte, has developed an instant mobile payment app to simplify day-to-day transactions, both peer-to-peer and with businesses. The company is based in Paris and has 40 employees.

CNP Assurances has invested in Lydia to help it pursue its strategy of conquering new users in France and Europe and developing new services. The app, which is very popular among young people, already has more than a million users, with more than 2,000 new accounts being opened daily.

Lydia represents the sixth investment by Open CNP, which is dedicating €100 million over five years to supporting innovative start-ups as part of the acceleration of the digital transformation of CNP Assurances.

8 MARCH 2018

EasyBourse and CNP Assurances launch a full-online life insurance product, EasyVie

EasyBourse, La Banque Postale's online broker, has teamed up with CNP Assurances to launch EasyVie. The product, which has been on sale since end-February 2018, consists of an attractively priced modular contract with a choice between investor-led or manager-led investment strategies.

EasyVie is the only fully digitised life insurance product, from initial purchase to final surrender. Like EasyBourse's investment products, customers can purchase their EasyVie contract directly on the EasyBourse website and manage all their transactions (purchases, sales, payments, surrenders, etc.) via their online account.

9 APRIL 2018

CNP Assurances wins the Best Managerial Innovation Prize awarded by l'Argus de l'Assurance

In April 2018, at the 14th annual l'Argus d'Or de l'Assurance awards ceremony recognising innovative programmes, initiatives and products, CNP Assurances won the Best Managerial Innovation Prize.

This category rewards innovative initiatives that benefit all stakeholders in the areas of change management, efficiency improvements, motivation building and the use of new technologies.

CNP Assurances presented its Open Innovation Challenge that is designed to help employees wake up to the fact that they all have ideas which are useful to the Company, encourage them to put forward these ideas and create internal start-ups for their implementation, and more generally incite employees to be bolder.

A total of 953 employees took part in this first participative innovation challenge, which was completed over eight months and focused on improving customer satisfaction. 203 employees organised in teams proposed 55 projects, of which 10 were presented to an expert panel. Five teams were selected to join Accelerator, CNP Assurances' project incubator, and four projects are now in the development phase. The Open CNP Challenge is a prime example of the ways in which the Group is undertaking its cultural and digital transformation.

11 APRIL 2018

CNP Patrimoine's Flexi G offer wins Best Innovation Prize

CNP Patrimoine, CNP Assurances' wealth management business, won the Best Innovation Prize at the 33rd Gestion de Fortune awards ceremony, for its Flexi G offer. Launched by CNP Patrimoine in early 2018, the Flexi G option enables all of CNP Patrimoine's partners (private banking institutions, IFA platforms, family offices and asset managers) to offer life insurance and endowment policy holders dynamically managed unit-linked funds combined with a capital guarantee at a selected maturity.

15 MAY 2018

Launch of Flexi I, the latest addition to CNP Patrimoine's Flexi offer

On 15 May 2018, CNP Patrimoine announced the launch of Flexi I, a new option to seize equity market opportunities while keeping savings secure.

Flexi I allows investors, in a continuing low interest rate environment, to take advantage of the opportunities offered by equity markets while protecting their capital at an optimised cost. In this option, available in CNP One unit-linked life assurance or endowment contracts, 40-50% of units are fully invested in shares based on the SBF® TOP 80 Ew Decrement 50 pt index created by Euronext. This index is more diversified than the CAC 40. It is composed of the 80 largest French stock market capitalisations (including CAC 40 stocks) and has outperformed the CAC 40 over the last five years.

Thanks to the insurer's guarantee, the investor is certain to recover at least, according to their choice, 98% or 100% of their initial capital at maturity either on 31 December 2021 or 31 December 2022 for optimised protection costs.

24 MAY 2018

Employee savings: Humanis, CNP Assurances and AG2R La Mondiale consolidate their partnership

Inter Expansion-Fongepar, the company dedicated to employee savings for the Humanis group, of which CNP Assurances is a shareholder, and Prado Épargne, the employee savings management company of AG2R La Mondiale, have combined their expertise and resources to become a major player in the co-managed and mutual sector.

The merger between Inter Expansion-Fongepar and Prado Épargne was approved by France's insurance supervisor (ACPR) on 26 April 2018 and has been effective since 1 May 2018.

The merger is in line with the growth and multi-stakeholder distribution strategy of the Humanis group's employee Savings business, which began in 2013 with CNP Assurances and the merger of Inter Expansion and Fongepar.

This deal solidifies several years of partnership between Inter Expansion-Fongepar and Prado Épargne around an administrative management service and tool shared within the Groupement d'Intérêt Économique Gestion Épargne Salariale (GIE GES). The pooling of technical resources and the improvement of the quality of management was initiated at the beginning of 2016. It has naturally led to the merger of the two companies and the acquisition by AG2R La Mondiale of a stake in the capital of the new structure.

6 JUNE 2018

Moody's assigned its A1 financial strength rating with stable outlook to CNP Assurances

In a constant effort to strengthen the long-standing relationship of trust with its policyholders, its distributing partners and its bond creditors, CNP Assurances has entrusted Moody's rating agency with rating its financial strength in addition to the rating assigned by S&P Global Ratings since 2006.

On 6 June 2018, Moody's assigned to CNP Assurances its A1 financial strength rating with stable outlook, which is one notch higher than the A rating with stable outlook currently assigned by S&P Global Ratings.

In its analysis, Moody's noted: "*CNP's credit profile is supported by the Group's very strong market position in the French life insurance market, a low liability risk profile thanks to a low average guaranteed rate on traditional savings products, a very stable level of profitability, as well as very good financial flexibility owing to a strong shareholder, Caisse des Dépôts et Consignations (Aa2 positive), which owned 40.8% of CNP's shares as of 31 December 2017.*"

11 JUNE 2018

Youse, a new rental solution

On 11 June 2018, CNP Assurances announced the launch of Youse in France.

A wholly-owned subsidiary of CNP Assurances, Youse offers a rental guarantee solution that is totally new to the real estate market. Whatever their status may be, whether on permanent or temporary contracts, students, autoentrepreneurs, freelancers or independents, all tenants can now obtain a guarantor with a response in less than 24 hours. Youse relies on the solidity of France's leading personal insurer, guaranteeing the owners' peace of mind.

21 JUNE 2018

Issuance of €500m subordinated Restricted Tier 1 perpetual notes

On 20 June 2018, CNP Assurances finalised a €500 million issue of undated subordinated notes with a first call date of 27 June 2028. The issue will be classified as equity under IFRS. The bonds will pay a 4.75% fixed rate of interest over the first 10 years and the coupon will subsequently be adjusted every five years in line with future benchmark interest rates. Payment of the coupon is discretionary. The notes feature a principal write-down mechanism together with mandatory interest cancellation in the event of non-compliance with solvency requirements, in accordance with the Solvency II directive.

The issue proceeds will be eligible for inclusion in Solvency II Restricted Tier 1 regulatory capital. The notes have been rated BBB- by Standard & Poor's and Baa3 by Moody's.

2.1.2 Second half

19 JULY 2018

CNP Assurances launches a new type of individual healthcare cover distributed by Amétis, its commercial employee network

"Ma Santé" is CNP Assurances' first individual healthcare cover to be distributed by Amétis, its commercial employee network. Modular and customisable, subscribers can select the level of reimbursement for each type of care: hospitalisation, day-to-day care, dental care, eye care, etc.

With the "Ma Santé" cover, subscribers can adapt the level of reimbursement for each type of care, depending on their needs and those of their beneficiaries. Divided into five categories (hospitalisation, day-to-day care, pharmacy, dental care and eye care), each one of which has six levels of guarantee, this new individual offering means that bespoke healthcare cover is now possible.

The cost of a number of ancillary services can also be covered, such as hearing aids, thermal baths, osteopathy, nutritional assessments, etc.

The "Ma Santé" individual healthcare cover also includes access to the Lyfe website. Launched in 2015 by CNP Assurances, Lyfe provides eight services geared towards healthcare, well-being and ageing well, and offers its users day-to-day support in the form of completely customisable exclusive content that falls into ten main health topics.

Each contract will also include access to Filassistance guarantees. As soon as subscribers take these out, they will be able to take advantage of support services should they suffer an accident (help with searching for a doctor, getting medicines to them, sending urgent messages, etc.), in the event of their being hospitalised, or should their carers require help (training, assessment, search for a host institution, etc.).

30 AUGUST 2018

Conclusion of a binding Memorandum of Understanding with Caixa Seguridade*

On 30 August 2018, CNP Assurances announced the conclusion of a binding Memorandum of Understanding providing for the establishment of a new long-term exclusive distribution agreement until 13 February 2041 in Brazil in the network of Caixa Econômica Federal (CEF), one of the leading Brazilian banks and one of the five largest in Latin America.

This new agreement builds on the successful track-record of CNP Assurances and CEF's partnership since 2001, through their Caixa Seguros Holding (CSH) joint venture, which demonstrated an ability to combine strong growth, high profitability and regular cash flow generation.

The new exclusivity perimeter in CEF's network concern life insurance, consumer credit life insurance and private pension plans. In line with the terms of the non-binding Memorandum of Understanding signed at the end of September 2017, the new distribution agreement will be implemented through a newly formed insurance joint venture between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations, with CNP Assurances and Caixa Seguridade owning respectively 51% and 49% of the voting rights and 40% and 60% of the economic rights.

On the closing date, CSH will transfer to the new joint venture the In-Force insurance portfolios for the products included in the scope of the agreement (life insurance, consumer credit life insurance and private pension plans).

24 SEPTEMBER 2018

CNP Patrimoine launches CNP Éthique, its conviction investment offering

For savers wishing to adopt an ethical approach while ensuring high performance objectives and diversification, CNP Patrimoine – CNP Assurances' entity dedicated to wealth management clients – presented its range of investment vehicles selected in accordance with ESG criteria.

This range of products will enable them to include a selection of 22 investment vehicles in their life assurance and multi-asset capitalisation contracts (the CNP Patrimoine range). These vehicles meet the Morningstar Sustainable-rated ethical and responsible criteria.

5 OCTOBER 2018

CNP Assurances wins an award for its innovative AI-based Fuzzy Matching model

Developed by CNP Assurances, the MPR (Missing Person Recovery) Model took the third position in the Customer Relations Innovation category at the 2018 Insurance Awards held on 4 October 2018 in Paris. Initially designed to optimise the search for the beneficiaries of escheated life insurance policies, this effective, high-performance technology is now being used in other areas of the company.

Since it was first launched in 2016, the MPR (Missing Person Recovery) model has helped find tens of thousands of beneficiaries of escheated life insurance policies, so the amounts owing to them could be paid. Combining advanced indicators (phonetic matching, geographic cross-referencing, modules for calculating the distance between character strings) with machine self-learning models and recently developed artificial intelligence algorithms, the MPR is a fuzzy matching tool that finds more than 99% of contracts.

* See press release dated 22 March 2019, the content of which is presented under "Subsequent events" on page 30 of this Registration Document

The MPR model and its fuzzy matching method can be extended to numerous other applications (complete client overview, withholding tax, etc.). These are available from Diwise, a CNP Assurances start-up which provides the market with unique business expertise and tried and tested data science solutions.

30 OCTOBER 2018

CNP Assurances' A rating affirmed with a stable outlook

Moody's assigned its A1 financial strength rating (with stable outlook) to CNP Assurances. As previously, this rating does not include any specific uplift linked to CNP Assurances' shareholding structure. In its analyses published on 3 September 2018 and 4 October 2018, Moody's highlights that the "*new distribution agreement with Brazil's Caixa Econômica Federal is credit positive* and that the "*expected change in shareholding structure has no credit impact. Caisse des Dépôts and the government of France would remain key indirect shareholders in CNP Assurances, allowing it to retain its strong financial flexibility. We do not currently factor shareholder support considerations into CNP Assurances' ratings, and do not plan to change our approach once the new structure takes effect.*"

Standard & Poor's assigned its A financial strength rating (with stable outlook) to CNP Assurances. This rating no longer includes any specific uplift linked to CNP Assurances' shareholding structure. In its analysis published on 30 October 2018, Standard & Poor's notes that "*according to the French government, La Poste's banking subsidiary La Banque Postale may become the majority shareholder of insurer CNP Assurances by 2020. Prospectively, we view CNP Assurances as highly strategic to La Poste. Our view of CNP Assurances' stand-alone creditworthiness has improved thanks to its sustainably stronger capital position and the signing of a new long-term partnership in Brazil.*"

CNP Assurances' stand-alone rating has therefore been upgraded by 1 notch (from A- to A) to consider the improvement of the Group's solvency position according to Standard & Poor's capital model, whereas the 1-notch uplift linked to Caisse des Dépôts support has been withdrawn, leaving the final rating unchanged at A.

15 NOVEMBER 2018

Antoine Lissowski appointed as Chief Executive Officer of CNP Assurances

On 15 November 2018, CNP Assurances' Board of Directors approved Antoine Lissowski's appointment as Chief Executive Officer of CNP Assurances.

26 DECEMBER 2018

CNP Assurances announces the establishment of a Euro Medium Term Notes programme

CNP Assurances announced that its new Euro Medium Term Notes (EMTN) programme (the "Programme") received visa from the French financial markets authority (*Autorité des Marchés Financiers* – AMF) on 21 December 2018.

The establishment of the Programme will strengthen CNP Assurances' financial flexibility allowing it to seize opportunities on the bond market more rapidly through issuances of subordinated or senior notes, by means of public or private placements and in different currencies. It is fully in line with the Group's financing strategy aiming at constantly seeking to diversify its investor base, both in terms of geographies and currencies – as evidenced by the bonds it placed in EUR, USD and GBP – and to adapt its capital structure on a regular basis taking into account its growth prospects in Europe and Latin America, Solvency II own-funds requirements and Moody's and Standard & Poor's rating agencies criteria.

The €7 billion amount of the Programme is consistent with the current nominal value of CNP Assurances' outstanding subordinated notes. As a reminder, the maximum amount of bonds issues currently authorized by the Board of Directors is €1.5 billion per year. The securities to be issued shall be admitted to trading on Euronext Paris.

27 DECEMBER 2018

CNP Patrimoine is to acquire the Quality Insurance Services management platform to bolster its client relations

On 27 December 2018, CNP Patrimoine – CNP Assurances' wealth management business for high-end clients – announced that it is to acquire the Quality Insurance Services management platform that manages its contracts in France and Luxembourg.

Since it was launched four years ago, the wealth management business conducted by CNP Patrimoine and CNP Luxembourg has been enjoying rapid growth, with €6 billion of outstandings as of 30 November 2018.

To support this growth and improve the client experience, CNP Patrimoine is taking over Quality Insurance Services, a platform specialised in managing high-end contracts, which has been its partner since it was set up in 2014.

Merging Quality Insurance Services and CNP Patrimoine will improve the quality of the partner relationships with private banks, independent financial adviser platforms and family offices.

Through this acquisition, the CNP Assurances Group is confirming its position as a major player in wealth management.

2.1.3 Subsequent events

CNP Assurances announces the successful issue of €500 million in Tier 2 subordinated notes with ten years maturity and a fixed rate of 2.75%

On 1 February 2019, CNP Assurances announced that it had successfully completed its first issue of Tier 2 subordinated notes under the EMTN programme set up in December 2018. The €500 million in ten-year bullet notes bear a fixed rate of 2.75%. This is the lowest fixed coupon paid by CNP Assurances for a Tier 2 subordinated note. The notes are rated BBB+ by Standard & Poor's and A3 by Moody's.

This issuance will allow CNP Assurances to prepare the next call dates and to optimize its capital structure, while maintaining its financial flexibility to issue Restricted Tier 1, Tier 2 and Tier 3 subordinated notes. The proceeds of the notes will be eligible for inclusion in Solvency II regulatory capital. The issue was quickly placed with around 220 institutional European and Asian investors on 25 January 2019.

New exclusive distribution agreement in Brazil in the Caixa Econômica Federal Network *

On 22 March 2019, CNP Assurances announced that the new management team of Caixa Seguridade, with which it signed a framework agreement on 29 August last year regarding their new exclusive distribution agreement in the Caixa Econômica Federal network in Brazil, has engaged discussions with CNP Assurances in order to reach agreements on adjustments or any supplements to the agreement.

2.2 Market and business review

2.2.1 Economic and financial environment

A violent market downturn, particularly accentuated at the end of the year…

Following an excellent 2017 in terms of growth and financial performance, 2018 began with a stock market rally, with prices gaining 8% in January, and record high leading indicators, with the PMI and ISM at close to the 60 mark. However, the outlook suddenly darkened in early February as US long-term rates came under pressure, leading to a surge in volatility and significant price corrections. The markets subsequently calmed down, experiencing a rebound that lasted until September. US stock markets reached dizzying heights before crashing in the fourth quarter. The reversal took everyone by surprise, not just its occurrence but also its magnitude, and the wave of pessimism deepened at the end of the year.

… accompanied by a general decline in risky-assets…

Stock market indices ended the year in the red, after experiencing steep declines. The CAC 40 lost 11%, the Eurostoxx lost 15% and the S&P 500 was down 7%. In the credit market, widening spreads in both the United States and Europe led to falls ranging from - 2% to - 4%. The dollar's 5% appreciation and higher short-term dollar interest rates adversely affected emerging market stock and debt indices, which lost 16% and 8% respectively. Chinese assets were particularly badly hit by the combination of these developments and growing trade tension with the United States, which together led to a 25% drop in the Shanghai Index and a 6% fall in the yuan. Brazil was almost the only emerging market to buck the trend, with the Bovespa index gaining 12%. Lastly, commodity prices were volatile during the year. The Brent crude oil price climbed to $85 in early October but then collapsed to $50. Industrial metals prices also experienced a sharp correction – the copper price dropped 17% – and precious metals prices failed to live up to their reputation as a safe haven, with the gold price losing 2%.

… despite a macroeconomic environment that was still robust although experiencing a certain loss of momentum…

The collapse in financial asset prices caught investors by surprise because the global economy was still robust. It grew by around 3.5% over the year thanks in particular to very resilient consumer spending that in turn was supported by widespread falls in jobless rates. Overall, faster economic growth in the US (at close to 3%), driven by tax cuts and other fiscal stimulus measures, offset slowdowns in other developed countries (with a return towards the 2% potential growth rate in Europe and 1% in Japan) and a loss of momentum in emerging markets such as China, Turkey and South Africa, etc. Healthy investment levels offset the global trade slowdown triggered by the credit restrictions announced by China at the beginning of the year and the introduction of new trade tariffs by the United States in the summer.

* For additional information, see management report

... with higher corporate earnings and the restoration of attractive multiples

The size of the correction cannot be explained either by corporate earnings performances. Aggregate global corporate earnings growth was a very healthy 19.4%, helped in no small measure by the 23% increase in the earnings reported by American companies. Corporate revenues also rose, with robust organic growth attenuating negative currency effects due to the depreciation of emerging currencies. Lastly, dividends also continued to rise along with share buybacks. The combination of higher earnings and lower share prices eroded P/E ratios which fell to below their historical averages.

A market shock explained by unprecedented moves to restore interest rates to more normal levels...

One of the reasons for this paradox lies with the central banks. The Federal Reserve's moves to restore interest rates to more normal levels (by raising short-term rates by 100 bp), and drive a reduction in total debt were encouraged by a surge in inflation to above 2%. The policy depressed bond prices and lifted the US 10-year treasury bond yield to 3.25% in October. The Fed's clear commitment to pursuing its strategy in 2019 caused concern among investors and explains why interest rates fell back (with the 10-year rate at 2.7% at the end of December) following the collapse in stock prices. The bond markets' reaction was muted, however. Long-term euro interest rates stayed more or less stable (the 10-year OAT rate hovered between 0.60% and 1% over the year) and the ECB remained cautious, announcing the end of the quantitative easing programme in 2019 but ruling out a rate hike before the fourth quarter. The 10-year OAT rate ended the year at 0.70%, a decline of 10 bp.

... and growing political tensions causing further volatility...

The other reason why the markets derailed was the lack of political visibility. The US administration's constant threats to impose trade tariffs and renegotiate multilateral trade agreements were an important source of market volatility. At the same time, the environment in Europe remained unstable, due to persistent uncertainty about the outcome of Brexit negotiations and Italy's budget trajectory. This agitation led to higher risk premiums on European assets and a 100 bp increase in the spread on Italian debt.

... leading to questions about the sustainability of the current economic cycle

Since the financial crisis, the markets had outperformed the economy thanks to the central banks' liquidity injections. The climate of political uncertainty and moves by the Federal Reserve to reverse the fall in interest rates triggered a violent adjustment of valuations that was not fully justified by changes in fundamentals. The question now is whether this was just an allergic reaction by the markets or a point of no return presaging the end of the current economic cycle after ten years of growth.

2.2.2 2018 Business review

The Group's **consolidated premium income** for the year totalled €32.4 billion, up 0.7% (up 4.1% like-for-like).

In France, premium income declined 5.5% to €21.6 billion.

Savings/Pensions premium income contracted by 3.8% to €17.4 billion, mainly reflecting the €1.2 billion decrease in "Fourgous transfers" and transfers to *Croissance* contracts. The contribution of unit-linked contracts continued to grow, representing 22.5% of Savings/Pensions premiums in 2018 compared with 20.7% in 2017. One of the main growth drivers was CNP Patrimoine's unit-linked offer (44.1% of unit-linked contracts). Savings/Pensions net new money reflected a €2.4 billion net inflow to unit-linked contracts and a €5.1 billion net outflow from traditional products.

Personal Risk/Protection premium income declined 11.9% to €4.1 billion, due in particular to new agreements with Crédit Agricole in the term creditor insurance segment.

The new business margin narrowed slightly, to 19.7% from 21.5% in 2017, due to the lower term creditor insurance volumes.

In Latin America, premium income totalled €5.5 billion, up 3.3% as reported (up 23.8% at constant exchange rates).

Savings/Pensions premium income increased 13.0% (up 35.2% at constant exchange rates) to €4.0 billion, with Caixa Seguradora accounting for 99% as it went from strength to strength in this segment, which is a strategic priority for Caixa Econômica Federal with net new money of €2.3 bilion. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.6%.

Premium income for the Personal Risk/Protection business amounted to €1.5 billion (Caixa Seguradora accounting for 99%) representing a decrease of 16.1% (but a modest increase of 1.0% at constant exchange rates) due to Caixa Econômica Federal's decision to adopt stricter lending criteria.

The new business margin stood at 30.1% in 2018 compared with 32.6% in 2017. The decline was due to advance recognition of the reduction in CNP Assurances' right to a share of *prestamista*, *vida*, and *previdência* business under the new distribution agreement signed at end-August 2018, from 51.75% to 40%.

In Europe excluding France, premium income amounted to €5.3 billion, an increase of 32.7%.

Savings/Pensions premium income rose by a strong 40.7% to €4.3 billion (€3.3 billion of which for CNP UniCredit Vita). This dynamic performance was mainly attributable to CNP UniCredit Vita, which achieved 30% growth, and CNP Luxembourg. Net new money was positive, at a solid €1.8 billion, reflecting net inflows of €1.6 billion to unit-linked contracts and €0.2 billion to traditional products.

Premium income from Personal Risk/Protection business rose 6.8% to €1.0 billion, with growth led by CNP Santander (up 7.3%, or €0.7 billion) and CNP UniCredit Vita (up 15.1%, or €0.1 billion).

The new business margin declined to 16.9% from 19.1% in 2017. This was due to an unfavourable change in segment mix, with Savings/Pensions volumes growing at a faster rate than Personal Risk/Protection volumes.

PREMIUM INCOME BY COUNTRY

(in € millions)	**2018**	2017	% change (reported)	% change (like-for-like)
France	**21,571**	**22,820**	**(5.5)**	**(5.5)**
Brazil	5,452	5,261	3.6	23.8
Italy	3,638	2,851	27.6	27.6
Luxembourg	616	180	243.0	243.0
Germany	483	469	2.9	2.9
Spain	263	221	18.9	18.9
Cyprus	153	143	7.4	7.4
Poland	83	67	23.4	23.4
Argentina	27	41	(32.9)	18.0
Denmark	22	18	22.5	22.5
Norway	21	24	(11.9)	(11.9)
Austria	13	12	14.0	14.0
Portugal	5	6	(22.5)	(22.5)
Other International	17	12	(12.4)	42.8
Total International	**10,795**	**9,307**	**16**	**27.6**
TOTAL	**32,367**	**32,127**	**0.7**	**4.1**

PREMIUM INCOME BY SEGMENT

(in € millions)	**2018**	2017	% change *(reported)*	% change *(like-for-like)*
Savings	20,642	19,728	4.6	4.7
Pensions	5,089	4,984	2.1	17.6
Personal Risk	1,738	1,958	(11.2)	(5.6)
Term Creditor Insurance	4,075	4,393	(7.2)	(4.6)
Health Insurance	449	676	(33.6)	(31.8)
Property & Casualty	374	389	(3.8)	12.5
TOTAL	**32,367**	**32,127**	**0.7**	**4.1**

2.2.3 Acquisitions of controlling and other interests (Article L.233-6 of the French Commercial Code (*Code de commerce*)

In 2018, the Company acquired the following controlling and other interests within the meaning of Article L.233-6 of the French Commercial Code:

	% interest at 31.12.2018	% interest at 31.12.2017
ALVEN CAPITAL IV OPPORTUNITY F	12.99%	0.00%
AZIMUT	71.04%	0.00%
DIWISE	100.00%	0.00%
GF DE LA FORÊT DE NAN	100.00%	0.00%
IXO 4	8.40%	0.00%
LATOUR CO-INVEST HYGEE	16.28%	0.00%
LDX SME III	10.00%	0.00%
MONTPARVIE IV	100.00%	0.00%
MONTPARVIE V	100.00%	0.00%
QUADRILLE TECHNOLOGIES IV FUND	6.67%	0.00%
SOFINNOVA CROSSOVER I S.L.P.	19.94%	0.00%
TIKEHAU NOVO 2018	14.16%	0.00%
BNP PARIBAS NOVO 2018	15.16%	0.00%
SCOR INFRA III	7.27%	0.00%

2.3 2018 financial review

2.3.1 Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005-R-01) concerning the presentation of the IFRS financial statements of insurance undertakings, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance undertakings (see notes to the consolidated financial statements).

Review of results

Key earnings figures are as follows:

(In € millions)	Geographic area France	Latin America	Europe excl. France	Own-funds portfolios	**Total 2018**	Total 2017	% change (reported)	% change (like-for-like) *
Premium income	**21,571**	**5,480**	**5,316**		**32,367**	**32,127**	**+0.7**	**+4.1**
Net insurance revenue	1,804	1,069	241		3,113	3,048	+2.1	+9.2
Revenue from own-funds portfolios				733	733	779	-5.9	-6.0
Administrative costs					(922)	(938)	-1.6	+2.7
EBIT					**2,924**	**2,889**	**+1.2**	**+7.2**
Finance costs					(248)	(247)	+0.7	+0.7
Share of profit of equity accounted companies					23	7	+218.0	-17.7
Income tax expense					(901)	(1,001)	-10.0	-1.8
Non-controlling interests					(304)	(336)	-9.6	+5.4
Fair value adjustments and net gains					89	200	n/a	n/a
Non-recurring items					(216	(227)	n/a	n/a
ATTRIBUTABLE PROFIT FOR THE YEAR					**1,367**	**1,285**	**+6.4**	**+8.6**

* The constant scope of consolidation does not include the activities of Holding d'Infrastructures Gazières, Filassistance and Assuristance

Note: The Brazilian real lost 19.5% against the euro, with the average exchange rate standing at 4.31 at 31 December 2018 compared with 3.61 at 31 December 2017

EBIT is a key performance indicator used by the Group, because it is not affected by the timing and magnitude of profit-taking on equities and investment property (as reflected in realised capital gains attributable to owners of the parent) or by changing market prices.

EBIT corresponds to attributable net profit before:

- finance costs;
- share of profit of equity-accounted companies;
- income tax expense;
- non-controlling interests;
- fair value adjustments and capital gains and losses;
- non-recurring items.

The two main business indicators are:

- **premium income**, which came in at €32.4 billion in 2018 (see comments in the Business Review);
- average **technical reserves** (excluding the deferred participation reserve and net of ceded reserves), which rose by 1.0% in 2018 to €313.0 billion. The increase reflected premium income for the year, the amount set aside for policyholder dividends, claim and benefit payments and contract withdrawals.

Consolidated net insurance revenue was €3,113 million at 31 December 2018, up 9.2% like-for-like.

Net insurance revenue France

In France, net insurance revenue rose by 5.2% to €1,804 million, with the Savings/Pensions and Personal Risk/Protection businesses both contributing to the increase. Savings/Pensions net insurance revenue was boosted by higher unit-linked new money, while the Personal Risk/Protection business benefited from improved loss ratios for previous claim years.

Net insurance revenue Latin America

In Latin America, net insurance revenue came to €1,069 million, down 0.6% as reported but up 19.4% at constant exchange rates. Growth factors included sharply higher technical reserves in the Pensions business, improved loss ratios in the Personal Risk/Protection business, and a one-off reversal from Term Creditor Insurance reserves following a change in local regulations concerning the calculation of commitments for home-buyer term creditor insurance.

Net insurance revenue Europe excluding France

In Europe excluding France, net insurance revenue contracted by 6.8% to €241 million. As explained previously, during the initial three-year term of the new distribution agreement with UniCredit, which came into effect on 1 January 2018, the joint subsidiary CNP UniCredit Vita will pay UniCredit higher commissions than under the previous agreement. CNP Santander enjoyed strong growth in net insurance revenue, which rose 21.8% due to rapid business expansion in Poland, Spain, Italy and Scandinavia.

Revenue from own-funds portfolios amounted to €733 million, representing a decline of 5.9% (down 6.0% like-for-like). The contraction was due to cuts in European and Brazilian interest rates.

Administrative costs amounted to €922 million, down 1.6% as reported (up 2.7% like-for-like). In France, administrative costs were reduced by 0.1% to €611 million. As of end-2018, the measures implemented under the Operational Excellence Programme had delivered a recurring reduction in the cost base of €78 million (on a full-year basis), representing considerably more than the original target of €60 million.

At €2,924 million, **EBIT** was up 1.2% as reported and 7.2% like-for-like.

Finance costs were stable at €248 million.

The reduction in **income tax expense** primarily reflects the lower tax base in France compared with 2017 when a surtax applied along with the recently invalidated tax on distributed earnings.

The 9.6% decrease in **non-controlling interests** was due to the unfavourable currency effect in Latin America and the more limited contribution to profit by CNP UniCredit Vita.

The impacts of net gains (losses) on disposal of investments, fair value adjustments to financial assets and non-recurring items appear at the foot of the income statement.

Fair value adjustments and capital gains made a smaller net contribution to profit, due in particular to the fall in equity prices at the end of 2018.

Non-recurring items represented net income of €216 million, corresponding mainly to increases in technical reserves for €206 million after the tax effect.

Reported attributable **net profit** was 6.4% higher at €1,367 million. The like-for-like increase was 8.6%.

Consolidated balance sheet at 31 December 2018

Total assets at 31 December 2018 amounted to €415.5 billion compared with €423.3 billion at the previous year-end, a decrease of 1.8%.

Insurance investments

Group insurance investments fell 1.8% year-on-year to €380.1 billion at 31 December 2018.

For more information, see Notes 7 and 8 to the consolidated financial statements.

Equity

Equity attributable to owners of the parent fell by €477 million compared with 31 December 2017, to €17,781 million.

The net decrease reflected the inclusion of profit for the year (€1,367 million positive impact), fair value adjustments recognised directly in equity (€1,116 million negative impact due mainly to falls in financial asset values in 2018), payment of the 2017 dividend (€577 million negative impact) and exchange differences on translating foreign operations (€182 million negative impact).

Equity includes €1,881 million in deeply-subordinated debt.

For more information, see Note 5 to the consolidated financial statements.

Technical reserves

Insurance and financial liabilities totalled €357.6 billion, a 2.1% decrease compared with 31 December 2017.

For more information, see Note 9 to the consolidated financial statements.

Financing liabilities

Financing liabilities amounted to €5,342 million at 31 December 2018 compared with €5,300 million at the previous year-end. The increase reflected the impact of changes in exchange rates on debt issues denominated in foreign currencies.

For more information, see Note 10 to the consolidated financial statements.

Solvency capital

The consolidated SCR coverage ratio was 187% at 31 December 2018 compared with 190% at end-2017. The 2018 figure takes into account the advance recognition of the payment that will be due by CNP Assurances when the various conditions precedent applicable to the new distribution agreement in Brazil have been fulfilled*.

Asset portfolio and financial management

Group insurance investments at 31 December 2018 totalled €380.1 billion compared with €387.1 billion at 31 December 2017, a decrease of €7.0 billion over the period.

Most investments are measured at fair value, except for held-to-maturity investments and property assets not covered by unit-linked policies, which are measured using the cost model.

At 31 December 2018, available-for-sale financial assets represented 76.1% of total investments, financial assets at fair value through profit or loss (trading securities) represented 21.5%, and held-to-maturity investments and other investments (mainly investment property and loans) accounted for 2.4%.

* See press release dated 22 March 2019, the content of which is presented under "Subsequent events" on page 30 of this Registration Document

2.3.2 Company financial statements (French GAAP)

Premium income

(in € millions)	31.12.2018	31.12.2017	2018/2017	31.12.2016
Individual insurance premiums	17,492	17,577	-0.48%	19,480
Group insurance premiums	4,496	5,372	-16.30%	4,564
TOTAL	**21,988**	**22,948**	**-4.20%**	**24,045**

Premium income declined by 4.20% in 2018.

Individual insurance products

Premium income from individual insurance products was stable (contracting by just 0.48%). During the year, there was a growing shift towards unit-linked products and away from traditional Savings/Pensions products.

Group insurance products

GROUP INSURANCE PREMIUMS BY BUSINESS SEGMENT

(in € millions)	31.12.2018	31.12.2017	2018/2017	31.12.2016
Death benefit	2,196	2,191	0.23%	1,818
Pensions	638	992	-35.68%	671
Bodily injury	1,662	2,189	-24.07%	2,075
TOTAL	**4,496**	**5,372**	**-16.30%**	**4,564**

The decline in premium income from group insurance products was mainly due to the change of CNP Assurances' status for the Crédit Agricole Term Creditor Insurance business, to co-insurer in 2018 from reinsurer in prior years. In 2017, premium income was boosted by the sale of new employee benefits and group pensions contracts.

Profit for the year

The net profit of CNP Assurances rose by 2% to €1,165.3 million in 2018, from €1,142.5 million in 2017.

Equity

Equity at 31 December 2018 amounted to €12,070.4 million compared with €11,405.5 million at the previous year-end. The year-on-year change primarily reflected payment of the 2017 dividend (€577 million negative impact), inclusion of 2018 profit (€1,165.3 million positive impact) and changes in the capitalisation reserve (€76.3 million positive impact).

Supplier payment terms

Under France's Act of 17 March 2014 concerning transparency of information about payment terms, companies whose financial statements are audited are required to disclose information in the management report about the payment terms with their suppliers and customers, in a format defined by decree.

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, CNP Assurances' payment terms in 2018 were as follows:

1. Invoices received and due but not yet settled at the year-end

In the following table, the percentage by period overdue has been calculated as follows:

- total invoices overdue by the period concerned divided by total purchases excluding VAT for the year, corresponding to a total of €466,505,686 worth of supplier invoices recorded in 2018.
- The amounts in the following table are stated net of credit notes for a total (excluding VAT) of €339,776.78, of which €304,051.02 is in the "91 days and more" tranche.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	37	57	13	31	138
Total value excluding VAT of the invoices concerned	831,028	835,636	125,061	(245,898)	1,545,827
Percentage of total purchases excluding VAT for the year	0.18%	0.18%	0.03%	-0.05%	0.33%

In application of the circular dated 29 May 2017 issued by the French insurance industry federation (*Fédération Française d'Assurance*), the information in the above tables does not include insurance and reinsurance receivables.

The Company is working to continuously improve supplier payment terms, by pursuing deployment of its new purchasing process software.

2. Invoices issued and due but not yet settled at the year-end

In the following table, the percentage by period overdue has been calculated as follows:

- total invoices overdue by the period concerned divided by total revenue (reinvoiced costs) excluding VAT for the year, corresponding to a total of €39,643,791 worth of customer invoices recorded in 2018.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	2	3	0	18	23
Total value excluding VAT of the invoices concerned	3,030	131,190	0	82,958	217,178
Percentage of total revenue (excluding VAT) derived from reinvoiced costs	0.0076%	0.3309%	0%	0.2093%	0.5478%

In application of the circular dated 29 May 2017 issued by the French insurance industry federation (*Fédération Française d'Assurance*), the information in the above tables does not include insurance and reinsurance receivables.

Summary of investments *(In € thousands)*

Detail of investments	Cost	Carrying amount	Realisable value
1. Property investments and property in progress	12,416,622	12,133,203	16,157,752
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
2. Equities and other variable income securities, other than mutual fund units	29,105,960	26,569,671	30,958,236
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy	840,673	585,732	799,033
3. Mutual fund units (other than those in 4)	25,467,404	25,370,960	28,361,024
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
4. Mutual fund units invested exclusively in fixed income securities	27,714,624	27,714,624	27,845,588
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
5. Bonds and other fixed income securities	197,656,439	199,806,932	215,505,145
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy	1,104,423	535,715	(689,985)
6. Mortgage loans			
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
7. Other loans	123,000	123,000	127,491
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
8. Deposits with ceding insurers	228,494	228,494	228,494
9. Cash deposits and guarantees and other investments (other than those in 8)	343,452	343,452	343,452
10. Assets backing unit-linked contracts	33,996,013	33,996,013	33,996,013
▪ Forward financial instruments: investment or divestment strategy			
▪ Forward financial instruments: yield strategy			
11. Other forward financial instruments			
TOTAL	**328,997,104**	**327,407,796**	**353,632,243**

The share of investments held to back the Company's commitments towards insureds and policy beneficiaries that would be transferred if the underlying policies were to be transferred amounted to €317,870,161 thousand, representing 89.89% of total insurance investments at realisable value.

2.3.3 Review of subsidiaries

Caixa Seguradora

The Caixa Seguradora sub-group reported premium income of €5.5 billion, up 3.6% as reported and 23.8% at constant exchange rates. Growth was driven by the Pensions business that expanded by 35.3% at constant exchange rates. Caixa Seguradora continued to attract significant amounts of new money for its Savings/Pensions products, which are a strategic priority for the partner. Its market share increased by 1.9 points to 9.9% at end-2018.

Premium income for the Personal Risk/Protection business contracted by 16.1% after translation into euros due to the unfavourable currency effect. At constant exchange rates, the year-on-year change was an increase of 1.0%. The dip in term creditor insurance premiums (down 2.3% at constant exchange rates) was mainly due to a premium adjustment for a portfolio (term creditor insurance) and Caixa Econômica Federal's decision to adopt stricter lending criteria.

Caixa Seguradora's contribution to consolidated profit was unfavourably affected by the 19.5% negative currency effect. In 2018, the average real/euro exchange rate improved to 4.31 from 3.61 in 2017.

Its contribution to net insurance revenue was down 0.1% after translation into euros, but up 19.4% at constant exchange rates. Growth factors included sharply higher technical reserves in the Pensions business, improved loss ratios in the Personal Risk/Protection business, and a one-off reversal from term creditor insurance reserves following a change in local regulations concerning the calculation of insurance liabilities for mortgage insurance.

Revenue from own-funds portfolios fell by 73%, reflecting lower Brazilian interest rates and the unfavourable currency effect. Administrative costs increased by 8% like-for-like. At €903 million, EBIT was 6.8% lower as reported and up 11.4% like-for-like.

Caixa Seguradora's contribution to the Group's attributable net profit for 2018 amounted to €236 million; the decline of 19.3% compared with 2017 was due to the depreciation of the Brazilian currency.

CNP UniCredit Vita

CNP UniCredit Vita's premium income amounted to €3.4 billion in 2018, an increase of 29.3% in an Italian market that contracted by 2% over the first eleven months of the year. Savings premiums were up by a very strong €0.75 billion. The company's market share rose by 0.9 points to 2.95% at end-November 2018 compared to 2017.

Total net insurance revenue contracted by 21.8% to €74 million, The decline mainly reflected application, from 1 January 2018, of the new distribution agreement with UniCredit, which provides for the payment during the first three years of higher commissions to UniCredit than under the previous agreement.

General administrative expenses were down 3.1% at €34.7 million. EBIT totalled €48 million, down 28.7% compared with 2017.

CNP UniCredit Vita's contribution to the Group's attributable net profit under IFRS rose by 33.9% to €20.4 million.

CNP Santander Insurance

CNP Santander Insurance generated premium income of €743 million in 2018, an increase of 7.3% compared with the previous year that came mainly from operations in Germany, Poland and Spain.

Net insurance revenue, in the amount of €105.6 million, was derived primarily from business written in Germany (48% of net insurance revenue), Spain (26%) and Poland (12%). Administrative expenses for 2018 amounted to €18.8 million, an increase of 15.6% compared with 2017 that reflected the additional staff taken on to keep pace with business growth. The subsidiary's EBIT rose by 32.7% after deducting €68 million in amortisation of intangible assets.

CNP Santander Insurance's contribution to the Group's attributable net profit under IFRS amounted to €3.5 million, down €8 million on 2017.

CNP Cyprus Insurance Holdings

CNP Cyprus Insurance Holdings' premium income totalled €157 million in 2018, an increase of 8.4% on 2017 Growth was led by a 16.3% increase in Savings premiums.

Net insurance revenue increased by 7.7% to €37 million. Administrative costs increased by 6.7% over the year. In all, EBIT after amortisation of acquired In-Force business was stable compared with 2017 at €14 million.

CNP Cyprus Insurance Holdings' contribution to Group attributable net profit under IFRS, after amortisation of acquired In-Force business, was €6.8 million, up €0.7 million compared with 2017.

2.3.4 Growth outlook

The growth outlook is discussed in the Non-Financial Information Statement, in the section on the business model ("Roadmap and outlook").

2.4 Solvency

The Solvency II directive defines the prudential regime applicable to European insurance and reinsurance undertakings. It sets the minimum capital required by each insurance undertaking and insurance group in order to be able to fulfil their commitments towards insureds and the beneficiaries of their insurance policies. The directive also describes the governance and risk management principles to be applied by these undertakings and groups, as well as their reporting obligations towards the public and the insurance supervisor.

Since 1 January 2016, the Group's regulatory solvency capital has been measured using the standard formula in Solvency II, without any internal model or any transitional plan, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

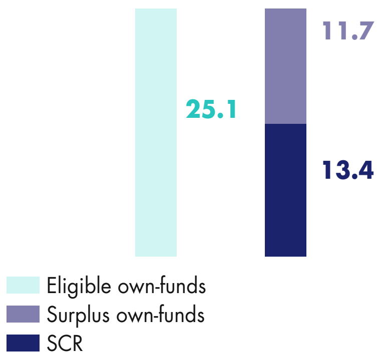
At 31 December 2018, CNP Assurances' consolidated SCR coverage ratio was 187%. The excess of own-funds eligible for inclusion in capital available to cover the SCR (€25.1 million) over the SCR (€13.4 billion) represented a regulatory surplus of €11.7 billion. The Solvency Capital Requirement (SCR) is the level of eligible own-funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own-funds, subject to a confidence level of 99.5% over a one-year period.

The Group's consolidated MCR coverage ratio at 31 December 2018 was 317%. The excess of own-funds eligible for inclusion in capital available to cover the consolidated MCR (€21.6 billion) over the consolidated MCR (€6.8 billion) represented a regulatory surplus of €14.8 billion. The Minimum Capital Requirement (MCR) corresponds to the minimum eligible basic own-funds, defined in Solvency II as the amount of eligible basic own-funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own-funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time.

More detailed information about the SCR and MCR coverage ratios and changes in these ratios compared with 2017 will be presented in the 2018 Solvency and Financial Condition Report (published in April 2019).

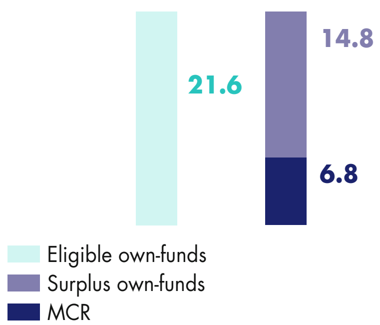
CONSOLIDATED SCR COVERAGE RATIO AT 187% AT 31 DECEMBER 2018

(in € billions)



CONSOLIDATED MCR COVERAGE RATIO AT 317% AT 31 DECEMBER 2018

(in € billions)



3

CORPORATE GOVERNANCE

The corporate governance report is prepared by the following departments and units: Group Legal Affairs, the Secretary to the Board of Directors, the Secretary to the Executive Committee, the Human Resources department and the Shareholders and Investor Relations department.

3.1 Governance structure

French company law sets the general framework for the governance structure of listed companies, which are free to decide the details of their governance.

CNP Assurances' governance structure and the organisation of its governing bodies (the Board of Directors and Executive Management) and their areas of expertise are largely governed by the Company's Articles of Association and the Board of Directors' internal rules.

CNP Assurances complies with the legal and regulatory standards that apply due to its status as an insurance undertaking and a listed company, and also applies the recommendations in the AFEP-MEDEF Corporate Governance Code for Listed Companies and the guidelines issued by France's securities regulator (AMF) *.

Any instances of non-compliance with the Code are listed and explained in this Corporate Governance Report in accordance with the "comply or explain" principle laid down in Article L.225-37-4, paragraph 8 of the French Commercial Code (*Code de commerce*).

Close attention is also paid to regulatory guidance, rating agency opinions and the recommendations of shareholder advocacy groups.

Fit and proper requirements apply to the persons who participate in the system of governance (directors and persons who effectively run CNP Assurances or perform other key functions). These concern their professional qualifications, knowledge and experience (fit) and their good repute and integrity (proper).

The directors and the persons who effectively run the Company and the Group's European subsidiaries or perform key functions must fulfil specific requirements in terms of qualifications, knowledge and experience.

To determine whether a person has the qualifications, knowledge and experience required to perform a key function, consideration is given to their professional qualifications and specific Solvency II training and their professional experience in the insurance industry or other finance sectors or other companies or organisations. Preference is given to candidates with experience in the insurance industry.

A Fit and Proper policy has been adopted by the Board of Directors. Its application is overseen by the Fit and Proper Review Committee.

3.1.1 Allocation of duties and responsibilities

Since 10 July 2007, the position of Chairman of the Board of Directors has been separated from that of Chief Executive Officer.

The current governance structure separates the powers of the Board of Directors, which is responsible for promoting lasting value creation by the Company and for deciding the Group's strategy and overseeing its implementation, from those of Executive Management. The Board of Directors examines all issues affecting CNP Assurances and decides all matters that concern it, in line with the corporate purpose and with the exception of those matters which, by law, can only be decided by Executive Management or by the shareholders at General Meetings.

The Board approves the financial statements of the Company and the Group, and obtains assurance concerning the quality and reliability of financial and other information given to shareholders and other stakeholders. It also obtains assurance concerning the effectiveness of the internal control and risk management systems. These three roles are fulfilled jointly with the members of Executive Management, who are responsible for preparing matters and proposals for submission to the Board for review and approval. The Board of Directors prepares the management report and the corporate governance report.

The Board fulfils other specific roles, such as authorising related party agreements governed by Article L.225-38 of the French Commercial Code, appointing executive directors, assessing

* AMF recommendation DOC-2012-02 regroups all the recommendations applying to companies that refer to the AFEP-MEDEF Corporate Governance Code as revised in June 2018

their performance and determining their remuneration, allocating among Board members the directors' fees awarded by the General Meeting and calling General Meetings.

The membership of the Board of Directors is governed by a shareholders' agreement and comprises a mix of executive and independent directors with a range of skills and experience aligned with the Company's specific ownership structure. Women account for 43.75% of Board members.

At 20 February 2019, the Board of Directors had 18 members, including two directors representing employees as required by Article L.225-27-1 of the French Commercial Code.

The directors offer an array of complementary skills and experience (in finance, banking, international business, etc.). Some of them also have in-depth knowledge of the Company's history and business environment, acquired over many years.

Five Committees of the Board (the Audit and Risk Committee, the Strategy Committee, the Remuneration and Nominations Committee, the Follow-up Committee on the Implementation of the BPCE and LPB Partnerships and the ad hoc Committee) help to prepare decisions of the Board within their clearly defined terms of reference. These Committees facilitate Board decisions by performing the background analysis of technical issues.

The representatives of the various corporate departments (mainly Finance, Risks, Actuarial, Human Resources and Compliance) provide valuable support to the Committees of the Board, including explanations of specific technical points and general comments on accounting, actuarial and financial data.

The Statutory Auditors attend all meetings of the Audit and Risk Committee.

Rather than simply acting in an oversight role, the Board of Directors is also a partner for Executive Management, holding regular discussions about the best way of achieving the strategic goals of the Company and the Group.

The Board of Directors delegates to the Chief Executive Officer certain powers to implement decisions of the Board and from the General Meeting.

The Board of Directors' prior approval of certain strategic transactions, such as material business acquisitions, must be obtained by the Chief Executive Officer before any decision is made.

The Board of Directors' internal rules list the powers delegated to the Chief Executive Officer and the cases where the Board's prior approval is required.

The allocation of duties and responsibilities within the Company was adapted as follows to pave the way for the introduction of Solvency II governance requirements applicable since 1 January 2016:

- two people are effectively responsible for running the undertaking and four senior executives are in charge of key corporate functions (Internal Audit, Actuarial Analysis, Risk Management and Compliance);
- the Board of Directors has adopted written policies and prepares reports intended for France's banking and insurance supervisor (ACPR) or the general public;
- more stringent fit and proper requirements with respect to people in charge of key functions.

The Board's powers are exercised alongside those of the General Meeting, which has sole authority to elect directors, approve the annual and consolidated financial statements, authorise share issues or cancellations, and amend the Company's Articles of Association.

The Board takes a consensus-based approach in compliance with the Company's social and environmental challenges, ethical standards and corporate values, as well as with all applicable laws and regulations.

To ensure the quality of the Board's governance while encouraging the transmission of knowledge and experience to new directors, in June 2012 the Company amended its Articles of Association to allow for a staggered Board, with the entire Board being re-elected over a period of five years. This period was gradually reduced to four years following the Annual General Meeting of 6 May 2014.

3.1.2 Separation of the positions of Chairman and Chief Executive Officer

The recommendations of the AFEP-MEDEF Corporate Governance Code and AMF guidelines encourage companies that have opted to separate the positions of Chairman of the Board of Directors and Chief Executive Officer to specify the Chairman's duties in detail. In line with these recommendations, the Board of Directors has drawn up an explicit description of the Chairman's role and responsibilities.

His role does not exclusively concern the Board's organisation and practices.

The Board's internal rules state that he may represent the Company in its public relations, notably with major partners or government authorities, at national or international level.

Respective roles of the Chairman and the Chief Executive Officer

Chairman

The Board of Directors is chaired by Jean-Paul Faugère.

The role and responsibilities of the Chairman as defined in the French Commercial Code include responsibility for:

- calling meetings of the Board of Directors and setting the agenda;
- chairing meetings of the Board of Directors;
- chairing General Meetings called by the Board of Directors;
- determining the confidential information presented at Board Meetings that will be subject to the directors' duty of discretion; and
- submitting related party agreements and commitments to the Board for approval and informing the Statutory Auditors of these agreements.

The Chairman ensures that the Board members respect the roles and prerogatives of Executive Management.

He makes sure the Board of Directors is kept permanently informed of all of the Company's activities and performances.

The Chairman organises and leads the work of the Board of Directors, calling meetings at least four times per year, or more frequently if warranted by circumstances. In 2018, the Board met eight times.

He oversees the transparency of decision-making processes, with a particular focus on the clarity, accuracy and completeness of information provided to the Board in respect of matters submitted for its decision.

The Chairman is closely involved in the Company's strategic management. He meets with the Chief Executive Officer every week (or more frequently if necessary) to receive information about material events and situations that concern the Group's strategy, organisation, major investment or divestment projects or other matters.

He participates in internal strategy meetings chaired by the Chief Executive Officer, notably meetings to discuss the distribution agreements with the Company's main partners.

He chairs meetings of the Committee tasked with preparing Board decisions, which are also attended by the Chief Executive Officer and the Executive Committee members concerned. The topics covered by the Committee include:

- the annual budget;
- the annual and interim financial statements;
- policies submitted for Board approval in accordance with Solvency II governance rules.

Prior to the Board Meetings at which these topics are discussed, the Chairman receives the briefing documents needed to ensure that he fully understands the Company's risk exposure. To this end, he receives advance briefing documents from the Group Risk Committee and the Strategic Asset Allocation Committee, allowing him to discuss the topic concerned with the Chief Executive Officer prior to the Board Meeting.

He may also attend meetings of the Audit and Risk Committee of the Board of Directors. He receives copies of the audit reports as soon as they are issued. He may also commission special audits or ask for additional work to be included in the audit plan discussed by the Board of Directors.

The Internal Audit Director and the Chief Compliance Officer are appointed by the Chief Executive Officer after seeking the Chairman's opinion.

The Chairman has broad and continuous access to necessary relevant information.

At the beginning of each year, he meets the heads of the various business units and corporate departments, to hold a free and frank discussion of their work and any issues that they may have identified and believe should be brought to his attention.

He receives the quarterly risk reports and monthly management reports, as well as summary information about operations with the main distribution partners.

In addition to his legal and statutory duties, the Chairman regularly visits the Company's various facilities in France (Paris, Arcueil, Angers) and conducts a series of initiatives to:

- maintain the quality of shareholder relations;
- guarantee Board diversity;
- propose a training programme to Board members.

Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in the Company's name in all circumstances, subject to the restrictions on his powers and the financial authorisations decided by the Board of Directors, as set out in its internal rules which may be consulted on the CNP Assurances website *. These restrictions concern, in particular, business acquisitions (aside from portfolio management transactions) exceeding certain financial limits or that are not fully aligned with the strategy decided by the Board.

The Chief Executive Officer actively participates in Board Meetings and keeps the Board abreast of the day-to-day management of the Company and all significant events affecting the Group. He helps devise and update the strategy decided by the Board.

The Chief Executive Officer is assisted in his managerial and operational duties by the Deputy Chief Executive Officers and the members of the Executive Committee.

* http://www.cnp.fr/en/The-Group/Governance/Corporate-governance

3.1.3 Executive Management procedures

The Chief Executive Officer is responsible for managing day-to-day operations. A key concern of Executive Management is to ensure that operations comply with the policies and strategies decided by the Board and that the link between strategy and shareholder value is maintained.

The Chief Executive Officer has set up an Executive Committee to lead the Group's operations and implement the strategy decided by the Board of Directors. The Committee comprises the Chief Executive Officer, the Deputy Chief Executive Officers and eight other senior executives.

The Executive Committee generally meets once a week. As well as acting in a strategic planning role, it coordinates and rolls out Group-level initiatives and monitors cross-functional projects. It combines a very broad range of technical, marketing, managerial and operational skills within an internal structure.

The Executive Committee discusses cross-functional and strategic management issues for final decision by the Chief Executive Officer. Periodic management indicators are used to track the Group's business.

The Committee reviews budgets, long-term business projections, financial statements, financial investment strategies and profit forecasts by business segment. It also reviews proposed business acquisitions and the business plans of the main French and foreign subsidiaries.

It oversees the consistency of action plans implemented by the business units and subsidiaries. It monitors the Company's results and financial ratios and reviews the action plans to be implemented by the Company. It particularly focuses on ensuring the efficiency of internal control, internal audit and risk management systems, which are key drivers of good corporate governance.

Summary minutes are kept of each Executive Committee meeting.

At least one Executive Committee member sits on the Board of Directors of each of the main subsidiaries, providing further assurance of consistent strategic management across the Group.

The Chief Executive Officer holds regular meetings with the Group's main executives. Each participant is responsible for rolling down the information and discussion process to his or her level, for example by organising Management Committee meetings or meetings with team members.

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer and Partnerships and Business Development Director, has been designated as one of the two people who effectively run CNP Assurances. In accordance with Article R.322-168 of the French Insurance Code (*Code des assurances*), he has broad responsibility for and authority over the Company's business and risks and is involved in strategic, budget, financial and other decisions that have a material impact.

The holders of the four key functions (Risk Management, Compliance, Actuarial Analysis and Internal Audit) report to the Chief Executive Officer.

They are regularly invited to attend Board Meetings to provide the Board with insight into the risks, responsibilities and challenges associated with these functions.

The Risk Management function is run by the Group Risk department, which is responsible for coordinating the risk management system. The department applies the risk tolerance limit defined in the Group's risk management strategy through risk policies and economic capital estimates. These policies are submitted by Executive Management for approval by the Audit and Risk Committee and the Board of Directors. The department is responsible for ensuring that all risks are covered by the system and that the related surveillance measures are effective. It rolls down the risk-acceptance framework to the different businesses through such measures as underwriting policies, delegations of authority and investment guidelines. It delivers a preliminary opinion on decisions with a significant impact on the Company's risk profile based on the four-eyes principle. It is also tasked with independently validating the Group's model for Solvency II, MCEV© and ALM analyses calculations. Lastly, by participating in the core phases of the business and staff training processes, it contributes to instilling a risk management culture throughout the Group. This gives it a critical role in safeguarding the Company's value, assets and reputation.

The Compliance function is run by the Compliance department, which closely monitors product compliance risks and the legitimacy of financial flows, notably in line with the money laundering and terrorist financing provisions of the compliance policy approved by the Board of Directors.

The Actuarial function is run by the Group Actuarial department. Its activities include calculating the Group's insurance indicators (Embedded Value and Value of New Business, technical reserves under French GAAP, IFRS and Solvency II) and forecasting underwriting results. It also establishes standards for the determination of technical reserves and MCEV©, leads actuarial research and development activities and prepares the executive summaries and analysis reports required from the Group Actuarial department.

The Internal Audit function is run by the Internal Audit department, which assesses the relevance and robustness of the Group's overall system of controls. It also assesses the design and effectiveness of the risk management and internal control processes deployed in the audited activities or critical business processes, and recommends quality and compliance improvements.

3.2 Board of Directors' governance practices and procedures

3.2.1 Composition of the Board of Directors

Principles

Since the IPO in October 1998, the composition of CNP Assurances' Board of Directors has reflected its ownership structure and particularly the holdings of its four historical shareholders – Caisse des Dépôts, La Banque Postale and BPCE (held through Sopassure, the joint holding company set up by La Banque Postale and BPCE) and the French State – that are united by a Shareholders' Agreement.

The Shareholders' Agreement organises the composition of the Board of Directors as follows:

	Directors appointed or elected *
Six directors recommended by Caisse des Dépôts	Caisse des Dépôts, represented by Eric Lombard Alexandra Basso (replacing Annabelle Beugin-Soulon) Virginie Chapron du Jeu Olivier Fabas (replacing Olivier Sichel) Laurence Giraudon Olivier Mareuse
Five directors recommended by Sopassure	Sopassure, represented by Florence Lustman Jean-Yves Forel Laurent Mignon Philippe Wahl Rémy Weber
One director recommended by the French State	The French State, represented by Charles Sarrazin
Two directors representing employees	Philippe Bartoli Laurence Guitard
Four independent directors	Jean-Paul Faugère, Chairman of the Board of Directors Marcia Campbell Stéphane Pallez Rose-Marie Van Lerberghe
One director recommended jointly	-

* Where applicable, director appointed subject to ratification by the Annual General Meeting of 18 April 2019

Directors' profile

43.75%
OF DIRECTORS ARE WOMEN *
7 OUT OF 16

25%
OF DIRECTORS ARE INDEPENDENT *
4 OUT OF 16

4 YEARS
AVERAGE PERIOD SERVED ON THE BOARD

56 YEARS
AVERAGE AGE

* The two directors representing employees are excluded for the purpose of calculating percentages, in accordance with Article 8.3 of the AFEP-MEDEF Corporate Code and Article L.225-27-1 of the French Commercial Code

Overview of the Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS AFTER THE ANNUAL GENERAL MEETING OF 18 APRIL 2019

	Personal information				Experience	Position on the Board				Membership of Board Committees				
	Age	*Gender*	*Nationality*	*Number of shares*	*Number of directorships of listed companies*	*Independence*	*First appointed*	*Current term expires*	*Years served on the Board*	*Audit and Risk Committee*	*Remuneration and Nominations Committee*	*Strategy Committee*	*Follow-up Committee on the Implementation of the BPCE and LBP Partnerships*	*Special Committee*
Executive director														
Jean-Paul Faugère	62	M	FR	1,500	2	Yes	2012	2021	7		●	◆	◆	◆
Directors														
Éric Lombard	60	M	FR	200	1	No	2017	2020	1		●			
Alexandra Basso	44	F	FR	-	1	No	2019	2021	0					
Virginie Chapron du Jeu	57	F	FR	200	1	No	2012	2021	7			●	●	
Olivier Fabas	36	M	FR	-	1	No	2019	2022	0				●	
Laurence Giraudon	49	F	FR	200	1	No	2018	2020	1					
Olivier Mareuse	55	M	FR	200	3	No	2013	2022	6	●		●		
Florence Lustman	58	F	FR	200	1	No	2015	2021	4	●				
Jean-Yves Forel	57	M	FR	200	1	No	2012	2022	6	●		●		
Laurent Mignon	55	M	FR	200	3	No	2018	2022	1		●			
Philippe Wahl	63	M	FR	200	1	No	2011	2022	8		●			
Rémy Weber	61	M	FR	200	1	No	2013	2022	5			●		
Charles Sarrazin	45	M	FR	-	1	No	2016	2020	2				●	
Marcia Campbell	60	F	UK	750	1	Yes	2011	2020	8	●		●	●	●
Stéphane Pallez	59	F	FR	200	2	Yes	2011	2020	8	◆		●	●	●
Rose-Marie Van Lerberghe	72	F	FR	200	3	Yes	2013	2021	6		◆		●	●
Directors representing employees														
Philippe Bartoli	60	M	FR	180	1	No	2017	2021	2					
Laurence Guitard	57	F	FR	-	1	No	2016	2021	3					

● Member ◆ Chairman

Changes in the membership of the Board of Directors and the Committees of the Board during 2018

MEMBERSHIP OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2018

	Resigned	Appointed	Re-elected
Board of Directors		Olivier Sichel (21 February 2018)	
			Olivier Mareuse, François Pérol, Jean-Yves Forel, Olivier Sichel, Philippe Wahl, Rémy Weber (27 April 2018)
	Delphine de Chaisemartin (15 May 2018)	Annabelle Beugin-Soulon (15 May 2018)	
	François Pérol (1 June 2018)	Laurent Mignon (1 June 2018)	
	Pauline Cornu-Thénard (27 September 2018)	Laurence Giraudon (27 September 2018)	
Audit and Risk Committee	-	-	-
Remuneration and Nominations Committee	François Pérol (1 June 2018)	Laurent Mignon (1 June 2018)	
Strategy Committee		Olivier Sichel (21 February 2018)	
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships		Jean-Paul Faugère, Olivier Sichel, Virginie Chapron du Jeu, Stéphane Pallez, Marcia Campbell, Rose-Marie Van Lerberghe (21 February 2018)	
Special Committee		Jean-Paul Faugère, Stéphane Pallez, Marcia Campbell, Rose-Marie Van Lerberghe (27 September 2018)	

Directors' independence

The tables below present the situation of each director in relation to the independence criteria listed in section 8 of the AFEP-MEDEF Corporate Governance Code.

Criterion 1: not to have been an employee or executive director in the previous five years

Not to be and not to have been within the previous five years:

- an employee or executive officer of the corporation;
- an employee, executive officer or director of a company consolidated within the corporation;
- an employee, executive officer or director of the Company's parent company or a company consolidated within this parent company.

Criterion 2: no cross directorships

Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: no significant business relationships *

Not to be a customer, supplier, commercial banker, investment banker or consultant:

- that is significant to the corporation or its group;
- or for which the corporation or its group represents a significant portion of its activities.

The evaluation of the significance or otherwise of the relationship with the company or its group is debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) are explicitly stated in the report on corporate governance.

Criterion 4: no family ties

Not to be related by close family ties to a company officer.

Criterion 5: not to have been an auditor

Not to have been an auditor of the corporation within the previous five years.

Criterion 6: no more than 12 years on the Board

Not to have been a director of the corporation for more than twelve years. Loss of the status of independent director occurs on the date when this 12 years is reached.

Criterion 7: no variable compensation

A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the corporation or the Group.

Criterion 8: not a significant shareholder

Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification of a director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

* At its meeting on 20 February 2019, the Board of Directors found that none of the directors qualified as independent had any material direct or indirect business ties with CNP Assurances or the Group

Criteria [1]	Jean-Paul Faugère	Eric Lombard	Alexandra Basso	Virginie Chapron du Jeu	Olivier Fabas	Laurence Giraudon	Olivier Mareuse	Florence Lustman	Jean-Yves Forel
Criterion 1: not to have been an employee or executive director in the previous five years	✘	✔	✔	✔	✔	✘	✔	✔	✔
Criterion 2: no cross directorships	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 3: no significant business relationships	✔	✘	✘	✘	✘	✘	✘	✘	✘
Criterion 4: no family ties	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 5: not to have been an auditor	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 6: no more than 12 years on the Board	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 7: no variable compensation	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 8: not a significant shareholder	✔	✘	✘	✘	✘	✘	✘	✘	✘
Position on the Board [2]	I	NI	NI	NI	NI	NI	NI	NI	NI

(1) In the above tables, ✔ indicates that the independence criterion is fulfilled and ✘ indicates that the independence criterion is not fulfilled
(2) I = Independent, NI = Not independent

Criteria [1]	Laurent Mignon	Philippe Wahl	Rémy Weber	Charles Sarrazin	Marcia Campbell	Stéphane Pallez	Rose-Marie Van Lerberghe	Philippe Bartoli	Laurence Guitard
Criterion 1: not to have been an employee or executive director in the previous five years	✔	✔	✔	✔	✔	✔	✔	✘	✘
Criterion 2: no cross directorships	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 3: no significant business relationships	✘	✘	✘	✘	✔	✔	✔	✔	✔
Criterion 4: no family ties	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 5: not to have been an auditor	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 6: no more than 12 years on the Board	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 7: no variable compensation	✔	✔	✔	✔	✔	✔	✔	✔	✔
Criterion 8: not a significant shareholder	✘	✘	✘	✘	✔'	✔	✔	✔	✔
Position on the Board [2]	NI	NI	NI	NI	I	I	I	NI	NI

(1) In the above tables, ✔ indicates that the independence criterion is fulfilled and ✘ indicates that the independence criterion is not fulfilled
(2) I = Independent, NI = Not independent

DIRECTORS' ATTENDANCE RATES IN 2018

	Attendance rate at Board Meetings	Attendance rate at Audit and Risk Committee meetings	Attendance rate at Remuneration and Nominations Committee meetings	Attendance rate at Strategy Committee meetings	Attendance rate at Follow-up Committee on the Implementation of the BPCE and LBP Partnerships meetings	Attendance rate at Special Committee meetings
Jean-Paul Faugère	100%	-	100%	100%	100%	100%
Eric Lombard	100%	-	80%	-	-	-
Virginie Chapron du Jeu	75%	-	-	-	100%	-
Laurence Giraudon	100%	-	-	-	-	-
Olivier Mareuse	62.5%	85.71%	-	100%	-	-
Annabelle Beugin-Soulon	100%	-	-	-	-	-
Olivier Sichel	50%	-	-	-	0%	-
Florence Lustman	87.5%	100%	-	-	-	-
Jean-Yves Forel	75%	85.71%	-	100%	-	-
Laurent Mignon	50%	-	100%	-	-	-
Philippe Wahl	100%	-	100%	-	-	-
Rémy Weber	87.5%	-	-	100%	-	-
Charles Sarrazin	87.5%	-	-	-	100%	-
Marcia Campbell	75%	85.71%	-	100%	100%	100%
Stéphane Pallez	100%	100%	-	100%	100%	100%
Rose-Marie Van Lerberghe	87.5%	-	100%	-	100%	100%
Philippe Bartoli	100%	-	-	-	-	-
Laurence Guitard	87.5%	-	-	-	-	-

3.2.2 Diversity policy applied to members of the Board of Directors

The Board of Directors ensures that the choice of candidates for election or appointment to the Board reflects a wide range of skills and experience and satisfies the gender balance required under Article L.225-18-1 of the French Commercial Code. At 20 February 2019, 43.75% of Board members were women, in line with the 40% minimum proportion required by Article L.225-18-1 of the French Commercial Code.

The requirements in terms of the range of skills and experience demonstrated by individual directors and the Board as a whole have been increased with the application of Solvency II. The Board must have permanent assurance that, together, its members have the qualifications, knowledge and experience needed to fulfil the responsibilities of the Board and its Committees, concerning in particular:

- the insurance and financial markets;
- the Company's strategy and business model;
- its governance system and financial and actuarial analysis processes;
- the legal and regulatory requirements applicable to insurance undertakings.

Implementation of this policy depends to a significant extent on the terms of the Shareholders' Agreement and compliance with these terms by the parties to the agreement when it comes to recommending candidates for election to the Board.

The choices of candidates to replace directors who had resigned in 2018 and early 2019 ensured that the gender balance on the Board was maintained and brought to the Board profiles that enhance its collective skills and competence. This was particularly true of the two women directors who were employees of CNP Assurances in the past.

Information about the way that CNP Assurances endeavours to ensure balanced representation of men and women on the Executive Committee

The membership of the Executive Committee reflects the choice of the Chief Executive Officer to surround himself with the technical, marketing, managerial and operational skills that he considers necessary in order to have an internal structure he can rely on when making his decisions. Since 1 February 2019, the Executive Committee has comprised the Chief Executive Officer, the two Deputy Chief Executive Officers and eight senior executives, representing 11 members in all, including eight men and three women (27.27%).

Information about diversity among executives representing the top 10%

As of 1 February 2019, women represented 37.7% of the G60 group composed of 69 senior executives who are considered to better represent the Company's human potential than all the employees taken as a whole.

A quarterly scorecard is produced to track changes in this proportion in relation to the corresponding objectives.

Concerning total employees, CNP Assurances obtained a score of 99/100 in the gender equality index created by the French government to enable companies to measure their progress in this area. We were awarded the highest possible score for substantially all of the five measurement indicators (pay gap between men and women in comparable positions and of a similar age, gaps between individual pay rises and promotions for men and women, pay rises for women returning from maternity leave, gender breakdown of the ten highest paid executives).

Directors' qualifying shares

Article 1.2 C) 3 of the Board of Directors' internal rules stipulates that each director must hold at least 200 CNP Assurances shares (500 in the case of the Chairman of the Board and the Chief Executive Officer). Directors representing employees are not required to hold any CNP Assurances shares.

3.2.3 Compliance with the AFEP-MEDEF Corporate Governance Code

Explanation of practices that differ from those recommended in the AFEP-MEDEF Corporate Governance Code

CNP Assurances refers to the AFEP-MEDEF Corporate Governance Code *. Without calling this principle into question, its practices may on occasion differ from those set out in the Code due to the Company's specific features.

The divergent practices are listed in the table below, which has been prepared in accordance with the "comply or explain" provisions of Article L.225-37-4, paragraph 9 of the French Commercial Code.

Recommendations of AFEP-MEDEF Code	CNP Assurances	Explanations
Proportion of independent directors		The composition of CNP Assurances' Board of Directors is mainly organised by the Shareholders' Agreement and is a reflection of the Company's ownership structure. Consequently, the proportion of independent directors does not comply with Code guidelines.
▪ Board of Directors: proportion should be greater than 33% in controlled companies	Proportion is 25%	
▪ Audit and Risk Committee: proportion should be greater than 66%	Proportion is 40%	
▪ Remuneration and Nominations Committee: proportion should be greater than 50%	Proportion is 40%	

* The June 2018 revised version of the AFEP-MEDEF Corporate Governance Code is available on the AFEP website at http://www.afep.com/themes/governance/

Recommendations of AFEP-MEDEF Code	CNP Assurances	Explanations
Independence criteria		
Not to be a (…) director (…) of a consolidated subsidiary (…) of CNP Assurances	Jean-Paul Faugère is a director of Caixa Seguros Holding (Brazil), a consolidated subsidiary of CNP Assurances	The Board of Directors believes that, in light of Caixa Seguros Holding's critical contribution to CNP Assurances, electing an independent director of CNP Assurances to its Board is useful, because it provides CNP Assurances' Board with an additional perspective on the Group's business in Latin America. As recommended in the AFEP-MEDEF Corporate Governance Code's application guidance, Jean-Paul Faugère does not participate in decisions by CNP Assurances' Board on matters that may give rise to a conflict of interests between CNP Assurances and Caixa Seguros Holdings.
Organisation each year of a meeting not attended by the executive directors (Article 10-3)		Each year, during its February meeting, the Board of Directors assesses the performance of the Chief Executive Officer and the Chairman of the Board and determines the components of their respective remuneration packages. The Chief Executive Officer, the Chairman of the Board and the members of management present at the meeting leave the room while the Board discusses the management of the business and the performance of the Chief Executive Officer and the Chairman.
The nominations Committee (or an *ad hoc* Committee) designs management succession plans for corporate officers		Article 5.3 of the Shareholders' Agreement describes the specific process for appointing the Chief Executive Officer and other corporate officers. At its meetings on 27 July, 27 September and 15 November 2018, the Board of Directors discussed and approved the appointment of Antoine Lissowski as Chief Executive Officer. CNP Assurances' practices comply with Solvency II, which requires insurance undertakings to identify two persons who effectively run the undertaking. This means that if either of the two positions concerned were to fall vacant, there would still be one person left to effectively run the business. Concerning the temporary or permanent replacement of holders of other key functions in the Group, a continuity and succession plan for key functions was reviewed by the Remuneration and Nominations Committee in February 2019.
The Remuneration and Nominations Committee should include a director representing employees		Article 5.3 of the Shareholders' Agreement describes the specific process for appointing the Chief Executive Officer and other corporate officers. This process is described in the Board of Directors' internal rules. The Board currently has no plans to appoint a director representing employees to the Remuneration and Nominations Committee.
When an employee becomes a corporate officer, his or her employment contract with the Company or another Group entity should be terminated either by means of a settlement agreement or by the employee resigning		The Board of Directors considered that it would not be appropriate to require the termination of Antoine Lissowski's employment contract with CNP Assurances, which has been in force since 2003. The Board took the view that the loss of his rights under the contract and by virtue of his years of service up until 1 September 2018 would be sufficiently damaging as to adversely affect the management transition, given that he was appointed Chief Executive Officer for a fixed term in accordance with the Articles of Association.

3.2.4 Preparation and organisation of the Board's work

The procedures for the preparation of the Board's work and its organisation are described in its internal rules, which supplement and clarify the corresponding laws and regulations, the relevant provisions of the Articles of Association and the AFEP-MEDEF Corporate Governance Code to which the Board refers. The Board's internal rules may be consulted on the CNP Assurances website.

Every year, the dates and agendas for the upcoming meetings of the Board and its Audit and Risk Committee are drawn up and approved.

The Chairman provides the directors with all documents and information required to enable them to fulfil their duties and prepare their decisions. Between any two Board Meetings, directors may also be sent briefings on important topics or copies of press releases by e-mail.

Several days ahead of each Board Meeting, the directors receive briefing documents on the various agenda items, together with the draft minutes of the previous meeting, a file containing press cuttings and selected analyst reports concerning the Company or the Group.

At each meeting, the Chief Executive Officer reports to the Board about day-to-day management matters and any significant events affecting the running of the Company. Directors are regularly provided with a detailed analysis of the Group's results, notably in the form of the annual and interim financial statements and the quarterly results indicators.

Directors also receive detailed updates on developments regarding commercial, financial and operational issues that help them to track the implementation of the Group's strategy and better understand its businesses and outlook.

At each Board Meeting, the agenda items are presented in detail by the Chief Executive Officer and other members of Executive Management.

After the directors have obtained answers to their questions, they discuss these presentations and then, where applicable, vote on the related decision.

The participants in Board Meetings have a duty to exercise discretion, particularly with regard to information of a confidential nature that is presented as such by the Chairman of the Board of Directors.

The Board's internal rules include specific rules covering the prevention and management of conflicts of interest.

In order to perform its management and supervisory duties more effectively, the Board of Directors receives advice from its five Committees: the Audit and Risk Committee, the Remuneration and Nominations Committee, the Strategy Committee, the Follow-up Committee on the Implementation of the BPCE and LBP Partnerships and the Special Committee.

The duties and procedures of the first three of these Committees are set out in the Board of Directors' internal rules. They may use the services of external experts.

All of the members of the Committees are directors and are appointed by the Board, which also appoints the Chairman of each Committee. Minutes are kept of each Committee meeting and a report is presented at the next Board Meeting.

3.2.5 Activities of the Board of Directors and its Committees in 2018

BOARD OF DIRECTORS

8	83%	2H15
NUMBER OF MEETINGS	ATTENDANCE RATE	AVERAGE DURATION OF EACH MEETING

The main matters discussed by the Board of Directors in 2018 were as follows:

- the Group's strategy and changes to the business model;
- the Group's Corporate Social Responsibility (CSR) strategy;
- negotiations with the Brazilian partner, Caixa Econômica Federal, with a view to renewing the partnership in Latin America;
- the organisation of Frédéric Lavenir's succession as Chief Executive Officer, following the announcement on 11 July 2018 that he would be resigning from his position on 1 September 2018;
- the authorisation of related party transactions (Arial CNP Assurances, Caisse des Dépôts);
- the status of various business developments, particularly in relation to:
  - the activities of the Social Protection & Services BU in the area of group pensions and employee benefit plans in France,
  - term creditor insurance in France and the consequences of the Bourquin amendment allowing borrowers to freely choose their insurer (Open Model BU),
  - the life and non-life businesses of Caixa Seguradora in Latin America (Latin America BU),
  - CNP Santander Insurance's consumer finance insurance and personal risk insurance businesses in Europe;
- the status of various issues concerning the Group's compliance with European texts (General Data Protection Regulation, Insurance Distribution directive);
- the technical procedures required under Solvency II (review of the Own Risk and Solvency Assessment (ORSA) process and approval of reports [1] and adjustments to written policies [2] designed to guarantee the sound, prudent and efficient management of the business);
- the Company's responses to questions and information requests from the French Prudential Supervision and Resolution Authority (ACPR).

Committees of the Board of Directors

Audit and Risk Committee

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Stéphane Pallez, Chair** Marcia Campbell	7	91%	Three hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Florence Lustman Jean-Yves Forel Olivier Mareuse			

(1) SFCR reports, RSR reports, reports on the procedures for the preparation and verification of financial information, reports on internal control over the system to combat money laundering and the financing of terrorism

(2) The main policies concern (i) risk management (including underwriting, reserving, asset/liability management, investment, liquidity and concentration standards, operational risk management, reinsurance and other risk mitigation policies); (ii) internal control; (iii) internal audit; (iv) outsourcing; (v) reporting; (vi) ORSA; (vii) measurement of assets and liabilities; (viii) capital management; (ix) fit and proper requirements; (x) remuneration and (xi) business continuity

During 2018, the Audit and Risk Committee continued to provide opinions and recommendations to the Board, based notably on discussions with the Auditors and people employed by the Company.

The members of the Audit and Risk Committee receive the documents and information required for their review of the annual and interim financial statements and the quarterly indicators sufficiently in advance to enable them to prepare their questions for the Statutory Auditors, the Chief Financial Officer, the Accounting Director, the Chief Actuary and the Chief Risk Officer, who all systematically attend the meetings concerned.

Audit and Risk Committee meetings are held the day before Board Meetings, to make it easier for the Committee member who is based outside France to attend the meetings in person.

The Committee may consult independent experts, after first informing the Chairman of the Board or the Board of Directors. In this case, the experts' fees are paid by the Company.

In 2018, the Audit and Risk Committee focused primarily on:

- the audit of the financial statements;
- the Group's risk exposures, based on its review of the quarterly risk reports;
- portfolios with a sharply negative Value of New Business, by conducting an assessment of the measures deployed to reverse the situation;
- Solvency II programme issues (determination of the overall solvency capital requirement, drafting of written policies, etc.);
- reviewing the Group's investment policy and policy concerning the use of financial futures;
- reviewing the activities of the Internal Audit department and the Compliance department in 2018, and their respective programmes for 2019;
- reviewing the activities of Youse in Brazil.

The Committee also looked at the Company's management and follow-up of ACPR audits and reviewed the action plans drawn up to address the ACPR's recommendations.

The Audit and Risk Committee requested and obtained a consolidated report presenting the recommendations of the internal auditors, the ACPR, the Statutory Auditors and the Chief Actuary, giving it a holistic vision of all of these different recommendations.

Lastly, the Committee's work programme also covered the provision by the Statutory Auditors of the services referred to in Article L.822-11-2 of the French Commercial Code (services other than the audit of the financial statements).

Remuneration and Nominations Committee

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Rose-Marie Van Lerberghe, Chair** Jean-Paul Faugère	5	86%	One hour
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Laurent Mignon Éric Lombard Philippe Wahl			

Executive corporate officers are involved in the work of the Remuneration and Nominations Committee: Jean-Paul Faugère, Chairman of the Board of Directors, a member of the Committee and the Chief Executive Officer is invited to take part in meetings whenever necessary depending on the agenda items. Neither of them take part in discussions and decisions concerning their re-appointment and remuneration.

The Remuneration and Nominations Committee is responsible for selecting candidates for election as directors and reviewing the proposed appointment of the Chairman of the Board of Directors, the Chief Executive Officer, the second person who effectively runs the business, and the members of the Committees of the Board.

The Committee also reviews the remuneration awarded to the Chairman of the Board of Directors as well as the total individual remuneration awarded to the Chief Executive Officer. It makes recommendations to the Board concerning the directors' fees to be attributed to the directors based on pre-defined criteria such as attendance at Board Meetings and membership of a Committee of the Board. The Committee is informed about the remuneration policy for the main corporate officers other than the Chairman and the Chief Executive Officer, which is part of the Group's overall remuneration policy approved by the Board.

It reviews any planned employee rights issues or share grants.

In 2018, as well as reviewing the matters that are routinely submitted to it concerning the appointment or election or re-election of directors and the components of the remuneration of the Chairman of the Board and the Chief Executive Officer, the Remuneration and Nominations Committee managed the situation arising from Frédéric Lavenir's unexpected announcement on 11 July 2018 that he would be resigning from the position of Chief Executive Officer on 1 September 2018.

In this regard, the Committee:

- settled the aspects concerning the Chief Executive Officer's remuneration by determining his rights in respect of 2018 (covering his fixed salary but also his variable remuneration based on a mid-year assessment of performance in relation to the corresponding objectives);
- obtained the Board of Directors' authorisation to ask a firm of executive recruitment consultants to present a selection of candidates for the position of Chief Executive Officer for a term aligned with the remainder of the Chief Executive Officer's term;
- reviewed the candidates presented by this firm and opted to recommend to the Board of Directors to appoint Antoine Lissowski;
- approved the proposal by Antoine Lissowski to name Xavier Larnaudie-Eiffel as the second person who effectively runs the Company;
- recommended that Antoine Lissowski be paid only a fixed salary for 2018, in light of the short period (six weeks) between the confirmation of his appointment and the end of the year.

Strategy Committee

Number of members: 7		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell	1	100%	One hour
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Rémy Weber Jean-Yves Forel Olivier Mareuse Olivier Sichel			

At its meeting on 12 January 2018, the Strategy Committee examined the renewal of the partnership with Caixa Econômica Federal (CEF) in Latin America. The Committee reviewed the partnership's financial metrics and legal structure, paying close attention to issues related to the price offered to CEF to pursue the development of the businesses included in the scope of the new agreements and to relations with the brokerage firm Wiz.

Follow-up Committee on the Implementation of the BPCE and LBP Partnerships

Number of members: 7		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell Rose-Marie Van Lerberghe	1	96%	One and a half hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Olivier Sichel Virginie Chapron du Jeu Charles Sarrazin			

At its meeting on 19 September 2018, the Follow-up Committee on the Implementation of the BPCE and LBP Partnerships reviewed the results obtained under the renegotiated agreements in force since 1 January 2016.

The heads of the LBP and BPCE BUs informed the Committee about:

- the ways in which the partnerships have enhanced the marketing dynamic underpinning the business model, thanks to:
  - the development of premium offers,
  - the promotion of unit-linked offers in full compliance with the obligation to provide impartial advice,
  - proactive conversion of traditional products into products with a unit-linked or *Eurocroissance* formula;
- significant advances in policy administration processes, with the transition to paperless communications and use of Internet for simple operations in the life of the contract ("self care");

- the satisfactory implementation of the two partnerships' governance through the creation of many committees to guarantee effective cooperation at all levels.

Based on these presentations, the Committee concluded that the two agreements have delivered the expected benefits and results, and above all, that their implementation is a demonstration of the whole-hearted engagement of CNP Assurances and each of its two partners.

Special Committee

Number of members: 4		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell Rose-Marie Van Lerberghe	2	100%	One and a half hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	-			

The work of the Special Committee included an analysis of the potential benefits of drawing up formal governance rules to protect the interests of distribution partners (including partners that are not also shareholders) and insureds in the event that La Banque Postale were to become the majority shareholder of a company with a multi-partner model.

The rules would cover measures to protect:

- the confidentiality of commercial information shared between CNP Assurances and each of its partners,
- the personal data of clients contributed by each partner,
- financial management processes that guarantee each partner's independence.

3.2.6 Performance assessment of the Board of Directors and its Committees

In accordance with the AFEP-MEDEF Corporate Governance Code and its own internal rules, in 2018 the Board performed a self-assessment of its performance with the assistance of outside consultants. The results of the self-assessment were presented to the Board at its meeting on 19 December 2018.

The self-assessment was based on a questionnaire sent to the directors, who all filled it out, and on one-on-one conversations with the independent directors, a representative of each historical shareholder, a director representing employees and the Chief Executive Officer.

The topics covered were those listed in the AFEP-MEDEF Code, and directors were asked to respond to questions on the practices of the Board and its Committees, how well the Board and the Committees work together, the strategy seminar, the overall competence of the Board members and directors' individual contributions to the work of the Board and its Committees, and implementation of the action plan drawn up after the 2017 self-assessment.

The directors confirmed their favourable or highly favourable opinion about the Group's governance and nearly all of them noted with satisfaction the improvements made since the previous assessment. The directors particularly appreciated the strategy seminar called for in the 2017 self-assessment and organised in 2018, applauding both its form and its content.

An analysis of the completed questionnaires and the interviews confirmed that the directors have the skills needed for the Board to fulfil its role. The analysis also confirmed each director's commitment to making a real contribution to the Board's work.

Certain points were noted for inclusion in an action plan to be implemented in 2019. In particular, to take into account the many matters included on the agendas of Board Meetings, executive summaries will be systematically included in the directors' briefing files and a table listing the matters submitted to the Board for consideration or decision will be distributed to directors. Specific software used to send or read the documents sent with the agendas for meetings of the Board and its Committees will also be deployed in 2019.

A detailed assessment will be carried out at the end of 2019, three years after the 2016 assessment.

3.2.7 Limitations on the powers of the Chief Executive Officer

The following decisions are subject to the prior approval of the Board of Directors:

- the issue of guarantees to secure the Company's commitments in excess of €100 million per commitment *;
- business acquisitions and disposals for amounts in excess of €50 million per transaction, whether they are carried out by CNP Assurances or by one of its direct or indirect subsidiaries. This threshold takes into account the price, the net debt of the target, any put options written or underwriting commitments granted by the Company and any off-balance sheet commitments. It does not apply to acquisitions and disposals of assets as part of the portfolio management process;
- business acquisitions and disposals for any amounts that are not part of the strategy decided by the Board of Directors, except for transactions carried out on an experimental basis;
- organic growth or internal restructuring operations qualified as having a major impact for the Group.

On 20 February 2019, the Board of Directors also renewed the Chief Executive Officer's authorisations to:

- issue sureties, bonds and other guarantees in the Company's name for up to €100 million annually, or the equivalent in any foreign currency, covering the commitments of subsidiaries and other third parties in accordance with Article L.225-35, paragraph 4 of the French Commercial Code;
- issue, on one or several occasions, bonds or notes for a maximum of €1.5 billion placed in France or on an international market. The securities issued under this authorisation may be dated or undated and subordinated or unsubordinated, and may pay interest at a fixed or variable rate (or any other form of remuneration);
- buy back, on one or several occasions as required, at the prices and according to terms and conditions that he shall determine, bonds or notes issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations. The maximum nominal amount of securities bought back pursuant to this authorisation may not exceed €1 billion or the equivalent of this amount in foreign currency or any other unit of account determined by reference to a basket of currencies;
- establish or unwind, on one or several occasions, hedging positions on bonds or notes issued or to be issued by CNP Assurances, in the form of swaps, including but not limited to currency swaps that convert the interest and principal into euros and interest rate swaps involving the exchange of interest streams. The maximum notional amount of the positions may not exceed €1.5 billion or the equivalent in foreign currency.

The full text of the limitations of powers and financial authorisations is reproduced in the appendix to the internal rules of the Board of Directors available at www.cnp.fr.

* Additional information: in addition, the Chief Executive Officer is authorised to issue and sign commitments under which CNP Assurances acts as guarantor for its subsidiary CNP Caution in relation to commitments made by CNP Caution to its commercial partners. This authorisation relating to CNP Caution is limited to a maximum cumulative amount of eleven billion euros (€11,000,000,000), less the total amount of the guarantees issued by CNP Assurances in relation to commitments made by CNP Caution to its commercial partners which are still in place

3.3 Management and members of the Board of Directors

Functions of the members of the Board of Directors and list of their directorships

3.3.1 Chairman of the Board

AGE: 62

NATIONALITY: French

EDUCATION: Graduate of *École polytechnique, Institut d'Études Politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 1,500

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Remuneration and Nominations Committee (member)
Strategy Committee (Chairman)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (Chairman)
Special Committee (Chairman)

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Remuneration and Nominations Committee: 100%
Strategy Committee: 100%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%
Special Committee: 100%

JEAN-PAUL FAUGÈRE

Main function: Chairman of the Board of Directors of CNP Assurances since 29 June 2012

PROFESSIONAL EXPERIENCE

Jean-Paul Faugère was director of the Prime Minister's office from 2007 to 2012, having previously been director of François Fillon's office (when Mr Fillon was Minister of Social Affairs, Employment and Solidarity and then Minister of National Education, Higher Education and Research) (2002-2005) and prefect for the Alsace-Bas Rhin region (2005-2007).

Prior to this, Jean-Paul Faugère held the following positions:

- Insurance commissioner and comptroller (1980-1981)
- Auditor (*auditeur*) at the Conseil d'État (French supreme administrative court) (1982)
- Master of Petitions (*maître des requêtes*) of the Conseil d'État (1986)
- Deputy Secretary General of the *Conseil d'État* (1986-1987)
- Technical advisor to the Minister of Infrastructure, Housing, Territorial Development and Transport (1987-1988)
- Government representative on the Special Litigation Committee (*Assemblée du contentieux*) of the Conseil d'État (1988-1990)
- Advisor to the General Director (1990) and then Finance Director and Secretary General (1991-1994) of the French Atomic Energy Commission (CEA)
- Director of Civil Liberties and Legal Affairs at the Ministry of the Interior and Territorial Development (1994-1997)
- Prefect for Loir-et-Cher *département* (1997-2001), then for the Vendée *département* (2001-2002)
- State councillor (1998)

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *Director*

Other directorships and functions

- Icade (listed SA), *Director and member of the Strategy and Investments Committee*

3.3.2 Chief Executive Officer

AGE: 62

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris* and *École Nationale d'Administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 2,000

CURRENT TERM EXPIRES: 2022

ANTOINE LISSOWSKI

Main function: Chief Executive Officer of CNP Assurances since 1 September 2018

PROFESSIONAL EXPERIENCE

Antoine Lissowski began his career with Caisse des Dépôts et Consignations (CDC) as manager of foreign currency treasury transactions and eurocredits (1982-1985). In 1985, he joined the French securities regulator (*Commission des Opérations de Bourse*), where he led the first work groups on ethical practices in the financial services industry.

In 1988, he moved to Caisse des Dépôts et Consignations, as head of business development on the bond and money markets.

In 1990, he was appointed Chief Executive Officer of Caisse Autonome de Refinancement (CAR), a member of the Caisse des Dépôts Group, before becoming Chief Financial Officer of Caisse des Dépôts' Banking and Financial Services unit in 1992. In 2000, he joined the newly formed CDC IXIS as Chief Financial Officer, and in 2002 he was named head of the bank's Proprietary Trading department.

In December 2003, Mr. Lissowski was appointed Member of the Executive Board of CNP Assurances and Chairman of the Plenary Economic and Financial Commission of the French Insurance Federation (FFSA, now FFA).

From July 2007 until 2018, Mr. Lissowski served as Deputy Chief Executive Officer and Finance Director of CNP Assurances.

He has been Chief Executive Officer of CNP Assurances since 1 September 2018.

DIRECTORSHIPS AND FUNCTIONS

- CNP Assurances (listed SA), *Chief Executive Officer since 1 September 2018*
- Arial CNP Assurances (SA), *Chairman of the Board of Directors (since 2 October 2018)*
- Montparvie IV (SAS), *Chairman (since 18 September 2018)*
- Montparvie V (SAS), *representative of CNP Assurances, Chairman (since 29 October 2018)*
- Sogestop L (SAS), *Director*
- Lyfe (SAS), *representative of CNP Assurances, Chairman*
- CNP Caution (SA), *permanent representative of CNP Assurances, Chairman (term expired 19 December 2018)*
- MFPrévoyance (SA), *permanent representative of CNP Assurances, Chairman (term expired 4 December 2018)*
- CNP Immobilier (SCI non-trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances*
- SCI de la CNP (SCI non-trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances*
- SICAC (SCI non-trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances*
- Société Forestière de la Caisse des Dépôts (SA), *permanent representative of CNP Assurances, Chairman*
- CDC Habitat (public-private company), *member of the Supervisory Board, Audit Committee and Selection and Remuneration Committee (term expired 31 December 2018)*
- Caixa Seguros Holding (Brazil), *Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Investissement Trésor Vie (SA), *permanent representative of CNP Assurances (term expired 4 October 2017)*
- La Banque Postale Prévoyance (SA), *Director (term expired 28 June 2016)*
- Ilot A5B (SCI), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances (term expired 21 September 2016)*
- CICOGE (SAS), *representative of CNP Assurances, Chairman (term expired 14 January 2013)*
- Parvis Belvédère (SCI), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances (term expired 10 January 2013)*
- Rueil Newton (SCI), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances (term expired 1 February 2013)*
- 83 avenue Bosquet (SAS), *representative of CNP Assurances, Chairman (term expired 14 January 2013)*
- SCI Desmoulins (SCI), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances (term expired 14 January 2013)*
- CNP IAM (SA), *Chairman and Chief Executive Officer (term expired 28 November 2015)*
- Assurbail Patrimoine (SAS), *Chairman of the Board of Directors (term expired 1 June 2015)*
- Assuristance (SA), *member of the Supervisory Board (term expired 17 December 2015)*
- CNP TI (GIE), *Chairman of the Board of Directors (until 22 June 2015) and Director (until 23 May 2017)*
- Ecureuil Vie Développement, *Director (term expired 31 December 2015)*

3.3.3 Directors

AGE: 60

NATIONALITY: French

EDUCATION: Master's degree in business management, finance and tax from Paris IX Dauphine University, Post-graduate degree in insurance and risk management techniques from Paris IX Dauphine University

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Financial and actuarial analysis

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 180

FIRST ELECTED TO THE BOARD: 27 April 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%

PHILIPPE BARTOLI

Director representing employees

Main function: Head of the Special and Cross-Functional Audits unit of the Operational Risk and Internal Control section of CNP Assurances' Group Risks Department since July 2015

PROFESSIONAL EXPERIENCE

Philippe Bartoli began his career as an audit supervisor with the Salustro Reydel accounting firm before moving to Ernst & Young and then Cogerco Flipo as audit manager. He joined CNP Assurances in 1995, working first in accounting and then in the areas of internal control and risk management.

DIRECTORSHIPS AND FUNCTIONS (N/A)

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017 (N/A)

AGE: 44

NATIONALITY: French

EDUCATION: Graduate of EDHEC business school, London School of Economics and Political Science, Post-graduate degree in auditing from Paris Dauphine university, French certified public accountant (*Expert-comptable)*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Governance system of an insurance undertaking
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
56, rue de Lille
75007 Paris, France

FIRST ELECTED TO THE BOARD: 20 February 2019

CURRENT TERM EXPIRES (SUBJECT TO RATIFICATION BY THE ANNUAL GENERAL MEETING): 2021

ALEXANDRA BASSO

Main function: Strategic Investments Manager, Caisse des Dépôts

PROFESSIONAL EXPERIENCE

Alexandra Basso began her career in 1998 with PricewaterhouseCoopers Audit, in the banking group, before joining Arthur Andersen in 2000.

In 2001, she returned to PricewaterhouseCoopers Audit, in the financial services group, rising to the position of Senior Manager in 2006 with responsibility for auditing the separate and consolidated financial statements of various financial institutions, including the Caisse des Dépôts Group. In 2014, she joined the finance department of Caisse des Dépôts, where she was responsible for permanent controls and operational risk monitoring in the Accounting and Financial Management department.

Since 2018, she has been Strategic Investments Manager in the Caisse des Dépôts Group's financial institutions unit.

DIRECTORSHIPS AND FUNCTIONS (N/A)

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017 (N/A)

AGE: 60

NATIONALITY: British

EDUCATION: Degree in French, Business and History of Art from the University of Edinburgh, MBA from the Open University

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 750

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Audit and Risk Committee (member)
Strategy Committee (member)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)
Special Committee (member)

FIRST ELECTED TO THE BOARD: 22 February 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 75%
Audit and Risk Committee: 85.71%
Strategy Committee: 100%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%
Special Committee: 100%

MARCIA CAMPBELL

Main function: Company Director

PROFESSIONAL EXPERIENCE

Marcia Campbell began her career in 1982 working as a consultant for Proudfoot Plc International Management consultants and became Chief Executive Officer for the UK in 1988. In 1990, she joined Standard Life Plc, where she held a number of senior positions including Director of Sales Development (1990-1993), Director of Customer Services (1993-1996), General Advisor and Director of Business Services (1996-2004) and Director of Operations and Chief Executive Officer for Asia-Pacific (2004-2010).

She was Director of Operations at Ignis Asset Management, a subsidiary of Phoenix Group plc, between 2010 and March 2012. She then chaired the Scottish Government's Advisory Committee for Environmental Strategy until 2014.

Marcia Campbell is a director of several companies outside France.

DIRECTORSHIPS AND FUNCTIONS

- Sainsbury's Bank (UK), *Director, member of the Audit and Risk Committee*
- Murray International Trust Plc (UK), *Chair of the Audit Committee*
- Aviva (UK and Ireland), *member of the Independent Governance Committee*
- Canada Life (Great West Life Group) (Canada), *Director*
- Canada Life Limited (Great West Life Group) (Canada), *Director, Chair of the Risk Committee and member of the Audit Committee*
- Woodford Investment Management (UK), *Chair of the Oversight Board (since June 2016)*
- Charles Stanley Group plc (UK), *Director (since October 2017), Chair of the Risk Committee and member of the Audit Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Scottish Government, *Chairman of the Advisory Committee for Environmental Strategy (term expired 2014)*

AGE: 57

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris*, postgraduate degree in foreign trade from Paris IX-Dauphine University, Master's degree in financial management/budget control from Paris IX-Dauphine University

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
51, rue de Lille
75356 Paris 07 SP, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCE
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)
Strategy Committee (since 20 February 2019)

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 75%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%

VIRGINIE CHAPRON DU JEU

Main function: Group Finance Director, Caisse des Dépôts since 1 September 2016

PROFESSIONAL EXPERIENCE

Virginie Chapron du Jeu held various management positions with IXIS CIB (2004-2007), CDC IXIS (2001-2004), Caisse des Dépôts (1989-2001) and OSEO (1986-1989).

After serving as Director of the Financial Ratios, Deposits and Complex Financing unit in the Savings Funds Division of Caisse des Dépôts Finance department from 2007, she worked as Project Director reporting to the Deputy CEO of Caisse des Dépôts between October 2011 and February 2013, when she then became Investments and Accounting Director in the Pensions and Solidarity Division.

She has been Group Finance Director since 1 September 2016.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Group Finance Director, member of the Management Committees of Caisse des Dépôts and of the Group*
- Bpifrance (SA), *Director, member of the Risk Committee and the Audit Committee*
- La Poste (SA), *Director, Chair of the Audit Committee*
- Réseau Transport Électricité - RTE, *member of the Supervisory Board, member of the Oversight and Audit Committee*
- Coentreprise de Transport d'Électricité - CTE, *Director*
- Novethic, *Chair and member of the Strategy Committee*
- CDC GPI (SA), *permanent representative of Caisse des Dépôts, Director*
- CDC GPII (SAS), *permanent representative of Caisse des Dépôts, Director*
- Humanis Retraite Arrco (supplementary pension institution), *Director representing members (term expired in 2018)*
- Alter Egales, *Chair*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Caisse des Dépôts, *Investments and Accounting Director in the Pensions and Solidarity Division (February 2013 to August 2016)*
- Caisse des Dépôts, *Project Director reporting to the Deputy CEO of Caisse des Dépôts (October 2011 to February 2013)*
- CDC Placement (SA), *Director (term expired 2016)*
- AEW Europe (SA), *permanent representative of Caisse des Dépôts, Director (term expired* 2016)

AGE: 36

NATIONALITY: French

EDUCATION: Graduate of ESCP Europe

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
56, rue de Lille
75007 Paris, France

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member since 20 February 2019)

FIRST ELECTED TO THE BOARD: 20 February 2019

CURRENT TERM EXPIRES (SUBJECT TO RATIFICATION BY THE ANNUAL GENERAL MEETING): 2022

OLIVIER FABAS

Main function: Director, Financial Institutions and Investment Capital Unit – Strategic Investments Management Department – Caisse des Dépôts

PROFESSIONAL EXPERIENCE

Olivier Fabas began his career in 2004 as a member of the BNP Paribas Portfolio Management team, before moving to the financial management side of the business in 2006, where he participated in managing the BNP Paribas Group structures and monitoring solvency ratios (transition to Basel III and related process changes), as well as structuring acquisitions and partnerships.

In 2013, he joined the BNP Paribas mergers & acquisitions team, where he specialised mainly in advising listed companies involved in M&A transactions.

Since September 2018, Olivier Fabas has been Director of the Financial Institutions and Investment Capital unit in the Strategic Investments Management Department at Caisse des Dépôts.

He also lectures on corporate finance as part of the dual Tax & Law degree programme at HEC - Université Paris 1 - Panthéon Sorbonne.

DIRECTORSHIPS AND FUNCTIONS

- Qualium Investissement (SAS), *Director*
- Société Forestière de la Caisse des Dépôts (SA), *Director, Chairman of the Audit Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2017

- Antin Participation 31 (SAS), *Chairman (term expired 3 June 2013)*
- Bergère Participation 2 (SAS), *Chairman and Chief Executive Officer (term expired 3 June 2013)*
- Bergère Participation 7 (SAS), *Deputy Chief Executive Officer (term expired 14 May 2013)*

AGE: 57

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Grenoble*, Degree in Economics

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
BPCE
50, avenue Pierre Mendès France
75013 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Audit and Risk Committee (member)
Strategy Committee (member)

FIRST ELECTED TO THE BOARD: 11 December 2012

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 75%
Audit and Risk Committee: 85.71%
Strategy Committee: 100%

JEAN-YVES FOREL

Main function: Deputy Chief Executive Officer in charge of Retail Banking in Europe and of the Paris 2024 Olympic Games initiative at BPCE since October 2018

PROFESSIONAL EXPERIENCE

Jean-Yves Forel began his career in 1983, at Banque Populaire des Alpes. In 1992, after working in high-street banking, he was appointed Director of Operations, and, in 1995, Central Director. In 1997, he joined Banque Populaire Atlantique as Central Director with responsibility for business development and the business line subsidiaries. In 2000, he was appointed Business Development Director at Banque Fédérale des Banques Populaires and in 2001, became a member of the General Management Committee.

In 2003, he moved to Natexis Banques Populaires where he was appointed member of the General Management Committee and Director of Banking, Financial and Technological Services. In 2005, he was appointed Director of the Specialised Financial Services Division. In November 2006, he became member of the General Management Committee and Director of the Specialised Financial Services Division of Natixis, the BPCE Group's corporate and investment banking, asset management and specialised services arm.

In 2012, Jean-Yves Forel became a member of BPCE's Management Board, serving as Chief Executive Officer responsible for Retail Banking & Insurance. In May 2016, he was appointed Chief Executive Officer in charge of Transformation and Operational Excellence. Since 15 October 2018, he has been Deputy Chief Executive Officer in charge of Retail Banking in Europe and of the Paris 2024 Olympic Games initiative.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Deputy Chief Executive Officer in charge of Retail Banking in Europe and of the Paris 2024 Olympic Games initiative*
- Média Consulting & Investment (SA), *Director (since 20 April 2010)*
- Natixis Algérie (Algeria), *Chairman of the Board of Directors (since 20 January 2011)*
- BPCE Immobilier Exploitation (SAS), *permanent representative of BPCE, Chairman of the company and the Board of Directors (since 31 August 2016)*
- Holassure, *Director and Chairman (since 9 February 2017)*
- Natixis Coficiné (SA), *Director (since 20 April 2010)*
- Sopassure (SA), *Director and Chairman (since 6 December 2012)*
- BPCE IT, *Director, Chairman and Chief Executive Officer (term expired 7 December 2018)*
- Albiant IT (SA), *Director, Chairman and Chief Executive Officer (term expired 7 December 2018)*
- NEFER, *Director, Chairman of the Board of Directors (term expired 26 September 2018)*
- BPCE Achats, *Director (term expired 12 December 2018)*
- IT-CE, *Chairman and Chief Executive Officer (term expired 17 October 2018)*
- i-BP, *Director, Chairman and Chief Executive Officer (term expired 10 October 2018)*
- EDEP, *Director, Chairman of the Board of Directors (term expired 28 March 2018)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Algiers Business Centers (Algeria), *Director (term expired 11 June 2013)*
- Association Française des Sociétés Financières (ASF), *Vice-Chairman of the Board of Directors (term expired 15 January 2013)*
- Banque Palatine (SA), *Chairman of the Board of Directors (term expired 24 May 2016)*
- BPCE (SA), *member of the commercial banking and insurance Executive Board (term expired 17 May 2016)*
- BPCE International et Outre-Mer (SA), *Chairman of the Board of Directors (term expired 25 May 2016)*
- Conecs (SAS), *Director (term expired 12 June 2013)*
- Crédit Foncier de France (SA), *Director (term expired 9 June 2016)*
- Ecureuil Vie Développement, *representative of BPCE, director (term expired 31 December 2015)*
- Partecis (SAS), *Director (term expired 10 March 2015)*

AGE: 49

NATIONALITY: French

EDUCATION: Graduate of ENSIMAG (*Institut National Polytechnique de Grenoble)*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
51, rue de Lille
75356 Paris 07 SP, France

NUMBER OF CNP ASSURANCES SHARES: 200

FIRST ELECTED TO THE BOARD: 27 September 2018

CURRENT TERM EXPIRES (SUBJECT TO RATIFICATION BY THE GENERAL MEETING): 2020

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%

LAURENCE GIRAUDON

Main function: Director, Support and Operations unit of the Asset Management Department, Caisse des Dépôts since June 2017

PROFESSIONAL EXPERIENCE

Laurence Giraudon held various management positions at CDC Marchés (1993-1998) and CDC ICM (1998-2001), and then participated in the creation and deployment of the Results unit at IXIS CIB (2005-2007) and BFI Natixis (2007-2009).

In 2009, she moved to Société Générale CIB to take up a position as co-manager of the Results Certification Department's Product Control Group.

In 2012, she joined CNP Assurances as Middle & Back Office Manager in the Investments Department.

Laurence Giraudon is currently Director in charge of the Support and Operations unit of the Asset Management Department at Caisse des Dépôts since June 2017.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Director, Support and Operations unit of the Asset Management Department*
- Crédit Municipal de Paris (public institution), *member of the Strategy and Oversight Board*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017 (N/A)

AGE: 57

NATIONALITY: French

EDUCATION: *École nationale d'assurance* and CNIL

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
CNP Assurances
4, place Raoul Dautry
75015 Paris, France

FIRST ELECTED TO THE BOARD: 28 April 2016

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 87.5%

LAURENCE GUITARD

Director representing employees

Main function: Data Protection Project Manager, CNP Assurances since 2011

PROFESSIONAL EXPERIENCE

Laurence Guitard began her career in 1982 with Alfred Herlicq & Fils, a construction company. In 1988, she joined France Télécom where she was responsible for operational tasks, reporting to the Direct Marketing Director.

She then acquired experience in the property sector, as researcher with Rocval & Savills, a firm of property consultants (1989 to 1993) and as assistant to the Chairman of Cofradim, a property developer (1997 to 2000).

In 2001, she took up a position with Solving International, a strategy consulting firm, as assistant to the Deputy Chief Executive Officer responsible for the Insurance group.

In 2004, she joined the headquarters of Banque CIC (Bordelaise CIC) as assistant to the Director, Financial Engineering and Financial Operations.

Laurence Guitard joined the CNP Assurances Group in 2005, as assistant to the Deputy Chief Executive Officer responsible for Innovation, Property Management, Legal Affairs and Information Systems.

Since 2011 she has been responsible for data protection projects at CNP Assurances.

DIRECTORSHIPS AND FUNCTIONS

- FCPE "Action CNP" (corporate mutual fund), *Chair of the Supervisory Board*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017 (N/A)

AGE: 60

NATIONALITY: French

EDUCATION: Graduate of HEC

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
56, rue de Lille
75007 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Remuneration and Nominations Committee (member)

PERMANENT REPRESENTATIVE OF CAISSE DES DÉPÔTS SINCE: 13 December 2017

CAISSE DES DÉPÔTS FIRST ELECTED TO THE BOARD OF CNP ASSURANCES (LISTED SA): 1998

CAISSE DES DÉPÔTS LAST RE-ELECTED: 2016

CAISSE DES DÉPÔTS' CURRENT TERM EXPIRES: 2020

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Remuneration and Nominations Committee: 80%

ÉRIC LOMBARD

Main function: Chief Executive Officer of Caisse des Dépôts since 8 December 2017

PROFESSIONAL EXPERIENCE

- Technical advisor to the Cabinet of the spokesman for the French Government (1989-1991)
- Advisor to the Minister Delegate for Justice (1991-1992)
- Advisor to the Minister of Economy and Finance (1992-1993)
- Responsible for Mergers & Acquisitions in the banking and insurance sector - BNP Paribas (1993-1999)
- Head of the Financial Institutions Group and a member of the Corporate and Investment Banking General Management Committee – BNP Paribas (1999-2002)
- Responsible for Corporate and Institutional Relations - BNP Paribas (2002-2004)
- Chief Executive Officer of BNP Paribas Cardif (2004-2006)
- Chairman and Chief Executive Officer of BNP Paribas Cardif (2006-2013)
- General Manager and then Chairman and Chief Executive Officer of Generali France (2013-2017)
- Chairman of the Board of Europ Assistance Holding (2015-2017)

DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Chief Executive Officer*
- Fonds de Réserve pour les Retraites (FRR) (public institution), *Chairman of the Management Board*
- Bpifrance (SA), *Chairman of the Board of Directors*
- CDC Habitat, *Chairman of the Supervisory Board*
- La Poste (SA), *permanent representative of Caisse des Dépôts, Director and member of the Remuneration and Governance Committee*
- 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite Fund), *permanent representative of Caisse des Dépôts, Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- BNP Paribas Cardif, *Chairman and Chief Executive Officer (term expired 2013)*

AGE: 58

NATIONALITY: French

EDUCATION: Graduate of *École polytechnique, Institut d'Études Politiques de Paris* and *Institut des Actuaires Français*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Audit and Risk Committee (member)

REPRESENTATIVE OF SOPASSURE SINCE:
1 September 2015

SOPASSURE FIRST ELECTED TO THE BOARD OF CNP ASSURANCES (LISTED SA): 2000

SOPASSURE LAST RE-ELECTED: 2017

SOPASSURE'S CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 87.5%
Audit and Risk Committee: 100%

FLORENCE LUSTMAN

Main function: Chief Financial Officer & Public Affairs Director, La Banque Postale

PROFESSIONAL EXPERIENCE

Florence Lustman began her career in 1985 as Insurance inspector at France's insurance supervisor (*Commission de Contrôle des Assurances*, now known as ACPR) and rose to become its General Secretary in 2000. In 2004, she was appointed Insurance Comptroller General before becoming Director of the department of Insurance Auditors in 2006. In 2008, Florence Lustman headed up the Interministerial programme to tackle Alzheimer's disease in France and promote awareness of the programme abroad.

She is heavily involved in European and international regulatory, accounting, and actuarial bodies, and was a founding member of CEIOPS (which became EIOPA in 2011). She was a member of the Executive Committee of IAIS between 2006 and 2007. In December 2012, Florence Lustman was appointed Inspector General at La Banque Postale and member of its Executive Committee,

Before becoming Chief Financial Officer in April 2014 in charge of ALM, accounting, budget control, capital management, balance sheet management, tax, real estate and purchasing.

Since September 2017, Florence Lustman has also held the position of Public Affairs Director of La Banque Postale, responsible for relations with the French banking community and the banking, insurance and asset management supervisors and regulators.

DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Chief Financial Officer & Public Affairs Director*
- AEW SA (SA), *permanent representative of SF2, Director, Chair of the Audit and Accounts Committee and member of the Strategy Committee*
- Fonds de Garantie des Dépôts et de Résolution (guarantee fund), *member of the Supervisory Board*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board and Chair of the Audit and Risk Committee*
- La Banque Postale Assurances IARD (SA), *Director and member of the Audit and Risk Committee*
- La Banque Postale Assurance Santé (SA), *permanent representative of La Banque Postale, Director*
- La Banque Postale Financement (SA), *member of the Supervisory Board, member of the Audit Committee, member of the Risk Committee*
- La Banque Postale Home Loan SFH (SA), *Chair of the Board of Directors*
- La Banque Postale Prévoyance (SA), *permanent representative of SF2, Director, Chair of the Audit and Risk Committee*
- SF2 (SA), *Director and Chief Executive Officer*
- Sopassure (SA), *Director*
- Tikehau Capital (SCA), *member of the Supervisory Board*
- Tikehau Capital Advisors (SAS), *representative of Fonds Stratégique de Participations, Director*
- Fonds de Garantie des Dépôts et de Résolution (guarantee fund), member of the Supervisory Board

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017 (N/A)

AGE: 55

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Caisse des Dépôts
56, rue de Lille
75007 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Audit and Risk Committee (member)
Strategy Committee (member)

FIRST ELECTED TO THE BOARD: 25 April 2013

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 62.5%
Audit and Risk Committee: 85.71%
Strategy Committee: 100%

OLIVIER MAREUSE

Main function: Director of the Savings Funds Division, Caisse des Dépôts (since 1 September 2016), Asset Management Director since 1 June 2018

PROFESSIONAL EXPERIENCE

After serving as Technical and Financial Director of the Group Insurance Division of CNP Assurances (1989-1990), Olivier Mareuse was appointed as an advisor to the Chief Executive Officer of CNP Assurances in 1991. In 1993, he was named Director of Strategy, Budget Control and Investor Relations, with responsibility for the Group's IPO, before becoming Chief Investment Officer of CNP Assurances in 1998.

From 15 December 2010 to 1 September 2016, he served as the Caisse des Dépôts Group's Finance Director.

He has been Director of the Savings Funds Division of Caisse des Dépôts since 1 September 2016 and Asset Management Director since 1 June 2018.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Director of the Savings Funds Division of Caisse des Dépôts and Asset Management Director, member of the Caisse des Dépôts Executive Committee*
- AF2i (French institutional investors association), *Director and member of the board*
- CDC GPI, *Director*
- Icade (listed SA), *Director, member of the Audit and Risk Committee*
- Société Forestière de la Caisse des Dépôts (SA), *Director*
- Veolia Environnement (listed SA), *permanent representative of Caisse des Dépôts, Director*
- CDC International Capital (SA), *Director, member of the Investment Committee and the Audit and Accounts Committee (term expired 31 December 2018)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- AEW Europe (SA), *Director (term expired July 2016)*
- Bpifrance Investissement (SAS), *Director (term expired July 2013)*
- CDC Entreprises (SAS), *Chairman of the Board of Directors (term expired July 2013)*
- CDC Infrastructure (SA), *Director (term expired August 2017)*
- Qualium Investissement (SAS), *representative of Caisse des Dépôts, director (term expired November 2017)*

AGE: 55

NATIONALITY: French

EDUCATION: Graduate of HEC, Stanford Executive Program

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
BPCE
50, avenue Pierre Mendès-France
75013 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Remuneration and Nominations Committee (member)

FIRST ELECTED TO THE BOARD: 15 May 2018

CURRENT TERM EXPIRES (SUBJECT TO RATIFICATION BY THE GENERAL MEETING): 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 50%
Remuneration and Nominations Committee: 100%

LAURENT MIGNON

Main function: Chairman of the Management Board of BPCE since 1 June 2018

PROFESSIONAL EXPERIENCE

After graduating from HEC and following the Stanford Executive Program, Laurent Mignon spent the first ten years of his career with Banque Indosuez, where he held various positions in the trading and investment banking areas. In 1996, he moved to London to take up a position with Schroders Bank, before joining AGF in 1997 as Chief Financial Officer and, from 1998, member of the Executive Committee. He became head of Investments, Banque AGF, AGF Asset Management and AGF Immobilier in 2002, head of Life Insurance, Financial Services and Credit Insurance in 2003 and Chief Executive Officer and Chairman of the Executive Committee in 2006. In September 2007, he moved to Oddo et Cie as Managing Partner. In May 2009, he was named Chief Executive Officer of Natixis, becoming a member of the BPCE Management Board in 2013.

Since 1 June 2018 Laurent Mignon has been Chairman of the Management Board of BPCE.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Chairman of the Management Board (since 1 June 2018)*
- Arkema (listed SA), *Director*
- AROP (Association pour le Rayonnement de l'Opéra National de Paris), *Director*
- CE Holding Promotion (SAS), *Chairman (since 6 June 2018)*
- Coface (SA), *Chairman of the Board of Directors (term expired 15 June 2018)*
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors (since 17 May 2018)*
- Natixis (listed SA), *Chief Executive Officer (until 31 May 2018), Chairman of the Board of Directors and member of the Strategy Committee (since 1 June 2018)*
- Natixis Assurances, *Chairman of the Board of Directors (term expired 7 June 2018)*
- Natixis Investment Managers, *Chairman of the Board of Directors (term expired 28 May 2018)*
- Peter J. Solomon Company LLC, *Director (term expired 30 May 2018)*
- Sopassure (SA), *Director (since 18 June 2018)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Sequana (listed SA), *Director (term expired 27 June 2013)*
- BPCE, *non-voting director, permanent representative of Natixis (term expired 11 July 2013)*
- Lazard Ltd (listed SA), *Director (term expired 19 April 2016)*

AGE: 59

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
La Française des Jeux
3-7, quai du Point du Jour
92560 Boulogne-Billancourt Cedex, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Audit and Risk Committee (Chair)
Strategy Committee (member)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)
Special Committee (member)

FIRST ELECTED TO THE BOARD: 5 April 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Audit and Risk Committee: 100%
Strategy Committee: 100%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%
Special Committee: 100%

STÉPHANE PALLEZ

Main function: Chairman of the Board and Chief Executive Officer of La Française des Jeux since November 2014

PROFESSIONAL EXPERIENCE

Stéphane Pallez began her career in 1984 and served as a Technical Advisor on industrial matters in the Office of the Minister for the Economy and Finance between 1991 and 1993. She spent time at the Directorate General of the Treasury as Deputy Director of Insurance between 1995 and 1998, and Deputy Director in charge of State Investments between 1998 and 2000. She was appointed head of European and International Affairs at the Treasury Department in 2000 and in this capacity served as Chairman of the Club de Paris and a Director of the European Investment Bank (EIB). In April 2004, Stéphane Pallez was appointed as Deputy Chief Financial Officer at France Télécom Orange, with responsibility for financing and treasury strategy, cash management, tax, internal audit, risk management, internal control, fraud prevention, and financial reporting. Between 2011 and January 2015, she was Chairman and Chief Executive Officer of Caisse Centrale de Réassurance.

Stéphane Pallez has been Chairman of the Board and Chief Executive Officer of La Française des Jeux since November 2014.

DIRECTORSHIPS AND FUNCTIONS

- La Française des Jeux, *Chair of the Board and Chief Executive Officer*
- Eurazeo (listed SA), *member of the Supervisory Board, Audit Committee and CSR Committee*
- RAISESHERPAS Endowment fund, Director
- ENGIE (formerly GDF-Suez) (listed SA), *representative of the French State, Director (term expired 18 May 2018)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Caisse Centrale de Réassurance (SA), *Chairman and Chief Executive Officer (term expired 14 January 2015)*
- Crédit Agricole CIB (SA) (formerly Calyon), *Director (term expired 2013)*

AGE: 45

NATIONALITY: French

EDUCATION: Graduate of *École polytechnique, Institut d'Études Politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
Agence des participations de l'État
139, rue de Bercy
75572 Paris Cedex 12, France

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)

REPRESENTATIVE OF THE FRENCH STATE SINCE:
7 September 2017

FRENCH STATE FIRST ELECTED TO THE BOARD OF CNP ASSURANCES (LISTED SA): 1998

FRENCH STATE LAST RE-ELECTED: 2017

FRENCH STATE'S CURRENT TERM EXPIRES: 2020

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 87.5%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%

CHARLES SARRAZIN

Main function: Director of Services and Finance Sector Investments at the State Investment Agency (APE) since August 2017

PROFESSIONAL EXPERIENCE

Charles Sarrazin served as a magistrate at the Paris Administrative Court, hearing tax cases, before joining the Directorate General of the Treasury in 2005 as deputy head of the trade policy unit. He then worked in the Treasury unit responsible for financing the economy, as rapporteur to the Interministerial Committee on Industrial Restructuring, then as head of the general interest financing unit (Caisse des Dépôts, savings funds, social housing) from 2009 to 2012 and as head of the business regulation and financial stability unit from 2012 to 2014. From January 2015 until August 2017 he was deputy director responsible for international business financing. Between January and May 2012, he also served as a Prime Ministerial advisor on the economy, finance and business.

DIRECTORSHIPS AND FUNCTIONS

- Agence des Participations de l'Etat (APE), *Director of Services and Finance Sector Investments*
- Arte France, *representative of the French State, member of the Supervisory Board*
- Arte GEIE, *member of the French delegation*
- Bpifrance Participations (SA) and Bpifrance Investissements (SAS), *representative of the French State, Director*
- La Poste (SA), *representative of the French State, Director*
- France Télévisions, *representative of the French State, Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- ODAS, *Director*
- TSA, *Director*

AGE: 72

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris*, *École nationale d'administration*, *INSEAD*, and *École normale supérieure*, history graduate and philosophy professor

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking

BUSINESS ADDRESS:
33, rue Frémicourt
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Remuneration and Nominations Committee (Chair)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)
Special Committee (member)

FIRST ELECTED TO THE BOARD: 25 September 2013

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 87.5%
Remuneration and Nominations Committee: 100%
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships: 100%
Special Committee: 100%

ROSE-MARIE VAN LERBERGHE

Main function: Company Director

PROFESSIONAL EXPERIENCE

Rose-Marie Van Lerberghe worked as Inspector General of Social Affairs and Deputy Director for the Defence and Promotion of Employment in the Employment department of the French Ministry of Labour.

In 1986, she joined BSN-Danone, where she held various management positions including Chief Executive Officer of two subsidiaries, Les Verreries de Masnières, with 800 employees and €92 million in revenues (1990-1992), and L'Alsacienne, with 1,000 employees and €185 million in revenues. She then served as Human Resources Director of the Danone Group from 1993 to 1996.

In 1996, she returned to the public sector, as General Delegate for Employment and Vocational Training at the French Ministry of Labour and Social Affairs.

She then became Chief Executive of the Paris public hospitals authority (Assistance Publique - Hôpitaux de Paris). Between 2006 and December 2011, she served as Chairman of the Management Board of the Korian Group.

She was Chair of the Board of Directors of Institut Pasteur (Foundation) between 2013 and 2016 and a senior advisor at BPI Group between 2015 and 2018.

DIRECTORSHIPS AND FUNCTIONS

- Bouygues (listed SA), *Director*
- BPI Group, *senior advisor (until 2018)*
- Groupe Hospitalier Paris Saint Joseph (private healthcare institution), *Director*
- Klépierre (listed SA), *Director, Vice Chair of the Supervisory Board since 2017*
- Orchestre des Champs Élysées, *Chair of the Board of Directors*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Air France (listed SA), *Director (term expired 2016)*
- Casino (listed SA), *Director (term expired 2016)*
- Conseil Supérieur de la Magistrature, *member (term expired 2016)*
- Institut Pasteur (Foundation), *Chairman of the Board of Directors (term expired October 2016)*

AGE: 63

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques de Paris* and *École nationale d'administration*, Post-graduate degree in monetary and financial economics

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
La Poste
9, rue du Colonel Pierre Avia
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Remuneration and Nominations Committee (member)

FIRST ELECTED TO THE BOARD: 22 February 2011

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Remuneration and Nominations Committee: 100%

PHILIPPE WAHL

Main function: Chairman and Chief Executive Officer of La Poste since September 2013

PROFESSIONAL EXPERIENCE

Philippe Wahl began his career in 1984 as Auditor and Master of Petitions (*maître des requêtes*) at the Conseil d'État. In 1986 he was advisor to the President of the French Securities and Exchange Commission (COB, now known as the AMF), and in 1989 he joined the office of Prime Minister Michel Rocard as technical advisor responsible for economic, financial and tax affairs. In 1991, he served as advisor to the Chairman of Compagnie Bancaire, before being appointed member of the Steering Committee in 1992 and Deputy Chief Executive Officer in 1994. In 1997, he took responsibility for specialised financial services at Paribas and became a member of the bank's Executive Committee. In 1999, Philippe Wahl was appointed Chief Executive Officer of Caisse Nationale des Caisses d'Epargne (CNCE).

As such, he was appointed Chairman of Sopassure, Chairman of the Board of Directors of Ecureuil Assurances IARD and member of the Supervisory Board of CDC IXIS and CNP Assurances. He was appointed Chief Executive Officer of the Havas group in 2005, and became Vice Chairman of the Bolloré group in 2006. In January 2007, Mr. Wahl joined Royal Bank of Scotland (RBS) as Managing Director for France. In March 2008, he was appointed as an advisor to the RBS Global Banking and Markets Board in London. In December 2008, he became Chief Executive Officer of RBS for France, Belgium and Luxembourg.

In January 2011, he was appointed Chairman of the Management Board of La Banque Postale and Deputy Chief Executive Officer of La Poste.

Philippe Wahl has been Chairman and Chief Executive Officer of La Poste since September 2013.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (SA), *Chairman and Chief Executive Officer*
- La Banque Postale (SA), *Chairman of the Supervisory Board, member of the Nominations Committee and member of the Remuneration Committee.*
- Géopost (SA), *permanent representative of La Poste, Director*
- Institut Montaigne, *member of the Steering Committee*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Director*
- La Poste Silver (SASU), *member of the Strategy Committee*
- Poste Immo (SA), *permanent representative of La Poste, Director*
- Sopassure (SA), *Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- Association Française des Banques (non-profit organisation), *Vice-Chairman (term expired 2013)*
- CNP Assurances, *member of the Audit Committee (term expired 2013)*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager (term expired 2013)*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager (term expired 2013)*
- Fédération Bancaire Française (Federation) (FBF), *member of the Executive Committee (term expired 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 2013)*
- La Banque Postale Financement (SA), *member of the Supervisory Board (term expired 2013)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors, member then Chairman of the Nominations and Remuneration Committee (term expired 2013)*
- La Banque Postale (SA), *Chairman of the Management Board (term expired 2013)*
- La Banque Postale Asset Management (SA), *Chairman of the Supervisory Board, member of the Supervisory Board, Chairman of the Remuneration Committee (term expired 2013)*
- La Banque Postale Assurance Santé (SA), *Chairman of the Board of Directors (term expired 2013)*
- La Banque Postale Assurances Iard (SA), *Chairman of the Board of Directors and Chairman of the Remuneration and Nominations Committee (term expired 2013)*
- La Banque Postale Gestion Privée (SA), *Chairman of the Supervisory Board (term expired 2013)*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Vice-Chairman of the Board of Directors (term expired 2013)*
- Paris Europlace (non-profit organisation), *Director (term expired 24 April 2014)*
- SF2 (SA), *Chairman and Chief Executive Officer* (term expired *2013)*
- Société de Financement Local (SA), *Director, member of the Audit Committee (term expired 2013)*
- Sofipost (SA), *representative of La Poste, Director (term expired 1 July 2014*
- Sopassure (SA), *Chairman and Chief Executive Officer (term expired 2013), formerly representative of SF2, Director*

AGE: 61

NATIONALITY: French

EDUCATION: Graduate of *Institut d'Études Politiques d'Aix en Provence* and HEC

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance Undertaking
Governance system of an insurance undertaking
Financial and actuarial analysis
Experience of legal and regulatory systems of an insurance undertaking

BUSINESS ADDRESS:
La Banque Postale
115, rue de Sèvres
75275 Paris Cedex 06, France

NUMBER OF CNP ASSURANCES SHARES: 200

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Strategy Committee (member)

FIRST ELECTED TO THE BOARD: 6 November 2013

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 87.5%
Strategy Committee: 100%

RÉMY WEBER

Main function: Chairman of the Management Board of La Banque Postale, and Deputy Chief Executive and Director of Financial Services at La Poste since 15 October 2013

PROFESSIONAL EXPERIENCE

Rémy Weber began his career in the Large Corporates Division of Banque Française du Commerce Extérieur (BFCE), before taking up a position as advisor in the International Affairs department of the French Directorate General of the Treasury. He was subsequently given responsibility for developing and monitoring government policy in the area of credit insurance, export financing and foreign exchange guarantees (COFACE), before joining Financière BFCE in 1990 as Deputy Director, Investments and M&A.

In 1993, Rémy Weber joined the CIC-Crédit Mutuel Group where he held various management positions before becoming Chairman and Chief Executive Officer of CIC Lyonnaise de Banque, member of the CIC Group Management Board (from 2002 to 2010) and then member of the Group Executive Committee.

Since 15 October 2013, Rémy Weber has been Chairman of the Management Board of La Banque Postale, and Deputy Chief Executive and Director of Financial Services at La Poste.

DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Chairman of the Management Board*
- Association Française des Banques (non-profit organisation), *Vice-Chairman*
- CRSF DOM (SCI), *permanent representative of La Banque Postale, legal manager*
- CRSF Métropole (SCI), *permanent representative of La Banque Postale, legal manager*
- Fédération Bancaire Française (FBF) (Federation), *permanent representative of the Association Française des Banques, member of the Executive Committee*
- KissKissBankBank & Co (SAS), *Chairman of the Management Committee (since 19 July 2017)*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Director, Vice-Chairman of the Administrative Committee*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board, Chairman of the Supervisory Board, member of the Remuneration Committee*
- La Banque Postale Assurances Iard (SA), *Director, Chairman of the Board of Directors, Chairman of the Remuneration Committee*
- La Banque Postale Assurances Santé (SA), *Director*
- La Banque Postale Crédit Entreprises (SA), *member of the Supervisory Board (since 26 January 2017)*
- Ma French Bank (formerly LBP Digital) (SA), *Chairman of the Board of Directors (since 21 December 2017)*
- La Poste (SA), *Deputy Chief Executive Officer, Director of Financial Services*
- Opéra de Lyon (non-profit organisation), *Director, Chairman of the Board of Directors*
- Paris Europlace (non-profit organisation), *member of the Board of Directors*
- Poste Immo (SA), *Director*
- SCI Tertiaire Saint Romain (SCI), *permanent representative of La Banque Postale, legal manager*
- SF2 (SA), *Chairman of the Board of Directors*
- Sopassure (SA), *Director, and since 28 March 2018, Chairman and Chief Executive Officer*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2013 TO 2017

- ACM Iard SA (SA), *representative of Groupe des Assurances du Crédit Mutuel, Director (term expired 2013)*
- CIC Lyonnaise de Banque (SA), *Chairman and Chief Executive Officer (term expired October 2013)*
- CM-CIC Asset Management (SA), *representative of CIC Lyonnaise de Banque, member of the Supervisory Board (term expired 2013)*
- CM-CIC Factor (SA), *representative of CIC Lyonnaise de Banque, Director (term expired 2013)*
- CNP Assurances (SA), *member of the Audit Committee (term expired 2015)*
- DANIFOS (SAS), *representative of CIC Lyonnaise de Banque, Chairman of the Executive Committee (term expired 2013)*
- DESCOURS et CABAUD (SA), *representative of CM-CIC Investissement, Director (term expired 2013)*
- EURO Information (SAS), *member of the Management Committee (term expired 2013)*
- EURO P3C (SA), *Director (term expired 2013)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 2014)*
- Gesteurop (SAS), *Chairman (term expired 2013)*
- La Banque Postale Asset Management (SA), *Chairman of the Remuneration Committee (term expired 17 June 2015)*
- La Banque Postale Assurances Santé (SA), *Chairman of the Board of Directors (term expired 7 January 2015)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors and Chairman of the Nominations and Remuneration Committee (term expired 28 June 2016)*
- SF2 (SA), *Chief Executive Officer (term expired 2014)*
- SFIL (SA), *member of the Audit Committee (term expired: 2014), Director, member of the Risk and Internal Control Committee and member of the Accounts Committee (term expired 24 March 2016)*
- SOFEMO (SA), *representative of CIC, Director (term expired October 2013)*
- UVP (mutual insurance company), *representative of CIC Lyonnaise de Banque, Director (term expired 2013)*
- La Banque Postale Crédit Entreprises, *Chairman of the Supervisory Board (term expired 7 March 2017)*

3.4 Remuneration of corporate officers

CNP Assurances refers to the AFEP-MEDEF Corporate Governance Code, and in particular its recommendations concerning the remuneration paid to executive directors.

To make the disclosures clearer and easier to compare with those of other groups, information concerning the remuneration of executive directors is presented in the standardised format recommended by the AFEP and MEDEF and the AMF.

Remuneration of the Chairman of the Board of Directors and the Chief Executive Officer

As is the case at all companies whose shares are traded on a regulated market, the remuneration packages of CNP Assurances' Chairman of the Board of Directors and Chief Executive Officer are decided by the Board of Directors and the General Meeting, according to a decision process that complies with the recommendations of the AFEP-MEDEF Code, as revised in June 2018, and Article L.225-37-2 of the French Commercial Code.

Under the Solvency II governance system in force at CNP Assurances since 1 January 2016, the Board of Directors has approved a remuneration policy that formally embodies a set of remuneration principles applicable to the Company's employees, risk-takers and corporate officers.

The policy is followed by the Board of Directors and applied through the decisions it makes each year.

Remuneration policy applicable to the Chief Executive Officer of CNP Assurances

Principles

The Chief Executive Officer receives a fixed salary and a variable bonus. If a Chief Executive Officer is appointed in the latter part of the year, the decision may be made not to award him (or her) any variable compensation for that year, due to the limited period between his (or her) appointment and the year-end which makes it difficult to determine qualitative and quantitative objectives for the period concerned.

The Chief Executive Officer's total remuneration package is less than the maximum package allowed in public sector companies *. He also has the use of a company car.

In order to ensure that the Chief Executive Officer's remuneration is aligned with the Company's strategic objectives and with the objective of sound and efficient risk management, the variable component is:

Flexible	Application of this principle may result in no variable bonus being paid for a given year.
Deferred	Payment of 40% of the variable bonus for a given year, as decided the following year, is deferred over three years, with 20% paid the first year, 10% the second year and 10% the third year.
Conditional and modulated	The variable bonus may be "adjusted downwards based on current and future risks, taking into account the Company's risk profile and cost of capital". The Chief Executive Officer's variable bonus is subject to: ▪ performance conditions (quantitative and qualitative objectives). In addition, in line with the principle applicable to all risk-takers, if the Group reports an attributable net loss, payment of half of the portion of the deferred bonus that should have been paid the following year is postponed by one year. Then, if the attributable net profit reported the following year does not fully offset the loss, the postponed deferred bonus payment is forfeited; ▪ compliance with internal and external rules and ethical standards. The Chief Executive Officer would forfeit all or part of his deferred remuneration in the event of any disciplinary sanction, equivalent measure or formal action resulting from his failure to comply with the internal rules (procedural rules, ethical or professional standards) or external rules that apply to him.

* Cap specified in Decree No. 2012-915 dated 26 July 2012 concerning State control over the remuneration of corporate officers of public sector companies

Rules adopted by the Board of Directors

Each year, the Board of Directors sets the Chief Executive Officer's salary (unchanged since 2012 at €400,000) and his bonus (capped since 2012 at €50,000) based on the level of achievement of qualitative and quantifiable objectives set by the Board.

Details of the policy adopted by the Board of Directors and the resulting remuneration paid or awarded to the Chief Executive Officer are presented below. Payment of his 2018 variable bonus is subject to shareholder approval at the 2019 Annual General Meeting.

When the Board of Directors allocated total directors' fees among its members, it did not award any fees to Frédéric Lavenir, Chief Executive Officer and director of CNP Assurances up to 31 August 2018, for his participation at meetings of the Board and its Committees.

Remuneration policy applicable to the Chairman of the Board of Directors

Principles

The remuneration of the Chairman of the Board of Directors consists of a fixed payment. He does not receive any variable remuneration.

His total remuneration package is less than the maximum package allowed in public sector companies *.

Rules adopted by the Board of Directors

Each year, the Board of Directors decides on the fixed remuneration to be paid to the Chairman.

This remuneration was increased to €280,000 in 2016 after remaining unchanged at €250,000 between 2012 and 2015.

The Chairman does not receive any fees for participating in meetings of the Board and the Committees of the Board.

Details of the policy adopted by the Board of Directors and the resulting remuneration paid or awarded to the Chairman are presented below.

Table 1

GROSS REMUNERATION PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

(in euros)

Jean-Paul Faugère, Chairman of the Board of Directors	2017	2018
Remuneration payable for the year *(Table 2)*	280,000	280,000
Value of stock options granted over the year *(Table 4)*	None	None
Value of performance shares granted during the year *(Table 6)*	None	None
Value of other long-term remuneration	None	None
TOTAL	**280,000**	**280,000**

Executive Management Antoine Lissowski, Chief Executive Officer (since 1 September 2018) Frédéric Lavenir, Chief Executive Officer (until 31 August 2018)	2017	2018	
	F. Lavenir	**F. Lavenir**	**A. Lissowski**
Remuneration payable for the year *(Table 2)*	450,000	298,333.31	150,000
Valuation of stock options granted over the year *(Table 4)*	None	None	None
Value of performance shares granted during the year *(Table 6)*	None	None	None
Value of other long-term remuneration	None	None	None
TOTAL	**450,000**	**448,333.31**	

* Cap specified in Decree No. 2012-915 dated 26 July 2012 concerning State control over the remuneration of corporate officers of public sector companies

Table 2

GROSS REMUNERATION OF THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

(in euros)

Chairmanship of the Board of Directors Jean-Paul Faugère, Chairman of the Board of Directors	2017 Payable (1)	2017 Paid (2)	2018 Payable (1)	2018 Paid (2)
Salary	280,000	280,000	280,000	280,000
Annual variable bonus	None	None	None	None
Special bonus	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind	0	0	0	0
TOTAL	**280,000**	**280,000**	**280,000**	**280,000**

(1) The "Payable" columns indicate the remuneration awarded to the Chairman or the Chief Executive Officer for the duties performed in each year concerned, regardless of the payment date
(2) The "Paid" columns show the total remuneration paid to the Chairman or the Chief Executive Officer for the duties performed in each of those years

Additional information on the remuneration of Jean-Paul Faugère, Chairman of the Board of Directors

2017	2018
Fixed and variable remuneration On 22 February 2017, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2017 at €280,000	**Fixed and variable remuneration** On 21 February 2018, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2018 at €280,000 (capped since 2016)
Directors' fees n/a	**Directors' fees** n/a
Benefits in kind Jean-Paul Faugère does not receive any benefits in kind	**Benefits in kind** Jean-Paul Faugère does not receive any benefits in kind
Benefit plan open to all employees and covering death/disability insurance and medical insurance Jean-Paul Faugère participates in this plan	**Benefit plan open to all employees and covering death/disability insurance and medical insurance** Jean-Paul Faugère participates in this plan

Executive Management Antoine Lissowski, Chief Executive Officer since 1 September 2018 Frédéric Lavenir, Chief Executive Officer until 31 August 2018	2017 Payable (1)	2017 Paid (2)	2018 Payable (1) F. Lavenir	2018 Payable (1) A. Lissowski	2018 Paid (2) F. Lavenir	2018 Paid (2) A. Lissowski
Salary	400,000	400,000	266,666.64	150,000	266,666.64	150,000
Annual variable bonus (3)	48,168	28,776	30,445.23	None	38,493.20	None
Special bonus	None	None	None	None	None	None
Directors' fees (4)	None	None	None	None	None	None
Benefits in kind (5)	1,832	1,832.28	1,221.44	0	1,221.44	0
SUB-TOTAL			**298,333.31**	**150,000**	**306,381.28**	**150,000**
TOTAL	**450,000**	**430,608.28**	**448,333.31**		**456,381.28**	

(1) The "Payable" columns indicate the remuneration awarded to the Chairman or the Chief Executive Officer for the duties performed in each year concerned, regardless of the payment date
(2) The "Paid" columns show the total remuneration paid to the Chairman or the Chief Executive Officer for the duties performed in each of those years
(3) Payment of Frédéric Lavenir's 2018 variable bonus is subject to shareholder approval at the 2019 Annual General Meeting
(4) No directors' fees were awarded to Frédéric Lavenir, who is a member of the Company's Board of Directors, for his participation in meetings of the Board and the Committees of the Board until 31 August 2018
(5) Corresponding to the use of a company car

Additional information on the remuneration of Frédéric Lavenir, Chief Executive Officer

2017	2018
2017 salary On 22 February 2017, the Board of Directors set Frédéric Lavenir's gross annual fixed salary for 2017 at €400,000, unchanged since his appointment in 2012.	**2018 salary** On 21 February 2018, the Board of Directors set Frédéric Lavenir's gross annual fixed salary for 2018 at €400,000, unchanged since his appointment in 2012. Frédéric Lavenir resigned on 31 August 2018. The gross salary due and paid to him for the period in 2018 up to his resignation amounted to €266,666.64.
2017 bonus At the same meeting, his maximum bonus for 2017 was set at €50,000 (representing 12.5% of his annual fixed salary), unchanged since his appointment in 2012. The Board of Directors' Meeting of 22 February 2017 also set the objectives to be used in 2018 to determine Frédéric Lavenir's 2017 bonus, as presented in the table below (first three columns). In 2018, based on the Remuneration and Nominations Committee's analysis of achievement rates compared to Frédéric Lavenir's 2017 bonus objectives, as presented to the Board of Directors on 21 February 2018 (corresponding to the third and fourth columns of the table below), at its meeting on 21 February 2018, the Board of Directors decided to award the maximum possible bonus of €50,000 (including the €1,832 estimated value of his company car) to Frédéric Lavenir for 2017. The bonus breakdown is shown in the last column of the table below. In accordance with the remuneration policy, 60% of the €48,168 net bonus was paid in 2018, with 20% to be paid in 2019, 10% in 2020 and 10% in 2021.	**2018 bonus** At the same meeting, his maximum bonus for 2018 was set at €50,000 (representing 12.5% of his annual fixed salary), unchanged since his appointment in 2012. The Board of Directors' Meeting of 21 February 2018 also set the objectives to be used in 2019 to determine Frédéric Lavenir's 2018 bonus, as presented in the table below (first three columns). Following Frédéric Lavenir's announcement that he was resigning, the Board of Directors decided not to wait until 2019 and to determine his bonus as soon as possible after his resignation. In July 2018, based on the Remuneration and Nominations Committee's analysis on 27 July 2018 of achievement rates compared to Frédéric Lavenir's 2018 bonus objectives (corresponding to the third column of the table on page 85), at its meeting on 27 July 2018, the Board of Directors decided to award a bonus of €30,445.23 (compared to a maximum prorated bonus of €32,111.89 after deducting the €1,221.44 estimated value of his company car) to Frédéric Lavenir for 2018. The bonus breakdown is shown in the last column of the table on page 85. In accordance with the remuneration policy, 60% of the €30,445 net bonus will be paid in 2019 followed by 20% in 2020, 10% in 2021 and 10% in 2022, subject to the Annual General Meeting voting in favour. The total €38,493.20 in variable remuneration paid in 2018 corresponds to 60% of the 2017 bonus (€48,168) and 20% of the 2016 bonus (€47,961).
Benefits in kind Frédéric Lavenir continued to have the use of a company car in 2017.	**Benefits in kind** Frédéric Lavenir continued to have the use of a company car in 2018, up to the date of his resignation.
Benefit plan open to all employees and covering death/disability insurance and medical insurance Frédéric Lavenir participated in this plan.	**Benefit plan open to all employees and covering death/disability insurance and medical insurance** Frédéric Lavenir participated in this plan in 2018, up to the date of his resignation.

VARIABLE REMUNERATION FOR 2017 PAYABLE AFTER THE 2018 ANNUAL GENERAL MEETING SUBJECT TO SHAREHOLDER APPROVAL

	% weighting	2017 threshold/objectives	2017 achievement rate
Quantifiable objectives	**50%**		
Cost/income ratio	25%	30.8% or less	100%, corresponding to a bonus of €12,500 2017 performance: 30.8%
EBIT	25%	At least €2,850m	Over 100%, corresponding to a bonus of €12,500 2017 performance: €2,889m
Qualitative objectives	**50%**		
Product diversification	12.5%	Growth in unit-linked sales Development of the premium Savings business Development of the Personal Risk Protection/Services business	100%, corresponding to a bonus of €6,250
Development of diversified distribution models	12.5%	Development of the digital insurance business in Brazil (Youse) B to C initiative	100%, corresponding to a bonus of €6,250
Service quality	12.5%	Improved policyholder service quality	100%, corresponding to a bonus of €6,250
Managerial performance	12.5%	Change management support Innovations	100%, corresponding to a bonus of €6,250
TOTAL	**100%**	**100%, CORRESPONDING TO A BONUS OF €48,168 BEFORE DEDUCTING THE ESTIMATED VALUE OF FRÉDÉRIC LAVENIR'S COMPANY CAR (€1,832)**	

In accordance with the remuneration policy, 60% of the €48,168 net bonus (i.e., €28,901) was paid in 2018 followed by 20% in 2019, 10% in 2020 and 10% in 2021.

ADDITIONAL INFORMATION ABOUT THE VARIABLE REMUNERATION PAYABLE TO FRÉDÉRIC LAVENIR IN 2018 IN RESPECT OF 2018 AND PAID AFTER THE 2019 ANNUAL GENERAL MEETING IF APPROVED BY SHAREHOLDERS

	% weighting	End-2018 threshold/objectives	Mid-year achievement rate
Quantifiable objectives	**60%**		
Cost/income ratio	30%	30.4% or less	100%, corresponding to a bonus of €10,000 Mid-year ratio: 30%
EBIT	30%	At least €2,960m	100%, corresponding to a bonus of €10,000 Prorated EBIT objective = €1,480m Actual EBIT for first-half 2018 = €1,499 m
Qualitative objectives	**40%**		
Deployment of CAP 2020 programme	10%	Transformation of the corporate culture	100%, corresponding to a bonus of €3,330
Continuous improvement of multi-partner model and compliance performance	10%	Release of innovative products and services Application of new regulatory requirements	50%, corresponding to a bonus of €1,670
Service quality	10%	Policyholder service quality improvements and assessments	100%, corresponding to a bonus of €3,330
Managerial performance	10%	Quality of life at work	100%, corresponding to a bonus of €3,330
TOTAL	**100%**	**95% OF 8/12 OF €50,000, CORRESPONDING TO A BONUS OF €30,445 AFTER DEDUCTING THE ESTIMATED VALUE OF FRÉDÉRIC LAVENIR'S COMPANY CAR (€1,222)**	

In accordance with the remuneration policy, 60% of the €30,445 net bonus (i.e., €18,267.14) will be paid in 2019 followed by 20% in 2020, 10% in 2021 and 10% in 2022, subject to the Annual General Meeting voting in favour.

Table 3

DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY THE CHAIRMAN OF THE BOARD, THE CHIEF EXECUTIVE OFFICER AND THE DIRECTORS

	Directors' fees paid in 2017 *(in €)*		**Directors' fees paid in 2018** *(in €)*		
Members of the Board of Directors	In respect of second-half 2016	In respect of first-half 2017	**In respect of second-half 2017**	**In respect of first-half 2018**	**Paid to**
Jean-Paul Faugère [(1)]	-	-	-	-	
Frédéric Lavenir [(1)]	-	-	-	-	
Florence Lustman (Sopassure) [(2)]	27,400	21,300	31,200	20,550	Sopassure
Philippe Wahl [(2)]	14,450	18,250	11,400	18,250	Sopassure
Rémy Weber [(2)]	15,200	17,500	28,150	14,450	Sopassure
François Pérol [(2)]	10,650	6,850	3,800	10,650	Sopassure
Laurent Mignon				0	Sopassure
Jean-Yves Forel [(2)]	15,200	24,350	40,350	16,750	Sopassure
Virginie Chapron du Jeu	15,200	15,200	19,000	15,200	CDC
Pierre -René Lemas [(2)]	11,400	6,850	-	-	CDC
Eric Lombard (CDC) [(2)]	-	-	0	15,200	CDC
Delphine de Chaisemartin	7,600	11,400	19,000	3,800	CDC
Annabelle Beugin-Soulon			-	3,800	CDC
Olivier Mareuse [(2)]	23,600	23,600	26,650	16,750	CDC
Pauline Cornu-Thénard	7,600	15,200	15,200	15,200	CDC
Laurence Giraudon	-	-	-	-	CDC
Franck Silvent [(2)]	15,200	21,300	3,800	-	CDC
Olivier Sichel [(2)]	-	-	-	3,800	CDC
Bertrand Walckenaer (French State)	15,200	15,200	0	-	French Treasury
Charles Sarrazin (French State)	-	-	15,200	15,200	French Treasury
Rose-Marie Van Lerberghe [(2)]	21,300	21,300	19,000	21,300	Rose-Marie Van Lerberghe
Stéphane Pallez [(2)]	29,700	27,400	45,700	36,550	Stéphane Pallez
Marcia Campbell [(2)]	27,400	27,400	36,550	23,600	Marcia Campbell
Philippe Bartoli	-	3,800	19,000	15,200	Trade union
Laurence Guitard	-	3,800	19,000	15,200	Trade union
Pierre Garcin (non-voting director)	3,800	-	-	-	Sopassure
TOTAL	**260,900**	**280,700**	**353,000**	**281,450**	

(1) Jean-Paul Faugère and Frédéric Lavenir did not receive any directors' fees for participating in meetings of the Board or the Committees of the Board in accordance with the decisions of the Board of Directors based on the recommendations of the Remuneration and Nominations Committee

(2) Also a member of a Committee of the Board during all or part of the period between 1 July 2016 and 30 June 2018

The two directors representing employees both have an employment contract with the Company and receive remuneration from these companies that is not related to their service on the Board. As a result, no details of this remuneration are disclosed.

Additional information on directors' fees

These amounts are gross of withholding tax.

The Board of Directors' Meeting of 18 December 2007 decided to pay directors' fees as follows: the first payment is for meetings of the Board and the Committees held during the first half of the year and is made at the end of the first half; the second payment is for meetings held during the second half of the year and is made at the beginning of the following year.

The total fees awarded to the Board of Directors by the Annual General Meeting of 28 April 2016 (for 2015 and subsequent years) amounted to €830,000. Based on the recommendations of the Remuneration and Nominations Committee and the notifications received by the Company, directors' fees were allocated as follows:

- for each meeting attended during the first six months and second six months of 2018, the fee per Board Meeting was set at €3,800 and the fee per meeting of the committees of the Board at €3,050;
- the Chairman of each Board Committee was entitled to double the amount allocated to the other Committee members.

Table 4 *

STOCK OPTIONS GRANTED DURING THE YEAR TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER BY CNP ASSURANCES AND ALL OTHER GROUP COMPANIES

Stock options granted to the Chairman of the Board and the Chief Executive Officer by CNP Assurances SA and all other Group companies	Plan no. and date	Type of stock options (purchase or subscription)	Value of stock options based on the method used for the consolidated financial statements	Number of stock options granted during the year	Exercise price	Exercise period
Not applicable	Not applicable	Not applicable	Not applicable	None	Not applicable	Not applicable

Table 5 *

STOCK OPTIONS EXERCISED DURING THE YEAR BY THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Stock options exercised by the Chairman of the Board and the Chief Executive Officer	Plan no. and date	Number of stock options exercised during the year	Exercise price
Not applicable	Not applicable	None	Not applicable

* Tables 4 to 9: there are currently no stock option or performance share plans for any CNP Assurances senior executives or employees

Table 6 *

PERFORMANCE SHARES GRANTED DURING THE YEAR TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER BY CNP ASSURANCES AND ALL OTHER GROUP COMPANIES

Performance shares granted to the Chairman of the Board and the Chief Executive Officers by CNP Assurances and all other Group companies	Plan no. and date	Number of shares granted during the year	Value of shares based on the method used for the consolidated financial statements	Vesting date	End of lock-up period	Performance conditions
Not applicable	Not applicable	None	Not applicable	Not applicable	Not applicable	Not applicable

Table 7 *

PERFORMANCE SHARES GRANTED TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER FOR WHICH THE LOCK-UP PERIOD ENDED DURING THE YEAR

Performance shares granted to the Chairman of the Board and the Chief Executive Officer for which the lock-up period ended during the year	Plan no. and date	Number of shares for which the lock-up period ended during the year	Vesting conditions
Not applicable	Not applicable	None	Not applicable

Table 8 *

HISTORICAL INFORMATION CONCERNING STOCK OPTION GRANTS

Information on stock options	Date of AGM	Plan 1	Plan 2	Plan 3
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Table 9 *

HISTORICAL INFORMATION CONCERNING PERFORMANCE SHARE GRANTS

Information on performance shares	Date of AGM	Plan 1	Plan 2	Plan 3
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Table 10

LONG-TERM INCENTIVE BONUSES PAID TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Not applicable.

* Tables 4 to 9: there are currently no stock option or performance share plans for any CNP Assurances senior executives or employees

Table 11

ADDITIONAL INFORMATION CONCERNING THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Chairman of the Board and Chief Executive Officer	Employment contract		Supplementary pension plan (Article 39 of the French Tax Code)		Compensation for loss of office due or that may be due		Non-compete indemnity	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Paul Faugère Chairman of the Board of Directors First appointed: 29 June 2012 Term expires: 2021 AGM to approve the 2020 financial statements		X		X		X		X
Frédéric Lavenir Chief Executive Officer First appointed: 26 September 2012 Term ended: 31 August 2018		X		X		X		X
Antoine Lissowski Chief Executive Officer First appointed: 1 September 2018 Term expires: 2021 AGM to approve the 2020 financial statements	X *		X		X			X

* Antoine Lissowski's employment contract, which had been in force since 2003, was suspended on 1 September 2018

Supplementary pension plan

The defined benefit supplementary pension plan was set up following Supervisory Board approval at its meeting of 20 December 2005.

Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 does not participate in this supplementary pension plan. Likewise, Frédéric Lavenir, Chief Executive Officer from 26 September 2012 until 31 August 2018, did not participate in the plan.

Antoine Lissowski, Chief Executive Officer since 1 September 2018, participated in the plan under his employment contract, with contributions paid in respect of his salary when he was member of the Management Board and then Deputy Chief Executive Officer. Antoine Lissowski's rights under the defined benefit supplementary pension plan were frozen when his employment contract was suspended.

Contractual termination benefits

As Jean-Paul Faugère, Chairman of the Board of Directors, and Frédéric Lavenir, Chief Executive Officer, do not have employment contracts with the Company, they would not be entitled to any contractual termination benefits. The same applies to Antoine Lissowski, Chief Executive Officer, whose employment contract has been suspended.

Retirement benefits payable on retirement

(Article 43 of the Company-wide agreement covering all employees)

As Jean-Paul Faugère, Chairman of the Board of Directors, and Frédéric Lavenir, Chief Executive Officer, do not have employment contracts with the Company, they will not be entitled to any retirement benefits.

Antoine Lissowski, Chief Executive Officer, will be entitled to a length-of-service award on retirement under the terms of his suspended employment contract.

Table 12

HISTORICAL INFORMATION CONCERNING SHARE GRANTS

	Plan 1	Plan 2
Date of AGM	7 June 2005	7 June 2005
Date of Management Board Meeting	5 July 2006	19 June 2007
Total number of shares granted to employees	201,120	202,260
Total number of shares granted to the Chairman of the Board and the Chief Executive Officer	0	0

Remuneration of members of Executive Management

In the following table, the remuneration paid to Frédéric Lavenir, Chief Executive Officer, is presented in full. The breakdown of his remuneration is described in more detail in the tables regarding the remuneration of the Chairman of the Board and the Chief Executive Officer.

SUMMARY TABLE OF EXECUTIVE MANAGEMENT REMUNERATION

	Remuneration paid in 2017 *(in €)*	**Remuneration paid in 2018** *(in €)*
Frédéric Lavenir, Chief Executive Officer until 31 August 2018		
Salary	400,000	266,666.64
Bonus	28,776	38,493.20
Directors' fees received from CNP Assurances, its subsidiaries and other companies	0	0
Miscellaneous (holiday pay, retirement benefits, EPI group life insurance plan, bonus, company car)	1,832	1,221.44
Sub-total 1	**430,608**	**306,381.28**
Antoine Lissowski, Chief Executive Officer since 1 September 2018		
Salary	-	150,000
Sub-total 2	**-**	**150,000**
TOTAL	**430,608**	**456,381.28**

Disclosure of the remuneration of Deputy Chief Executive Officers is not required by law. This information is presented voluntarily for reasons of transparency.

Antoine Lissowski, Deputy Chief Executive Officer until 31 August 2018 Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer Yves Couturier, Deputy Chief Executive Officer	Remuneration paid in 2017 *(in €)*	**Remuneration paid in 2018** *(in €)*
Aggregate salaries of the Deputy Chief Executive Officers	950,919.00	849,158.56
Aggregate bonuses of the Deputy Chief Executive Officers	381,037.00	403,506.00
Aggregate benefits in kind of the Deputy Chief Executive Officers (company car)	8,765.00	8,764.80
Aggregate directors' fees (subsidiaries of CNP Assurances)	54,851.11	49,822.48
Miscellaneous (holiday pay, EPI group life insurance plan, bonus)	94,490.00	81,165.34
Aggregate remuneration of the Deputy Chief Executive Officers	**1,490,062.11**	**1,392,417.18**
Average remuneration per Deputy Chief Executive Officer	496,687.37	464,139.06
AGGREGATE EXECUTIVE MANAGEMENT REMUNERATION (CEO + DEPUTY CEOs)	**1,920,670.39**	**1,848,799.02**
Average remuneration per member of Executive Management	480,167.60	462,199.76

3.5 Statement on convictions, bankruptcies, conflicts of interest and other disclosures concerning corporate officers

Absence of convictions for fraud, association with bankruptcy or official public incrimination or sanctions

To the best of the Company's knowledge, at the date of publication of this document:

- none of the members of the Board of Directors or Executive Management has been convicted of fraud within the last five years;
- none of the members of the Board of Directors or Executive Management has been associated with any bankruptcy, receivership or liquidation while acting as member of an administrative, management or supervisory body or as Chief Executive Officer within the last five years;
- none of the members of the Board of Directors or Executive Management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities (including relevant professional organisations), and no member of the Board of Directors or Executive Management has been disqualified by a court of law from acting as member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer.

Service contracts

None of the members of the Board of Directors or Executive Management is linked by a service contract with CNP Assurances or any other companies in the Group.

Conflicts of interest

The Board of Directors' organisation and procedures – particularly the presence of four independent directors – ensure that no single shareholder is in a position to exercise undue control over Board decisions.

To the best of the Company's knowledge at the date of publication of this document, there are no potential conflicts of interest between the duties of members of the Board of Directors or Executive Management in their capacity as director or corporate officer of CNP Assurances, and their private interests and/or other duties. To the best of the Company's knowledge at the date of publication of this document, no arrangements or agreements have been entered into with major shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or Executive Management, other than the Shareholders' Agreement described in section 6.2.2.

To the best of the Company's knowledge at the date of publication of this document, with the exception of the issue noted in the Shareholders' Agreement section, no restrictions have been accepted by the members of the Board of Directors or Executive Management concerning the sale of their interests in the Company's capital.

In accordance with the internal rules of the Board of Directors and in order to prevent risks associated with conflicts of interest, each member of the Board of Directors is required to report to the Board any situation that leads to or could lead to a conflict of interest between the interests of CNP Assurances and personal interests or those of the shareholder or group of shareholders that he/she represents, as soon as he/she is aware of it (see section 1 - 1.2 C, paragraph 6 of the internal rules of the Board of Directors, available at www.cnp.fr).

In the case of any conflict of interest, the director concerned does not participate in the Board of Directors' discussion or vote on the matter in question.

The members of the Board of Directors of CNP Assurances state that they have not personally entered into any arrangements with the main shareholders, customers or suppliers of the Group, or any arrangements that are likely, at the date of publication of this document, to create a conflict of interest that is incompatible with their duties as directors or corporate officers of CNP Assurances.

There are no family ties between any members of the Board of Directors and Executive Management.

3.6 Statutory Auditors' special report on related-party agreements and commitments

Annual General Meeting for the approval of the financial statements for the year ended 31 December 2018

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as Statutory Auditors of CNP Assurances, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*) and Article R.332-7 of the French Insurance Code (*Code des assurances*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code and Article R.332-7 of the French Insurance Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted for the approval of the Annual General Meeting

Agreements and commitments authorised by the Board of Directors in 2018

In accordance with Article L.225-40 of the French Commercial Code and Article R.332-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

1) New exclusive distribution agreement in Brazil through the Caixa Econômica Federal (CEF) network, for life insurance (*vida*), consumer credit life insurance (*prestamista*) and private pension plans (*previdência*) (agreement between companies that have common directors)

Persons concerned

Frédéric Lavenir and Jean-Paul Faugère, directors of both CNP Assurances and Caixa Seguros Holding (CSH), a 51%-owned subsidiary of CNP Assurances.

Nature and purpose

In signing this agreement, which is subject to a certain number of conditions precedent, the Group has secured, for the very long term (through 2041) and for revised product categories, a significant part of the business currently conducted with the Caixa Econômica Federal (CEF) network, along with exclusive access to CEF's 78 million clients. With the new agreement, CNP Assurances will remain CEF's main life insurance partner in Brazil, while at the same time continuing to develop its other businesses in Latin America.

The new exclusive distribution rights in CEF's network concern life insurance (*vida*), consumer finance term creditor insurance (*prestamista*) and private pension plans (*previdência*).

The distribution agreement will be implemented through a joint venture ("New JV") set up for this purpose between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations, with CNP Assurances and Caixa Seguridade owning respectively 51% and 49% of the voting rights and 40% and 60% of the economic rights.

On the transaction completion date, Caixa Seguros Holding (CSH) will transfer to the new insurance joint venture (which will be wholly owned by the New JV) the In-Force insurance portfolios corresponding to the product categories included in the scope of the agreement.

In parallel, CNP Assurances has reached a separate agreement with Caixa Seguridade and the insurance brokerage group Wiz regarding the terms of the future cooperation with Wiz, including operational back office services provided by Wiz to CSH and to the new insurance joint venture to be created under the new agreement with Caixa Seguridade.

Terms and conditions

In accordance with Article L.225-38 *et seq.* of the French Commercial Code, the Board of Directors authorised the Executive Management of CNP Assurances on 15 January 2018 (authorisation reiterated on 27 July 2018) to sign:

- a binding framework agreement with CEF and Caixa Seguridade (together "Caixa"), together with the agreements listed therein and/or that resulted therefrom, including:
  - a distribution agreement covering *vida*, *prestamista* and *previdência* products, to be entered into notably with the new insurance company (wholly owned by the New JV),
  - a new JV Shareholders' Agreement between CNP Assurances and Caixa Seguridade,
  - an addendum to the Caixa Seguros Holding (CSH) Shareholders' Agreement between CNP Assurances and Caixa Seguridade,
  - a letters issued by CNP Assurances waiving the exclusive distribution rights granted by Caixa to the CSH group under the current partnership agreement for the insurance products not included in the scope of the new partnership,
  - an addendum to the distribution agreement currently in force between CSH and Caixa;
- contractual documents with the Wiz brokerage group (i.e., a framework settlement agreement, a letter in which the Wiz subsidiaries sign up to this agreement and a commitment by CNP Assurances concerning operational back office services to be entered into by the new insurance company), defining the terms and conditions of future cooperation between the CSH group, Caixa Seguridade and the Wiz group, particularly for the supply of operational back office services to CSH and the new insurance company.

Benefits for the Company of signing the agreements

The benefits of these agreements, which did not give rise to any payments in 2018, are as follows:

- the agreements secure the long-term future of CNP Assurances' business in Brazil (through 2041). The product categories covered by the agreement are more limited than under the current agreement, but they are strategically attractive as potential drivers of future growth in the Group's earnings and cash flows;
- the renewed partnership will create value, unlike the various no-deal scenarios;
- CNP Assurances will be entitled to a larger share of the businesses concerned than would have been proposed if the agreement had been put out to competition;
- concerning the contractual documents with the Wiz group, Wiz has given a commitment not to challenge the interpretation according to which its exclusive rights will expire no later than 14 February 2021.

2) Agreements with Arial CNP Assurances (signed in connection with the transfer of a portfolio of company retirement savings plan contracts carried out in 2017) (agreements with companies that have common directors)

Persons concerned

The Chief Executive Officer of CNP Assurances is Chairman of the Board of Arial CNP Assurances which is 40%-owned by CNP Assurances.

Nature and purpose

AG2R La Mondiale and CNP Assurances initially signed a framework partnership agreement on 11 December 2015, covering their retirement savings plan and employee benefits plan businesses. The partnership was cemented by CNP Assurances' acquisition of 40% of the capital and voting rights of Arial CNP Assurances (ACA).

In connection with this strategic partnership to create a major player in the Company retirement savings plan market that became operational at the end of 2017 when the portfolio was transferred, various agreements were signed in 2018 addressing the practical organisation of the partnership's implementation.

The agreements mainly concern (i) the delegated management of the portfolio of CNP Assurances company retirement savings plans transferred to ACA and of the plans that have not been transferred, (ii) an administrative management services agreement and (iii) a service level agreement.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 21 February 2018, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- addendum to the delegated management agreement (concerning the portfolio of CNP Assurances company retirement savings plans transferred to ACA)
  (addition of an appendix to the delegated management agreement describing the actuarial analysis, marketing, contract administration, operational management, complaint processing and cash management tasks delegated to ACA for the portfolio of CNP Assurances company retirement savings plans transferred to ACA, the terms and conditions governing their execution and the operating decision-making processes for certain management actions);

- delegated management agreement (concerning the CNP Assurances company retirement savings plans that have not been transferred to ACA)

  (delegated management agreement describing the tasks delegated to ACA for CNP Assurances company retirement savings plans not transferred to ACA, covering contract administration and management, client relationship management, management of actuarial analyses and management of sales and marketing activities);
- delegated administrative services agreement (for the CNP Assurances portfolio transferred to ACA)

  (management by CNP Assurances on its information system of the portfolio of CNP Assurances company retirement savings plans transferred to ACA, pending migration to ACA's target PTV information system);
- agreement for the use of computer applications (concerning the portfolio of CNP Assurances company retirement savings plans transferred to ACA and the plans not transferred that are managed by ACA under a delegated management agreement)

  (use by Arial CNP Assurances of the CNP Assurances computer applications needed to manage the portfolios);
- service level agreement (concerning the portfolio of CNP Assurances company retirement savings plans transferred to ACA)

  (determination of the operational processes for communications between CNP Assurances and ACA concerning certain commercial and financial management, asset/liability management and reporting tasks).

The amounts billed under these agreements in 2018 amounted to €5.2 million.

Benefits for the Company of signing the agreements

The agreements clarify the parties' roles concerning the management of the insurance portfolios, the use of IT resources and the determination of service levels.

3) Death/disability and health insurance policy taken out by CNP Assurances for the benefit of the Chief Executive Officer, Antoine Lissowski

Persons concerned

The person concerned is Antoine Lissowski, Chief Executive Officer.

Nature and purpose

The purpose of this commitment is to enable Antoine Lissowski to continue to benefit from the employee benefits plan set up by the Company for all employees, following his appointment as Chief Executive Officer.

Terms and conditions

The Board of Directors authorised this commitment at its meetings of 27 July 2018 and 15 November 2018.

Benefits for the Company of signing the agreement

Enabling corporate officers to benefit from the employee benefits plan set up for all employees ensures that the Company can attract and retain executives who take up a position as a corporate officer.

Premiums paid by CNP Assurances under this policy in 2018 amounted to €4,846.90.

Agreements and commitments authorised during the year but not yet signed

In accordance with Article R.225-40 of the French Commercial Code and Article R.332-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors but not yet signed on the date of our report.

1) Agreement concerning the proposed acquisition of an office complex in Issy-les-Moulineaux, a south-western suburb of Paris, and transfer of the Company's headquarters to the new property (agreement with a shareholder)

Persons concerned

The persons concerned are Caisse des Dépôts, represented by Eric Lombard, and the directors elected on the recommendation of Caisse des Dépôts (Olivier Sichel, Olivier Mareuse, Virginie Chapron du Jeu, Annabelle Beugin Soulon, Pauline Cornu-Thenard and Laurence Giraudon).

Nature and purpose

In connection with the search for a new headquarters building, CNP Assurances identified an office complex to be built on land owned jointly by Caisse des Dépôts and another company.

Terms and conditions

At its meetings on 27 July 2018 and 19 December 2018, the Board of Directors authorised CNP Assurances' Executive Management to sign agreements concerning the acquisition of its future headquarters building in Issy-les-Moulineaux.

The agreements (one between CNP Assurances and Caisse des Dépôts, and another between CNP Assurances, Caisse des Dépôts and Altarea Cogedim) include certain conditions precedent and provide for two alternative deal structures:

(i) a Share Deal, whereby CNP Assurances and Caisse des Dépôts would become joint owners of CNP Assurances' headquarters building on a 50/50 basis, and

(ii) an Off-Plan Deal, whereby CNP Assurances would purchase the building alone, for future delivery once construction has been completed.

They describe the relations between the parties depending on the chosen structure and the related contractual impacts.

The deadline for selecting one or the other structure was initially set at 16 November 2018 and was subsequently put back to 1 April 2019. The chosen structure will be implemented as of that date, provided that the conditions precedent have been met.

Benefits for the Company of signing the agreements

The agreements, which did not lead to any payments between CNP Assurances, Altarea-Cogtedim and Caisse des Dépôts in 2018, benefit the Company by enabling it to move to new offices where it can house a significant proportion of its employees in a high quality working environment. The property was found after an extensive search that took into account real estate, environmental and financial criteria.

2) Agreement concerning the proposed sale of offices in the Montparnasse district of Paris, corresponding to the Company's current headquarters (agreements with a shareholder)

Persons concerned

The persons concerned are Caisse des Dépôts, represented by Eric Lombard, and the directors elected on the recommendation of Caisse des Dépôts (Olivier Sichel, Olivier Mareuse, Virginie Chapron du Jeu, Annabelle Beugin Soulon and Laurence Giraudon).

Nature and purpose

Caisse des Dépôts and Altarea Cogedim expressed an interest in acquiring CNP Assurances' current headquarters in the Montparnasse district of Paris and presented an indicative offer.

Terms and conditions

At its meeting on 19 December 2018, the Board of Directors authorised CNP Assurances' Executive Management to:

- complete the sale on the terms presented to the Board, which include a mechanism to increase or reduce the sale price depending on factors affecting the property's value (asbestos removal, creation of additional space) and an occupancy charge for the period between the completion date of the sale and the date when CNP Assurances' employees move to the new building;
- accept the signature of the related contractual documents.

At this stage and following the indicative offer, CNP Assurances has agreed to an exclusive negotiation period, during which Caisse des Dépôts and Altarea Cogedim will be able to validate the terms of their indicative offer and make a final, unconditional offer. CNP Assurances will then consider whether to accept the offer, provided that the terms are as good as or better than those described above, and to sign the related agreements if applicable.

Benefits for the Company of signing the agreement

The benefits of this agreement, which did not give rise to any payments between CNP Assurances, Altarea Cogedim and Caisse des Dépôts in 2018, are as follows:

- it is in CNP Assurances' interests to sell the offices, which require considerable work;
- the financial terms (price per sq.m., total value of the property) are attractive;
- CNP Assurances would be able to continue occupying the offices until the Issy-les-Moulineaux property is delivered;
- CNP Assurances could receive contingent consideration depending on the additional office space created by Altarea Cogedim and Caisse des Dépôts and the rent negotiated with the new tenant(s);
- an independent expert has expressed a favourable opinion on the terms offered by Caisse des Dépôts and Altarea Cogedim.

Agreements and commitments authorised in prior years that were not submitted to a previous General Meeting

3) Death/disability and health insurance policy taken out by CNP Assurances for the benefit of Frédéric Lavenir

Persons concerned

The person concerned is Frédéric Lavenir, Chief Executive Officer until 31 August 2018.

Nature and purpose

The purpose of this commitment was to enable Frédéric Lavenir to benefit from the employee benefits plan set up by the Company for all employees, during his term as Chief Executive Officer.

Terms and conditions

The Board of Directors authorised this commitment at its meeting of 7 September 2012. The commitment was not submitted to a vote by shareholders and a resolution is therefore being presented at the Annual General Meeting of 18 April 2019.

Benefits for the Company of signing the agreements

Enabling corporate officers to benefit from the employee benefits plan set up for all employees ensures that the Company can attract and retain executives who take up a position as a corporate officer.

Premiums paid by CNP Assurances under this policy in 2018 amounted to €7,740.80.

4) Death/disability and health insurance policy taken out by CNP Assurances for the benefit of the Chairman of the Board of Directors, Jean-Paul Faugère

Persons concerned

The person concerned is Jean-Paul Faugère, Chairman of the Board of Directors.

Nature and purpose

The purpose of this commitment is to enable Jean-Paul Faugère to benefit from the employee benefits plan set up by the Company for all employees, during his term as Chairman.

Terms and conditions

The Board of Directors authorised this commitment at its meeting of 29 June 2012. The commitment was not submitted to a vote by shareholders and a resolution is therefore being presented at the Annual General Meeting of 18 April 2019.

Benefits for the Company of signing the agreements

Enabling corporate officers to benefit from the employee benefits plan set up for all employees ensures that the Company can attract and retain executives who take up a position as a corporate officer.

Premiums paid by CNP Assurances under this policy in 2018 amounted to €282.19.

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments approved in previous years

a) That were implemented during the year

1) Agreements with Arial CNP Assurances (agreements between companies with common directors)

Person concerned

Common director on the transaction date: Frédéric Lavenir, director of both CNP Assurances and Arial CNP Assurances (40%-owned by CNP Assurances) until 31 August 2018.

Nature and purpose

Implementation of the strategic partnership with AG2R La Mondiale in the group pensions market was conditional upon the transfer of CNP Assurances' portfolio of company retirement savings plan contracts to Arial CNP Assurances in exchange for shares under a regulatory transfer procedure overseen by the French insurance supervisor, the ACPR.

The transfer was originally due to take place in 2016 but was postponed until 2017 following discussions with the authorities.

To reflect the delay and adjust the terms of the original agreement, various addenda were signed and the draft asset contribution agreement, the CNP reinsurance treaty covering In-Force contracts and the related agreements were all updated.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meetings on 13 April and 10 May 2017, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- agreements implementing the partnership:
  - addendum to the framework partnership agreement between AG2R La Mondiale and CNP Assurances (signed on 29 May 2017). The purpose of this addendum was to:
    - postpone until 31 December 2017 the deadline for the transfer of a portfolio of group retirement savings contracts by CNP Assurances to Arial CNP Assurances, which was originally due to take place on 30 September 2017,
    - delete the condition precedent of the transaction being authorised by the government department concerned (*Direction Générale des Finances Publiques*), which had been fulfilled,
    - delete the condition precedent of official approval being obtained for the partial privatisation that could have resulted from the portfolio transfer, which had been fulfilled;
  - In-Force reinsurance treaty No. RS 170003 (signed on 29 May 2017). This 100% quota-share treaty concerns the reinsurance by CNP Assurances of all the Group contracts transferred to ACA pursuant to the terms and conditions of the asset contribution agreement;
  - three senior pledge agreements (signed on 19 October 2017) guaranteeing CNP Assurances' obligations towards ACA under the In-Force reinsurance treaty. The agreements concern financial securities accounts pledged separately to three contractually defined contract categories (202, 235 and 237) (pledges presented in Appendix 2 to the reinsurance treaty);
  - addendum to the new business reinsurance treaty (signed on 29 May 2017), whose purpose is to reflect the structure adopted in the In-Force reinsurance treaty concerning pledges for category 211 contracts;
  - pledge agreement (signed on 19 October 2017) extending the pledge on financial securities accounts to include CNP Assurances' obligations towards ACA under the In-Force reinsurance treaty. The extension only concerns obligations related to contracts included in the transferred portfolio that are classified as category 211;
  - delegated financial management mandate (signed on 29 May 2017) appointing CNP Assurances to manage the unit-linked portfolios included in the scope of the agreement and the In-Force reinsurance treaty. ACA has appointed CNP Assurances to manage, in its name and on its behalf, the assets held in the account(s) opened for this purpose. The delegated financial management mandate sets the rules for managing the portfolios and describes the fee arrangements as well as the process for recording and transmitting buy and sell orders.
- the following addenda governing relations between the partners:
  - addendum to the Shareholders' Agreement (and the undertakings given in application of the agreement) (signed on 28 June 2017);
  - addendum to the exclusive distribution agreement (signed on 28 June 2017).

Benefits of the agreements remaining in force

The ongoing execution of these agreements for the implementation of the partnership maintains a contractual framework governing relations between the parties to the partnership, CNP Assurances, La Mondiale and AG2R Réunica Prévoyance.

Inward reinsurance premiums received by CNP Assurances in 2018 totalled €285.5 million, including €56.6 million from the new business reinsurance treaty. Net expenses came to €11.5 million.

2) LBPAM (agreements between companies with common directors)

Persons concerned

Sopassure, Rémy Weber, Philippe Wahl, the French State, Caisse des Dépôts and Franck Silvent (common directors or concerned persons on the transaction date).

Nature and purpose

Under the terms of agreements signed on 26 June 2017 in replacement of an asset management mandate dated 28 April 2006, CNP Assurances gave full powers to LBPAM to manage asset portfolios and cash deposited in a related account, in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 10 May 2017, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- a delegated asset management mandate covering equities and fixed income products, including the investment fund order reception and transmission services that LBPAM is licensed to provide;
- a service level agreement setting out key performance indicators (KPI), the penalties for failing to meet the required service levels, the service governance structure (Committees) and the management processes;
- an investment advice agreement concerning purchases and sales of units in investment funds and covering due diligence reviews and analyses of investment funds and their asset managers.

LBPAM receives a fee for its portfolio management services, determined as follows:

- an annual commission based on the value of assets under management, and the type of securities held;
- fees on portfolio transactions carried out.

Fees paid by CNP Assurances pursuant to this agreement in 2018 amounted to €17.7 million. This amount was rebilled to the subsidiaries concerned.

Reason for the agreement remaining in force

The agreement covers the continued management of part of the securities portfolio on terms that reflect the changes made necessary by Solvency II, adjust the services provided and set higher service level requirements, in exchange for fees that are aligned with very satisfactory market rates for standard services.

3) Agreements with AEW Ciloger (agreement with a company that owns more than 10% of CNP Assurances' capital)

Persons concerned

Sopassure, Philippe Wahl, Rémy Weber, François Pérol and Jean-Yves Forel (common directors or concerned persons on the transaction date).

Nature and purpose

Under the terms of agreements signed on 22 December 2017 in replacement of a property portfolio management mandate signed on 11 July 2008, CNP Assurances retained the services of AEW Ciloger (previously AEW Europe) for five years from 1 January 2019 to 31 December 2022 to manage all of the property assets defined in the mandate, and to provide assistance and advice in defining and implementing the investment and asset rotation strategy.

Agreements for the management of five dedicated OPPCI property funds were included in the negotiations.

The fee arrangements are aligned with those negotiated with CNP Assurances' other property portfolio managers.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 15 November 2017, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- a master property portfolio management mandate covering properties owned indirectly by CNP Assurances;
- a master property portfolio management mandate covering properties owned directly by CNP Assurances;
- five OPPCI property fund management mandates. (AEW IMCOM UN, AEW IMCOM 6, AEP 247, LBP Actifs Immo and Outlet Invest).

These agreements were signed on 22 December 2017.

AEW Ciloger received a fee determined as follows:

- portfolio rotation transactions: a percentage of the purchase and/or sale price of the properties purchased or sold with its assistance;
- property management services: a percentage of rental income, based on property type, excluding taxes and expenses;
- property leasing services: a percentage of the rent under the signed lease;

- investment vehicle administrative management services: a flat annual fee per investment vehicle based on the number of assets held by the vehicle and the number of account closing balance;
- investment vehicle account consolidation services: a flat fee based on the number of investment vehicles and the number of account closings;
- works management services: fees based on the invoiced cost of the works, excluding tax.

AEW Ciloger's costs under the agreement are paid by the investment vehicles, except for €208.7 thousand paid directly by CNP Assurances.

All of the costs associated with these agreements will be paid directly by the investment vehicles.

Reason for the agreement remaining in force

The new agreements with AEW Ciloger extend the existing relationship. Through its experience of buying, selling and managing properties, AEW Ciloger has become an expert in analysing property investments and structuring deals, enabling it to present investment opportunities that are compatible with CNP Assurances' investment strategy in France and the rest of the Eurozone, encompassing various types of assets (offices, retail units, residential units, warehouses), in exchange for fees that are comparable to those of CNP Assurances' other property portfolio management services providers.

4) Acquisition of a stake in Réseau de Transport d'Électricité (RTE)

Persons concerned

Caisse des Dépôts, Delphine de Chaisemartin, Franck Silvent, Olivier Mareuse, Pauline Cornu-Thénard, Virginie Chapron du Jeu and the French State(common directors or concerned persons on the transaction date).

Nature and purpose

EDF, the sole shareholder of RTE, sold part of RTE's capital subject to the legislative requirement that its entire capital must be held by the French State, EDF and/or another public sector entity.

In July 2016, Caisse des Dépôts and CNP Assurances started bilateral negotiations with EDF with a view to acquiring a 49.9% stake in RTE, of which 20% would be acquired by CNP Assurances.

Terms and conditions

At its meeting on 14 December 2016, the Board of Directors authorised CNP Assurances' Executive Management to sign:

- an investment agreement between CNP Assurances, Caisse des Dépôts and EDF describing the terms and conditions of the purchase of 49.9% of the capital and voting rights of CTE, a company to be set up by EDF to which it would transfer 100% of RTE's capital and voting rights;
- a memorandum of understanding concerning the signature of a shareholders' agreement between Caisse des Dépôts and CNP Assurances.

The investment agreement and memorandum of understanding were signed on 14 December 2016 and include, respectively, appendices setting out the agreements that the parties intend to sign on the transaction completion date:

- an agreement between the shareholders of SOCIETE C25, CNP Assurances, Caisse des Dépôts and EDF - organising their rights and obligations as indirect shareholders of RTE and describing RTE and CTE's governance rules based on the specific regulations applicable to RTE;
- a shareholders' agreement between CNP Assurances and Caisse des Dépôts organising their rights and obligations as shareholders of CTE and indirect shareholders of RTE, and the exercise of their collective rights under the agreement in the governance of RTE and CTE.

Reason for the agreement remaining in force

This significant investment in Europe's leading electricity transmission system operator and the sole operator in France (€1,080 million for CNP Assurances' share, representing 20% of RTE's capital) was made at a price that offers a satisfactory internal rate of return and a healthy projected average yield over the next ten years.

In addition, it qualifies as a strategic investment under Solvency II, with the result that the corresponding solvency capital requirement is less than for a non-strategic infrastructure investment.

5) Renewal of the partnership with La Banque Postale

Persons concerned

Sopassure, Philippe Wahl, Rémy Weber, and the French State (common directors or concerned persons on the transaction date).

Nature and purpose

Following the authorisation given by the Board of Directors on 16 February 2016, CNP Assurances and La Banque Postale signed a master agreement on 25 March 2016 organising the renewal of their partnership.

Terms and conditions

The main purpose of the master agreement was to:

- define, organise and set a framework for the contractual relationship created through the new partnership agreements;
- set at ten years the duration of the renewed partnership, commencing 1 January 2016, except for home-buyer term creditor insurance for which the ten-year period commenced when La Banque Postale and BPE began distributing new CNP Assurances policies on 28 September 2016;
- define the process for winding up the renewed partnership and for negotiating any new distribution partnerships between the parties. If the parties decided to go their separate ways, they would negotiate the details in good faith, particularly the fate of the In-Force life insurance and endowment policies sold through La Banque Postale and BPE, and the method of ensuring that La Banque Postale and BPE continue to receive the commission due to them for as long as the policies remain in force;

- generally, organise and set a framework for relations between the parties under the renewed partnership agreement.

In line with the terms of the master agreement, new partnership agreements were signed, along with contracts implementing their provisions in the following areas:

- in life insurance, the main components of the new agreements are as follows:
  - a ten-year partnership agreement between CNP Assurances, La Banque Postale and BPE (the private banking arm of La Banque Postale, which has been a wholly owned subsidiary of the Group since 2013). La Banque Postale and BPE have given CNP Assurances exclusive distribution rights (except to wealth management customers served under open model arrangements) for life insurance and endowment products representing a certain percentage of market share, with a commission arrangement designed to ensure that profits are shared equally between the insurer and the distributor,
  - an agreement whereby CNP Assurances has appointed La Banque Postale and BPE to distribute its life insurance and endowment products,
  - a marketing cost-sharing agreement, whereby CNP Assurances contributes to the sales promotion and communication costs incurred by La Banque Postale and BPE;
- in personal risk/protection insurance:
  - an agreement for the sale by CNP Assurances to La Banque Postale of its 50% interest in La Banque Postale Prévoyance ("LBPP") for €306.9 million (less the amount of dividends paid prior to the completion date), with La Banque Postale Prévoyance retaining inter alia the personal risk insurance business. The sale was completed on 28 June 2016 and was preceded by the signature on 25 March 2016 of (i) a delegated management agreement whereby CNP Assurances continues to administer current personal risk insurance products with the same fee arrangements as applied before the agreement was signed, (ii) an addendum to the advisory and financial management agreement, and (iii) an agreement organising the transfer to La Banque Postale Prévoyance by the end of 2017 of certain back-office activities previously performed by CNP Assurances,
  - a distribution agreement between CNP Assurances, La Banque Postale and BPE concerning home-buyer term creditor insurance, a financial agreement defining commissions payable to La Banque Postale and BPE and the payment by CNP Assurances to La Banque Postale and BPE of an initial commission when distribution of the new group policies begins, to be adjusted at the end of 2020 and after ten years, and a delegated management agreement setting out the service level and reporting commitments given by La Banque Postale and BPE,
  - a 5% quote-share reinsurance treaty covering new home-buyer Term Creditor Insurance business between La Banque Postale Prévoyance and CNP Assurances. The ten-year treaty will come into effect when La Banque Postale and BPE start distributing CNP Assurances' new group policies,
  - a certain number of addenda and application agreements were signed during 2016. Addenda postponing the deadlines for signing the agreements that had not been finalised were signed on 15 February 2017.

Reason for the agreement remaining in force

The benefits of the agreement are as follows:

- renewal of the life and endowment insurance partnership for a long period on satisfactory financial terms protects the value of the partnership between CNP Assurances and La Banque Postale;
- the overall agreement is balanced, with the removal from the partnership of individual personal risk insurance business being offset by the extension of activities in the wealth management segment with BPE and the strengthening of the home-buyer Term Creditor Insurance business;
- the proposed agreement covers a long period and the partnership conditions are not excessively inflexible, providing CNP Assurances with improved visibility when it comes to preparing its business plan.

No payments were made or received under these agreements during 2018.

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loadings and the deductions from investment income.

Fees paid by CNP Assurances pursuant to this agreement in 2018 amounted to €607.1 million.

6) Final agreements covering deployment of the renewed partnership between CNP Assurances and the BPCE group commencing 1 January 2016

Persons concerned

François Pérol and Jean-Yves Forel (common directors on the transaction date).

Nature and purpose

In March 2015, CNP Assurances and BPCE group signed an agreement renewing their partnership for an initial seven-year period commencing 1 January 2016.

Terms and conditions

In parallel with the gradual transfer to Natixis Assurances of all savings and pensions (i.e., life and endowment) policies distributed by the Caisses d'Epargne network during 2016, the renewed partnership includes:

- mechanisms to align the interests of policyholders with those of CNP Assurances concerning the ongoing management by CNP Assurances of contracts purchased by Caisses d'Epargne customers up until 31 October 2016, corresponding to the date when the final Caisse d'Epargne branches switched from CNP Assurances to Natixis Assurances for their new insurance business. These mechanisms consist mainly of two reinsurance treaties covering new business ("tranche 1" and "tranche 2" treaties), a mechanism concerning the Savings business that comprises an agreement guaranteeing stable In-Force business levels and an outperformance agreement, and a 10% quota-share reinsurance treaty with ABP Vie, a subsidiary of Natixis Assurances;

- an exclusive partnership with Natixis Assurances (co-insured 66% by CNP Assurances and 34% by Natixis Assurances) for term creditor insurance distributed by the Banques Populaires network (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne network, Banque Palatine and Crédit Foncier and specific partnerships in personal risk insurance and employee benefit plans, including health insurance (to address the market created by the national inter-professional agreement - *Accord National Interprofessionnel*).

Renewal of the partnership was authorised by the Board of Directors on 18 February 2015 and a master partnership agreement was signed on 23 March 2015 between CNP Assurances, BPCE (acting in its own name and in the name and on behalf of, inter alia, the banks in the Caisses d'Epargne and Banques Populaires networks) and Natixis. On 30 December 2015, an addendum was signed modifying the deadlines for signing certain agreements for the application of the master partnership.

The master partnership agreement:

- notes that the agreements expiring on 31 December 2015 are not being renewed;
- represents the umbrella agreement defining and organising the contractual framework created by the new partnership agreements;
- sets at seven years the duration of the new partnership agreements, commencing 1 January 2016. At the end of this seven-year period, BPCE will have the option of either renewing the agreements for a period of three years commencing 1 January 2023 or purchasing the insurance book represented by policies sold through the BPCE group at a mutually agreed price. BPCE may initiate negotiations for the purchase of the insurance book after five years, i.e., at the end of 2020, and CNP Assurances may initiate negotiations for the sale of the insurance book to BPCE at the end of the five- and seven-year periods and each three-year renewal period;
- generally organises and defines relations between the parties under the renewed partnership.

Various agreements for the application of the master partnership agreement were also signed, as follows:

- in the area of savings and pension products (life and endowment policies), the main components of the new agreements are as follows:
  - partnership agreement with BPCE primarily dealing with the administration of In-Force business retained by CNP Assurances and top-up premiums paid on the contracts,
  - addendum to the commission agreement with BPCE, extending its term for a period expiring at the end of the life of the CNP Assurances savings and pensions contracts (life policies),
  - mechanism covering Savings business, based on two agreements with BPCE: an agreement guaranteeing stable In-Force business levels and an outperformance agreement.

    This mechanism will be triggered if surrenders and/or top-up premiums deviate from the benchmark trajectories determined on the basis of historical data for CNP Assurances. If observed surrenders are higher than expected or observed top-up premiums are lower than expected, BPCE will make a compensatory payment to CNP Assurances, and CNP Assurances will pay a symmetrical outperformance commission to BPCE if the reverse is true. The mechanism will be deactivated in the event of an interest rate or behavioural shock, and
  - a 10% quota share reinsurance treaty with ABP Vie covering In-Force business sold through the BPCE group,
  - a reinsurance treaty with ABP Vie, to which Natixis is a party, covering tranche 1 new business. Under the terms of this treaty, CNP Assurances reinsures 40% of the ABP Vie savings and pension products (excluding unit-linked contracts or formulas) sold by the Caisses d'Epargne and related banks during the 2016-2019 calendar years. This treaty will remain in force until the reinsured policies expire,
  - a quote-share reinsurance treaty with ABP Vie, to which BPCE and Natixis are parties, covering tranche 2 new business. Under the terms of this treaty, which would be activated by an interest rate or behavioural shock, CNP Assurances reinsures 90% of the insurance liabilities arising from payments into ABP Vie savings and pension products made by former CNP Assurances customers. Similarly, a "*Eurocroissance*" agreement provides for CNP Assurances to be indemnified for policyholder payments into an ABP Vie "*Eurocroissance*" product. "Cross-matching" agreements organise the supply by BPCE of the list of former CNP Assurances customers that have become ABP Vie customers following the occurrence of an interest rate or behavioural shock,
  - in addition:
    - in the premium savings segment, partnership agreements have been signed by CNP Assurances with Banque Privée 1818 and Sélection 1818,
    - concerning Ecureuil Vie Développement (set up to drive growth in insurance sales by the Caisses d'Epargne network), an agreement for the sale of 2% of its shares was signed between CNP Assurances, BPCE and Natixis Assurances (giving Natixis Assurances 51% of Ecureuil Vie Développement's capital and voting rights as of 1 January 2016), together with a Shareholders' Agreement between the three partners, and an agreement was signed between CNP Assurances and Ecureuil Vie Développement concerning the secondment of employees,

  – in the area of asset management, a master portfolio management and investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management.

  With the exception of this latter agreement, all the other agreements were signed on 23 March 2015 with various addenda signed during 2015, where necessary, dealing with technical issues;
- in the area of term creditor insurance distributed by the Banques Populaires networks (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne network, Banque Palatine and Crédit Foncier, the main components of the new agreements are as follows:
  – co-insurance agreement between CNP Assurances, ABP Vie and ABP Prévoyance (CNP Assurances for 66% and ABP Vie and ABP Prévoyance for 34%). If the agreement is renewed, risks will be co-insured on a 50/50 basis,
  – several agreements that are a standard feature of this type of partnership, including a fee agreement, a brokerage agreement between CNP Assurances, BPCE, ABP Vie and ABP Prévoyance and a delegated management mandate and service level agreement between CNP Assurances, and BPCE.

All of these agreements were signed on 23 March 2015:
- in personal risk insurance (long-term care and renters' insurance) and employee benefits plans including health insurance, the following agreements were signed:
  – personal risk insurance commission agreement with BPCE,
  – health insurance referral agreement with BPCE and BPCE Assurances.

All of these agreements came into effect on 1 January 2016, except for:
- the agreements signed by CNP Assurances with Banque Privée 1818 and Sélection 1818, which came into effect on 1 January 2015; and
- the health insurance referral agreement which came into effect on 1 June 2015.

A certain number of addenda and application agreements were signed during 2016. Two addenda postponing the deadline for finalising all the contractual documents related to the renewed partnership were signed respectively on 30 December 2015 and 18 January 2017

Reason for the agreement remaining in force

The new partnership agreements will further the Company's business interests, particularly in light of the In-Force business protection mechanisms which adequately cover the risks identified by the Company, and the term creditor insurance and personal risk/employee benefits distribution partnerships negotiated with the partners.

No payments were made or received under these agreements during 2018.

The remuneration received by Groupe Caisse d'Epargne as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products. Fees paid by CNP Assurances pursuant to this agreement in 2018 amounted to €1,033 million.

7) Investment by CNP Assurances in GRTgaz

a. Persons concerned

Caisse des Dépôts and the five directors elected on the recommendation of Caisse des Dépôts, Stéphane Pallez and the French State (common directors or concerned persons on the transaction date).

b. Nature and purpose

On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts (CDC) laid the foundations for a long-term partnership with GDF Suez in natural gas transportation in France and the rest of Europe. The partnership was based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion, alongside Engie (formerly GDF Suez) which held the other 75% of the shares.

The 25% minority stake is held indirectly through two holding companies, Société d'Infrastructures Gazières (SIG) which holds the GRTgaz shares and is wholly owned by Holding d'Infrastructures Gazières, which in turn is 54.4%-owned by CNP Assurances and 45.6% by Caisse des Dépôts.

A shareholders' agreement relating to GRTgaz was authorised by the Board of Directors on 5 April 2011 and signed on 27 June 2011 between GDF Suez and SIG in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts. It sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. The Shareholders' Agreement was entered into for a term of 20 years and is renewable once for a term of ten years. It grants SIG the usual rights of a non-controlling shareholder.

In 2017, to support GRTgaz's plan to acquire the entire capital of Elengy, a methane terminal operator wholly owned by Engie, CNP Assurances and Caisse des Dépôts decided to underwrite a capital increase by GRTgaz through SIG in order to maintain the balance of ownership interests in GRTgaz. CNP Assurances' share of SIG's €200 million investment amounted to €110 million.

The transaction led to the signature of several agreements authorised by the Board of Directors on 10 May 2017:
- an addendum to the GRTgaz Shareholders' Agreement to be entered into between Engie and SIG, to which GRTgaz, CNP Assurances and Caisse des Dépôts are also parties, adjusting the dividend policy to include distribution of the profits generated by Elengy (the agreement currently provides for GRTgaz's IFRS profit to be distributed in full);

- an additional agreement (alongside the Shareholders' Agreement) to be entered into between Engie and SIG, to which GRTgaz, CNP Assurances, Caisse des Dépôts and Elengy are also parties;
- a call option on GRTgaz shares representing up to 0.187% of the capital, to granted by Engie to SIG. The option would be exercisable if revenues from Elengy's unregulated businesses in the period to 2022 fall short of Engie's projections;
- call option on GRTgaz shares representing up to 0.063% of the capital, to granted by SIG to Engie. The option would be exercisable if a subsidiary of Elengy receives an amount in settlement of a dispute between the subsidiary and the STS group of companies that is distributed by the subsidiary to Elengy, by Elengy to GRTgaz and by GRTgaz to its own shareholders.

The Shareholders' Agreement remained in effect in 2018 and the call options on the shares were not exercised.

Reason for the agreement remaining in force

At 31 December 2018, CNP Assurances held 54.41% of the share capital of HIG (€420.47 million) as well as bonds directly issued by SIG in the amount of €317 million.

GRTgaz constitutes a long-term infrastructure investment for CNP Assurances. In this context, the Shareholders' Agreement should not be called into question.

8) Agreement between CNP Assurances and La Banque Postale (LBP) concerning La Banque Postale Prévoyance (LBPP)

Persons concerned

Sopassure, Jean-Paul Bailly and Patrick Werner (common directors or concerned persons on the transaction date).

Nature and purpose

At its meeting on 7 October 2010, the Board of Directors authorised the signing of an agreement between CNP Assurances and La Banque Postale defining the terms and conditions for giving greater autonomy to La Banque Postale Prévoyance ("LBPP").

This agreement, applicable with retroactive effect as from 1 January 2010, described the measures taken in terms of governance, operating procedures, and to adjust fees for policy administration services provided by CNP Assurances on behalf of LBPP.

Following the renewal of the partnership with La Banque Postale in March 2016, which notably included the sale of CNP Assurances' 50% interest in LBPP, a delegated management agreement giving CNP Assurances responsibility for managing existing personal risk products, and an addendum to the advisory and financial management agreement, the 2010 agreement was no longer applicable to certain support services provided by CNP Assurances on behalf of LBPP.

Terms and conditions

In 2018, CNP Assurances recorded in its accounts fee income for the services still covered by the 2010 agreement and those provided for in the agreements signed on 25 March 2016, as follows:

- €14.9 million for support services and delegated management services.

Reason for the agreement remaining in force

The terms of the partnership between CNP Assurances and La Banque Postale, and especially the relations between CNP Assurances and LBPP, were the subject of negotiations and the new partnership sets an end date for the agreement increasing LBPP's autonomy.

9) Securities management agreement with Natixis AM

Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM, formerly IXIS Asset Management, a BPCE group company. The contract signed on 30 June 2008 was amended in 2013.

Under the renewed partnership with BPCE authorized by the Board of Directors on 18 February 2015, a master portfolio management and associated investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management. The agreement replaced the former agreement dated 2008 with effect from 1 January 2016.

Pursuant to this agreement, CNP Assurances gives full powers to Natixis AM to manage - in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries - the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

Natixis AM receives a fee for its portfolio management services, determined as follows:

- a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds);
- a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances pursuant to this agreement in 2018 amounted to €18.7 million. This amount was rebilled to the subsidiaries concerned.

Reason for the agreement remaining in force

CNP Assurances benefits from the prolongation of this mandate for the management of part of its securities portfolio.

10) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 18 April 2006, the Supervisory Board of Ecureuil Vie authorised the Company to issue perpetual subordinated notes in the amount of €108 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes: 3-month Euribor +95 bp until 20 December 2026, then Euribor 3 months +195 bp.

The interest expense recorded by CNP Assurances in 2018 amounted to €0.69 million.

Reason for the agreement remaining in force

These perpetual subordinated notes constitute regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

11) Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 2 April 2004, the Supervisory Board of Ecureuil Vie authorised the Company to enter into an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €183 million, divided into two tranches of €90 million and €93 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes:

- first tranche: 4.93% until 2016, then Euribor +160 bp from 15 November 2016;
- second tranche: 3-month Euribor +160 bp from 15 November 2016.

The interest expense recorded by CNP Assurances in 2018 amounted to €1.16 million for the first tranche and €1.2 million for the second tranche.

Reason for the agreement remaining in force

This perpetual subordinated loan constitutes regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

12) Agreement for the issue of fixed-term subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

Nature and purpose

At its meeting on 10 April 2002, the Supervisory Board of Ecureuil Vie authorised the Company to sign an agreement with Caisse Nationale des Caisse d'Epargne et de Prévoyance for the issue of €200 million worth of dated subordinated notes due 23 June 2023.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes is Euribor +200 bp. The interest expense recorded by CNP Assurances in 2018 amounted to €3.4 million.

Reason for the agreement remaining in force

This perpetual subordinated loan constitutes regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

b) That were not implemented during the year

In addition, we were informed of the following agreements and commitments approved by Annual General Meetings in previous years that remained in force but were not implemented during the year.

1) Sale of CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, and of most of its interests in Argentina to the Brazilian company, CNP Assurances Brasil Holding Limitada

Nature and purpose

At its meeting on 17 September 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to sell CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, and to sell most of the other non-controlling interests held by CNP Assurances in Argentina to the Brazilian company Brasil Limitada ("CNP BHL"), a subsidiary of CNP Assurances.

In 2008, the following Argentine interests were sold: Provincia Seguros de Vida (to CNP BHL for €2,084,526), Prévisol Compania de Seguros de Retiro (to CNP BHL for €1,000), Asociart (ARS 180,058.94), and Prévisol Compania de Seguros de Vida (ARS 44,700).

The interest in Provincia Aseguradora de Riesgos des Trabajo was sold in 2009 for ARS 3,460.

Terms and conditions

The sale of the CNP Assurances Seguros de Vida and Previsol Administradora de Fondos de Jubilaciones y Pensiones (Previsol AFJP) interests did not take place in 2017.

Previsol AFJP, now called Credicoop Administradora de Fondos de Aportes Voluntarios y Depositos Convenidos, S.A., is in liquidation and will not be transferred to CNP BHL.

Reason for this agreement remaining in force

The proposed disposal of CNP Assurances' interest in the Argentine subsidiary CNP Assurances Compania de Seguraos to Brazilian company CNP Brasil Holding Limited is still in progress.

The Argentine insurance regulator (SNN) granted authorisation for this operation on 4 April 2014.

The completion of the transaction is subject to possible changes in the governance rules of CNP BHL.

Neuilly-sur-Seine and Courbevoie, 4 March 2019

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Bénédicte Vignon	Olivier Leclerc

4

RISK FACTORS
AND RISK MANAGEMENT

4.1 Risk factors

The risks described below are inherent in the economic, competitive and regulatory environment in which the Group operates. The 2018 economic and financial environment is described in section 2, paragraph 2.2.1.

Although the main risks to which the Group is exposed are set out in this section, the list is by no means exhaustive and other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future.

This section discusses:

- **risk factors linked to the financial markets:** equity risk, credit risk, interest rate risk, private equity risk, real estate risk, counterparty risk, currency risk and liquidity risk;
- **underwriting risk factors linked to the insurance business:** surrender or cancellation risk, insureds' mortality or longevity risk, morbidity risk, expense risk and non-life risk;
- **operational risk factors linked to the business:** product and client interaction compliance risk, outsourcing risk, process execution risk and information system and data risk;
- **other risk factors:** strategic partner risk, assumption and model risk, reputational risk, country risk, rating risk and emerging risks.

Risks are discussed in declining order of importance within each category. Their impact cannot always be reliably measured, due to the many contingencies and uncertainties related to these risks. Risk management processes, procedures and controls have nonetheless been set up to track and manage the risks on an ongoing basis. Information about these processes, procedures and controls is provided in section 4, paragraph 4.3.

This presentation should be read in conjunction with the tables illustrating and quantifying these risks that are included in the Group's consolidated financial statements and have been audited by the Statutory Auditors.

4.1.1 Risk factors linked to the financial markets

The Group is exposed to the risk of a fall in the value and dividend yield of its listed equities portfolio

Investments in listed equities represent an important portfolio diversification opportunity for the Group. They include equities purchased directly on the market and units in equity funds which provide an opportunity to invest in diversified portfolios of equities. Our listed equities portfolio consists mainly of European stocks.

Equity risk measures the sensitivity of equities to changes in stock market prices. Volatility measures the extent of equity price changes and is used to quantify the yield and price risk. High volatility means high potential gains but also a higher risk of losses.

In the case of a prolonged fall in value of certain equities held in the portfolio, impairment provisions may have to be set aside for unrealised losses on these assets, with an adverse effect on earnings.

For example, we may hold shares in a heavily leveraged company whose value is underpinned by forecasts of future profitable growth. If the Company has difficulty in making debt repayments or fails to meet its earnings growth targets, its share price may fall significantly.

We have purchased hedging instruments to attenuate the risk of losses on the listed equities portfolio. In the case of a fall in certain stock market indices to below certain trigger points, these hedges would generate additional revenues corresponding to the difference between the trigger value and the actual value of the indices. The hedging programme is updated every year.

Moreover, while the Group may not be directly affected by a fall in the value of equities held in unit-linked portfolios, there is still a risk that its margins on this business will suffer.

The Group's exposure to equities and equity-based instruments (including private equity but excluding unit-linked portfolios), determined on an IFRS basis, represents just over €35 billion (representing less than 12% of total assets excluding unit-linked portfolios), while the unit-linked portfolio's exposure is less than €30 billion. The sensitivity of the Group's MCEV© to equity risk is presented in Note 23.4 to the consolidated financial statements.

In 2018, the equity markets were considerably more volatile and their performance was significantly negative.

As a long-term investor, CNP Assurances is exposed to credit risk on its bond investments

Details of the Group's exposure to this risk are provided in the notes to the consolidated financial statements (see Note 8.8 to the consolidated financial statements – Credit risk).

The credit risk on a bond is the risk of partial or total issuer default. It concerns both corporate bonds and government bonds.

The level of risk depends on the issuer's financial bill of health as reflected in its credit rating (which can range from AAA to D). The credit spread is the risk premium, namely the difference between the yield on a bond and that on a risk-free government bond with the same characteristics. Credit spreads vary according to investor perceptions of the credit risk represented by the issuer.

Credit risk on corporate bonds

Our corporate bond portfolio consists primarily of bonds issued by European private companies.

Historically, spreads on corporate bonds tend to narrow in periods of growth and they widen during a recession when the number of issuer defaults tends to increase. In addition, spreads may widen or narrow for reasons specific to the issuer, whatever the economic conditions.

The Group would be exposed to losses in the event of one or a number of issuer defaults.

But even without an actual default, during certain periods there may be an inflated perception of risk and spreads in general may reflect excessively gloomy corporate failure projections that negatively affect the value of the investment portfolio.

Changes in credit spread therefore have a direct impact on the fair value of bonds held in the portfolio and consequently on the level of unrealised gains or losses.

We manage this risk by applying a series of exposure limits by issuer, diversifying the portfolio and continuously monitoring the exposed investments.

We may also attenuate the risk of losses on exposed investments by setting up hedging programmes to generate additional revenues if spreads widen to above certain trigger points.

Credit risks on government bonds and government bond-based instruments

The nature of its assets means that the Group has significant exposure to sovereign debt risk. Details of this exposure are provided in the notes to the consolidated financial statements (see Note 8.9 to the consolidated financial statements – Classification of investments by type of asset and by geographic region).

During periods of increased government borrowing, there may be growing concern about the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, we may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

The Group holds significant portfolios of French and other European government bonds and is naturally sensitive to any widening of sovereign debt spreads in the main Eurozone countries (France, Spain, Italy, etc.). A wave of surrenders could oblige us to sell part of the government bond portfolio and if spreads widen, the sales could generate losses which could in turn impact the Group's own-funds. Exposure to sovereign debt issued by "peripheral" Eurozone governments has been closely monitored and we have also paid very close attention to the sovereign debt of two of our host countries, Spain and Italy. We have stepped up our oversight of developments in these countries and increased our monitoring of their sovereign debt. Investments in these countries are regularly reviewed.

The Group is exposed to the risks of both increases and decreases in interest rates

The magnitude of our portfolio of fixed rate bonds (see Note 8 to the consolidated financial statements – Insurance investments) is an indicator of its exposure to interest rate risk. The Group's largest exposure concerns European rates.

The Group is exposed to the fall in interest rates and persistently low interest rates

The impact of declining interest rates on our ability to fulfil our commitments to policyholders is analysed at regular intervals.

During a period of falling interest rates, we experience a fall in the reinvestment rate, leading to a gradual erosion of portfolio yields (see Note 23.3 to the consolidated financial statements – Interest rate risk on financial assets).

A prolonged fall in interest rates makes contractual loading more difficult to apply to savings and pension products and exposes the insurer to a risk of lower margins, especially on traditional life insurance products.

In more extreme scenarios, despite the relatively low proportion of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to use its own-funds portfolio to pay the guaranteed amount.

Pension products – especially group pension plans – as well as certain personal risk and employee benefits contracts, are particularly exposed to the risk of a fall in interest rates.

Given the size of its life insurance business based on traditional savings contracts with a capital guarantee, CNP Assurances is sensitive to reductions in interest rates and also to a prolonged very low interest rate environment which, if it were to continue, could adversely affect the Group's earnings and capital.

For several years, we have followed a policy of setting aside a portion of the investment income generated by our investments in the policyholder surplus reserve, which could be used in such a situation. If interest rates stay low in the future, we may have to use the reserve to top up policyholder dividends. Initiatives have been taken to modify new products to adapt the Group's liabilities over time to the new very low interest rate environment.

In 2018, after a small hike at the start of the year, European interest rates finally remained low, with France's 10-year OAT rate ending the year at 0.71% (versus 0.78% at end-2017). This led to an increase in the Group's exposure to persistently low rates.

The Brazilian business is significantly less sensitive to interest rates given the main types of insurance contracts sold. These are predominantly personal risk and property & casualty contracts that generate limited exposure to financial market risks, and unit-linked pension products that also have limited exposure to interest rate levels.

The sensitivity of the Group's MCEV© to a fall in interest rates is presented in Note 23.4 to the consolidated financial statements.

A rapid increase in interest rates increases policy surrender risk

In the event of a rapid increase in interest rates, yields on our investment portfolios may lag behind the market, generating a mismatch between the yields paid on our products and those available on competing financial products.

We may then have to contend with an increase in life insurance policy surrenders as policyholders seek higher yields elsewhere.

A spike in the surrender rate could force us to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the yield being paid to our policyholders and those available on the market, thus pushing the surrender rate even higher.

The current low interest rate environment in Europe exacerbates our exposure to the risk of a rapid increase in rates, because the longer this environment lasts, the longer it will take us to adapt to the higher rates.

The risk associated with an increase in interest rates is closely monitored and this is a key focus of our asset/liability management strategy.

Liabilities:

- traditional savings products with a unit-linked formula include contractual clauses limiting or banning transfers between portfolios in the event of an unfavourable change in market conditions;
- the duration and level of yield guarantees is limited, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets:

- investment strategies include investing in floating rate and index-linked bonds;
- investment strategies include investing in bonds with diversified maturities;
- part of the portfolio is invested in money market funds;
- part of the portfolio of fixed-rate bonds is hedged using caps (see Note 8.6 to the consolidated financial statements – Derivative instruments).

We have set up a hedging programme to mitigate the risk associated with an increase in interest rates. Under this programme, in the event of a rapid increase in interest rates to above certain trigger points, the caps acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the yield on the hedged assets in a period of rising interest rates. The hedging programme is updated every year.

The sensitivity of the Group's MCEV© to an increase in interest rates is presented in Note 23.4 to the consolidated financial statements.

Interest rate risk gives rise to the broader risk of a mismatch between asset durations and yields on the one hand and insurance and financial liabilities on the other

Management information systems have been established to optimise asset allocation strategies and to measure asset/liability mismatch risk. Asset/liability management (ALM) strategies match the structures of asset portfolios to policyholder commitments while seeking to maximise investment yields for a given level of risk.

ALM techniques use deterministic and stochastic modelling of (i) financial market behaviour to measure assets and (ii) changes in insurance commitments under various different scenarios to measure liabilities. This allows asset durations to be matched to the profiles of the Group's different liabilities.

However, as with all modelling techniques, there are inherent risks. If any assumptions were to be materially invalidated by future events or if a situation not provided for under any of the models were to arise, CNP Assurances could be forced to sell assets at a loss or could have insufficient amounts of profitable assets to meet its yield commitments to policyholders.

The Group has invested in property companies and funds and is exposed to the risk of a fall in the value or yields of this asset class

Real estate risk measures the sensitivity of property portfolio values to changes in real estate market prices, and concerns all property regardless of use, i.e., owner-occupied and rental or investment property.

The rental income from a property portfolio is exposed to market risk (e.g., excess of supply over demand, increased vacancy rates and their impact on rental value) as well as to the risk of tenant default and unfavourable changes in rent adjustment indices.

The value of properties owned directly by CNP Assurances Group or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy use, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance. Although property companies are rarely exposed to leverage risks, they also need to be taken into consideration given the current possibility of interest rate increases.

Our property portfolio is closely monitored through dedicated processes that cover both the Group's exposure and changes in the associated risks. Our property portfolio consists mainly of French assets.

A decline in the value of investments in this asset class could have an adverse impact on consolidated earnings if impairment losses have to be recognised.

The Group's exposure to property assets and funds, determined on an IFRS basis and excluding unit-linked portfolios, represents just over €10 billion (representing less than 4% of total assets excluding unit-linked portfolios).

The Group has invested in private equity and infrastructure assets, and is exposed to the risk of a fall in the value or yields of these asset classes

Private equity involves investors acquiring part of the capital of unlisted companies This is a much more complex activity than buying shares in listed companies.

Nearly all of our private equity portfolio is made up of units in private equity funds, allowing us to fulfil our diversification objectives. The companies in the funds' portfolios are located for the most part in Europe and North America.

Infrastructure investments consist of providing financing for current or planned projects in the transport, energy, environmental services, telecommunications and public works sectors.

Infrastructure investments represent an important portfolio diversification opportunity for the Group. They include direct investments in infrastructure projects and units in infrastructure funds, which provide an opportunity to invest in diversified portfolios of assets in this class. The portfolio is invested primarily in European infrastructure projects.

There are two types of risk inherent in private equity and infrastructure investments: the risk of the companies or projects generating lower-than-expected profits and the risk associated with the lack of a liquid market for these investments (see discussion of liquidity risk below), which require a medium-term to long-term perspective.

Our private equity and infrastructure portfolios are closely monitored through dedicated processes that cover both the Group's exposure and changes in the associated risks.

A decline in the value of investments in these asset classes could have an adverse impact on consolidated earnings if impairment losses have to be recognised.

In addition to the credit risk, the Group is exposed to a counterparty risk on its bond portfolio

Counterparty risk concerns derivative instruments (such as interest rate swaps and interest rate and stock index options), reinsurance and repos. Margin calls and collateralisation arrangements are used to reduce counterparty risk and these are presented in Note 9.9 to the consolidated financial statements – Credit risk on reinsured business. The Group's exposure to its main reinsurers is also analysed to ensure that cumulative exposure remains within defined limits. Despite close monitoring of counterparty risk, certain reinsurers may be unable to honour their financial obligations following extreme events and this could adversely affect the Group's consolidated earnings.

Details of the exposures associated with derivative instruments and repos are provided in the notes to the consolidated financial statements (see the tables in Note 8.4 – Repurchase agreements/ Lent securities, and Note 8.6 – Derivative instruments).

Lastly, a counterparty risk exists in respect of earned premiums not yet written corresponding to amounts receivable from group insurance clients.

CNP Assurances is exposed to currency risk

The Group's presentation currency is the euro. Most of its currency risk arises from the consolidation of the Brazilian subsidiary, Caixa Seguros Holding, which presents its financial statements in Brazilian reals. The Brazilian subsidiary's contribution to the Group's financial performance – in terms of both premium income and earnings – is already substantial, and changes in the real/euro exchange rate therefore have a material impact on consolidated net profit and cash flows.

In addition, the Group is exposed to a currency risk on the dividend paid each year by Caixa Seguros Holding in reals.

We purchase currency hedges each year to protect against the risk of a fall in the real against the euro; however, these are based on analyses and forecasts and may prove inadequate or ineffective.

The binding framework agreement with Caixa Seguridade signed in 2018 provides for a payment to be made in reals when the final agreement is signed, exposing the Group to the temporary risk of an increase in the value of the real against the euro. We have purchased a specific hedge against this risk.

The Brazilian real fell by 19% against the euro in 2018, based on average exchange rates.

With the exception of Caixa Seguros Holding, the bulk of the Group's asset portfolios are invested in the securities of Eurozone issuers. The portfolios' exposure to currency risk is therefore limited (see Note 8.10 to the consolidated financial statements – Foreign currency transactions). In addition, exposures are governed by a currency standard.

We have carried out various subordinated notes issues in US dollars and in sterling, one of which matured and was redeemed in 2018. Specific currency hedges have been set up for the three remaining issues. See the tables in the following notes to the consolidated financial statements: Note 10 – Subordinated debt and Note 8.7 – Derivative instruments qualifying for hedge accounting.

In the event of a sharp rise in the policy surrender rate, the Group would be exposed to significantly higher liquidity risk

Liquidity measures a debtor's ability to pay its debts and honour its obligations as and when they fall due in a going concern situation. For CNP Assurances, liquidity risk is the risk that it will be unable to pay policyholders in the event of a sharp rise in surrender rates.

This risk is linked to our ability to sell assets on the market in response to a surge in surrenders or claims; it is therefore greater for property, private equity and infrastructure assets.

Our unit-linked Savings/Pensions business exposes us to liquidity risk. In this regard, we have noted an increase in unit-linked funds invested in property assets. In the event of a wave of surrenders, if the underlying properties could not be sold on the market, the Group could incur losses because it would be unable to use the proceeds from the sale of the assets to finance the surrender value due to the policyholders.

Liquidity risk varies inversely with policyholder confidence; in the event of a loss of confidence, the Group could find that it has insufficient liquid assets to deal with a wave of surrenders. A lack of confidence in the Group could also mean that it is no longer able to find any takers on the market for its subordinated notes.

In practice, liquidity risk may arise if net new money becomes sharply negative, forcing the Group to sell off investments to make policyholder payments. In order to deal with such an eventuality, we maintain liquidity reserves and hold portfolios of liquid investments. Although these are for large amounts, they could still prove to be insufficient under extreme conditions.

A certain number of liquidity risk indicators are provided in Note 24.1 to the consolidated financial statements – Liquidity risk.

The Group's subordinated notes issues are not subject to any covenants.

4.1.2 Risk factors linked to the insurance business

The Group offers a full range of insurance products in Europe and Latin America.

The main individual insurance contracts offered to our clients are savings contracts, most of which offer a formula whereby savers can invest in a traditional fund, one or several unit-linked funds and a *Eurocroissance* growth fund.

Our group policies are mainly defined contribution or defined benefit pension plans, points-based pension plans, employee benefits plans and term creditor insurance.

In addition, our subsidiaries in Brazil (Caixa Seguros Holding) and Cyprus (CNP Cyprus Insurance Holdings) write property and casualty insurance.

The Group is exposed to the risks inherent in marketing and pricing new insurance products. These risks are managed through specific processes and by dedicated committees.

In addition to the mainly financial risks generated by Savings/Pensions contracts, these products give rise to the risks described below.

Surrender or cancellation risk

Traditional savings contracts include an early surrender option for a contractually fixed amount. Surrender rates depend on how the financial markets perform, the yield offered by other competing financial products, our policyholders' behaviour and their confidence in our Group, and the tax rules applicable to investments in life insurance products. High surrender rates on unit-linked contracts are also unwelcome, to the extent that they lead to a loss of future profits.

Technical reserves for our Savings business represent over €200 billion and the Group's exposure to surrender risk is therefore very significant. A wave of surrenders could impact earnings or even solvency in extreme conditions.

For group pensions contracts, surrender risk corresponds to the risk of the policy being transferred by the client to another insurer. This risk is taken into account by including a clause in our standard group pensions contracts prohibiting transfers.

The Term Creditor Insurance business also exposes the Group to a surrender risk in connection with the early repayment of the insured loan (which is all the more likely during a period of low interest rates) or a cancellation risk (since the Hamon Act came into effect in 2014, insureds have been free to cancel their policy during the first year of the loan and following the Bourquin amendment applicable from January 2018, the cancellation right is exercisable annually). An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability. As France's leading provider of term creditor insurance, the Group is exposed to cancellation risk and has set up a process to closely monitor the portfolio.

Insureds mortality and longevity risks

Mortality risk

Mortality risk corresponds to the risk of higher-than-expected mortality rates among insureds.

Our personal risk policies generally include death cover and the Group is therefore exposed to mortality risk on these policies which represented premium income of more than €6 billion in 2018 on an IFRS basis (see Note 14.4 to the consolidated financial statements – Premium income by business segment).

The mortality risk may be accentuated by the occurrence of natural or man-made disasters. Acts of terrorism, the occurrence or spread of pandemics, or fallout from global warming, aside from the immediate damage that such events would cause, could also significantly impact the results of certain personal insurance businesses.

To attenuate the consequences of this risk, we have set up a reinsurance programme providing overall protection of underwriting results through non-proportional treaties aligned with the Group's size and self-insurance capability.

The reinsurance policy is implemented throughout the Group, covering business written by CNP Assurances and by its subsidiaries. Applications have been developed to monitor reinsurance results. Certain reinsurers may be unable to honour their financial obligations following extreme events, exposing the Group to counterparty risk (see above). The availability, amount and cost of reinsurance also hinge on numerous factors and may vary considerably over time. An increase in the cost of reinsurance may affect Group earnings either directly via the reinsured business or because a reduction in the reinsurance rate increases the risk of losses.

In addition, an increase in the mortality rate would reduce future margins on the €200 billion Savings business (based on technical reserves) and could adversely affect the Group's financial position. Some unit-linked contracts also include death cover. The combination of less favourable financial market conditions and higher-than-expected mortality rates would erode our margins on these contracts.

Longevity risk

Insureds longevity risk mainly concerns our life annuity contracts and relates to the benefit payment period, which is not known in advance.

Longer or shorter life expectancies significantly affect margins on this type of policy. Technical reserves are generally calculated using regulatory mortality tables based on statistical data for the population of the country concerned. In some cases, experience-based data is also used. Earnings or own-funds are potentially exposed to the risk that actual longevity experience may turn out to be significantly different to that predicted in the mortality tables used to price the contracts and calculate technical reserve requirements. They may also be exposed to the risk that asset yields fall short of the valuation rate of interest used in the pricing and reserving models.

Insureds morbidity risk

Personal risk contracts comprise various types of primary guarantees covering temporary or permanent disability, long-term care and health risks. These guarantees expose the Group to morbidity risks.

We establish risk selection policies and monitor statistical data concerning the policyholder base and related loss ratios. In addition, products are subject to regular pricing reviews based on loss experience to ensure that margins remain adequate.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection, although this is attenuated by the use of medical questionnaires, deferred periods and/or other measures.

In France, new legislation requiring health insurance providers to reimburse the full cost of dental treatment and dentures, optical care and hearing aids not covered by social security reimbursements is expected to have an impact on CNP Assurances and the other health insurance providers. The requirement will be phased in over several years and we will be paying close attention to changes in underwriting results on these contracts.

Risk of unreliable contract administration cost projections

Expense risk corresponds to the risk of an increase in costs beyond the originally approved budget. The main expense items are employee benefits expense, IT costs, office rent and sales commissions paid to distribution networks.

Unreliable estimates of future contract administration costs may have an adverse effect on the Group's results and solvency.

Non-life risks

The Group is exposed to non-life risks mainly on Property & Casualty business written by its subsidiaries in Brazil and Cyprus (see Note 14.4 to the consolidated financial statements – Premium income by business segment, Property & Casualty).

This type of risk may be exacerbated by the occurrence of natural disasters. An increase in the occurrence of climate risks throughout the world could have an adverse effect on Property & Casualty underwriting results.

Non-life risks also include unemployment risk, arising from the unemployment cover offered by the Group under term creditor insurance written by CNP Assurances in France, CNP UniCredit Vita in Italy and CNP Santander in Europe.

4.1.3 Operational risk factors linked to the business

Operational risk is defined as "the risk of loss resulting from inadequate or failed processes, people and systems or from external events". This definition includes legal and compliance risks.

Operational risk management systems are tailored to the type of risk. They are designed to enhance operating managers' risk management capabilities and to be clearly identifiable in order to facilitate the crucial work of monitoring. The operational risk management system is deployed across the Group. It backs up the Group's internal control system – which could prove inadequate – by addressing risks by category instead of focusing on individual risks identified by process. The system also includes a risk mapping process.

This section presents the Group's four major operational risks, which are all considered of equal importance.

Activities outsourced to partners or contractors may give rise to a risk of non-compliance with regulations or to service quality risks

Outsourcing risk – as defined under Solvency II – has been highlighted as a significant risk inherent to the Group's business model. Activities may be outsourced to partners (certain management operations, notably asset management) or to outside contractors (policy administration, information system management).

The main outsourcing risks, which relate to the quality and compliance of the outsourced activities, regulatory compliance (including the ban on price bargaining, dependence issues, loss of internal know-how and conflicts of interest), are reviewed on a regular basis. An internal outsourcing policy is helping to gradually increase employee understanding, monitoring and control of the related risks.

The policy's main principles are as follows:

- maintain operational control of the outsourced activity: the Group retains the ability to assess contractors' activities, largely through formal documentation of the outsourced processes and service performance procedures;
- deploy adequate resources to manage the risks, in order to maintain the expected level of outsourcing efficiencies and gains: the resources deployed to monitor the outsourced activity are in proportion to the importance of the activity and the cost it represents for CNP Assurances;
- maintain or increase service quality and productivity levels compared to performing the activity in-house;
- apply the Group's general purchasing policy to outsourcing contracts;
- comply with all of the ethical and professional guidelines set out in the code of ethics, including the Ethical Purchasing Charter, the code of conduct for Group employees, the professional standards applicable to each business, the Internal Control Charter, and the ten principles of the United Nations Global Compact (covering human rights, labour, the environment and anti-corruption) upheld by CNP Assurances.

The outsourcing policy is rolled down to the operating units in the form of the following procedures:

- the procedure for deciding if an outsourced function or activity is critical or important;
- the procedure for choosing a contractor and determining the details to be included in the written outsourcing agreement;
- the procedure for monitoring the outsourced activities, covering the method and frequency of contractor performance and results assessments (the various methods include but are not limited to continuous monitoring by Committees, random on-site and desk audits, and reviews of contractors' own reports on their internal control and risk management systems);
- the procedure for examining business contingency plans and exit strategies.

CNP Assurances' products and its interactions with clients may expose the Group to compliance risk

Several aspects of the regulatory framework governing insurance activities have been changed. Many new regulations have been introduced to improve client protection, with the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation that came into effect on 1 January 2018, the Insurance Distribution directive (IDD) that came into effect in October 2018 and the General Data Protection Regulation (GDPR).

The new regulations expose the Group to compliance risks due to its broad range of businesses, in an environment shaped by the digitalisation of policyholder relationships and the increased focus on unit-linked sales, which are also a source of changing risks.

The life insurance section of the CNP Assurances business model (covering insurer liability) is frequently prepared by the partner networks. The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal. The Group has a robust product launch procedure that includes checks to ensure that the product and the marketing process are in full compliance with regulatory requirements, and the review procedure required under the IDD.

There are also numerous regulatory and contractual obligations throughout the life of a policy.

Dealing with unclaimed life insurance settlements is a key concern and after France's Eckert Act came into force the Group's administrative processes were revised to comply with the requirement to reduce the time taken to find beneficiaries.

In the interests of customer service quality, over the past few years the Group has obtained quality certifications for core processes from recognised professional standards bodies (ISO 9001 for key management or marketing processes, and CMMI or ITIL for IT processes). Regulatory texts and the recommendations published by France's insurance supervisor (ACPR) are incorporated into the Group's internal procedures, which also describe the controls to be performed by the employees concerned by each process.

Combating money laundering and the financing of terrorism is a constant concern for the Company.

The Group's business model, in which many transactions are performed by partners, has shaped the related controls. The tasks entrusted to intermediaries are set out in the distribution agreements between the Group and its partners. Nearly all transactions go through policyholders' accounts with the partner banks which are responsible for performing background checks on cash flows. When policyholder relations are handled by partners, they also play a key role in data gathering and know-your-customer procedures.

The Group is fully engaged in the fight against money laundering and the financing of terrorism and is deploying the latest techniques to ensure that its procedures are as effective as possible. Efforts in this regard are part of a long-term project to industrialise and automate the entire process to prevent money laundering and the financing of terrorism and the related controls. The aim of the project is to improve know-you-client procedures, allow detailed analyses to be performed and provide real time information about the profile of any client who wants to carry out an insurance transaction, and to accelerate deployment of the necessary procedures in application of the adopted risk classification.

Working with our partners, we are strengthening the internal control system by reviewing existing controls and introducing new ones.

At the same time, major awareness-raising and training exercises are being organised for our employees.

The Group is exposed to process execution risks

Process execution risks include potential business continuity risks, the risk of exceeding regulatory or contractual processing times and processing failures or errors.

Process complexity due to our diverse range of markets, products and partner types exposes the Group to the risk of a major failure.

Insured amounts are determined according to the type of business, the size and the claims experience of the main Group entities. A contingency plan has been drawn up describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and continue to offer customers and partners an adequate level of service. It is updated regularly and tested in real conditions to take into account the Company's changing needs and check that the earmarked human and technical resources are adequate.

As a major insurance company, any security incident exposes CNP Assurances' information systems and data to risk

The Group's sales and marketing and underwriting operations are all organised around information systems. These mission-critical systems must be capable of being adapted to a rapidly changing environment and increasingly frequent cyber attacks.

Information system risks include systems security risks, software malfunction risks and data protection risks.

Instances of system downtime or failure or processing delays could lead to losses and may also damage the Group's image among customers. These risks are managed primarily by taking out appropriate insurance cover, investing in the systems, ensuring a high level of cyber-resilience, developing contingency and disaster recovery plans, implementing procedures to guarantee the security of software upgrades, and strengthening the systems and procedures for determining management application settings.

Granting access to the systems to certain partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data.

Resources are invested in ensuring that information systems and processes are secure and fluid and that data integrity is protected, including through a cyber-insurance policy and the long-term programme to improve systems security. However, despite this investment, systems could still be hit by technical problems that may have an adverse impact on operations.

As a life insurer that holds insureds' medical data, the Group is heavily exposed to the risk of personal data breaches due to the large volume of information on policies and policyholders that is processed automatically or manually.

A cross-functional compliance project was carried out within the Group in preparation for the application of the new General Data Protection Regulation (GDPR). In addition, a Data Protection Officer (DPO) was appointed to manage the GDPR compliance project and lead international personal data protection compliance initiatives.

All new documents that collect personal data (insurance application forms, administrative or financial riders, etc.) are now included in a process for prior validation by the DPO, and risk analyses are performed on all new data processing sequences.

The protection of personal data is also discussed in section 7 – Corporate Social Responsibility.

4.1.4 Other risk factors

Risks related to the Group's strategic partnerships

We enter into various strategic partnerships, directly or through subsidiaries, to strengthen our presence in certain markets.

These partnerships represent a means of sharing the business and financial risk with the partners concerned. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership arrangements both reduce the Group's investment risk and act as an incentive for the effective participation and involvement of the partner.

As part of its external growth strategy, whenever the Group identifies a potential acquisition, it commissions an in-depth audit of the target's financial position. In addition, each key stage of the process is framed by governance procedures to assess the acquiree's strategic fit and enable the relevant decision-making body to establish the conditions and parameters for completing the deal.

Integrating these partnerships or joint subsidiaries into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than originally expected, and this may negatively affect consolidated earnings.

The constantly evolving nature of the business means that there is no guarantee that the financial performance of acquirees or partners will come in on plan and negative variances may result in impairment losses being recognised on goodwill or other intangible assets that negatively impact the Group's financial position (see Note 6.1 to the consolidated financial statements – Intangible assets by category).

It may be necessary to rethink a partnership in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners.

In order to manage all of these risks, long-term partnerships are integrated into our financial reporting system. Their performance is monitored, any necessary adjustments are made and corrective action is taken, jointly with the distribution partner, if appropriate.

We pay close attention to anticipating the expiry of our long-term partnerships and any risk of non-renewal as the ending of the strategic relationship may affect the Group's earnings, financial position or business model.

To limit these risks, we ensure that the necessary anticipatory action is taken in good time.

Concerning these partnerships:

- with the current agreement with Caixa Seguridade in Brazil due to expire in 2021, in August 2018, we announced the signature of a binding framework agreement with Caixa Seguridade providing for the establishment of a new long-term exclusive distribution agreement until 13 February 2041 in the network of Caixa Econômica Federal *. Implementation of this agreement is subject to various conditions precedent;
- in March 2016, we renewed our Savings/Pensions and Personal Risk/Protection partnership with La Banque Postale for ten years. The renewed partnership commenced on 1 January 2016 (and will expire on 31 December 2025), except for home-buyer term creditor insurance for which the ten-year period commenced when La Banque Postale and BPE began distributing new CNP Assurances policies on 28 September 2016 and 3 October 2016, respectively;
- in March 2015, we renewed our partnership with BPCE, covering term creditor insurance, personal risk insurance and employee benefits plans. The new agreement covers the seven years from 1 January 2016 to 31 December 2022. We have agreed with BPCE that at the end of this initial period (and, if applicable, each subsequent three-year period), BPCE will have the option of renewing the partnership for three years or acquiring the portfolio of In-Force life insurance and endowment policies sold through the BPCE group, at a price to be agreed jointly through negotiations conducted in good faith. If no price can be agreed, the partnership will be renewed for a three-year period commencing 1 January 2023 and, in the same way, for successive three-year periods up until 2052. BPCE also has the option of initiating negotiations for the acquisition of the portfolio of In-Force life insurance and endowment policies between 1 January and 31 December 2020. If the option is exercised and the portfolio is acquired during this period, the term creditor insurance, personal risk insurance and employee benefit plan partnerships will remain in force until 31 December 2022. For its part, CNP Assurances has the option of initiating equivalent negotiations in 2020 or 2022 and at the end of each three-year renewal period.

* See press release dated 22 March 2019, the content of which is presented under "Subsequent events" on page 30 of this Registration Document

The Group may be exposed to risks arising from the use of assumptions which, by definition, are uncertain and models that it does not fully master

Statistical and actuarial approaches are used to:

- price insurance products;
- build up technical reserves and ensure their adequacy by performing liability adequacy testing (LAT), and calculating the amount and recoverability of deferred participation assets or reserves;
- measure certain indicators, such as regulatory solvency ratios, the value of new business, the Value of In-Force business and the projected cash flows used for goodwill impairment testing purposes;
- determine potential shock scenarios, assess the Group's risk exposure and calculate profitability indicators including the cost of risks.

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

- economic, demographic, social, legislative, regulatory or financial trends;
- policyholder behaviour (for example, policy surrenders, transfers or cancellations);
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different. In particular, changes in technical assumptions or in the financial markets may affect reserving rates and the Value of In-Force and new business, and negatively impact the Group's consolidated earnings and solvency (see Note 23.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks).

In addition, these measurements entail the use of projection models adapted to the Group's insurance and investment portfolios. Model risk includes:

- risks related to the quality of the projection models (design or execution errors, poor quality inputs, impossibility of modelling all future situations, etc.);
- risks related to the use of the models within a necessarily limited timeframe (inadequate calculation performance, difficulties in determining the right settings, etc.);
- risks arising from incorrect analyses of the indicators produced using the models (poor interpretation of the results, utilisation for purposes that the model was not designed for, lack of perspective when analysing the results, poor grasp of the modelling process's limitations, etc.).

Our model risk management procedure is based on the following principles: use of a common system for the various metrics (Solvency II and MCEV©), a dedicated governance system organised around committees, extensive documentation of the model to avoid any loss of modelling knowledge, independent reviews, and a model development and upgrade policy.

Reputational risk

Reputational risk is a cross-functional risk that is closely linked to underwriting, financial and operational (legal and employee-related) risks. This is because an event that unfavourably affects stakeholders' perception of the Group may temporarily or durably damage its image or reputation and adversely affect its future earnings.

Reputational risk is managed through a monitoring system, crisis management plans and remedial action plans. As soon as a crisis occurs, whatever its nature, a crisis management plan is triggered. The action plan launched or the commitments made following a crisis are closely monitored.

This risk is exacerbated by the fact that the Group does business in a fiercely competitive market comprising diverse types of players (insurance companies, mutual insurers, employee benefits institutions, commercial and investment banks, etc.) subject to different regulations and using many different distribution channels to market alternative products, some of which may be cheaper than the Group's offering.

Risks related to the Group's host countries

The Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

More specifically, the financial viability of certain businesses may depend on local regulations and government commitments in our host countries, especially in cases where we are called on to advance funds on behalf of the State. Regulatory changes (for example, the statutory increases in life annuities introduced in 2017) or a government decision to renege on its commitments may lead to litigation, with a significant adverse effect on the Group's earnings if the courts rule against us. This could be the case in Brazil, where Caixa Seguradora has advanced funds on behalf of the State.

Macro-economic indicators and political developments in our host countries are continuously monitored. In addition, we have an opportunity to review in detail the situation of the host country and any implications for our business during our regular discussions with our subsidiaries.

In 2018, the election of a new President in Brazil ushered in a new period of political and economic reform. We are keeping a close watch on developments in the country. In Italy, the formation of a new government in 2018 led to tensions concerning the country's budget and sovereign debt. So far, these developments have not had any material impact on the Group's Italian business.

If the Group's credit rating were to be downgraded, this could lead to an increase in borrowing costs

One of the key criteria used by bond investors to estimate the credit risk associated with an investment is the issuer's credit rating, particularly in increasingly globalised financial markets where it is becoming harder to obtain reliable information and to manage all aspects of risk.

Consequently, any ratings downgrade could drive up the Group's borrowing costs and this in turn could have an adverse effect on its future earnings, as well as on its ability to raise funds on the bond markets.

The Group's ratings are reviewed at regular intervals by Standard & Poor's and Moody's. In June 2018, Moody's assigned its A1 insurer financial strength rating with stable outlook to CNP Assurances. This rating was reaffirmed in November 2018. At the end of October 2018, Standard & Poor's reaffirmed the A insurer financial strength rating with stable outlook awarded to CNP Assurances.

These ratings depend on the rating agencies' opinion and methodology, which may change in the future in a way that is unfavourable to the Group.

See Note 10 to the consolidated financial statements – Subordinated debt.

Emerging risks

In addition to the risks discussed above, other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future. The Group may also be exposed to emerging risks, corresponding to new or rapidly evolving risks whose impact is very difficult to measure. Risks that are currently unknown or considered minor may have a material adverse effect on the Group in the future.

Among these, the Group has identified the disruptive effect of new digital players entering the insurance market and risks associated with new technologies.

The growing regulatory burden experienced in recent years is also considered to be a significant emerging risk. Implementing new regulations across Europe or in our host countries may prove complicated and expensive. Many different departments may be concerned by the change, information systems may have to be adapted and significant costs may have to be incurred for staff training to ensure compliance with the new regulatory frameworks. In 2018, the Insurance Distribution directive (IDD), the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation and the General Data Protection Regulation (GDPR) came into effect, and we also had to prepare for the first-time application of IFRS 9 and IFRS 17 as well as taking into account changes to the Solvency II standard formula.

4.2 Information on financial risks associated with the effects of climate change and measures taken to mitigate such risks by implementing a low-carbon strategy throughout all components of the business

Financial risks associated with the effects of climate change arise from the Group's:

- investment policy;
- insurance business;
- internal processes.

As an insurance company, CNP Assurances contributes to the energy and environmental transition mainly through the choice of investments held in its asset portfolio.

The focus of this section is therefore on the financial risks associated with the effects of climate change arising from our investment policy.

We are nevertheless aware of the compelling need to reduce the effects of climate change and in 2018, we decided to set up a Climate Risk Committee in 2019. This Committee will obtain information and monitor all new developments and initiatives linked to climate change research.

4.2.1 Financial risks associated with the effects of climate change arising from the Group's investment policy

Risk exposure and mitigation

Our climate risk analyses distinguish between physical risk and transition risk.

Physical risk

Our forestry assets are located mainly in France and their exposure to physical risk is therefore limited.

Our analysis of physical risks associated with our property portfolio * based on the two IPCC scenarios provided us with a snapshot at end-2017 of the assets representing high physical risks in relation to the different climate variations examined. For most of the risks, CNP Assurances' exposure is weak or non-existent. Only buildings located around the Mediterranean and in cities that are prone to urban heat islands have a higher risk of heatwave or higher average temperatures by 2050.

Lastly, in 2018 we started examining the physical risk associated with the Equities and Bond portfolios in order to extend our vision of our overall physical risk exposure.

Risk mitigation

Concerning property assets, we intend to use our physical risk analysis to reduce our exposure by asking asset managers to propose solutions addressing the risks.

In the case of forestry assets, our investment strategy has led to a high level of geographic diversification throughout France. Some areas subject to significant natural hazards have been avoided (south-east France, for instance, due to the fire risk). The portfolio's geographic diversification also reduces these assets' exposure to extreme weather events such as storms or drought. As part of the diversification policy, a woodland investment programme in Scotland has recently been launched.

Transition risk

The value of our assets is potentially exposed to regulatory, technological, market and reputational risks.

Risk mitigation

For many years, we have used several approaches to manage *transition risks*:

- the identification of coal as the most material risk in 2015 prompted us to dispose of all securities held in companies deriving more than 25% of their revenue from thermal coal and to discontinue investing in companies deriving more than 15% of their revenue from thermal coal. We stepped up our commitment at the end of 2018 by reducing the proportion of revenue to 10% and banning investments in the companies that are the most involved in developing new coal fired power stations;

* French property assets held directly by CNP Assurances or through wholly owned subsidiaries

- since 2016, the carbon footprint has been measured on corporate assets and bonds held directly to highlight the companies most exposed to transition risk, i.e., those with the most carbon-intensive businesses. In keeping with our commitment to acting as a responsible shareholder, we engage discussions with their management to ensure that they are aware of the associated risks and opportunities, and to help them in the transition to a sustainable low-carbon economy;
- we have also tracked the CO_2 equivalent emissions avoided since 2012 by renovating buildings.

Since 2017, we have stepped up our efforts to integrate transition risk by:

- aligning our Equities portfolio with model portfolios made up of shares in European companies whose activities are compatible with or support energy transition targets. The alignment process is being conducted jointly with La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers). Our objective is for the management of directly held equities to be aligned with these model portfolios, which are heavily weighted towards companies that contribute to the energy and environmental transition;
- in 2018, 2Dii performed an audit of our Equities and Corporate Bond portfolios' alignment with the objective of limiting global warming to 2°C. The audit was based on a "Beyond 2°C scenario" (B2DS), corresponding to a 50% chance of limiting the average increase in temperature to 1.75°C, analysed across five sectors – fossil fuels, automotive, cement & steel, aviation & shipping, electricity production – and based on different energy sources (coal, gas, renewables and oil).

Key indicators and objectives aligned with the 2°C scenario

In order to track the risk exposure of our investments, we have set four key objectives:

- reduce the carbon footprint of the directly held equities portfolio by 47% between 2014 and 2021;
- reduce greenhouse gas emissions from energy used by directly held properties (measured in teqCO_2/sq.m./year) by 40% between 2006 and 2021: to help meet France's objectives, as part of our low carbon strategy we adjusted our indicator in 2018 by committing to achieving a 40% reduction in greenhouse gas emissions from energy used by properties held directly or through wholly owned subsidiaries;
- since the end of 2018, we have banned investment in companies that derive over 10% of their revenue from thermal coal (versus 15% previously) and in the companies that are the most involved in developing new coal fired power stations;
- make €3 billion worth of green investments in 2018, and €5 billion worth of new investments in favour of the energy and environmental transition between 2017 and 2021.

These commitments align our objectives with the 2°C scenario:

- the target of reducing the carbon footprint of the portfolio of directly held equities reflects a similar trajectory – within a shorter timeframe – to the last AIE estimate that, in order to meet the Paris agreement objectives (2017 SDS-WEO scenario), it will be necessary to reduce greenhouse gas emissions in the European Union by 42% over the period 2015-2030;
- the target of a 40% reduction in greenhouse gas emissions from energy used by directly held properties reflects a similar trajectory – within a shorter timeframe – to the last AIE estimate that, in order to meet the Paris agreement objectives (2017 SDS-WEO scenario), it will be necessary to reduce greenhouse gas emissions in the European Union by 42% over the period 2015-2030.

4.2.2 Financial risks associated with the effects of climate change arising from the Group's insurance business

CNP Assurances' business consists mainly of writing personal insurance and the risks associated with the effects of climate change primarily concern mortality and morbidity rates. We take this aspect into account in the measurement and management of underwriting risks, especially mortality and morbidity risks covered by individual personal risk contracts, employee benefits plans and term creditor insurance.

To reduce the consequences of this risk on the insurance portfolio, we follow a broad-based approach to protection, including climate risks, by purchasing reinsurance cover against the risk of higher-than-expected mortality rates. All cases of higher-than-expected mortality are covered. The reinsurance treaty provides protection against such events as flu pandemics or heatwaves.

We also participate in the Bureau Commun des Assurances Collectives' natural disaster pool, which enables us to protect our personal risk and term creditor insurance portfolios against catastrophe risk.

In 2018, we launched a project to consider taking into account the wider effects of climate change on our insurance business. The Climate Risk Committee set up in 2019 will enhance our cross-functional vision of the effects of climate change on both our assets and our liabilities.

Lastly, our research teams are participating in industry studies and hold regular discussions with universities and research institutes on this topic.

In Brazil, reinsurance treaties covering both life and non-life business will kick in in the case of hydrological, geological or wind-related disasters.

4.2.3 Financial risks associated with the effects of climate change arising from the Group's internal processes

The Group's internal processes may give rise to financial risks associated with the effects of climate change. Failure to control the main sources of greenhouse gas emissions or to take into account climate-driven technological or behavioural changes may have financial consequences.

Our low-carbon strategy is embodied in the measures taken to reduce the environmental impact of our internal processes.

Risk exposure and mitigation

Annual greenhouse gas emission audits serve to focus the Group's efforts on the most effective action in the areas of business travel, building management and paper use.

Risk mitigation

Increasing use of videoconferencing facilities and conference calls has helped to reduce car travel. Homeworking, which is covered by an agreement signed in 2018, is also one of the ways that we can help reduce greenhouse gas emissions.

Furthermore, as part of a virtuous mobility incentive, four electric-vehicle charging stations were installed in the car park of the Company's headquarters. In light of their success, a further four charging stations will be installed in 2019.

CNP Assurances has adopted energy-saving measures designed to help buildings operate more efficiently. For example, improving how heating (French sites except Arcueil), air conditioning and ventilation systems are controlled requires the expert management of programmable time settings.

CNP Assurances also ensures that routine maintenance work includes a search for greater energy efficiency. The most energy-efficient option is always taken when replacing technical equipment. This ongoing aim of reining in the environmental impact is what guides CNP Assurances' work on its sites.

Lastly, action taken in recent years to reduce paper use (shared printers, paperless files) have saved several million sheets of paper.

4.3 Internal control and risk management procedures

The Solvency and Financial Condition Report (SFCR) available on the CNP Assurances website, www.cnp.fr, includes a detailed description of the Group's governance (notably, section B3 – Risk management and section B5.1 – Internal control system). Section C of the SFCR presents the Group's risk profile and includes a description of the system for managing each material risk.

The additional information provided below concerns procedures for the preparation and processing of accounting and financial information.

Assessment of underwriting risk

Technical reserves are determined by the Group Actuarial department whose activities include assessing the Group's underwriting indicators from different angles (Value of In-Force business (VIF), Value of New Business (VNB), technical reserves under French GAAP, IFRS and Solvency II).

Concerning the preparation of the separate and consolidated financial statements and the Group's financial communications, the Group Actuarial department has specific responsibility for:

- calculating policyholder dividend rates for all individual policies and pension products;
- checking compliance with certain accounting principles applicable to the consolidated financial statements (including the performance of liability adequacy tests and impairment tests on intangible insurance assets).

Internal controls have been established to provide assurance concerning:

- compliance with the Group's reporting deadlines for financial communication purposes;
- information consistency;
- updating of contractual and financial data underlying the reserve calculations;
- compliance of the work performed with the rules set out in the French Insurance Code and the Group's accounting principles and policies.

The Group Actuarial department also assesses portfolio yields and values, particularly for the purpose of justifying the recognition and measurement of intangible insurance assets and calculating the value of In-Force business, as well as for development projects. The reason for this is that technical items in the financial statements include contractual customer relationships – corresponding to the value of the insurance books of acquired subsidiaries – and the related amortisation. At each year-end, results projections and simulations are produced to verify that the carrying amount of these intangible assets will be recovered through future profits and that no impairment loss needs to be recorded.

The department's Methods and Innovations unit prepares guidelines on technical reserves and MCEV©* calculations, conducts actuarial research and development work, and prepares the executive summaries and analysis reports required from the Group Actuarial department.

Management of system and process upgrades

System and process upgrades formed part of the Finance programme completed in 2017.

The programme included three IT projects that had a major impact on internal control: replacement of the accounting system in France, redesign of the Group asset management application and development of the modelling and simulation application.

Application of IFRS 9 and IFRS 17 gives rise to major challenges in terms of complying with the new requirements and revising the accounts closing processes.

Throughout 2018, the department prepared its response to these challenges by launching projects and initiating the development of tools and processes and then by starting to bring the new computer applications on stream, especially the IFRS 9-compliant applications. The preparations took into account issues affecting the Group as a whole, to provide assurance that the standards are interpreted uniformly by all entities and that the applications could be rolled out to all entities in either 2018 or 2019.

Accounting and preparation of financial statements

Controls over the accounts closing process include:

- a documented accounts closing process and governance procedures organised around committees that meet on a regular basis (every week during closing and every two weeks between two closings) for the purpose of organising the process, tracking progress and determining the action to be taken to deal with any problems;
- first-tier controls performed by the teams in charge of preparing the financial statements, with preparation of analysis notes;
- second-tier controls performed by the Group Accounting department's team responsible for analyses and controls and multi-standard reporting. These controls include period-on-period analytical reviews by product and reconciliations of actual to forecast results. The headquarters accounts are reviewed by a dedicated team;
- close involvement of the Accounting department in internal control campaigns.

For the preparation of the consolidated financial statements, in addition to the process described above, instructions are sent to the subsidiaries before each accounts closing, the consolidation packages are checked (through a combination of programmed controls and controls performed by the Group Consolidation and Reporting department) and frequent exchanges take place between the accounting teams and local Auditors.

The challenges of planning and leading the closing process in a multi-standard environment increased in 2018, due notably to the objective of bringing forward the publication of Solvency II reports in 2018 and 2019. The Monitoring Accounting and regulatory Process (MAP) system launched in September 2017 continued to be deployed by the Accounting department among the Group entities that apply Solvency II and perform MCEV© calculations. By organising the interdependences between the IFRS process and the Solvency II process, MAP improves the quality of accounts production plans in a multi-standard environment.

In addition, a project was launched in 2018 to industrialise the accounts production process in an IFRS 9 environment, taking into account the requirement for new IFRS 9 disclosures in the Group's communications.

Identification of publication requirements

Three departments, each with its own specific skills, are involved in identifying and producing information for the markets: the Investor and Shareholder Relations department, the Financial Performance department (comprising the Accounting, Actuarial and Budget Control units) and the Corporate Law department. The operational ties forged with correspondents at the French securities regulator *(Autorité des Marchés Financiers)* also help to enhance the financial communication process on an ongoing basis.

* Market Consistent Embedded Value

5

FINANCIAL STATEMENTS

5.1 Consolidated financial statements

5.1.1 Consolidated balance sheet

ASSETS

(In € millions)	Notes	31.12.2018	31.12.2017
Goodwill	6	253.7	273.2
Value of In-Force business	6	18.8	24.1
Other intangible assets	6	459.7	501.8
Total intangible assets		**732.2**	**799.1**
Investment property	8	2,540.0	2,568.1
Held-to-maturity investments	8	396.3	548.7
Available-for-sale financial assets	8	289,342.7	296,481.3
Securities held for trading	8	81,602.9	81,721.8
Loans and receivables	8	4,891.3	4,970.5
Derivative instruments	8	1,287.7	797.5
Insurance investments		**380,061.0**	**387,088.0**
Other investments		**7.5**	**9.2**
Investments in equity-accounted companies	4	**516.9**	**65.9**
Reinsurers' share of insurance and financial liabilities	9	**21,556.1**	**22,734.8**
Insurance or reinsurance receivables	11	2,991.4	3,334.5
Current tax assets		341.0	532.5
Other receivables	11	5,192.9	4,646.9
Owner-occupied property and other property and equipment	7	311.1	291.5
Other non-current assets		2,275.5	2,280.5
Deferred participation asset	9	0.0	0.0
Deferred tax assets	19	251.6	284.3
Other assets		**11,363.5**	**11,370.3**
Non-current assets held for sale and discontinued operations		**0.0**	**0.0**
Cash and cash equivalents		**1,287.1**	**1,230.9**
TOTAL ASSETS		**415,524.3**	**423,298.2**

EQUITY AND LIABILITIES

(In € millions)	Notes	31.12.2018	31.12.2017
Share capital	5	686.6	686.6
Share premium account		1,736.3	1,736.3
Revaluation reserve		3,015.7	4,131.6
Cash flow hedge reserve	8	(17.7)	(48.4)
Undated subordinated notes reclassified in equity	5	1,881.3	1,765.2
Retained earnings		9,653.0	9,060.5
Profit for the period		1,366.7	1,284.5
Translation reserve		(541.4)	(359.3)
Equity attributable to owners of the parent		**17,780.6**	**18,257.1**
Non-controlling interests		1,740.3	1,765.9
Total equity		**19,520.9**	**20,023.0**
Insurance liabilities (excluding unit-linked)	9	162,500.9	158,653.5
Insurance liabilities (unit-linked)	9	48,223.0	45,822.4
Insurance liabilities		**210,723.9**	**204,475.9**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	9	116,227.1	121,580.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	9	594.6	625.4
Financial liabilities – unit-linked financial instruments	9	7,945.5	8,187.6
Financial liabilities		**124,767.3**	**130,393.0**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	9	22,107.3	30,335.5
Insurance and financial liabilities		**357,598.4**	**365,204.4**
Provisions	12	**174.1**	**210.5**
Subordinated debt	10	5,336.7	5,300.0
Other financing liabilities		4.8	0.0
Financing liabilities		**5,341.6**	**5,300.0**
Operating liabilities represented by securities		11,409.0	10,310.2
Operating liabilities due to banks		182.5	470.1
Liabilities arising from insurance and reinsurance transactions	13	14,330.9	14,262.3
Current taxes payable		264.0	298.5
Current account advances		69.8	49.8
Liabilities towards holders of units in controlled mutual funds		613.1	728.1
Derivative instruments	9	1,193.3	1,110.1
Deferred tax liabilities	19	489.8	915.3
Miscellaneous payables	13	4,336.8	4,416.1
Other liabilities		**32,889.3**	**32,560.4**
Liabilities related to assets held for sale and discontinued operations		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**415,524.3**	**423,298.2**

5.1.2 Consolidated income statement

(In € millions)	Notes	31.12.2018	31.12.2017
Premiums written		32,533.7	32,460.0
Change in unearned premiums reserve		(218.8)	(382.5)
Earned premiums	14	**32,314.9**	**32,077.4**
Revenue from other activities	14	**147.9**	**160.3**
Other operating revenue		**0.5**	**0.2**
Net investment income		7,688.7	8,371.7
Gains and losses on disposal of investments		195.0	379.4
Change in fair value of financial assets at fair value through profit or loss		(2,957.6)	3,293.8
Change in impairment losses on financial instruments		1,131.5	728.6
Investment income before finance costs	18	**6,057.6**	**12,773.4**
Income from ordinary activities		**38,521.0**	**45,011.3**
Claims and benefits expenses	15	(31,140.3)	(37,538.3)
Reinsurance result	17	(13.7)	106.2
Expenses of other businesses		6.3	17.9
Acquisition costs	16	(3,954.3)	(3,982.0)
Amortisation of value of In-Force business and distribution agreements	6	(24.8)	(25.1)
Contract administration expenses	16	(202.3)	(198.8)
Other recurring operating income and expense, net	16	(575.4)	(617.1)
Total other recurring operating income and expense, net		**(35,904.5)**	**(42,237.1)**
Recurring operating profit		**2,616.5**	**2,774.2**
Other non-recurring operating income and expense, net		(35.4)	(18.0)
Operating profit		**2,581.0**	**2,756.3**
Finance costs	18	(248.5)	(246.7)
Change in fair value of intangible assets	6	1.9	1.8
Share of profit of equity-accounted companies	4	128.9	7.3
Income tax expense	19	(793.3)	(895.6)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Net profit for the period		**1,670.0**	**1,623.1**
Non-controlling interests		(303.3)	(338.6)
Net profit attributable to owners of the parent		**1,366.7**	**1,284.5**
Basic earnings per share *(in €)*		1.92	1.80
Diluted earnings per share *(in €)*		1.92	1.80

5.1.3 Consolidated statement of income and expense recognised in equity – 2018

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Net profit for the period	**1,366.7**	**303.3**	**1,670.0**
Income and expense recognised directly in equity			
Amounts recycled through profit or loss	**(1,267.3)**	**(87.3)**	**(1,354.6)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(8,376.5)	(90.8)	(8,467.3)
Reclassification of proceeds from disposals to profit or loss	(1,298.5)	(17.9)	(1,316.3)
Reclassification of impairment losses to profit or loss	168.3	0.6	168.9
Sub-total including deferred participation and deferred taxes	*(9,506.7)*	*(108.1)*	*(9,614.8)*
Deferred participation including deferred taxes	8,001.7	86.4	8,088.1
Deferred taxes	389.1	4.2	393.2
Of which, change in revaluation reserve for non-current assets held for sale	0.0	0.0	0.0
Sub-total net of deferred participation and deferred taxes	*(1,115.9)*	*(17.5)*	*(1,133.5)*
Cash flow hedge reserve	30.7	0.0	30.7
Change in cash flow hedge reserve during the period	90.0	0.0	90.0
Cash flow hedge reserve recycled through profit or loss during the period	(36.8)	0.0	(36.8)
Deferred taxes	(22.5)	0.0	(22.5)
Translation differences	(182.0)	(69.8)	(251.8)
Amounts not recycled through profit or loss	**(12.9)**	**0.0**	**(12.9)**
Actuarial gains and losses	(12.9)	0.0	(12.9)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**(1,280.2)**	**(87.3)**	**(1,367.4)**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**86.5**	**216.0**	**302.6**

Consolidated statement of income and expense recognised in equity – 2017

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Net profit for the period	**1,284.5**	**338.6**	**1,623.1**
Income and expense recognised directly in equity			
Amounts recycled through profit or loss	**37.3**	**(144.8)**	**(107.5)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(542.1)	33.7	(508.4)
Reclassification of proceeds from disposals to profit or loss	(1,331.3)	(22.8)	(1,354.1)
Reclassification of impairment losses to profit or loss	240.4	0.0	240.4
Sub-total including deferred participation and deferred taxes	*(1,633.0)*	*10.9*	*(1,622.1)*
Deferred participation including deferred taxes	1,569.0	12.5	1,581.6
Deferred taxes	336.0	(8.4)	327.7
Of which, change in revaluation reserve for non-current assets held for sale	0.0	0.0	0.0
Sub-total net of deferred participation and deferred taxes	*272.1*	*15.1*	*287.2*
Cash flow hedge reserve	(6.5)	0.0	(6.5)
Change in cash flow hedge reserve during the period	(137.0)	0.0	(137.0)
Cash flow hedge reserve recycled through profit or loss during the period	127.1	0.0	127.1
Deferred taxes	3.4	0.0	3.4
Translation differences	(228.3)	(159.9)	(388.1)
Amounts not recycled through profit or loss	**(6.8)**	**0.0**	**(6.8)**
Actuarial gains and losses	(6.8)	0.0	(6.8)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**30.5**	**(144.8)**	**(114.3)**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**1,315.1**	**193.8**	**1,508.8**

5.1.4 Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2018

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Equity at 01.01.2018 – IFRS	**686.6**	**1,736.3**	**4,131.6**	**(48.4)**	**1,765.2**	**10,345.1**	**(359.3)**	**18,257.1**	**1,765.9**	**20,023.0**
Net profit and unrealised and deferred gains and losses for the period			**(1,115.9)**	**30.7**		**1,353.8**	**(182.0)**	**86.5**	**216.0**	**302.6**
▪ Dividends paid						(576.7)		**(576.5)**	(240.9)	**(817.6)**
▪ Changes in capital/ Merger premium								**0.0**		**0.0**
▪ Subordinated notes, net of tax					116.1	(82.3)		**33.8**		**33.8**
▪ Treasury shares, net of tax						(8.5)		**(8.5)**		**(8.5)**
▪ Changes in scope of consolidation						(19.0)		**(19.0)**	(0.6)	**(19.6)**
▪ Other movements						7.2		**7.2**		**7.2**
EQUITY AT 31.12.2018	**686.6**	**1,736.3**	**3,015.7**	**(17.7)**	**1,881.3**	**11,019.6**	**(541.4)**	**17,780.5**	**1,740.4**	**19,520.9**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2017

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at 01.01.2017 – IFRS	**686.6**	**1,716.8**	**3,846.4**	**(41.9)**	**1,765.2**	**9,691.4**	**(131.1)**	**17,533.5**	**1,763.1**	**19,296.6**
Net profit and unrealised and deferred gains and losses for the period			**272.1**	**(6.5)**		**1,277.7**	**(228.3)**	**1,315.1**	**193.8**	**1,508.8**
▪ Dividends paid	0.0	0.0				(549.3)		**(549.3)**	(193.2)	**(742.5)**
▪ Changes in capital/ Merger premium	0.0	19.5			0.0	(19.5)				**0.0**
▪ Subordinated notes, net of tax						(48.4)		**(48.4)**		**(48.4)**
▪ Treasury shares, net of tax						(0.5)		**(0.5)**		**(0.5)**
▪ Changes in scope of consolidation			6.6			(8.0)		**(1.4)**	0.0	**(1.4)**
▪ Other movements			6.6			1.5		**8.0**	2.2	**10.2**
EQUITY AT 31.12.2017	**686.6**	**1,736.3**	**4,131.6**	**(48.4)**	**1,765.2**	**10,345.1**	**(359.3)**	**18,257.1**	**1,765.9**	**20,023.0**

5.1.5 Consolidated statement of cash flows

The consolidated 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 using the equity method.

Definition of cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued by the French financial markets authority (*Autorité des Marchés Financiers* – AMF) No. 2011-13. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

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

Definition of cash flows from operating activities

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

Definition of cash flows from investing activities

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, owner-occupied 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 shares;
- dividends paid to owners of the parent and non-controlling shareholders of subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	**31.12.2018**	31.12.2017
Operating profit before tax	**2,581.0**	**2,756.3**
Gains and losses on disposal of investments	(115.6)	(610.2)
Depreciation and amortisation expense, net	108.4	114.2
Change in deferred acquisition costs	(86.9)	(307.8)
Impairment losses, net	(1,145.6)	(725.7)
Charges to technical reserves for insurance and financial liabilities	3,401.4	7,209.7
Charges to provisions, net	(24.0)	(30.4)
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	2,918.2	(3,300.3)
Other adjustments	574.9	(249.0)
Dividends received from equity-accounted companies	68.0	4.8
Total adjustments	**5,698.8**	**2,105.2**
Change in operating receivables and payables	(629.5)	(1,359.5)
Change in securities sold and purchased under repurchase and resale agreements	1,098.9	1,664.8
Change in other assets and liabilities	(43.4)	(64.4)
Income taxes paid, net of reimbursements	(636.1)	(993.2)
Net cash provided by (used by) operating activities	**8,069.7**	**4,109.2**
Acquisitions of subsidiaries and joint ventures, net of cash acquired [(1)]	(14.0)	78.4
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash provided by (used by) divestments and acquisitions	**(14.0)**	**78.4**
Proceeds from the sale of financial assets	89,983.8	96,042.9
Proceeds from the sale of investment properties	147.9	375.2
Proceeds from the sale of other investments	0.0	5.0
Net cash provided by (used by) sales and redemptions of investments	**90,131.7**	**96,423.1**
Acquisitions of financial assets	(98,597.6)	(98,415.2)
Acquisitions of investment properties	(110.7)	(451.3)
Acquisitions of other investments	0.0	0.0
Net cash provided by (used by) acquisitions of investments	**(98,708.3)**	**(98,866.5)**
Proceeds from the sale of property and equipment and intangible assets	5.5	8.7
Purchases of property and equipment and intangible assets	(77.0)	(52.8)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	**(71.5)**	**(44.2)**
Net cash provided by (used by) investing activities	**(8,662.1)**	**(2,409.2)**
Issuance of equity instruments	0.0	0.0
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	(8.5)	(0.4)
Dividends paid	(812.7)	(748.1)
Net cash provided by (used by) transactions with owners	**(821.2)**	**(748.5)**

(In € millions)	**31.12.2018**	31.12.2017
New borrowings	496.0	0.0
Repayments of borrowings	(431.6)	0.0
Interest paid on borrowings	(321.5)	(320.5)
Net cash provided by (used by) other financing activities	**(257.1)**	**(320.4)**
Net cash provided by (used by) financing activities	**(1,078.3)**	**(1,068.9)**
Cash and cash equivalents at beginning of period	**19,245.8**	**18,716.3**
Net cash provided by (used by) operating activities	8,069.7	4,109.2
Net cash provided by (used by) investing activities	(8,662.1)	(2,409.2)
Net cash provided by (used by) financing activities	(1,078.3)	(1,068.9)
Effect of changes in exchange rates	(4.4)	(50.5)
Effect of changes in accounting policies and other changes [(2)]	367.3	(51.1)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**17,938.1**	**19,245.8**

(1) In 2017, the positive amount reported for "Acquisitions of subsidiaries and joint ventures, net of cash acquired" primarily reflected the acquired cash recognised on first-time consolidation of CNP Luxembourg, the OPCI Raspail property fund and SAS Alleray

(2) The amount reported under "Effect of changes in accounting policies and other changes" corresponds to reclassifications of cash equivalents as "Ordinary money market funds"

Reconciliation of cash flows from financing activities to the amounts reported in the financial statements

This table reconciles cash flows from financing activities to the amounts reported in the other financial statements. Other movements correspond to changes in deferred taxes and fair value adjustments to the cash flow hedge reserve recognised directly in equity.

31 DECEMBER 2018

(In € millions)	**Cash flow hedge reserve**	**Undated subordinated notes reclassified in equity**	**Subordinated debt**	**Other financing liabilities**	**Total**
31.12.2017	**(48.4)**	**1,765.2**	**5,300.0**	**0.0**	**7,016.8**
Issue	0.0	496.0	0.0	0.0	**496.0**
Redemption	0.0	(431.6)	0.0	0.0	**(431.6)**
Total cash items	**0.0**	**64.4**	**0.0**	**0.0**	**64.4**
Translation adjustments	0.0	0.0	0.0	0.0	**0.0**
Fair value adjustments	36.2	0.0	36.8	0.0	**73.0**
Changes in scope of consolidation	0.0	0.0	0.0	0.0	**0.0**
Other movements	(5.5)	51.7	0.0	4.8	**51.0**
Total non-cash items	**30.7**	**51.7**	**36.8**	**4.8**	**124.0**
31.12.2018	**(17.7)**	**1,881.3**	**5,336.7**	**4.8**	**7,205.2**

31 DECEMBER 2017

(In € millions)	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Subordinated debt	Other financing liabilities	Total
31.12.2016	**(41.9)**	**1,765.2**	**5,427.1**	**0.0**	**7,150.4**
Issue	0.0	0.0	0.0	0.0	**0.0**
Redemption	0.0	0.0	0.0	0.0	**0.0**
Total cash items	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Translation adjustments	0.0	0.0	0.0	0.0	**0.0**
Fair value adjustments	(6.5)	0.0	(127.1)	0.0	**(133.6)**
Changes in scope of consolidation	0.0	0.0	0.0	0.0	**0.0**
Other movements	0.0	0.0	0.0	0.0	**0.0**
Total non-cash items	**(6.5)**	**0.0**	**(127.1)**	**0.0**	**(133.6)**
31.12.2017	**(48.4)**	**1,765.2**	**5,300.0**	**0.0**	**7,016.8**

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

(In € millions)	31.12.2018	31.12.2017
Cash and cash equivalents (reported in the consolidated balance sheet)	1,287.1	1,230.9
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(182.5)	(470.1)
Securities held for trading	16,833.5	18,485.1
TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)	**17,938.1**	**19,245.8**

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

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

5.1.6 Notes to the consolidated financial statements

DETAILED CONTENTS

SIGNIFICANT EVENTS OF THE PERIOD AND SUBSEQUENT EVENTS

NOTE 1
Significant events of the period

Antoine Lissowski appointed as Chief Executive Officer of CNP Assurances

On 15 November 2018, CNP Assurances' Board of Directors approved Antoine Lissowski's appointment as Chief Executive Officer of CNP Assurances.

Conclusion of a binding framework agreement with Caixa Seguridade

On 30 August 2018, CNP Assurances announced the conclusion of a binding framework agreement providing for the establishment of a new long-term exclusive distribution agreement until 13 February 2041 in Brazil in the network of Caixa Econômica Federal (CEF), one of the leading Brazilian banks and one of the five largest in Latin America.

This new agreement builds on the successful track-record of CNP Assurances and CEF's partnership since 2001, through their Caixa Seguros Holding (CSH) joint venture, which demonstrated an ability to combine strong growth, high profitability and regular cash flow generation.

The new exclusivity perimeter in CEF's network concern life insurance, consumer credit life insurance and private pension plans. In line with the terms of the non-binding Memorandum of Understanding signed at the end of September 2017, the new distribution agreement will be implemented through a newly formed insurance joint venture between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations, with CNP Assurances and Caixa Seguridade owning respectively 51% and 49% of the voting rights and 40% and 60% of the economic rights.

On the closing date, CSH will transfer to the new joint venture the In-Force insurance portfolios for the products included in the scope of the agreement (life insurance, consumer credit life insurance and private pension plans).

The closing of the transaction is subject to a number of condition precedents, including in particular its approval by the relevant regulatory and competition authorities.

€500 million perpetual subordinated notes issue

On 20 June 2018, CNP Assurances finalised a €500 million issue of undated subordinated notes with a first call date of 27 June 2028. The issue is classified as equity under IFRS. The bonds pay a 4.75% fixed rate of interest over the first 10 years and the coupon will subsequently be adjusted every five years in line with future benchmark interest rates. Payment of the coupon is discretionary. The notes feature a principal write-down mechanism together with mandatory interest cancellation in the event of non-compliance with solvency requirements, in accordance with the Solvency II directive.

The issue proceeds will be eligible for inclusion in Solvency II Restricted Tier 1 regulatory capital. The notes have been rated BBB- by Standard & Poor's and Baa3 by Moody's.

NOTE 2
Subsequent events

No significant changes occurred after the financial year-end.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2018 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 20 February 2019.

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 2018.

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

3.1.1 New accounting standards adopted since 1 January 2018

3.1.1.1 IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was published on 28 May 2014 and is applicable for accounting periods beginning on or after 1 January 2018, following adoption by the European Union on 22 September 2016. This standard provides a single model to be applied to all contracts with customers. It replaces the standards previously 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 amendments clarifying IFRS 15 published on 12 April 2016 were adopted by the European Union on 31 October 2017 and are also applicable for accounting periods beginning on or after 1 January 2018. The amendments to the standard, which was published in 2014, do not alter the underlying principles but simply clarify the way in which they should be applied. Amendments to the body of the standard are limited. Most of the changes concern the Basis for Conclusions and Illustrative Examples.

These amendments are applicable retrospectively in accordance with IAS 8, as if they had formed an integral part of IFRS 15 on the date of first-time adoption.

The Group has reviewed its activities falling within the scope of IFRS 15. Revenue recognised under IAS 18 represented 0.29% of consolidated premium income in 2017, and 0.26% in 2018.

Further to the review of the main sources of revenue subject to recognition under IFRS 15, the Group has determined that its accounting policies do not require adjustment.

3.1.1.2 Annual improvements and amendments

Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions, IFRIC 22 – Foreign Currency Transactions and Advance Consideration, and IAS 40 – Transfers of Investment Property were adopted by the European Union during the first quarter of 2018 and are applicable for accounting periods beginning on or after 1 January 2018. They do not have a material impact on the Group's consolidated financial statements.

IFRS annual improvements, 2014-2016 cycle: the amendments were adopted by the European Union on 8 February 2018 and are applicable for accounting periods beginning on or after 1 January 2018. The annual improvements do not have a material impact on the Group's consolidated financial statements.

3.1.2 Application of IFRS 9 deferred to 1 January 2021 (IFRS 4 amendment)

The final version of IFRS 9 – Financial Instruments was published on 24 July 2014 and was adopted by the European Union on 22 November 2016. It is effective for accounting periods beginning on or after 1 January 2018.

However, the Group has elected to apply the option of deferring application until 1 January 2021 (see below).

This standard, which replaces IAS 39 – Financial Instruments, sets out accounting principles and disclosure requirements for financial assets and liabilities.

The final version of IFRS 9 consolidates the three core phases, i.e., classification and measurement, impairment and hedge accounting.

3.1.2.1 Main provisions of IFRS 9

3.1.2.1.1 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).

As far as debt instruments are concerned, 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;
- 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 hold the financial asset to collect the contractual cash flows. If this is the case, the financial asset is measured at amortised cost;
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If so, the financial asset must be measured at FVTOCI.

All other financial assets must be measured at fair value through profit or loss (FVTPL). An entity may designate a financial asset as measured at FVTPL 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.

3.1.2.1.2 Impairment

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

Under the new model, assets move through three stages:

- at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument;
- stage 2: if there has been a significant increase in credit risk since initial recognition, lifetime expected credit losses are recognised, and interest income is still calculated on the gross carrying amount of the asset;
- stage 3: if a credit event affects the issuer, lifetime expected credit losses are recognised and interest income is calculated on the net carrying amount.

3.1.2.1.3 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% to 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.

On 12 October 2017, the IASB published amendments to IFRS 9 – Prepayment Features with Negative Compensation. They were adopted by the European Union on 22 March 2018.

3.1.2.2 IFRS 9 transition arrangements under the deferral approach

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. However, the Group has deferred application until 2021 as its activities are predominantly related to insurance.

The publication on 12 September 2016 by the IASB of an amendment to IFRS 4 – Insurance Contracts stipulates how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. This amendment, which was adopted by the European Commission on 3 November 2017, was issued in response to the need to align first-time adoption of IFRS 9 with that of the new insurance standard (IFRS 17) and provides an option to defer adoption of IFRS 9 for a period of three years until 1 January 2021 (the "deferral approach").

Deferral of application is granted to companies whose activities are predominantly related to insurance so that IFRS 9 be implemented concomitantly with the new IFRS Insurance Contracts standard.

The IASB has also introduced an option to simplify application for Groups applying IFRS 9 by allowing associates and joint ventures accounted for using the equity method to continue to prepare their consolidation packages in accordance with IAS 39 if they are not required to adopt IFRS 9 in their separate financial statements. Application of this option by CNP Assurances enables the Group to continue accounting for financial assets in accordance with IAS 39 until 2021.

CNP Assurances fulfils the eligibility criteria for adopting the deferral approach:

- first, as of 31 December 2015, its insurance business represented more than the 90% threshold for applying this approach;
- second, it is accounted for using the equity method in the consolidated financial statements of its three main shareholders which are financial institutions and which apply IFRS 9 as from 2018. As a result, it will not be required to prepare its consolidation package in accordance with IFRS 9;
- the amendment to IFRS 4 requires additional disclosures in the notes during the transition period (2018-2021), concerning the classification of assets and the reporting entity's exposure to credit risk on assets meeting the criteria in IFRS 9 (assets for which the contractual cash flows consist solely of payments of principal and interest).

These additional disclosures are presented in Note 8.11, in accordance with the IFRS 9 transitional arrangements concerning annual financial statements.

3.1.2.3 Estimated impact for CNP Assurances of applying IFRS 9

The Group is currently reviewing the basis of application and the potential impact of the new standard. The information presented below corresponds to overall qualitative estimates of the impact of applying IFRS 9 as it currently stands.

However, confirmation of these estimates will depend on:

- the ongoing examination and interpretation of the final version of IFRS 17 – Insurance Contracts published on 18 May 2017, which will replace IFRS 4, and its interaction with IFRS 9;
- the adoption of IFRS 17 by the European Commission.

The definitive impact of these reclassifications on the net income will depend on the options for implementing IFRS 17. Thus, a precise valuation remains uncertain.

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

3.1.3.1 IFRS 16 – Leases

IFRS 16 – Leases was published on 13 January 2016 and adopted by the European Union on 31 October 2017; it is applicable for accounting periods beginning on or after 1 January 2019. It replaces IAS 17 – Leases and the related interpretations (IFRIC 4, SIC 15 and SIC 27). The principal aims of the new standard are to present the assets and liabilities of lessors and lessees more fairly, provide more transparent information, and improve the comparability of financial information presented by entities that lease assets and those that borrow funds to acquire assets outright. The main changes compared to IAS 17 are as follows:

- all leases will be recognised in the lessees' balance sheet, providing better visibility of their assets and liabilities;
- IFRS 16 introduces a single lease accounting model for lessees, in which all leases are treated as finance leases;

- lessees may elect not to apply IFRS 16 to short-term leases and leases for which the underlying asset is of low value (such as laptops);
- a new definition of leases: *"A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration"*;
- the accounting treatment of service contracts is not modified by IFRS 16. However, the standard provides guidance on separating the "service" component of a complex contract from the "lease" component.

The Group's analyses have shown that the impact of applying IFRS 16 will not be material because of its limited use of leasing solutions.

3.1.3.2 IFRIC 23 – Uncertainty over Income Tax Treatments

On 7 June 2017, the IASB published IFRIC 23 – Uncertainty over Income Tax Treatments. This interpretation was adopted by the European Union on 23 October 2018; it is applicable for accounting periods beginning on or after 1 January 2019.

3.1.3.3 Amendments to IAS 28 – Long-term interests in associates and joint ventures

The amendments to IAS 28 published on 12 October 2017 were adopted by the European Union on 8 February 2019 and are applicable for accounting periods beginning on or after 1 January 2019.

3.1.4 Main standards and interpretations published but not yet approved by the European Union

3.1.4.1 IFRS 17 – Insurance contracts

IFRS 17 – Insurance Contracts was published on 18 May 2017, representing the culmination of many years' work by the IASB. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2021 (with comparative information for 2020 to be presented on the same basis).

On 14 November 2018, the IASB proposed a one-year deferral of the standard's effective date so that certain concerns could be addressed. A public consultation on the proposed amendments will take place in 2019 before any changes are confirmed.

IFRS 17 will apply to:

- written insurance and reinsurance contracts;
- all reinsurance contracts giving rise to a significant insurance risk;
- investment contracts with a discretionary participation feature.

The new standard requires the insurance component of each contract to be recognised separately from the other components, such as:

- certain embedded derivatives;
- separate investment components;
- other performance obligations, for example a promise to transfer non-insurance goods or services.

These components will be recognised and measured separately in accordance with the standard that would apply to them if they were separate contracts.

When an insurance or reinsurance contract is written, the liability will be measured according to the Building Block Approach (BBA), based on the following blocks:

- discounted present value of future cash flows that relate directly to the fulfilment of the contractual obligations (fulfilment cash flows);
- a risk margin reflecting the uncertainty about the amount and timing of these cash flows;
- a contractual service margin (CSM).

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. It is included in deferred revenue on the liabilities side of the balance sheet and recognised in income as the services are provided. If the group of insurance contracts is expected to generate a loss, rather than recording a negative CSM the expected loss is recognised immediately in profit or loss when the contracts are written.

A second model – the Variable Fee Approach (VFA) – is applicable to insurance contracts with direct participation features that contain the following conditions:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value of returns from the underlying items;
- a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

In addition to the General Model (BBA), IFRS 17 also includes an optional simplified measurement approach – the Premium Allocation Approach (PAA) – which may be applied to:

- all insurance contracts other than those with direct participation features provided that the PPA produces a measurement of the liability that would not be materially different from that produced applying the BBA;
- contracts with a short duration (coverage period of one year or less).

For the purpose of applying the PPA, the initial liability corresponds to the premiums received at initial recognition and no CSM is calculated. Acquisition costs may be deferred in assets or recognised as an expense.

Under IFRS 17, insurance liabilities will be measured at a more granular level. Specifically, they will be divided into portfolios, as follows:

- each portfolio will comprise contracts subject to similar risks that are managed together. A portfolio will not contain contracts written more than one year apart;
- each portfolio will be divided into three accounting groups when the contracts are initially recognised, for the calculation and tracking of the contractual service margin (CSM). The groups are as follows:
  - contracts that are onerous at initial recognition,
  - contracts that at initial recognition have no significant possibility of becoming onerous,
  - other contracts.

Application of IFRS 17 will have a significant impact on the Group's consolidated financial statements:

- it will modify the presentation of the balance sheet and the notes;
- the consolidated income statement will be renamed the statement of financial performance and will comprise two key indicators:
  - insurance service result, corresponding to insurance revenue less amortisation of the CSM and the risk adjustment, the experience adjustment (difference between expected claims and expenses and paid claims and expenses) and expenses on onerous contracts,
  - insurance finance income or expenses;
- it will also lead to a major reorganisation of management processes, including statutory accounting, account closing, management accounting and internal and external reporting systems;
- actuarial modelling tools are also expected to be affected;
- in addition, the internal organisation of accounting processes will need to be adjusted, with the introduction of new measurement, consolidation and reporting processes.

The effects of applying IFRS 17 are currently being analysed by the Group. IFRS 9 – Financial Assets replaces IAS 39 as from the same dates and the effects of applying these two new standards are being analysed jointly.

IFRS 17 is in the process of being adopted by the European Union. The Group is contributing actively to the review of its implications by the accounting and insurance authorities in France and the European Union.

3.1.4.2 Amendments to the following standards

The amendments to IAS 19 published on 7 February 2018 and those resulting from the 2015-2017 IFRS annual improvements cycle (published on 12 December 2017) have not yet been adopted by the European Union. The IASB currently expects these amendments to be applicable for accounting periods beginning on or after 1 January 2019.

Other amendments are due to be applicable as from 1 January 2020. These include amendments to References to the Conceptual Framework in IFRS Standards (published on 29 March 2018), to IFRS 3 (published on 22 October 2018) and to IAS 1 and IAS 8 (published on 30 October 2018).

The Group is currently studying the potential impact of the amendments not applicable from 1 January 2018.

3.1.5 Application of IAS 29

Argentina has been qualified as a hyperinflationary economy since 1 July 2018.

As a result, IAS 29 – Financial Reporting in Hyperinflationary Economies requires the financial statements of entities whose functional currency is the Argentine peso to be restated.

CNP Assurances has two subsidiaries in Argentina, CNP Assurances Compañia de Seguros et CNP SA de Capitalización, whose functional currency is the Argentine peso.

The analysis of the impacts related to the application of this standard enables the Group to ensure that its accounting policies do not need to be modified.

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 2017 and the related Statutory Auditors' report, as presented on pages 112 to 224, and pages 225 to 229, respectively, of the Registration Document filed with the AMF on 29 March 2018;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2016 and the related Statutory Auditors' report, as presented on pages 66 to 171, and pages 172 to 173, respectively, of the Registration Document filed with the AMF on 6 April 2017.

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) 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, which are measured using the fair value model.

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, 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 that 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 effects 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.

SCOPE OF CONSOLIDATION

NOTE 4
Scope of consolidation

4.1 Scope of consolidation and associated companies

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 does not merely result 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.

Non-controlling interests represent the interests of minority shareholders 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 jointly-controlled entity 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 using 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 using 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.

This exemption provided for in paragraph 18 of IAS 28 is used on a case-by-case basis when the value of an investment in a company over which the Group exercises significant influence is determined on the basis of participatory contracts (see Note 9.2).

4.2 Business combinations and other changes in the 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, unless they concern errors whose correction leads to an adjustment of the purchase price allocation.

4.3 Intragroup transactions

All transactions and balances between fully consolidated companies and all intragroup income and expenses are eliminated in full. Losses resulting from the impairment of an asset transferred in an intragroup transaction are not eliminated.

4.4 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.

4.5 Consolidated companies and percentage of voting rights at 31 December

				31.12.2018		31.12.2017	
Company	Consolidation method	Country/City	Business	% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Caution	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Arial CNP Assurances	Equity method	France/ Mons-en-Barœul	Insurance	40.00%	40.00%	40.00%	40.00%
MFPrévoyance SA	Full	France/Paris	Insurance	51.00%	65.00%	51.00%	65.00%
Assuristance [1]	Equity method	France/Paris	Insurance	66.00%	66.00%	-	-
Filassistance International [1]	Equity method	France/Paris	Insurance	66.00%	66.00%	-	-
CNP Assurances Compañía de Seguros	Full	Argentina/ Buenos Aires	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/ fines determinados	Full	Argentina/ Buenos Aires	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil/Brasilia	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil/Brasilia	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Vida e Previdência	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%

Company	Conso-lidation method	Country/City	Business	31.12.2018 % rights	31.12.2018 % interest	31.12.2017 % rights	31.12.2017 % interest
Caixa Consórcios	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil/Porto Alegre	Insurance	100.00%	51.75%	100.00%	51.75%
Wiz Soluçoes e Corretagem de Seguros SA	Equity method	Brazil/Brasilia	Brokerage	25.00%	12.94%	25.00%	12.94%
Odonto Empresas Convenios Dentarios Ltda	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Holding Caixa Seguros Participações em Saude Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
CNP UniCredit Vita	Full	Italy/Milan	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Partners (formerly Vida de Seguros y Reaseguros)	Full	Spain/Madrid	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Partners Solutions	Full	Spain/Madrid	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Cyprus Insurance Holdings	Full	Cyprus/Nicosia	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Cyprus Properties [(2)]	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%		
CNP Cyprus Tower Ltd	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Zois	Full	Greece/Athens	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Praktoriaki	Full	Greece/Athens	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Cyprialife	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Asfalistiki	Full	Cyprus/Nicosia	Insurance	100.00%	50.10%	100.00%	50.10%
CNP Luxembourg	Full	Luxembourg	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Santander Insurance Life Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%
CNP Santander Insurance Europe Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%
CNP Santander Insurance Services Ireland Ltd	Full	Ireland/Dublin	Insurance	100.00%	51.00%	100.00%	51.00%
CNP Europe Life	Full	Ireland/Dublin	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Assurances Participações Ltda	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	100.00%	100.00%
2. Mutual fund units							
Ecureuil Profil 30 [(3)]	Full	France	Mutual fund units	-	-	96.13%	96.13%
Univers CNP 1 FCP	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP ACP Oblig FCP	Equity method	France	Mutual fund units	54.00%	54.00%	49.74%	49.74%
Natixis Ionis	Full	France	Mutual fund units	98.51%	98.51%	100.00%	100.00%
CNP ACP 10 FCP	Equity method	France	Mutual fund units	43.14%	43.14%	49.82%	49.82%
LBAM Court Terme	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%

Company	Conso-lidation method	Country/City	Business	31.12.2018 % rights	31.12.2018 % interest	31.12.2017 % rights	31.12.2017 % interest
Ecureuil Profil 90	Full	France	Mutual fund units	56.64%	56.64%	56.66%	56.66%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	82.35%	82.35%	81.49%	81.49%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalização 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 and others							
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%
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%
Assurimmeuble	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	OPCI	100.00%	98.85%	99.50%	99.50%
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%
SAS Alleray	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI Raspail	Full	France	OPCI	100.00%	99.79%	100.00%	100.00%
Ecureuil Vie Développement	Equity method	France	Brokerage	49.00%	49.00%	49.00%	49.00%
Outlet Invest	Full	France	OPCI	100.00%	100.00%	99.95%	99.95%
Coentreprise de Transport d'Electricité [4]	FV	France	Energy	20.00%	20.00%	20.00%	20.00%
Holding d'Infrastructures Gazières [5]	Equity method	France	Energy	54.41%	54.41%	-	-

(1) Assuristance and Filassistance International, set up in partnership with Swiss Life, have been consolidated for the first time in 2018
(2) CNP Cyprus Properties, which was set up as the holding company for the investment in CNP Cyprus Tower Ltd, has been consolidated for the first time in 2018
(3) The Ecureuil Profil 30 fund has been removed from the scope of consolidation because it no longer fulfils the Group's materiality criteria
(4) The investment in Coentreprise de Transport d'Electricité (CTE) is mainly in representation of participatory contracts. For this reason, the Group has chosen to use the exemption from applying the equity method provided for in paragraph 18 of IAS 28 and to measure the CTE shares at fair value through profit or loss
(5) Holding Infrastructures Gazières has been consolidated since 30 June 2018 due to its material contribution to the consolidated financial statements

4.6 Non-consolidated companies

Company	Country/City	31.12.2018 % interest
1. Other subsidiaries		
107 Boétie Elysées	France/Paris	100.00%
23-25 Marignan SAS	France/Paris	100.00%
270 Investments	France/Paris	100.00%
36 Marboeuf SAS	France/Paris	100.00%
3i Growth Capital	United Kingdom/London	76.92%
85 RICHELIEU	France	100.00%
Age d'Or Expansion	France/Troyes	99.99%
Alpinvest Feeder VCV	Netherlands/Amsterdam	99.98%
Avenir Santé	France/Paris	100.00%
Azimut	France/Paris	71.04%
Bridgepoint Europe IV	United Kingdom/London	83.33%
Cartera Pbtamsi	Spain/Madrid	100.00%
CBPE VIII	United Kingdom/London	100.00%
Cleantech Europe II	United Kingdom/London	100.00%
CNP Formation	France/Paris	100.00%
CNP Private Equity for Personal Savings	France/Paris	100.00%
CNP Technologies de l'Information	France/Paris	99.80%
Cœur Méditerranée	France/Paris	70.00%
Das Goethe	France/Paris	100.00%
DIF Infrastructure II	Netherlands/Schiphol	53.33%
DIWISE	France	100.00%
Ecureuil Vie Investment	France/Paris	100.00%
Europe Properties Investments	France/Paris	100.00%
Filassistance Services	France/Paris	100.00%
Foncière HID	France/Paris	100.00%
FSN Capital IV (B) LP	Norway/Oslo	100.00%
GCK	France/Paris	80.00%
Geosud	France/Rueil Malmaison	98.00%
Green Quartz	France/Paris	99.90%
Immaucom	France/Paris	80.00%
INFRA VIA 4	France	100.00%
Infra-Invest	Luxembourg/Luxembourg	100.00%
Infra-Invest France	France/Paris	100.00%
Infrastructure Partners (MS)	France/Paris	64.94%
Ireland Property Investment Fund	Ireland/Dublin	100.00%
iSalud	Spain/Barcelona	58.40%
Kleber 46	France/Paris	100.00%

Company	Country/City	31.12.2018 % interest
Laiki Brokers (Insurance & Consultancy Services) Ltd	Cyprus/Nicosia	100.00%
Laiki Insurance Agencies Ltd	Cyprus/Nicosia	100.00%
LBPAM Infra 1	France/Paris	52.55%
LBPAM Infra 2	France/Paris	55.19%
LBPAM Montp Infra	France/Paris	100.00%
LBPAM Montp RE	France/Paris	100.00%
LCY Cavendish Place Properties Ltd	Cyprus/Nicosia	100.00%
LCYL Dramas Properties Limited	Cyprus/Nicosia	100.00%
LCYL Karpenisiou Properties Limited	Cyprus/Nicosia	100.00%
LCYL Kiti Properties Limited	Cyprus/Nicosia	100.00%
LCYL Properties Limited	Cyprus/Nicosia	100.00%
Lux Gare	France/Paris	100.00%
Lyfe	France/Paris	100.00%
MARFIN REAL ESTATE SRL	Romania	100.00%
Montagu IV	United Kingdom/London	100.00%
Montparvie 2	France	100.00%
Montparvie 4	France	100.00%
Montparvie 5	France	100.00%
Montper Entreprises Limited	Cyprus/Nicosia	100.00%
Natixis Montp	France/Paris	100.00%
Naturim	France/Levallois-Perret	100.00%
Neuilly Pilot	France/Paris	100.00%
New Side	France/Paris	100.00%
Open CNP	France/Paris	100.00%
Pantin Logistique	France/Paris	100.00%
Pays-Bas Retail 2013 BV	Netherlands/Amsterdam	100.00%
Pial 34	France/Paris	100.00%
Prévimut	France/Paris	100.00%
Schroders	France/Paris	100.00%
SMCA	France/Paris	50.00%
Sogestop K	France/Paris	100.00%
Stam Rei	France	99.95%
Theemin	France/Paris	100.00%
US Real Estate 270 SAS	France/Paris	100.00%
US Real Estate EVJ SAS	France/Paris	100.00%
Woodland Invest	France/Paris	100.00%
Ybry Pont de Neuilly	France/Paris	100.00%
Yellowalto	France/Courbevoie	100.00%
Youse Home	France	100.00%

Company	Country/City	31.12.2018 % interest
2. Property companies		
5-7 rue Scribe	France/Paris	100.00%
83 Avenue Bosquet	France/Paris	100.00%
A9B Paris	France/Paris	100.00%
Assurécureuil Pierre	France/Paris	99.99%
Assurécureuil Pierre 2	France/Paris	100.00%
Assurécureuil Pierre 5	France/Paris	100.00%
Assurécureuil Pierre 7	France/Paris	99.99%
Baudry Ponthieu	France/Paris	99.91%
Bercy Crystal	France/Paris	100.00%
Cicoge	France/Paris	100.00%
Cottages du Bois aux Daims	France/Paris	100.00%
Farmoric	France/Courbevoie	100.00%
Foncière Cnp	France/Paris	100.00%
Foncière ELBP	France/Paris	100.00%
FPIP	France/Paris	100.00%
GF de la forêt de Nan	France/Paris	100,00%
Habimmo	France/Paris	99.90%
Holdipierre	France/Paris	100.00%
Issy Desmoulins	France/Paris	100.00%
Issy Vivaldi	France/Paris	100.00%
Jesco	France/Levallois-Perret	55.00%
Lancosme	France/Vendoeuvres	80.00%
Lesly	France/Paris	100.00%
Ofelia	France/Paris	66.66%
OREA	France/Levallois-Perret	100.00%
Paris 08	France/Paris	100.00%
Passage du Faidherbe	France/Paris	100.00%
Pierre et Labruyère	France/Paris	100.00%
Pierre Quentin Bauchard	France/Paris	99.99%
Pyramides 1	France/Paris	100.00%
Residavoult	France/Paris	100.00%
Residential	France/Paris	100.00%
RSS IMMO	France/Paris	99.90%
Rue du Bac	France/Paris	50.01%
Rueil Newton	France/Paris	50.00%
SA Le Marquis	France/Paris	60.00%
Saphirimmo	France/Paris	100.00%
SAS Pyramides 2	France/Paris	100.00%
SCI Assurecureuil Pierre 8	France/Paris	100.00%

Company	Country/City	31.12.2018 % interest
SCI Canopée	France/Paris	99.98%
SCI De La Cnp	France/Paris	100.00%
SCI Éole Rambouillet	France/Paris	100.00%
SCI Equinox	France/Paris	99.99%
SCI Jasmin	France/Paris	99.95%
SCI Kureck	France/Paris	100.00%
SCI Max	France/Paris	100.00%
SCI Rueil Apollo	France/Paris	100.00%
Secrets et Boetie	France/Paris	100.00%
Silk Holding	France/Paris	100,00%
Sonne	France/Neuilly-sur-Seine	99.95%
Terre Neuve 4 Immo	France/Paris	100.00%
Victor Hugo 147	France/Paris	99.98%
Wagram 92	France/Paris	100.00%

French standard ANC 2016-09 requires details of controlled companies that are excluded from the scope of consolidation to be disclosed in the notes to the consolidated financial statements. The table above presents companies that are over 50%-owned by the Group but whose key indicators do not exceed the materiality thresholds for inclusion in the scope of consolidation. The materiality thresholds used by the Group are applied to companies that are over 50%-owned and to other companies that qualify as controlled entities based on the following criteria in IFRS 10: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. In addition, economic reality is taken into account when applying the thresholds, with the result that certain subsidiaries whose indicators are below the thresholds are nevertheless consolidated.

The list of non-consolidated companies and investments in which CNP Assurances holds a direct interest of more than 10% is presented in the Registration Document (in Note 5.4.4 to the annual financial statements).

4.7 Average number of employees of consolidated companies

(Headcount)	**31.12.2018**	31.12.2017
Management-grade	2,203	2,203
Non-management-grade	2,951	2,800
Total	**5,154**	**5,003**

The above headcount does not include the headcount of the companies consolidated by equity method.

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

(In € millions)	Caixa Seguros Group 2018	Caixa Seguros Group 2017	CNP UniCredit Vita 2018	CNP UniCredit Vita 2017	CNP Santander Insurance 2018	CNP Santander Insurance 2017	CNP Cyprus Insurance Holdings 2018	CNP Cyprus Insurance Holdings 2017	MFPrévoyance SA 2018	MFPrévoyance SA 2017
Earned premiums/Revenue	5,452.4	5,261.4	3,368.7	2,605.7	742.7	692.3	157.4	145.3	128.8	137.0
Net profit (100%)	**465.6**	**554.1**	**32.2**	**50.6**	**76.7**	**63.1**	**13.7**	**12.3**	**1.5**	**4.6**
Net profit – non-controlling interests	228.9	272.2	13.7	21.5	37.6	30.9	6.8	6.2	0.5	1.6
Other comprehensive income (100%)	(2.2)	(8.1)	14.7	38.1	(1.7)	6.7	(1.3)	6.6	8.3	13.2
Comprehensive income (100%)	**463.4**	**546.0**	**46.9**	**88.7**	**74.9**	**69.8**	**12.4**	**18.9**	**9.7**	**17.8**
Comprehensive income – non-controlling interests	227.7	268.4	19.9	37.7	36.7	34.2	6.2	9.5	3.4	6.2
Assets	18,683.9	17,400.4	14,830.4	14,389.9	2,328.2	2,259.6	705.6	700.6	658.9	674.0
Liabilities	16,843.8	15,478.4	13,981.4	13,524.7	1,951.0	1,950.6	492.5	482.5	438.6	450.1
Net assets (100%)	**1,840.1**	**1,922.0**	**849.0**	**865.1**	**377.2**	**308.9**	**213.1**	**218.1**	**220.4**	**223.8**
Net assets – non-controlling interests	904.8	953.1	360.8	367.7	184.8	151.4	106.4	108.8	77.1	78.3
Net cash provided by (used by) operating activities	2,837.9	2,664.5	1,090.2	280.8	207.0	144.0	24.7	8.2	(9.5)	(33.2)
Net cash provided by (used by) investing activities	(2,464.6)	(2,284.9)	(1,083.2)	(211.1)	(186.2)	(117.8)	(20.6)	7.0	19.0	(0.2)
Net cash provided by (used by) financing activities	(430.8)	(360.1)	(26.0)	(26.0)	0.0	0.0	(1.1)	(17.9)	(13.1)	0.0
Dividends paid to non-controlling interests	(33.1)	(15.7)	(10.6)	(10.6)	0.0	0.0	(5.4)	(0.8)	0.0	0.0

4.9 Summary financial information: material joint arrangements

4.9.1 Significant partnerships

At 31 December 2018, the Group has two material partnerships: Arial CNP Assurances and Holding d'Infrastructures Gazières.

CNP Assurances also holds 40% of the capital of Arial CNP Assurances (ACA) and controls this company jointly with AG2R-La Mondiale.

ACA's corporate purpose is the design, distribution and management of collective supplementary employee retirement savings plans and employee benefit plans.

The investment in ACA is accounted for using the equity method in CNP Assurances' consolidated financial statements.

The Group also holds 54.41% of the capital of Holding d'Infrastructures Gazières (HIG), which is controlled jointly with Caisse des Dépôts. Société d'Infrastructures Gazières (SIG), a wholly-owned subsidiary of HIG, holds 25% of the capital of GRTgaz, a company specialised in transporting natural gas.

The investment in HIG is accounted for using the equity method in CNP Assurances' consolidated financial statements.

Financial information for ACA and HIG is provided in Note 4.11.1.

4.9.2 Significant associates

At 31 December 2018, the Group owns one significant associate: Coentreprise de Transport d'Electricité (CTE).

CNP Assurances holds a 20% interest in CTE, which has a 100% equity interest in Réseau de Transport d'Electricité (RTE). CNP Assurances exercises significant influence over RTE. However, as the investment in Coentreprise de Transport d'Electricité (CTE) is mainly in representation of participatory contracts, the Group has chosen to use the exemption from applying the equity method provided for in paragraph 18 of IAS 28 and to measure the CTE shares at fair value through profit or loss.

The fair value of the CTE shares at 31 December 2018 was updated by an independent expert and the value of the shares held by CNP Assurances amounts to €1,144 million.

(In € millions)	31.12.2017 Total assets	Equity	Premium income	Profit/(Loss)
Coentreprise de Transport d'Electricité (CTE)	8,385.0	5,440.4	0.0	203.2

The above data are extracted from the French GAAP accounts and concern 2017 as the 2018 financial statements were not yet available when these consolidated financial statements were drawn up. The amounts are presented before participation allocation.

4.10 Summary financial information: non-material joint arrangements

	Partnerships		Associates	
(In € millions)	**2018**	2017	**2018**	2017
Carrying amount of investments accounted for using the equity method in CNP Assurances' balance sheet	45.8	21.2	0.0	0.0
Contribution to CNP Assurances' net profit	19.6	6.0	0.0	0.0
Contribution to CNP Assurances' other comprehensive income	0.9	0.5	0.0	0.0
Contribution to CNP Assurances' comprehensive income	**20.5**	**6.5**	**0.0**	**0.0**

During 2018, joint arrangements classified as associates in 2017 were reclassified and Arial CNP Assurances was reclassified as a material joint arrangement (see Note 4.9).

The Group's non-material joint arrangements are Assuristance, Ecureuil Vie Développement, Filassistance International and Wiz Soluçoes e Corretagem de Seguros S.A.

4.11 Information relating to entities accounted for using the equity method

4.11.1 Summary financial information on a 100% basis

	31.12.2018			
(In € millions)	**Total assets**	**Equity**	**Premium income**	**Profit/(Loss)**
Arial CNP Assurances	19,978.9	112.4	973.0	2.1
Assuristance	22.0	21.4	0.0	0.0
Ecureuil Vie Développement	15.2	0.3	0.0	0.0
Filassistance International	61.0	26.4	46.5	4.7
Holding d'Infrastructures Gazières	1,377.1	783.3	0.0	73.7
Wiz Soluçoes e Corretagem de Seguros SA	125.8	57.1	126.7	37.3
CNP ACP OBLIG FCP	1,012.2	1,012.2	0.0	0.0
CNP ACP 10 FCP *	953.7	953.7	0.0	0.0

* Data for CNP ACP 10 FCP correspond to final data at 31 December 2017

	31.12.2017			
(In € millions)	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances *	19,951.3	111.8	1,013.5	2.4
Ecureuil Vie Développement	13.8	0.3	0.0	0.0
Wiz Soluçoes e Corretagem de Seguros SA.	151.6	42.7	139.5	42.0
CNP ACP OBLIG FCP	984.8	984.8	0.0	0.0
CNP ACP 10 FCP	953.7	953.7	0.0	0.0

* Data for Arial CNP Assurances are provisional figures

4.11.2 Investments accounted for using the equity method

(In € millions)	**31.12.2018**	31.12.2017
At 1 January	**65.9**	**67.4**
Increase in investment	0.0	0.0
Change in accounting method	0.0	0.0
Newly-consolidated companies *	393.7	0.0
Increase in capital	0.0	0.0
Share of profit of equity-accounted companies	128.9	7.3
Share in identifiable net assets	(3.6)	(4.1)
Other movements	0.0	0.0
Dividends received	(68.0)	(4.8)
At 31 December	**516.9**	**65.9**

* Holding d'Infrastructures Gazières, Assuristance and Filassistance International were included in the scope of consolidation for the first time in 2018

ANALYSIS OF THE MAIN COMPONENTS OF THE BALANCE SHEET

NOTE 5
Equity

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 5.5).

Capital management

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

At 31 December 2018, the insurance subsidiaries and the Group as a whole complied with these minimum Solvency Capital Requirements.

Compliance with these requirements is regularly monitored, primarily through the Own Risk and Solvency Assessments (ORSA) conducted at Group level and at the level of the insurance subsidiaries in accordance with Solvency II. This information and the solvency capital calculations are reported to France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR).

Treasury shares

The Group may acquire treasury shares via the liquidity contract set up for the purpose of stabilising the CNP Assurances share price or shares under employee share grant plans (see Note 13.3.2). Treasury shares are recorded as a deduction from equity in the IFRS accounts.

5.1 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,615,140	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	**537,187,880**	**78.24%**
Private investors	149,430,597	21.76%
of which: CNP Assurances (treasury shares) *	598,643	0.09%
TOTAL	**686,618,477**	**100.00%**

* The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the resolution submitted to the 2017 Annual General Meeting included in the 2016 Registration Document

5.2 Number of shares

	Ordinary shares	
Issued capital	**31.12.2018**	31.12.2017
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**

5.3 2018 dividends

The recommended 2018 dividend amounts to €0.89 per share, representing a total payout of €611.1 million.

The 2017 dividend approved by the Annual General Meeting amounted to €0.84 per share, representing a total payout of €576.8 million. It was paid in 2018.

5.4 Basic and diluted earnings per share

(In € millions)	**31.12.2018**	31.12.2017
Profit attributable to owners of the parent	1,366.7	1,284.5
Charge on deeply-subordinated notes, net of tax	(49.7)	(48.4)
Profit attributable to ordinary shares	**1,317.0**	**1,236.1**
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	(263,983.6)	(123,056.8)
Weighted average number of shares at end of reporting period	**686,354,493.4**	**686,495,420.3**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares *(in euros per share)*	**1.92**	**1.80**

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.

5.5 Undated subordinated notes reclassified in equity

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.

(In € millions)	Issuance date	31.12.2018 Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,881.3**
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	EUR	75.0
	May 2006	5.25% until 16 May 2036,then 3-month Euribor +185 bp (including 100 bp step-up at call date)	EUR	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	EUR	108.0
	October 2012	Redeemed	USD	0.0
	November 2014	4% until November 2024, then reset at the 5-year fixed swap rate +410 bp	EUR	493.6
	June 2018	4% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	EUR	496.0
TOTAL				**1,881.3**

(In € millions)	Issuance date	31.12.2017 Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,765.2**
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bp	EUR	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	EUR	108.0
	October 2012	7.5% until October 2018, then reset at the 6-year fixed swap rate +648.1 bp	USD	379.9
	November 2014	4% until November 2024 then reset at the 5-year fixed swap rate +410 bp	EUR	493.6
TOTAL				**1,765.2**

NOTE 6
Intangible assets

6.1 Intangible assets by category

	31.12.2018				
(In € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	646.9	0.0	(393.2)	0.0	253.7
Value of In-Force business	344.6	(167.0)	(158.8)	0.0	18.8
Distribution agreements	389.9	(79.5)	0.0	0.0	310.3
Software	444.7	(304.3)	0.0	0.0	140.5
Internally-developed software	209.3	(149.5)	0.0	0.0	59.9
Other software	235.4	(154.8)	0.0	0.0	80.6
Other	28.0	(15.6)	(3.6)	0.0	8.8
TOTAL	**1,854.2**	**(566.3)**	**(555.6)**	**0.0**	**732.2**

	31.12.2017				
(In € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	666.4	0.0	(393.2)	0.0	273.2
Value of In-Force business	352.8	(169.9)	(158.8)	0.0	24.1
Distribution agreements	390.2	(59.8)	0.0	0.0	330.4
Software	434.8	(272.1)	0.0	0.0	162.7
Internally-developed software	195.5	(132.3)	0.0	0.0	63.2
Other software	239.3	(139.8)	0.0	0.0	99.4
Other	27.2	(14.7)	(3.6)	0.0	8.8
TOTAL	**1,871.3**	**(516.6)**	**(555.6)**	**0.0**	**799.1**

6.2 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 method;
- included in investments accounted for using the equity method when it arises on the acquisition of an entity accounted for using 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. Projected future revenues are estimated by taking the embedded value of In-Force insurance policies and financial instruments, and the Value of 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 weighted average cost of capital. The terminal values of subsidiaries do not assume growth to infinity.

6.2.1 Goodwill by company

(In € millions)	Original goodwill	**Net goodwill at 31.12.2018**	Net goodwill at 31.12.2017
Caixa Seguros Group	389.9	164.6	184.1
CNP UniCredit Vita	366.5	0.0	0.0
CNP Partners	7.2	0.0	0.0
CNP Cyprus Insurance Holdings	81.6	34.8	34.8
CNP Santander Insurance	54.4	54.4	54.4
TOTAL	**899.6**	**253.7**	**273.2**

Caixa Seguros Group

At 31 December 2018, expected future cash flows were taken from the 2019-2020 business projections approved by management. These projections were prepared considering the current commission agreements with the CEF network. They were discounted to present value using an after-tax discount rate of approximately 7.8%.

At 31 December 2018 and 31 December 2017, the recoverable amount of Caixa Seguros goodwill was greater than its carrying amount. Accordingly, no impairment loss was recognised. In addition, a reasonable change in the discount rate applied to future cash flows would not have resulted in the recognition of any impairment loss.

Similarly, an analysis based on projected cash flows through to the end of the current distribution agreement (2021) would not result in an impairment loss being recognised and the same would apply in the case of a reasonable change in the discount rate or projected business volumes used for the test.

CNP Cyprus Insurance Holdings

At 31 December 2018, expected future cash flows were taken from the 2019-2028 business projections approved by management. These projections were extrapolated using a stable average new business growth rate (of around 2.7% for non-life business, 3% for individual life business and 2% for group life business) for the period between 2023 and 2028 (the final year of the current distribution agreement) and discounted to present value using a discount rate of approximately 8% for operations in Cyprus. The Greek subsidiary has not been valued since June 2013.

At 31 December 2018, the recoverable amount of CNP Cyprus Insurance Holdings goodwill was greater than its carrying amount. Accordingly, no impairment loss was recognised. In addition, a reasonable change in the discount rate applied to future cash flows or a significant reduction in projected business volumes in Greece and Cyprus would not have resulted in the recognition of any impairment loss.

CNP Santander Insurance

At 31 December 2018, expected future cash flows were taken from the 2019-2023 business projections approved by management. These projections were extrapolated using a new business growth rate of 11% for the period between 2024 and 2029 and discounted to present value using a discount rate of 5.1%.

At 31 December 2018, the recoverable amount of CNP Santander Insurance goodwill was greater than its carrying amount and no impairment loss was recognised.

The CNP Santander Insurance acquisition agreement includes an earn-out/earn-in clause based on the performance of the three entities included in the deal. During the purchase price allocation process, the earn-out was estimated based on the business projections available at the time. These projections were updated, leading to the recognition in the Group's accounts of an expense of €11.4 million in 2017 and €26.5 million in 2018 – covering the projection period ending in 2023.

6.2.2 Changes in goodwill for the period

(In € millions)	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**273.2**	**309.5**
Goodwill recognised during the period	0.0	0.0
Adjustments to provisional accounting	0.0	0.2
Translation adjustment on gross goodwill *	(19.5)	(29.1)
Other movements	0.0	(7.4)
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	0.0
Carrying amount at the end of the period	**253.7**	**273.2**

* Translation adjustments on gross goodwill concern the Brazilian companies Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda

6.3 Value of In-Force business and distribution agreements

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.

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.

6.3.1 Value of In-Force business

(In € millions)	Original value	Carrying amount at 31.12.2018	Carrying amount at at 31.12.2017
Caixa Seguros Group	123.5	2.7	3.7
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	3.9	6.0
CNP Seguros de Vida	0.9	0.0	0.0
CNP Cyprus Insurance Holdings	44.4	9.8	11.0
MFPrévoyance SA	8.3	0.0	0.0
CNP Santander Insurance	14.7	2.5	3.5
TOTAL	**391.0**	**18.8**	**24.1**

6.3.2 Changes in the value of In-Force business

(In € millions)	31.12.2018	31.12.2017
Gross amount at the beginning of the period	**352.8**	**355.4**
Newly-consolidated companies	0.0	0.0
Translation adjustments	(8.2)	(12.2)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	0.0	9.5
Non-current assets held for sale and discontinued operations	0.0	0.0
Gross amount at the end of the period	**344.6**	**352.8**
Accumulated amortisation and impairment at the beginning of the period	(328.7)	(333.3)
Translation adjustments	7.8	11.5
Amortisation for the period	(4.9)	(4.8)
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
Other movements	0.0	(2.1)
Non-current assets held for sale and discontinued operations	0.0	0.0
Accumulated amortisation and impairment at the end of the period	**(325.8)**	**(328.7)**
CARRYING AMOUNT AT THE END OF THE PERIOD	**18.8**	**24.1**

6.3.3 Distribution agreements

(In € millions)	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**330.4**	**350.9**
Acquisitions for the period	0.0	0.0
Amortisation for the period	(19.9)	(20.2)
Adjustments	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	(0.1)	(0.3)
Other movements	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**310.3**	**330.4**

6.4 Software and other intangible assets

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.

6.4.1 Internally-developed software

(In € millions)	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**63.2**	**75.9**
Acquisitions for the period	13.9	0.6
Amortisation for the period	(17.2)	(8.9)
Impairment losses	0.0	(5.5)
Translation adjustments	0.0	0.0
Other movements	0.0	1.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**59.9**	**63.2**

6.4.2 Other software and other intangible assets

(In € millions)	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**108.2**	**108.0**
Acquisitions for the period	32.0	33.5
Amortisation for the period	(20.1)	(20.1)
Impairment losses	(21.3)	0.0
Translation adjustments	(9.3)	(13.3)
Other movements	0.0	0.2
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**89.5**	**108.2**

NOTE 7

Owner-occupied property and other property and equipment

The Group has elected to measure owner-occupied property using the cost model, as allowed by IAS 16.

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 owner-occupied 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

In accordance with IAS 36, owner-occupied properties are tested for impairment at the level of the cash generating unit to which they belong and are therefore excluded from the scope of impairment tests on investment property.

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.

Owner-occupied property *(In € millions)*	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**250.3**	**265.3**
Acquisitions	7.4	3.8
Post-acquisition costs included in the carrying amount of property	0.4	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	0.0	(3.1)
Depreciation for the period	(7.4)	(7.7)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.6	0.0
Translation adjustments	(5.2)	(8.0)
Other movements	17.4	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**263.4**	**250.3**

Other property and equipment *(In € millions)*	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**41.2**	**44.0**
Acquisitions for the period	22.5	14.9
Depreciation for the period	(9.6)	(13.8)
Disposals for the period	(5.0)	(1.9)
Translation adjustments	(1.4)	(1.9)
Other movements	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**47.6**	**41.2**

NOTE 8
Insurance investments

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 9.2) 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 9.2) 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.

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for using the equity method (in accordance with IAS 28). The level of control of mutual funds is assessed separately for each fund based on the following criteria:

- the relationship between the principal and the agent;
- the Group's power over the fund manager;
- the Group's exposure to variable returns, as assessed by applying a specific threshold.

Non-controlling interests in fully consolidated mutual funds are reported on a separate line of the consolidated balance sheet, "Liabilities towards holders of units in controlled mutual funds". Units in mutual funds are measured using the fund's most recently published net asset value. The underlying financial assets are reported in the consolidated balance sheet under "Insurance investments" based on their contribution to the fund's net asset value.

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 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 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 impairment loss is reversed in profit or loss.

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 non-consolidated structured entities are disclosed in Note 8.2.4 of the annual financial statements, in compliance with paragraph 26 of IFRS 12 ("*An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.*")

8.1 Investment 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 property using the cost model (see Note 7 for details), as allowed by IAS 40, 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 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.

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.

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 amounts 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 transaction 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.

Carrying amount of investment property *(In € millions)*	**31.12.2018**	31.12.2017
Investment property measured by the cost model		
Gross value	1,295.7	1,341.0
Accumulated depreciation	(261.8)	(256.0)
Accumulated impairment losses	(4.1)	(2.2)
Carrying amount	**1,029.8**	**1,082.7**
Investment property measured by the fair value model		
Gross value	1,510.2	1,485.4
TOTAL INVESTMENT PROPERTY	**2,540.0**	**2,568.1**

Investment property at amortised cost *(In € millions)*	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	1,082.7	1,805.4
Acquisitions	14.1	74.0
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	178.1
Disposals	(25.5)	(320.7)
Depreciation for the period	(24.5)	(36.5)
Impairment losses recognised during the period	(0.9)	(0.5)
Impairment losses reversed during the period	1.8	1.5
Translation adjustments	(0.9)	(1.4)
Other movements	(17.1)	(617.1)
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,029.8**	**1,082.7**

Investment property measured by the fair value model *(In € millions)*	31.12.2018	31.12.2017
Carrying amount at the beginning of the period	**1,485.4**	**1,121.1**
Acquisitions	93.6	377.3
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(49.9)	0.0
Net gains arising from remeasurement at fair value	(15.9)	(9.7)
Translation adjustments	(2.8)	(3.3)
Other movements	(0.2)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,510.2**	**1,485.4**

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 Investments by category

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

8.2.1 Investments at 31 December 2018

(In € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					11,951.4	
	Variable-rate bonds					20,824.4	
	TCNs (money market securities)					443.7	
	Equities					4,492.0	
	Investment funds					39,920.0	
	Shares in non-trading property companies					1,206.2	
	Other (including lent securities and repos)					2,765.2	
	Total					**81,602.9**	
Derivative instruments	Derivative instruments (positive fair value)					1,287.6	
	Derivative instruments (negative fair value)					(1,193.3)	
	Total					**94.4**	
Available-for-sale financial assets	Fixed-rate bonds	157,488.1	2,485.8	(0.5)	11,712.6	171,685.9	
	Variable-rate bonds	20,770.8	731.6	(25.6)	1,709.7	23,186.4	
	TCNs (money market securities)	2,808.8	0.0	0.0	(0.3)	2,808.4	
	Equities	13,730.8	0.0	(3,223.0)	4,893.1	15,400.9	
	Investment funds	45,378.4	0.0	(412.8)	2,189.2	47,154.7	
	Shares in non-trading property companies	7,042.1	0.0	(234.1)	2,686.1	9,494.1	
	Non-voting loan stock	42.3	0.0	(5.1)	24.1	61.3	
	Other (including lent securities and repos)	18,425.6	(367.7)	(1.0)	1,494.0	19,550.9	
	Total	**265,686.8**	**2,849.7**	**(3,902.1)**	**24,708.4**	**289,342.7**	
Held-to-maturity investments	Fixed-rate bonds	94.0				94.0	4.5
	Variable-rate bonds	176.2				176.2	27.9
	Other (including lent securities and repos)	126.1				126.1	4.5
	Total	**396.3**				**396.3**	**36.9**
Loans and receivables	Loans and receivables	4,908.4		(17.1)		4,891.3	0.0
	Total	**4,908.4**		**(17.1)**		**4,891.3**	**0.0**
Investment property	Investment property at amortised cost	1,295.7	(261.8)	(4.1)		1,029.8	907.7
	Investment property measured by the fair value model	1,510.2				1,510.2	
	Total	**2,806.0**	**(261.8)**	**(4.1)**		**2,540.0**	**907.7**
TOTAL				**(3,923.4)**	**24,708.4**	**378,867.7**	**944.6**

TRADITIONAL SAVINGS AND UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2018

	Carrying amount		
(In € millions)	**Unit-linked**	**Traditional savings**	Total
Fixed-rate bonds	6,850.5	5,100.9	11,951.4
Variable-rate bonds	12,502.2	8,322.2	20,824.4
TCNs (money market securities)	42.9	400.8	443.7
Equities	643.8	3,848.3	4,492.0
Investment funds	31,884.3	8,035.7	39,920.0
Shares in non-trading property companies	1,206.2	0.0	1,206.2
Other	1,613.8	1,151.4	2,765.2
TOTAL	**54,743.7**	**26,859.3**	**81,602.9**

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

8.2.2 Investments at 31 December 2017

(In € millions)		Cost	Amor-tisation	Impair-ment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					12,805.8	
	Variable-rate bonds					19,481.5	
	TCNs (money market securities)					161.6	
	Equities					5,265.3	
	Investment funds					41,059.1	
	Shares in non-trading property companies					1,173.5	
	Other (including lent securities and repos)					1,775.0	
	Total					**81,721.8**	
Derivative instruments	Derivative instruments (positive fair value)					797.5	
	Derivative instruments (negative fair value)					(1,110.1)	
	Total					**(312.5)**	
Available-for-sale financial assets	Fixed-rate bonds	154,282.2	2,347.6	(0.5)	14,819.9	171,449.1	
	Variable-rate bonds	23,188.1	614.0	(40.4)	2,400.0	26,161.7	
	TCNs (money market securities)	2,012.3	0.0	0.0	(2.4)	2,009.9	
	Equities	15,076.0	0.0	(4,281.0)	8,518.4	19,313.4	
	Investment funds	46,537.9	0.0	(294.6)	4,065.9	50,309.2	
	Shares in non-trading property companies	6,544.3	0.0	(306.1)	2,131.6	8,369.8	
	Non-voting loan stock	42.3	0.0	(4.0)	25.8	64.1	
	Other (including lent securities and repos)	16,936.9	(392.8)	(106.2)	2,366.3	18,804.2	
	Total	**264,620.0**	**2,568.7**	**(5,032.8)**	**34,325.5**	**296,481.3**	
Held-to-maturity investments	Fixed-rate bonds	158.2				158.2	9.8
	Variable-rate bonds	218.7				218.7	27.5
	Other (including lent securities and repos)	171.8				171.8	8.9
	Total	**548.7**				**548.7**	**46.2**

(In € millions)		Cost	Amor-tisation	Impair-ment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Loans and receivables	Loans and receivables	4,987.7		(17.1)		4,970.5	0.0
	Total	**4,987.7**		**(17.1)**		**4,970.5**	**0.0**
Investment property	Investment property at amortised cost	1,341.0	(256.0)	(2.2)		1,082.7	909.8
	Investment property measured by the fair value model	1,485.4	0.0	0.0		1,485.4	0.0
	Total	**2,826.4**	**(256.0)**	**(2.2)**		**2,568.1**	**909.8**
TOTAL				**(5,052.2)**	**34,325.5**	**385,977.9**	**956.0**

TRADITIONAL SAVINGS AND UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2017

	Carrying amount		
(In € millions)	Unit-linked	Traditional savings	Total
Fixed-rate bonds	6,546.9	6,258.9	12,805.8
Variable-rate bonds	10,770.4	8,711.1	19,481.5
TCNs (money market securities)	45.5	116.1	161.6
Equities	415.6	4,849.7	5,265.3
Investment funds	32,283.5	8,775.6	41,059.1
Shares in non-trading property companies	0.0	1,173.5	1,173.5
Other	1,610.4	164.6	1,775.0
TOTAL	**51,672.3**	**30,049.5**	**81,721.8**

8.2.3 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 8.2.1 and 8.2.2

(In € millions)	**31.12.2018**	31.12.2017
Analysis of investments	378,867.7	385,978.0
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,193.3)	(1,110.1)
Balance sheet – Assets – Insurance investments	380,061.0	387,088.0
VARIANCE	**0.0**	**0.0**

8.2.4 Non-consolidated structured entities

8.2.4.1 Non-consolidated structured entities at 31 December 2018

(In € millions)	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (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	14,110.8	82.7	390.2	4.5		
Financial assets designated on initial recognition as being at fair value through profit or loss	12.5	(1.9)	4.1	(0.1)	29,056.8	(2,208.9)
Available-for-sale financial assets *	45,232.6	816.5	3,977.4	49.0		
Held-to-maturity investments						
TOTAL ASSETS	**59,355.9**	**897.3**	**4,371.7**	**53.3**	**29,056.8**	**(2,208.9)**

* Unlisted debt funds are included in "Securitisation vehicles and asset-backed financing (excluding unit-linked supports)" for an amount of €3,689.4 million as of 31 December 2018

8.2.4.2 Non-consolidated structured entities at 31 December 2017

(In € millions)	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (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	15,459.0	312.8	430.7	8.6		
Financial assets designated on initial recognition as being at fair value through profit or loss	19.6	1.8	4.0	0.2	28,424.2	1,339.4
Available-for-sale financial assets	50,310.7	939.2	287.8	24.4		
Held-to-maturity investments						
TOTAL ASSETS	**65,789.3**	**1,253.8**	**722.5**	**33.3**	**28,424.2**	**1,339.4**

8.3 Measurement of assets recognised 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 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 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.

The prices established by the counterparties are obtained in principle every month, in particular following the signature of a liquidity letter. The valuations communicated by the counterparties correspond to an economic value of the securities.

The CNP Assurances Group verifies the reliability of these data from an evaluation whenever possible (estimated future cash flows for example) or questions counterparties as to the methodologies used if necessary. The values of the counterparties examined so far have been confirmed by the CNP Assurances Group, which ensures both the quality of the counterparty valuation methods and the quality of the ratings of the issues and the absence of a credit incident.

Fair value hierarchies

Financial instruments are classified in three categories based on the fair value hierarchy, as follows:

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 listed on an organised market.

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

These include:

- certain structured products whose valuation relies on an internal model based principally on market data;
- OTC derivative contracts whose valuation relies on an internal model based principally on market data;
- money market securities which are not listed anymore 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 OTC financial instrument.

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 uses valuations of its complex products prepared internally, or by an external valuer, acting as a delegate. They include structured products and derivative instruments used for hedging purposes. Due to their complexity, the valuation process involves using sophisticated models and methods, generally based on a probabilistic approach.

Overall, these two product categories are valued using market models and the market data required for each model at the calculation date (see table below).

Structured products	Models/Methods
Interest-rate linked structured notes	4-Factor Libor Market Model (LMM)
	Hybrid Equity Black-FX Model
	Hull-White 1-Factor Model
Equity linked structured notes	Dupire model
	Heston model
	Dupire hybrid equation - Hull-White 1-Factor Model
Inflation-indexed complex structured products	Jarrow-Yildirim model

Asset class	Financial instruments	Models/Methods
Inflation derivatives	**Inflation swaps**	Future cash flows discounted using bi-curve model
	Swaps with an embedded option	Black model
	Caps/floors	SABR smile model
		Hull-White One-Factor Model (stochastic volatility)
		CMS replication
Inflation derivatives	**Swap inflation**	Black model
		SABR smile model
Credit derivatives	**CDS options**	Black-Scholes formula (Markit volatilities)
Equity derivatives	**Floors**	Heston model calibrated across the SX5E's entire implicit volatility surface and Black-Scholes using historical volatility for the EMTXGC and QW1M funds
	CAC and SX5E puts	Black-Scholes model with volatility surface developed based on option prices quoted on Bloomberg
JPY swaps (with currency option at each swaplet)	**JPY swaps (with currency option at each swaplet)**	FX Basket (FXBA) model with Black-Scholes (Reuters volatilities)
Funds	**Fund options (Quattro)**	Black Basket model with historical volatility

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.

This category includes the Group unlisted participations as well as certain securitisation financial instruments. Unlisted securities are measured using information not available on an active market. The main valuation techniques are the market multiples method, comparisons with recent market transactions and the discounted dividends method, corresponding to the techniques commonly used to manage these instruments.

In addition, some complex structured securities and for which valuation is obtained through the counterparty are classified in this category.

8.3.1 Valuation methods at 31 December 2018

(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 *	73,816.4	7,375.6	1,698.5	**82,890.5**
Available-for-sale financial assets	263,105.5	18,616.8	7,620.5	**289,342.7**
TOTAL FINANCIAL ASSETS	**336,921.9**	**25,992.4**	**9,319.0**	**372,233.2**
Investment property at amortised cost	0.0	1,924.1	13.4	**1,937.5**
Investment property measured by the fair value model	0.0	1,483.2	27.1	**1,510.2**
TOTAL INVESTMENT PROPERTY	**0.0**	**3,407.2**	**40.5**	**3,447.7**
Financial liabilities at fair value through profit or loss				
Financial liabilities – financial instruments without DPF (excluding unit-linked)	594.6	0.0	0.0	**594.6**
Financial liabilities (linked liabilities) – financial instruments without DPF	3,578.9	0.0	0.0	**3,578.9**
Derivative financial instruments (liabilities)	0.0	1,193.3	0.0	**1,193.3**
TOTAL FINANCIAL LIABILITIES	**4,173.5**	**1,193.3**	**0.0**	**5,366.8**

* Includes derivative financial instruments (assets)

During 2018, the Group reviewed the measurement methods applied to certain financial assets not quoted on an active market, i.e., mainly investment funds, securitisation funds, private equity investments, structured products and infrastructure investments.

Without changing the values, this analysis results in a reallocation of some investments to level 3 in the fair value hierarchy, for an amount of €9.25 billion as of 31 December 2018.

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2018
Debt securities	12,136.6
O/w Structured bonds	*89.1*
Shares in non-trading property companies	10,700.2
Investment funds	228.0
Unit-linked portfolios	1,579.4
Other (including derivative instruments)	1,348.2
TOTAL "LEVEL 2" FINANCIAL ASSETS	**25,992.4**

The Group's derivative instruments are collateralised and the counterparty risk is therefore limited. In addition, the credit value adjustment ("CVA") is not material, due to the nature of the Group's forward financial instruments and the calculation base.

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2018
Debt securities	2,434.8
O/w Structured bonds	*332.9*
Shares in non-trading property companies	0.0
Investment funds	4,592.9
Unit-linked portfolios	2.1
Other	2,289.2
TOTAL "LEVEL 3" FINANCIAL ASSETS	**9,319.0**

8.3.2 Valuation methods at 31 December 2017 (pro forma)

(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	73,185.1	7,697.3	1,636.9	82,519.3
Available-for-sale financial assets	271,073.8	17,665.4	7,742.2	296,481.3
TOTAL FINANCIAL ASSETS	**344,258.9**	**25,362.6**	**9,379.1**	**379,000.6**
Investment property at amortised cost	0.0	1,975.0	17.5	1,992.5
Investment property measured by the fair value model	0.0	1,460.3	25.0	1,485.4
TOTAL INVESTMENT PROPERTY	**0.0**	**3,435.3**	**42.6**	**3,477.9**
Financial liabilities at fair value through profit or loss				
Financial liabilities – financial instruments without DPF (excluding unit-linked)	625.4	0.0	0.0	625.4
Financial liabilities (linked liabilities) – financial instruments without DPF	3,952.9	0.0	0.0	3,952.9
Derivative instruments	0.0	1,110.1	0.0	1,110.1
TOTAL FINANCIAL LIABILITIES	**4,578.3**	**1,110.1**	**0.0**	**5,688.4**

* Includes derivative financial instruments (assets)

The Group's derivative instruments are collateralised and the counterparty risk is therefore limited. In addition, the credit value adjustment ("CVA") is not material, due to the nature of the Group's forward financial instruments and the calculation base.

8.3.3 Valuation methods at 31 December 2017 (reported)

(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 *	73,186.1	9,321.4	11.8	82,519.3
Available-for-sale financial assets	271,073.8	25,291.9	115.6	296,481.3
TOTAL FINANCIAL ASSETS	**344,260.0**	**34,613.3**	**127.4**	**379,000.6**
Investment property at amortised cost	0.0	1,975.0	17.5	1,992.5
Investment property measured by the fair value model	0.0	1,460.3	25.0	1,485.4
TOTAL INVESTMENT PROPERTY	**0.0**	**3,435.3**	**42.6**	**3,477.9**
Financial liabilities at fair value through profit or loss				
Financial liabilities – financial instruments without DPF (excluding unit-linked)	625.4	0.0	0.0	625.4
Financial liabilities (linked liabilities) – financial instruments without DPF	3,952.9	0.0	0.0	3,952.9
Derivative instruments	0.0	1,110.1	0.0	1,110.1
TOTAL FINANCIAL LIABILITIES	**4,578.3**	**1,110.1**	**0.0**	**5,688.4**

* Includes derivative financial instruments (assets)

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2017 pro forma	31.12.2017 reported
Debt securities	12,169.1	14,519.0
O/w Structured bonds	*132.8*	*480.8*
Shares in non-trading property companies	9,340.5	9,340.5
Investment funds	49.3	4,741.0
Unit-linked portfolios	2,971.4	2,971.4
Other (including derivative instruments)	832.3	3,041.4
TOTAL "LEVEL 2" FINANCIAL ASSETS	**25,362.6**	**34,613.3**

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2017 pro forma
Debt securities	2,477.3
O/w Structured bonds	*348.0*
Shares in non-trading property companies	0.0
Investment funds	4,691.7
Unit-linked portfolios	1.0
Other (including derivative instruments)	2,209.1
TOTAL "LEVEL 3" FINANCIAL ASSETS	**9,379.1**

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

(In € millions)	31.12.2018											
	Opening carrying amount	**Acquisitions**	**Maturity**	**Transfers to category 3 (additions)**	**Transfers from category 3 (disposals)**	**Impact of sales of securities at fair value 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	11.8	1.0	0.0	1,625.1	0.0	(0.5)	0.0	0.0	61.1	0.0	0.0	1,698.5
Available-for-sale financial assets	115.7	1,415.8	0.0	7,626.6	0.0	0.0	(1,476.0)	(67.0)	0.0	5.8	(0.2)	7,620.6
TOTAL FINANCIAL ASSETS	**127.5**	**1,416.8**	**0.0**	**9,251.7**	**0.0**	**(0.5)**	**(1,476.0)**	**(67.0)**	**61.1**	**5.8**	**(0.2)**	**9,319.1**
Investment property at fair value	25.0	10.6	(5.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	27.1
Investment property at amortised cost	17.5	13.9	(16.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.8)	13.4
TOTAL INVESTMENT PROPERTY	**42.6**	**24.5**	**(21.9)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(4.6)**	**40.5**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

(In € millions)	31.12.2017 *(pro forma)*											
	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value 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	1,636.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,639.9
Available-for-sale financial assets	5.4	1.2	0.0	7,734.4	0.0	0.0	0.0	1.4	0.0	0.0	(0.3)	7,742.2
TOTAL FINANCIAL ASSETS	**5.4**	**1.2**	**0.0**	**9,371.3**	**0.0**	**0.0**	**0.0**	**1.4**	**0.0**	**0.0**	**(0.3)**	**9,379.1**
Investment property at fair value	16.1	12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.3)	25.0
Investment property at amortised cost	20.1	0.0	0.0	0.5	(0.3)	0.0	0.0	0.0	0.0	0.0	(2.8)	17.5
TOTAL INVESTMENT PROPERTY	**36.2**	**12.3**	**0.0**	**0.5**	**(0.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(6.1)**	**42.6**
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**

	31.12.2017 reported											
(In € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value 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	11.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8
Available-for-sale financial assets	5.4	1.2	0.0	107.8	0.0	0.0	0.0	1.4	0.0	0.0	(0.3)	115.6
TOTAL FINANCIAL ASSETS	**5.4**	**1.2**	**0.0**	**119.6**	**0.0**	**0.0**	**0.0**	**1.4**	**0.0**	**0.0**	**(0.3)**	**127.4**
Investment property at fair value	16.1	12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.3)	25.0
Investment property at amortised cost	20.1	0.0	0.0	0.5	(0.3)	0.0	0.0	0.0	0.0	0.0	(2.8)	17.5
TOTAL INVESTMENT PROPERTY	**36.2**	**12.3**	**0.0**	**0.5**	**(0.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(6.1)**	**42.6**
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**

8.4 Repurchase agreements/Lent securities

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.

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

		Carrying amount	
(In € millions)		**31.12.2018**	31.12.2017
Available-for-sale financial assets	Fixed-rate bonds	11,594.3	10,709.8
	Equities	0.0	0.0
TOTAL		**11,594.3**	**10,709.8**

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

		Carrying amount	
(In € millions)		**31.12.2018**	31.12.2017
Available-for-sale financial assets	Fixed-rate bonds	7,947.8	8,053.9
	Equities (quoted)	0.0	29.9
TOTAL		**7,947.8**	**8,083.9**

8.5 Movements for the period

8.5.1 2018

(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	81,721.8	43,186.2	(37,907.3)	(3,351.3)	0.0	0.0	(653.5)	(1,392.8)	81,602.9
Derivative instruments	(312.5)	645.3	(530.2)	291.8	0.0	0.0	0.0	0.0	94.4
Available-for-sale financial assets	296,481.3	109,279.3	(107,758.5)	(9,616.8)	(168.9)	1,299.5	0.0	(173.2)	289,342.7
Held-to-maturity investments	548.7	34.2	(153.3)	0.0	0.0	0.0	0.0	(33.3)	396.3
Loans and receivables	4,970.5	493.6	(558.7)	0.0	0.0	0.0	0.0	(14.1)	4,891.3
Investment property	2,568.1	85.8	(77.6)	(16.0)	(0.9)	1.6	0.0	(21.0)	2,540.0
TOTAL	**385,978.0**	**153,724.3**	**(146,985.7)**	**(12,692.3)**	**(169.7)**	**1,301.1**	**(653.5)**	**(1,634.4)**	**378,867.7**

* See Note 18.3

8.5.2 2017

(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	74,540.6	42,163.9	(35,816.5)	2,762.5	0.0	0.0	53.9	(1,982.6)	81,721.8
Derivative instruments	(590.6)	338.7	(28.5)	(32.1)	0.0	0.0	0.0	0.0	(312.5)
Available-for-sale financial assets	299,428.6	110,095.5	(111,719.1)	(1,621.0)	(240.4)	968.1	184.3	(614.6)	296,481.3
Held-to-maturity investments	766.3	38.9	(195.5)	0.0	0.0	0.0	0.0	(61.0)	548.7
Loans and receivables	4,945.3	1,777.7	(1,865.6)	0.0	0.0	0.0	0.0	113.2	4,970.5
Investment property	2,926.5	1,006.0	(912.0)	(9.7)	(0.5)	1.5	178.1	(621.8)	2,568.1
TOTAL	**382,016.7**	**155,420.7**	**(150,537.2)**	**1,099.6**	**(241.0)**	**969.5**	**416.3**	**(3,166.7)**	**385,978.0**

* See Note 18.3

8.6 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.

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

	31.12.2018											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
(In € millions)	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	58.0	(44.5)	36.4	(476.9)	0.1	(298.4)	4.2	(86.4)	39.0	(114.9)	137.7	(1,021.1)
Cap/floor	4.5	0.0	63.9	0.0	99.6	(0.1)	9.2	0.0	0.0	0.0	177.3	(0.1)
Equity	10.4	(1.0)	958.2	(171.1)	4.1	0.0	0.0	0.0	0.0	0.0	972.7	(172.2)
TOTAL	**72.9**	**(45.6)**	**1,058.5**	**(648.0)**	**103.8**	**(298.4)**	**13.4**	**(86.4)**	**39.0**	**(114.9)**	**1,287.6**	**(1,193.3)**

	31.12.2017											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
(In € millions)	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	6.8	(13.2)	79.6	(520.5)	1.0	(102.6)	4.2	(285.0)	38.0	(118.5)	129.5	(1,039.7)
Cap/floor	4.0	0.0	113.0	0.0	59.5	(0.1)	6.1	0.0	0.0	0.0	182.5	(0.1)
Equity	5.8	(2.1)	473.8	(68.1)	5.9	0.0	0.0	0.0	0.0	0.0	485.5	(70.2)
TOTAL	**16.5**	**(15.2)**	**666.4**	**(588.6)**	**66.3**	**(102.8)**	**10.3**	**(285.0)**	**38.0**	**(118.5)**	**797.5**	**(1,110.1)**

8.7 Derivative instruments qualifying for 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.

For all hedging instruments, the Group (i) documents the hedging relationship and the risk management objective and strategy for undertaking the hedge, and (ii) assesses 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 as follows:

(In € millions)	Currency derivatives	
	31.12.2018	31.12.2017
Notional amount	**1,208.7**	**1,184.4**
Cash flow hedge reserve	**30.7**	**(43.5)**
Change in cash flow hedge reserve during the period	90.0	(137.0)
Cash flow hedge reserve recycled through profit or loss during the period	(36.8)	127.1
Deferred taxes	(22.5)	3.4

CNP Assurances has set up three currency swaps to hedge changes in the euro amount of interest and principal due on three subordinated notes issues denominated in foreign currencies:

- the first on sterling-denominated subordinated notes issued in 2011 hedges payments on the notes through to 30 September 2021 against fluctuations in the sterling-euro exchange rate;
- the second concerns subordinated notes issued in US dollars in 2013 and hedges payments on the notes through to 18 July 2019;
- the third concerns subordinated notes issued in US dollars in January 2016 and hedges payments on the notes through to 22 January 2029.

At 31 December 2018, no amount had been recognised in profit or loss for the ineffective portion of the hedges.

During the year, the Group hedged the impact of a possible increase in the exchange rate for the Brazilian real against the euro, using options, on cash flows related to the renewal of the distribution agreements in Brazil.

The hedging covers part of the upfront payment to be made by the Group on the closing date for the new agreements with its local partner, Caixa Seguridade.

8.8 Credit risk

8.8.1 Analysis of the bond portfolio at 31 December 2018 by issuer rating

Rating *(In € millions)*	Bond portfolio at fair value	%
AAA	19,041.3	7.5%
AA	118,192.0	46.8%
A	45,580.9	18.0%
BBB	48,901.7	19.4%
<BBB	18,318.1	7.2%
NR	2,657.9	1.1%
TOTAL	**252,692.1**	**100.0%**

8.8.2 Analysis of the bond portfolio at 31 December 2017 by issuer rating

Rating *(In € millions)*	Bond portfolio at fair value	%
AAA	19,197.8	7.6%
AA	116,106.9	46.2%
A	42,645.2	17.0%
BBB	51,330.8	20.4%
<BBB	18,243.3	7.3%
NR	3,887.7	1.5%
TOTAL	**251,411.7**	**100.0%**

8.9 Classification of investments by category and by geographic region

8.9.1 Classification of investments by geographic region at 31 December 2018

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	95,272.7	9,255.5	14,838.4	43,143.1	14,309.5	1,348.3	19,513.3	197,680.8
	Investment funds	35,604.8	237.3	54.9	9,758.8	367.0	0.0	1,131.9	47,154.7
	Equities	9,183.3	3,072.3	515.9	2,146.8	0.0	0.0	482.6	15,400.9
	Other	26,602.9	85.8	2.3	2,379.6	11.9	2.0	21.8	29,106.3
Held-for-trading and FVO	Debt securities	12,805.7	1,009.7	864.5	1,804.9	415.8	13,646.6	2,672.4	33,219.5
	Investment funds	29,148.9	32.8	16.6	8,930.7	83.0	1,128.4	579.5	39,920.0
	Equities	1,799.7	452.8	336.7	801.0	636.5	159.8	305.4	4,492.0
	Other	2,615.1	0.0	158.7	46.6	0.0	1,151.0	0.0	3,971.4
Held-to-maturity investments	Debt securities	126.1	0.0	41.8	0.0	0.0	228.5	0.0	396.3
Loans and receivables		3,593.4	0.0	0.1	703.1	0.0	0.0	594.6	4,891.3
Derivative instruments		102.0	0.0	0.0	(7.6)	0.0	0.0	0.0	94.4
Investment property		2,448.7	0.0	0.0	56.6	0.0	34.7	0.0	2,540.0
TOTAL		**219,303.2**	**14,146.1**	**16,829.9**	**69,763.7**	**15,823.7**	**17,699.4**	**25,301.6**	**378,867.7**

List of countries (for information)	31.12.2018 Gross exposure – carrying amount (1)	31.12.2018 Gross exposure – fair value	31.12.2018 Net exposure – fair value	31.12.2017 (2) Gross exposure – carrying amount (1)	31.12.2017 (2) Gross exposure – fair value	31.12.2017 (2) Net exposure – fair value
France	76,105.7	85,045.6	6,314.9	72,029.4	82,411.7	5,383.7
Brazil	13,482.3	13,528.7	1,088.8	11,738.7	11,788.2	1,695.6
Spain	9,681.1	10,282.9	959.7	8,685.2	9,276.4	787.1
Italy	9,411.2	10,043.3	804.2	9,393.7	10,515.6	693.7
Belgium	6,900.2	7,543.7	477.2	6,257.3	7,119.6	418.5
Austria	3,640.7	4,018.6	144.2	4,400.6	4,909.2	163.8
Germany	3,254.8	3,565.6	161.7	2,151.8	2,448.5	154.8
Canada	980.2	1,014.0	115.7	781.5	823.9	106.2
Ireland	873.1	937.6	56.3	600.5	665.3	26.5
Portugal	466.1	500.1	51.2	272.3	305.7	7.9
Netherlands	346.6	373.7	26.1	181.6	202.2	7.8
Poland	328.7	351.4	76.9	294.4	324.6	72.7
Finland	88.3	90.0	3.7	91.2	92.2	2.5
Cyprus	80.3	86.7	43.2	58.3	67.5	33.6
Slovenia	78.5	84.9	2.8	140.3	150.6	4.6
Luxembourg	32.8	34.5	16.1	50.3	53.4	18.6
Greece	10.5	9.6	0.1	10.0	10.8	0.1
Sweden	1.2	2.1	0.4	1.2	2.3	0.4
United Kingdom	0.5	0.7	0.0	0.0	0.0	0.0
Other	7,084.9	7,664.9	742.3	5,860.2	6,661.1	631.8
TOTAL	**132,847.6**	**145,178.4**	**11,085.6**	**122,998.5**	**137,828.8**	**10,210.1**

(1) Carrying amount, including accrued coupon
(2) Sovereign debt exposure now includes shares held directly by consolidated mutual funds. Data reported at 31 December 2017 have been adjusted accordingly

At 31 December 2018, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €145.2 billion, or an estimated exposure net of deferred participation and deferred taxes of €11.1 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 Note 9.2). The relatively low weighting of contracts with a guaranteed yield 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 67.7% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (a 11.3% factor, 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% (67.7% multiplied by 11.3%)

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

- the amount of the policyholders' surplus reserves;
- the Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.3% for a projected DPF rate of around 1.6% at end-2018;
- unrealised gains, especially on property (€4.2 billion) and on equities (€8.0 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.

8.9.2 Classification of investments by geographic region at 31 December 2017

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	94,768.5	8,160.8	15,844.7	43,624.5	13,521.3	1,887.6	21,813.3	199,620.7
	Investment funds	36,508.0	281.4	41.8	12,075.0	0.0	0.0	1,403.2	50,309.0
	Equities	11,779.0	3,265.5	821.1	2,939.0	0.0	0.0	508.2	19,313.0
	Other	25,574.0	(50.1)	21.3	1,689.2	0.0	2.2	1.4	27,238.1
Held-for-trading and FVO	Debt securities	12,505.9	1,138.7	721.9	2,014.1	312.0	12,823.1	2,933.3	32,448.9
	Investment funds	30,120.2	10.8	37.2	8,729.9	62.3	1,085.0	48.7	40,094.0
	Equities	1,806.9	541.9	210.0	954.0	1,238.2	128.9	385.4	5,265.3
	Other	3,595.9	0.0	88.6	64.7	0.0	164.3	0.0	3,913.5
Held-to-maturity investments	Debt securities	171.8	0.0	41.8	0.0	0.0	335.2	0.0	548.7
Loans and receivables		3,493.2	0.0	0.2	867.9	0.0	0.0	609.2	4,970.5
Derivative instruments		(302.7)	(2.5)	0.0	(7.3)	0.0	0.0	0.0	(312.5)
Investment property		2,467.9	0.0	0.0	66.3	0.0	33.9	0.0	2,568.1
TOTAL		**222,488.8**	**13,346.4**	**17,828.6**	**73,017.5**	**15,133.8**	**16,460.2**	**27,702.7**	**385,978.0**

8.10 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, the last available exchange rate for the month preceding the transaction date 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 8.6 above.

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.

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) and which are not covered by foreign exchange derivatives represented less than 0.5% of consolidated assets and liabilities in 2016, 2017 and 2018.

In preparation for the United Kingdom's forthcoming exit from the European Union, the Group has identified all of its exposures to sterling-denominated assets held directly or through funds. The review showed that less than 1% of total assets (€378.9 billion) were exposed to a risk of changes in the euro/sterling exchange rate.

8.11 Temporary exemption from applying IFRS 9

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. On 3 November 2017, the European Commission also adopted an amendment to IFRS 4 – Insurance Contracts that was published by the IASB on 12 September 2016 and describes how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. The amendment provides for two approaches to applying IFRS 9:

- an "overlay approach", to be applied by insurance companies that choose to apply IFRS 9 as from 1 January 2018;
- a "deferral approach" whereby adoption of IFRS 9 is deferred for three years until 1 January 2021.

The Group qualifies to apply the deferral approach and has elected to defer application of IFRS 9.

It will be required to publish certain additional information during the transition period from 2018 to 2021, concerning the classification of assets and the Group's exposure to credit risk on the assets that fulfil the criteria set out in IFRS 9 (financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding).

8.11.1 Fair value of financial assets by class of asset

(In € millions)		31.12.2018 Fair value
Financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding	Fixed-rate bonds	173,492.0
	Variable-rate bonds	19,344.0
	TCNs (money market securities)	2,838.4
	Other	20,819.3
	Total	**216,493.7**
Other financial assets	Equities	19,893.0
	Shares in non-trading property companies	10,700.3
	Investment funds	87,074.7
	Fixed-rate bonds	10,242.1
	Variable-rate bonds	24,871.4
	TCNs (money market securities)	414.0
	Other	1,689.5
	Derivative financial instruments (assets)	1,287.7
	Derivative financial instruments (liabilities)	(1,193.3)
	Total	**154,979.5**
Loans and receivables	Loans and receivables	4,891.3
Investment property	Investment property at amortised cost	1,937.5
	Investment property measured by the fair value model	1,510.2
	Total	**8,339.1**
TOTAL		**379,812.3**

IFRS 9/IAS 39 do not apply to investment property which is accounted for in accordance with different standards.

8.11.2 Breakdown by credit risk of debt instruments that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding

(In € millions)		31.12.2018 Carrying amount	31.12.2018 Fair value
Assets for which the credit risk is low	AAA	15,482.0	16,968.7
	AA	103,342.8	114,504.9
	A	34,362.6	35,659.5
	BBB	41,905.3	43,518.0
	Total	**195,092.7**	**210,651.1**
Assets for which the credit risk is not low	<BBB	4,739.1	4,836.6
	NR	988.4	1,006.0
	Total	**5,727.5**	**5,842.6**
TOTAL		**200,820.1**	**216,493.7**

None of the Group entities applied IFRS 9 as of the date of publication of the consolidated financial statements.

NOTE 9

Insurance and financial liabilities

9.1 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:

- IFRS 15, 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.

9.2 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 expenses 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 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. In the case of group policies that include death insurance, the recognised amount is adjusted to include the estimated earned portion of premiums not yet written.

Technical and mathematical reserves

Reserves for contracts with death cover include the portion of premiums written but not earned during the reporting period.

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

The general contract administration expense reserve mentioned in Article R.343-3.4 of the French Insurance Code is designed to cover the insurer's commitment to administer its policies for as long as they remain in force. It is determined by the method and using the assumptions specified in Article 142-6 of regulation ANC 2015-11.

The reserve corresponds to a prospective estimate of contract administration expenses that will not be covered by the premium and investment income loading. It is calculated by group of contracts with similar characteristics, based mainly on policyholder profiles, contract terms and experience-based assumptions concerning, for example, costs, surrenders and investment income. The estimation process includes a financial assessment of the options affecting administration expenses for certain contracts.

At 31 December 2018, the general administration expense reserve for savings and pensions contracts amounted to €276 million.

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 reserves.

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

An outstanding claims 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.

The escalating risks reserve for Term Creditor Insurance business amounted to €236 million at 31 December 2018. This reserve is calculated prospectively and covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation uses regulatory valuation rates of interest and takes into account experience-based biometric risk assumptions (incidence of death and disability risk, and/or disability persistency risk) and behavioural assumptions (surrenders) based on historical data for the portfolio concerned.

The escalating risk reserve for lifetime long-term care contracts totalled €385 million at 31 December 2018. This reserve also covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation takes into account experience-based biometric risk assumptions (incidence of long-term care risk and persistency risk) based on historical data for the portfolio concerned, regulatory mortality tables and a discount rate determined by reference to the structure of the asset portfolio held to cover these commitments.

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 expenses. 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 at the level of 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.

9.3 Financial instruments without DPF (IAS 39)

Financial instruments without DPF are initially recorded at fair value. Loading on premiums is 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.

9.4 Deferred participation asset/reserve

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

According to IFRS 4 accounting standards, there are two types of deferred participation.

9.4.1 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.

9.4.2 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 9.2.

9.5 Analysis of insurance and financial liabilities

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

9.5.1 Analysis of insurance and financial liabilities at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**7,996.2**	**7,460.3**	**535.8**
Unearned premium reserves	976.1	934.1	42.0
Outstanding claims reserves	5,172.6	4,738.6	433.9
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	62.0	58.4	3.6
Other technical reserves	1,785.5	1,729.2	56.3
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**202,727.7**	**185,751.3**	**16,976.4**
Unearned premium reserves	1,807.7	1,768.5	39.2
Life premium reserves	192,640.7	175,998.7	16,641.9
Outstanding claims reserves	2,801.2	2,593.4	207.7
Policyholder surplus reserves	5,013.1	4,938.4	74.7
Other technical reserves	465.0	452.2	12.8
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**120,593.8**	**116,863.7**	**3,730.1**
Life premium reserves	111,994.6	108,566.5	3,428.1
Outstanding claims reserves	2,286.4	2,191.5	94.9
Policyholder surplus reserves	6,312.8	6,105.7	207.1
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,173.4**	**3,859.6**	**313.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**22,107.3**	**22,107.3**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**357,598.4**	**336,042.3**	**21,556.1**
Deferred participation asset	**0.0**	**0.0**	**0.0**

9.5.2 Analysis of insurance and financial liabilities at 31 December 2017

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,862.6**	**7,460.1**	**1,402.5**
Unearned premium reserves	934.6	873.2	61.4
Outstanding claims reserves	5,872.9	4,778.5	1,094.5
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	67.5	66.6	0.8
Other technical reserves	1,987.6	1,741.8	245.8
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**195,613.3**	**178,684.7**	**16,928.6**
Unearned premium reserves	1,725.2	1,645.6	79.6
Life premium reserves	186,095.2	169,478.3	16,616.9
Outstanding claims reserves	2,633.6	2,467.0	166.5
Policyholder surplus reserves	4,481.4	4,428.6	52.8
Other technical reserves	677.8	665.1	12.7
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**125,814.7**	**121,744.8**	**4,069.9**
Life premium reserves	117,491.4	113,717.4	3,774.0
Outstanding claims reserves	2,415.4	2,307.2	108.3
Policyholder surplus reserves	5,907.8	5,720.2	187.6
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,578.3**	**4,244.5**	**333.8**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**30,335.5**	**30,335.5**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**365,204.4**	**342,469.6**	**22,734.8**
Deferred participation asset	**0.0**	**0.0**	**0.0**

9.6 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.

9.6.1 Changes in mathematical reserves – life insurance

9.6.1.1 Changes in mathematical reserves – life insurance – at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**303,586.9**	**283,195.9**	**20,390.9**
Premiums	27,855.9	27,087.3	768.6
Extinguished liabilities (benefit payments)	(27,011.6)	(25,755.9)	(1,255.7)
Locked-in gains	6,318.3	5,888.8	429.5
Change in value of linked liabilities	(2,625.5)	(2,625.4)	(0.1)
Changes in scope (acquisitions/divestments)	36.1	36.9	(0.8)
Outstanding fees	(1,827.1)	(1,752.1)	(75.0)
Surpluses/deficits	(4.3)	(4.3)	0.0
Currency effect	(1,372.0)	(1,372.0)	0.0
Changes in assumptions	(3.2)	1.4	(4.6)
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(393.7)	(210.9)	(182.8)
Mathematical reserves at the end of the period	**304,559.7**	**284,489.6**	**20,070.0**

9.6.1.2 Changes in mathematical reserves – life insurance – at 31 December 2017

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**302,009.7**	**281,391.8**	**20,618.0**
Premiums	27,180.9	26,305.9	875.0
Extinguished liabilities (benefit payments)	(29,749.5)	(28,234.6)	(1,515.0)
Locked-in gains	6,659.9	6,202.9	457.0
Change in value of linked liabilities	1,617.1	1,631.3	(14.2)
Changes in scope (acquisitions/divestments)	30.3	31.4	(1.1)
Outstanding fees	(1,819.1)	(1,743.4)	(75.6)
Surpluses/deficits	(4.1)	(4.1)	0.0
Currency effect	(1,755.9)	(1,755.9)	0.0
Changes in assumptions	1.8	1.8	0.0
Newly-consolidated companies	150.8	150.8	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(735.2)	(782.0)	46.7
Mathematical reserves at the end of the period	**303,586.9**	**283,195.9**	**20,390.9**

9.6.2 Changes in technical reserves – non-life insurance

9.6.2.1 Changes in technical reserves – non-life insurance – at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,866.1**	**4,771.6**	**1,094.5**
Claims expenses for the period	1,696.8	1,497.4	199.4
Prior period surpluses/deficits	0.0	0.0	0.0
Total claims expenses	**1,696.8**	**1,497.3**	**199.4**
Current period claims settled during the period	(1,671.2)	(1,509.7)	(161.5)
Prior period claims settled during the period	(18.8)	(12.5)	(6.3)
Total paid claims	**(1,690.0)**	**(1,522.2)**	**(167.8)**
Changes in scope (acquisitions/divestments)	(688.7)	0.0	(688.7)
Currency effect	(18.9)	(15.5)	(3.4)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to 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	**5,165.1**	**4,731.2**	**433.9**

9.6.2.2 Changes in technical reserves – non-life insurance – at 31 December 2017

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,474.9**	**4,394.1**	**1,080.7**
Claims expenses for the period	2,093.8	1,677.3	416.5
Prior period surpluses/deficits	0.0	0.0	0.0
Total claims expenses	**2,093.8**	**1,677.3**	**416.5**
Current period claims settled during the period	(1,660.6)	(1,265.5)	(395.1)
Prior period claims settled during the period	(13.6)	(11.6)	(2.0)
Total paid claims	**(1,674.2)**	**(1,277.1)**	**(397.1)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(28.3)	(22.7)	(5.6)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to 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	**5,866.1**	**4,771.6**	**1,094.5**

9.6.3 Changes in mathematical reserves – financial instruments with DPF

(In € millions)	31.12.2018		
	Before reinsurance	**Net of reinsurance**	**Reinsurance**
Mathematical reserves at the beginning of the period	**4,578.3**	**4,244.5**	**333.8**
Premiums	341.3	337.3	4.0
Extinguished liabilities (benefit payments)	(476.9)	(467.2)	(9.7)
Locked-in gains	22.2	22.2	0.0
Change in value of linked liabilities	(130.2)	(126.3)	(3.9)
Changes in scope (acquisitions/divestments)	(113.2)	(113.2)	0.0
Currency effect	(67.1)	(67.1)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	19.1	29.5	(10.4)
Mathematical reserves at the end of the period	**4,173.4**	**3,859.6**	**313.9**

(In € millions)	31.12.2017		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**4,800.7**	**4,468.5**	**332.3**
Premiums	412.3	408.5	3.8
Extinguished liabilities (benefit payments)	(675.2)	(659.2)	(16.0)
Locked-in gains	35.5	35.5	0.0
Change in value of linked liabilities	101.0	83.2	17.8
Changes in scope (acquisitions/divestments)	(40.7)	(40.7)	0.0
Currency effect	(98.7)	(98.7)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	43.5	47.5	(4.0)
Mathematical reserves at the end of the period	**4,578.3**	**4,244.5**	**333.8**

9.7 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 9.2).

Deferred participation asset/reserve *(In € millions)*	31.12.2018			31.12.2017		
	DPA	**DPR**	**Total**	DPA	DPR	Total
Deferred participation on remeasurement of assets at fair value through profit or loss	0.0	1,275.1	(1,275.1)	0.0	1,415.2	(1,415.2)
Deferred participation on remeasurement of assets at fair value through equity	0.0	20,832.2	(20,832.2)	0.0	28,920.3	(28,920.3)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**22,107.3**	**(22,107.3)**	**0.0**	**30,335.5**	**(30,335.5)**

The following table analyses year-on-year changes:

(In € millions)	31.12.2018		31.12.2017	
	DPA	**DPR**	DPA	DPR
Deferred participation at the beginning of the period	**0.0**	**30,335.5**	**0.0**	**30,713.6**
Deferred participation on remeasurement of securities at fair value through profit or loss	0.0	(140.2)	0.0	1,078.4
Deferred participation on remeasurement of securities at fair value through equity	0.1	(8,088.1)	0.0	(1,456.5)
Other movements	0.0	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0		
Deferred participation at the end of the period	**0.1**	**22,107.3**	**0.0**	**30,335.5**

9.8 Changes in financial liabilities – linked liabilities

9.8.1 Changes in 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**50,057.1**	**47,978.8**	**2,078.3**
Entries (new contracts, transfers between contracts, replacements)	10,669.4	10,522.4	146.9
Revaluation (fair value adjustments, incorporation of policyholder surplus)	(1,956.0)	(1,952.5)	(3.5)
Exits (paid benefits and expenses)	(4,396.6)	(4,318.4)	(78.2)
Entries/exits related to portfolio transfers	(119.1)	(134.5)	15.4
Outstanding fees deducted	(390.8)	(378.2)	(12.6)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	(0.1)	(0.1)	0.0
Translation adjustment	(1,340.2)	(1,340.2)	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	66.0	187.3	(121.2)
Linked liabilities at the end of the period *	**52,589.7**	**50,564.7**	**2,025.0**

* Refer to reconciliation table in Note 9.8.3

9.8.2 Changes in 2017

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**43,253.3**	**41,423.6**	**1,829.7**
Entries (new contracts, transfers between contracts, replacements)	9,402.7	9,221.9	180.8
Revaluation (fair value adjustments, incorporation of policyholder surplus)	2,720.0	2,700.7	19.3
Exits (paid benefits and expenses)	(4,147.6)	(4,056.7)	(90.9)
Entries/exits related to portfolio transfers	685.7	618.6	67.0
Outstanding fees deducted	(338.8)	(328.0)	(10.7)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	0.1	0.1	0.0
Translation adjustment	(1,721.0)	(1,721.0)	0.0
Newly-consolidated companies	53.9	53.9	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	148.7	65.5	83.2
Linked liabilities at the end of the period *	**50,057.1**	**47,978.8**	**2,078.3**

* Refer to reconciliation table in Note 9.8.3

9.8.3 Balance sheet reconciliation

(In € millions)	**31.12.2018**	31.12.2017
Financial liabilities – linked liabilities – balance sheet	**56,168.5**	**54,010.0**
Changes in financial liabilities – linked liabilities other than IAS 39	52,589.7	50,057.1
Changes in financial liabilities – linked liabilities – IAS 39	3,578.9	3,952.9
VARIANCE	**0.0**	**0.0**

9.9 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:

- excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+;
- for quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows.

9.9.1 Credit risk on reinsured business at 31 December 2018

CEDED TECHNICAL RESERVES

Credit rating	**Amount** *(in € millions)*	**%**
A	16,954.5	78.65%
A-	2,757.7	12.79%
AA-	1.5	0.01%
A+	1,507.4	6.99%
BBB+	2.7	0.01%
-	332.4	1.54%
Total ceded technical reserves	**21,556.1**	**100.00%**

The credit ratings of the reinsurers were reclassified from AA- to A+ for €1,423.9 million and from "Without rating" to A for €721.1 million.

9.9.2 Credit risk on reinsured business at 31 December 2017

CEDED TECHNICAL RESERVES

Credit rating	**Amount** *(in € millions)*	**%**
A	17,396.8	76.52%
A-	2,732.0	12.02%
AA-	1,400.5	6.16%
A+	88.9	0.39%
BBB+	2.9	0.01%
-	1,113.6	4.90%
Total ceded technical reserves	**22,734.8**	**100.00%**

NOTE 10
Subordinated debt

10.1 Subordinated debt at 31 December 2018

(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 in more than 15 years	Undated	Fair value *
Dated subordinated debt					**4,672.1**	**0.0**	**1,200.0**	**0.0**	**0.0**	**3,472.1**	**0.0**	**4,966.6**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		802.5
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300	GBP	335.4					335.4		366.7
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bp		EUR	750.0					750.0		811.4
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0		200.0					204.8
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/ 365)		EUR	500.0					500.0		525.4
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		786.7
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500	USD	436.7					436.7		452.0
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,017.1
Undated (perpetual) subordinated debt					**664.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**664.7**	**648.1**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bp		EUR	45.0						45.0	42.6
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	80.2
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	82.9
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bp	500	USD	436.7						436.7	442.3
TOTAL					**5,336.7**	**0.0**	**1,200.0**	**0.0**	**0.0**	**3,472.1**	**664.7**	**5,614.7**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been a profit of €472.1 million before tax at 31 December 2018

The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 9.5) 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 17 regarding the fair value of these instruments

None of the Group's subordinated debt issues are subject to financial covenants.

The Group has contracted three cash flow hedges, on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2013 and 2016.

10.2 Subordinated debt at 31 December 2017

(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 in more than 15 years	Undated	Fair value *
Dated subordinated debt					**4,655.0**	**0.0**	**1,000.0**	**200.0**	**0.0**	**3,455.0**	**0.0**	**5,376.5**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		860.8
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300.0	GBP	338.1					338.1		402.4
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bp		EUR	750.0					750.0		865.4
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0			200.0				216.4
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/ 365)		EUR	500.0					500.0		583.9
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		889.8
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	416.9					416.9		501.8
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,056.1
Undated (perpetual) subordinated debt					**644.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**644.9**	**673.4**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bp		EUR	45.0						45.0	48.4
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	90.4
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	93.4
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bp	500.0	USD	416.9						416.9	441.3
TOTAL					**5,300.0**	**0.0**	**1,000.0**	**200.0**	**0.0**	**3,455.0**	**644.9**	**6,049.9**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been €389.0 million before tax at 31 December 2017

The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 0) 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 17 regarding the fair value of these instruments

None of the Group's subordinated debt issues are subject to financial covenants.

The Group has contracted three cash flow hedges, on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2013 and 2016.

NOTE 11

Insurance and reinsurance receivables

11.1 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2018 and 31 December 2017.

(In € millions)	**31.12.2018**	31.12.2017
Earned premiums not yet written	1,809.6	2,357.4
Other insurance receivables	697.5	681.9
Reinsurance receivables	484.4	295.2
TOTAL	**2,991.4**	**3,334.5**
Of which, doubtful receivables	5.0	4.6

ANALYSIS BY MATURITY

	31.12.2018		
(In € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due in more than 5 years**
Earned premiums not yet written	1,809.6	0.0	0.0
Other insurance receivables	686.4	10.3	0.8
Reinsurance receivables	484.4	0.0	0.0
TOTAL	**2,980.4**	**10.3**	**0.8**

	31.12.2017		
(In € millions)	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Earned premiums not yet written	2,357.4	0.0	0.0
Other insurance receivables	657.3	20.6	4.0
Reinsurance receivables	290.8	3.7	0.7
TOTAL	**3,305.5**	**24.3**	**4.7**

11.2 Other receivables

(In € millions)	**31.12.2018**	31.12.2017
Receivables from employees	0.9	0.6
Prepaid payroll charges and other taxes	107.4	511.2
Sundry receivables	5,084.6	4,135.1
TOTAL	**5,192.9**	**4,646.9**

NOTE 12

Provisions 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.

12.1 Provisions for liabilities and charges – 2018

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2018	**71.9**	**138.5**	**210.5**
New provisions set up during the period and increases in existing provisions	91.4	17.9	109.2
Amounts utilised during the year	(3.6)	(79.5)	(83.0)
Surplus provisions released during the period	(52.5)	(2.7)	(55.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(7.2)	(0.4)	(7.5)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.5	(0.5)	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2018	**100.5**	**73.4**	**173.9**

12.2 Provisions for liabilities and charges – 2017

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2017	**82.5**	**168.2**	**250.6**
New provisions set up during the period and increases in existing provisions	63.7	60.6	124.3
Amounts utilised during the year	(0.6)	(86.3)	(86.9)
Surplus provisions released during the period	(64.5)	(3.2)	(67.8)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(9.1)	(0.5)	(9.7)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	(0.1)	(0.1)
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2017	**71.9**	**138.5**	**210.5**

NOTE 13

Liabilities arising from insurance and reinsurance transactions

13.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of insurance and reinsurance liabilities at 31 December 2018 and at 31 December 2017.

(In € millions)	**31.12.2018**	31.12.2017
Cash deposits received from reinsurers	11,919.6	12,088.7
Liabilities arising from insurance transactions	1,536.2	1,335.3
Liabilities arising from reinsurance transactions	835.8	764.9
Deferred acquisition costs	39.3	73.4
TOTAL	**14,330.9**	**14,262.3**

ANALYSIS BY MATURITY

	31.12.2018			31.12.2017		
(In € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due in more than 5 years**	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Cash deposits received from reinsurers	11,814.8	104.8	0.0	11,972.9	115.8	0.0
Liabilities arising from insurance transactions	1,535.9	0.2	0.0	1,282.1	44.8	8.4
Liabilities arising from reinsurance transactions	835.8	0.0	0.0	764.9	0.0	0.0
Deferred acquisition costs	23.0	14.1	2.2	4.6	58.1	10.7
TOTAL	**14,209.6**	**119.1**	**2.2**	**14,024.5**	**218.7**	**19.1**

13.2 Other liabilities

(In € millions)	**31.12.2018**	31.12.2017
Wages, salaries and bonuses payable	387.1	409.8
Accrued payroll charges and other taxes	1,276.2	1,256.1
Sundry payables	2,673.6	2,750.2
TOTAL	**4,336.8**	**4,416.1**

13.3 Employee benefits – IAS 19

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.

Short-term benefits are benefits that are expected to be settled in full within twelve months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

13.3.1 Employee benefit plans

Time-savings accounts and employee retirement savings plans

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

Post-employment benefits

Post-employment benefits include:

- pension plans;
- other post-employment benefits.

They are classified as defined contribution or defined benefit plans based on their main terms.

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 long-term 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.

13.3.2 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.

13.3.3 Main assumptions

Discount rate

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. 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 the measurement of obligations.

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	11	1.40%	2.00%	Included in salary increases	n/a
Jubilees	8	0.95%	2.00%	Included in salary increases	n/a
Article 39 of the French Tax Code	5	0.58%	2.00%	Included in salary increases	0.58%
Time-savings account system	5	0.59%	2.00%	Included in salary increases	n/a
New early retirement plan	2	-0.04%	2.00%	Included in salary increases	n/a
Other plans: Italy	25	1.40%	1.50%	1.25%	n/a

The short-term measure introduced by the French government to help employees ease into retirement is applicable from 1 January 2019 to 31 December 2019. It allows full-time employees who have decided on their retirement date to reduce their working hours in the run-up to retirement in exchange for an adjustment to their salary.

Mortality tables

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

13.3.4 Recognised benefit obligations

(In € millions)	Post-employment benefit plans	
	31.12.2018	31.12.2017
Projected benefit obligation	208.8	227.7
Fair value of plan assets	0.3	0.2
Projected benefit obligation net of plan assets	**209.1**	**228.0**
Unrecognised past service cost	0.0	0.0
Liability recognised in the balance sheet – defined benefit plans	**209.1**	**228.0**
Liability recognised in the balance sheet – defined contribution plans	53.1	62.5
Total liability recognised in the balance sheet for post-employment benefit plans	**262.2**	**290.5**
Other long-term benefit obligations	17.9	19.0
Of which length-of-service and jubilee awards	*17.9*	*19.0*
Total liability recognised in the balance sheet for long-term benefit obligations *	**280.1**	**309.5**

* Benefit obligations are mainly carried in the books of the French and Italian entities (€277.5 million and €1.2 million, respectively)

13.3.5 Analysis of long-term benefit costs

(In € millions)	Post-employment benefit plans 31.12.2018	Post-employment benefit plans 31.12.2017
Current service cost (net of employee contributions)	**9.9**	**9.4**
Interest cost	1.5	1.7
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	**11.4**	**11.2**
Post-employment benefit expense – defined contribution plans	2.8	15.9
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**14.2**	**27.0**

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

(In € millions)	Post-employment benefit plans 31.12.2018	Post-employment benefit plans 31.12.2017
At 1 January (1)	**228.0**	**200.7**
Effect of changes in exchange rates (2)	0.0	0.0
Post-employment benefit expense	11.4	11.2
Employer's contributions (3)	(7.3)	(6.6)
Benefits paid (4)	(9.7)	(8.7)
Actuarial gains and losses recognised directly in equity (5)	(17.2)	3.4
Actuarial gains and losses recognised through profit	3.9	6.8
Changes in scope of consolidation	0.0	21.2
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0
AT 31 DECEMBER	**209.1**	**228.0**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans
(2) Defined benefit plan (costs)/income
(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

13.3.7 Change in actuarial gains

(In € millions)	Post-employment benefit plans 31.12.2018	Post-employment benefit plans 31.12.2017
Actuarial gains and losses recognised in equity at the beginning of the period	**140.0**	**136.6**
Actuarial gains and losses related to changes in discount rates	(3.5)	2.1
Actuarial gains and losses related to changes in retirement age assumptions	0.0	0.0
Actuarial gains and losses related to changes in technical rates	0.0	0.0
Actuarial gains and losses related to annuity contributions	0.0	0.0
Actuarial gains and losses related to changes in staff turnover rate assumptions	(2.0)	(1.3)
Actuarial gains and losses related to changes in payroll tax assumptions	0.9	(0.7)
Actuarial gains and losses related to historical loss adjustments	21.7	3.3
Actuarial gains and losses recognised in equity at the end of the period	**157.1**	**140.0**

13.3.8 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its employee benefit obligations in relation to changes in discount rates, employee turnover rates, rate of salary increases, valuation rates of interest and mortality tables. Employee benefit obligations are most sensitive to a change in the discount rate: A 25-bp change in this rate, for the French entities, would result in a 2% increase or decrease in employee benefit obligations.

ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

NOTE 14

Premium income

Premium income comprises:

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

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 IFRS 15, 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.

14.1 Earned premiums and revenue from other activities

Business segment and contract type *(In € millions)*	31.12.2018	31.12.2017
Insurance contracts	**27,692.4**	**28,753.2**
▪ Life	24,938.1	25,399.5
Pure premiums	23,110.7	23,580.4
Loading	1,827.4	1,819.2
▪ Non-life	2,754.3	3,353.7
Pure premiums	1,888.2	2,377.8
Loading	866.0	975.9
Financial instruments with DPF	**4,622.5**	**3,324.2**
Pure premiums	4,584.5	3,281.2
Loading	38.0	43.1
Earned premiums	**32,314.9**	**32,077.4**

Revenue from other activities *(In € millions)*	31.12.2018	31.12.2017
Financial instruments without DPF	**62.3**	**62.7**
Premium loading on financial instruments without DPF (IAS 39)	51.7	49.6
Loading on technical reserves for financial instruments without DPF	10.6	13.1
IFRS 15 *	**85.4**	**93.1**
Other activities	**0.2**	**4.5**
TOTAL	**147.9**	**160.3**

* IFRS 15 is applicable for accounting periods beginning on or after 1 January 2018. It has replaced IAS 18 (see Note 3.1.1.1)

14.2 Reconciliation to reported premium income

(In € millions)	31.12.2018	31.12.2017
Earned premiums	32,314.9	32,077.4
Premium loading on financial instruments without DPF (IAS 39)	51.7	49.6
TOTAL	**32,366.6**	**32,127.0**

14.3 Premium income by partner

(In € millions)	31.12.2018	31.12.2017
La Banque Postale	8,529.7	9,207.6
BPCE	7,129.4	7,989.8
Amétis	270.3	316.6
CNP Patrimoine	2,157.7	939.5
Financial institutions	1,256.5	1,533.0
Companies and local authorities	1,709.4	2,261.9
Mutual insurers	484.7	524.2
International subsidiaries	10,795.4	9,306.6
Other	33.7	47.8
TOTAL PREMIUM INCOME	**32,366.6**	**32,127.0**

14.4 Premium income by business segment

(In € millions)	31.12.2018	31.12.2017
Savings	**20,641.8**	**19,728.2**
Pensions	**5,089.3**	**4,984.1**
Personal Risk	1,737.7	1,957.6
Term creditor insurance	4,074.9	4,392.6
Health insurance	448.8	675.9
Property & Casualty	374.0	388.7
Sub-total Personal Risk and other	**6,635.5**	**7,414.8**
Other business segments	**0.0**	**0.0**
TOTAL PREMIUM INCOME	**32,366.6**	**32,127.0**

14.5 Premium income by company

(In € millions)	31.12.2018	31.12.2017
CNP Assurances	21,401.9	22,639.0
Caixa Seguros Group	5,452.4	5,261.4
CNP UniCredit Vita	3,368.7	2,605.7
CNP Santander Insurance	742.8	692.3
CNP Luxembourg	615.9	179.6
CNP Partners	378.3	330.6
CNP Cyprus Insurance holdings	157.4	145.3
MFPrévoyance SA	128.8	137.0
CNP Caution	92.9	95.4
CNP Assurances Compañia de Seguros	27.5	40.9
CNP Europe Life	0.0	0.0
TOTAL PREMIUM INCOME	**32,366.6**	**32,127.0**

14.6 Premium income by country

	Under IFRS		Under French GAAP	
(In € millions)	**31.12.2018**	31.12.2017	**31.12.2018**	31.12.2017
France	21,571.2	22,820.5	21,604.6	22,934.0
Brazil	5,452.4	5,261.4	5,722.5	5,541.6
Italy	3,638.3	2,851.3	3,671.2	2,892.1
Luxembourg	615.9	179.6	615.9	179.6
Germany	482.9	469.5	482.9	469.5
Spain	263.0	221.3	263.0	221.2
Cyprus	153.4	142.8	156.6	146.3
Poland	83.1	67.3	83.1	67.3
Argentina	27.5	40.9	27.5	40.9
Denmark	22.2	18.1	22.2	18.1
Norway	21.4	24.3	21.4	24.3
Austria	13.4	11.8	13.4	11.8
Portugal	5.0	6.4	5.0	6.4
Ireland	0.0	0.0	0.0	0.0
Other	16.9	11.8	17.5	12.1
TOTAL PREMIUM INCOME	**32,366.6**	**32,127.0**	**32,706.8**	**32,565.4**

14.7 Direct and inward reinsurance premiums

(In € millions)	**31.12.2018**	31.12.2017
Direct business premiums	30,043.4	29,376.2
Inward reinsurance premiums	2,323.2	2,750.9
TOTAL PREMIUM INCOME	**32,366.6**	**32,127.0**

14.8 Reconciliation of net new money (French GAAP) to premium income (IFRS)

(In € millions)	**31.12.2018**	31.12.2017
Net new money (French GAAP)	**32,706.8**	**32,565.4**
Restatement of net new money (French GAAP) from financial instruments without DPF (IAS 39)	(391.9)	(488.0)
IFRS premium loading on financial instruments without DPF (IAS 39)	51.7	49.6
IFRS PREMIUM INCOME	**32,366.6**	**32,127.0**

French GAAP net new money includes the total deposit component of financial instruments without DPF (IAS 39) while IFRS premium income includes only the premium loading on these instruments. The Group's performance and new business for the period is measured using a French GAAP indicator that does not make any distinction between the different types of contract and their respective measurement methods under IFRS based on their separate components.

NOTE 15

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)*	**31.12.2018**	31.12.2017
Incurred claims	11,806.4	12,393.4
Endowments due	148.6	342.9
Benefits due	1,037.2	975.0
Surrenders	15,331.8	17,734.9
Credited interest and policyholder dividends included in paid benefits	(106.5)	(108.8)
Benefit and claim handling expenses	158.7	156.1
Claims and benefits	**28,376.3**	**31,493.5**
Change in technical reserves – insurance contracts	4,240.2	8,843.6
Change in technical reserves – financial instruments with DPF	(7,764.9)	(11,405.0)
Change in other technical reserves	(365.6)	152.2
Change in technical reserves	**(3,890.3)**	**(2,409.2)**
Credited interest	848.0	949.5
Policyholder dividends	5,806.3	7,504.4
Credited interest and policyholder dividends	**6,654.3**	**8,453.9**
Claims and benefits expenses	**31,140.3**	**37,538.3**

NOTE 16

Administrative expenses and business acquisition costs

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 expenses 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.

16.1 Expenses analysed by function

(In € millions)	31.12.2018	31.12.2017
Commissions	(3,802.3)	(4,038.1)
Expenses analysed by function	(152.0)	56.1
Acquisition costs	**(3,954.3)**	**(3,982.0)**
Contract administration expenses	**(202.3)**	**(198.8)**
Other underwriting income and expenses	(374.4)	(393.6)
Other income and expenses	(168.7)	(189.5)
Employee profit-sharing	(32.3)	(34.0)
Other recurring operating income and expense, net	**(575.4)**	**(617.1)**
TOTAL	**(4,732.0)**	**(4,797.9)**

16.2 Expenses analysed by nature

(In € millions)	31.12.2018	31.12.2017
Depreciation and amortisation expense and impairment losses	(60.3)	(52.4)
Employee benefits expense	(474.6)	(479.2)
Taxes other than on income	(55.0)	(35.7)
Other *	(357.2)	(396.1)
TOTAL	**(947.1)**	**(963.5)**

* Details of fees paid to the Statutory Auditors are presented in Note 16.5

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.

16.3 Administrative expenses, net

(In € millions)	31.12.2018	31.12.2017
Administrative expenses *		
▪ - Excluding international subsidiaries and other businesses	611.1	611.7
▪ - Including international subsidiaries and other businesses	922.5	937.7

* Excluding Amétis network expenses

16.4 Analysis of commission expense

(In € millions)	31.12.2018	31.12.2017
BPCE	1,033.0	974.3
La Banque Postale	607.3	572.0
Other	2,162.0	2,491.8
TOTAL	**3,802.3**	**4,038.1**

16.5 Fees paid to the Statutory Auditors

	MAZARS				PwC			
	Amount [2]		%		Amount [2]		%	
(In € thousands)	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Audit								
Audit of the financial statements of the Company and the Group	1,914	1,666	78%	71%	2,414	2,446	78%	81%
Issuer	*1,161*	*984*	*48%*	*42%*	*1,189*	*991*	*39%*	*33%*
Fully consolidated companies	*753*	*682*	*31%*	*29%*	*1,225*	*1,455*	*39%*	*48%*
Other audit and special engagements [1]	488	669	20%	29%	641	578	21%	19%
Issuer	*424*	*475*	*17%*	*20%*	*521*	*531*	*17%*	*18%*
Fully consolidated companies	*64*	*194*	*3%*	*8%*	*120*	*47*	*4%*	*1%*
Sub-total	**2,401**	**2,335**	**98%**	**100%**	**3,054**	**3,024**	**99%**	**100%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax and labour-law advisory services	*39*		*2%*	*0%*	*30*	*0*	*1%*	*0%*
Other								
Sub-total	**39**	**0**	**2%**	**0%**	**30**	**0**	**1%**	**0%**
TOTAL	**2,440**	**2,335**	**100%**	**100%**	**3,084**	**3,024**	**100%**	**100%**

(1) "Other audit and special engagements" mainly concern the issue of subordinated notes, the review of MCEV©, the review of the English translation of the Registration Document, the review of sustainable development indicators and the review of internal control processes linked to the processing of unclaimed life insurance settlements

(2) Excluding recoverable taxes

NOTE 17

Reinsurance result

(In € millions)	**31.12.2018**	31.12.2017
Ceded premiums	(1,096.7)	(1,645.6)
Change in ceded technical reserves	1,061.9	1,768.8
Reinsurance commissions received	177.0	330.9
Investment income	(155.9)	(347.8)
TOTAL	**(13.7)**	**106.2**

NOTE 18
Investment income

18.1 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 2018 and 2017.

(In € millions)		**31.12.2018**	31.12.2017
Available-for-sale financial assets	Income from debt securities	259.0	26.1
	Interest income	5,290.5	5,750.9
	Income from other financial assets	1,838.1	2,158.8
	Capital gains and losses on disposals	19.4	389.8
	Impairment	1,024.6	727.7
	Net income from available-for-sale financial assets	**8,431.5**	**9,053.4**
Held-to-maturity investments	Income from debt securities	0.0	0.0
	Interest income	41.7	46.1
	Other income & charges	0.0	0.0
	Impairment	0.0	0.0
	Net income from held-to-maturity investments	**41.7**	**46.1**
Loans and receivables	Interest income	(0.9)	5.1
	Other income	(95.4)	0.0
	Impairment	106.0	0.0
	Net income from loans and receivables	**9.7**	**5.1**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	(2,458.3)	3,955.0
	Profit (loss) on derivative instruments held for trading and hedging	(81.2)	(147.8)
	Capital gains and losses on disposals	198.9	(64.8)
	Net income (expense) from financial assets at fair value through profit or loss	**(2,340.6)**	**3,742.3**
Investment property	Rent and other revenue	91.8	69.6
	Fair value adjustments	14.5	15.6
	Capital gains and losses on disposals	72.2	54.4
	Net income from investment property	**178.4**	**139.6**
Other investment expenses		**(263.1)**	**(213.0)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**6,057.6**	**12,773.4**
Interest on subordinated debt at amortised cost		(262.8)	(258.0)
Interest on subordinated debt at fair value		0.0	0.0
Finance costs - Cash *flow hedges*		14.3	11.3
Total finance costs		**(248.5)**	**(246.7)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**5,809.2**	**12,526.7**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(In € millions)	31.12.2018
Investment income before finance costs	6,057.6
Finance costs	(248.5)
TOTAL	**5,809.2**

18.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2018 and 2017.

18.2.1 Fair value adjustments to assets – 2018

(In € millions)		Investments held at 31.12.2018	Investments held at 31.12.2017	Movements in 2017
Assets at fair value through profit or loss	Fixed-rate bonds	11,951.4	12,805.8	(854.5)
	Variable-rate bonds	20,824.4	19,481.5	1,343.0
	TCNs (money market securities)	443.7	161.6	282.2
	Equities	4,492.0	5,265.3	(773.3)
	Investment funds	39,920.0	41,059.1	(1,139.1)
	Shares in non-trading property companies	1,206.2	1,173.5	32.7
	Other (including lent securities and repos)	2,765.2	1,775.0	990.2
	Total	**81,602.94**	**81,721.8**	**(118.8)**
Derivative instruments	Derivative instruments (positive fair value)	1,287.7	797.5	490.1
	Derivative instruments (negative fair value)	(1,193.3)	(1,110.1)	(83.2)
	Total	**94.4**	**(312.5)**	**406.9**
Available-for-sale financial assets	Fixed-rate bonds	171,685.9	171,449.1	236.8
	Variable-rate bonds	23,186.4	26,161.7	(2,975.3)
	TCNs (money market securities)	2,808.4	2,009.9	798.6
	Equities	15,400.9	19,313.4	(3,912.5)
	Investment funds	47,154.8	50,309.2	(3,154.4)
	Shares in non-trading property companies	9,494.1	8,369.8	1,124.3
	Non-voting loan stock	61.3	64.1	(2.8)
	Other (including lent securities and repos)	19,550.9	18,804.2	746.7
	Total	**289,342.7**	**296,481.3**	**(7,138.6)**
Held-to-maturity investments	Fixed-rate bonds	98.6	168.0	(69.5)
	Variable-rate bonds	204.1	246.2	(42.1)
	Other (including lent securities and repos)	130.6	180.7	(50.1)
	Total	**433.2**	**594.9**	**(161.7)**
Loans and receivables	Loans and receivables	4,891.3	4,970.6	(79.2)
	Total	**4,891.3**	**4,970.6**	**(79.2)**
Investment property	Investment property at amortised cost	1,937.5	1,992.5	(55.0)
	Investment property measured by the fair value model	1,510.2	1,485.4	24.9
	Total	**3,447.8**	**3,477.9**	**(30.1)**
TOTAL		**379,812.3**	**386,934.0**	**(7,121.6)**

18.2.2 Fair value adjustments to assets – 2017

(In € millions)		Investments held at 31.12.2017	Investments held at 31.12.2016	Movements in 2017
Assets at fair value through profit or loss	Fixed-rate bonds	12,805.8	11,408.6	1,397.2
	Variable-rate bonds	19,481.5	20,877.4	(1,395.9)
	TCNs (money market securities)	161.6	242.9	(81.3)
	Equities	5,265.3	3,606.1	1,659.2
	Investment funds	41,059.1	37,266.0	3,793.1
	Shares in non-trading property companies	1,173.5	1,028.7	144.8
	Other (including lent securities and repos)	1,775.0	110.9	1,664.1
	Total	**81,721.8**	**74,540.6**	**7,181.2**
Derivative instruments	Derivative instruments (positive fair value)	797.5	654.3	141.2
	Derivative instruments (negative fair value)	(1,110.1)	(1,244.9)	134.8
	Total	**(312.5)**	**(590.6)**	**278.1**
Available-for-sale financial assets	Fixed-rate bonds	171,449.1	176,586.1	(5,137.0)
	Variable-rate bonds	26,161.7	30,294.2	(4,132.5)
	TCNs (money market securities)	2,009.9	3,186.3	(1,176.4)
	Equities	19,313.4	17,725.3	1,588.1
	Investment funds	50,309.2	47,794.8	2,514.4
	Shares in non-trading property companies	8,369.8	6,430.7	1,939,1
	Non-voting loan stock	64.1	59.9	4,2
	Other (including lent securities and repos)	18,804.2	17,351.2	1,453.0
	Total	**296,481.3**	**299,428.6**	**(2,947.3)**
Held-to-maturity investments	Fixed-rate bonds	168.0	343.3	(175.3)
	Variable-rate bonds	246.2	282.9	(36.7)
		180.7	181.8	(1.1)
	Total	**594.9**	**808.0**	**(213.1)**
Loans and receivables	Loans and receivables	4,970.6	4,945.3	25.3
	Total	**4,970.6**	**4,945.3**	**25.3**
Investment property	Investment property at amortised cost	1,992.5	2,748.2	(755.7)
	Investment property measured by the fair value model	1,485.4	1,121.1	364.3
	Total	**3,477.9**	**3,869.3**	**(391.4)**
TOTAL		**386,934.0**	**383,001.3**	**3,932.7**

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

(In € millions)	**31.12.2018**	31.12.2017
Fair value of investments	379,812.3	386,933.9
Unrealised gains and losses, net	(944.6)	(956.0)
Carrying amount of investments	**378,867.7**	**385,977.9**

18.3 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)	**31.12.2018**	31.12.2017
Available-for-sale financial assets	**(168.9)**	**(240.4)**
Fixed-rate bonds	0.0	0.0
Variable-rate bonds	0.0	(17.7)
TCNs (money market securities)	0.0	0.0
Equities	(33.3)	(32.3)
Equity investment funds	(0.4)	0.0
Non-voting loan stock	(1.2)	0.0
Other (including mutual fund units)	(134.0)	(190.4)
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(168.9)**	**(240.4)**
Available-for-sale financial assets	**1,299.5**	**968.1**
Fixed-rate bonds	0.0	7.0
Variable-rate bonds	14.8	4.0
TCNs (money market securities)	0.0	0.0
Equities	1,016.5	827.0
Equity investment funds	6.7	34.2
Non-voting loan stock	0.1	0.0
Other (including mutual fund units)	261.4	95.9
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**1,299.5**	**968.1**
NET CHANGE IN IMPAIRMENT PROVISIONS	**1,130.6**	**727.7**

NOTE 19

Income tax expense

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The main companies in the tax group are CNP Assurances and its subsidiaries Montparvie 2, CNP Caution, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ, US Real Estate 270, Pial 34, Passage du Faidherbe, Alleray, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, 41 rue Ybry Holding, Ybry Pont Neuilly, Geosud and Friedensallee.

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. In accordance with IAS 12, a deferred tax liability is recognised for all taxable temporary differences between the carrying amount and tax base of investments in subsidiaries, associates and branches and interests in joint arrangements, except where the following conditions are met:

- CNP Assurances, as the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference 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.

The following table discloses the main components of income tax expense.

(In € millions)	**31.12.2018**	31.12.2017
Current tax	(803.3)	(939.0)
Deferred tax	10.0	43.5
INCOME TAX EXPENSE	**(793.3)**	**(895.6)**
Profit for the period	1,670.0	1,623.1
Tax rate	32.20%	35.56%
INCOME TAX EXPENSE	**(793.3)**	**(895.6)**

Tax proof *(In € millions)*	31.12.2018		31.12.2017	
	Rate	**Amount**	Rate	Amount
Profit before tax		2,463.3		2,518.7
Income tax at the standard French tax rate [(1)]	34.43%	(848.1)	34.43%	(867.2)
Permanent differences [(2)]	-0.52%	12.9	0.83%	(20.9)
Effects of changeover to the equity method [(3)]	-1.80%	44.4	-0.10%	2.5
Capital gains and losses taxed at reduced rate	-0.92%	22.7	-3.35%	84.3
Effects of changes in tax rates [(4)]	1.86%	(45.7)	4.70%	(118.3)
Tax credits and tax loss carryforwards used	-1.28%	31.6	-1.50%	37.7
Other	0.45%	(11.0)	0.55%	(13.7)
TOTAL	**32.20%**	**(793.3)**	**35.56%**	**(895.6)**

(1) Including the current additional contribution of 3.3%, the theoretical tax rate for 2018 is 34.43%

(2) The 2018 Finance Act has eliminated the 3% "contribution additionnelle" surtax on distributed earnings introduced in 2012 and payable by French companies subject to corporate income tax that pay dividends (with some exceptions), after France's Constitutional Council held the surtax to be unconstitutional in a ruling dated 6 October 2017.

To help offset the negative effect on public finances of these refunds, the French State has introduced a new "exceptional" surtax payable by large corporates (Amended 2017 Finance Act dated 1 December 2017).

Based on the size of its business (in terms of premium income), the surtax payable by CNP Assurances in 2017 represented 30% of its French income tax liability and amounted to around €94.6 million. This represented an additional tax cost of €31.5 million compared to the €63.1 million refund of the 3% tax on distributed earnings (excluding interest)

(3) Application of the equity method to account for HIG had a positive effect on income tax expense, with:

i) on the one hand, revenue that had already been taxed and was therefore recognised on a net-of-tax basis; and

ii) on the other hand, tax-deductible policyholder rights generated by this revenue, recorded on a before-tax basis

(4) Including the effects of differences in foreign tax rates and changes in statutory tax rates. This caption also includes the effects of the change in the French tax rate provided for in the 2018 Finance Act that were recognised in the 2017 consolidated financial statements and updated at 31 December 2018

The reduced rate of 25% (versus 33 1/3% currently) will be phased in over the period until 2022, depending on the company. As from 2022, the 25% rate will apply to all profits whatever the taxpayer's revenue (the 3.3% *contribution sociale* surtax will continue to apply). The rates applicable to CNP Assurances over the period to 2022 will be as follows: 33% in 2018, 31% in 2019, 28% in 2020, 26.5% in 2021 and 25% in 2022.

Deferred taxes on: *(In € millions)*	**31.12.2018**	31.12.2017
Fair value adjustments to financial assets held for *trading*	(237.1)	99.7
Deferred participation asset/reserve	184.7	(112.9)
Fair value adjustments to other financial assets	31.0	7.9
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	11.4	(38.2)
TOTAL	**(10.0)**	**(43.5)**

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

Sources of temporary differences *(In € millions)*	31.12.2018		
	Assets	Liabilities	Net
Goodwill	10.0	(1.0)	9.0
Value of In-Force business	0.0	(1.6)	(1.6)
Distribution agreements	0.0	(38.7)	(38.7)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(73.6)	(73.6)
Financial assets	0.2	(6,628.4)	(6,628.2)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	163.5	0.0	163.5
Owner-occupied property and other property and equipment	0.0	(0.8)	(0.8)
Deferred acquisition costs	0.0	(7.5)	(7.5)
Other assets	163.9	0.0	163.9
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	9.0	0.0	9.0
Provisions for liabilities and charges	227.6	0.0	227.6
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(2.7)	(2.7)
Deferred participation asset/reserve	5,931.2	0.0	5,931.2
Other liabilities	0.0	(1.6)	(1.6)
Credit from tax loss carryforwards	31.1	(18.8)	12.3
Asset-liability netting	(6,285.0)	6,285.0	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**251.6**	**(489.8)**	**(238.2)**

Sources of temporary differences *(In € millions)*	31.12.2017		
	Assets	Liabilities	Net
Goodwill	12.4	(1.0)	11.3
Value of In-Force business	0.0	(2.0)	(2.0)
Distribution agreements	0.0	(41.1)	(41.1)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(67.5)	(67.5)
Financial assets	0.9	(9,545.7)	(9,544.8)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	162.7	0.0	162.7
Owner-occupied property and other property and equipment	0.9	0.0	0.9
Deferred acquisition costs	2.5	0.0	2.5
Other assets	251.4	0.0	251.4
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	8.0	0.0	8.0
Provisions for liabilities and charges	219.8	0.0	219.8
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(0.2)	(0.2)
Deferred participation asset/reserve	8,366.5	0.0	8,366.5
Other liabilities	0.0	0.0	0.0
Credit from tax loss carryforwards	1.3	0.0	1.3
Asset-liability netting	(8,742.2)	8,742.2	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**284.3**	**(915.3)**	**(631.0)**

NOTE 20
Segment information

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.

The choice of geographical segmentation is based on a multi-criteria organisation linked to the Group's strategic priorities (geography, activities, networks) and the allocation of goodwill to mainly geographical cash-generating units. It has been adopted in order to present geographic segments as the Group's operating segments based on the definitions in IFRS 8 paragraphs 8 and 10.

The three geographic segments are:

- France;
- Latin America;
- Europe excluding France.

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

- premium income and revenue from other activities: earned premiums and revenue from other activities, including non-controlling interests and ceded premiums. Premium income and revenue from other activities is an indicator of underwriting volume;
- total revenue: net insurance revenue plus revenue from own-fund portfolios, including non-controlling interests but net of ceded premiums. It is the margin before deducting administrative expenses;
- net insurance revenue: sum of insurance loading, underwriting results and reinsurance results, net of commission paid to distribution partners, including non-controlling interests but net of ceded premiums. It is the margin generated by the insurance business before deducting administrative expenses;
- general expenses: expenses allocated to each reportable segment based on customary cost allocation keys;
- EBIT: operating profit adjusted for net fair value adjustments to financial assets (i.e., excluding sensitivity to changing market prices), finance costs, taxes and non-controlling interests. EBIT is a key indicator of profit by reportable segment based on analyses by Group senior management. It is the margin generated by the insurance business after deducting administrative expenses. EBIT corresponds to attributable profit for the period adjusted for:
  - finance costs,
  - share of profit of equity-accounted companies,
  - non-recurring items,
  - income taxes on the above items,
  - non-controlling interests, net of tax,
  - fair value adjustments to the trading portfolio (corresponding to unrealised gains and disposal gains on financial instruments recognised at fair value through profit or loss), net of tax, 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), net of tax;
- segment assets and liabilities: until 31 December 2015, assets and liabilities under IFRS were broken out by reportable segment and 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" were tracked by reportable segment on a regular basis.

20.1 Income statement by business segment at 31 December 2018

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income *	21,571.2	5,479.8	5,315.5	32,366.6
Total revenue	**2,514.3**	**1,099.5**	**232.2**	**3,846.0**
Administrative expenses	(611.1)	(186.6)	(124.8)	(922.5)
EBIT	**1,903.2**	**913.0**	**107.4**	**2,923.5**
Finance costs				(248.5)
Share of profits and losses of equity-accounted companies				23.3
Income tax expense				(900.7)
Non-controlling interests				(304.1)
Fair value adjustments and net gains *(losses)*				89.0
Non-recurring items				(215.8)
Profit attributable to owners of the parent				**1,366.7**

* A reconciliation of earned premiums to premium income is presented in Note 14

RECONCILIATION OF EBIT TO OPERATING PROFIT

(In € millions)	31.12.2018
EBIT	**2,923.5**
Net fair value adjustments	(113.9)
Net gains/(losses) on equities and property	213.7
Non-recurring items	(324.5)
Transactions with equity-accounted entities	(117.8)
Operating profit	**2,581.0**

RECONCILIATION OF DESENSITISED INCOME TAX EXPENSE TO REPORTED INCOME TAX EXPENSE

(In € millions)	31.12.2018
Income tax expense (desensitised income statement)	**(900.7)**
Tax on the following items:	
Net fair value adjustments	61.1
Net gains/(losses) on equities and property	(73.9)
Non-recurring items	108.0
Associates	12.2
Income tax expense (reported)	**(793.3)**

RECONCILIATION OF DESENSITISED NON-CONTROLLING INTERESTS TO REPORTED NON-CONTROLLING INTERESTS

(In € millions)	31.12.2018
Non-controlling interests (desensitised income statement)	**(304.1)**
Impact of non-controlling interests on the following items:	
Net fair value adjustments	1.4
Net gains/(losses) on equities and property	(1.4)
Non-recurring items	0.7
Non-controlling interests (reported)	**(303.3)**

20.2 2017 income statement by geographic segment

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income *	22,820.5	5,302.3	4,004.2	32,127.0
Total revenue	**2,388.2**	**1,189.8**	**248.7**	**3,826.8**
General expenses	(611.7)	(209.3)	(116.7)	(937.7)
EBIT	**1,776.5**	**980.5**	**132.0**	**2,889.1**
Finance costs				(246.7)
Share of profits and losses of equity-accounted companies				7.3
Income tax expense				(1,001.3)
Non-controlling interests				(336.5)
Fair value adjustments and net gains (losses)				200.0
Non-recurring items				(227.3)
Profit attributable to owners of the parent				**1,284.5**

* A reconciliation of earned premiums to premium income is presented in Note 14

RECONCILIATION OF EBIT TO OPERATING PROFIT

(In € millions)	31.12.2017
EBIT	**2,889.1**
Net fair value adjustments	49.1
Net gains on equities and property	259.5
Non-recurring items	(441.4)
Operating profit	**2,756.3**

RECONCILIATION OF DESENSITISED INCOME TAX EXPENSE TO REPORTED INCOME TAX EXPENSE

(In € millions)	31.12.2017
Income tax expense (desensitised income statement)	**(1,001.3)**
Tax on the following items:	
Net fair value adjustments	(11.2)
Net gains/(losses) on equities and property	(97.8)
Non-recurring items	214.7
Income tax expense (reported)	**(895.6)**

RECONCILIATION OF DESENSITISED NON-CONTROLLING INTERESTS TO REPORTED NON-CONTROLLING INTERESTS

(In € millions)	31.12.2017
Non-controlling interests (desensitised income statement)	**(336.5)**
Impact of non-controlling interests on the following items:	
Net fair value adjustments	0.3
Net gains/(losses) on equities and property	(1.8)
Non-recurring items	(0.6)
Non-controlling interests (reported)	**(338.6)**

OTHER ANALYSES

NOTE 21
Contingent liabilities

A contingent liability is:

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.

Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

NOTE 22
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 the entities accounted for using the equity method) and members of senior management (see Note 22.5).

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 €321.7 million in dividends from subsidiaries during the period, comprising €121.8 million from its French subsidiaries, €180.2 million from its Brazilian subsidiaries, €14.4 million from CNP UniCredit Vita and €5.4 million from CNP Cyprus Insurance Holdings.

The list of subsidiaries, associates and joint ventures is provided in Note 4.

22.1 Transactions with shareholders and their subsidiaries

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	1,544.9	0.0	3,348.5
Outward reinsurance – Claims and benefits, technical reserves	577.1	0.0	11,968.3	0.0
Commissions	0.0	1,640.4	0.0	488.5
Service fees	14.9	3.0	3.4	0.9
Employee benefits expense	0.0	7.9	0.0	2.1
Rent	0.0	2.1	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	132.4	1.0	7.8	1.9
Financial expenses and borrowings	0.0	312.9	0.0	0.0
Dividends	0.0	444.8	0.0	0.0

Based on the IAS 24 definition, the Group's shareholders (Caisse des Dépôts, BPCE and La Banque Postale), their subsidiaries and joint ventures and the companies over which they exercise significant influence are all related parties.

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

Claims and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances and the costs of managing service contracts reinvoiced to La Banque Postale Prévoyance in accordance with IFRS 15.

2017 dividends paid to the Group's shareholders in 2018 amounted to €576.7 million, comprising amounts of €235.7 million, €104.3 million and €104.8 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

22.2 Transactions with equity-accounted entities

The insurance undertakings accounted for using the equity method are Arial CNP Assurances, Assuristance, Filassistance International and Wiz Soluçoes e Corretagem de Seguros SA.

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	343.4	0.0	4,640.0
Outward reinsurance – Claims and benefits, technical reserves	0.0	0.0	0.0	0.0
Commissions	0.0	11.6	0.0	11.6
Service fees	2.9	0.1	9.4	0.0
Employee benefits expense	4.4	1.1	0.9	1.4
Rent	0.0	0.0	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	0.0	0.0	0.0	0.0
Financial expenses and borrowings	0.0	0.0	0.0	0.0
Dividends	61.1	0.0	0.0	0.0

22.3 Transactions with associates

The Group received €62.6 million in dividends from the Coentreprise de Transport d'Electricité (CTE) joint venture, which is accounted for as an associate.

22.4 Terms and conditions of guarantees given and received

Guarantees given to related and equity-accounted companies mainly concern reinsurance transactions (cash deposits) and pledges:

- Arial CNP Assurances:
  - Cash deposits received: €1,408.0 million,
  - Pledges given: €3,747.2 million;
- BPCE:
  - Cash deposits paid: €11,768.1 million,
  - Pledges given: €2,935.2 million.

22.5 Management remuneration

The total remuneration paid to the Chairman, the 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 2018

- 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 three Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,713,426.98.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €10,391,036. No amounts have been provided for or recognised in respect of pension or other retirement benefits for the Chairman or the Chief Executive Officer because the Group has no payment obligations towards them in this regard.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €1,402,662. No amounts have been provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group has no payment obligations towards them in this regard.
- Share-based payment: no share-based payments were made in 2018 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2017

- 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 three Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,687,489.28.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €10,239,925. No amounts were provided for or recognised in respect of pension or other retirement benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the three Deputy Chief Executive Officers totalled €1,265,862. No amounts were provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Share-based payment: no share-based payments were made in 2017 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

NOTE 23
Financial risks

23.1 Credit risk

The Group's credit risk policies are presented in section 5 of this Registration Document on Corporate Governance and Internal Control.

Note 8.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

23.2 Currency risk

Most portfolios covering insured liabilities are invested in assets denominated in the insurance company's functional currency. As a result, portfolio exposure to currency risks is limited (e.g., net-of-hedging exposure to a currency other than the euro represents less than 5% of the investments of French companies of the CNP Assurances Group).

In addition, the Group performs currency stress-tests to assess the impact on profit and equity of a 10% increase in the euro-dollar and euro-sterling exchange rates as it is marginally exposed 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.

The impact of the euro's appreciation against the dollar and sterling is analysed at half-yearly intervals and commented on when the amounts involved are material.

The Group is also exposed to currency risk on its operations in Brazil and on the translation of the financial statements of its local subsidiaries.

Simulations are performed of the impact of a 20% decline in the Real exchange rate. In the absence of hedging, this scenario would have a negative impact of less than 5% on profit attributable to owners of the parent. The hedging policy consists of purchasing currency options as protection against the risk of a fall in the Brazilian currency. The impact of a 20% decline in the Real exchange rate after hedging would be less than 2% of profit attributable to owners of the parent.

Lastly, exchange differences on translating the financial statements of the Brazilian subsidiaries may have an impact on equity.

23.3 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.

23.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2018 and 31 December 2017.

23.3.1.1 Caps and floors at 31 December 2018

	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
≥ 0% and < 1%	2,864.0	1,095.5	404.4	7.3	11.2	4.7	2.1	1.0	0.0	0.0	4,390.3
≥ 1% to < 2%	18.6	1.5	2.5	0.5	12.6	0.0	25.3	1.0	0.0	0.0	62.1
≥ 2% to < 3%	306.1	0.5	8,770.0	6,850.0	6,000.0	56.9	72.3	108.5	3.0	2.0	22,169.3
≥ 3% and < 4%	200.2	4,900.0	0.0	0.0	1,597.0	10,176.0	2,544.5	0.0	0.0	555.0	19,972.7
≥ 4% to < 5%	940.0	502.2	2,261.7	3,820.0	2.3	5,732.2	5,568.9	0.0	20.1	430.0	19,277.4
≥ 5% and < 6%	1,184.2	301.3	0.0	1,850.0	1,910.0	0.0	0.0	0.0	0.0	0.0	5,245.5
≥ 6% to < 7%	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	2.0
TOTAL	**5,513.2**	**6,802.1**	**11,438.7**	**12,527.9**	**9,533.1**	**15,969.8**	**8,213.1**	**111.4**	**23.1**	**987.0**	**71,119.3**

23.3.1.2 Caps and floors at 31 December 2017

	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
≥ 0% to < 1%	1,708.5	708.4	1,096.2	202.8	3.6	8.6	0.0	0.0	0.0	0.0	3,728.1
≥ 1% to < 2%	841.0	900.0	0.0	200.6	0.0	6.8	0.2	29.9	0.0	0.0	1,978.4
≥ 2% to < 3%	500.0	0.0	0.0	8,770.0	6,850.0	6,000.0	54.0	71.0	0.0	0.0	22,245.0
≥ 3% and < 4%	700.0	0.0	4,900.0	0.0	0.0	1,594.0	0.0	0.0	0.0	210.0	7,404.0
≥ 4% to < 5%	2,293.0	940.0	450.0	2,310.0	3,820.0	0.0	0.0	0.0	0.0	158.0	9,971.0
≥ 5% and < 6%	2,410.0	882.7	300.0	200.0	1,850.0	1,910.0	0.0	0.8	0.0	0.0	7,553.5
≥ 6% to < 7%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**8,452.5**	**3,431.1**	**6,746.2**	**11,683.4**	**12,523.6**	**9,519.4**	**54.2**	**101.7**	**0.0**	**368.0**	**52,880.0**

23.3.2 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.

23.3.2.1 Effective interest rates at purchase

	31.12.2018		31.12.2017	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	2.69%	EUR	2.96%
Italy	EUR	2.69%	EUR	2.42%
Brazil	BRL	8.99%	BRL	9.37%
Spain	EUR	2.35%	EUR	2.54%

23.3.2.2 Effective interest rates at balance sheet date

	31.12.2018		31.12.2017	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	0.28%	EUR	0.19%
Italy	EUR	2.56%	EUR	2.48%
Brazil	BRL	7.33%	BRL	7.40%
Spain	EUR	0.94%	EUR	0.46%

23.3.3 Carrying amounts by maturity

23.3.3.1 Carrying amounts by maturity at 31 December 2018

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 in more than 5 years	Total
Fixed-rate bonds	26,387.2	21,468.8	23,839.3	21,234.4	24,348.2	63,996.8	181,274.7
Zero coupon bonds	2,091.9	648.8	665.3	740.2	2,188.2	12,522.9	18,857.2
Adjustable-rate bonds	2.6	4.8	0.0	0.0	108.1	1,597.2	1,712.7
Variable-rate bonds	2,883.7	1,337.6	2,327.1	1,522.5	1,543.1	2,441.6	12,055.6
Fixed-rate inflation-indexed bonds	668.7	1,482.5	928.2	209.6	3,131.8	5,118.0	11,538.7
Other bonds	1,768.9	2,553.0	1,162.3	1,741.3	1,125.0	6,982.8	15,333.3
TOTAL	**33,803.1**	**27,495.4**	**28,922.2**	**25,447.9**	**32,444.5**	**92,659.1**	**240,772.2**

23.3.3.2 Carrying amounts by maturity at 31 December 2017

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 in more than 5 years	Total
Fixed-rate bonds	23,913.2	20,661.4	22,104.9	25,288.1	19,581.0	72,030.9	183,579.5
Zero coupon bonds	742.9	2,177.8	665.2	656.7	738.7	14,200.0	19,181.3
Adjustable-rate bonds	5.0	3.4	21.6	3.9	1.1	1,759.8	1,794.9
Variable-rate bonds	1,419.7	2,698.5	1,247.6	2,028.0	1,559.3	2,084.2	11,037.3
Fixed-rate inflation-indexed bonds	172.6	681.8	1,518.9	964.6	212.9	8,455.8	12,006.7
Other bonds	2,441.2	1,768.5	2,525.1	1,147.6	1,728.9	6,457.4	16,068.8
TOTAL	**28,694.7**	**27,991.4**	**28,083.3**	**30,089.0**	**23,821.9**	**104,988.1**	**243,668.4**

23.3.4 Carrying amounts by maturity – held-to-maturity investments

23.3.4.1 Carrying amount at 31 December 2018

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 in more than 5 years	Total
Held-to-maturity investments	65.1	41.8	91.8	0.0	0.0	71.6	270.3
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**65.1**	**41.8**	**91.8**	**0.0**	**0.0**	**71.6**	**270.3**

23.3.4.2 Carrying amount at 31 December 2017

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 in more than 5 years	Total
Held-to-maturity investments	99.8	63.9	41.8	95.9	0.0	75.5	377.0
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**99.8**	**63.9**	**41.8**	**95.9**	**0.0**	**75.5**	**377.0**

23.3.5 Average life of securities

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

23.3.5.1 Average life of securities – 31 December 2018

France	Italy	Brazil	Spain
5.38	3.22	2.62	4.16

23.3.5.2 Average life of securities – 31 December 2017

France	Italy	Brazil	Spain
5.47	3.32	1.96	4.19

23.4 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 European Insurance CFO Forum Market Consistent Embedded Value Principles (MCEV© Principles) introduced in June 2008, as amended in October 2009 and updated in April 2016.

The valuation techniques used to measure financial options are based on market consistent financial assumptions at 31 December 2018.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other factors, 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. Adjusted net asset value is determined on the valuation date at consolidated level excluding non-controlling interests and breaks down into Required Capital and Free Surplus;
- the value of In-Force business, corresponding to the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. MCEV© principles state that the reference yield curve may be determined based on the swap curve, as adjusted if appropriate to achieve alignment with Solvency II requirements. For the Eurozone, the yield curve is extrapolated using the Smith-Wilson method from a last liquid point at 20 years with convergence on the ultimate forward rate of 4.05% at 40 years. For Brazil, the last liquid point is at 10 years with convergence on the ultimate forward rate of 5.35% at 50 years. For the determination of the reference yield curve, the Group has chosen to align its approach with Solvency II requirements, by applying a credit risk adjustment and a volatility adjustment to the swap curve where permitted. No matching adjustment is applied for Group entities.

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 rest of Europe and Latin America. The sensitivities analysed in 2018 were aligned with Solvency II requirements and were as follows:

- the impact of an immediate positive or negative 50-basis point change in the swap curve. This would result in:
  - a revaluation of bond prices,
  - a 50-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 25% fall in equity and property prices. This shock implies a 25% fall in the market value of equities and property assets, as well as a decrease in the mathematical provisions of unit-linked business for the proportion invested in equity and property.

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

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2018:

(In € millions)	**50 bp increase in interest rates**	**50 bp decrease in interest rates**	**25% decrease in equity prices**
Impact on MCEV© *	**1,337.8**	**(1,871.7)**	**(2,644.2)**

* The calculation of the impact on MCEV© is based on estimated data.

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2017:

(In € millions)	50 bp increase in interest rates	50 bp decrease in interest rates	25% decrease in equity prices
Impact on MCEV© *	**1,248.4**	**(1,157.8)**	**(2,763.4)**

Sensitivity to insurance risks is presented in Note 25.

NOTE 24

Liquidity risk and asset/liability management

24.1 Liquidity risk

24.1.1 Future cash flows from assets

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

24.1.1.1 Future cash flows from assets at 31 December 2018

Intended holding period *(In € millions)*	**Within 1 year**	**1 to 5 years**	**5 to 10 years**	**More than 10 years**
Available-for-sale financial assets	31,410	108,598	52,877	31,976
Assets held for trading and assets measured at FV	3,233	6,781	1,899	1,517
Held-to-maturity investments	172	158	0	72
Loans and receivables	0	0	0	0

24.1.1.2 Future cash flows from assets at 31 December 2017

Intended holding period *(In € millions)*	Within 1 year	1 to 5 years	5 to 10 years	More than 10 years
Available-for-sale financial assets	24,161	105,761	64,971	29,316
Assets held for trading and assets measured at FV	2,365	6,229	3,353	1,538
Held-to-maturity investments	109	381	0	75
Loans and receivables	0	0	0	0

24.1.1.3 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.

24.1.1.4 Payment projections by maturity at 31 December 2018

(In € millions)	**Within 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**	**More than 15 years**
Insurance and financial liabilities (incl. linked liabilities)	19,429.2	64,725.2	64,517.8	45,473.8	137,383.6

24.1.1.5 Payment projections by maturity at 31 December 2017

(In € millions)	Within 1 year	1 to 5 years	5 to 10 years	10 to 15 years	More than 15 years
Insurance and financial liabilities (incl. linked liabilities)	19,365.3	65,010.7	64,376.1	45,927.0	139,218.7

24.1.2 Contracts with immediate surrender option

(In € millions)	**31.12.2018**	31.12.2017
Contracts with immediate surrender option	268,834.4	264,336.3
Contracts with no immediate surrender option	66,656.8	70,532.6

Contracts with an immediate surrender option represented a total liability of €268.8 billion at 31 December 2018 (€264.3 billion at 31 December 2017). 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 employee benefits 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 24.1.1.3.

24.2 Asset/Liability management

The Group's ALM policy is presented in section 5 of this Registration Document on Corporate Governance and Internal Control.

24.3 Reconciliation of unit-linked assets and liabilities

(In € millions)	31.12.2018	31.12.2017
Investment properties held to cover linked liabilities	1,231.6	2,167.6
Financial assets held to cover linked liabilities	54,743.7	51,672.3
Investments accounted for using the equity method 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	**55,975.2**	**53,839.9**
Linked liabilities – financial instruments without DPF	7,945.5	8,187.6
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	48,223.0	45,822.4
TOTAL LINKED LIABILITIES	**56,168.5**	**54,010.0**
Guaranteed capital reserves	1.4	1.6
TOTAL LINKED LIABILITIES	**56,169.9**	**54,011.6**

The asset/liability mismatch on unit-linked contracts mainly relates to outstanding claims reserves and other reserves included in linked liabilities for which no related assets are included in the table above.

NOTE 25

Risks related to insurance and financial liabilities

25.1 Management of risks related to insurance and financial liabilities

CNP Assurances' 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 objectives.

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 reserving strategies;
- track risks with a technical component;
- optimise reinsurance strategies.

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

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

The Group's risk management policy is presented in section 5 of this Registration Document on Corporate Governance and Internal Control.

25.2 Contract terms and conditions

25.2.1 Types of insured risk by class of business

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

The main individual insurance products are savings products and deferred annuity contracts with or without contingency insurance. The savings range includes products that combine a traditional savings component and one or several unit-linked components.

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

In addition, the Group's subsidiaries in Brazil (Caixa Seguradora) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property & casualty and liability insurance. As commitments under property & casualty and liability insurance are marginal in relation to those arising from the life and protection insurance written by the Group, no details are provided here of the specific risks associated with these contracts.

The Group is exposed to the risks inherent in marketing and pricing new products. These risks are managed through specific processes and by dedicated committees.

Insurer risks differ depending on the type of policy:

Savings contracts give rise to mainly financial risks

Savings contracts fall into two broad categories:

- traditional savings contracts where the insurer may offer a capital guarantee plus a share of the investment yield. The insurer may also commit to paying a guaranteed yield topped up with a share of the investment yield. The yield guarantee is for a fixed period. These guarantees give rise to financial risks (see section 4.1.2 – Risk factors linked to the financial markets and Note 25.4 – Risk associated with guaranteed yields on insurance and financial liabilities). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of 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 and rapid increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both earnings and solvency (see section 4.1.2 – Interest rate risk);
- unit-linked contracts, where the policyholder bears the financial risk and the insurer's commitment is limited to guaranteeing the liquidity of the underlying assets. If the underlying assets cannot be sold on the market, this may result in a loss for the insurer who would have an obligation to settle the amount due to the policyholder (in the event of death, surrender of the policy or otherwise) without being able to finance the payout using the proceeds from the sale of the assets. In addition, because the policyholder bears the financial risk, the presentation of the product is governed by detailed rules, giving rise to a compliance risk (see section 4.1.2 – Compliance risk). Lastly, the insurer is also exposed to a financial risk to the extent that a fall in value of the assets held in the unit-linked portfolio reduces the calculation base for the asset loading. The various risks have been identified and unit-linked products are subjected to an internal analysis and selection process before being marketed. Unit-linked contracts also expose the Group to the surrender risk described above, to the extent that surrenders also reduce the calculation base for the asset loading. For this type of contract, the insurer's commitment is limited to the additional cover provided under the contract, 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 concern:

- 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 generally calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or to the risk that yields on plan assets will fall significantly short of the valuation rate of interest used in the pricing model.

Personal risk policies give rise to mainly underwriting risks

Personal risk/protection contracts comprise various types of 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. In addition, products are subject to regular pricing reviews based on loss experience to ensure that margins remain adequate.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection, although this is attenuated by the use of medical questionnaires, deferred periods and/or other measures.

The Group's business may be affected by the occurrence of natural or man-made catastrophes. Aside from the immediate effects of a wave of global climate-related disasters, acts of terrorism, the spread of pandemics, or fallout from global warming, such events could also significantly impact the results of certain personal insurance businesses.

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

The Term Creditor Insurance business also exposes the Group to a surrender risk in connection with the early repayment of the insured loan (which is all the more likely during a period of low interest rates) or a cancellation risk (since the Hamon Act came into effect in 2014, insureds are free to cancel their policy during the first year of the loan and following the Bourquin amendment applicable from 1 January 2018, the cancellation right will be exercisable annually). An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability.

In addition, death/disability policies with potentially long benefit payment periods, such as long-term care insurance, give rise to financial risks because part of the related profit is derived from the investment income generated during the benefit payment period and may be adversely affected by unfavourable financial market trends (such as declining interest rates).

Although the main risks to which the Group is exposed are set out in this section, the list is by no means exhaustive and other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future. The Group may also be exposed to emerging risks, corresponding to new or continually evolving risks whose impact is very difficult to measure. Risks that are currently unknown or considered minor may have a material adverse effect on the Group in the future.

25.2.2 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 as only the number of units is guaranteed. The exception is contracts that also include death and/or disability cover. For these 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) 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) 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) 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) 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.

25.2.3 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 not yet been allocated is accumulated in the policyholders' surplus reserve.

Participation rates are determined based on the local accounts.

25.3 Valuation of insurance liabilities (assumptions and sensitivities)

25.3.1 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;
- general 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.

25.3.2 Modelling objectives

Technical reserves are modelled based on current accounting standards. In particular, mortality tables, discount rates and investment yield assumptions may be selected based on a Solvency II approach.

25.3.3 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.

25.3.4 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 stated net of deferred participation and withdrawals, in accordance with the applicable 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 date or benefit settlement date, depending on the type of policy.

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

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

25.3.5 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.

The keys used to allocate unrealised gains between technical reserves and own-funds were re-calibrated in 2016. A method has been developed based on historical payments to insureds and referral agents, representing a robust and simple approach that is consistent with the Group's practices.

In addition, the related documentation has been enhanced to provide a better audit trail.

25.3.6 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.

25.3.7 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 2018, a 10% fall in surrender rates would have a positive impact of €270 million on MCEV©. A 5% fall in observed losses would have a positive impact of €219 million on MCEV© for mortality and disability risks, and a negative impact of €59 million for longevity risks.

25.4 Risk associated with 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 minimum yield and a guaranteed profit participation when the contract matures;
- contracts offering an enhanced yield (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed minimum yield representing less than 60% of the TME rate at the time of payment.

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

Guaranteed yield *(In € millions)*	31.12.2018 Technical reserves	31.12.2018 %
0% (1)	192,420.7	57.4%
]0%-2%]	12,527.9	3.7%
]2%-3%]	6,335.0	1.9%
]3%-4%]	2,131.1	0.6%
]4%-4.5%]	5,085.9	1.5%
>4.5% (2)	1,276.0	0.4%
Unit-linked	56,168.5	16.7%
Other (3)	59,546.1	17.7%
TOTAL	**335,491.1**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 7% (see Note 23.3)
(3) Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

Guaranteed yield *(In € millions)*	31.12.2017 Technical reserves	%
0% [1]	188,564.1	56.3%
]0%-2%]	13,621.6	4.1%
]2%-3%]	10,441.7	3.1%
]3%-4%]	2,234.1	0.7%
]4%-4.5%]	5,146.7	1.5%
>4.5% [2]	1,363.6	0.4%
Linked liabilities	54,010.0	16.1%
Other [3]	59,486.9	17.8%
TOTAL	**334,868.9**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguradora in Brazil, where bond rates are above 7% (see Note 23.3)
(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

25.5 Concentration of insurance risk

25.5.1 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 occurrence (catastrophe risk) and excess-of-loss per insured and excess mortality cover (pandemic risk);
- to share risks on large-scale new business.

25.5.2 Loss exposure per catastrophe and per occurrence

All portfolios are covered by catastrophe/accident excess-of-loss reinsurance obtained from professional reinsurers.

- Individual policies: accidental death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its CNP UniCredit Vita and CNP Partners subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least three victims – the Group retains €400 thousand per event and the reinsurers cover €10 million per event and €20 million per year.
- Group policies:

a) accidental 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 employee benefits 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 six 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: 200 XS €200 million; layer 4: 200 XS €400 million; level 5: 100 XS €600 million; level 6: 300 XS €700 million. A loss event is defined as involving three or more victims;

b) risks insured by CNP Assurances for employee benefits institutions and mutual insurers are fully reinsured on the market. This concerns stop-loss cover provided under the relevant partnership agreements (90% XS 110% or 30% XS 110%)

All term creditor insurance and employee benefits portfolios are also covered beyond €2 million for high capital payouts in the case of IPA3 accidental 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.

All term creditor insurance portfolios have been reinsured against partial losses from pandemic risks since 2016 under a treaty arranged through the Bureau Commun des Assurances Collectives. In 2018, the original treaty was replaced by a new treaty with a reinsurance pool offering enhanced cover. The treaty covers a 0.05% increase in the mortality rate beyond an average rate of 0.15% (based on number of deaths), subject to a 0.05% deductible and a maximum reinsurance payout of €50 million. The reinsurers' commitment amounts to €155 million. The treaty covers the pandemic risk excluded from the coverage of accidental death/disability resulting from catastrophic events.

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

25.5.3 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. In addition, reinsurers must be domiciled in a country approved by the Compliance department.

Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+. (see Note 9.9).

25.5.4 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 26

Commitments given and received

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

Reported commitments given and received now include the value of collateralised debt obligations transferred under securities lending/borrowing and repurchase/resale transactions.

COMMITMENTS GIVEN

(In € millions)	**31.12.2018**	31.12.2017
Financing commitments	1,718.1	136.4
Guarantees	1,492.8	1,124.5
Securities commitments	8,813.4	7,042.0

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

An amount of R$ 4.65 billion to be paid, in the framework of the binding memorandum of understanding concluded with Caixa Seguridade, the subsidiary of Caixa Econômica Federal (CEF) regrouping its insurance activities (see Note 1), on the closing date, i.e., €0.96 billion, converted at the exchange rate on the day of the transaction on August 28, 2018, was recorded as a financing commitment. At the exchange rate as of 31 December 2018, this commitment amounted to €1.04 billion.

The currency risk associated with the upfront payment has been hedged (Note 8.7).

COMMITMENTS RECEIVED

(In € millions)	**31.12.2018**	31.12.2017
Financing commitments	0.0	0.0
Guarantees	12,582.2	11,715.1
Securities commitments	10,635.1	11,435.0

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

5.2 Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2018

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of CNP Assurances for the year ended 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the results of its operations for the year then ended, as well as of the financial position and the assets and liabilities of the Group at 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2018 to the date of our report and in particular we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF THE ESCALATING RISKS RESERVE FOR LONG-TERM CARE AND TERM CREDITOR POLICIES

(See Note 9.2 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
A reserve for escalating risks is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums. This reserve is constituted prospectively by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve. At 31 December 2018, other technical reserves, which are analysed in Note 9.2 to the consolidated financial statements, included the escalating risks reserve for long-term care policies in an amount of €385 million and the escalating risks reserve for the Term Creditor Insurance business in an amount of €236 million before reinsurance. We deemed this risk to be a key audit matter in view of the sensitivity of the calculation of the escalating risks reserve for long-term care and Term Creditor policies to the choice of the following key assumptions, which require a significant degree of judgement from management: ▪ the discount rate used on the long-term care risk; ▪ the experience-based tables prepared according to observations and analyses established on the basis of portfolio data; ▪ the surrender behaviour of policyholders, in particular given the uncertainty in relation to surrender behaviour caused by the Bourquin amendment to the Sapin II law.	We examined the procedures by which the methodology for determining the escalating risks reserve is implemented. In particular, we carried out the following procedures with the guidance of our internal experts in risks and models: ▪ we examined the mathematical design of the actuarial model to verify that it did not contain any material misstatement that could distort the calculation result, in particular by recalculating the reserves; ▪ we assessed the consistency of the key assumptions used to determine the reserve, which included in particular: – determining homogeneous risk classes (within which the offsetting of positive and negative escalating risks reserves calculated on a case-by-case basis is possible) linked to the segmentation used for pricing, – the principles and methodologies for determining the discount rate, – the principles and methodologies for determining the surrender rate and the related sensitivity tests, – the principles and methodologies for determining the experience-based tables, – the principles for determining escalating risk reserve coefficients and their proper application for case-by-case calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 9.2. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
General administrative expense reserves are intended to cover future administrative costs of individual Savings and Pensions policies and Group Pensions policies, which are not covered by the loading on premiums or the fees levied on financial products provided for by these policies. At 31 December 2018, other technical reserves, which are analysed in Note 9.2 to the consolidated financial statements, included general administrative expense reserves in an amount of €276 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves to: ▪ a situation of persistently low yields; ▪ the quality of the underlying data; ▪ the assumptions used to model future results. The main inputs used are as follows: ▪ policy data; ▪ the historical actual costs linked to the management of the activity. The main assumptions concerned: ▪ the level of aggregation at which positive future results are offset against negative future results for homogeneous categories of contracts; ▪ the estimated future contractual fees that may be levied, subject to compliance with the guarantees given to policyholders; ▪ the future investment yield; ▪ administrative costs and in particular the types of costs to be taken into account, which depend on the procedure for allocating costs by function; ▪ future surrender and coverage reduction rates.	We examined the procedures by which the methodology for determining general administrative expense reserves is implemented. We carried out the following procedures with the guidance of our internal experts in risks and models: ▪ assessing compliance with the requirements of the applicable regulations; ▪ analysing the application scope of the reserves and the assumptions for grouping policies together in order to verify their homogeneity; ▪ verifying the consistency of the assumptions used with the past data and/or data used to project future results (administrative expenses, surrender rates, etc.); ▪ verifying on a sample basis the consistency of the underlying data used for the calculation with the contractual provisions pertaining to fees levied on policies; ▪ analysing the procedures for determining the yield curve applied to mathematical reserves in order to determine forecast investment income; ▪ carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 8.3. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The financial investments included in the balance sheet of CNP Assurances at 31 December 2018 for a net amount of €380,585 million, represented 92% of the total balance sheet. Financial investments are measured at fair value at the end of the reporting period. For most of the asset portfolio, determining this value accounting is not especially problematic given that the assets are listed on the markets. However, the risk concerning the measurement fair value is considered greater for assets that are not listed on liquid markets, as indicated in Note 8.3 to the consolidated financial statements, such as structured debt securities, venture-capital funds, loan funds and unlisted securities and derivatives. Some of these investments are valued on the basis of models and assumptions. The techniques adopted by management for their measurement therefore involve significant judgements as regards the methods, assumptions and data to be used. In light of the materiality of outstandings and the sensitivity of the valuation of these unlisted financial assets to management's choices in terms of calculation methodologies and inputs, we deemed the correct measurement of unlisted financial assets to be a key audit matter.	We performed the following procedures: ▪ assessing the control system associated with the valuation process, particularly by verifying that controls put in place by management exist and effectively implemented; ▪ verifying that the estimates of these values determined by management are based on an appropriate justification of the measurement method and of the figures used; ▪ obtaining the most recent valuations available prepared by experts and fund managers; ▪ working with our internal experts in risks and models in order to: – perform an independent calculation and a sensitivity analysis on a sample of structured securities, – analyse the appropriateness of the assumptions and inputs used in the valuation models for the Co-entreprise de Transport d'Electricité (CTE).

Specific verifications

As required by law and regulations, and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements, it being specified that it is not our responsibility give an opinion on the fair presentation and the consistency with consolidated financial statements of the supervisory information (SCR coverage ratio) given in the management report in accordance with Article L.356-23 of the French Insurance Code (*Code des assurances*).

We attest that the Board of Directors' management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of CNP Assurances by the Annual General Meetings held on 18 May 1998 for Mazars and on 25 May 2010 for PricewaterhouseCoopers Audit.

At 31 December 2018, Mazars and PricewaterhouseCoopers Audit were in the twenty-first year and the ninth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any Internal Audit systems, relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

A more detailed description of our responsibilities as Statutory Auditors in the scope of the audit of the consolidated financial statements is set out in the appendix to this report, and is an integral part hereof.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the procedures for the preparation and processing of accounting and financial information.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Neuilly-sur-Seine and Courbevoie, 4 March 2019

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Bénédicte Vignon	Olivier Leclerc

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

5.3 Parent company financial statements

5.3.1 Balance Sheet at 31 December 2018

5.3.1.1 Assets

(In € thousands)	Notes	31.12.2018	31.12.2017	Year-on-year change
Intangible assets	5.1	**67,090**	**69,972**	**-4.1%**
Investments		**291,960,755**	**291,519,997**	**0.2%**
Land and buildings	5.1	12,141,460	11,796,327	2.9%
Investments in subsidiaries and affiliates *	5.1 and 5.4.1	9,305,586	6,511,322	42.9%
Other investments		270,285,215	273,017,857	-1.0%
Cash deposits with ceding insurers	5.2.1	228,494	194,491	17.5%
Assets held to cover linked liabilities	5.2.1	**33,996,013**	**34,238,862**	**-0.7%**
Reinsurers' share of technical reserves		**21,224,185**	**22,325,061**	**-4.9%**
Unearned premium and unexpired risks reserves		0	0	0.0%
Life premium reserves		18,511,152	18,806,518	-1.6%
Outstanding life claims reserves		284,719	260,960	9.1%
Outstanding non-life claims reserves		371,849	1,021,807	-63.6%
Policyholder surplus reserve – life		281,748	239,809	17.5%
Bonus and rebate reserve – non-life		3,557	826	330.7%
Claims equalisation reserve		15,880	16,818	-5.6%
Other life technical reserves		0	0	0.0%
Other non-life technical reserves		40,411	229,011	-82.4%
Linked liabilities		1,714,869	1,749,312	-2.0%
Receivables	5.3	**7,161,114**	**7,028,218**	**1.9%**
Insurance receivables	5.3	**2,124,468**	**2,549,940**	**-16.7%**
Earned premiums not yet written	*5.3*	*1,711,427*	*2,259,819*	*-24.3%*
Other insurance receivables	*5.3*	*413,041*	*290,121*	*42.4%*
Reinsurance receivables	5.3	**456,763**	**239,736**	**90.5%**
Other receivables	5.3	**4,579,882**	**4,238,542**	**8.1%**
Prepaid payroll costs	*5.3*	*152*	*95*	*59.7%*
Prepaid and recoverable taxes	*5.3*	*564,679*	*693,845*	*-18.6%*
Other	*5.3*	*4,015,051*	*3,544,602*	*13.3%*
Other assets		**724,973**	**608,478**	**19.1%**
Property and equipment		171,830	167,167	2.8%
Current accounts and cash on hand		541,801	438,549	23.5%
Treasury shares	5.5.2	11,342	2,762	310.7%
Accrued income and prepaid expenses	5.7.1 and 5.7.2	**9,469,135**	**9,101,725**	**4.0%**
Prepaid interest and rental revenue	5.7.1 and 5.7.2	2,571,352	2,811,320	-8.5%
Deferred acquisition costs	5.7.1 and 5.7.2	155	182	-14.9%
Other accrued income and prepaid expenses	5.7.1 and 5.7.2	6,897,628	6,290,223	9.7%
TOTAL ASSETS		**364,603,265**	**364,892,313**	**-0.1%**

* Debt funds held in the form of interests previously classified as other investments are now considered as meeting the definition of subsidiaries and affiliates within the meaning of Article 330-2 of ANC Regulation 2015-11. The funds have therefore been reclassified at 31 December 2018 (for a carrying amount of €2.7 billion)

5.3.1.2 Equity and liabilities

(In € thousands)	*Notes*	**31.12.2018**	31.12.2017	Year-on-year change
Equity	5.6	**12,070,405**	**11,405,467**	**5.8%**
Share capital	5.5.1 and 5.6	686,618	686,618	0.0%
Additional paid-in capital	5.6	1,736,332	1,736,332	0.0%
Revaluation reserve	5.6	38,983	38,983	0.0%
Other reserves	5.6	6,315,155	6,129,704	3.0%
Retained earnings	5.6	2,127,957	1,671,303	27.3%
Net profit for the year	5.6	1,165,360	1,142,526	2.0%
Subordinated debt	8	**7,183,484**	**7,063,611**	**1.7%**
Technical reserves		**268,507,242**	**269,860,626**	**-0.5%**
Unearned premium and unexpired risks reserves		58,226	59,862	-2.7%
Life premium reserves	5.8	244,995,930	246,522,997	-0.6%
Outstanding life claims reserves		4,357,072	4,345,603	0.3%
Outstanding non-life claims reserves		4,708,243	5,381,840	-12.5%
Policyholder surplus reserve – life		12,217,856	11,261,886	8.5%
Bonus and rebate reserve – non-life		54,248	59,783	-9.3%
Claims equalisation reserves		380,351	403,847	-5.8%
Other life technical reserves		307,223	285,487	7.6%
Other non-life technical reserves		1,428,092	1,539,321	-7.2%
Linked liabilities		**34,128,965**	**34,352,524**	**-0.7%**
Provisions for liabilities and charges	5.7.3	**57,034**	**122,864**	**-53.6%**
Cash deposits received from reinsurers	5.3	**11,814,847**	**11,972,937**	**-1.3%**
Other liabilities	5.3	**27,164,416**	**26,591,221**	**2.2%**
Liabilities arising from insurance transactions	5.3	1,094,572	939,302	16.5%
Liabilities arising from reinsurance transactions	5.3	798,647	690,270	15.7%
Bank borrowings	5.3	181,660	398,871	-54.5%
Other liabilities	5.3	25,089,537	24,562,778	2.1%
Other borrowings, deposits and guarantees received	*5.3*	*8,779,057*	*9,091,304*	*-3.4%*
Accrued payroll costs	*5.3*	*365,774*	*389,586*	*-6.1%*
Accrued payroll and other taxes	*5.3*	*667,815*	*635,343*	*5.1%*
Other payables	*5.3*	*15,276,891*	*14,446,545*	*5.7%*
Deferred income and accrued expenses	5.7.1 and 5.7.2	**3,676,872**	**3,523,064**	**4.4%**
TOTAL EQUITY AND LIABILITIES		**364,603,265**	**364,892,313**	**-0.1%**

5.3.2 Income Statement for the year ended 31 December 2018

5.3.2.1 Non-life technical account

Non-life technical account *(In € thousands)*	*Notes*	31.12.2018 Gross	31.12.2018 Reinsurance	31.12.2018 Net	31.12.2017 Net	Year-on-year change
Earned premiums	*6.11*	**1,826,457**	**(100,852)**	**1,725,604**	**1,962,470**	**-12.1%**
Premiums		1,824,821	(100,852)	1,723,969	1,960,376	-12.1%
Change in unearned premiums reserve and unexpired risks reserve		1,636	0	1,636	2,094	-21.9%
Allocated investment income		**153,884**	**0**	**153,884**	**165,804**	**-7.2%**
Other underwriting income		**3,318**	**0**	**3,318**	**2,960**	**12.1%**
Paid claims and benefits and change in claims reserves		**(1,476,266)**	**120,137**	**(1,356,129)**	**(1,503,683)**	**-9.8%**
Paid claims and expenses		(2,177,463)	770,094	(1,407,368)	(1,163,220)	21.0%
Change in outstanding claims reserves		701,197	(649,958)	51,239	(340,462)	-115.0%
Change in other technical reserves		**122,049**	**(188,600)**	**(66,551)**	**19,056**	**-449.2%**
Policyholder rebates	*6.8*	**(41,534)**	**2,731**	**(38,802)**	**(65,516)**	**-40.8%**
Acquisition costs and administrative expenses		**(516,652)**	**32,145**	**(484,507)**	**(492,035)**	**-1.5%**
Acquisition costs		(430,988)	0	(430,988)	(580,246)	-25.7%
Contract administration expenses		(85,664)	0	(85,664)	(89,760)	-4.6%
Reinsurance commissions received		0	32,145	32,145	177,971	-81.9%
Other underwriting expenses		**(16,990)**	**0**	**(16,990)**	**(35,856)**	**-52.6%**
Change in claims equalisation reserve		**9,185**	**(938)**	**8,246**	**(74,337)**	**-111.1%**
NON-LIFE UNDERWRITING RESULT	*6.2*	**63,450**	**(135,378)**	**(71,928)**	**(21,136)**	**240.3%**

5.3.2.2 Life technical account

Life technical account *(In € thousands)*	*Notes*	31.12.2018 Gross	31.12.2018 Reinsurance	31.12.2018 Net	31.12.2017 Net	Year-on-year change
Premiums	*6.11*	**20,161,736**	**(814,231)**	**19,347,505**	**19,608,985**	**-1.3%**
Investment income	*6.1*	**10,903,543**	**(274,330)**	**10,629,213**	**10,414,610**	**2.1%**
Investment revenues	*6.1*	7,653,005	(274,330)	7,378,676	7,706,889	-4.3%
Other investment income	*6.1*	1,253,359	0	1,253,359	817,317	53.4%
Profits on disposal of investments	*6.1*	1,997,178	0	1,997,178	1,890,404	5.6%
Mark-to-market gains on assets held to cover linked liabilities		**1,950,964**	**(34,025)**	**1,916,939**	**2,795,997**	**-31.4%**
Other underwriting income		**85,431**	**(191)**	**85,240**	**35,564**	**139.7%**
Paid claims and benefits and change in claims reserves		**(22,087,354)**	**1,269,585**	**(20,817,769)**	**(23,326,120)**	**-10.8%**
Paid claims and expenses		(22,076,027)	1,245,825	(20,830,202)	(23,060,164)	-9.7%
Change in outstanding claims reserves		(11,327)	23,759	12,433	(265,956)	-104.7%
Change in life premium reserves and other technical reserves		**7,334,028**	**(330,651)**	**7,003,376**	**5,528,201**	**26.7%**
Life premium reserves	*5.8*	7,117,888	(295,930)	6,821,958	9,703,090	-29.7%
Linked liabilities		223,560	(34,443)	189,117	(4,140,917)	-104.6%
Other technical reserves		(7,420)	(278)	(7,698)	(33,972)	-77.3%
Policyholder dividends	*6.8*	**(6,562,466)**	**43,246**	**(6,519,220)**	**(7,227,269)**	**-9.8%**
Acquisition costs and administrative expenses		**(2,337,468)**	**124,627**	**(2,212,841)**	**(2,129,854)**	**3.9%**
Business acquisition costs		(1,077,598)	0	(1,077,598)	(1,019,469)	5.7%
Policy administration expenses		(1,259,870)	0	(1,259,870)	(1,241,774)	1.5%
Reinsurance commissions received		0	124,627	124,627	131,389	-5.1%
Investment expenses	*6.1*	**(3,593,503)**	**5,602**	**(3,587,900)**	**(2,768,540)**	**29.6%**
Internal and external investment management expenses and interest	*6.1*	(567,301)	0	(567,301)	(547,957)	3.5%
Other investment expenses	*6.1*	(1,182,560)	5,602	(1,176,957)	(1,040,953)	13.1%
Losses on disposal of investments	*6.1*	(1,843,642)	0	(1,843,642)	(1,179,630)	56.3%
Mark-to-market losses on assets held to cover linked liabilities		**(4,485,982)**	**151,794**	**(4,334,188)**	**(1,352,277)**	**220.5%**
Other underwriting expenses		**(247,540)**	**1,858**	**(245,681)**	**(258,551)**	**-5.0%**
Investment income transferred to the non-technical account		0	0	**0**	**0**	**0.0%**
LIFE UNDERWRITING RESULT	*6.2*	**1,121,389**	**143,285**	**1,264,674**	**1,320,747**	**-4.2%**

5.3.2.3 Non-technical account

Non-technical account *(In € thousands)*	*Notes*	**31.12.2018**	31.12.2017	Year-on-year change
Non-life underwriting result	6.2	**(71,928)**	**(21,136)**	**240.3%**
Life underwriting result	6.2	**1,264,674**	**1,320,747**	**-4.2%**
Investment income	6.1	**611,079**	**576,807**	**5.9%**
Investment revenues	6.1	424,204	426,841	-0.6%
Other investment income	6.1	72,056	45,267	59.2%
Profits on disposal of investments	6.1	114,819	104,699	9.7%
Allocated investment income		**0**	**0**	**0.0%**
Investment expenses	6.1	**(206,270)**	**(153,334)**	**34.5%**
Internal and external investment management expenses and interest	6.1	(32,614)	(30,348)	7.5%
Other investment expenses	6.1	(67,664)	(57,653)	17.4%
Losses on disposal of investments	6.1	(105,992)	(65,333)	62.2%
Investment income transferred to the technical account		**(153,884)**	**(165,804)**	**-7.2%**
Other income	6.6	**47,809**	**13,989**	**241.8%**
Other expenses	6.6	**(13,730)**	**(22,202)**	**-38.2%**
Non-recurring items	6.6	**58,687**	**19,574**	**199.8%**
Non-recurring income	6.6	82,926	99,195	-16.4%
Non-recurring expenses	6.6	(24,239)	(79,621)	-69.6%
Employee profit-sharing		**(21,938)**	**(21,083)**	**4.1%**
Income tax expense	6.7	**(349,139)**	**(405,031)**	**-13.8%**
NET PROFIT FOR THE YEAR		**1,165,360**	**1,142,526**	**2.0%**

5.3.3 Commitments received and given

(In € thousands)	*Notes*	**31.12.2018**	31.12.2017
1. Commitments received		**77,221,525**	**56,937,781**
1a. Commitments related to securities, other assets or revenue [1]	7	73,405,281	56,937,781
1b. Other commitments received [3]		3,816,243	0
2. Commitments given		**57,058,513**	**56,590,985**
2a. Sureties, bonds and guarantees provided		11,252,713	11,064,792
2b. Securities and other assets purchased under resale agreements		4,803	4,586
2c. Other commitments related to securities, other assets or revenue [1]	7	34,438,384	37,490,053
2d. Other commitments given [2]		11,362,612	8,031,553
3. Securities lodged as collateral by reinsurers [3]		**10,618,075**	**13,809,156**

(1) Commitments related to forward financial instruments are presented in Note 7
(2) Other commitments given relate mainly to assets pledged under inward reinsurance treaties as well as the commitment given under the agreement with Caixa Seguridade for R$ 4.65 billion to be paid on the closing date (i.e., €0.96 billion at the exchange rate of 28 August 2018). This commitment amounted to €1.04 billion at 31 December 2018
(3) Other commitments received in 2017 were reported for €2.4 billion under "Securities lodged as collateral by reinsurers"

5.3.4 Notes to the Company financial statements

DETAILED CONTENTS

CNP Assurances is a French *société anonyme* (joint-stock company) with a Board of Directors, governed by Articles L.225-17 to L.225-56 of the French Commercial Code (*Code de commerce*), with capital of €686,618,477. In accordance with its licence and Article 2 of its Articles of Association, the Company's corporate purpose is to:

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

For this purpose, it may:

- hold interests in undertakings whose business contributes to fulfilling the Company's corporate purpose; and generally;
- carry out any and all directly or indirectly related operations that facilitate development of the business or fulfilment of the corporate purpose.

NOTE 1
Significant events of the year

1.1 Antoine Lissowski appointed as Chief Executive Officer of CNP Assurances

On 15 November 2018, CNP Assurances' Board of Directors approved Antoine Lissowski's appointment as Chief Executive Officer of CNP Assurances.

1.2 Conclusion of a binding framework agreement with Caixa Seguridade

On 30 August 2018, CNP Assurances announced the conclusion of a binding framework agreement providing for the establishment of a new long-term exclusive distribution agreement until 13 February 2041 in Brazil in the network of Caixa Econômica Federal (CEF), one of the leading Brazilian banks and one of the five largest in Latin America.

This new agreement builds on the successful track-record of CNP Assurances and CEF's partnership since 2001, through their Caixa Seguros Holding (CSH) joint venture, which demonstrated an ability to combine strong growth, high profitability and regular cash flow generation.

The new exclusivity perimeter in CEF's network includes life insurance, consumer credit life insurance and private pension plans. In line with the terms of the non-binding Memorandum of Understanding signed at the end of September 2017, the new distribution agreement will be implemented through a newly formed insurance joint venture between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations, with CNP Assurances and Caixa Seguridade owning respectively 51% and 49% of the voting rights and 40% and 60% of the economic rights.

On the closing date, CSH will transfer to the new joint venture the In-Force insurance portfolios for the products included in the scope of the agreement (life insurance, consumer credit life insurance and private pension plans).

The closing of the transaction is subject to a number of condition precedents, including in particular its approval by the relevant regulatory and competition authorities.

1.3 €500 million perpetual subordinated notes issue

On 20 June 2018, CNP Assurances finalised a €500 million issue of undated subordinated notes with a first call date of 27 June 2028. The bonds pay a 4.75% fixed rate of interest over the first ten years and the coupon will subsequently be adjusted every five years in line with future benchmark interest rates. Payment of the coupon is discretionary. The notes feature a principal write-down mechanism together with mandatory interest cancellation in the event of non-compliance with solvency requirements, in accordance with the Solvency II directive.

The issue proceeds will be eligible for inclusion in Solvency II Restricted Tier 1 regulatory capital. The notes have been rated BBB- by Standard & Poor's and Baa3 by Moody's.

NOTE 2
Subsequent events

None.

NOTE 3
Change in accounting policies

None.

NOTE 4
Accounting policies and principles

CNP Assurances' financial statements are prepared in accordance with French generally accepted accounting principles (ANC Regulation 2015-11 dated 26 November 2015 as amended by ANC Regulation 2016-12 dated 12 December 2016) and the French Insurance Code (*Code des Assurances*).

The financial year runs from 1 January to 31 December.

CNP Assurances is the consolidating entity for the CNP Assurances Group.

4.1 Equity

4.1.1 Capital and reserves

Share issuance costs are deducted from the related premiums.

In their statutory accounts, French insurers are required to accumulate realised gains on bonds in a capitalisation reserve that can be used to offset realised losses in order to smooth revenues from bond portfolios classified under Article R.343-9 of the French Insurance Code. Up until 1 January 2010, gains credited to the reserve were excluded from the calculation of taxable profit. Effective from 1 January 2010, gains credited to the reserve are included in taxable profit and losses charged against the reserve are deducted.

4.1.2 Treasury shares

Treasury shares, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded in "Marketable securities".

4.2 Intangible assets

Intangible assets, including the cost of integrating business applications and purchased software licenses, are measured and recognised in accordance with ANC Regulation 2014-03 dated 5 June 2014 (book I, title II, chapter I, section 3) on the general chart of accounts.

Intangible assets are amortised over five or eight years, corresponding to the best estimate of the assets' useful lives.

Internally developed software is amortised from the date on which it is put in production. Licences are amortised from the date of purchase.

Assets no longer used by the Company are scrapped.

4.3 Investing activities

4.3.1 Measurement

Investments are measured at historical cost less transaction costs, with the exception of:

- investments held in unit-linked portfolios, which are measured at their period-end realisable value in accordance with Article 222-5 of ANC Regulation 2015-11 dated 26 November 2015, with a corresponding adjustment to the linked liability;
- investments subject to legal revaluation requirements.

Investment property

In accordance with ANC Regulation 2014-03 dated 5 June 2014, each significant part of a building is measured separately at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred during the construction period are recognised as an expense.

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

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

Maintenance and upkeep costs are capitalised by significant part provided that future economic benefits are expected to flow from the work and they can be estimated reliably.

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

Rental income is recognised in the income statement on an accruals basis.

Accumulated depreciation was calculated retrospectively in the opening balance sheet at 1 January 2005: by allocating the original cost of each property among its significant parts, and recalculating depreciation for the period from the date of acquisition to 1 January 2005, based on the estimated useful life of each part.

A simplified approach was used to allocate the amortised cost of each building at 1 January 2005 to its significant parts, based on the breakdown observed for similar reference buildings in the following eight categories:

- "Haussmann" style residential buildings;
- modern and semi-modern residential buildings;
- "old" office buildings;
- modern and semi-modern office buildings;
- shopping centres and cinemas;
- business premises;
- high-rise residential buildings;
- high-rise office buildings.

The percentage of a building's value represented by each significant part was determined based on the observed average percentage for buildings in each of the eight reference categories.

Fixtures and fittings were allocated to the other significant parts in view of their non-material amounts.

Equity investments

Equities are recognised at their purchase price excluding transaction costs. Dividends are recognised in the payment period, excluding tax credits which are netted against income tax expense.

Bonds, notes and other fixed income securities

Bonds, notes and other fixed income securities are recognised at their purchase price less accrued interest which is recorded in the income statement at the end of the reporting period.

For all portfolios, the premium or discount corresponding to the difference between the redemption price and the purchase price, excluding accrued interest, is recognised over the remaining life of the securities by the yield-to-maturity method for fixed rate securities and the straight-line method for variable rate securities.

In accordance with Article 122-1 of ANC Regulation 2015-11 of 26 November 2015, the same basis of calculation is used for all amortisable securities covered by Articles R.343-9 and R.343-10 of the French Insurance Code.

4.3.2 Depreciation of buildings

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

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

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

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

4.3.3 Specific provisions for impairment of property and securities

Provisions for impairment are recorded in accordance with ANC Regulation 2015-11 dated 26 November 2015 (book I, title II, chapter 3).

Securities classified under Article R.343-9 of the French Insurance Code

In accordance with Article 123-1, CNP Assurances assesses "whether or not there is a recognised counterparty risk arising from one or a number of events that have occurred since initial recognition, and whether the related impairment loss can be estimated reliably".

Debt securities classified under Article R.343-9 are written down when there is a recognised risk of issuer default. The potential impairment loss arising from the deterioration in issuer risk is estimated by the Company using a multi-criteria approach. In the event of an improvement in the issuer's situation, the impairment loss is reversed in proportion to this improvement.

Securities classified under Article R.343-10 of the French Insurance Code

Securities classified under Article R.343-10 are reviewed at each period-end to determine whether they have suffered an other-than-temporary impairment in value, in accordance with Article 123-6 of ANC Regulation 2015-11.

This regulation represents a continuation of the rules that applied prior to its adoption, including the "other-than-temporary impairment" rule which has been applicable since 1 January 1995. The provisions for other-than-temporary impairment of assets recorded at that date were recognised directly in opening equity, with no impact on profit.

Property

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 fall in value to more than 20% below cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the property concerned.

The recoverable amount of a property is the higher of its value in use and its appraisal value, as determined by annual independent valuations of the entire property portfolio. The recoverable amount is prorated between the land and shell components based on the property's carrying amount.

Securities classified under Article R.343-10

a) Criteria for assessing whether an asset is subject to other-than-temporary impairment

The criteria used to determine whether an asset is subject to other-than-temporary impairment depend on the nature of the asset and the associated risk:

Equity investments classified under Article R.343-10

A range of indicators such as sustained losses or negative business plan projections are considered as objective evidence of other-than-temporary impairment.

Other non-amortisable securities classified under Article R.343-10

Article 123-10 states that one criterion supporting the presumption of other-than-temporary impairment is a steep fall in the securities' market value over a long period in sharp contrast to the performance of the securities' market. In the case of French equities, there is a presumption of other-than-temporary impairment if their market value is more than 20% below cost, or 30% if the market is highly volatile. These rules are transposed and adapted as necessary to the characteristics of the investments concerned, particularly mutual funds and foreign securities.

After the volatility caused by the 2008 crisis, in 2012 the threshold for the presumption of other-than-temporary impairment was reduced back to 20%, for both French and foreign securities. The 20% threshold continued to be applied in 2018.

The following securities must also be tested for impairment:

- securities for which a provision has already been recognised;
- securities for which there is objective evidence that the Company may not be able to recover all or part of the carrying amount of the investment;
- securities that have been trading consistently over the past six months at a discount of at least 30% in a highly volatile market;
- securities that have (i) lost more than 50% of their carrying amount at the reporting date, (ii) behaved abnormally since the reporting date, or (iii) been subject to an unfavourable assessment by CNP Assurances.

Amortisable securities classified under Article R.343-10

In accordance with Article 123-7-1, amortisable securities classified under Article R.343-10 that CNP Assurances has the positive intention and ability to hold to maturity are only written down if there is a recognised credit risk.

In accordance with Article 123-7-2, amortisable securities classified under Article R.343-10 that CNP Assurances does not have the positive intention or the ability to hold to maturity are tested for impairment taking into account all the identified risks and the intended holding period.

b) Amount of the provision

The amount of the provision always corresponds to the difference between the carrying amount and the recoverable amount.

Therefore, if the asset is intended to be sold in the short-term, the recoverable amount is the market price.

If the Company has the positive intention and ability to hold onto the assets, given the stability of its insurance liabilities and its asset rotation policy, the recoverable amount takes account of the intended holding period.

The recoverable amount of investments in subsidiaries and affiliates takes account of the investees' earnings outlook and business plan projections. It is based on the value in use of the securities determined using a multi-criteria approach and a long-term perspective.

The recoverable amount of other equities and mutual fund units is based on their fair value as determined using a multi-criteria approach, capitalised over the probable holding period for the corresponding assets at the risk-free rate plus a conservatively estimated risk premium (capitalisation rate corresponding to the TME rate +500 bp), or at the average market rate for the last month of the period. The probable holding period reflects the Company's ability and intention to hold these financial assets.

A provision of €2,008 million for other-than-temporary impairment was recorded on equities and mutual fund units.

4.3.4 General provisions for impairment of property, equities and other securities

The Company has set up a liquidity risk reserve.

In accordance with Article R.343-5 of the French Insurance Code amending certain rules applicable to investor insurance companies, this reserve is used to record any overall decline in the aggregate carrying amount of (i) amortisable assets classified under Article R.343-10 that CNP Assurances does not have the positive intention or the ability to hold to maturity, and (ii) non-amortisable assets classified under Article R.343-10, when the impairment is covered by Article R.343-5 of said Code.

The Company elected to defer recognition of the liquidity risk reserve, as allowed by Article R.343-6 of the French Insurance Code.

Article A.343-1-2 of the French Insurance Code stipulates that the duration of liabilities should be measured based on year-by-year projections of cash outflows (total and partial surrenders and death benefit) over a 50-year period. The timing of cash outflows may vary for a number of different reasons, notably due to policyholders' surrender options, and the cash flows are not discounted. The duration has been limited to eight years in order to obtain a whole number.

Based on this duration, the liquidity risk reserve is deferred over an eight-year period. The deferred expense is recorded in the non-technical account, by crediting account 753 "Increase in the deferred liquidity risk reserve" and debiting account 379 "Deferred liquidity risk reserve". For more information, refer to Note 5.10.

In accordance with Article R.322-6 of the French Insurance Code, the expense deferred pursuant to Article R.343-6 is deducted from distributable profit as defined in Article L.232-11 of the French Commercial Code from the profit defined in Article L.232-12, paragraph 2, of said Code.

Realisable value

Realisable value is defined as follows for the purposes of calculating the liquidity risk reserve:

- the realisable value of marketable securities and listed shares is the average of the prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price;
- the realisable value of mutual fund units is the average of the bid prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price;
- the realisable value of property and shares in unlisted property companies is determined on the basis of five-yearly valuations performed by an independent expert recognised by the insurance supervisor. In the period between two five-yearly valuations, realisable value is estimated at each year-end and the amounts obtained are certified by an independent expert. The recoverable amount of a property is the higher of its value in use and its net market price, as determined by annual valuations of the Company's entire property portfolio;
- the sale value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction, taking into account their value in use for the Company.

In accordance with Article R.343-5 of the French Insurance Code, the liquidity risk reserve is calculated based on average prices for the month of December.

The basis used to calculate the reserve includes "unrealised losses on forward financial instruments provided for in Articles R.332-45 to R.332-47 of the French Insurance Code that have as their underlying the assets referred to in Article R.343-10". These unrealised losses are included for the portion that exceeds the value of the securities or cash put up as collateral. Unrealised gains are only included if they are guaranteed as provided for in Article R.332-56, i.e., there is a master agreement between issuer and holder whereby unrealised gains and losses are secured by collateral.

Forward financial instruments not secured by collateral are excluded from the calculation of unrealised gains and losses not covered by provisions.

4.3.5 Disposals and exchanges

Gains and losses on disposals of investments are calculated using the FIFO method as if they were held in a single portfolio in accordance with the applicable regulations.

They are recognised in profit or loss on the actual date of sale.

Gains or losses realised on shares tendered to a public exchange offer are calculated based on the best estimate of the offerer's share price which may correspond to:

- the average share price over the offer period; or
- the closing share price on the date the results of the offer are published by the competent regulatory body.

4.3.6 Allocation of financial income

Net investment income (excluding adjustments to assets held in unit-linked portfolios) is split between (i) income generated by the investment of funds corresponding to technical reserves (including the capitalisation reserve) which is recorded in the technical account, and (ii) income generated by own-funds portfolios (excluding the capitalisation reserve), recorded in the non-technical account.

4.3.7 Translation of foreign currency transactions

CNP Assurances applies ANC Regulation 2015-11 (book II, title IV) concerning the translation of foreign currency transactions by insurance undertakings.

Foreign currency transactions include:

- expenses billed or contractually denominated in foreign currencies;
- income billed or contractually denominated in foreign currencies;
- technical reserves denominated in foreign currencies in application of Article R.343-2 of the French Insurance Code;
- debts and other payables denominated in foreign currencies;
- loans and other receivables denominated in foreign currencies;
- acquisitions, disposals and other transactions involving i) properties located in countries where transactions are normally denominated in a currency other than the euro, and ii) shares in unlisted property companies whose assets include such properties, for the portion of the transaction amount corresponding to the properties' value;
- transactions involving non-amortisable debt securities and property rights other than those involving the properties referred to above, where the transaction currency is not the euro;
- commitments given and received, where settlement of the commitment will involve a foreign currency transaction within the meaning of this article;
- amortisation, depreciation, impairment losses, provisions and repayments related to foreign currency transactions within the meaning of this article.

They are recognised in the transaction or settlement currency in the foreign currency accounts (use of multi-currency accounting system) in accordance with Article 241-2 of ANC Regulation 2015-11.

In application of Article 241-5 of this Regulation, a distinction is made between:

- asset and liability transactions that generate a "structural" position. For insurers, these mainly consist of net investments in strategic foreign operations, the dotation capital provided to foreign branches and the financing of both in foreign currency. These assets are unlikely to be sold and their measurement should not be affected by fluctuations in exchange rates;
- other transactions denominated in foreign currency that generate an "operational" position. These operational positions represent the insurance undertaking's short- or medium-term foreign exchange exposure arising in the normal course of business that is affected by fluctuations in exchange rates.

Separate accounts are also used to record both structural and operational positions in each currency both on- and off-balance sheet.

In the balance sheet, the foreign currency accounts are translated into euros at the spot rate on the reporting date or the most recent available spot rate.

Translation differences on structural positions, measured based on the difference between the rate on the transaction date (historical rate) and the closing rate, are recognised both on and off-balance sheet.

Translation differences on operational positions are recorded in account 665 "Exchange losses" or account 765 "Exchange gains".

In accordance with Article 241-6, unrealised gains and losses on operational positions at 31 December 2018 were recognised in the income statement.

4.3.8 Forward financial instruments

CNP Assurances manages its exposure to financial risks using financial instruments traded over the counter or on organised markets. These instruments are used solely for macro-hedging strategies.

Since 1 January 2003, the Company has applied standard CRC 2002-09 relating to forward financial instruments.

Hedges have been set up to manage exposure to:

- interest rate risk on the bond portfolio and the portfolio of insurance policies with a yield guarantee;
- the risk of a fall in equity prices;
- currency risk.

Interest rate risk

Interest rate hedges comprise:

- floors which increase in value as interest rates fall and caps which gain in value as interest rates rise;
- put options on bonds whose value increases as bond prices rise.

Credit spread risk

Part of the Company's exposure to a significant deterioration of credit spreads is hedged by CDS index options.

These instruments offset a fall in value of fixed rate bonds held in the Company's portfolios.

Equity risk

Part of the Company's equities portfolio is hedged by options that increase in value as stock prices fall.

In light of the volumes and the resulting financial impact, partial hedging of the equities portfolio is based around a dynamic hedging strategy designed to optimise gains from market opportunities as well as the overall cost of the hedging strategy.

Currency risk

Currency hedging strategies were set up:

- for the Brazilian real to hedge the currency risk on Caixa Seguros Holding's profit for the year;
- for the Brazilian real to hedge the assets of CNP Assurances Participações Ltda, which is owned by CNP Assurances;
- following the renewal of the distribution agreements with Caixa Econômica Federal, currency hedges in the form of currency options were set up to protect against a rise in the Brazilian real against the euro. The hedge covers part of the payment to be made on the closing date for the new agreements with its local partner, Caixa Seguridade;
- for the pound sterling, when sterling-denominated subordinated notes were issued in 2011;
- for the US dollar, when dollar-denominated perpetual subordinated notes were issued in 2013;
- for the US dollar, when dollar-denominated perpetual subordinated notes were issued in 2016.

Accounting treatment

- All forward financial instruments held at the reporting date are disclosed in the summary of investments included in the notes to the financial statements, immediately below the hedged investment.
- Securities pledged or received as collateral without any transfer of title are measured at their realisable value in the schedule of commitments given or received.
- The time value and intrinsic value of the initial premium are not recognised separately, whatever the type of instrument.

Investment or divestment strategy

- The premium corresponding to the time value and intrinsic value is carried in an adjustment account until the hedge is unwound. By way of an exception, premiums on caps and floors are deferred over the life of the hedge.
- The settlement of debit or credit balances on margin accounts, other periodic flows and balancing adjustments are kept in the adjustment account over the life of the hedge.
- When the hedge is unwound, the balance on the adjustment account, or the gain or loss on the forward financial instrument is included in the purchase or sale price of the investment.

Yield strategy

- Income and expenses received or receivable and paid or payable on forward financial instruments are recognised in the income statement over the planned life of the hedge by the effective yield method.
- Alternatively, they may be recognised on a straight-line basis if the effect of the difference of method is not material.
- Gains and losses from yield strategies are recognised over the life of the forward financial instrument and any residual flows are recognised in profit when the hedge is unwound.

4.4 Property and equipment

Property and equipment consist mainly of office and computer equipment and miscellaneous installations.

They are recognised at cost and depreciated over their estimated useful lives ranging from three years for office systems equipment to ten years for fixtures, fittings and technical installations.

4.5 Life insurance and savings contracts

4.5.1 Premiums

Premiums on contracts in force during the period are recognised in revenue.
The amount recorded includes the estimated earned portion of premiums not yet written.

4.5.2 Technical and mathematical reserves

Reserves for contracts that provide death cover include the portion of premiums written but not earned during the reporting period.

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

Insurance liabilities are discounted at a rate that is equal to the highest contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. CNP Assurances also has a regulatory option to defer any changes in mortality tables as the effects of such a change are not systematically allocated to policies. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

Mathematical reserves are zillmerised provided that this does not give rise to a negative amount for a given policy. Zillmerisation consists of deducting from mathematical reserves the present value of acquisition expenses included in premiums. The premium loading for zillmerisation corresponds to the contractual policy terms.

Acquisition costs incurred when a contract is written are recognised as an asset for the amount of the zillmerisation variance (i.e., the difference between the mathematical reserves carried in the balance sheet in accordance with Article L.343-1 of the French Insurance Code and the amount of the same reserves if these acquisition costs had not been included in the insureds' obligations), in accordance with Article 151-2 of ANC Regulation 2015-11.

A matching deferred acquisition costs reserve is recognised in liabilities in accordance with Article R.3313-7 of the French Insurance Code.

The general contract administration expense reserve mentioned in Article R 343-3.4 of the French Insurance Code is designed to cover the insurer's commitment to administer its policies for as long as they remain in force. It is determined by the method and using the assumptions specified in Article 142-6 of ANC Regulation 2015-11.

The reserve corresponds to a prospective estimate of contract administration expenses that will not be covered by the premium and investment income loading. It is calculated by group of contracts with similar characteristics, based mainly on policyholder profiles, contract terms and experience-based assumptions concerning, for example, costs, surrenders and investment income.

At 31 December 2018, the general administration expense reserve for savings and pensions contracts amounted to €249 million.

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.

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

Reserves for claims handling expenses correspond to costs that will be incurred by the insurer or its representative for the settlement of claims.

For contracts with a yield guarantee, if the actual asset yield at the reporting date, reduced by one-fifth, is less than the rate obtained by multiplying total guaranteed interest by average mathematical reserves for the contracts, a financial contingency reserve is recorded in accordance with Article R.343-3-5 of the French Insurance Code and Article 142-8 of ANC Regulation 2015-11.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide death cover.

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

4.6 Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums. Earned premiums for the period are adjusted for:

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

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

The escalating risks reserve for Term Creditor Insurance business amounted to €229 million at 31 December 2018. This reserve is calculated prospectively and covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation uses regulatory valuation rates of interest and takes into account experience-based biometric risk assumptions (incidence of death and disability risk, and/or disability persistency risk) and behavioural assumptions (surrenders) based on historical data for the portfolio concerned.

The escalating risk reserve for lifetime long-term care contracts totalled €380 million at 31 December 2018. This reserve also covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation takes into account experience-based biometric risk assumptions (incidence of long-term care risk and persistency risk) based on historical data for the portfolio concerned, regulatory mortality tables and a discount rate determined by reference to the structure of the asset portfolio held to cover these commitments.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide bodily injury cover.

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

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

A reserve is recorded for claims handling expenses based on a calculated percentage of actual expenses.

4.7 Reinsurance

4.7.1 Outward reinsurance

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

4.7.2 Inward reinsurance

Inward reinsurance is recognised based on information received from ceding insurers or on estimates if the information received is incomplete.

4.8 Third-party accounts and accrual accounts

These accounts are governed by ANC Regulation 2015-11 (book III, title III, chapter IV) dated 26 November 2015 on the financial statements of insurance undertakings.

4.9 Employee benefit obligations

Employee benefit obligations are covered in full by provisions.

Short-term benefits are benefits that are expected to be settled in full within twelve months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, salaries and social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

4.9.1 Time-savings accounts and employee retirement savings plans

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

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

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

4.9.3 Discount rate

The discount rate corresponds to the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

4.9.4 Accounting treatment

Actuarial gains and losses on long-term benefit obligations are recognised directly in profit or loss.

The cost recognised in profit for defined-benefit plans comprises two elements:

- current service cost, past service cost and actuarial gains and losses, included in operating expenses;
- interest cost less the expected return on plan assets, included in financial expenses.

4.10 Acquisition costs and administration expenses

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing In-Force business;
- investment costs include all internal and external costs of managing asset portfolios together with financial expenses;
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.

Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

They are recorded and allocated as follows:

- operating expenses are initially recognised by nature and cost centre and are then reallocated by function;
- the allocation is based on rules that depend on the activity performed by the cost centre.

Costs are analysed by function:

- either directly based on the nature of the activity (new business acquisition costs, claims management, etc.); or
- indirectly using statistical cost allocation keys or actual business data.

4.11 *Plan Épargne Retraite Populaire* (PERP) and *Plan Epargne Retraite Entreprise* (PERE)

The PERP and PERE pension plans sold by CNP Assurances are accounted for in accordance with ANC Regulation 2015-11 (book II, title III). A special segregated portfolio has been set up for these operations to safeguard the policyholder's right to make withdrawals following the occurrence of certain events. A set of subsidiary accounts is kept for each PERP and PERE plan.

The separate PERP and PERE plan accounts are presented to the Supervisory Board.

Transfers between the plan portfolios and the Company's general portfolio are recognised as a sale/purchase in the respective portfolios and the gain or loss on disposal is recognised using the FIFO method.

In the plan accounts:

- the underwriting profit and financial income generated on the plan during the year are accumulated in the policyholder surplus reserve;
- in the case of an aggregate unrealised loss on the non-amortisable assets in the segregated portfolio, an amount corresponding to the loss is recognised in the liquidity risk reserve;
- the capitalisation reserve is calculated for the segregated PERP portfolio and reclassified to other life technical reserves for PERP and PERE plans.

Other assets and liabilities are measured using the accounting principles applied by the Company and described above.

When a liquidity risk reserve is recorded in the subsidiary accounts of a PERP or a PERE plan, the expense deferral recorded pursuant to Article R.343-6 of the French Insurance Code is recognised in the Company accounts and has no impact on the plan's subsidiary accounts.

4.12 Additional special technical reserves for the French civil servant pension plan ("L.441-1 *préfon retraite*" plan)

CNP Assurances markets a number of points-based pay-as-you-go Group pension plans (Article L.441-1). Pursuant to Article R.441-21 of the French Insurance Code, the theoretical mathematical reserve ("PMT") required to meet annuity payments is calculated based on the number of points earned at the reporting date.

In accordance with Article R.441-7 of the French Insurance Code, the special technical reserve ("PTS") is determined:

- by adding to the opening special technical reserve:
  - the premiums received, net of the premium loading and taxes,
  - the total investment income and expense generated by the assets representing the special technical reserve;
- by deducting:
  - paid benefits,
  - the administrative expense loading.

The ratio used to determine whether it is necessary to record a supplementary special technical reserve ("PTSC") now includes in the numerator net unrealised gains and losses on the assets representing the PTS.

A new special technical reserve must now also be set up, the special standby technical reserve ("PTSR"). According to the French Insurance Code, the value of the pension point may now be reduced, provided that the basis for applying the reduction is explained in the plan's documentation. Details of how the PTSR and the PTSC are to be used to cover the PMT are provided in Decrees 2017-1173 and 2017-1172, and in Articles R.441-7, R.441-7-1 and R.441-21 of the French Insurance Code. CNP Assurances' current points-based pension plans do not allow for any reduction in the value of the point.

These reserves are recorded in the plans' subsidiary accounts in accordance with Article R.441-12 of the French Insurance Code.

4.13 Pooled Deferred Diversification Reserve

CNP Assurances has decided to use the mechanism for temporarily transferring assets that are a source of unrealised gains from general reserves to the *Eurocroissance* reserve, as allowed by Decree 2016-959 dated 13 July 2016 and the government order of the same date concerning the option of temporarily transferring assets to commitments that give rise to the recognition of a diversification reserve. An asset is a source of an unrealised gain if its immediate sale under current market conditions would generate a profit compared to its value in the balance sheet. This mechanism, which may be applied until 31 December 2018, is designed to facilitate the development of *Eurocroissance* funds through the transfer, within the limits specified in the Decree, of part of the unrealised gain on traditional funds not yet allocated to policyholders with rights to these funds.

4.14 Taxation

4.14.1 Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The main companies in the tax group are CNP Assurances and its subsidiaries Montparvie 2, CNP Caution, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investments, US Real Estate EVJ, US Real Estate 270, Pial 34, Passage du Faidherbe, Alleray, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, 41 rue Ybry Holding, Ybry Pont Neuilly, Geosud and Friedensallee.

4.14.2 Tax credit to aid competitiveness and promote employment (*Crédit impôt compétitivité emploi – CICE*)

The CICE tax credit scheme is designed to boost the competitiveness of French businesses.

The tax credit is assessed on total payroll subject to payroll taxes for the calendar year, excluding the portion of salaries representing more than 2.5 times the national minimum wage and excluding overtime pay. For 2018, the tax credit amounted to 6% of payroll calculated as described above.

In accordance with ANC guidelines dated 28 February 2014, the CICE tax credit is recorded in a special sub-account of "Payroll costs" The CICE is deducted from the income tax payable by the Company.

The €1.3 million CICE tax credit for 2018 was used to finance competitiveness improvements through investments, training and exploration of new markets.

4.14.3 Deferred taxes

No provisions for deferred taxes are recorded in the Company's accounts.

4.15 Consolidation

CNP Assurances, the parent company, is fully consolidated by CNP Assurances Group.

NOTE 5
Notes to the balance sheet

5.1 Changes in intangible assets, buildings, and investments in subsidiaries and affiliates

Gross *(In € thousands)*	Gross at 01.01.2018	Additions	Disposals	Transfers *	Gross at 31.12.2018
Intangible assets	**316,254**	**21,022**	**1,326**	**0**	**335,950**
Software	316,254	21,022	1,326		335,950
Land and buildings	**12,142,573**	**1,826,727**	**1,544,471**	**51**	**12,424,880**
Forests	102,204	2,720	1,710	0	103,214
Developed property	237,865	123	3,161	5,621	240,449
Shares in unlisted property companies	11,789,049	1,816,051	1,536,415	51	12,068,736
Property investments in progress	13,455	7,833	3,186	(5,621)	12,480
Investments in subsidiaries and affiliates	**6,978,851**	**899,882**	**622,199**	**2,576,650**	**9,833,184**
Investments in subsidiaries	4,657,923	535,948	263,393	1,925,246	6,855,724
Investments in affiliates	2,320,928	363,935	358,807	651,404	2,977,460
TOTAL	**19,437,678**	**2,747,631**	**2,167,996**	**2,576,701**	**22,594,014**

Depreciation, amortisation and provisions *(In € thousands)*	Gross at 01.01.2018	Increases	Decreases	Transfers *	Gross at 31.12.2018
Amortisation of software	246,282	22,711	133		268,861
Depreciation of buildings	106,491	4,632	209	0	110,914
Provisions for impairment of land	2,248	253	364	0	2,138
Provisions for impairment of buildings	0	0	0	0	0
Provisions for impairment of shares in property companies	237,507	40,175	107,325	11	170,368
Provisions for impairment of investments in subsidiaries	415,495	80,847	19,798	196	476,740
Provisions for impairment of other investments	52,034	2,682	3,858	0	50,858
TOTAL	**1,060,057**	**151,300**	**131,687**	**207**	**1,079,878**

* The "Transfers" column includes the reclassification of unlisted debt funds for €2.6 billion at 31 December 2017

Carrying amount (gross amount less depreciation, amortisation and provisions) *(In € thousands)*	Gross at 01.01.2018	Increases	Decreases	Transfers *	Net at 31.12.2018
Intangible assets	**69,972**	**(1,689)**	**1,193**	**0**	**67,090**
Software	69,972	(1,689)	1,193	0	67,090
Land and buildings	**11,796,327**	**1,781,667**	**1,436,573**	**40**	**12,141,460**
Forests	99,955	2,466	1,346	0	101,076
Developed property	131,374	(4,509)	2,951	5,621	129,536
Shares in unlisted property companies	11,551,543	1,775,876	1,429,090	40	11,898,369
Property investments in progress	13,455	7,833	3,186	(5,621)	12,480
Investments in subsidiaries and affiliates	**6,511,322**	**816,353**	**598,543**	**2,576,454**	**9,305,586**
Investments in subsidiaries	4,242,428	455,100	243,594	1,925,050	6,378,984
Investments in affiliates	2,268,894	361,253	354,949	651,404	2,926,602
TOTAL	**18,377,620**	**2,596,331**	**2,036,309**	**2,576,494**	**21,514,136**

* The "Transfers" column includes the reclassification of unlisted debt funds for €2.6 billion at 31 December 2017

5.2 Investments

5.2.1 Summary of investments

(In € thousands)	Gross amount	Carrying amount *	Realisable value
I - Investments (balance sheet captions 3 & 4)			
1) Property investments and property investments in progress	**12,416,622**	**12,133,203**	**16,157,752**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
2) Equities and other variable income securities, other than mutual fund units	**29,105,960**	**26,569,671**	**30,958,236**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	840,673	585,732	799,033
3) Mutual fund units (other than those in 4)	**25,467,404**	**25,370,960**	**28,361,024**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
4) Units of mutual funds invested exclusively in fixed-income securities	**27,714,624**	**27,714,624**	**27,845,588**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
5) Bonds and other fixed income securities	**197,656,439**	**199,806,932**	**215,505,145**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,104,423	535,715	(689,985)
6) Mortgage loans	**0**	**0**	**0**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
7) Other loans	**123,000**	**123,000**	**127,491**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0

* Including €2,008 million in provisions for other-than-temporary impairment of equities and mutual fund units

(In € thousands)	Gross amount	Carrying amount *	Realisable value
8) Deposits with ceding insurers	**228,494**	**228,494**	**228,494**
9) Cash deposits (other than those in 8) and guarantees and other investments	**343,452**	**343,452**	**343,452**
10) Assets backing unit-linked contracts	**33,996,013**	**33,996,013**	**33,996,013**
Investment property	0	0	0
Variable income securities other than mutual fund units	0	0	0
Mutual funds invested exclusively in fixed-income securities	0	0	0
Other mutual fund units	0	0	0
Bonds and other fixed income securities	0	0	0
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
11) Other forward financial instruments	**0**	**0**	**0**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
Forward financial instruments: other	0	0	0
12) Total of lines 1 to 11	**328,997,104**	**327,407,796**	**353,632,243**
a) of which:			
investments measured in accordance with Article R.343-9	195,787,761	197,372,878	211,992,956
investments measured in accordance with Article R.343-10	98,941,202	95,766,778	107,371,146
investments measured in accordance with Article R.343-13	33,996,013	33,996,013	33,996,013
investments measured in accordance with Article R.343-11	272,128	272,128	272,128
b) of which:			
securities representing technical reserves other than those listed below	292,580,602	290,937,759	314,117,554
securities pledged to cover commitments to employee benefits institutions or covering managed investment funds	0	0	0
securities deposited with ceding insurers (including ceding insurers whose commitments are guaranteed by the Company)	8,813,431	8,813,431	8,813,431
securities allocated to special technical reserves for other business in France	8,836,351	9,342,297	10,994,678
other allocated or unallocated investments	18,766,720	18,314,308	19,706,580
c) of which:			
investments and forward financial instruments in OECD member countries	328,133,621	326,576,319	351,937,650
investments and forward financial instruments in countries that are not members of the OECD	863,483	831,477	1,694,593
II - Assets representing technical reserves (other than investments and reinsurers' share of technical reserves)			
Accrued interest	2,607,688	2,607,688	2,607,688
Cash at bank	360,141	360,141	360,141
Other	2,812,874	2,812,874	2,812,874
Total assets representing technical reserves	**5,780,703**	**5,780,703**	**5,780,703**
TOTAL	**334,777,807**	**333,188,499**	**359,412,947**

* Including €2,008 million in provisions for other-than-temporary impairment of equities and mutual fund units

5.2.2 Investments in government bonds

Issuer government *(In € millions)*	Gross exposure – carrying amount [1]	Net exposure [2]
France	75,248	5,619
Italy	6,170	462
Belgium	6,737	408
Spain	9,108	800
Austria	3,633	130
Brazil	0	0
Portugal	413	29
Netherlands	333	21
Ireland	870	49
Germany	2,846	120
Greece	10	0
Finland	88	3
Poland	278	31
Luxembourg	33	15
Sweden	0	0
Slovenia	78	3
Canada	973	109
Supranational issuers	6,505	569
Other	383	40
TOTAL	**113,707**	**8,406**

(1) Carrying amount including accrued interest
(2) The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles under IFRS

5.3 Receivables and payables by maturity

Receivables *(In € thousands)*	Total	Within1 year	1 to 5 years	More than 5 years
Insurance receivables	**2,124,468**	**2,119,385**	**5,084**	
Earned premiums not yet written	1,711,427	1,711,427		
Other insurance receivables	413,041	407,958	5,084	
Reinsurance receivables	**456,763**	**456,763**		
Other receivables	**4,579,882**	**4,579,882**		
Prepaid payroll costs	152	152		
Prepaid and recoverable taxes	564,679	564,679		
Other	4,015,051	4,015,051		
Called and unpaid capital	**0**	**0**		
TOTAL	**7,161,114**	**7,156,030**	**5,084**	

Payables *(In € thousands)*	Gross amount	Within 1 year	1 to 5 years	More than 5 years
Cash deposits received from reinsurers	**11,814,847**	**11,814,847**		
Other liabilities	**27,164,416**	**27,097,921**	**66,494**	
Liabilities arising from insurance transactions	1,094,572	1,094,350	222	
Liabilities arising from reinsurance transactions	798,647	798,647		
Bank borrowings	181,660	181,660		
Other liabilities	25,089,537	25,023,265	66,272	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	8,779,057	8,712,785	66,272	
Accrued payroll costs	365,774	365,774		
Accrued payroll and other taxes	667,815	667,815		
Other payables	15,276,891	15,276,891		
TOTAL	**38,979,263**	**38,912,768**	**66,494**	

5.4 Subsidiaries and affiliates

5.4.1 Investments in subsidiaries and affiliates

	Total at 31.12.2018				Affiliates				Subsidiaries			
(In € thousands)	**Shares**	**Other**	**Impair-ment**	**Carrying amount**	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
Insurance companies												
ARIAL CNP ASSURANCES	43,380			43,380	43,380			43,380				
AVENIR SANTÉ	1,099	401		1,500					1,099	401		1,500
CAIXA SEGUROS HOLDING	434,906			434,906					434,906			434,906
CNP ASSURANCES BRASIL HOLDING LTDA	8,128			8,128					8,128			8,128
CNP ASSURANCES COMPAÑIA DE SEGUROS	20,788		7,379	13,409					20,788		7,379	13,409
CNP CAUTION	464,917			464,917					464,917			464,917
CNP CYPRUS INSURANCE HOLDINGS LIMITED	145,915		15,457	130,458					145,915		15,457	130,458
CNP EUROPE LIFE LIMITED	13,526			13,526					13,526			13,526
CNP LUXEMBOURG	32,000			32,000					32,000			32,000
CNP PARTNERS	173,929			173,929					173,929			173,929
CNP UNICREDIT VITA	726,775		309,155	417,620					726,775		309,155	417,620
MFPRÉVOYANCE	67,853			67,853					67,853			67,853
CNP SANTANDER INSURANCE EUROPE DAC	111,670			111,670					111,670			111,670
CNP SANTANDER INSURANCE LIFE DAC	199,926			199,926					199,926			199,926
CNP SANTANDER INSURANCE SERVICES IRELAND LIMITED	2,400			2,400					2,400			2,400
SINO-FRENCH LIFE INSURANCE COMPANY LIMITED	6,125		6,125	0	6,125		6,125	0				
Sub-total	**2,453,337**	**401**	**338,116**	**2,115,621**	**49,505**	**0**	**6,125**	**43,380**	**2,403,832**	**401**	**331,992**	**2,072,241**

(In € thousands)	Total at 31.12.2018				Affiliates				Subsidiaries			
	Shares	**Other**	**Impair-ment**	**Carrying amount**	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
Other companies												
270 INVESTMENTS	125,573	374,050		499,623					125,573	374,050		499,623
3i GROWTH CAPITAL F	15,516			15,516					15,516			15,516
ÂGE D'OR EXPANSION	6,668	2,200	1,309	7,558					6,668	2,200	1,309	7,558
ALPINVEST FEEDER (EURO) V C.V.	34,792			34,792					34,792			34,792
ASSURISTANCE	13,427			13,427					13,427			13,427
AXA INFRASTRUCTURE PARTNERS	9,000			9,000	9,000			9,000				
AZIMUT	9,147		9,147	0					9,147		9,147	0
BABYLON INVESTMENTS BV	48,441			48,441	48,441			48,441				
BRIDGEPOINT EUROPE IV G	8,575			8,575					8,575			8,575
CANTIS	0	62		62	0	62		62				
CARTERA PBTAMSI	15,000			15,000					15,000			15,000
CBPE CAPITAL VIII SPECIAL INVESTORS	9,614		2,841	6,773					9,614		2,841	6,773
CLEANTECH EUROPE II SPECIAL INVESTORS	13,350		1,843	11,507					13,350		1,843	11,507
CNP ASSURANCES PARTICIPAÇÕES LTDA	554,573		61,861	492,712					554,573		61,861	492,712
CNP FORMATION	37		17	20					37		17	20
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	48,204			48,204					48,204			48,204
CNP TECHNOLOGIES DE L'INFORMATION	914	4,000		4,914					914	4,000		4,914
CREDICOOP AFAVyDC	7,460		7,460	0	7,460		7,460	0				
CTE	1,084,046			1,084,046	1,084,046			1,084,046				
DIF INFRASTRUCTURE II	37,190		37,190	0					37,190		37,190	0
DIWISE	50			50					50			50
ECUREUIL VIE DÉVELOPPEMENT	18	1,000		1,018	18	1,000		1,018				
ECUREUIL VIE INVESTMENT	328,338	50,000		378,338					328,338	50,000		378,338
FILASSISTANCE SERVICES	228			228					228			228
FORESTIÈRE CDC	2,567	3,233		5,799	2,567	3,233		5,799				
FSN CAPITAL IV (B) L.P.	11,119			11,119					11,119			11,119
GEOSUD	139,488			139,488					139,488			139,488
GROUPEMENT PROPRIETES CDC CNP	6			6	6			6				
HOLDING D'INFRASTRUCTURES GAZIÈRES	420,471			420,471					420,471			420,471
INFRA VIA	2,416			2,416	2,416			2,416				
INFRA-INVEST	6,265			6,265					6,265			6,265
INFRA-INVEST FRANCE	102,001	94,473	24,914	171,560					102,001	94,473	24,914	171,560
INFRASTRUCTURE PARTNERS (MORGAN STANLEY)	43,341		4,894	38,447					43,341		4,894	38,447
INTER EXPANSION - FONGEPAR	6,062			6,062	6,062			6,062				
LANCOSME	61	50		111					61	50		111
LYFE	100	150	40	210					100	150	40	210
MERIDIAM INFRASTRUCTURE	103,584			103,584	103,584			103,584				

(In € thousands)	Total at 31.12.2018				Affiliates				Subsidiaries			
	Shares	**Other**	**Impair-ment**	**Carrying amount**	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
MERIDIAM TRANSITION	149,989			149,989	149,989			149,989				
MONTAGU IV (SCOTS FEEDER)	10,152			10,152					10,152			10,152
MONTPARVIE 2	675			675					675			675
MONTPARVIE IV	5	8,223		8,228					5	8,223		8,228
MONTPARVIE IV	5			5					5			5
OPEN CNP	30,000			30,000					30,000			30,000
SMCA	2,000		610	1,390					2,000		610	1,390
SOGESTOP K	156		82	74					156		82	74
SOGESTOP L	18,626			18,626					18,626			18,626
YOUSE HOME	100			100					100			100
CNP LOANS INFRA 3 (PART)	150			150					150			150
CNP LOANS INFRA 6 (PART)	150			150					150			150
ISODEV GEN 2 (UNITS)	62			62					62			62
LBPAM INFRASTRUCTURE 1	130,995			130,995					130,995			130,995
LBPAM INFRASTRUCTURE 2	180,750			180,750					180,750			180,750
LBPAM MONTPARNASSE INFRASTRUCTURE	363,030			363,030					363,030			363,030
LBPAM MONTPARNASSE REAL ESTATE	651,002			651,002					651,002			651,002
LBPAM REAL ESTATE 2	130,210			130,210					130,210			130,210
NATIXIS MONTPARNASSE	228,900			228,900					228,900			228,900
SCHRODERS SECURITISATION (FRANCE) FCT	227,338			227,338					227,338			227,338
Other companies *	**1,510,071**		**37,273**	**1,472,798**	**1,510,071**		**37,273**	**1,472,798**				
Sub-total	**6,842,006**	**537,440**	**189,481**	**7,189,965**	**2,923,660**	**4,294**	**44,733**	**2,883,222**	**3,918,345**	**533,146**	**144,749**	**4,306,743**
Total by type	9,295,343	537,841	527,598	9,305,586	2,973,165	4,294	50,858	2,926,602	6,322,178	533,547	476,740	6,378,984
TOTAL		**9,833,184**	**527,598**	**9,305,586**		**2,977,460**	**50,858**	**2,926,602**		**6,855,724**	**476,740**	**6,378,984**

* Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital
This note does not include shares in property companies which are reported in the balance sheet under "Land and buildings" and on the line "Shares in unlisted property companies" in Note 5.1 "Changes in intangible assets, buildings, and investments in subsidiaries and affiliates"

5.4.2 Financial income and expenses received from and paid to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	31.12.2018	31.12.2017
Financial expenses	82,086	5,933	88,019	42,904
Financial income	468,551	189,240	657,791	776,639

5.4.3 Receivables from and payables to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	31.12.2018	31.12.2017
Receivables	**23,135**	**(8,657)**	**14,478**	**43,722**
Other receivables	23,135	(8,657)	14,478	43,722
Prepaid and recoverable taxes	*14,400*	*0*	*14,400*	*14,400*
Other	*8,735*	*(8,657)*	*78*	*29,322*
Other liabilities	**286,531**	**414,863**	**701,394**	**875,164**
Other payables	*286,531*	*414,863*	*701,394*	*875,164*

5.4.4 Subsidiaries and affiliates (Articles L.233-1 and L.233-2 of the French Commercial Code)

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
A - Investments with a carrying amount in excess of 1% of CNP Assurances' share capital													
I - Subsidiaries (over 50%-owned)													
23-25 MARIGNAN SAS [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	31,291	6,971	104,478	85,726	85,726	100.00%	58,352	6,492	2,424	2,503	Property company
270 INVESTMENTS [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	32,129	85,158	491,245	125,573	125,573	100.00%	374,050	0	64,819	38,554	Investment fund
36 MARBOEUF SAS [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	28,317	95	52,840	55,694	55,694	100.00%	20,745	3,079	1,777	762	Property company
3i GROWTH CAPITAL F	16 Palace Street - London SW1E 5JD - UK	EUR	n/a	n/a	n/a	15,516	1,133	76.92%	0	n/a	n/a	0	Investment fund
A9B PARIS [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	10,000	98,903	239,806	99,991	99,991	100.00%	131,609	2,354	2,056	0	Property company
AEP 247 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	170,319	(2,454)	174,789	161,102	161,102	100.00%	0	8,347	2,688	12,881	Property company
AEW IMCOM 1 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	146,198	(2,888)	169,447	102,119	102,119	100.00%	19,889	6,967	5,189	4,836	Property company
AEW IMCOM 6 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	342,192	(11,741)	523,701	258,699	258,699	83.33%	137,499	36,919	26,260	17,488	Property company
ALPINVEST FEEDER (EURO) V C.V.	Jachthavenweg 118 - 1081 KJ Amsterdam - Netherlands	EUR	n/a	n/a	n/a	34,792	27,456	99.98%	0	n/a	n/a	0	Investment fund
ASSURBAIL PATRIMOINE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	183,233	157,041	356,393	214,588	214,588	99.99%	0	11,429	7,289	7,940	Property company
ASSURECUREUIL PIERRE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	19,312	13,634	40,665	58,138	58,138	85.83%	0	6,272	4,820	4,883	Property company
ASSURECUREUIL PIERRE 3 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	199,624	157,500	642,693	252,165	252,165	77.98%	189,779	7,137	34,996	26,515	Property company
ASSURECUREUIL PIERRE 4 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	101,740	73,245	181,385	168,599	168,599	100.00%	2,761	0	1,543	42,323	Property company
ASSURECUREUIL PIERRE 5 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,362	1,679	10,566	8,225	8,225	100.00%	511	1,958	1,730	1,101	Property company

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
ASSURIMMEUBLE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	713,000	856,541	1,595,539	1,704,552	1,704,552	100.00%	0	9,709	13,715	9,240	Property company
ASSURISTANCE [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	20,344	789	29,192	13,427	13,427	66.00%	0	19	6,292	3,948	Diversification
BAUDRY PONTHIEU [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,460	36,543	95,088	44,559	44,559	99.90%	50,270	5,646	2,253	2,335	Property company
BERCY CRYSTAL [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	5,000	45,032	127,042	50,000	50,000	100.00%	70,486	11,241	2,860	1,900	Property company
BRIDGEPOINT EUROPE IV G	30, Warwick Street - London W1B 5AL - UK	EUR	n/a	n/a	n/a	8,575	6,008	83.34%	0	n/a	n/a	0	Investment fund
Caixa SEGUROS HOLDING [6]	SCN Quadra 01 Lote A Ed. N°1 - 15°, 16° e 17° Andares Brasilia - Brazil	EUR	690,819	1,023	941,981	434,906	434,906	50.75%	0	0	241,692	177,815	Insurance
CANOPÉE [1]	71-73, avenue des Champs-Elysées - 75008 Paris - France	EUR	47,210	0	69,440	47,200	47,200	99.98%	0	6,610	20,857	2,066	Property company
CARTERA PBTAMSI	Almagro, 36, 2° planta - 28010 Madrid - Spain	EUR	n/a	n/a	n/a	15,000	14,110	100.00%	0	n/a	n/a	0	Investment fund
CBPE CAPITAL VIII SPECIAL INVESTORS	2, George Yard - London EC3V 9DH - UK	GBP	n/a	n/a	n/a	9,614	6,193	100.00%	0	n/a	n/a	0	Investment fund
CICOGE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	37,320	63,758	117,017	198,990	198,990	99.99%	0	6,515	11,722	8,857	Property company
CIMO [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	178,759	102,199	306,049	506,886	506,886	100.00%	0	16,366	14,326	23,290	Property company
CLEANTECH EUROPE II SPECIAL INVESTORS	140, Brompton Road - London SW3 1HY - UK	EUR	n/a	n/a	n/a	13,350	10,312	100.00%	0	n/a	n/a	0	Investment fund
CNP ASSURANCES BRASIL HOLDING LTDA [6]	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710-900 Brasilia - Brazil	EUR	5,446	21,737	31,982	8,128	8,128	100.00%	0	0	4,272	2,407	Insurance
CNP ASSURANCES COMPAÑÍA DE SEGUROS [6]	M.T. de Alvear 1541 (C1060AAC) - 1001 Buenos Aires - Argentina	EUR	3,947	10,226	44,842	20,788	13,409	76.47%	0	27,459	5,471	0	Insurance
CNP ASSURANCES PARTICIPAÇÕES LTDA [5]	na Alameda Santos 1293 conj. 63 CEP 70710-900 São Paulo - Brazil	EUR	338,730	3,428	357,542	554,573	492,712	100.00%	0	0	14,728	0	Diversification
CNP CAUTION [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	258,735	195,686	752,783	464,917	464,917	100.00%	0	85	27,204	0	Insurance
CNP CYPRUS INSURANCE HOLDINGS LIMITED [6]	64 Arch. Makarios III ave. & 1 Karpenisiou Str. - 1077 Nicosia - Cyprus	EUR	90	145,076	165,197	145,915	130,458	50.10%	0	0	9,017	777	Insurance
CNP EUROPE LIFE LIMITED [6]	Embassy House, Herbert Park Lane, Ballsbridge - Dublin 4 - Ireland	EUR	3,809	18,430	95,251	13,526	13,526	100.00%	0	0	(2,596)	0	Insurance
CNP LUXEMBOURG [6]	10, rue de Reims L-2417 Luxembourg - Luxembourg	EUR	32,000	(5,806)	936,057	32,000	32,000	100.00%	0	615,852	(2,532)	0	Insurance
CNP PARTNERS	El Plantio Calle Ochandiano n°10 Planta 2a 28023 Madrid - Spain	EUR	138,287	66,189	2,426,201	173,929	173,929	99.50%	0	378,344	2,321	0	Insurance
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	20, place Vendôme - 75001 Paris - France	EUR	n/a	n/a	n/a	50,091	50,091	100.00%	0	n/a	n/a	0	Investment fund
CNP SANTANDER INSURANCE EUROPE DAC [6]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	53,000	42,694	888,110	111,670	111,670	51.00%	0	245,624	31,083	0	Insurance
CNP SANTANDER INSURANCE LIFE DAC [6]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	103,600	99,311	1,430,512	199,926	199,926	51.00%	0	497,156	44,858	0	Insurance
CNP UNICREDIT VITA [1]	Piazza Durante 11 - 20131 Milan - Italy	EUR	381,699	435,128	14,830,385	726,775	417,620	57.50%	0	3,368,748	32,204	12,830	Insurance

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CŒUR MÉDITERRANÉE [4]	128, boulevard Raspail - 75006 Paris - France	EUR	42,559	128	68,829	28,619	28,619	70.00%	12,933	0	1,508	2,295	Property company
COTTAGES DU BOIS AUX DAIMS [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	1,131	13,203	25,752	11,301	11,301	100.00%	14,100	1,823	(19)	0	Property company
DIF INFRASTRUCTURE II [5]	WTC Schiphol Airport, Tower D, 10th Floor Schiphol Boulevard 269 - 1118 BH Schiphol - Netherlands	EUR	20	0	2,062	37,190	0	53.33%	0	57,296	2,291	0	Infrastructure
ECUREUIL VIE INVESTMENT [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	10,935	347,191	445,697	328,338	328,338	100.00%	50,000	0	36,326	16,293	Investment fund
ÉQUINOX [1]	71-73, avenue des Champs-Elysées - 75008 Paris - France	EUR	41,404	(23,215)	59,169	41,400	13,410	99.98%	47,637	1,933	(6,802)	0	Property company
FARMORIC [5]	Tour Majunga, La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France	EUR	281,050	15	323,512	176,605	176,605	100.00%	54,639	0	5,251	5,250	Property company
FONCIÈRE CNP [1]	4, rue Auber - 75009 Paris - France	EUR	2,250	62,750	121,300	29,603	29,603	100.00%	77,697	4,322	416	25,000	Property company
FONCIÈRE ELBP [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	17,814	158,214	405,508	178,131	178,131	100.00%	217,312	15,749	(1,179)	0	Property company
FONCIÈRE HID [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,370	6,999	54,157	11,300	11,300	100.00%	40,900	4,036	700	481	Property company
FSN CAPITAL IV (B) L.P.	Akersgaten 20 NO-0158 - Oslo - Norway	SEK	n/a	n/a	n/a	11,119	8,638	100.00%	0	n/a	n/a	0	Investment fund
GCK [1]	15, Boulevard F.W. Raiffeisen - L-2411 Luxembourg	EUR	10,529	2,126	23,443	100,994	100,994	80.00%	0	13,392	6,479	5,182	Property company
GEOSUD [5]	2, rue des Martinets - 92569 Rueil Malmaison - France	EUR	122,140	0	173,711	139,488	139,488	98.00%	0	0	7,601	0	Infrastructure
HOLDING D'INFRASTRUCTURES GAZIÈRES [2]	4, place Raoul Dautry - 75015 Paris - France	EUR	603,907	167,938	886,145	420,471	420,471	54.41%	0	0	114,251	61,114	Infrastructure
HOLDIPIERRE [5]	128, boulevard Raspail - 75006 Paris - France	EUR	138,098	(6,097)	143,550	95,030	95,030	100.00%	5,805	5,779	5,703	7,124	Property company
IMMAUCOM [3]	4, rue Auber - 75009 Paris - France	EUR	194,478	0	197,240	132,776	132,776	80.00%	0	2,655	2,490	3,154	Property company
INFRA-INVEST FRANCE [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	10,201	50,597	159,017	102,001	77,087	100.00%	94,473	0	2,308	1,336	Infrastructure
INFRASTRUCTURE PARTNERS (MORGAN STANLEY) [5]	6, place de la République Dominicaine, 75017 Paris - France	USD	18,601	0	23,199	43,341	12,141	64.94%	0	4,672	4,554	0	Infrastructure
IRELAND PROPERTY INVESTMENT FUND [5]	George's Court, 54-62 Townsend Street Dublin 2 - Ireland	EUR	303,809	11,296	328,015	314,450	314,450	100.00%	0	3,551	11,567	12,500	Property company
ISSY VIVALDI [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,310	29,718	69,762	33,010	33,010	100.00%	34,362	2,855	(97)	132	Property company
JASMIN [1]	71-73, avenue des Champs-Elysées - 75008 Paris - France	EUR	19,010	0	44,770	19,000	19,000	99.95%	22,745	3,370	1,993	1,938	Property company
JESCO [5]	4, rue Auber - 75009 Paris - France	EUR	40,801	4,238	39,354	28,051	28,051	55.00%	21,035	6,252	(1,355)	0	Property company
KLEBER 46 [1]	4, rue Auber - 75009 Paris - France	EUR	936	179	4,422	45,858	45,858	100.00%	22,704	2,413	1,347	546	Property company
LBP ACTIFS IMMO [5]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	469,292	(1,515)	509,282	384,251	384,251	100.00%	8,720	19,678	7,598	4,809	Property company
LESLY [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,071	2	106,733	45,071	45,071	100.00%	57,096	3,597	(883)	302	Property company
LUX GARE [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	435	4,902	23,259	12,219	12,219	100.00%	15,798	1,626	8	271	Property company

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
MFPRÉVOYANCE [5]	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	81,774	101,060	620,238	67,853	67,853	51.00%	0	128,223	6,607	0	Insurance
MONTAGU IV (SCOTS FEEDER)	2 More London Riverside - London SE1 2AP - UK	EUR	n/a	n/a	n/a	10,152	7,741	100.00%	0	n/a	n/a	0	Investment fund
MTP INVEST [3]	11-13, avenue de Friedland - 75008 Paris - France	EUR	527,014	(14,363)	766,318	407,833	407,833	97.81%	265,684	18,622	15,775	13,708	Property company
NEUILLY PILOT [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	950	6,190	17,300	15,907	15,907	100.00%	9,548	857	(45)	0	Property company
NEW SIDE [1]	4, rue Auber - 75009 Paris - France	EUR	1,947	37,001	95,149	38,939	38,939	100.00%	52,959	5,897	1,860	1,811	Property company
OPCI RASPAIL [5]	128, boulevard Raspail - 75006 Paris - France	EUR	552,465	225,438	1,227,931	918,574	918,574	84.02%	480,788	0	9,310	7,906	Property company
OPEN CNP [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	22,000	(24)	20,949	30,000	26,000	100.00%	0	0	(1,049)	0	Diversification
OREA [3]	11-13, avenue de Friedland - 75008 Paris - France	EUR	60,565	2,606	74,815	86,829	65,026	100.00%	5,099	4,824	1,857	2,084	Property company
PANTIN LOGISTIQUE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	5,810	32,708	111,371	71,508	71,508	100.00%	60,215	7,695	841	0	Property company
PARIS 08 [1]	4, rue Auber - 75009 Paris - France	EUR	42,091	9	49,817	42,091	42,091	100.00%	5,060	2,579	658	842	Property company
PAYS-BAS RETAIL 2013 BV [3]	Naritaweg 165, Telestone 8 - 1043 BV Amsterdam - The Netherlands	EUR	0	19,710	49,666	17,500	17,500	100.00%	28,500	0	1,121	0	Property company
PIAL 34 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	15,001	82,195	268,809	141,001	141,001	100.00%	169,667	0	(489)	0	Property company
RESIDENTIAL [1]	4, rue Auber - 75009 Paris - France	EUR	33,801	(1,268)	34,350	33,801	33,801	100.00%	205	2,035	(320)	0	Property company
RUE DU BAC [1]	91-93, Boulevard Pasteur - 75015 Paris - France	EUR	25,240	143,143	233,570	86,192	86,192	50.01%	26,515	14,584	7,342	3,424	Property company
SAPHIRIMMO [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	6,767	102,445	228,526	109,205	109,205	99.99%	105,096	9,499	4,310	1,205	Property company
SAS ALLERAY - SQUARE 15 [5]	128, boulevard Raspail - 75006 Paris - France	EUR	10,000	59,224	240,060	118,592	118,592	100.00%	116,947	0	51,934	2,295	Property company
SCI DE LA CNP [1]	4, place Raoul Dautry - 75015 Paris - France	EUR	59,711	35,661	103,469	143,169	143,169	100.00%	5,000	6,557	2,660	6,445	Property company
SECRETS ET BOÉTIE [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,201	28,583	81,813	42,001	42,001	100.00%	45,205	3,899	1,482	1,176	Property company
SILK HOLDING [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	27,592	9,567	88,254	54,437	54,437	100.00%	49,064	0	1,277	697	Property company
SONNE [5]	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France	EUR	2	13,534	55,645	14,127	14,127	99.95%	41,024	2,287	(618)	0	Property company
TERRE NEUVE 4 IMMO [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	6,601	59,423	148,679	66,001	66,001	100.00%	76,360	10,152	4,224	3,829	Property company
THEEMIM [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	26,636	59,652	99,285	84,646	84,646	100.00%	7,432	0	5,318	7,432	Property company
US REAL ESTATE 270 SAS [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	120,012	375	230,799	120,012	120,012	100.00%	115,087	0	5,877	4,603	Property company
US REAL ESTATE EVJ SAS [5]	4, place Raoul Dautry - 75015 Paris - France	EUR	120,063	376	230,795	120,063	120,063	100.00%	115,018	0	5,875	4,586	Property company
WAGRAM 92 [1]	4, rue Auber - 75009 Paris - France	EUR	7,925	(2,075)	22,891	17,718	17,718	100.00%	15,392	1,819	514	0	Property company
WOODLAND INVEST	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	n/a	n/a	n/a	8,000	8,000	100.00%	3,000	n/a	n/a	0	Property company
YBRY PONT DE NEUILLY [3]	128, boulevard Raspail - 75006 Paris - France	EUR	10,501	96,715	233,749	106,493	106,493	100.00%	119,832	0	5,288	4,533	Property company

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
YELLOWALTO [5]	Tour Majunga, La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France	EUR	8,717	78,869	244,369	101,273	101,273	99.99%	177,126	0	140	131	Property company
RESIDAVOUT [3]	128, boulevard Raspail - 75006 Paris - France	EUR	2,834	25,324	47,529	28,331	28,331	100.00%	18,889	0	52	0	Property company
EUROPE PROPERTIES INVESTMENTS [5]	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France	EUR	37	2	194,268	10,074	10,074	100.00%	183,888	0	(141)	0	Property company
AZIMUT	129, rue de Turenne - 75003 Paris - France	EUR	n/a	n/a	n/a	9,147	0	71.04%	0	n/a	n/a	0	Insurance
GF DE LA FORÊT DE NAN	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	n/a	n/a	n/a	11,659	11,659	100.00%	0	n/a	n/a	0	Forests
SCHRODERS SECURITISATION (FRANCE) FCT	8-10, rue Lamennais - 75008 Paris - France	EUR	n/a	n/a	n/a	227,338	227,338	100.00%	0	n/a	n/a	0	Investment fund
LBPAM MONTPARNASSE REAL ESTATE	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	651,002	651,002	100.00%	0	n/a	n/a	0	Investment fund
LBPAM MONTPARNASSE INFRASTRUCTURE	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	363,030	363,030	100.00%	0	n/a	n/a	0	Investment fund
NATIXIS MONTPARNASSE	21, quai d'Austerlitz - 75634 Paris Cedex 13 - France	EUR	n/a	n/a	n/a	228,900	228,900	100.00%	0	n/a	n/a	0	Investment fund
LBPAM INFRASTRUCTURE 2	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	180,750	180,750	55.19%	0	n/a	n/a	0	Investment fund
LBPAM INFRASTRUCTURE 1	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	130,995	130,995	52.55%	0	n/a	n/a	0	Investment fund
II - Affiliates (10% to 50% owned)													
17 CAPITAL FUND 3	32 Grosvenor Gardens - London SW1 W0DH - UK	EUR	n/a	n/a	n/a	43,299	29,700	10.04%	0	n/a	n/a	0	Investment fund
5/7 RUE SCRIBE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	479	32,505	82,468	7,302	7,302	15.00%	6,414	4,926	3,198	522	Property company
ACTIPIERRE EUROPE [5]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	578,622	18,504	650,079	75,091	75,091	10.52%	0	30,215	22,952	3,068	Property company
ALPINVEST SECONDARIES FUND LUX EURO MASTER VI	Jachthavenweg 118 - 1081 KJ Amsterdam - Netherlands	EUR	n/a	n/a	n/a	78,691	20,776	22.47%	0	n/a	n/a	0	Investment fund
ALVEN CAPITAL IV	1 pl. André Malraux - 75001 Paris - France	EUR	n/a	n/a	n/a	6,900	6,540	10.26%	0	n/a	n/a	0	Investment fund
ARDIAN EXPANSION FUND IV TRIPLE C CO-INVEST	20 place Vendôme - 75001 Paris - France	EUR	n/a	n/a	n/a	10,000	9,900	45.45%	0	n/a	n/a	0	Investment fund
ARIAL CNP ASSURANCES [5]	32, avenue Emile Zola - 59370 Mons-en-Baroeul - France	EUR	10,848	90,837	20,009,147	43,380	43,380	40.00%	0	0	2,882	0	Insurance
AXA DBIO	40 rue du Colisée - 75008 Paris - France	EUR	n/a	n/a	n/a	12,198	6,461	15.48%	0	n/a	n/a	0	Investment fund
AXA INFRASTRUCTURE PARTNERS [5]	20, place Vendôme - 75001 Paris - France	EUR	455,733	4,113	468,387	9,000	973	12.90%	0	0	3,732	0	Infrastructure
AXE FRANCE [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	5,001	56,498	128,974	43,085	43,085	50.00%	29,618	10,380	3,459	1,634	Property company
BABYLON INVESTMENTS BV [5]	Amstelveenseweg 760, 1081JK Amsterdam - Netherlands	EUR	108,382	0	273,025	48,441	48,441	44.44%	72,000	220	188	2,228	Infrastructure
CDC CAPITAL III	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	17,840	10,640	36.29%	0	n/a	n/a	0	Investment fund

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CDC CAPITAL III B	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	8,541	506	46.43%	0	n/a	n/a	0	Investment fund
CERTIVIA SICAV [5]	128, boulevard Raspail - 75006 Paris - France	EUR	49,526	0	81,316	20,000	11,000	13.33%	0	0	(1,317)	0	Property company
CLEARSIGHT TURNAROUND FUND II	Carinthia House, 9-12, The Grange - GY1 4BF - St Peter Port - Guernsey - Channel Islands	EUR	n/a	n/a	n/a	16,913	15,701	15.62%	0	n/a	n/a	0	Investment fund
CLEARSIGHT TURNAROUND FUND III	Churerstrasse 23 - CH-8808 Pfäffikon - Switzerland	EUR	n/a	n/a	n/a	24,008	16,744	11.02%	0	n/a	n/a	0	Investment fund
CLEARSIGHT TURNAROUND FUND IV	Churerstrasse 23 - CH-8808 Pfäffikon - Switzerland	EUR	n/a	n/a	n/a	25,000	6,422	10.00%	0	n/a	n/a	0	Investment fund
CREDICOOP AFAVyDC [3]	Adolfo Alsina N°633 Piso 3 - Ciudad Autónoma de Buenos Aires - Argentina	EUR	731	(18)	1,015	7,460	0	29.84%	0	0	150	0	Diversification
CTE [5]	69-17, rue de Miromesnil - 75008 Paris - France	EUR	2,700,009	0	8,385,028	1,084,046	1,084,046	20.01%	0	0	203,215	62,640	Infrastructure
D&P PME IV	152, avenue de Malakoff - 75116 Paris - France	EUR	n/a	n/a	n/a	11,259	302	28.71%	0	n/a	n/a	0	Investment fund
DBAG FUND VI FEEDER GMBH & CO KG	Boersenstrasse 1 - D-60313 Frankfurt-am-Main - Germany	EUR	n/a	n/a	n/a	13,587	11,890	26.56%	0	n/a	n/a	0	Investment fund
DÉFENSE CB3 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	4,500	33,788	121,470	31,328	13,741	25.00%	21,745	1	(8,846)	0	Property company
EMZ 7-I	11, rue Scribe - 75009 Paris - France	EUR	n/a	n/a	n/a	13,040	4,587	11.90%	0	n/a	n/a	0	Investment fund
EUROFFICE [4]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	83,402	(29,295)	55,239	24,119	10,636	18.48%	0	0	736	0	Property company
FARMAN [1]	4, rue Auber - 75009 Paris - France	EUR	25,000	136,746	227,711	80,872	80,872	50.00%	27,414	16,476	9,036	4,314	Property company
FLI [4]	33, avenue Pierre Mendès France - 75013 Paris	EUR	104,500	930,837	1,349,740	49,802	41,984	11.48%	0	6,056	6,056	489	Property company
FONCIÈRE ECUREUIL II [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,188	1,063	87,382	13,729	10,673	21.77%	7,951	0	0	854	Property company
FONDS DE CONSOLIDATION ET DE DEVELOPPEMENT DES ENTREPRISES II	59 rue de la Boétie CS 10017 - 75008 Paris - France	EUR	n/a	n/a	n/a	16,541	6,984	10.00%	0	n/a	n/a	0	Investment fund
GF FRANCE EST [5]	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	24,479	4,265	30,179	7,092	7,092	28.97%	0	2,645	1,295	302	Forests
GREEN RUEIL [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	9,110	77,883	209,126	45,546	45,546	50.00%	55,525	15,426	4,596	2,282	Property company
HEMISPHERE HOLDING [5]	33, avenue Pierre Mendès France - 75013 Paris - France	EUR	6,715	58,302	66,196	11,863	11,665	20.00%	0	0	1,082	1,782	Property company
ÎLOT 13 [1]	50-56, rue de la Procession - 75015 Paris - France	EUR	45,000	0	88,174	22,500	22,500	50.00%	18,089	9,395	4,754	1,400	Property company
INITIATIVE & FINANCE II	96 avenue d'Iéna - 75783 Paris - France	EUR	n/a	n/a	n/a	16,000	9,872	11.43%	0	n/a	n/a	0	Investment fund
INVISION V FEEDER	Grafenaustrasse 7 - 6300 Zug - Switzerland	EUR	n/a	n/a	n/a	15,674	11,514	23.38%	0	n/a	n/a	0	Investment fund
LIBERTÉ [1]	4, rue Auber - 75009 Paris - France	EUR	25,350	58,827	232,482	51,003	51,003	50.00%	60,878	19,485	11,828	7,798	Property company
LOGISTIS [3]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	710,103	189,626	1,537,618	71,034	71,034	10.91%	0	56,207	90,441	5,523	Property company

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
LOGISTIS LUX (3)	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	165,125	199,540	1,208,498	30,371	30,371	10.91%	44,736	36,686	56,208	0	Property company
MERIDIAM INFRASTRUCTURE (5)	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	542,059	493,953	1,047,673	103,584	103,584	17.64%	0	0	110,559	4,081	Infrastructure
MERIDIAM TRANSITION (5)	4 Place de l'Opéra - 75002 Paris - France	EUR	27,431	0	21,622	149,989	77,900	42.86%	0	0	(6,692)	0	Infrastructure
OFELIA (1)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	12,609	23,417	37,292	11,916	11,916	33.33%	45,731	0	1,257	395	Property company
OFFICE CB 21 (3)	10 avenue Kleber - 75016 Paris - France	EUR	384,087	6,024	395,876	82,553	82,553	25.00%	0	0	5,723	1,037	Property company
OPC 1 (5)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	69,400	(1,101)	80,679	6,946	6,946	19.67%	0	4,720	7,663	533	Property company
OPC 2 (5)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	77,145	18	110,066	27,505	27,505	42.14%	0	7,709	5,549	2,329	Property company
ORKOS III	34 boulevard Haussman - 75009 Paris - France	EUR	n/a	n/a	n/a	7,942	1,804	10.00%	0	n/a	n/a	0	Investment fund
PARTECH GROWTH	12 rue de Penthièvre - 75008 Paris - France	EUR	n/a	n/a	n/a	40,000	28,880	14.40%	0	n/a	n/a	0	Investment fund
PARTECH INTERNATIONAL VI	12 rue de Penthièvre - 75008 Paris - France	EUR	n/a	n/a	n/a	7,706	7,246	10.00%	0	n/a	n/a	0	Investment fund
PARTECH VENTURES V	12 rue de Penthièvre - 75008 Paris - France	EUR	n/a	n/a	n/a	8,096	1,723	13.92%	0	n/a	n/a	0	Investment fund
PBW II REAL ESTATE FUND (3)	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	31	99,118	143,066	51,946	14,863	14.57%	0	16	(886)	0	Property company
PLACEMENT CILOGER 3 (5)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	108,302	9,353	124,162	10,118	7,610	36.28%	0	17,146	6,506	7,440	Property company
POLARIS PRIVATE EQUITY IV	Malmøgade 3 - DK-2100 Copenhagen - Denmark	DKK	n/a	n/a	n/a	40,175	14,532	10.00%	0	n/a	n/a	0	Investment fund
PYRAMIDES 1 (1)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	19,603	3,926	61,929	9,706	9,706	45.00%	10,039	0	13,210	1,133	Property company
QUADRILLE TECHNOLOGIES III	16 place de la Madeleine - 75008 Paris - France	EUR	n/a	n/a	n/a	15,000	10,500	11.11%	0	n/a	n/a	0	Investment fund
RUEIL NEWTON (1)	11-13, avenue de Friedland - 75008 Paris - France	EUR	3,115	28,002	62,621	15,508	15,508	50.00%	15,114	2,416	(640)	0	Property company
SILVERSTONE (5)	128, boulevard Raspail - 75006 Paris - France	EUR	92,449	(6,498)	97,645	16,422	16,422	19.61%	980	0	6,559	0	Property company
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE (1)	7, place du Chancelier-Adenauer - 75016 Paris - France	EUR	3,048	1	358,011	27,567	27,567	22.00%	37,685	93,104	55,536	14,706	Property company
SOFINNOVA CAPITAL VII	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	25,000	23,750	10.42%	0	n/a	n/a	0	Investment fund
SOFINNOVA CAPITAL VIII	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	18,750	7,500	10.00%	0	n/a	n/a	0	Investment fund
SOGESTOP L (5)	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	22,897	19,728	42,632	18,626	18,626	50.00%	0	0	(21)	0	Diversification
SUNLIGHT (3)	128, boulevard Raspail - 75006 Paris - France	EUR	95,288	57	98,854	38,269	38,269	46.98%	0	0	3,458	2,138	Property company
TRILANTIC CAPITAL PARTNERS V (EUROPE)	375, Park Avenue 30th Floor - New York - NY 10152 - USA	EUR	n/a	n/a	n/a	49,737	37,502	12.77%	0	n/a	n/a	0	Investment fund
UNICAPITAL INVESTMENTS V - GLOBAL PRIVATE EQUITY	12, avenue Matignon - 75008 Paris - France	EUR	n/a	n/a	n/a	7,706	7,706	21.47%	0	n/a	n/a	0	Investment fund
LDX SME III	41, rue Delizy - 93500 Pantin - France	EUR	n/a	n/a	n/a	20,032	10,000	10.00%	0	n/a	n/a	0	Investment fund

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
SOFINNOVA CROSSOVER I S.L.P.	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	79,778	3,989	19.94%	0	n/a	n/a	0	Investment fund
ALVEN CAPITAL IV OPPORTUNITY F	1, pl. André Malraux - 75001 Paris - France	EUR	n/a	n/a	n/a	7,000	2,730	12.99%	0	n/a	n/a	0	Investment fund
LATOUR CO-INVEST HYGEE	2, rue Washington - 75008 Paris - France	EUR	n/a	n/a	n/a	7,163	7,163	16.28%	0	n/a	n/a	0	Investment fund
LBPAM REAL ESTATE 1	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	56,483	56,483	48.33%	0	n/a	n/a	0	Investment fund
LBPAM REAL ESTATE 2	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	130,210	130,210	50.00%	0	n/a	n/a	0	Investment fund
SELF 1	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	44,979	44,979	46.39%	0	n/a	n/a	0	Investment fund
BNPIP GSCD	14, rue Bergère - 75009 Paris - France	EUR	n/a	n/a	n/a	260,215	260,215	33.79%	0	n/a	n/a	0	Investment fund
LYXOR ESDF	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	21,255	21,255	33.34%	0	n/a	n/a	0	Investment fund
SELF 2	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	141,772	141,772	31.87%	0	n/a	n/a	0	Investment fund
LYXOR DETTE MIDCAP	17, Cours Valmy - 92987 Paris La Défense - France	EUR	n/a	n/a	n/a	35,908	35,908	20.00%	0	n/a	n/a	0	Investment fund
IDINVEST	117, avenue des Champs Elysées - 75008 Paris - France	EUR	n/a	n/a	n/a	9,114	9,114	17.80%	0	n/a	n/a	0	Investment fund
PREDIREC IMMO 2019	58 bis, rue La Boétie - 75008 Paris - France	EUR	n/a	n/a	n/a	13,679	13,679	17.79%	0	n/a	n/a	0	Investment fund
BNP SME	14, rue Bergère - 75009 Paris - France	EUR	n/a	n/a	n/a	40,269	40,269	15.00%	0	n/a	n/a	0	Investment fund
AVIVA INVESTORS ALTERNATIVES	2, rue du Fort Bourbon - L-1249 Luxembourg	EUR	n/a	n/a	n/a	9,353	9,353	14.71%	0	n/a	n/a	0	Investment fund
SOFIPROTEOL	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	15,951	15,951	14.64%	0	n/a	n/a	0	Investment fund
TIKEHAU NOVO 2018	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	10,228	10,228	14.16%	0	n/a	n/a	0	Investment fund
TIKEHAU CLLF	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	14,184	14,184	13.04%	0	n/a	n/a	0	Investment fund
AXA INFRA SENIOR 1	2-4, rue Eugène Ruppert - L-2453 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	100,298	100,298	10.58%	0	n/a	n/a	0	Investment fund
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries			–	–	–	25,781	23,720	–	353,820	–	–	5,967	
International subsidiaries			–	–	–	8,728	8,728	–	381,776	–	–	0	
French affiliates			–	–	–	84,976	58,487	–	34,113	–	–	2,895	
Foreign affiliates			–	–	–	35,286	15,215	–	881	–	–	4,760	
C - Aggregate information (A+B)													
French subsidiaries			–	–	–	11,826,489	11,702,963	–	4,697,169	–	–	448,979	–
International subsidiaries			–	–	–	3,490,352	3,025,193	–	397,574	–	–	194,100	–
French affiliates			–	–	–	2,858,296	2,516,068	–	209,395	–	–	107,785	–
Foreign affiliates			–	–	–	769,809	557,155	–	72,881	–	–	11,070	–

(1) Provisional data at 31 December 2018
(2) Data at 31 October 2018
(3) Data at 30 September 2018
(4) Data at 30 June 2018
(5) Data at 31 December 2017
(6) Data at 31 December 2018 (IFRS)

5.4.5 Entities of which CNP Assurances is a general partner

Company	Legal form	Headquarters
107 BOÉTIE ELYSÉES	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
13/15 VILLE L'EVÊQUE	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
5/7 RUE SCRIBE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
27 PROVENCE	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
85 RICHELIEU	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
A9B PARIS	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
AIC LA DAME BLANCHE	Non-trading property company	139-147, rue Paul Vaillant-Couturier – 92240 Malakoff – France
AMIRAL BRUIX	Non-trading property company	6, place de la Pyramide – Tour Majunga – 92908 La Défense – France
AMP Capital Wagram 92 Property Investment (WAGRAM 92)	Non-trading property company	4, rue Auber – 75009 Paris – France
ASSURECUREUIL PIERRE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ASSURECUREUIL PIERRE 3	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ASSURECUREUIL PIERRE 4	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ASSURECUREUIL PIERRE 5	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ASSURIMMEUBLE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
BAUDRY PONTHIEU	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
BAUME MIROMESNIL	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
BERCY CRYSTAL	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
CANOPÉE	Non-trading property company	71-73, avenue des Champs-Elysées – 75008 Paris – France
CANTIS	Intercompany partnership	16-18, place du Général Catroux – 75017 Paris – France
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	39, rue Alphonse Munchen – L2172 Luxembourg – Luxembourg
CIMO	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
CITY HALL	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
CNP IMMOBILIER	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
CNP TECHNOLOGIES DE L'INFORMATION	Intercompany partnership	4, place Raoul Dautry – 75015 Paris – France
COMMERCIAL REAL ESTATE LOANS	Partnership limited by shares	2-4, rue Eugène Ruppert – L2453 Luxembourg – Luxembourg
COTTAGES DU BOIS AUX DAIMS	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
CŒUR PASSY	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
CRYSTAL DÉFENSE	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
DALLE 3	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
DAS GOETHE	Non-trading property company	66, avenue Charles de Gaulle – 92200 Neuilly-sur-Seine – France
DISTRIPOLE PORTE DE FRANCE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
EdR REAL ESTATE	Partnership limited by shares	20, boulevard Emmanuel Servais – L2535 Luxembourg – Luxembourg
ÉOLE RAMBOUILLET	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ÉQUINOX	Non-trading property company	71-73, avenue des Champs-Elysées – 75008 Paris – France
FARMAN	Non-trading property company	4, rue Auber – 75009 Paris – France
FLI	Non-trading property company	33, avenue Pierre Mendès France – 75013 Paris – France
FONCIÈRE CNP	Non-trading property company	4, rue Auber – 75009 Paris – France
FONCIÈRE ELBP	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
GF BAUFFREMONT	Non-trading company	8 bis, rue de Chateaudun – 75009 Paris – France

Company	Legal form	Headquarters
GF DE BREVES	Non-trading property company	8 bis, rue de Chateaudun – 75009 Paris – France
GF DE LA FORÊT DE NAN	Non-trading company	8 bis, rue de Chateaudun – 75009 Paris – France
GF DE LA GRANDE HAYE	Non-trading company	8 bis, rue de Chateaudun – 75009 Paris – France
LA FORÊT GÉRÉE III GF DE L'ILE DE FRANCE	Forestry partnership	41, avenue Gambetta – 92928 Paris La Défense – France
GF FRANCE EST	Non-trading property company	8 bis, rue de Chateaudun – 75009 Paris – France
LA FORÊT GÉRÉE IV GF PICARDIE NAVARRE	Forestry partnership	41, avenue Gambetta - 92928 Paris La Défense
GF SELLIÈRES VAUCHASSIS	Non-trading company	8 bis, rue de Chateaudun – 75009 Paris – France
GREEN QUARTZ	Non-trading property company	4, rue Auber – 75009 Paris – France
GREEN RUEIL	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
GROUPEMENT PROPRIÉTÉS CDC CNP	Non-trading company	45 avenue Victor-Hugo – 93530 Aubervilliers – France
HABIMMO	Non-trading property company	4, rue Auber – 75009 Paris – France
HEMISPHERE HOLDING	Non-trading company	33, avenue Pierre Mendès France – 75013 Paris – France
ISSY DESMOULINS	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ISSY ÎLOT 13	Non-trading property company	50-56, rue de la Procession – 75015 Paris – France
ISSY VIVALDI	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
JASMIN	Non-trading property company	71-73, avenue des Champs-Elysées – 75008 Paris – France
JESCO	Non-trading property company	4, rue Auber – 75009 Paris – France
JULIE	Non-trading property company	91-93, Boulevard Pasteur – 75015 Paris – France
L'AMIRAL	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
DOMAINE DE LANCOSME	Partnership	Château Robert – 36500 Vandoeuvre – France
LESLY	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
LIBERTÉ	Non-trading property company	4, rue Auber – 75009 Paris – France
MASSENA NICE	Non-trading property company	6, place de la Pyramide – Tour Majunga – 92908 La Défense – France
MAX	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
MONTAGNE DE LA FAGE	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
MTP ERLON	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
NATURE ÉQUIPEMENTS 1	Non-trading property company	28, avenue Victor Hugo – 75116 Paris – France
NATURIM	Non-trading property company	4, rue Auber – 75009 Paris – France
NEW SIDE	Non-trading property company	4, rue Auber – 75009 Paris – France
NEXT ESTATE INCOME FUND	Partnership limited by shares	44, avenue J-F Kennedy – L1855 Luxembourg – Luxembourg
PANTIN LOGISTIQUE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
PARIS 08	Non-trading property company	4, rue Auber – 75009 Paris – France
PARVIS BELVÉDÈRE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
PASSAGE DU FAIDHERBE	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
PÉGASE	Non-trading property company	7, place du Chancelier-Adenauer – 75016 Paris – France
RASPAIL	Non-trading property company	4, rue Auber – 75009 Paris – France
RESIDAVOUT	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
RESIDENTIAL	Non-trading property company	4, rue Auber – 75009 Paris – France
RSS IMMO	Non-trading property company	4, rue Auber – 75009 Paris – France
RUE DE RENNES (136)	Non-trading property company	6, place de la Pyramide – Tour Majunga – 92908 La Défense – France

Company	Legal form	Headquarters
RUE DU BAC	Non-trading property company	91-93, Boulevard Pasteur – 75015 Paris – France
RUEIL NEWTON	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
SAPHIRIMMO	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
SCI ALLERAY	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
SCI DE LA CNP	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
SECRETS ET BOÉTIE	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
SICAC	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE	Non-trading property company	7 place du Chancelier-Adenauer – 75016 Paris – France
SONNE	Non-trading property company	66, avenue Charles de Gaulle – 92200 Neuilly-sur-Seine – France
TERRE NEUVE 4 IMMO	Non-trading property company	11-13, avenue de Friedland – 75008 Paris – France
VENDÔME EUROPE	Non-trading property company	6, place de la Pyramide – Tour Majunga – 92908 La Défense – France
VICTOR HUGO 147	Non-trading property company	4, rue Auber – 75009 Paris – France
WEINBERG REAL ESTATE PARTNERS	Partnership limited by shares	46A avenue J.F. Kennedy – L1855 Luxembourg – Luxembourg
WHITEHALL 2008	Partnership limited by shares	2, rue du Fosse – L – 1536 Luxembourg

5.5 Ownership structure

5.5.1 Composition of share capital

Number of shares	31.12.2018	31.12.2017
Number of ordinary shares outstanding	686,618,477	686,618,477
Number of shares held in treasury	(598,643)	(143,695)
Number of ordinary shares with dividend rights	686,019,834	686,474,782

5.5.2 Treasury shares

MOVEMENTS OVER THE REPORTING PERIOD

Movements	Number of shares
Purchases	6,245,463
Sales	5,790,515

NUMBER OF TREASURY SHARES AND VALUE AT PERIOD END

Movements	31.12.2018	31.12.2017
Number of treasury shares	598,643	143,695
Carrying amount of treasury shares in euros	11,341,844	2,761,716

5.6 Reserves, equity, revaluation reserve

(In € thousands)	Type of reserve	31.12.2017	Appropriation of 2017 profit	2018 profit	Change for the period	31.12.2018
Share capital	Statutory	686,618				686,618
Additional paid-in capital	Statutory	1,736,332				1,736,332
Forest revaluation reserve	Tax-driven	38,983				38,983
Long-term capital gains reserve	Tax-driven	1,396,309				1,396,309
Capitalisation reserve	Tax-driven	2,159,257			76,265	2,235,522
Guarantee fund reserve	Tax-driven	68,257	1,077			69,334
Discretionary reserves	Other	2,276,216	(1,077)			2,275,139
Contingency reserve	Other	338,850				338,850
Retained earnings *		1,562,118	565,839			2,127,957
Net profit for the year		1,142,526	(1,142,526)	1,165,360		1,165,360
TOTAL		**11,405,467**	**(576,687)**	**1,165,360**	**76,265**	**12,070,405**

* Retained earnings include the reclassification of €109 million at 31 December 2017 from "Adjustments to property"

5.7 Other disclosures concerning the balance sheet

5.7.1 Accrued income and prepaid expenses/Accrued expenses and deferred income

Accrual accounts *(In € thousands)*	31.12.2018		31.12.2017	
	Assets	**Liabilities**	Assets	Liabilities
Accrued interest	2,571,352		2,811,320	
Deferred acquisition costs	155		182	
Deferred expenses	0		0	
Prepaid expenses	19,545		26,990	
Accrued income	59,725		50,944	
Amortisation by the effective interest method (income)	5,409,072		4,921,236	
Accrued income and prepaid expenses related to forward financial instruments	1,409,285		1,291,054	
Deferred income		47,680		49,157
Amortisation by the effective interest method (expense)		3,215,095		3,072,477
Unearned interest income		(4,304)		(2,065)
Accrued expenses and deferred income related to forward financial instruments		418,401		403,496
TOTAL	**9,469,135**	**3,676,872**	**9,101,725**	**3,523,064**

5.7.2 Accrued receivables and payables

Balance sheet items *(In € thousands)*	Accrued income		Accrued expenses	
	31.12.2018	31.12.2017	**31.12.2018**	31.12.2017
Other receivables	**300,775**	**185,400**	**248,064**	**157,339**
▪ Prepaid payroll costs			0	
▪ Other	300,775	185,400	248,064	157,339
Accrued income and prepaid expenses	**2,631,077**	**2,862,263**		
▪ Prepaid interest and rental revenue	2,571,352	2,811,320		
▪ Deferred acquisition costs				
▪ Other accrued income and prepaid expenses	59,725	50,944		
Other liabilities			**1,938,198**	**2,037,093**
▪ Accrued payroll costs			363,238	386,668
▪ Other payables			1,574,960	1,650,426
TOTAL	**2,931,852**	**3,047,663**	**2,186,262**	**2,194,432**

Balance sheet items *(In € thousands)*	Deferred income		Prepaid expenses	
	31.12.2018	31.12.2017	**31.12.2018**	31.12.2017
Accrued income and prepaid expenses			**6,838,058**	**6,239,461**
▪ Deferred acquisition costs			155	182
▪ Amortisation by the effective interest method			5,409,072	4,921,236
▪ Other accrued income and prepaid expenses			19,545	26,990
▪ Accrued income and prepaid expenses related to forward financial instruments			1,409,285	1,291,054
Deferred income and accrued expenses	**3,676,872**	**3,523,064**		
▪ Deferred income	47,680	49,157		
▪ Amortisation by the effective interest method	3,215,095	3,072,477		
▪ Unearned interest income	(4,304)	(2,065)		
▪ Accrued expenses and deferred income related to forward financial instruments	418,401	403,496		
TOTAL	**3,676,872**	**3,523,064**	**6,838,058**	**6,239,461**

5.7.3 Provisions for liabilities and charges

Type of provision *(In € thousands)*	Purpose	31.12.2018	31.12.2017
Revaluation provision	Revaluation of the property portfolio	2,400	2,422
Other provisions	Provision for litigation and miscellaneous risks	54,634	120,442
TOTAL		**57,034**	**122,864**

5.7.4 Assets denominated in foreign currency

Balance sheet item	Currency	Foreign currency amount *(In thousands)*	Amount in euros *(In € thousands)*
Other investments			**3,550,644**
	US dollar	2,141,128	1,869,980
	Swedish krona	826,461	80,593
	Swiss franc	136,880	121,466
	Canadian dollar	55,781	35,746
	Pound sterling	1,072,336	1,198,770
	Japanese yen	30,718,600	244,089

5.8 Change in life premium reserves before reinsurance

(In € thousands)	31.12.2018	31.12.2017
In the income statement		
1. Change in life premium reserves	**(7,117,888)**	**(10,345,863)**
2. Effect of changes in exchange rates	**(1,004)**	**(505)**
3. Credited interest and policyholder dividends paid directly out of investment income for the year	**4,014,702**	**3,948,946**
Credited interest	695,650	870,260
Policyholder dividends	3,319,052	3,078,686
4. Use of policyholder surplus reserve	**1,576,515**	**1,553,677**
TOTAL	**(1,527,675)**	**(4,843,745)**
In the balance sheet		
Change in mathematical reserves		
1. Life premium reserves – end of period	**244,995,930**	**246,522,997**
2. Life premium reserves – start of period	**(246,522,997)**	**(251,403,677)**
TOTAL	**(1,527,068)**	**(4,880,680)**

5.9 Mathematical reserves for PERP plans

(In € thousands)	**31.12.2018**	31.12.2017
Insurance liabilities (excluding linked liabilities) – mathematical annuity reserves for annuity payments	1,092,794	1,059,840
Linked liabilities	146,585	162,208
Special mathematical reserves for points-based pension liabilities	412,108	383,917
TOTAL	**1,651,487**	**1,605,965**

5.10 Liquidity risk reserve

(In € thousands)	**31.12.2018**	31.12.2017
Total net unrealised gain or loss – Article R.343-5 assets	11,604,369	16,642,093
Liquidity risk reserve included in other technical reserves	0	0
Deferred charge to the liquidity risk reserve	0	0
Actual net profit, excluding impact of transfers to liquidity risk reserve	1,165,360	1,142,526

NOTE 6

Notes to the income statement

6.1 Investment income and expenses

(In € thousands)	31.12.2018 Income and expenses from investments in subsidiaries and affiliates	31.12.2018 Other financial income and expenses	31.12.2018 2018 total	31.12.2017
Investment income				
Revenues from investments in subsidiaries and affiliates	392,521	(262,695)	129,827	163,055
Revenues from property investments	1,938	489,345	491,283	502,703
Revenues from other investments	96,079	6,091,634	6,187,713	6,710,837
Other financial revenues (commissions, fees)	142,777	851,281	994,057	757,136
Investment revenues	**633,316**	**7,169,564**	**7,802,880**	**8,133,730**
Other investment income	**23,656**	**1,301,759**	**1,325,415**	**862,583**
Profits on disposal of investments	**819**	**2,111,178**	**2,111,997**	**1,995,103**
Total investment income	**657,791**	**10,582,502**	**11,240,292**	**10,991,416**
Investment expenses				
Financial expenses (commissions, fees, interest, overdraft charges, etc.)	0	599,915	599,915	578,305
Other investment expenses	83,529	1,161,092	1,244,621	1,098,606
Losses on disposal of investments	4,490	1,945,144	1,949,634	1,244,963
Total investment expenses	**88,019**	**3,706,152**	**3,794,170**	**2,921,874**
NET INVESTMENT INCOME	**569,772**	**6,876,350**	**7,446,122**	**8,069,542**

6.2 Underwriting income and expenses

Life

Classes 1-19 *(In € thousands)*	Single or flexible premium endowment policies	Individual term life policies (and voluntary participation group policies)	Other individual single or flexible premium life policies (and voluntary participation group policies)	Other individual regular premium life policies (and voluntary participation group policies)	Group death insurance contracts
Earned premiums	874,604	89,221	10,515,583	63,379	1,907,803
Claims and benefits	220,594	30,321	18,174,668	61,327	702,528
Change in life premium reserves and other technical reserves	619,861	883	(8,943,762)	(13,408)	(26,811)
Mark-to-market gains and losses on assets held to cover linked liabilities	0	0	0	0	0
Underwriting profit (loss)	**34,149**	**58,017**	**1,284,676**	**15,459**	**1,232,086**
Business acquisition costs	3,170	12,614	121,044	6,411	811,019
Other contract administration costs, net	23,291	4,716	1,061,371	2,524	91,938
Acquisition and contract administration costs, net	**26,461**	**17,330**	**1,182,415**	**8,935**	**902,958**
Net investment income	216,557	440	5,784,332	11,725	5,895
Credited interest and policyholder dividends	185,980	389	5,466,221	11,872	(10,252)
Net	**30,577**	**51**	**318,111**	**(146)**	**16,148**
Ceded premiums	3,007	79	323,791	107	139,022
Reinsurers' share of claims and benefits	7,051	0	810,515	1,814	18,648
Reinsurers' share of change in life premium reserves and other technical reserves	(2,262)	0	(364,406)	(1,760)	31,286
Reinsurers' share of policyholder surplus	(1,116)	0	40,359	5	207
Reinsurance commissions received	311	0	49,356	11	56,436
Reinsurance result	**978**	**(79)**	**212,033**	**(37)**	**(32,445)**
UNDERWRITING RESULT	**39,243**	**40,659**	**632,406**	**6,341**	**312,831**
Other information					
Policy surrenders	219,544	278	10,094,374	27,406	0
Gross credited interest	2,911	421	626,504	10,234	921
Technical reserves – end of period	5,387,525	48,265	224,864,292	682,362	1,284,635
Technical reserves – beginning of period *	4,362,546	47,368	228,814,291	690,489	1,283,979

* Technical reserves at the beginning of the period take into account the reclassification of an amount of €47.4 million from "Other individual regular premium life policies" to "Single premium endowment policies"

Group life insurance contracts	Single or flexible premium unit-linked life or endowment policies	Regular premium unit-linked life or endowment policies	Article L.441-1 group policies	PERP contracts	Policies giving rise to transfers to the *Eurocroissance* diversification reserve	Inward reinsurance (life)	TOTAL
46,580	3,874,000	2,835	301,777	85,558	1,798	2,398,597	20,161,736
291,611	1,426,223	32,172	582,344	45,439	2,510	517,615	22,087,354
(246,266)	(326,505)	(31,006)	(293,175)	6,591	5,988	1,913,581	(7,334,028)
0	(2,364,566)	6,832	0	(17,285)	0	(42,231)	(2,417,250)
1,234	**409,717**	**8,501**	**12,608**	**16,243**	**(6,700)**	**(74,830)**	**2,991,160**
(5,234)	62,207	(42)	12,252	2	13	54,141	1,077,598
8,345	204,561	562	(84)	16,505	0	6,582	1,420,312
3,111	**266,768**	**520**	**12,169**	**16,507**	**13**	**60,723**	**2,497,909**
83,037	275,510	18,939	226,674	46,121	6,713	365,370	7,041,313
44,450	133,753	11,190	455,507	45,857	0	217,500	6,562,466
38,586	**141,758**	**7,749**	**(228,833)**	**264**	**6,713**	**147,870**	**478,847**
37,652	143,731	0	166,819	0	0	23	814,231
34,047	67,714	0	306,036	0	0	0	1,245,825
(6,316)	(48,784)	0	89,201	0	0	(3,851)	(306,892)
1,960	1,838	0	0	0	0	(8)	43,246
503	18,010	0	0	0	0	0	124,627
(7,457)	**(104,953)**	**0**	**228,418**	**0**	**0**	**(3,881)**	**292,576**
29,253	**179,753**	**15,730**	**24**	**0**	**0**	**8,435**	**1,264,674**
5,710	879,610	14,579	46,618	37,517	1,797	214,071	11,541,503
47,132	47	7,270	0	0	0	210	695,650
4,030,149	32,192,310	494,746	15,769,696	1,713,877	275,809	9,439,817	296,183,485
4,182,373	32,403,705	515,133	15,606,207	1,662,347	176,331	7,214,200	296,958,968

Non-life

Categories 20-39 *(In € thousands)*	Individual bodily injury policies	Group bodily injury policies	Inward reinsurance	Total
Earned premiums	**13,730**	**1,374,718**	**438,009**	**1,826,457**
1a. Earned premiums	13,654	1,377,651	433,516	1,824,821
1b. Change in earned premium and unexpired risks reserve	(75)	2,933	(4,494)	(1,636)
Claims and benefits	**105,359**	**812,377**	**427,297**	**1,345,032**
2a. Paid claims and expenses	(3,433)	1,676,717	504,178	2,177,463
2b. Change in outstanding claims reserves	108,792	(864,340)	(76,882)	(832,430)
Underwriting profit (loss)	**(91,630)**	**562,341**	**10,713**	**481,424**
Business acquisition costs	1,086	429,186	716	430,988
Other contract administration costs, net	(2,295)	87,834	13,798	99,336
Acquisition and contract administration costs, net	**(1,209)**	**517,019**	**14,513**	**530,324**
Investment income	2,162	109,826	41,896	153,884
Policyholder dividends	3,004	30,141	8,389	41,534
Net	**(842)**	**79,685**	**33,508**	**112,350**
Reinsurers' share of earned premiums	0	100,852	0	100,852
Reinsurers' share of paid claims	0	770,094	0	770,094
Reinsurers' share of outstanding claims reserves	0	(839,496)	0	(839,496)
Reinsurers' share of policyholder dividends	0	2,731	0	2,731
Reinsurance commissions received	0	32,145	0	32,145
Reinsurance result	**0**	**(135,378)**	**0**	**(135,378)**
UNDERWRITING RESULT	**(91,263)**	**(10,372)**	**29,707**	**(71,928)**
Other information				
Provisions for unearned premiums and unsettled claims (closing balance)	24	22,144	36,057	58,226
Provisions for unearned premiums and unsettled claims (opening balance)	99	19,211	40,551	59,862
Outstanding claims reserve (closing balance)	8,002	3,133,728	1,566,514	4,708,243
Outstanding claims reserve (opening balance)	8,082	3,743,429	1,630,306	5,381,816
Other technical reserves (closing balance)	141,031	1,067,022	220,039	1,428,092
Other technical reserves (opening balance)*	29,146	1,283,551	226,624	1,539,321

* Other technical reserves at the beginning of the period do not include policyholder surplus reserves, reserves for bonuses and rebates or claims equalisation reserves

6.3 Transfer of unrealised gains to the *Eurocroissance* reserve

Information about the temporary mechanism for the transfer of assets to the diversification reserve for *Eurocroissance* insurance liabilities.

In 2018, net new money corresponding to transfers to *Eurocroissance* contracts totalled €95,569,996.71.

In accordance with the government order dated 13 July 2016 (paragraph 1), unrealised capital gains representing 0.027188% were transferred from the general reserve to the *Eurocroissance* reserve.

Unrealised capital gains before the transfer represented 9.077100% (information disclosed in accordance with paragraph 2 of the above order).

Unrealised capital gains after the transfer represented 9.075024% (information disclosed in accordance with paragraph 3 of the above order).

6.4 Payroll costs

Payroll costs break down as follows:

(In € thousands)	31.12.2018	31.12.2017	Year-on-year change
Wages and salaries	177,869	180,443	-1.4%
Payroll taxes	63,206	87,635	-27.9%
Other	9,340	9,526	-2.0%
TOTAL	**250,416**	**277,604**	**-9.8%**

6.5 Commissions

Direct insurance and inward reinsurance commissions for the year amounted to €2,583,517 thousand.

The total includes all types of commissions paid to the Company's distribution partners.

6.6 Breakdown of non-recurring, non-technical income and expenses

Income statement items *(In € thousands)*	31.12.2018	31.12.2017
Other (non-technical) income	**47,809**	**13,989**
Interest income from miscellaneous loans	40	131
Other non-technical income	465	34
Reversals from the capitalisation reserve credited to the non-technical account	47,303	13,824
Other (non-technical) expenses	**13,730**	**22,202**
Transfers to the capitalisation reserve from the non-technical account	1,986	1,626
Other non-technical expenses	11,744	20,576
Non-recurring income	**82,926**	**99,195**
Income relating to prior years	0	0
Other non-recurring income	5,967	14,107
Reversals of provisions for contingencies	76,959	85,088
Gains on disposal of owner-occupied property	0	0
Non-recurring expenses	**24,239**	**79,621**
Losses relating to prior years	0	0
Other non-recurring expenses	12,047	11,757
Impairment expense	1,196	13,197
Additions to provisions for contingencies	10,996	54,668

6.7 Income tax expense

Income tax expense *(In € thousands)*	31.12.2018	31.12.2017	Year-on-year change
Tax expense on recurring profit	349,139	405,031	
Tax (benefit) expense on non-recurring operations	0	0	
Income tax expense	**349,139**	**405,031**	**-13.8%**

6.8 Policyholder participation in underwriting profit and investment income

Description *(In € thousands)*	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
A. Policyholder participation	**6,604,000**	**7,341,421**	**7,586,075**	**7,889,060**	**8,157,002**
A1. Policyholder dividends and credited interest	5,653,564	5,558,439	5,630,283	6,397,087	6,918,687
A2. Change in the policyholder surplus reserve	950,435	1,782,982	1,955,793	1,491,973	1,238,315
B. Policyholder participation – Article A.132-10					
B1. Average mathematical reserves [1]	236,786,781	240,717,692	240,486,098	237,085,421	230,820,659
B2. Minimum policyholder participation	3,361,261	3,691,567	4,218,763	4,569,340	4,901,854
B3. Actual policyholder participation [2]	4,305,144	5,047,472	5,410,830	5,711,896	6,067,746
B3a. Policyholder dividends and credited interest	3,465,973	3,345,328	3,471,829	4,299,236	4,830,193
B3b. Change in the policyholder surplus reserve	839,171	1,702,144	1,939,000	1,412,659	1,237,553

(1) Half of the sum of opening and closing mathematical reserves for contracts (Article A.132-10)
(2) Actual participation (expense for the period, including credited interest) for contracts (Article A.132-10)

6.9 Employee information

The number of employees by category as of 31 December 2018 was as follows:

Status *(number of employees)*	31.12.2018	31.12.2017	Year-on-year change
Management-grade	1,776	1,777	-0.1%
Non-management-grade	981	1,026	-4.4%
TOTAL	**2,757**	**2,803**	**-1.6%**

The above figures do not include employees of the CNP TI intercompany partnership.

6.10 Management remuneration

The following disclosures present the cumulative remuneration and the remuneration by category of the Chief Executive Officer and the members of the Board of Directors, including the Chairman.

2018

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer, in 2018 amounted to €1,370,832.
- Long-term benefits: the cumulative amounts provided for, or recognised, in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0. No provision was recorded because the Chief Executive Officer and the Chairman of the Board of Directors are not entitled to any long-term benefits. A provision of €4,194,612 was recorded for the current Chief Executive Officer's vested long-term benefit entitlement earned during his period as an employee prior to his appointment.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer, the Chairman of the Board of Directors or the members of the Board in 2018. No provision was recorded because the Chief Executive Officer, the Chairman of the Board of Directors and the members of the Board are not entitled to any termination benefits.
A provision of €707,151 was recorded for the current Chief Executive Officer's vested termination benefit entitlement earned during his period as an employee prior to his appointment.
- Share-based payments: no share-based payments were made by the Company in 2018. No stock options or performance shares were granted to any senior executives or members of the Board in 2018.

2017

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer, in 2017 amounted to €1,252,208.
- Long-term benefits: the cumulative amounts provided for, or recognised, in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer, the Chairman of the Board of Directors or the members of the Board in 2017.
- Share-based payments: no share-based payments were made by the Company in 2017. No stock options or performance shares were granted to any senior executives or members of the Board.

6.11 Premium income by geographic segment

Gross premiums Premium income by geographical segment *(In € thousands)*	**31.12.2018**	31.12.2017	Change
France	21,411,500	22,747,557	-5.9%
International	576,692	200,758	187.3%
Italian branch	*81,741*	*68,316*	*19.7%*
Spanish branch	*688*	*1,013*	*-32.1%*
Germany (premiums written under EU freedom of services directive)	*100*	*(103)*	*-197.5%*
Luxembourg subsidiary	*494,163*	*131,531*	*275.7%*
TOTAL	**21,988,192**	**22,948,315**	**-4.2%**

6.12 Fees paid to the Auditors

Fees paid to the Auditors in 2018 *(In € thousands)*				
Audit	**Mazars**	**%**	**PricewaterhouseCoopers**	**%**
Audit of the financial statements of the Company and the Group [(1)]	**1,161**	**73%**	**1,189**	**70%**
CNP Assurances	1,161		1,189	
Other audit and special engagements [(2)]	**424**	**27%**	**521**	**30%**
TOTAL	**1,585**	**100%**	**1,710**	**100%**

(1) Including the audit of the IFRS 9 appendices and information systems migrations
(2) "Other duties and services directly related to the assignment carried out by the Statutory Auditors" include services relating to the issue of debt securities, review of MCEV© calculations, review of the English translation of the Registration Document and review of sustainable development indicators

NOTE 7
Off-balance sheet commitments

Strategy by type of forward financial instrument *(In € thousands)*	Amounts at 31.12.2018		Remaining life		
	Commitments received	**Commitments given**	1 year or less	1 to 5 years	More than 5 years
Yield strategy					
Equity instruments					
Purchases of calls and puts	(5,721,732)		1,573,638	(7,237,771)	(57,599)
Sales of calls and puts		(3,464,565)	341,080	(3,805,645)	
Interest rate instruments					
Purchases of caps	71,340,500		5,120,000	35,049,000	31,171,500
Sales of caps		29,952,500	1,860,000	27,304,000	788,500
Swaps					
Receive positions	7,786,514		1,058,532	4,315,237	2,412,745
Pay positions		7,950,449	1,019,063	4,340,654	2,590,732
TOTAL RECEIVED	**73,405,282**		**7,752,170**	**32,126,465**	**33,526,646**
TOTAL GIVEN		**34,438,384**	**3,220,143**	**27,839,009**	**3,379,232**
NET COMMITMENT	**38,966,898**		**4,532,027**	**4,287,457**	**30,147,414**

NOTE 8

Disclosures related to subordinated debt

REDEEMABLE SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue *(In millions of issue currency)*	Total issue *(In € millions)*	Interest rate	First call date	*Tiering*	Maturity
24.06.2003	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	200	200	4.7825% until 24 June 2013, then Euribor +200 bp	Passed	Tier 2	23.06.2023
15.11.2004	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	90	90	4.93% until 15 Nov. 2016, then Euribor +160 bp	15.11.2016	Tier 1	Undated
15.11.2004	Subordinated notes Fixed/variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	93	93	3-month Euribor +70 bp until 15 Nov. 2016, then 3-month Euribor +160 bp	15.11.2016	Tier 1	Undated
14.09.2010	Subordinated notes Fixed/variable rate	FR0010941484	EUR	750	750	6% until Sept. 2020, then 3-month Euribor +447.2 bp	14.09.2020	Tier 2	14.09.2040
07.04.2011	Subordinated notes Fixed/variable rate	FR0011034065	GBP	300	335	7.375% until Sept. 2021, then 2-month Libor +448.2 bp	30.09.2021	Tier 2	30.09.2041
07.04.2011	Subordinated notes Fixed/variable rate	FR0011033851	EUR	700	700	6.875% until Sept. 2021, then 12-month Euribor +440 bp	30.09.2021	Tier 2	30.09.2041
05.06.2014	Subordinated notes Fixed/variable rate	FR0011949403	EUR	500	500	4.25% until June 2025, then reset at the 5-year fixed swap rate +360 bp	05.06.2025	Tier 2	05.06.2045
10.12.2015	Subordinated notes Fixed/variable rate	FR0013066388	EUR	750	750	4.5% until June 2027, then 3-month Euribor +460 bp	10.06.2027	Tier 2	10.06.2047
22.01.2016	Subordinated notes Fixed/variable rate	FR0013101599	USD	500	437	6% throughout the life of the notes	22.01.2029	Tier 2	22.01.2049
20.10.2016	Subordinated notes Fixed/variable rate	FR0013213832	EUR	1,000	1,000	1.875% until October 2022		Tier 3	20.10.2022
TOTAL REDEEMABLE SUBORDINATED NOTES				**4,883**	**4,855**				

SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue *(In millions of issue currency)*	Total issue *(In € millions)*	Interest rate	First call date	Tiering	Maturity
21.06.2004	Subordinated notes Variable rate	FR0010093328	EUR	250	250	Tec 10 +10 bp, capped at 9%	Passed	Tier 1	Undated
24.09.2004	Subordinated notes Variable rate	FR0010093328	EUR	50	50	Tec 10 +10 bp, capped at 9%	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167296	EUR	24	24	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167247	EUR	225	225	6.5% until Mar. 2008, then 3% + (10-year CMS * 22.5%)	Passed	Tier 1	Undated
27.06.2005	Subordinated notes Variable rate	FR0010203026	EUR	75	75	7% until June 2010, then 10-year CMS +30 bp	Passed	Tier 1	Undated
16.05.2006	Subordinated notes Variable rate	FR0010318386	EUR	160	160	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including *100 bp* step-up at *call date*)	16.05.2036	Tier 1	Undated
20.12.2006	Subordinated notes Variable rate	FR0010406082	EUR	108	108	3-month Euribor +95 bp until 20 Dec. 2026, then 3-month Euribor +195 bp	20.12.2026	Tier 1	Undated
18.07.2013	Subordinated notes Fixed rate	FR0011538461	USD	500	437	6.875% until July 2019, then *reset* at the 6-year fixed *swap* rate +500 bp	18.07.2019	Tier 1	Undated
18.11.2014	Subordinated notes Fixed rate	FR0012317758	EUR	500	500	4% until November 2024, then *reset* at the 5-year fixed *swap* rate +410 bp	18.11.2024	Tier 1	Undated
27.06.2018	Subordinated notes Fixed rate	FR0013336534	EUR	500	500	4.75% until 2028, then *reset* at the 5-year fixed *swap* rate +391.4 bp	27.06.2028	Tier 1	Undated
TOTAL SUBORDINATED DEBT				**2,392**	**2,328**				
TOTAL SUBORDINATED LIABILITIES				**7,275**	**7,183**				

5.4 Other information

5.4.1 Proposed appropriation of 2018 profit

Net profit for the year ended 31 December 2018 totalled €1,165,360,175.81 and retained earnings brought forward from the prior year amounted to €2,127,957,079.72, resulting in distributable profit of €3,293,317,255.53.

The General Meeting therefore resolves:

- to pay a total dividend of €611,090,444.53, shared between all shareholders;
- to transfer the balance of €2,682,226,811.00 to retained earnings.

The dividend paid on each of the 686,618,477 shares making up the share capital at the date of the General Meeting will amount to €0.89.

The dividend will be paid as from 30 April 2019 and the shares will trade ex-dividend on NYSE Euronext Paris from 26 April 2019.

Private shareholders resident in France for tax purposes will be entitled to 40% tax relief on their dividends pursuant to Article 158-3-2 of the French Tax Code.

The total dividend will be reduced by the amount of dividends not paid on any treasury shares held by the Company, which ill be transferred to the retained earnings account in accordance with Article L.225-210 of the French Commercial Code.

5.4.2 Five-year financial summary

	31.12.2018	31.12.2017	31.12.2016	31.12.2015	31.12.2014
Share capital *(in € thousands)*	686,618	686,618	686,618	686,618	686,618
Number of ordinary shares outstanding	686,618,477	686,618,477	686,618,477	686,618,477	686,618,477
Results of operations *(in € thousands)*					
Premium income excluding tax	21,988,192	22,948,315	24,044,660	24,344,274	21,988,755
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	1,514,500	1,547,557	1,343,167	1,508,238	1,035,412
Income tax expense	349,139	405,031	248,283	233,421	285,006
Net profit	1,165,360	1,142,526	1,094,883	1,274,817	714,073
Earnings per share *(in €)*					
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	2.21	2.25	1.96	2.20	1.51
Net profit	1.70	1.66	1.59	1.86	1.04
Dividend per share *	0.89	0.84	0.80	0.77	0.77
Prepaid payroll costs					
Average number of employees	2,757	2,803	2,883	2,897	2,908
Total payroll and benefits *(in € thousands)*	250,416	277,604	273,079	271,750	287,594

* Recommended 2018 dividend subject to shareholder approval at the Annual General Meeting on 18 April 2019

5.5 Statutory Auditors' report on the company financial statements

For the year ended 31 December 2018

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of CNP Assurances for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2018 to the date of our report and in particular we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF THE ESCALATING RISKS RESERVE FOR LONG-TERM CARE AND TERM CREDITOR POLICIES

(See Note 4.6 to the financial statements)

Description of risk	How our audit addressed this risk
A reserve for escalating risks is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums. This reserve is constituted prospectively, by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve. At 31 December 2018, other technical reserves, which are analysed in Note 4.6 to the financial statements, included the escalating risks reserve for long-term care policies in an amount of €380 million and the escalating risks reserve for the Term Creditor Insurance business in an amount of €229 million before reinsurance. We deemed this risk to be a key audit matter in view of the sensitivity of the calculation of the escalating risks reserve for long-term care and Term Creditor policies to the choice of the following key assumptions, which require a significant degree of judgement from management: ▪ the discount rate used on the long-term care risk; ▪ the experience-based tables prepared according to observations and analyses established on the basis of portfolio data; ▪ the surrender behaviour of policyholders, in particular given the uncertainty in relation to surrender behaviour caused by the Bourquin amendment to the Sapin II law.	We examined the procedures by which the methodology for determining the escalating risks reserve is implemented. In particular, we carried out the following procedures with the guidance of our internal experts in risks and models: ▪ examining the mathematical design of the actuarial model to verify that it did not contain any material misstatement that could distort the calculation result, in particular by recalculating the reserves; ▪ assessing the consistency of the key assumptions used to determine the reserve, which included in particular: – determining homogeneous risk classes (within which the offsetting of positive and negative escalating risks reserves calculated on a case-by-case basis is possible) linked to the segmentation used for pricing, – the principles and methodologies for determining the discount rate, – the principles and methodologies for determining the surrender rate and the related sensitivity tests, – the principles and methodologies for determining the experience-based tables, – the principles for determining escalating risk reserve coefficients and their proper application for case-by-case calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 4.5.2 to the financial statements)

Description of risk	How our audit addressed this risk
General administrative expense reserves are intended to cover future administrative costs of individual savings and pensions policies and Group pensions policies, which are not covered by the loading on premiums or the fees levied on financial products provided for by these policies. At 31 December 2018, other technical reserves, which are analysed in Note 4.5.2 to the financial statements, included general administrative expense reserves in an amount of €249 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves to: ▪ a situation of persistently low yields; ▪ the quality of the underlying data; ▪ the assumptions used to model future results. The main inputs used are as follows: ▪ policy data; ▪ the historical actual costs linked to the management of the activity. The main assumptions concerned: ▪ the level of aggregation at which positive future results are offset against negative future results for homogeneous categories of contracts; ▪ the estimated future contractual fees that may be levied, subject to compliance with the guarantees given to policyholders; ▪ the future investment yield; ▪ administrative costs and in particular the types of costs to be taken into account, which depend on the procedure for allocating costs by function; ▪ future surrender and average reduction rates.	We examined the procedures by which the methodology for determining general administrative expense reserves is implemented. We carried out the following procedures with the guidance of our internal experts in risks and models: ▪ assessing compliance with the requirements of the applicable regulations; ▪ analysing the application scope of the reserves and the assumptions for grouping policies together in order to verify their homogeneity; ▪ verifying the consistency of the assumptions used with the past data and/or data used to project future results (administrative expenses, surrender rates, etc.); ▪ verifying on a sample basis the consistency of the underlying data used for the calculation with the contractual provisions pertaining to fees levied on policies; ▪ analysing the procedures for determining the yield curve applied to mathematical reserves in order to determine forecast investment income; ▪ carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

Information given in the management report and the other documents concerning the Company's financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements, except as explained below, it being specified that it is not our responsibility to give an opinion on the fair presentation and the consistency with the financial statements of the prudential information (SCR coverage ratio) taken from the report provided for in Article L.355-5 of the French Insurance Code (*Code des assurances*).

Concerning the fair presentation and the consistency with the financial statements of the information on supplier payment terms referred to in Article D.441-4 of the French Commercial Code, we have the following matter to report: as explained in the management report, the information does not include insurance and reinsurance transactions because the Company considers that they do not fall within the scope of the disclosure requirement in accordance with the circular issued by the Fédération Française de l'Assurance dated 22 May 2017.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.225-37-5 of the French Commercial Code relating to items that the Company deems liable to have an impact in the event of a public cash or exchange offer, we verified the consistency of said information with the underlying documents provided to us. Based on this work, we have no matters to report with regard to this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of CNP Assurances by the Annual General Meetings held on 18 May 1998 for Mazars and on 25 May 2010 for PricewaterhouseCoopers Audit.

At 31 December 2018, Mazars and PricewaterhouseCoopers Audit were in the twenty-first year and the ninth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any Internal Audit systems, relating to the preparation and processing of accounting and financial information.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of management of the Company.

A more detailed description of our responsibilities as Statutory Auditors in the scope of the audit of the financial statements is set out in the appendix to this report, and is an integral part hereof.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the procedures for the preparation and processing of accounting and financial information.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Risk Committee.

Neuilly-sur-Seine and Courbevoie, 4 March 2019

The Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	**MAZARS**
Bénédicte Vignon	Olivier Leclerc

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

6

SHARE CAPITAL AND **OWNERSHIP STRUCTURE**

6.1 Information about the Company's capital

6.1.1 Share capital, par value of the shares

Amount of fully subscribed and paid-up share capital at 31 December 2018: €686,618,477, divided into 686,618,477 shares with a par value of €1.

6.1.2 Historical changes in share capital

Between 1987 and the legislative reform of 16 July 1992, CNP Assurances was a public industrial and commercial institution with no share capital within the meaning of the French Act of 24 July 1966. The changes in the capital of CNP Assurances since it became an insurance company limited by shares on 9 December 1992 are set out below:

Date	Description of the transactions	Number of new shares	Aggregate par value of new shares	Net premium	Total number of shares	Share capital
Initial capital	Shares issued for cash	2,500	FRF 250,000 [1]	n/a	2,500	FRF 250,000
23.11.1990 and 20.12.1991	Shares issued in payment for assets and paid up by capitalising debt	47,500	FRF 4,750,000 [1]	n/a	50,000	FRF 5,000,000
01.01.1992	Shares issued in payment for assets acquired from CNP EPIC	28,500,000	FRF 2,850,000,000 [1]	FRF 4,243,612,960 (credited to reserve accounts)	28,550,000	FRF 2,855,000,000
23.04.1993	Shares issued for cash	3,170,000	FRF 317,000,000 [1]	FRF 538,900,000	31,720,000	FRF 3,172,000,000
27.10.1994	Four-for-one share split	95,160,000	n/a	n/a	126,880,000	FRF 3,172,000,000
18.09.1998	Shares issued for cash	9,803,922	FRF 245,098,050 [2]	FRF 1,254,902,016	136,683,922	FRF 3,417,098,050
15.12.2000	Employee rights issue	443,786	FRF 11,094,650 [2]	FRF 67,620,016.78	137,127,708	FRF 3,428,192,700
01.01.2001	Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros	n/a	€25,886,223.98 [3]	n/a	137,127,708	€548,510,832
21.06.2002	Employee rights issue	726,356	€2,905,424 [3]	€17,105,683.80	137,854,064	€551,416,256
25.06.2004	Employee rights issue	731,402	€2,925,608 [3]	€20,508,512.08	138,585,466	€554,341,864
22.12.2004	Employee rights issue	49,836	€199,344 [3]	€1,678,476.48	138,635,302	€554,541,208
06.02.2007	Rights issue	9,902,521	€39,610,084 [3]	€630,003,024.65	148,537,823	€594,151,292
06.07.2010	Four-for-one share split [4]	n/a	n/a	n/a	549,151,292	€594,151,292
24.07.2012	2011 scrip dividends	49,348,883	€49,348,883 [4]	€339,520,315.04	643,500,175	€643,500,175
28.05.2013	2012 scrip dividends	43,118,302	€43,118,302 [4]	€395,826,012.36	686,618,477	€686,618,477

(1) Par value of FRF 100
(2) Par value of FRF 25
(3) Par value of €4
(4) Par value of €1
n/a: not applicable

6.1.3 Historical changes in ownership structure

Date	Percentage of CNP Assurances' capital held directly or indirectly by employees
31.12.2002	1.26%
31.12.2003	Approximately 1.08%
31.12.2005	Approximately 1.15%
31.12.2006	Approximately 1.00%
31.12.2007	Approximately 0.58%
31.12.2008	0.60%
31.12.2009	0.37%
31.12.2010	0.36%
31.12.2011	0.35%
31.12.2012	0.33%
31.12.2013	0.29%
31.12.2014	0.23%
31.12.2015	0.27%
31.12.2016	0.21%
31.12.2017	0.20%
31.12.2018	0.20%

Date	Percentage of CNP Assurances' capital held directly or indirectly by the signatories of the Shareholders' Agreement dated 2 September 1998	
31.12.1998	French State	2.24%
	Caisse des Dépôts	40.04%
	La Poste	20.00%
	CENCEP	12.50%
31.12.1999	French State	2.24%
	Caisse des Dépôts	40.04%
	La Poste	20.00%
	CENCEP	12.48%
31.12.2000	French State	1.73%
	Caisse des Dépôts	39.91%
	La Poste	19.93%
	CENCEP	12.45%
31.12.2001	French State	1.18%
	Caisse des Dépôts	36.88%
	Sopassure	35.87%
31.12.2002	French State	1.18%
	Caisse des Dépôts	36.88%
	Sopassure	35.87%
31.12.2003	French State	1.17%
	Caisse des Dépôts	36.69%
	Sopassure	35.68%
31.12.2004	French State	1.17%
	Caisse des Dépôts	36.49%
	Sopassure	35.48%
31.12.2005	French State	1.17%
	Caisse des Dépôts	36.49%
	Sopassure	35.48%
31.12.2006	French State	1.17%
	Caisse des Dépôts	36.49%
	Sopassure	35.48%
31.12.2007	French State	1.09%
	Caisse des Dépôts	40.00%
	Sopassure	35.48%
Since 31.12.2014	French State	1.11%
	Caisse des Dépôts	40.87%
	Sopassure	36.25%

6.2 Information about the Company's ownership structure

6.2.1 Ownership structure

2016 financial year

Number of shares: 686,618,477

Number of voting rights: 1,225,139,499

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,940	40.87%	45.81%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	40.64%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,188,680**	**78.24%**	**87.69%**
Public, Company employees and other	149,429,797	21.76%	12.31%
of which:			
CNP Assurances (treasury shares)	121,661	0.02%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to the double voting rights awarded on 3 April 2016

(2) The concert shares are the result of the Shareholders' Agreement, the main terms of which are outlined in section 6.2.2 of this Registration Document. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the Shareholders' Agreement signed on 2 September 1998 by the shareholders acting in concert.

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

(3) The Statutory Auditors of CNP Assurances issued their special report on related-party agreements and commitments on 23 March 2017 (see section 5.8 of the 2016 Registration Document)

As allowed by law, all fully paid-up shares that had been registered in the name of the same shareholder for at least two years as of 2 April 2016 were given double voting rights.

2017 financial year

Number of shares: 686,618,477

Number of voting rights: 1,224,983,856

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,540	40.87%	45.82%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	40.64%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,188,280**	**78.24%**	**87.71%**
Public, Company employees and other	149,430,197	21.76%	12.29%
of which:			
CNP Assurances (treasury shares)	143,695	0.02%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to double voting rights

(2) The concert shares are the result of the Shareholders' Agreement, the main terms of which are outlined in section 6.2.2 of this Registration Document. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the Shareholders' Agreement signed on 2 September 1998 by the shareholders acting in concert

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

(3) The Statutory Auditors of CNP Assurances issued their special report on related-party agreements and commitments on 12 March 2018 (see section 3.6 of the 2017 Registration Document)

2018 financial year

Number of shares: 686,618,477

Number of voting rights: 1,224,235,192

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,140	40.87%	45.84%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	40.67%
French State:	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,187,880**	**78.24%**	**87.76%**
Public, Company employees and other	149,430,597	21.76%	12.24%
of which:			
CNP Assurances (treasury shares)	598,643	0.09%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to double voting rights

(2) The concert shares are the result of the Shareholders' Agreement, the main terms of which are outlined in section 6.2.2 of this Registration Document. A total of 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) included in the total shares held in concert in the above table correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the Shareholders' Agreement signed on 2 September 1998 by the shareholders acting in concert.

To the best of the Company's knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

(3) The Statutory Auditors of CNP Assurances issued their special report on related-party agreements and commitments on 4 March 2019 (see section 3.6 of the 2018 Registration Document)

6.2.2 Shareholders' Agreement

The Shareholders' Agreement represents the decisive factor among those that would influence the outcome of a takeover bid listed in Article L.225-37-5 of the French Commercial Code.

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2019)

CNP Assurances – Quoted on the Eurolist compartment A – First listed on 6 October 1998

(The Shareholders' Agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des marchés financiers/Autorité des Marchés Financiers*)

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital

Signing of the CNP Assurances Shareholders' Agreement: 2 September 1998
Initial term: five years, automatically renewable for two-year periods.
A total of **six addenda** have been signed, on:
▪ 19 December 2000;
▪ 20 May 2003;
▪ 8 January 2007;
▪ 9 July 2007;
▪ 27 July 2009;
▪ 13 February 2017.
	▪ Caisse des Dépôts: 40% [1]
	▪ Sopassure (LBP and BPCE): 35.48% [1]
	▪ French State: 1% [1]
		▪ Intention to remain shareholders of the Company over the long term and to implement a common policy;
		▪ Agreement to consult each other prior to all major decisions, such as proposed amendments to the Articles of Association, capital projects excluding financial investments or material debt issues, membership of the governance structures and, more generally, all strategic decisions for CNP Assurances;
		▪ Allocation of seats on the Board of Directors:
		  ▪ one director recommended by the French State,
		  ▪ six directors recommended by Caisse des Dépôts,
		  ▪ five directors recommended by Sopassure,
		  ▪ two directors representing employees (since February 2017),
		  ▪ four independent directors,
		  ▪ one director recommended jointly by the agreement's signatories.
			▪ Caisse des Dépôts and Sopassure have agreed not to purchase or sell any shares, by any method, if the transaction would result in either (i) Caisse des Dépôts or (ii) Sopassure, La Banque Postale and BPCE holding, directly or indirectly, a number of "pact shares" [2] representing, respectively, over (i) 40% or (ii) 35.48% of CNP Assurances' capital;
			▪ If any signatory (except for the French State) wants to sell any "pact shares", the other signatories have a pre-emptive right to purchase them;
			▪ The process for exercising this pre-emptive right must comply with the legal rules specific to these shareholders;
			▪ In the case of a takeover bid, the signatories may tender all or some of their shares to the offer, provided that at least 61% of CNP Assurances' capital remains in the hands of public sector shareholders.

(1) The percentages indicated do not include shares issued to pay scrip dividends
(2) At 31 December 2018, 82,231,488 CNP Assurances shares (including 42,956,024 held by Caisse des Dépôts, 38,105,074 by Sopassure and 1,170,390 by the French State) correspond to scrip dividends paid on 24 July 2012 and 28 May 2013. These shares are excluded from the definition of "pact shares" in the Shareholders' Agreement signed on 2 September 1998 by the shareholders acting in concert

In the first half of 2017, the Shareholders' Agreement was automatically renewed for a further two-year period ending 31 December 2019.

Certain agreements entered into by CNP Assurances contain a change in control clause that may lead to their early termination or modification, including bancassurance agreements, such as those concluded with Caixa for Brazil, UniCredit for Italy and Banco Santander for some European countries.

6.3 Listing of CNP Assurances shares

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998.

The shares admitted to trading on NYSE Euronext Paris, in compartment A (ISIN FR0000120222).

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

		Trading volume [1] *(In number of traded shares)*	Low [2] *(In €/share)*	High [2] *(In €/share)*
2017	January	7,947,096	17.130	18.065
	February	10,156,356	17.245	18.485
	March	12,008,177	17.480	19.250
	April	9,186,836	17.600	19.390
	May	10,048,476	18.455	20.435
	June	9,088,042	19.300	20.435
	July	7,462,855	19.675	20.925
	August	8,176,382	19.160	21.380
	September	6,775,313	18.685	19.845
	October	6,332,066	19.575	20.300
	November	8,328,782	18.335	20.240
	December	7,317,209	18.350	19.590
2018	January	7,871,127	19.020	20.860
	February	9,487,587	19.540	21.400
	March	10,510,583	19.350	21.040
	April	7,834,977	20.300	21.620
	May	9,289,042	19.690	21.400
	June	10,951,471	19.120	20.440
	July	7,024,887	18.410	20.060
	August	7,724,140	19.720	20.440
	September	8,314,332	19.220	21.100
	October	8,593,981	18.800	20.820
	November	8,079,848	19.490	20.700
	December	7,871,095	17.980	20.420

(1) Monthly volume of traded shares on Euronext Paris
(2) Intraday lows and *highs*

6.4 Dividends and dividend policy

6.4.1 Appropriation and distribution of profit (Article 28 of the Articles of Association)

"Net income for the financial year, less overheads and other corporate expenses, depreciation and amortisation of assets and all contingency provisions, forms net profit.

1. *Distributable profit consists of profit for the financial year, less prior losses and amounts appropriated to reserves pursuant to the law and the Articles of Association, plus retained earnings brought forward from the prior year.*
2. *On the recommendation of the Board of Directors, the Ordinary General Meeting may decide to allocate any amounts it considers appropriate to retained earnings or to one or more extraordinary, general or special reserve funds. They may be allocated in any manner decided by the General Meeting, on the recommendation of the Board of Directors.*

   It may also decide, on the recommendation of the Board of Directors, to distribute all or part of the profit in the form of dividends.
3. *The General Meeting may decide to grant each shareholder an option to receive all or part of the dividend or any interim dividend in cash or in shares.*
4. *The terms and conditions of payment of the dividends voted by the General Meeting are set by the General Meeting or, failing this, by the Board of Directors.*

   Nevertheless, dividend payments must be made within a maximum period of nine months after the balance sheet date. An extension of this period may be granted by court decision".

6.4.2 Dividend record

Dividends paid by CNP Assurances for 2015, 2016, 2017 and 2018 were as follows:

Year of distribution	2015	2016	2017	2018
Consolidated earnings per share	€1.54	€1.64	€1.80	€1.92
Dividend per share	€0.77	€0.80	€0.84	€0.89 *
Number of shares with dividend rights	686,618,477	686,618,477	686,618,477	686,618,477

* Subject to the decision of the General Meeting of 18 April 2019

Dividends not claimed within five years are statute-barred and are paid over to the French State.

6.4.3 Dividend policy

At its meeting on 20 February 2019, the Board of Directors approved the following dividend policy:

"The Company's dividend policy is determined by the Board of Directors after reviewing the Group's results, financial position and solvency ratios, the economic environment and any other factors that are considered relevant. When determining its dividend recommendation, the Board of Directors takes into consideration the need to prudently manage the Group's capital, the investments required to develop the business, and the recommended dividend's attractiveness for shareholders.

The Company's priority aim is to match or increase the dividend per share from year to year. CNP Assurances also aims to maintain a payout ratio – defined as the ratio between the dividend per share and earnings per share – of between 40% and 50%".

This dividend policy may change in the future. Dividends are decided by the Board of Directors and by the shareholders in General Meeting.

6.5 Delegations of competence and financial authorisations

6.5.1 Delegation of competence given to the Board of Directors to issue shares

21st, 22nd and 23rd resolutions adopted by the Annual General Meeting of 27 April 2018. Expires: 27 June 2020.

6.5.2 Delegation of competence given to the Board of Directors to grant shares

24th resolution of the Annual General Meeting of 27 April 2018. Expires: 27 June 2021.

6.5.3 Summary table of the delegations of competence granted by the Annual General Meeting to the Board of Directors of CNP Assurances

PERIOD OF VALIDITY AND USE IN 2017 AND 2018

Type of authorisation	Purpose	Duration	Ceiling	Use in 2017 and 2018
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted by the AGM of 13 April 2017 (21st resolution) Duration: 26 months Expires: 13 June 2019	€50,000,000 (par value)	None
		Granted by the AGM of 27 April 2018 (21st resolution) Duration: 26 months Expires: 27 June 2020	€137.324 million (par value) Included in the blanket ceiling for share issues of €137.324 million (par value)	None
	Issue of deeply-subordinated contingent convertible bonds without pre-emptive subscription rights	Granted by the AGM of 27 April 2018 (22nd resolution) Duration: 26 months Expires: 27 June 2020	Annual ceiling of 10% of share capital (as determined when the authorisation is used) Included in the blanket ceiling for share issues of €137.324 million (par value)	None

Type of authorisation	Purpose	Duration	Ceiling	Use in 2017 and 2018
Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 13 April 2017 (20th resolution) Expires: AGM called to approve the 2017 financial statements Duration: 18 months Expires: 13 October 2018	10% of share capital outstanding at the date of the AGM	At 31 December 2018, 598,643 shares were held in treasury (0.09% of share capital)
		Granted by the AGM of 27 April 2018 (20th resolution) Expires at the AGM called to approve the 2018 financial statements Duration: 18 months Expires: 27 October 2019		
Employee rights issues, stock options, share grants *	Issue of shares to members of a Company or Group employee share ownership plan without pre-emptive subscription rights for existing shareholders	Granted by the AGM of 27 April 2018 (23rd resolution) Duration: 26 months Expires: 27 June 2020	3% of share capital outstanding when the authorisation is used Included in the blanket ceiling for share issues of €137.324 million (par value)	None
	Employee share grants	Granted by the AGM of 6 May 2015 (11th resolution) Duration: 38 months Expires: 6 July 2018	Annual ceiling of 0.5% of share capital (as determined when the authorisation is used)	None
		Granted by the AGM of 27 April 2018 (24th resolution) Duration: 38 months Expires: 27 June 2021		None

* As of 31 December 2018, employees held 0.20% of the Company's capital, directly and indirectly

FOR THE 2019 FINANCIAL YEAR: PROPOSAL SUBMITTED FOR APPROVAL AT THE ANNUAL GENERAL MEETING OF 18 APRIL 2019

Type of authorisation	Purpose	Duration	Ceiling
Share buyback programme	Buy and sell CNP Assurances shares	22nd resolution Expires at the AGM called to approve the 2019 financial statements Duration: 18 months Expires: 18 October 2020	10% of share capital outstanding at the date of the AGM

6.5.4 Transactions carried out in 2018 under the share buyback programme authorised by the General Shareholders' Meeting of 27 April 2018

The Annual General Meeting held on 27 April 2017 renewed the share buyback programme in place since the IPO.

6.5.4.1 Share purchases and sales

The Company purchased (between 1 January 2018 and 31 December 2018) 6,245,463 of its own shares at an average price of €19.94, and sold 5,790,515 treasury shares for an average price of €20.08.

FROM 1 JANUARY 2018 TO 31 DECEMBER 2018

	Aggregate gross amounts		Open positions on the day the prospectus was filed					
	Purchases	Sales	Open buy positions			Open sell positions		
Number of shares	6,245,463	5,790,515	Call options purchased	Put options sold	Futures	Call options purchased	Put options sold	Futures
Maximum average maturity	None	None	None	None	None	None	None	None
Average transaction price *(in €)*	19.94	20.08						
Average exercise price	None	None	None	None	None	None	None	None
Total *(in €)*	124,529,694	116,284,620						

SUMMARY

Treasury share transactions in the period from 1 January 2018 to 31 December 2018	
Percentage of issued capital held by the Company, directly and indirectly	0.09%
Number of shares cancelled in the past 24 months	None
Number of shares held in treasury as of 31 December 2018	598,643
Carrying amount	€11,341,844
Market value *	€ 11,086,868

* At closing price on 31 December 2018: €18.52

6.5.4.2 Purpose of the transactions

All of the purchases and sales consisted of market-making transactions carried out by an investment services provider. No shares were bought back for allocation to any of the other target categories in the 2018 share buyback programme. All of the shares held as of 31 December 2018 were allocated to maintaining a liquid market in the Company's shares.

6.5.4.3 Cancelled shares

No shares were cancelled.

6.5.5 Authorisation to implement a share buyback programme

The terms of the 22nd resolution presented at the Annual General Meeting of 18 April 2019 are as follows:

Having considered the Board of Directors' report on the proposed resolutions and (i) Articles L.225-209 *et seq.* of the French Commercial Code, (ii) the General Regulations of the *Autorité des Marchés Financiers* (AMF), particularly Articles 241-1 to 241-7 concerning the market practices allowed by the AMF, (iii) Articles 5 and 13 of the European Market Abuse Regulation dated 16 April 2014, and (iv) the European Commission Delegated Regulation (EU) 2016/1052, the Ordinary General Meeting, deliberating in accordance with the quorum and majority requirements, resolves:

1. to cancel, with immediate effect, the unused portion of the authorisation for the same purpose given in the 20th resolution of the Annual General Meeting of 27 April 2018;
2. to adopt the programme described below and, for this purpose, resolves:
   - to authorise the Board of Directors (which may delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code) to buy back CNP Assurances shares representing up to 10% of the capital, or up to 5% of the capital for shares bought back for the purpose of being held and delivered at a future date in payment or exchange for shares of another company in a merger, demerger or asset contribution,
   - that the shares may be bought back for the following purposes:
     - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm, in accordance with the AMF decision 2018-01 dated 2 July 2018 "AMF establishes liquidity contracts on shares as an accepted market practice",
     - to hold shares for subsequent delivery in payment or exchange in connection with an acquisition, merger, demerger or asset contribution initiated by the Company,
     - to grant or sell shares to eligible employees of the Company or related companies in the CNP Assurances Group, on the basis and by the method provided for by law, including under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing, employee share ownership or employee savings plan,
     - to allocate shares upon exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for CNP Assurances shares,
     - for cancellation in accordance with the law, provided that an authorisation to reduce the capital is given by the Extraordinary General Meeting,
   - that the maximum purchase price per share shall not exceed €26, excluding transaction costs,
   - that the Board of Directors may adjust the above maximum purchase price in the case of a change in the shares' par value, a bonus share issue paid up by capitalising additional paid-in capital, profits or reserves, a share split or reverse share split, a capital reduction, a distribution of reserves or other assets or any other corporate action, to take into account the effect of said action on the value of the shares,
   - that the maximum amount invested in the share buyback programme shall not exceed €1.785 billion,
   - that the shares may be bought back on one or several occasions by any method, subject to compliance with the rules set out in the AMF's position/recommendation DOC-2017-04. The buyback programme may be carried out in whole or in part through on-market transactions or block trades and, where applicable, through off-market transactions or the use of options or derivatives other than written puts, in the periods that the Board of Directors considers appropriate subject to the limits set in the applicable securities regulations. The shares bought back pursuant to this authorisation may be retained, sold or transferred in accordance with the applicable regulations, by all methods including through block trades, at any time,
   - to give full powers to the Board of Directors (which may delegate such powers) to complete these transactions, to set their terms and conditions, and in particular to:
     - enter into, amend and/or prolong a liquidity contract,
     - place buy and sell orders on- or off-market,
     - adjust the buyback price of the shares in order to take into account the impact of the above-mentioned transactions on the share price,
     - enter into any and all agreements, in particular with a view to keeping registers of share purchases and sales,
     - prepare all documents and make all disclosures and filings with the AMF and any other organisation,
     - carry out any and all publication and other formalities, and,
     - generally, do whatever is necessary to use this authorisation,
   - that this authorisation shall be given for a period ending at the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2019 or for 18 months, whichever is shorter,

– that this authorisation will be suspended as from the date on which a third party files a proposed public tender offer for CNP Assurances, until the end of the offer period.

In accordance with Article L.225-211, paragraph 2 of the French Commercial Code, the Board of Directors will report to the Annual General Meeting on transactions carried out pursuant to this authorisation.

6.5.6 Authorisation to issue and buy back bonds, notes or other debt securities

The Board of Directors' decision made at the meeting of 20 February 2019 is reproduced below:

- according to Article L.228-40 of the French Commercial Code, the Board of Directors has the authority to decide or authorise the issue of bonds, unless the Articles of Association reserve this power for the General Meeting or unless the General Meeting decides to exercise it.

  As none of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting, the Board of Directors may, pursuant to the above article of the Commercial Code, delegate to any person of its choice the necessary powers to issue bonds, within one year, and set the terms and conditions thereof.

  The Board of Directors authorises the Chief Executive Officer and the second executive in effective command, under the conditions provided for by law, to issue, on one or more occasions, bonds or similar securities (where applicable within the scope of an EMTN programme), either in France or another country. The securities may be subordinated or unsubordinated, dated or undated, and may pay interest at a fixed or variable rate (or any other form of remuneration, including an indexed rate), or any other notes and/or debt securities.

  The maximum nominal amount of the bonds or other debt securities issued under this authorisation may not exceed one billion, five hundred million euros (€1,500,000,000) or the equivalent of this amount in foreign currency or in any other unit of account established by reference to a basket of currencies.

  Full powers are given to the Chief Executive Officer and to the second executive in effective command, under the conditions provided for by law and for the maximum amount of the authorisation set above, to act singly or jointly, in order to:

  – decide, without the possibility to sub-delegate, on the nature, forms, terms and conditions of the issues; and,

  – with the possibility to sub-delegate, generally do whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

  This authorisation is given for a period of one year;

- the Board also authorises, as necessary, the Chief Executive Officer and the second executive in effective command, acting singly or jointly, to buy back, on one or more occasions, at the prices and according to terms and conditions that they shall determine, without the possibility to sub-delegate, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations, and, with the possibility to sub-delegate, generally do whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

  The maximum nominal amount of securities bought back pursuant to this authorisation may not exceed one billion euros (€1,000,000,000) or the equivalent of this amount in foreign currency or any other unit of account determined by reference to a basket of currencies.

  This authorisation is given for a period of one year;

- the Board also authorises, as necessary, the Chief Executive Officer the second executive in effective command, acting singly or jointly, to establish or unwind, on one or several occasions, hedging positions on bonds or notes issued or to be issued by CNP Assurances, in the form of swaps, including but not limited to currency swaps that convert the interest and principal into euros (currency swaps) and interest rate swaps involving the exchange of interest streams (interest rate swaps). The aggregate notional amount of the positions may not exceed one billion, five hundred million euros (€1,500,000,000) or the equivalent in foreign currencies.

  This authorisation is given for a period of one year.

6.6 Additional information about the Company's capital

6.6.1 Guarantees and endorsements

See Note 26 "Commitments given and received" of Chapter 5 "Consolidated financial statements".

6.6.2 Discretionary and statutory profit-sharing plans

Discretionary profit-sharing plans

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. The Company does not make any matching payment under these plans.

AMOUNTS AWARDED TO EMPLOYEES OF CNP ASSURANCES UNDER DISCRETIONARY PROFIT-SHARING PLANS OVER THE LAST FIVE YEARS:

Year	Total discretionary profit-sharing	Number of recipients
2014	€7,161,671.17*	3,175
2015	€6,494,775.25	3,129
2016	€7,768,293.58*	3,144
2017	€7,033,436.17	3,092
2018	€6,908,363.81	2,999

* Data adjusted to include the additional profit share

Statutory profit-sharing plan

The CNP Assurances Group statutory profit-sharing agreement was signed on 17 May 2000 and was implemented retroactively from 1 January 1999. The amount recorded in the special profit-sharing reserve is allocated among eligible employees (i.e., employees with at least three months' service at 31 December of the reference year) based on the period worked during the reference year and their gross salaries.

If it is not paid out immediately, the net profit share attributable to each eligible employee is either held in a blocked current account generating interest at 5% per year (from 1 June of the payment year) or in an employee share ownership plan (PEG) or pension savings plan (PERCO), both of which are managed by Inter Expansion-Fongépar. Funds paid into a blocked current account or the employee share ownership plan, are blocked for five years. Funds paid into a PERCO pension savings plan are blocked until the employee concerned retires and are fully exempt from tax. Early withdrawals are allowed by law only in certain specific circumstances, but employees may apply at any time within the five-year lock-up period to transfer the entire amount of funds held in the blocked current account to the PEG employee share ownership plan.

Year	Total statutory profit-sharing	Number of recipients
2014	€17,151,466.00	2,995
2015	€17,960,483.00	2,994
2016	€19,541,409.00	3,011
2017	€20,946,469.00	2,967
2018	€22,683,460.00	2,892

6.6.3 Employee stock options

Not applicable.

7

CORPORATE SOCIAL **RESPONSIBILITY**

Non-Financial Information Statement: paragraphs 7.1 to 7.5

7.1 A multi-partner and multi-channel business model

This section is presented in chapter 1.2 of the Registration Document.

7.2 A CSR strategy that is continually updated to keep it ambitious and relevant

This report sets out CNP Assurances' CSR approach by looking at its main challenges. It contains examples of initiatives carried out throughout the Group, and was drafted in accordance with the provisions of Order 2017-1180 of 19 July 2017 and the Decree of 9 August 2017 (transposition of directive 2014/95/EU), which set out the content and scope of the new Non-Financial Information Statement.

An independent third party undertook work to verify:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 sections I and II of Article R.225-105 of the French Commercial Code, namely the results of policies including key performance indicators and initiatives relating to the main risks.

The indicators associated with the main CSR risks and opportunities identified as relevant for CNP Assurances during an analysis carried out in 2018 (see 7.3) were the subject of detailed testing (identified by a ✓). Other required items, such as the presentation of the business model (see 7.1) and the methodology used to identify CSR risks and opportunities together with the policies in place to manage them, were also subject to checks.

Committed to CSR, CNP Assurances has been part of many national and international initiatives for over 15 years.

7.2.1 A history of CSR commitment

Since its creation, CNP Assurances has been committed to upholding human rights and citizens' rights as defined in the Universal Declaration of Human Rights. More specifically, it has consistently complied with the principles of the International Labour Organization and the national labour laws of each of its host countries. In pledging to uphold the United Nations Global Compact in 2003, we reaffirmed our commitment to respecting these fundamental principles, and to combating corruption and protecting the environment. CNP Assurances Compañía de Seguros, the Caixa Seguradora group and CNP UniCredit Vita have also pledged to uphold the Global Compact. The most recent to follow was CNP Partners in 2018.

As a responsible insurer and investor, CNP Assurances also joined the United Nations Principles for Responsible Investment (PRI) in 2011. Four years later, Caixa Seguradora also signed the United Nations Principles for Sustainable Insurance (PSI).

Over the last four years, CNP Assurances has made compelling commitments in favour of Energy and Ecological Transition and the fight against global warming. A signatory of the Montreal Carbon Pledge, it published the carbon footprint of its portfolio of directly held listed equities in December 2015, and undertook to reduce it.

THE TEN PRINCIPLES OF THE GLOBAL COMPACT

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labour.
5. The effective abolition of child labour.
6. The elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater environmental responsibility.
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

7.2.2 Strong CSR commitments that are aligned with the United Nations Sustainable Development Goals

This long-standing and active involvement is an integral part of the Group's CSR approach. It is built around three compelling commitments in line with the Company's strategy:

Contribute to a sustainable society

Combat inequalities by avoiding financial exclusion and through pooling.

Better satisfy policyholders

Ensure good business ethics.

Implement a responsible HR policy.

Develop social initiatives in the field.

Contribute to a sustainable environment

Optimise the environmental footprint of the Group's internal workings.

Gear our customer relationship towards a low-carbon economy through products and investments.

Contribute to a sustainable economy

Be a responsible investor.

Be a responsible purchaser.

To respond effectively to current and future environmental and social challenges, CNP Assurances seeks to align its interests with those of society by contributing to the transition to a carbon-free and inclusive economy. Its investment policy aims to foster sustainable economic growth, particularly through its commitment to France's Energy and Ecological Transition (TEE) Act, while its insurance guarantees contribute to the fight against financial exclusion. This is how CNP Assurances contributes to achieving the Sustainable Development Goals (SDG) set by the UN for 2015-2030, and more specifically six of them:

- reduced inequalities (No. 10);
- good health and well-being (No. 3);
- decent work and economic growth (No. 8);
- responsible consumption and production (No. 12);
- climate action (No. 13);
- peace, justice and effective institutions (No. 16).

7.3 Challenges for promoting a sustainable society, environment and economy

CNP Assurances' CSR strategy and practices are regularly informed by changes in regulatory, social and societal contexts.

CNP Assurances is publishing this Non-Financial Information Statement, in which it sets out its CSR risks and challenges, following the transposition of the European directive on non-financial reporting.

The policies and action plans associated with each of these risks and challenges dovetail with regulations implemented in recent years, including Article 173 of France's law on Energy Transition for Green Growth, the French Transparency, Anti-corruption and Economic modernisation bill (also known as Sapin II), and the EU's General Data Protection Regulation (GDPR) and Packaged Retail and Insurance-based Investment Products Regulation or "PRIIPS".

The analysis also incorporates a dynamic dimension to anticipate risks and challenges that may be material in the short, medium or long term. Digitisation, increasing life expectancy, new consumption patterns and climate change are changing the profession of personal insurer. That is why CNP Assurances strives for agility to preserve the lasting success and resilience of its business model.

The risk analysis methodology was based on three defining steps to which CNP Assurances' stakeholders contributed and on which they were consulted:

1. Starting from a generic CSR risk universe built around international standards and benchmarks, a limited universe was defined, consistent with the Group's business sector, geographical location and challenges. This involved interviews with several departments (Risk, Human Resources, Compliance, Asset Management, etc.) and subsidiaries.
2. Each CSR risk was then rated based on two criteria: the level of severity (for CNP Assurances' activities, employees or policyholders), and the probability of occurrence.
3. CNP Assurances' CSR risks were subsequently prioritised on the basis of the various "severity-probability of occurrence" pairs.

This analysis resulted in the identification of 11 main risks in eight challenges as priorities for the Group, its business, its employees, its customers and, more generally, its stakeholders:

1. Keep pace with social and societal developments.
2. Make ESG and climate challenges part of investment processes.
3. Transform services rendered to policyholders via digital technology.
4. Commit to customer satisfaction.
5. Ensure good business ethics.
6. Protect the personal data of policyholders and employees.
7. Attract and develop talent, develop skills.
8. Undertake to offer favourable working conditions.

The risks associated with these challenges are presented below; the policies and actions implemented by CNP Assurances are described in detail following this overview:

Challenge	Main risks identified
Keep pace with social and societal developments	▪ **Failure to match insurance products and services with the consequences of longer life expectancy and to provide support for policyholders with health problems:** the personal insurance business involves taking social and societal developments into account and monitoring them. Longer life expectancy and the increasing prevalence of chronic diseases have repercussions on the daily lives of policyholders and their relatives, such as dependence. Our inability to match insurance products and support services with these changes would represent a risk in terms of both market positioning and policyholder satisfaction.
Make ESG and climate challenges part of the investment processes	▪ **Risk of non-existent or inadequate integration of Environmental, Social and Governance (ESG) and climate challenges in investment decisions:** the non-existent or inadequate integration of ESG and climate challenges would pose a risk by undermining our capacity to take a long-term approach to assets, and more specifically those exposed to climate risks (physical and transition risks).
Transform services rendered to policyholders via digital technology	▪ **Non-optimal use of digital technology in services provided to policyholders:** non-optimal use of this growth driver in the services provided to policyholders could jeopardise new markets and business and the capacity to satisfy our customers.
Commit to customer satisfaction	▪ **Inability to maintain and improve customer satisfaction:** failure to place a central focus on customer satisfaction and to maintain a relationship of trust and proximity could undermine the Group's value creation. ▪ **Lack of product transparency with customers:** the products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal. ▪ Moreover, it is particularly important to provide customers with the best, clearest and most transparent information at a time of increasing digitisation. Lack of transparency with customers in relation to products could result in regulatory risk, and may also hamper the proper implementation of the Group's strategy.
Ensure good business ethics	▪ **Corruption and conflict of interest in relationships with third parties and fraud, money laundering and terrorist financing:** in view of regulatory developments, the risks associated with the themes of corruption or conflicts of interest in the context of relationships with third parties could result in significant fines and criminal prosecution (regulatory risk). They could also undermine the brand image.
Protect the personal data of policyholders and employees	▪ **Failure to protect personal data:** in view of recent regulatory developments, particularly within the European Union, regulatory risk resulting from a lack of protection of policyholders' personal data resulting in data breaches could result in significant fines and undermine the brand image.
Attract and develop talent, develop skills	▪ **Lack of attractiveness and inability to retain talent, unsuitability of employees' skills with the needs of the various business lines as they transform and develop:** inability to attract, retain and grow talents would pose a risk to the Group's growth at a time when the profession of personal insurer is undergoing profound change.
Undertake to offer favourable working conditions	▪ **Non-compliance with regulatory requirements and commitments regarding equal opportunity and discrimination:** alleged and proven workplace harassment and discrimination constitute a risk that could result in fines, litigation and damage to the employer brand. ▪ **Non-compliance with regulations and commitments in relation to the well-being and health of employees:** failure to comply with the regulations on the work-life balance and health protection poses not only a legal risk, but could also be a reputational risk for CNP Assurances' employer brand.

Contribute to a sustainable society

CHALLENGE 1: KEEP PACE WITH SOCIAL AND SOCIETAL DEVELOPMENTS

Failure to match insurance products and services with the consequences of longer life expectancy and to provide support for policyholders with health problems

At CNP Assurances, we are stepping up our strategic diversification, in terms of partnerships and product mix, and also in terms of geographic reach in Europe and Latin America.

The Group continues to actively refocus its Savings/Pensions mix on unit-linked contracts, as illustrated in its net inflow structure. Diversification of the product mix has been reinforced over the last two years by the conclusion of new partnerships with AG2R La Mondiale, Klésia and Malakoff Médéric Humanis in France.

CNP Assurances has been a benchmark in the personal protection market in France for many years and has established solid relations with many of the market players. To respond more effectively to the challenges created by increasing life expectancy, the greater prevalence of chronic diseases, changes in the pension system, the introduction of new rules governing supplementary social protection insurance and the impact of the current economic environment on public finances, not to mention the finances of employers and employees, we set up a dedicated Social Protection and Services business unit in 2014.

It offers a wide range of personal insurance, customer relationship management, service, assistance and support solutions through companies, local authorities, employee benefits institutions and mutual insurers (covering the public sector, multiple industries, self-employed people and veterans).

Because the challenges related to increasing life expectancy and care for people with health problems, such as dependence or loss of autonomy, have major repercussions on the daily lives of policyholders and their families, CNP Assurances' prime strategic objective is to continually improve its offerings.

It seeks to properly understand the current and future needs of its customers, and to develop insurance products, support services and prevention initiatives that take these challenges into account.

Indicators	2017	2018	Scope
Number of people covered by personal risk/protection insurance [1]	38 million	37 million	Group
Dependency market share [2] (prior-year data)	7% in individual insurance	9% in individual insurance	CNP Assurances
Term creditor insurance refusal rate	0.2%	0.2%	CNP Assurances
Number of customers receiving services from the Âge d'Or network	38,000	41,000	Âge d'Or
Number of Lyfe distributors	7	13	CNP Assurances
Number of beneficiaries to whom Filassistance services are offered	Over 7 million	Over 8 million	CNP Assurances

(1) Personal, health, creditor and property and casualty insurance, estimates based partly on the number of contracts under management
(2) "Personal insurance plans in 2017", published by the French Insurance Federation (FFA) in June 2018

STUDY OF POLICYHOLDERS' CURRENT AND FUTURE NEEDS IN THE LIGHT OF SOCIETAL DEVELOPMENTS

To remain attune with its stakeholders, and above all its policyholders, CNP Assurances and its main subsidiaries regularly conduct qualitative and quantitative studies to anticipate the consequences of social and demographic developments for its personal insurance business.

Since 2017, CNP Assurances has had a digital platform open 24/7. Known as the "You and Us" community, it allows exchanges with 300 active members on the uses and expectations of different generations (Y, X, and baby boomers). It is a forum for listening and co-creation in order to identify emerging trends that reflect societal development.

More recently, CNP Assurances launched an Innovation Lab with partners of CNP Patrimoine: after a very positive first experience in 2018, several of the Company's partners and employees will be regularly called on in a "co-construction approach" to new products and services.

Dependence and the extension of life expectancy, two themes central to our thinking

To address the issues relating to increasing life expectancy and better grasp the impact of ageing and generational segmentation on society, France's social security system and CNP Assurances launched a think tank open to partners and civil society with start-up The Boson Project in 2017. A white paper, "Fracturing and new horizons: redrawing solidarity in France" transcribed the lessons drawn from thinking conducted throughout the year.

This listening approach is also reflected in the initiative launched in 2018 by the Ametis network, which now systematically associates customers with change in its offers and services. Customers contributed to work on the names given to advisory professions and how best to tackle dependency.

A Dependency Committee has been created within the Social Protection and Services Business Unit, and its dual objective will be to renew and enrich the Dependency range with services that meet the needs of the policyholders covered by these contracts.

The Dependency Committee is also able to draw on the work and thinking carried out as part of the Quinqua+ project. Launched in 2017 and continued in 2018, Quinqua+ aims to conduct thinking on a range of products for people over the age of 50 by identifying their needs and expectations upstream. It has ushered in a new way of imagining and designing products in the Company.

Lastly, as part of the October 2018 launch of the national "old age and autonomy" debate and shared input process launched by the Ministry of Solidarity and Health, CNP Assurances is taking part in work alongside the French Federation of Mutual Insurance Companies (FNMF), the French Insurance Federation (FFA) and Caisse des Dépôts.

Targeted assistance and prevention services offering genuine support for policyholders

Making life-long support for policyholders its mission, in 2003 CNP Assurances pioneered the integration of targeted assistance and prevention services in life insurance and long-term care insurance contracts. Three examples illustrate this approach:

- Filassistance International*:* 66% owned by CNP Assurances within the Assuristance group, Filassistance International is also continuing to develop its range of local personal assistance services. More than 8 million people currently enjoy this offering, which includes an extensive range of assistance, from the most mainstream to the most innovative, combining new information and communication technologies with Filassistance International's expertise and strategic focus on human relations. This is a practical example of Filassistance International's role as a "life facilitator", harnessing a network of 10,000 service providers selected for their efficiency, skills and sense of welcome. An in-house medico-psycho-social team comprising psychologists, social workers and doctors provides comprehensive care to members calling on their services. Filassistance also offers insurance against cardiovascular risks and the loss of autonomy, not to mention listening and support services for carers and for people with long-term illnesses or cancer. To support initiatives that encourage the integration of people with disabilities, Filassistance International has for several years been committed to Mutuelle Intégrance's Handicap & Société Fund. The Handicap & Société endowment fund aims to foster and develop dialogue between disability associations and all social, economic and political partners. It is a benchmark in terms of thinking and proposals on disability, dependence, autonomy and chronic diseases, etc.

  Lastly, Filassistance International continued to digitise its offerings by creating, developing and promoting digital sites for its partners. These sites use simple and clear language that enable policyholders to discover the services to which they are entitled in just a few clicks, bringing them greater transparency and clearer information on their contracts;

- Âge d'Or Services: the personal services subsidiary for dependent seniors acquired by CNP Assurances in 2001, is expanding its network. In 2018, Âge d'Or's network of 123 agencies and 1,650 carers assisted some 41,000 clients (elderly, disabled and people requiring long-term care) in their home or in institutions. In 2018, CNP Assurances' governing bodies approved the aim of making this subsidiary more robust and more efficient, and adapting its services to the needs of an ageing population. A transformation plan was subsequently adopted at the end of the year;
- Lyfe: the Lyfe digital platform offers health and well-being and ageing services geared towards facilitating access to healthcare (access to information, geographical and economic access). Its aim is to develop a new vision of personal insurance as a companion of daily life. Designed for participants in benefits schemes set up by partner mutual insurers, employee benefits institutions and companies, Lyfe proposes an innovative set of complementary services for health insurance and death/disability insurance products, and also adds to the assistance services offering. The aim is to communicate more interactively with customers and provide users with lifelong support at their place of work, at home or during a hospital stay, for example, through services in the areas of prevention, coaching, access to professional healthcare and care for carers.

A universal service offering that can be adapted to individual health risks

CNP Assurances draws on its exceptional understanding of risks, acquired over its many years of experience in personal insurance, to regularly update and refine its risk selection policy. A key aim of this policy, which takes into account the state of health of individual policyholders, is to accept and pool invalidity and disability cover wherever possible. In addition, since 2012, the conditions of eligibility for the premium cap applicable to low-income borrowers have been relaxed. Our creditor insurance rejection rate has been stable at 0.2% for the past ten years.

CNP Assurances is resolutely committed to ensuring that anyone representing an aggravated risk has access to credit and insurance in line with the provisions of the AERAS Convention. Disability cover is being offered on the terms laid down in the convention to customers denied incapacity or disability cover under standard policies. In addition to these regulatory obligations, we offer disability cover to civil servants and self-employed workers.

CNP Assurances has also been involved in the implementation of the revised AERAS Convention to incorporate the provisions of the January 2016 French Health Act on the right to be forgotten. 2016 marked a decisive turning point for cancer patients, with the legal recognition of a "right to be forgotten" and the adoption by professional bodies of a grid standardising the conditions governing their access to insurance. These new schemes should under certain conditions avoid their having to declare in the future an old disease that has since been cured, thereby saving them from higher premiums or exclusions. As such, when taking out creditor insurance, former cancer patients are covered in accordance with the general conditions of the contract, without being imposed a higher rate or being excluded, five years after the end of the treatment protocol for cancers diagnosed in people aged under 18, and ten years after the end of the treatment protocol for other cancers. Health questionnaires have been modified so as to draw the attention of customers to this scheme. Moreover, CNP Assurances applies a reference grid allowing it to bring the rates offered to people having been affected by certain diseases, including cancer, closer to the standard rate, and is working with other insurance companies to draw up a new, extended version.

The Caixa Seguradora group offers a product including a regular health check-up, with an annual preventive visit to a gynaecologist belonging to an accredited network present in the main capitals of the Brazilian states.

Prevention campaigns to raise widespread awareness

Contributing to a sustainable society, one of CNP Assurances' three key commitments, also means protecting people upstream and raising awareness among the general public:

- cespetiteschoses.fr: in 2015, CNP Assurances launched cespetiteschoses.fr, a digital platform offering information and support and spreading awareness on the theme of "living better together for longer". It was designed to raise awareness, in a fun and interactive manner, of the impact that small and seemingly insignificant everyday gestures can have on people's lives;
- among international subsidiaries, CNP Cyprus Insurance Holdings held a conference on "Electromagnetic fields and their effect on the human body" aimed at its customers and employees, while in Argentina, CNP Assurances Compañía de Seguros uses social networks to post regular weekly messages highlighting challenges and issues related to sustainability, including health, prevention, safety and security, sustainable mobility and the protection of the environment.

Contribute to a sustainable economy

8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CHALLENGE 2: MAKE ESG AND CLIMATE CHALLENGES PART OF INVESTMENT PROCESSES

Risk of non-existent or inadequate integration of ESG and climate challenges in investment decisions

CNP Assurances is primarily a personal insurance group. Its entities manage the assets backing the rights of policyholders and on their own behalf, both directly and indirectly through external management companies.

In the belief that taking Environmental, Social and Governance (ESG) criteria into account when assessing an investment contributes to value creation and optimises the yield-to-risk ratio over time, CNP Assurances, as a long-term investor, has for more than ten years implemented a responsible investor strategy within the various asset classes. It is managed in France largely through the non-financial expertise of management companies LBPAM and Ostrum AM, and reflects the Group's commitments to the Global Compact, the PRI and the Kyoto Declaration.

The responsible investor strategy is also reflected in the implementation of an ESG exclusion policy covering the entire Group.

Since 2015, it has been rounded out by a "low carbon" strategy for the Energy and Ecological Transition, which is being phased in across the various asset compartments. The aim is twofold: protect the assets backing policyholders' rights and create value for all CNP Assurances stakeholders.

Indicators	2017	2018	Scope
% of financial assets screened on ESG criteria ✓	80%	81%	CNP Assurances
Amount of the Group's financial assets screened on ESG criteria	€275 billion	€279 billion	Group
Number of private equity funds rated on ESG issues	18	14	CNP Assurances
% of infrastructure funds that have completed an *ESG* questionnaire	67%	65%	CNP Assurances

As proof of its commitment to being a responsible investor, CNP Assurances has set ambitious targets for the "low carbon" component of its ESG policy. A progress report at the end of 2018 showed that the Group's initiatives had resulted in a satisfactory performance:

Objective	% of target achieved at end-2018
Reduction of the carbon footprint on directly owned listed equities (0.25 $teqCO_2$ per thousand euros invested in 2021, i.e., a 47% reduction between 2014 and 2021)	91%
Reduction of greenhouse gas emissions linked to the energy consumption of directly held property (in $teqCO_2$/sq.m/year: -40% between 2006 and 2021)*	85%
New "green" investments for the energy and environmental transition (€5 billion between 2018 and 2021)	61%
Exclusion of acquisitions in companies that derive over 10% of their revenue from thermal coal	100%

* Change in the indicator: To meet France's objectives and as part of its "low carbon" component, CNP Assurances has modified its indicator by committing to reducing the greenhouse gas emissions linked to the energy consumption of property assets held directly or through wholly owned subsidiaries by 40% by 2021

Examples

Other than for ESG exclusion, the approach implemented within CNP Assurances cannot be applied uniformly to the asset classes held in the portfolio (equities, unlisted securities such as real estate, corporate or sovereign bonds, and funds) *.

ESG exclusion: a strategy common to all asset classes

- **Exclusion of securities:** in 2008, CNP Assurances excluded arms manufacturers whose products include land mines or cluster bombs from its portfolios. Since 2015, it has also excluded any new investments in extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal. This was reduced to 10% in December 2018. Among existing assets, the rules limit financial assets to companies deriving more than 25% of their revenue from this sector. It has also decided not to invest in those companies with the greatest involvement in the development of new coal power plants.

  Moreover, in the ESG analyses described below, CNP Assurances receives corporate ESG risk alerts. When the alert corresponds to a breach of the fundamental principles of the Global Compact, CNP Assurances asks the manager to raise questions with the issuer. When this dialogue fails to identify scope to remedy the situation quickly, the Investment Committee is called on to decide whether or not to exclude it.
- **Exclusion of countries based on the balance of governance, as well as cooperation and fiscal transparency:** CNP Assurances has drawn up a list of countries covering all of its investments (it concludes countries identified as tax havens on the basis of Tax Justice Network indices and those posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International).

Listed equities: best-in-class management and shareholder engagement

The approach is based on best-in-class management. The establishment of a quarterly monitoring process has facilitated dialogue on securities at risk and the prevailing challenges with SRI analysts at Natixis IM since 2006 and LBPAM since 2009.

To further integrate ESG criteria, 2018 was devoted to gradually aligning the management of directly held equities with model portfolios that heavily weight the contribution to the energy and environmental transition, namely those developed in collaboration with La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers).

Since 2005, CNP Assurances has followed a policy of shareholder activism by systematically voting at the General Meetings of listed companies in its portfolio. Voting principles are laid down by senior management. The core objective is to protect the rights of minority shareholders investing to support the investee's long-term growth. Shaped in part by investor concerns, these principles are pragmatically applied to all companies in the portfolio, taking into account each one's characteristics, industry and regulatory environment. In 2018, CNP Assurances voted against 20.3% of resolutions put to the vote.

Corporate bonds

The SRI experts of the companies in charge of managing them (NIM and LBPAM) rate the corporate bond portfolios on ESG criteria each quarter. ESG analysis draws on the quarterly watch of listed equities established in 2006 with the same non-financial analysts.

Property assets

With €12.6 billion in property assets in France, based on net book values, CNP Assurances is an important player in this market. Asset management is entrusted to specialised companies based on strict specifications that address the need to preserve the environment and ensure the safety of the properties' users. They include the Sustainable Property Management Charter, which makes it mandatory to factor in the impact of all co-owned property management agreements on the environment, on the energy transition and on the health and safety of users via a green works charter.

Since 2016, CNP Assurances has been developing a scheme to track health, safety and environment (HSE) compliance with one of its property management companies. Following a five-pronged diagnostic, the Company's response to the observations made during the diagnostic was monitored, yielding a completion rate of 58% at end-2018.

Infrastructure and private equity

Social information has been used to manage private equity and infrastructure investments since 2010. ESG ratings are awarded based on the due diligence process carried out ahead of any investment in a new private equity fund. A total of 14 private equity funds were rated in 2018.

ESG reporting is also used for new infrastructure investments. In 2018, 65% of our infrastructure funds took part in this reporting or voluntarily provided us with their own CSR reporting.

* CNP Assurances' Responsible Investment Report, which describes the consideration of non-financial factors in asset management and the contribution to the ecological and energy transition, is available on the website: www.cnp.fr

Impact investing, support for start-ups and SMEs

In addition to its investment policy incorporating ESG criteria, CNP Assurances is also involved in investments with environmental and/or societal impact, either indirectly via impact funds or directly through private equity.

CNP Assurances also had investments in a total amount of nearly €210 million in several socially beneficial funds at 31 December 2018. Examples include financing small businesses that have trouble raising capital due to social barriers, supporting SMEs in difficulty, financing the social and solidarity economy, and providing accommodation for vulnerable people.

Among investments combining environmental and societal aspects, CNP Assurances has purchased SRI mutual funds for €3.6 billion, or 11% of assets of all non-dedicated mutual funds held at 31 December 2018.

Under the OPEN CNP programme launched in 2016, CNP Assurances plans to devote €100 million over five years to developing partnerships with innovative start-ups in businesses close to its own.

Promoting responsible investment among policyholders

In personal insurance, direct action by policyholders in support of a responsible economy and the fight against climate change is reflected in the selection of unit-linked SRI funds in savings products. They have been available for many years in each of the flagship unit-linked products available in the individual insurance offerings from CNP Assurances.

At the end of the year, nearly 199,000 life insurance policies included an SRI fund. SRI assets totalled €1,060 million at that date, an increase of more than 31% compared with end-2017.

Since June 2018, life insurance contracts marketed by LBP have included a "Conviction SRI" offer, all of which have received the SRI label.

CNP Assurances this year strengthened the SRI insurance portfolio dedicated to wealth management customers. The CNP Éthique offer gives its partner private banks, IFCO platforms and family offices access to 22 unit-linked products on SRI themes including the environment, human capital and several sectors, at the client's discretion.

SRI is also represented through platforms such as CNP Développement Durable for Ametis, and Mirova Europe Environnement and Mirova Emploi France for BPCE. For Ametis network contracts (CNP Trésor Projets and CNP Trésor Performance), a new unit-linked fund known as "Candriam SRI Equity World" joined the catalogue at the end of 2018.

On top of its SRI offers, the Group conducts awareness-raising initiatives for policyholders and partners.

- Each year, CNP Assurances expresses its commitment to upholding the United Nations Global Compact and promoting its responsible investing strategy through more than 19 million letters sent to policyholders (by post or online). Since 2011, the message is communicated to all holders of endowment policies (other than unit-linked contracts), including on the annual policyholder statements.
- The 2018 "CSR Essentials" brochure includes information on CNP Assurances' responsible investor strategy. It is available to policyholders on the www.cnp.fr website.

CNP ASSURANCES AND CLIMATE CHALLENGES

CNP Assurances' responsible investor approach has supported the ecological and energy transition for several years.

Investments for the energy and environmental transition

CNP Assurances decided to intensify its action by setting new goals in December 2017. It has undertaken to devote €5 billion to new investments in favour of the Energy and Ecological Transition by 2021, covering green infrastructure, green bonds, energy-efficient buildings and forests. By the end of 2018, investments totalled €3.1 billion.

MFPrévoyance meanwhile invested €12 million in green bonds in 2018, and CNP UniCredit Vita holds €21 million in investments contributing to the protection of the environment and the fight against climate change.

Calculation of the financial portfolio's carbon footprint

A benefit of the commitment to reduce the carbon footprint of the equity portfolio (see below) is that it strengthens the Group's role as a responsible shareholder and reinforces dialogue with issuers. Investor leverage is becoming credible with the proliferation of market commitments to which CNP Assurances has been part since 2015, ranging from its signature of the Montreal Carbon Pledge to the reinforcement of its multi-year commitment to reducing GHG emissions from the equity portfolio, not to mention its membership of Climate Action 100+.

PORTFOLIO OF LISTED EQUITIES

At 31 December 2018, the footprint was estimated at 0.27 tonnes of CO_2 equivalent per thousand euros invested. CNP Assurances has set a goal of reducing the end-2014 level by 47% by 2021, through dialogue with the companies whose shares it holds. While this indicator is useful for tracking the reduction in the portfolio's carbon footprint, it is flawed by the fact that it does not necessarily reflect positive action taken by companies to further the energy transition. CNP Assurances therefore supports methodological developments in measuring companies' carbon impact and their impact in respect of the environmental and energy transition, including those related to avoided emissions.

PORTFOLIO OF LISTED CORPORATE BONDS

Continuing its commitment to the Montreal Carbon Pledge, CNP Assurances began regularly calculating the carbon footprint of its corporate assets in 2016. GHG emissions are estimated solely on the basis of disclosures by the companies in the portfolio. As a large number of companies do not provide this data, the estimate covers 67% of the portfolio. It amounted to 0.09 tonnes of CO_2 equivalent per thousand euros invested at 31 December 2018.

Energy performance of property assets

CNP Assurances' maintenance and renovation programmes for the property assets in its portfolio constantly aim to make the properties more energy efficient. Renovation projects are carried out to the highest environmental standards: 35% of the floor space of property assets under direct management had energy, environmental or operating certification at the end of 2018, an increase compared with 2017. Since 2009, an environmental audit has been systematically carried out on all newly acquired properties.

In advance of the requirements ushered in by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 135 of CNP Assurances' wholly owned property assets had already been assessed to measure their energy efficiency by the end of 2018.

CNP Assurances has costed a €170 million long-term work programme aimed at reducing energy-related greenhouse gas emissions on its directly owned property portfolio by 40% by 2021 compared with the 2006 baseline.

Forests: an environmental opportunity

CNP Assurances is France's largest private owner of woodland, with 57,090 hectares at 31 December 2018. Société Forestière, a 50%-owned subsidiary of CNP Assurances, specialises in sustainable management of forests that respect biodiversity and anticipate climate change, formalised in 2001 through a charter. In 2003, in addition to ISO 9001 certification, all of CNP Assurances' woodland assets complied with PEFC criteria guaranteeing that timber comes from sustainably managed forests. New acquisitions are in the process of being certified.

In 2018, the growth of CNP Assurances' trees helped sequester 495,021 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 204,179 tonnes of carbon dioxide was added to the sequestered total. Since 2007, the Caixa Seguradora group has been offsetting its carbon emissions by financing the tree-planting programmes of NGO Iniciativa Verde (Green Initiative) in the Atlantic forest.

Physical and transition risk management

CNP Assurances is committed to analysing the physical and transition risk of its investment portfolio.

For physical risk:

- on the property portfolio, changes in climate hazards were analysed for the near term (2021-2050) and compared with a "baseline" climate (1971-2000), based on two scenarios using different levels of greenhouse gas emissions established by the International Panel on Climate Change (IPCC). To determine the current and future levels of exposure for each property asset, a list of climate change indicators to evaluate over the period of reference and in the future was defined for each climate hazard listed above. These climate indicators were used to run the climate models for each geographic location in the CNP Assurances property portfolio;
- for forests, several criteria are taken into consideration, such as the analysis of the geographical spread of forest assets;
- in 2018, physical risk analysis of equity and bond portfolios (corporate and sovereign) was also initiated.

For transition risk, several analyses are conducted to improve our understanding:

- tracking of the weighting of sectors considered to be most exposed to transition risk: Energy, Transport, Materials and Construction, Agriculture-Food;
- measurement of the carbon footprint of the equity and corporate bond portfolio;
- measurement of emissions avoided by building renovation works since 2012;
- implementation of a more restrictive "coal policy" in 2018;
- performance of a 2°C scenario alignment study on the equity and corporate bond portfolios by 2Dii in 2018. The study is based on a Beyond 2°C Scenario (B2DS) corresponding to a 50% chance of limiting the rise in average temperature to 1.75°C. It analyses a scenario for five sectors: fossil fuels, automotive, cement & steel, aviation & maritime transport and electricity production on the basis of different energy sources (coal, gas, renewables, oil).

Contribute to a sustainable society

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

CHALLENGE 3: TRANSFORM SERVICES RENDERED TO POLICYHOLDERS VIA DIGITAL TECHNOLOGY

Non-optimal use of digital technology in services provided to policyholders

The digital transformation represents both a challenge and an opportunity for CNP Assurances to transform the services provided to policyholders by offering them solutions that better match their expectations. It has more impact in terms of customer experience, making it easier than ever to customise protection.

The ramp-up of digitalisation taking place in both Europe and Latin America is having a clear impact on local people, their ways of life and their jobs. This force for change has led to a rethink of personal protection solutions and the design of new types of services and new methods of delivering them. CNP Assurances has therefore set itself the ambitious and strategic goal of becoming the leading digital insurance company in Europe and South America by 2020.

The digitisation of the policyholder experience, the diversification of distribution channels and the development of a customer-centric approach are the three cornerstones of the business units' action plans. This approach is helping to drive the Group's transformation and is itself being driven by numerous participative innovation initiatives designed to create value for policyholders and employees alike. It also goes hand-in-hand with the energy efficiency efforts of the infrastructure created to support the Group's digital strategy.

Indicators	2017	2018	Scope
Number of customers using @dèle	1,400	6,000	CNP Assurances
Number of customers using Youse	110,000	125,000	Caixa Seguradora
Average satisfaction score of users of the e-beneficiaries website	n/a	3.9/5	CNP Assurances

Examples

The ramp-up of the digital strategy, which began in 2017, continued in 2018 with the rollout of new services for our policyholders and new online solutions.

Digital tools to improve customer service

From subscription…

- CNPnet is the single platform for processing health questionnaires for customers applying for creditor insurance. In 2018, 59% of health questionnaires were automatically submitted by CNPnet for processing by management teams.
- In 2014, CNP Assurances launched iQS, its iHeath questionnaire, with an electronic signature to support the digitisation of banking processes in the field of mortgage and consumer loans. It allows people looking for insurance to fill in their health questionnaires and complete membership formalities online, before uploading the contractual documents and signing electronically. In 2018, the portal was rounded out by a simplified health questionnaire, replacing the health declaration that previously could only be filed in a bank branch. A responsive web design version has been available since late 2016. The format automatically adapts to the device used by the person looking for insurance (PC, tablet or smartphone). The system makes our customers' lives easier, allowing them to complete their health formalities 24/7 without having to go to their bank. At the end of 2018, CNP Assurances offered this portal to the customers of our partners, BPCE networks, BPE and mutual insurers, as well as Boursorama Banque, ING direct and BPIfrance.

  For some of our partners, all applications are completed online and signed electronically by prospective policyholders. The optimisation of the iQS portal coupled with the increasing digitisation of processes in the banking world confirms that CNP Assurances stands to benefit from wide-scale take-up of iHealth questionnaires.
- For the CNP Assurances network, Ametis, customers can request information online or perform transactions free of charge through the portal made available to them. In 2018, always keen to match new needs, we developed new digital features that customers tested before their rollout.
- At the end of the year, CNP Patrimoine offered its partners a portal with access to a new range of six services. CNP Patrimoine was also a forerunner in the private banking market, offering subscription with an electronic signature in 2018.

… to the provision of services…

- With @dèle, the online declaration site for credit insurance applications, which got a warm welcome from CNP Assurances policyholders and which has now been rolled out to all customers with loans issued by La Banque Postale, Crédit Immobilier de France, Boursorama Banque and ING Direct. All stages of the process are now fully digital. Used initially to simplify the first claim for compensation after an illness or accident resulting in an inability to work, disability or death, the site has continued to be developed in line with user feedback and workshops co-facilitated by a start-up. The entire policyholder pathway, from application to administrative follow-up and the extension of sick leave, is now fully digital. In 2018, more than 87,000 visitors accessed the @dèle site (browsing and/or consultation) and more than 6,000 users claimed support by opening a file.
- In 2018, the modernisation of exchanges and the direct relationship with policyholders reached a new level with Diap@son, which will allow policyholders to monitor their online medical assessment from end to end. The rollout of this fully online service allows the optimisation of response times provided to our policyholders while securing their medical data. More than 15,700 medical assessments were completed in the space of six months.
- In 2018, CNP Assurances launched e-beneficiaire, an innovative online service enabling beneficiaries of a CNP Assurances life insurance contract on the Ametis network to prepare their file on the e-beneficiaire.cnp.fr website. For beneficiaries, e-beneficiaire represents the possibility of preparing and monitoring their file independently, using personal access directly on the dedicated site. Online assistance is available for any questions. For CNP Assurances employees, it means a simplified process, secure files and optimal treatment of requests from beneficiaries within shorter timeframes.
- The voicebot is another means of simplifying procedures for policyholders: in the event of a claim, customers feel reassured if they can lodge their claim immediately, even outside the opening hours of the customer relationship service, which is when the voicebot takes over. It starts the conversation with natural language and guides the policyholders in filing their claim. Tested by our customers, the voicebot has already answered more than 9,000 calls since its launch in March 2018. It uses very innovative technologies that allow it to learn. It gets better with each call and improves relationships with customers. The goal is for it to respond 24/7, and to reserve human contact for the most important issues.

… and the life of the contract

Another example of digital service is the Lyfe platform (see challenge 1 – page 326), which has been designed to be web responsive in order to improve customer experience.

Lyfe is run using digital marketing techniques. A chatbot was created early in the year to facilitate customer contact.

Lyfe also partners with start-ups to enrich its service offering.

Lastly, development work and the creation of functionalities and services comply with privacy by design and security by design rules.

Another aspect of the digital approach is the Dial Once visual interactive voice response (IVR) solution, which improves and simplifies the pathway for customers wishing to contact a CNP Assurances department.

It is accessible 24/7:

- by phone: the CNP Assurances number is digitised either via a smartphone equipped with a Dial Once partner application, via a smartphone on the cnp.fr website, or by clicking on a phone widget;
- on the cnp.fr website in PC or tablet mode, by clicking on the "Contact us" button.

Since late 2017, our customers have been able to use this solution simply and independently to answer their questions, either on a page of the interface or via a form, by e-mail, SMS, on the CNP Assurances customer site or the partner's site or with a telephone advisor.

CNP UniCredit Vita is organising "paperless" campaigns to encourage customers to register in the designated area of the website to check their contractual documents and the status of their payments.

Online offers and solutions

- In September 2016, Caixa Seguradora became Brazil's first insurer to launch full-online distribution of auto insurance, comprehensive home-owner insurance and personal risk insurance through Youse, a 100%-digital insurance platform. A real commercial success since its launch two years ago, Youse has already won over 125,000 customers. The success of this digital platform is increasing CNP Assurances' desire to conquer new fully digital customers in Latin America and Europe.
- As a wholly owned subsidiary of CNP Assurances, Youse Home has been offering a fully online rental guarantee solution in France since 2018, one that is totally revolutionary in the real estate market. Whatever their status, permanent or fixed-term employees, students, small business owners, freelancers or self-employed, tenants can now obtain a guarantor with a response in under 24 hours. Youse Home offers tenants a guarantor that adapts to their situation and provides the owner with the guarantee that the rent will be paid whatever happens. Youse Home changes the rules of rentals to better adapt them to new practices.

- Under the Cl'App project, launched at the end of 2016 to test the online sales tool, CNP UniCredit Vita has developed its first fully digital pension product applying a totally paperless process. With the new Choose product line and the first Choose Smart product available on a web platform since the end of August 2017 and on a mobile application (iOS or Android) since May 2018, CNP UniCredit Vita aims to raise awareness among new categories of customers, particularly younger people, about personal insurance through smart communication and an intuitive approach. Another aim of this project, which is still in the test phase, is to broaden the concept of personal insurance to include the environment by giving each new product a Corporate Social Responsibility aspect: for the first product, CNP UniCredit Vita has chosen the theme of the environment, and more specifically climate change, together with a social approach: with each new contract signed, CNP UniCredit Vita contributes to a reforestation project in Sicily by planting an orange tree on land confiscated from the Mafia. The aim is twofold: help offset CO_2 emissions resulting from its activities and enrich local life, with reforestation carried out through local voluntary associations.
- EasyBourse, La Banque Postale's online broker, has teamed up with CNP Assurances to launch *EasyVie*, a fully online life insurance product *. Customers can also be assisted by an EasyBourse advisor for the subscription and for all their operations via screen sharing. Advisors are available by phone Monday to Friday from 9am to 8pm and on Saturdays from 9am to 12pm.

  The product, which has been on sale since end-February 2018, consists of a modular contract with a choice between investor-led or manager-led investment strategies.

  This fully digital contract relies on a "robo-advisor" developed by Advize, a fintech. It determines the customer profile (investment objective, financial situation and assets, financial knowledge and experience, and risk aversion) and recommends a management style and asset allocation accordingly.

We also pursued our ambitious programme of investment and partnership with innovative start-ups, combining business development support and financing. The aim is to provide start-ups with the financial backing they need to boost their business, while also developing win-win partnerships with them in areas that are of interest to our Group, such as e-health, fintech, insurtech and the development of offers and technologies that respond to emerging personal insurance needs. As of end-2018, Open CNP had invested in six start-up partners.

- An illustration came at the end of 2018, when a new day dawned in the accompaniment of societal changes with Lydia: "Our work on the new Lydia telephony offer places us at the very heart of what drives CNP Assurances: co-construct with our partner, make customer expectations central to the product and process." CNP Assurances and Lydia have launched two new generation mobile insurance offers. Building on its instant payment mobile application, French start-up Lydia now offers its users the chance to insure all their mobile devices in under two minutes, with the help of CNP Assurances. Lydia and CNP Assurances offer simpler conditions for insurance and cover: it takes just two minutes to subscribe, there is no deductible, no commitment and no waiting period. The policy is effective immediately. The offer covers any mobile device, regardless of the brand or model. For quick and effective claims management, Lydia and CNP Assurances use SPB, expert in warranty management of mobile devices.
- Since 1 January 2018, CNP Assurances has been referenced by the Ministries of Education and Higher Education, Research and Innovation, Culture, and Youth and Sports to offer civil servants and contract employees, both active and retired, full health and welfare coverage with Anticipa.

  Via the anticipa.cnp.fr website, civil servants can estimate the amount coming out of their pocket, get a quote or join online, track the status of their refunds in their customer area or access assistance guarantees and a host of dedicated services, including telemedicine, licensed networks of opticians and audio-prosthetists, life coaching and daily services via the Lyfe platform.

* Accessible on the easybourse.com website – The following services are available on easybourse.com: subscription, arbitrage, free payments, partial and full redemption, start and modification of regular payments and options

Contribute to a sustainable society

CHALLENGE 4: COMMIT TO CUSTOMER SATISFACTION

1 – Inability to maintain and improve customer satisfaction

As a personal insurer, the Group naturally places great importance on the satisfaction of its professional and individual customers, as well as that of its distribution partners, maintaining a relationship of trust and proximity while continually reviewing its practices and offers.

Meeting the needs of policyholders is one of CNP Assurances' strongest commitments for a sustainable society. Satisfaction has to be a hallmark of the customer relationship at all stages, through policies and procedures for handling complaints, as well as actions taken within the Group for:

- listening to the needs of policyholders;
- assessing customer satisfaction;
- following up policyholder questions and requests.

Indicators	2017	2018	Scope
Satisfaction measured in customer surveys *	From 79% to 84%	73%	CNP Assurances
Average satisfaction score of local authorities	Between 7 and 8/10	Between 7.4 and 8.2/10	CNP Assurances
Number of claims in the first half ✓	11,800	9,900	CNP Assurances
Percentage of disputes won by CNP Assurances	73% in the first instance, 76% on appeal and 95% on highest appeal	70% in the first instance, 77% on appeal and 79% on highest appeal	CNP Assurances

* The scope of the survey differs from year to year

Examples

Listening to the needs of the policyholders and measuring satisfaction

Stakeholder dialogue includes periodical surveys conducted by CNP Assurances entities, not only with policyholders but also with partner-distributors, so as to obtain a comprehensive view of customer satisfaction.

CNP Assurances stepped up its ambitions in terms of customer satisfaction with the creation of a Customer Experience department in the fourth quarter of 2018.

The new department's brief includes the implementation of a cross-cutting approach within the Company through the use of systems to measure the customer experience, to analyse the results and guarantee that they are correctly taken into account, and to structure the collection of customer expectations.

Surveys of policyholders and beneficiaries, network advisors and employees are conducted at the request of entities in the Company.

They are carried out using an online survey software package that measures satisfaction at a given moment and, if necessary, on a continuous basis. The tool has been updated to comply with the European Union's General Data Protection Regulation.

The survey strategy, the creation of the questionnaire and its circulation, and the use of the results are internal processes from end to end.

In 2018, testing began on new tools for the automated analysis of free texts formulated in response to open-ended questions.

CNP Assurances conducted five satisfaction surveys with customers and advisors during the year. They focused on the quality of online services and the quality of the relationship by email between CNP Assurances and its partners at the time of subscription. For surveys where the 2018 results are known, the satisfaction rate varies from 3.7 to 3.9, the score ranging from 1 (very unsatisfactory) to 5 (very satisfactory). Another survey measured the efforts required by the customer to access the service, browse the site and declare a claim: the level of effort was set at 2.9, which was the average obtained from the level of effort declared on a scale of 1 to 5 (1 = easy; 5 = difficult).

In addition, more than 200 local authority policyholders responded to a satisfaction survey. Average scores were stable at between 7.4 and 8.2 depending on the local authority.

Caixa Seguradora conducts monthly customer satisfaction monitoring and analysis surveys. The relationship centre assessments focus on two levels of service. On the first level (interactive voice server and webchat), the criteria assessed are customer service, problem solving and brand recommendation (Net Promoter Score). Satisfaction rates obtained vary, depending on the month, between 95% and 96% for customer service, 89% and 91% for problem solving, and 46 to 50 for the NPS. On the second level, which can stem from the first level or be opened directly (websites, social networks), the criteria assessed are response times, clarity of information, problem solving and brand recommendation (NPS). For the second level, satisfaction rates vary, depending on the month, between 72% and 76% for response times, 72% and 75% for clarity of information, 68% and 71% for problem solving, and 1 and 7 for the NPS.

Satisfaction surveys were also conducted in the CNP Partners and CNP Assurances Compañía de Seguros subsidiaries.

CNP Partners' satisfaction surveys were conducted with distributors and policyholders to share their view of service quality. Satisfaction scores varied from 4.04 to 4.48 out of 5.

CNP Assurances Compañía de Seguros conducted two satisfaction surveys and collected expectations within its two main commercial offices, with two objectives: evaluate satisfaction and enrich the 2019 strategy. In 2018, CNP Assurances Compañía de Seguros also created its own contact centre, drawing entirely on cloud technology and developed on the agile approach. As part of its digital transformation, CNP Assurances Compañía de Seguros aims to speed up the provision of solutions aligned with the needs of customers, making them central to its operations.

Lastly, Lyfe's partner customers express their satisfaction through a questionnaire whose results are discussed by the steering committee, while the platform's end-users can use tools to share their positive or negative opinions.

Following up policyholder requests

The definition of complaints adopted by CNP Assurances covers any expression of discontent by a customer as regards the perceived quality of a product or service, whether justified or not. CNP Assurances has undertaken to respond within two months of a complaint being made.

For this purpose, the Group has teams dedicated to handling complaints. Tools have been implemented to fine-tune follow-up and improve analysis; one objective is to draw lessons to improve quality of service and reduce processing time. Complaints received by CNP Assurances mainly concern the purchase and claim management processes.

With 9,900 complaints lodged in the first half of 2018, their number remains marginal, involving less than 0.1% of policyholders. Nonetheless, each one is analysed in order to understand how we can improve our service quality using the tools referred to above.

In accordance with the marketplace decision, mediation involving CNP Assurances has since 2015 been provided by the French Insurance Federation (Fédération Française de l'Assurance – FFA). In the first 11 months of 2018, the mediator challenged 197 opinions on files submitted by CNP Assurances policyholders. It should be noted that the mediator in most cases upholds CNP Assurances' position.

There were 1,522 ongoing disputes at CNP Assurances at the end of 2018. 70% percent of cases were won in the first instance in 2018, 77% on appeal and 79% on submission to the highest court of appeal.

Tools to improve customer satisfaction

On top of the digital tools described in the "Transform services rendered to policyholders via digital technology" challenge, CNP Assurances has rolled out the Numéa application. Co-constructed with employees, it optimises the processing of documents sent to CNP Assurances in digital format, whether by the La Banque Postale advisor or directly by the customer. Being able to see all customer communications at a glance allows CNP Assurances to provide more reliable and more immediate information to customers and partners.

A quality certification policy

In the interests of customer service quality, over the past few years the Group has obtained quality certifications for core processes from recognised professional standards bodies (ISO 9001 for key management or marketing processes). Once obtained, these certifications are regularly renewed. In Brazil, Quality Management System evaluation audits are performed periodically by a certification firm to assess the compliance of processes and services with the model laid down and associated with the rules of the ABTN ISO 9001:2008 technical standards.

CNP Assurances Compañía de Seguros has just received ISO 9001:2015 certification for the management process of its life insurance business.

Similarly, MFPrévoyance obtained ISO 9001:2015 certification in July 2018 in the following areas: products, management of medical selection and claiming of benefits for contracts developed and managed by MFPrévoyance and distributed by mutual insurer partners working with civil servants.

Lastly, a certification process for Ametis's commercial approach began in 2018. It is based on a framework of documented and auditable commitments. SGS, a certification body, will ensure that commitments are respected. The framework governing the certification will be made available to customers.

Unclaimed contracts

In 2018, the management system for unclaimed contracts reached a phase of maturity thanks to the successive implementation of continuous improvement measures and process automation over the years.

As soon as the death file is opened, an email is sent automatically to the spouse and the family, speeding up the process.

The "e-beneficiaire.cnp.fr" online platform, progressively accessible since June 2018, allows a beneficiary, a trusted third party or a financial advisor to complete all formalities – from opening the file to following it up – via a personal access directly on the site.

E-beneficiaire simplifies and secures communications and empowers the people who use it.

Another aspect of improvement is communication to policyholders. Measures focused on retirement contracts were taken in 2018; more will follow in 2019.

For retirement contracts, the annual statement mentions the legal retirement age. And for non-contributing policyholders, a specific email is sent when they turn 62, 65 and 67 so that they do not forget to claim their entitlements.

In 2019, all pension policyholders – contributors and non-contributors – over the retirement age (Article L.161.17.2 of the French Social Security Code) or, failing that, when they turn 62, will receive a letter encouraging them to claim their entitlements.

Lastly, business management, which is the subject of regulatory reporting to the ACPR, is regularly improved each year to reduce the volume of contracts not settled within a year of the policyholder's death.

"MPR", a machine learning model for detecting new deaths, is continually being improved and is undoubtedly contributing to improving the treatment of unpaid contracts.

The resources deployed and the stability of the regulatory system since 2016 have made it possible to sustainably improve processes from end to end along the chain.

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10 REDUCED INEQUALITIES

CHALLENGE 4: COMMIT TO CUSTOMER SATISFACTION

2 – Lack of product transparency

In view of the CNP Assurances business model in France, presentations of life insurance operations are generally prepared by the partner networks, although they fall under the responsibility of the insurer.

The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or insurance proposal. In addition, with the Group's range of insurance products being progressively digitised, it is particularly important to inform customers as efficiently as possible, in clear and transparent language. Lack of product transparency could hinder the proper implementation of the Group's strategy and damage its image, among professional and individual customers alike, while undermining the protection provided to customers by providing offers that do not meet their needs.

CNP Assurances' product launch procedures accordingly include checks to ensure that the product and the marketing process are fully compliant with regulatory requirements.

Indicators	2017	2018	Scope
Number of KIIDs [(1)] **on the website** ✓	n/a	53	CNP Assurances
Percentage of compliance of the website with the RGAA framework [(2)]	95%	95%	CNP Assurances

(1) Key investor information documents
(2) General accessibility framework for public administrations in France

Examples

Product launch procedures were revised in 2018 in light of the insurance distribution directive. This directive makes customer protection central to the insurer's concerns so that contracts offered to the public meet the specific needs of their target market throughout the product lifecycle. For instance, CNP Assurances' procedures for new products and significant modifications to existing products include work to ensure that the product does not have an adverse impact on customers. Another objective is to foster the proper management of conflicts of interest. Tests are carried out before introducing these products to the market or making significant adjustments to them, or if the target market has changed significantly.

Lastly, CNP Assurances provides its distributors with all relevant information about the insurance product and the product validation process, including the target market.

CNP Assurances regularly reviews the insurance products it offers or markets, taking into account any event liable to have a significant impact on the potential risk in the defined target market. Its aim is to assess whether the product still corresponds to the needs of the defined target market and whether the planned distribution strategy remains appropriate.

The creation of products adapted to the needs of the market and the continuous monitoring of their appropriateness is a strategic challenge, essential for preserving the trust of customers and partners, and for safeguarding CNP Assurances' reputation.

CNP Assurances is committed to verifying the compliance of contractual, commercial and advertising documents. Dedicated teams, working closely with legal experts, ensure that insurance products are compliant, and that changes in the legal framework are taken into account.

Product compliance

The workstations used by the main distribution partners of the Group's entities enhance the quality and efficiency of policyholder services, while incorporating the duty to provide advice.

To better inform customers and insure their futures, CNP Assurances aims to provide full access to information. On the www.cnp.fr website, information sheets are regularly made available to policyholders, as well as a glossary for a better understanding of the terms specific to insurance. After audit, the www.cnp.fr website was declared 95%-compliant with France's RGAA web accessibility standards, which cover aspects such as colour contrasts, keyboard accessibility, text equivalents for images, infobubbles, page titles and prioritisation of information.

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16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CHALLENGE 5: ENSURE GOOD BUSINESS ETHICS

1 – Corruption and conflicts of interest in relationships with third parties

By working to ensure good business ethics, CNP Assurances is committed to protecting the interests of its stakeholders (employees, suppliers, distribution partners and asset managers) and respecting the general interest. Like CNP Assurances Compañía de Seguros, the Caixa Seguradora group, CNP Partners and CNP UniCredit Vita, CNP Assurances is a member of the United Nations Global Compact.

They have accordingly reiterated their commitment to fighting corruption in all its forms, including extortion and bribery. In view of regulatory developments in the countries where the Group operates, the risk of corruption or conflicts of interest in relationships with third parties may result in significant fines and criminal prosecution.

As such, in line with its C@pEthic code of conduct, published on its website, CNP Assurances has a policy of zero tolerance for acts of corruption. A Group anti-corruption policy has been circulated to all subsidiaries in France and internationally. Subsidiaries can add their own local procedures to it.

Indicator	2017	2018	Scope
Rate of employee training in the fight against corruption and conflicts of interest ✓	n/a	84%	CNP Assurances

Examples

C@pEthic, CNP Assurances' code of conduct, which was redesigned in 2018, is one of the Group's tools in fighting corruption. It contains rules governing gifts and benefits within the Company. It is posted on the Intranet and features in the Employee Orientation Guide for new hires. C@pEthic is also freely available on the CNP Assurances website.

Specific codes can also be implemented operationally. For instance, a purchasing ethics guide offers a practical reminder of the principles of action for key situations in the purchasing business.

News items are regularly posted on CNP Assurances Intranet to remind employees about the main rules and behaviour to adopt.

A quiz on the main features of the code of conduct was offered to CNP Assurances employees in 2018.

In 2018, the whistleblowing system made available to all employees of the Group in accordance with the requirements of the Sapin II law resulted in certain situations being reported to the compliance officer.

This ethical vigilance also applies to CNP Assurances' asset management, particularly for government bonds, where the country's position in the Transparency International index is one of three exclusionary criteria. The fight against corruption is also reflected in a standard clause providing for the joint commitment of CNP Assurances and the third party to act against corruption, including among its own suppliers and subcontractors.

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16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CHALLENGE 5: ENSURE GOOD BUSINESS ETHICS

2 – Fraud, money laundering and terrorist financing

The risk associated with fraud, money laundering and terrorist financing affects CNP Assurances employees, suppliers, distribution partners and asset managers in the same way as the risk of corruption. It can result in significant fines, as well as criminal prosecution.

As a company operating in the financial sector, CNP Assurances is closely involved in the fight against money laundering and terrorist financing through a Group policy applied in its subsidiaries.

In line with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of countries to be excluded from its investments, including those prohibited as part of the fight against money laundering and terrorist financing, those under embargo or subject to financial sanctions, non-cooperative countries in tax matters and those identified as tax havens based on the Tax Justice Network indices.

Indicators	2017	2018	Scope
% of new employees trained in the fight against money laundering ✓	40%	50%	CNP Assurances
% of employees exposed to AML-CFT risks trained *	86%	n/a	CNP Assurances

* Training is provided every two years

Examples

Our business model, in which a lot of transactions are performed by intermediaries, has shaped the control mechanisms implemented in the fight against money laundering, terrorist financing and fraud. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners. Specialised committees meet regularly with the two major partners, LBP and BPCE, to monitor their proper application. Caixa Seguradora carries out an annual external audit of the risk of fraud.

Supported by roughly 20 employees, a specific unit is dedicated to these controls at CNP Assurances. The Group AML-CFT policy and the framework procedure against money laundering and terrorist financing are accessible to all employees on the Intranet. Similar arrangements are in place in subsidiaries, in compliance with local constraints and the principles adopted by the Group. For example, CNP Partners has an anti-money laundering committee and has established an alert line allowing any employee to report incidents arousing suspicion of fraud, while Caixa Seguradora has a money laundering and terrorist financing risk management policy and manual, plus a fraud prevention policy.

As part of the new guidelines in the fight against money laundering and terrorist financing, CNP Assurances has launched a major project aimed at bolstering its system with all of its partners. The aim is to consolidate the organisation of transaction controls and to implement the new regulatory requirements.

Since 2017, in response to comments by the French Prudential Control and Resolution Authority (ACPR), the system's management has been reviewed on several points (resources, procedures, control of operations and IT rollouts for instance). It is regularly improved.

The issue is also the subject of specific training modules. Newcomers and CNP Assurances employees who have changed jobs are systematically given the opportunity to train themselves using an e-learning module developed with the French Insurance Federation and several major insurers. The module is currently being revised; it will be the subject of a new campaign for all employees in 2019.

Tax transparency

CNP Assurances is committed to implementing national and international standards developed in recent years to ensure greater transparency and efficiency in the fight against tax evasion. In addition to these elements, CNP Assurances conducts the necessary steps to implement the recommendations of the OECD's Base Erosion and Profit Shifting (BEPS) plan and the United States FATCA tax regulations.

The CNP Assurances Group is primarily made up of insurance companies and companies that provide services to individuals, as well as a number of financial investment vehicles.

Breakdown of corporate income tax expense

2018 *(in € millions)*	France	Latin America	Europe excluding France	**Total**
Corporate income tax	(372)	(393)	(28)	(793)

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16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CHALLENGE 6: PROTECT THE PERSONAL DATA OF POLICYHOLDERS AND EMPLOYEES

Failure to protect personal data

CNP Assurances has been keeping a step ahead of regulatory developments for several years. In 2008, it established a medical data protection policy providing for the encryption of sensitive data in storage, as well as technical and organisational systems on the workstations of the relevant people.

Aware of the importance of protecting the information assets of its policyholders and employees, CNP Assurances underlines the importance it attaches to respect for privacy in C@pEthic, its code of conduct.

The entry into force in May 2018 of the General Data Protection Regulation (GDPR), a European regulation applicable throughout the European Union, updated and above all expanded the regulatory framework for personal data. It strengthens the rights of European citizens, increases the accountability of people dealing with personal data (companies and subcontractors) and harmonises regulations across Europe.

To ensure full compliance, a Group-wide personal data protection policy has been circulated throughout the Group, setting out the fundamental principles of personal data protection and the governance systems in place, in addition to the code of conduct.

Indicator	2017	**2018**	Scope
Percentage of employees trained for the introduction of the GDPR ✓	84%	18%	CNP Assurances

Examples

Protection of personal data

Aware of the importance of protecting the information assets of its policyholders and employees, CNP Assurances appointed a Data Protection Officer in 2006, giving them the resources to carry out their duties within the Group. Actions taken in recent years have served to establish personal data governance, to create and formalise the associated processes, to respond diligently to the exercise of the rights of policyholders, and to make people working in the Group aware of the need to protect personal data.

The entry into force of the new regulation on 25 May 2018 was the subject of a wide-ranging compliance process within CNP Assurances. Steered directly by the CEO between 2017 and 2018, it drew on input from over 90 people working in all relevant areas: IT, Legal, Human Resources, Customer Centres, Marketing, Actuarial Services and Communication.

For personal data governance, Data Protection Officers (DPO) were appointed within each subsidiary in May 2018 to continue and expand the GDPR compliance process within the Group.

CNP Assurances has also appointed a Group Data Protection Officer, who is tasked with managing compliance with personal data protection rules within the Group and overseeing data protection compliance internationally. An inaugural seminar of the DPOs of the international subsidiaries took place in November 2018 to share aspects of the data protection policy in place in each entity. The DPO now reports to the Group Chief Compliance Officer. The function is housed in the Information Systems department, and its staffing resources have been increased in view of the workload generated by new requirements stemming from the GDPR, particularly in terms of accountability.

The DPO also takes part in numerous bodies dealing with risk and risk management. They are a member of the Information Systems Security Committee led by the Information Systems Security Manager, and evaluates the protective measures devised to guard against newly identified risks. The Data Protection Officer worked with the Information Systems Security Manager to update the Information System Use Charter, which lays down a code of conduct for employees in this area. They also attend Subcontracting Commitment Committee meetings to pre-assess the level of compliance of the companies to which CNP Assurances sometimes subcontracts the management of its contracts. It should be noted that a special medical data protection policy has been in place since 2008, involving the encryption of all sensitive data in storage to ensure better security. This is an efficient response to data theft by hackers; the new European regulation confirms its effectiveness. Processes using this type of sensitive data are the subject of particular attention within the Group, through the implementation of specific technical and organisational measures for workstations and people working in these areas.

Personal data compliance processes within the Group now subject all new documents involving the collection of data of this nature, ranging from membership forms to administrative or financial riders, to a process of prior validation by the DPO, who examines the proportionality and nature of the data collected, and ensures that the rights of policyholders are clearly displayed on the documents or the online subscription screens. This is also the case for the general terms and conditions of contracts, which have for a long time included personal data protection clauses to ensure transparency. All new processes are also subject to risk analysis validated by the DPO, as well as a legal compliance check before being referenced in the register of processes, as required by the GDPR.

Moreover, privacy by design, which seeks to integrate protection requirements from the design phase of offers and services, is particularly well entrenched on innovative digital projects, in collaboration with the Chief Digital Officer. Similarly, a process of validating internal and external satisfaction surveys, and printed and email mailshots is in place. It systematically offers the prospects and customers solicited the right to oppose the use of their data. Lastly, the compliance process also includes the processing of employees' personal data. In 2018, the Data Protection Officer devoted much of their time to setting up new portals for employees.

CNP Assurances systematically responds within the legal deadline to messages from policyholders using their right to access, rectify or delete their personal data, or to oppose their use. To this end, it centralises all such messages and coordinates the people responsible for managing personal data within the Company. Requests of this nature have been facilitated since 2018 by the possibility of contacting the Data Protection Officer via the institutional portal and by email at dpo@cnp.fr. Lastly, the www.cnp.fr website has provided information on the GDPR on the "regulatory information" page since 25 May 2018.

A special effort has been made to identify sub-contractors handling personal data on behalf of CNP Assurances. New GDPR clauses have been added to agreements to clarify the respective responsibilities of the parties.

Workshops on data protection awareness have been held at the Paris, Angers and Arcueil sites. They have helped raise staff awareness about the definition of personal data and the requirements laid down in the new European regulation (posters, flyers, online questionnaires, etc.). Lectures in auditoriums on data protection issues attracted many people, allowing them to discuss the issue with the Data Protection Officer. Awareness-raising efforts will continue in 2019.

A very active group within the corporate social network circulates developments in this field in Europe; it also delivers key messages about protection in a fun way by means of multiple-choice questions. A dedicated Intranet site dealing with data protection teaches users the basics of personal data protection.

Lastly, the teams headed by the DPO have conducted monitoring work and thinking in collaboration with the CNIL, the FFA and other insurers to adapt the Pack Assurance to the new GDPR framework.

Protection of personal data in subsidiaries

The European subsidiaries are also implementing the GDPR plan. Other international subsidiaries are equally well aware of the issue of personal data protection. This is particularly so for the Brazilian subsidiary, with a law similar to the GDPR having been passed in Brazil in 2018. All subsidiaries are required to apply the Group policy on the protection of personal data, in addition to local regulations.

The French and European subsidiaries each have a DPO and several IT and Personal Freedoms liaison officers to ensure compliance with the new regulations. They contribute to the Group's awareness-raising and compliance initiatives. They are subject to careful and regular follow-up of their compliance with the personal data protection policy.

Cybersecurity

Cybersecurity risks have increased significantly in recent years. Insurers manage potentially sensitive data for their customers and accordingly face regular cyberattacks. They must be able to repel them.

CNP Assurances, which has boasted a structured approach to securing its information system for over ten years, uses a security framework aligned with the best practices of ISO 27001 and the associated guidelines. Each new IT project is subject to an analysis of the information security risks, which is reviewed and validated by a dedicated committee before the new service goes into production. As mentioned above, all health data are encrypted for storage in all information systems. The same goes for all transfers of data to our partners. In 2015, CNP Assurances undertook a major shift in its cybersecurity approach with a view to addressing the sharp increase in cybercrime without undermining its digital transformation.

In keeping with the continuous improvement process based on risk management, work in 2018 was focused above all on the protection of unstructured data, data de-identification, monitoring of database access and continuing employee awareness-raising through new formats.

The information security policy at Caixa Seguradora is updated annually, with all information and data categorised by level of confidentiality to ensure adequate differentiation depending on their specific nature.

CNP Assurances Compañía de Seguros has established a best practice guide on confidentiality databases.

CNP UniCredit Vita has updated its data security policy as a continuation of compliance measures undertaken in view of the GDPR.

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8 DECENT WORK AND ECONOMIC GROWTH

CHALLENGE 7: ATTRACT AND DEVELOP TALENT, DEVELOP SKILLS

Lack of attractiveness and inability to retain talent, unsuitability of employees' skills with the needs of the various business lines as they transform and develop

At a time of transformation sweeping across all its businesses, CNP Assurances had made the professional development of each of its employees central to its value creation process. With balanced management of the workforce, the Group continuously ensures that the resources, expertise and skills available to it are aligned with its strategic objectives. The ability to attract, retain and nurture talents contributes to the growth of the Group at a time when the profession of personal insurer is undergoing profound change.

In France, the Human Resources planning agreement lists the commitments made by CNP Assurances to develop skills essential to the implementation of its strategy and to support its employees in their career development.

The cultural transformation program, in place since mid-2017, offers all employees the opportunity to broaden their professional horizons and experiment with new forms of work or working relationships including collaborative and telework and even hackathons.

Various actions are in place in subsidiaries to support this major challenge for the Group.

Indicators	2017	2018	Scope
Share of vacancies for permanent positions filled through internal mobility/recruitment	77%	74%	CNP Assurances
Number of hours of training provided	76,786	85,049	Group
Percentage of employees who received training ✓	87%	94%	Group
Training budget as a percentage of payroll	3.8% *	3.5%	Group
Turnover rate ✓	7.2%	8.0%	Group
Percentage of employees receiving performance reviews	94%	96%	Group
Percentage of employees receiving career interviews	23%	24%	CNP Assurances
Internal mobility rate	11%	9%	CNP Assurances

* Excluding CNP Santander

Examples

Close monitoring of the professional development of each employee

Employees positioned in business lines subject to challenges, for which significant quantitative or qualitative changes have been identified or are anticipated within a period of three years, benefit from specific monitoring. Every year, managers are asked to conduct a performance review with each of their employees. Across the Group, 96% of employees had a performance review in 2018. The performance review offers a special opportunity for face time between managers and their employees, serving to underscore the results obtained, to highlight employees' strong points and areas for improvement on the basis of an updated skills framework, and to align expectations with goals for the coming year.

In 2018, 226 CNP Assurances employees benefited from internal mobility, 74 employees were promoted, and 74% of vacancies for permanent positions were filled through internal mobility.

Sustained investment in developing the key skills of tomorrow

Developing its employees' skills is one of CNP Assurances' main priorities.

This challenge is reflected in the amounts devoted to training – approximately 5% of the payroll in recent years (4.6% in 2017, 4.7% in 2018) – and the proportion of employees trained (96% of CNP Assurances employees took a training course in 2018). 24 employees were able to work towards a diploma, with a view to achieving professional goals aligned with the Company's development.

In 2018, the skills development plan took into account the Company's digital and cultural transformation and contributed to job changes. The focus was placed on the launch of the Passerelles training offer, aimed at developing employees' soft skills. 650 employees were trained over the year, using a variety of teaching methods, on themes including "customer centricity", collaborative practices, personal development and effective communication.

Agility has been another focus of development for managers through the implementation of a "collaborative and agile management" training course for managerial lines in some BUs or Group functions, as well as account managers, who were given training courses on agile customer relations.

The 2018 incentive campaign also gave rise to a digital certificate validating the development of basic digital skills.

Individual support for employees in the context of mobility, job changes or organisational adjustment was another area of professional training, on an individualised basis extending to managerial coaching where necessary. The training system for tutors in charge of assisting employees given new jobs or those employed under combined work-training programmes has also been strengthened.

Lastly, training designed to support the implementation of strategic development strategies focused on insurance techniques and handling new IT applications, as well as new commercial offers in the Ametis network. Mandatory regulatory training was also provided to all employees on aspects including the GDPR and the fight against corruption.

Elsewhere in the Group, more people received training overall in 2018. Individual training requirements are generally collected during annual performance reviews and during the process of drawing up the collective skills development plan.

In 2018, CNP UniCredit Vita provided mandatory training on issues including occupational health and safety, the GDPR and the Insurance Distribution directive (IDD). It also provided managerial training in relationship management, stress management, leadership, and negotiation and conflict management.

CNP Assurances Compañía de Seguros conducted training in the basics of Agile methods, communication and teamwork.

In 2018, CNP Partners provided training courses on telephone reception for employees at its call centre. It also offered modules on the code of conduct, well-being and stress management.

At Caixa Seguradora, training included behavioural issues (non-violent communication and emotional intelligence), creativity and innovation, and ethics.

In Cyprus, CNP Cyprus Insurance Holdings developed training on negotiation techniques during the year.

Lastly, MFPrévoyance dispensed certification training on process optimisation.

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8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

CHALLENGE 8: UNDERTAKE TO OFFER FAVOURABLE WORKING CONDITIONS

1 – Non-compliance with regulatory requirements and commitments regarding equal opportunity and discrimination

In an environment marked by far-reaching transformations, CNP Assurances' responsible employer promise is also reflected in its policy in favour of quality of life at work.

CNP Assurances is committed to fighting all forms of discrimination. It promotes equal opportunities for professional development for everyone.

For many years, CNP Assurances has pursued a policy of integrating young people into the workplace, supporting people with disabilities and promoting professional equality between men and women. CNP Assurances also constantly strives to prevent all forms of discrimination.

CNP Assurances' actions and measures to combat discrimination and promote diversity earned it the Seal of Diversity in 2009, a distinction that it has consistently managed to keep since then.

Indicators	2017	2018	Scope
Percentage of employees with a disability	7.43%	7.05%	CNP Assurances
Proportion of female management-grade staff	50%	51%	Group
Proportion of female senior executives	34%	36%	Group
Proportion of women on the Executive Committee	36%	38%	CNP Assurances
Proportion of women on the Board of Directors	44%	44%	CNP Assurances
Average male/female income ratio by category	109%	109% *	Group
Number of young people on combined work-study programmes or apprenticeships	105	113	CNP Assurances
Number of interns	221	224	Group
Number of people under the age of 25 hired on permanent contracts	5	10	CNP Assurances
Number of seniors hired on fixed-term contracts	26	25	CNP Assurances
Number of seniors hired late in their careers	11	12	CNP Assurances
Proportion of seniors (people aged above 55) in the workforce	15%	16%	Group

* Excluding CNP Santander

Examples

Promoting gender equality in the workplace

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion.

At 31 December 2018, 44% of Board members were women. Women also accounted for 38% of the Executive Committee at the end of 2018.

To advance the cause of women in the workplace, CNP Assurances belongs to Financi'Elles, a network for female management-grade employees in banking, finance and insurance, and Alter Égales, the network for female management-grade employees within the Caisse des Dépôts group.

After signing the corporate parenthood charter in 2012 and joining the Corporate Parenthood Observatory in 2013, CNP Assurances signed the work-life balance charter at the end of 2017. Listed in the 2017-2019 agreement on the quality of life at work, this charter promotes 15 best practices relating to the organisation of work and relations between managers and employees, from the good use of emails to the optimisation of meeting times.

At CNP UniCredit Vita, a woman manager belongs to the Elle Active inter-company forum organised by magazine *Elle Italia* and the University of Milan to offer female students, women looking for a job and more broadly all women already in employment but eager to invest in their own future an opportunity for direct dialogue with experts from a range of sectors. Similarly, two female employees sit on two panels in the European Inspiringirls programme, which was developed in Italy through Valore D to encourage girls to ignore stereotypes and follow their own dreams.

Employment and integration of employees with disabilities

For more than 20 years, CNP Assurances has pursued a proactive policy to help people with disabilities enter the workforce. A seventh four-year agreement covering the period from 2015 to 2018 was signed in 2014. It commits the Company to helping people with disabilities enter and stay in the workforce. Including the 153 disabled employees on permanent contracts and the employees of the 185 sheltered workshops used by the Company, the proportion of disabled employees stood at 7.05% of the workforce as of 31 December 2018.

In 2018, in support of the 2018 EDEW *, CNP Assurances organised its annual awareness campaign about free speech and representations of disability: "Disability, no big deal!" This year's edition was held in Angers, allowing local employees to take part in fun and friendly cooking workshops.

Disabled access audits have been conducted at all of CNP Assurances' facilities, in conjunction with the Occupational Health, Safety and Working Conditions Committee. The Caixa Seguradora group frequently uses organisations that promote employment of people with disabilities to circulate job offers. It develops awareness initiatives to help teams welcome these employees, and has also established partnerships with institutions that support their integration. At CNP UniCredit Vita, employees with disabilities represented 5.3% of the workforce in 2018.

Fighting age discrimination

CNP Assurances makes every effort to support youth employment. The Human Resources planning agreement sets out the Company's commitments to employ young people for permanent positions and on combined work-study programmes. At the end of 2018, CNP Assurances employed more than a hundred young people on work-study contracts, in line with its efforts in this area in recent years. CNP Assurances also hosted 77 interns and hired ten young people under the age of 25 in 2018.

On top of professional training provided to support young people on combined work-study programmes, CNP Assurances initiated a policy of opening employment for some of them in its foreign subsidiaries in 2018. The plan covered three people in 2018.

The Human Resources planning agreement also covers the goals set for hiring or retaining seniors. CNP Assurances had 25 seniors on fixed-term contracts at the end of 2018. Twelve seniors were hired in 2018. The Human Resources planning agreement also provides for end-of-career measures.

Promoting diversity through communication

The internal communications plan for diversity is reviewed every year. Numerous continuous information and Intranet-based information campaigns and training courses are regularly conducted to combat stereotypes, prejudice, and discriminatory remarks and attitudes, and to convince people of the advantages of having a diversity policy. In 2018, to mark International Women's Day, it conducted awareness-raising campaigns targeting all employees to counter sexism in the workplace.

A commitment applied across the Group

The commitment to fighting discrimination is shared across the Group, and features in Caixa Seguradora's code of ethics and conduct, which is dealt with in a compulsory training course. New awareness-raising campaigns were also conducted on the theme of respecting difference (using posters for instance).

At CNP UniCredit Vita, the company agreements now include a Generation Pact, which allows senior staff to scale down gradually to part-time work over the three years prior to retirement, under certain conditions. In 2018, CNP UniCredit Vita renewed its membership of two inter-company networks:

- Valore D, which focuses on gender diversity and careers for women;
- Parks Diversity, which is an advocate for LGBT inclusion in the workplace.

* European Disability Employment Week

Contribute to a sustainable society

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH

CHALLENGE 8: UNDERTAKE TO OFFER FAVOURABLE WORKING CONDITIONS

2 – Non-compliance with regulations and commitments in relation to the well-being and health of employees

Ensuring a work environment that is conducive to the well-being of employees is a constant focus of the Group's Human Resources policies, which draw on commitments made by CNP Assurances in its code of conduct and agreements concluded within the Group, such as the quality of life at work agreement in France.

Offering favourable working conditions encourages collective performance and professional development.

Indicators	2017	2018	Scope
Number of requests for internal social mediation during the year under review	23	22	CNP Assurances
Percentage of employees working part time	12%	11%	Group
Percentage of employees who worked overtime	23%	21%	Group
Percentage of employees who enjoy flexible working hours	62%	61%	CNP Assurances
Number of working hours per year for a full time employee	from 1,575 to 2,141 hours	from 1,575 to 2,228 hours	Group
Absenteeism rate, excluding maternity leave ✓	5.42%	4.24%	Group
Number of occupational illnesses ✓	2	2	Group
Lost-time incident frequency rate ✓	1.43%	2.26%	Group
Lost-time incident severity rate ✓	0.013%	0.036%	Group

Examples

Work-life balance

Annual working time within the Group ranges from 1,575 to 2,228 hours, depending on local legislation. For example, a full-time workload represents 1,575 hours a year at CNP Assurances and MFPrévoyance.

All employees who work part time within the Group's entities choose to do so. At Group level, part-time employees represent 11% of the workforce. At CNP Assurances, part-time employees are entitled to the same benefits as full-time employees.

CNP Assurances has ushered in several schemes geared towards facilitating the balance between professional life and personal life and the organisation of working time in line with professional constraints. They include personalised working hours, enjoyed by 61% of CNP Assurances employees, as well as voluntary part-time work, adopted by 19% of the workforce. Telework, governed by an agreement signed in 2018, brings new flexibility in the way of organising individual and collective work, aligned with ongoing transformations and emerging lifestyle changes.

After two trial phases in 2016 and 2017, CNP UniCredit Vita opened smartworking up to the entire company in March 2018. To date, 121 employees (more than 70% of the workforce) have signed a smartworking contract allowing them to work from their home (or any other private place or coworking space) four days a month (an average of once a week).

Employee representation and protection

Almost all employees (98%) are covered by local insurance industry collective bargaining agreements. Exceptions are consistent with local rules governing the sector: 91 employees in Ireland and 24 in Argentina.

Social dialogue is a constant throughout the CNP Assurances Group. There is at least one employee representative in all subsidiaries except CNP Santander Insurance, acquired in 2014, which has 91 employees. The Caixa Seguradora group now has two employees sitting on the Board of Directors of the Federal Insurance Employees' Union as employee representatives. A total of 152 meetings between employees and management were held at the Group's various entities.

The European Works Council had one ordinary meeting in 2018, for the presentation of the Annual Report on the Group's activities, projects and results.

Working with employee representative bodies at CNP Assurances

The Human Resources department maintains regular, high-quality dialogue with the various employee representative bodies (National and European Works Councils, employee representatives and Occupational Health, Safety and Working Conditions Committee) and with union representatives, giving due consideration to the roles of everyone involved and taking regulatory developments into account.

Employee representative elections were held at CNP Assurances in the autumn of 2016; five trade unions now have representative status.

Agreements to improve working conditions

CNP Assurances has agreements on the main areas, namely classification and pay through the adaptation agreement, working time, disability, union resources, retirement planning, profit sharing and the Human Resources planning agreement.

In 2018, it signed a further two agreements, one on the professional integration and retention of people with disabilities and the other on the life insurance scheme. It also signed three amendments to existing agreements on incentive bonuses, telework, retirement savings and the supplementary defined-contribution pension scheme.

In 2018, the Caixa Seguradora group signed two agreements: one on profit-sharing, the second on working time.

MFPrévoyance has a base of 14 collective agreements that are adapted by amendment or are the subject of new agreements adapting them to new developments or as they expire. They cover key employee relations issues including working hours, the right to organise, work-life balance, generational contracts, profit-sharing and incentive bonuses. Four new agreements and an amendment to an existing one were negotiated and signed in 2018.

CNP UniCredit Vita renewed its company agreements at the end of 2018, including those on working hours, telework and supplementary pensions. In training, it has for several years been a member of the national inter-professional joint training fund for the continuous training of employees of companies operating in the Credit and Insurance sector, which works for member companies and their employees by financing training plans, in agreement with employers and unions. It operates on a mutualised basis, with sums redistributed to companies in proportion to the amount of contributions paid by them.

Spending on social matters for Group employees represented 1.5% of the payroll in 2018.

Managerial communication: a preferred channel for discussing the quality of life at work at CNP Assurances

Since 2016, the management approach known as "Dialog" in reference to the principle it promotes has encouraged managers to open dialogue three times a year with their teams on various dimensions of quality of life at work, as they relate to expectations in terms of performance.

Health protection

The CNP Assurances Group is committed to ensuring the health and safety of its employees. Numerous health improvement programmes have been established by Group entities. CNP Assurances has an autonomous occupational health service on its main sites, covering all employees. Those requiring it receive close medical attention.

The Company's skills development plan includes road safety training modules for travelling insurance advisors.

Similar initiatives are in place at Caixa Seguradora, where daily fitness classes are offered to all employees, along with anti-stress massages and yoga sessions. In addition, an evaluation of the Workplace Hazard Prevention Programme and the Occupational Medical Health Check is held weekly. There is also an internal accident prevention commission. Its purpose is to identify risks and preventive actions to implement. An internal health and accident prevention week is also organised every year.

For the past two years, under the quality of life at work agreement, CNP Assurances has taken several initiatives to help prevent absenteeism. The Lyfe platform offers health advice and the possibility to make an appointment with general practitioners or specialists within 48 hours. Since 2018, it has offered employees the possibility of online medical consultations 24/7. In the autumn of 2018, an experimental H4D online medical consultation booth was installed on the Arcueil site. The quality of life at work week held in the spring of 2018 included raising awareness about nutrition. A further two projects have been started, one aiming to facilitate a more sustainable return to employment for employees after a long absence from work. It revisits the practices of the various actors (HR experts, occupational physicians, social workers, managers and employees) with a view to better coordinating care and support and ensuring that services are adjusted to the needs of each employee. The second aims to better understand the reasons for absence in order to identify the most appropriate ways of preventing absenteeism within the Company. The results will feed into a 2019-2020 action plan.

CNP Cyprus Insurance Holdings has a team dedicated to regularly communicating on workplace health and safety risks, and has supported the Ministry of Labour's "health and safety week" for several years.

A mutual insurer covers occupational risk prevention measures for CNP Partners employees. This year, all employees received training on stress prevention. Yoga classes were also offered.

CNP Assurances Compañía de Seguros also provided training on cardiopulmonary resuscitation and first aid for all employees.

CNP UniCredit Vita has set up a basic and specific e-learning course on safety at work for new employees.

Ongoing prevention of psychosocial risks

For more than a decade, CNP Assurances has been paying close attention to the prevention of psychosocial risks. Many mechanisms and actions contribute to creating an environment favourable to the limitation of situations of risk. They come into play at one of the three classically defined levels of prevention: primary, secondary and tertiary. The 2017 quality of life at work agreement provides an overarching structure for all of them.

In 2018, the main focus was primary prevention. A company agreement extends the scope of telework to collective experimentation as a team, opening up possibilities for new organisations, such as two-day telework periods or mobile telework days. The "Dialog" managerial process has continued, with the enrichment of responses by offering the possibility of posting comments, as well as direct access to the results of all employees.

Change in work methods within the "New CNP" cultural transformation programme and the emergence of new management methods gave rise to the organisation of a hackathon on "managerial innovation", with the prototyping of four projects, and the organisation of collaborative workshops bringing together hundreds of people.

The rollout of Lyfe, enriched notably by new online medical consultation services in 2018, covers the three dimensions of prevention.

As an already longstanding system of tertiary prevention, CNP Assurances uses social mediation internally to prevent and deal with alleged situations of harassment at work, situations of suffering and daily life conflicts.

In 2018, it received roughly 20 requests, mainly covering relational difficulties, but extending in some cases to alleged harassment. Lastly, all employees also have 24/7 access all year round to a toll-free hotline (Filassistance) if they need to talk to someone.

CNP UniCredit Vita carried out a survey on working conditions within the company, using the INAIL methodology (Italian National Insurance Institute for Occupational Accidents). The analysis of the findings will serve to identify various measures of improvement for the climate and the prevention of psycho-social risks.

Caixa Seguradora has also taken many internal actions on these topics, such as conferences and mobile gaming applications, one of which deals with the prevention of harassment.

7.4 A measure of CSR performance

The quality of CNP Assurances' Corporate Social Responsibility policy has been recognised by SRI rating agencies.

SUMMARY OF CNP ASSURANCES' CSR RATINGS (UNSOLICITED)

Rating agency	CSR rating	Comment
Sustainalytics	74/100 (2018)	21 out of 146 (global insurance as of 01/01/2019)
Oekom	Prime C+ (2018)	Insurance Industry Leaders (last modified 10/08/2018)
Vigeo-Eiris	61/100 (2018)	4/53 (European insurance)
MSCI	AAA (2018)	
CDP	C (2018)	
PRI	A (2018)	Strategy and governance module
AODP	BBB (2018)	6/80 (global insurance)

SRI indices that include CNP Assurances' shares

CNP Assurances' shares are included in several European SRI indices. It has been renewed for several years in the Ethibel Sustainability Index Excellence Europe and the Euronext Vigeo Eurozone 120 and Europe 120 indices, as well as in many MSCI ESG indices, including Europe ESG Leaders and World ESG Leaders. The share is also part of the FTSE4Good Europe Index, the FTSE4Good Developed Index and the FTSE4Good Developed Minimum Variance Index.

Awards and other external recognition in 2018

CNP UniCredit Vita was recompensed with a "Special Commendation from the Jury" at the 2018 CSR Sustainability Awards organised by AIFin (the Italian Association for Innovation in the Finance Sector) for its Choose pilot project, still in the test phase.

In 2018, CNP Santander received the "Great Place to Work" label, in the "best small business" category (under 100 employees). The label is only awarded to companies that reach a certain score, based on an employee survey and documents provided by the Company.

7.5 Methodology

7.5.1 Risk and exclusion analysis

The analysis of the CSR challenges carried out in 2018 meets the various requirements of the Non-Financial Information Statement, and more particularly those set within each of the five categories of information, namely social consequences, environmental consequences, respect for human rights, fight against corruption and tax evasion.

Risks and opportunities not included in the Non-Financial Information Statement were deemed not to be priorities after the analysis. This refers to circular economy, waste and food insecurity, animal welfare and responsible, fair and sustainable food and societal commitments, all of which are listed in Article L.225-102-1 of the French Commercial Code but which are considered not material for CNP Assurances' business.

7.5.2 CSR data collection process

Guidelines and definition

Indicators and reporting processes have been defined for all Group entities. Processes serve as a reference for the various people involved in preparing this section and its annex at CNP Assurances and at all subsidiaries. They describe the issues, roles, indicators and data collection processes, as well as the main risks identified and the system for controlling and managing these risks.

Scopes

The indicators cover all fully consolidated entities in the CNP Assurances Group, excluding CNP Europe Life, which was not included in the scope as it is in run-off management, and CNP Luxembourg, given its weight in the Group's business. The list accordingly comprises CNP Assurances, CNP Caution, MFPrévoyance, CNP Partners, CNP Assurances Compañía de Seguros, the Caixa Seguradora group, CNP UniCredit Vita, CNP Cyprus Insurance Holdings and CNP Santander Insurance, together with their consolidated subsidiaries. Indicators for the Group's consolidated subsidiaries are presented on a 100% basis.

The term "CNP Assurances" covers the legal entities CNP Assurances and CNP Caution.

The "Group" scope mentioned in the tables covers the entities mentioned above, i.e., 98.4% of the Group's consolidated employees as of 31 December 2018. It excludes CNP Europe Life, CNP Luxembourg, the Danish branch and the Colombian sub-subsidiary.

Reporting period

The flow indicators cover the period from 1 January 2018 to 31 December 2018; the stock indicators are as of 31 December 2018.

Historical data and change in scope

The scope of consolidation is broadly unchanged compared with 2017. However, slight variations in scope can appear when indicators were not provided for an entity or sub-entity in 2017, but have been in 2018.

Reporting, control and consolidation method

Indicators are collected from operating departments, site by site when necessary. CSR reporting is performed in part with the help of accounting consolidation software.

CSR officers have been appointed for each entity (a total of 15 CSR officers). They prepare the first level of consolidation within the entity concerned. Eleven validators check the data from their entities. The CNP Assurances Corporate Social and Environmental Responsibility department is responsible for overall consolidation and carries out consistency checks on all the information collected from these CSR officers.

Implementing CSR reporting in 2006 has led to a steady improvement in the quality of non-financial data, particularly environmental data. Certification by the Statutory Auditors and use of the Group consolidation system for CSR reporting in the past five years have served to secure quality standards. A dedicated collaborative web platform was set up in 2015. These developments have helped drive progress in the Group's CSR programme by making it easier to manage initiatives within each business. The consolidated ratios for all entities are calculated by weighting reported ratios in proportion to each entity's headcount.

Limitations to the completeness and reliability of information

The definition of certain social indicators may differ slightly from one country to another. The guidelines were deployed in 2014 in foreign subsidiaries, and certain definitions, such as those for absenteeism, training and remuneration, were harmonised from one subsidiary to the next. However, the consolidated indicators used are consistent and material.

7.5.3 Methodology for developing the business model

The development of the business model involved a working group composed of members in charge of external institutional communication, communication with shareholders and the CSR department. Established in line with the Company's strategic plan, it is part of a dedicated validation process by several members of the Executive Committee and the General Management.

7.6 Report by the independent third party on the consolidated non-financial statement included in the Group management report

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December, 2018

To the Shareholders,

In our capacity as independent third party of your company (hereinafter the "entity"), accredited by COFRAC under number 3-1058 (whose scope is available at www.cofrac.fr), and member of the Mazars network of one of the CNP Assurances' Statutory Auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31st, 2018 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory requirements of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's head office.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2 of the French Commercial Code;
- we verified that the Statement presents the business model and the key risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, its their products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II of the French Commercial Code;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes [1] that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on CNP Assurances (France) and covers between 55% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 5 people between October 2018 and February 2019 and took a total of 5 weeks.

We conducted a dozen interviews with the people responsible for preparing the Statement representing, in particular, risk management, compliance, services strategy, human resources and CSR departments.

(1) Number of Lyfe distribution customers; Share of financial assets covered by an ESG filter ; Rate of employees trained in the fight against corruption; Percentage of newcomers trained in the fight against money laundering; Rate of employees trained in the context of the establishment of the GDPR; Number of KIDs on the CNP Assurances website; Number of claims in the first half of the year; Turnover rate; Share of women among executives; Number of young people on apprenticeship contracts; Frequency and severity rates of work accidents; Absenteeism rate ; Number of occupational diseases; Share of employees who received training; Share of the long-term care insurance market

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respect.

Paris La Défense, 4 March 2019

The independent third party

Mazars SAS

Olivier LECLERC	Edwige REY
Partner	Partner CSR & Sustainable Development

Annex – Additional labour, social and environmental information

This annex adds to the information on CNP Assurances' CSR approach on two aspects:

- the CSR components;
- initiatives complementing those presented in the Non-Financial Information Statement, in connection with the Group's CSR commitments.

To provide an overview of the Group's CSR approach, the Non-Financial Information Statement is cross-referenced throughout this annex.

1. Components of the CSR approach

The components of CNP Assurances' CSR approach are based on four pillars:

- commitments in line with the UN objectives;
- steering bodies;
- stakeholder dialogue;
- promotion, awareness and training initiatives for employees and policyholders.

1.1 Commitments in line with the UN objectives

This point is described on paragraph 7.2.2 of the Non-Financial Information Statement.

1.2 CSR governance structures

Since 2017, CNP Assurances has had a Corporate Social and Environmental Responsibility (CSER) department supervised directly by a member of the Executive Committee. It reports to the Chief Executive Officer and the Board of Directors on the Group's activities and objectives.

Since 2017, three liaison officers have been appointed in the departments most involved in the process, namely Human Resources, Communications, Strategic Marketing and Sponsorship, and Investment.

Under the Group's business model, each subsidiary develops CSR policies in line with Group principles:

- CNP UniCredit Vita set up a CSR department in 2015. Sustainable development indicators are included in the quarterly indicators reviewed by the Management Committee;
- the Caixa Seguradora group set up a Sustainable Development Committee in 2007 to address environmental issues. Made up of 14 representatives from various sectors within the Company, it is coordinated by the Group's Corporate Secretary. The initiatives in the environmental programme help to instil a culture of sustainable development within the Group. Since 2013, the Caixa Seguradora Institute has been strengthening its strategic social, environmental and cultural programmes;
- CNP Assurances Compañía de Seguros has a CSR team in charge of the CSR programme known as "Multiplicar" and has created a sustainability committee.

1.3 Stakeholder dialogue

CNP Assurances maintains regular dialogue with its main stakeholders, and conducts periodic surveys.

Participation in market bodies

CNP Assurances plays an active role in the work of the French Insurance Federation (FFA) in the field of CSR, notably through its participation in the development of non-financial reporting guides and ESG commitment and exclusion practices published in 2018, and as a member of the ESG-Climate working group. We are a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders (NGOs and unions). CNP Assurances is also a member of the Institutional Circle of Novethic, a French media and research centre specialising in responsible investment.

More specifically, in 2015, CNP Assurances initiated "La Fabrique d'Assurance", a think-tank inspired by technological "Fab Labs" based on the dual principle of collaboration and cross-functionality of professions, bringing together experts from the world of insurance and the social and solidarity economy (mutual insurers, other insurers, associations, researchers, academics, institutions, etc.). La Fabrique d'Assurance has set itself the task of formulating innovative recommendations on the insurance sector, integrating the challenges of the social and solidarity economy. These recommendations are issued above all to industry players, the professional press and public authorities in order to get the ball rolling.

The international subsidiaries also participate in local professional bodies. In 2016, the Caixa Seguradora group joined Forum Aliança Cerrado, which brings together NGOs, government representatives and stakeholders to discuss environmental issues. Similarly, CNP Assurances Compañía de Seguros joined the Buenos Aires Sustainable Mobility Group in 2016. It further confirmed its commitment on the issue by signing up to the national equivalent in 2018.

Listening to partners and customers

This point is described in Challenge 4: "Commit to customer satisfaction – Inability to maintain and improve customer satisfaction" of the Non-Financial Information Statement.

The www.cnp.fr website, which is accessible to all, had close to 800,000 unique visitors in 2018, 41% of which on pages aimed at individuals. Since 2016, CNP Assurances has been promoting interaction with stakeholders on social networks. Having opened Twitter, LinkedIn, Viadeo and Facebook accounts in late 2015, it was managing a community of 75,000 Facebook fans on topics relating to living better for longer by the end of December.

Dialogue with employees

This point is described in Challenge 8: "Undertake to offer favourable working conditions – Non-compliance with regulations and commitments in relation to the well-being and health of employees" of the Non-Financial Information Statement.

1.4 Promotion, awareness and training initiatives for employees and policyholders

Sustainable development challenges are the subject of awareness/training initiatives to embed them in the corporate culture and everyday practices.

Awareness-raising and employee training

Several Group entities have a section on their Intranet dedicated to sustainable development. For several years, regular events and activities have been organised in each entity to raise employee awareness about sustainable development challenges:

- In France:
  - Family Day, first organised in Paris in 2016 and then repeated in Angers and Arcueil in the following years, offered a range of activities focusing in particular on the theme of sustainable development, including waste sorting and a game on the elements and the quality of raw materials. To mark the occasion, an educational booklet on CNP Assurances' CSR approach was handed out to all participants. The participation of children in the various activities was crowned by a reforestation initiative in Brazil;
  - in 2018, the first "well-being fortnight" was organised to mark Sustainable Development Week and Quality of Life at Work Week, with a talk on nutrition, workshops on positivism, digital detox and self-massage offered to all employees, along with online advice and videos on the same topics. A day of well-being at work was also organised at CNP UniCredit Vita, featuring advice from an osteopath;
  - for 2018 Responsible Finance Week, a major internal awareness campaign was conducted on CNP Assurances' goals in this area. Posters were distributed within the Company and placed on the Intranet and the corporate social network.
- In the Group's entities, various awareness-raising initiatives focusing chiefly on eco-responsible actions:
  - the Caixa Seguradora group each year raises its employees' awareness on sorting via a campaign of donations for electronic waste. CNP UniCredit Vita is also raising awareness among its employees through a visual campaign on eco-friendly practices and waste reduction. First held in 2017, its 2018 edition included a collection of used clothing organised to mark European Waste Reduction Week;
  - in Argentina, the "Multiplicar" programme was rolled out in 2015. It aims to reinforce responsible behaviour among employees through awareness-raising initiatives and training. Among its actions in 2018 was the inclusion in e-mail signatures of the commitment to support the reduction of inequalities in line with UN Sustainable Development Goal 10 "Reducing Inequality". In addition, the family day organised in 2018 brought together employees and 50 children supported by "*Comedor La Esperanza*", an association working with a poor community in the suburbs of Buenos Aires;
  - in 2018, CNP Partners gave all employees its maiden CSR report, devoted to its achievements in 2017;
  - CNP UniCredit Vita regularly sends messages on CSR topics to its employees via a dedicated newsletter. It also introduced CSR training in 2018 and continues to offer training on diversity and well-being at work. 94% of its employees participated.

Solutions to raise awareness among policyholders and partners

- The Caixa Seguradora group describes the social and environmental challenges it is facing and presents its results on its website. For several years, it has provided its policyholders with information on responsible consumption. In 2015, it extended the process to social networks.
- CNP Assurances Compañía de Seguros also uses social networks and commercial events to raise the awareness of policyholders and brokers on the issues of prevention and health, as well as sustainable mobility and protection of the environment.
- Each year, CNP Assurances expresses its commitment to upholding the United Nations Global Compact and promoting its responsible investing strategy through more than 19 million letters sent to policyholders (by post or online). Since 2011, the message has been communicated to all holders of endowment policies (other than unit-linked contracts), including on the annual policyholder statements. Similarly, Caixa Seguradora places the "Carbon Free" seal on its printed materials, thereby informing its policyholders that the CO_2 emissions of its operations are offset.
- A new brochure, "The 2018 CSR essentials", was born in 2018. It is devoted to CSR actions carried out in the Group, featuring actions in favour of the ecological and energy transition, and the investment panorama. An essential resource for presenting the Company's CSR approach, it is designed to accompany tender documents, to be given to collective insurance subscribers and to be available to policyholders on the cnp.fr website.

2. Complementary actions related to the Group's CSR commitments

This annex provides labour, social and environmental information in addition to that described in the Non-Financial Information Statement and which falls under the three CSR commitments in line with the Company's strategy:

- **Contribute to a sustainable society**
  - Combat inequalities by avoiding financial exclusion and through pooling.
  - Better satisfy policyholders.
  - Ensure good business ethics.
  - Implement a responsible HR policy.
  - Develop social initiatives in the field.
- **Contribute to a sustainable environment**
  - Optimise the environmental footprint of the Group's internal workings.
  - Gear our customer relationship towards a low-carbon economy through products and investments.
- **Contribute to a sustainable economy**
  - Be a responsible investor.
  - Be a responsible purchaser.

2.1 Contribute to a sustainable society

The CNP Assurances Group seeks to align its interests with those of society by making a positive social contribution to its stakeholders, particularly its policyholders, employees and civil society.

To do so, it seeks to offer policyholders guarantees that match their daily lives, needs and budgets as closely as possible. It also aims to offer each of its customers a quality of service that meets their expectations. These two goals are ambitious because of the very wide-ranging situations in our various markets.

As it grows, the Group also keeps a very close eye on business ethics.

The Group's entities promote the professional development of all employees, building the skills that will make the Group successful today and in the future. An active policy is in place for gender equality and quality of life at work. Lastly, the CNP Assurances Group is involved in local initiatives.

The commitment in favour of a sustainable society is broken down along the following lines:

- combat inequalities by avoiding financial exclusion and through pooling;
- better satisfy policyholders;
- ensure good business ethics;
- implement a responsible HR policy;
- develop social initiatives in the field.

2.1.1 Combat inequalities by avoiding financial exclusion and through pooling

10 REDUCED INEQUALITIES

The first commitment for a sustainable society is based on the determination to offer a range of products and services that:

- are accessible to all;
- include social benefit guarantees;
- select risks in a manner suited to each person's health;
- focus on health prevention.

2.1.1.1 Offering affordable products

An offer aligned with the needs of people on low incomes in France

CNP Assurances enables companies, non-profits, local authorities and hospitals to offer all their employees the same insurance cover at the same price, by pooling risks and covering different generations under the same policy. For several years, CNP Assurances has been proposing mutualised dependency contracts marketed by its mutual insurer partners. The special feature of these contracts is their easy accessibility: the guarantee is offered to all members of the Group, without medical selection (the only risks ruled out are those that have already occurred). Pricing based on the entire population covered and broad age group brings contributions down to moderate amounts within the reach of all budgets. This type of system guarantees a first level of protection against the loss of autonomy.

CNP Assurances is a founding member of the Entrepreneurs de la Cité foundation, which aims to help microentrepreneurs obtain insurance. It is also one of the co-insurers for the foundation's Basic Insurance Kit contracts offering death/disability and health cover. A total of 155 new Basic Insurance Kit contracts were sold in 2018.

2016 was marked by the launch by *ATD Quart Monde* and CNP Assurances of a funeral insurance contract for people living below the poverty line. Having been drawn up with the help of the people concerned, this contract takes into account their real needs, offering a basket of guarantees necessary to finance dignified funerals. The challenge was to set a monthly fee within the budgets of very poor people (€0.50 per month for young people up to 30 years old, €13 per month for people aged over 70). Unlike conventional contracts, the monthly payments do not change according to the policyholder's age. People aged up to 80 can take out this insurance, and the guarantee comes to an end when the policyholder turns 90, when the solidarity fund created for the contract takes over.

Innovative microinsurance products in subsidiaries

In Brazil, Caixa Seguradora was the first insurer to enter the Brazilian funeral microinsurance market, with the Amparo contract launched in 2011. The Group also offers two products for people on low incomes: a retirement product with monthly payments of R$ 35, and home insurance at a reduced rate. Similarly, CNP Cyprus Insurance Holding offers specific car and home insurance at a reduced rate.

2.1.1.2 Innovative guarantees with societal benefits

As part of its CNP Premium individual creditor insurance offer, CNP Assurances has been offering policyholders assistance at key moments in their lives throughout the duration of their loan. Family guarantees are granted at happy times such as the birth or adoption of a child, or at difficult times to assist in support for sick children or dependent family members.

New loss of employment insurance was added to La Banque Postale's borrower offer in 2017. It offers effective support by combining with that of Pôle Emploi, without any waiting period. Providing close support for customers, the guarantee ensures a payment for a maximum duration of 18 months, thereby offering additional security for specific situations. The guarantee covers 60% of the monthly loan repayment, well above the rates of many of its competitors, which are closer to 50%.

Lastly, as part of its OPEN CNP programme, this year CNP Assurances acquired an interest in Alan, the first independent insurance company created in France for 30 years. Its aim is to bring about change in health insurance in France, focusing on the customer experience, the care pathway and the implementation of value-added digital services. For a flat fee of 50 euros, Alan offers start-ups and SMEs a fully online complementary health insurance with direct subscription. It takes less than five minutes to sign up on its website.

Among subsidiaries, the Caixa Seguradora group allows policyholders in the late stages of a critical illness to claim benefits without reducing the capital built up under their policy, plus free medication in the event of hospitalisation or emergency care. In 2017, it released its "Caixa Fácil" range, which can be taken out with electronic distributors, offering funeral services, discounts on drugs and dietary assistance. The group's offers have been rounded out by multiple pregnancy cover and job loss protection to maintain the family's pension cover.

2.1.1.3 Risk selection adapted to each person's health profile

This point is described in Challenge 1: "Keep pace with social and societal developments" of the Non-Financial Information Statement.

2.1.1.4 Focus on health prevention

This point is described in Challenge 1: "Keep pace with social and societal developments" of the Non-Financial Information Statement.

2.1.2 Better satisfy policyholders

This point is described in Challenge 4: "Commit to customer satisfaction" of the Non-Financial Information Statement.

2.1.3 Ensure good business ethics

The third commitment for a sustainable society is driven by the need to protect the interests of individuals and to respect the general interest. It takes the following form:

- measures supporting policyholder security, especially as regards their personal data;
- ethics and anti-corruption measures;
- prevention of money laundering and terrorist financing;
- fiscal transparency;
- respect for human rights, compliance with and promotion of the fundamental ILO conventions.

2.1.3.1 Protection of personal data

This point is described in Challenge 6: "Protect the personal data of policyholders and employees" of the Non-Financial Information Statement.

2.1.3.2 Ethics and anti-corruption measures

This point is described in Challenge 5: "Ensure good business ethics – Corruption and conflicts of interest in relationships with third parties" of the Non-Financial Information Statement.

2.1.3.3 Prevention of money laundering and financing of terrorism

This point is described in Challenge 5: "Ensure good business ethics – Fraud, money laundering and terrorist financing" of the Non-Financial Information Statement.

2.1.3.4 Fiscal transparency

This point is described in Challenge 5: "Ensure good business ethics – Fraud, money laundering and terrorist financing" of the Non-Financial Information Statement.

2.1.3.5 Human rights, compliance with and promotion of the fundamental ILO conventions

The guiding principles of the Global Compact

In line with its 2003 pledge to uphold the UN Global Compact, CNP Assurances makes sure that each local organisation complies with human rights laws and regulations. Following the lead of CNP Assurances, Compañía de Seguros and the Caixa Seguradora group, CNP UniCredit Vita also pledged to uphold the Compact in 2010. They renew their commitment annually. CNP Partners joined the contingent in 2018. The Caixa Seguradora group signed the United Nations PSI (principles for sustainable insurance) in 2015.

Internally, its commitment is reflected in a range of ways:

- in the integration of environmental, social and governance criteria in financial asset management strategies. Respect for human rights is one of the criteria used to select investments (see Challenge 2: "Make ESG and climate challenges part of the investment processes" of the Non-Financial Information Statement);
- in procedures that promote respect for civil rights: internal codes and regulations, agreements on the right to organise and the personal data protection policy (see Challenge 6: "Protect the personal data of policyholders and employees" of the Non-Financial Information Statement). Employees are also covered by an insurance industry collective bargaining agreement (excluding Ireland and certain categories in Argentina due to local regulations);
- in communication with employees: CNP Assurances' dedicated Human Resources Intranet informs them about their rights, and includes sections on the collective bargaining agreement, social dialogue, professional diversity and stress management. A union section on the Intranet allows the unions to communicate to staff on a continuous basis.

With regard to stakeholders, special attention is given to forced labour and child labour in the purchasing policy, with CNP Assurances and the Group's subsidiaries not directly involved (see "Be a responsible purchaser"). In addition, in supplier relations, the standard CSR clause in CNP Assurances' purchase contracts stipulates that the supplier must undertake to combat human rights violations, notably by upholding the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the conventions of the International Labour Organization.

Compliance with the ILO's fundamental conventions is reflected in our relations with suppliers and sub-contractors (see "Be a responsible purchaser"), and in the integration of societal criteria into the management of financial and real estate assets.

2.1.3.6 Lobbying

Group companies participate in their local insurance industry's professional bodies, and the international subsidiaries also attend events organised by the local French consulate, but they do not conduct any lobbying per se. The Group helps to address the challenges facing society by contributing to research and discussion, notably on the topics of retirement and long-term care in France.

CNP Assurances never acts alone. It systematically acts through industry organisations, in particular the FFA and European bodies in the insurance sector. Experts sit on its specific Committees.

None of the Group's entities makes donations to political parties.

2.1.4 Implement a responsible HR policy

CNP Assurances' HR policy is structured around approaches to job and skills management, with the goal of achieving quality of life at work in an environment of far-reaching transformations that affect both business lines and cultural and managerial benchmarks. It is a policy based on CNP Assurances' aim of being a responsible and committed employer:

- it is responsible in that the entities of CNP Assurances Group endeavour day after day to build up the skills of each of its employees, who serve and will continue to serve the Group's performance in a medium-term perspective;

- it is committed insofar as its actions are designed to match the diversity of talents, professions and people that make up the Group. The active professional equality policy is used to train young people, to help people with disabilities enter the workforce and to promote greater gender equality within teams.

It is applied practically through:

- talent and skills development;
- the establishment of a work environment conducive to well-being and performance, as well as the professional equality policy;
- dynamic workforce management;
- a motivating remuneration policy, compatible with the notions of "Fit" and "Proper".

2.1.4.1 Talent and skills development

This point is described in Challenge 7: "Attract and develop talent, develop skills" of the Non-Financial Information Statement.

2.1.4.2 Establishment of a work environment conducive to well-being and performance, professional equality policy

This point is described in Challenge 8: "Undertake to offer favourable working conditions" of the Non-Financial Information Statement.

2.1.4.3 Human Resources planning – dynamic workforce management

Number of employees in the Group

The CNP Assurances Group * had a total of 5,243 employees at 31 December 2018, representing an increase of 1.4% compared with 2018.

Employees by undertaking	Country	2018	2017	2016
CNP Assurances	France	2,870	2,908	2,992
Caixa Seguradora Group	Brazil	1,446	1,384	1,179
CNP UniCredit Vita	Italy	171	171	170
CNP Cyprus Insurance Holdings	Cyprus/Greece	307	291	284
CNP Partners	Spain, Italy, France	202	204	204
MFPrévoyance	France	75	73	75
CNP Santander Insurance	Ireland, Italy	91	80	61
CNP Assurances Compañia de Seguros	Argentina	81	60	62
CONSOLIDATED TOTAL – GROUP *		**5,243**	**5,171**	**5,027**

* Excluding CNP Europe Life and CNP Luxembourg

At CNP Assurances, the Human Resources planning process, promoted by a company agreement, is behind a number of HR policies, in terms of both employment management and the development of skills and career paths. In 2018, the number of CNP Assurances employees on permanent contracts declined 1%. The reduction in the number of permanent employees at CNP Assurances results from contrasting trends as part of attentive management of the workforce:

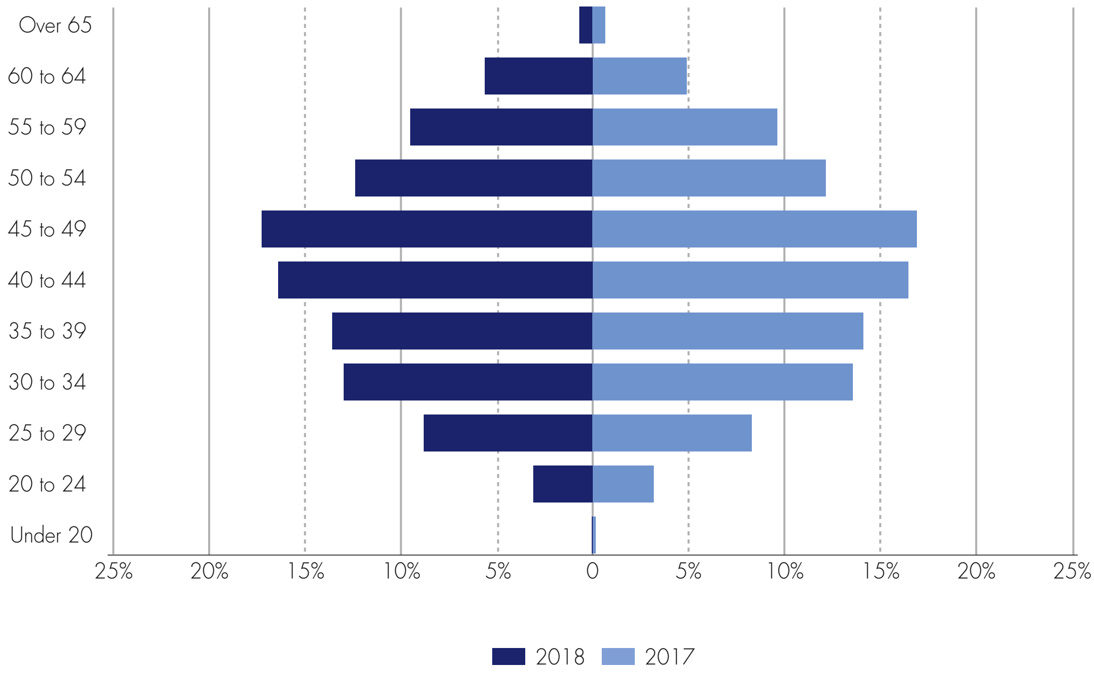
- a persistently sizeable number of retirements in view of the age structure and changes in regulations relating to pensions;
- vigilance in replacing people who leave, depending on transformations within the Company, in a constrained and swiftly changing economic environment;
- an enduringly active policy of internal mobility, with most vacant positions filled by internal candidates;
- external hires targeted on skills that are lacking (commercial, regulatory and digital), focusing wherever possible on the rejuvenation of the age pyramid, thereby enhancing the Group's capacity to continue growing in a manner consistent with its strategy.

Further progress was made in the process begun in 2017 of reducing the use of temporary work, with a significant reduction in 2018 (-8%) bringing the total reduction to nearly a third of the volume over two years.

Caixa Seguradora data include its Previsul subsidiary from 2017, which explains the increase in its workforce between 2016 and 2017. For CNP Santander Insurance, the increase reflects business growth.

	2017	2018	Change	Level of coverage
Percentage of employees with permanent employment contracts	96%	96%	0%	100%
Percentage of women	59%	59%	0%	100%
Average age of permanent employees	42.5 years	43.5 years	+1 year	100%

Almost all employees (98%) are covered by local insurance industry collective bargaining agreements.



82 Caisse des Dépôts employees are on secondment at CNP Assurances. Managers represent 64.4% of the workforce. The average length of service within the Group is 13 years, identical to that of 2017.

With the permanent employee age pyramid showing a mean age of 47 years, CNP Assurances strives to ensure both youth employment and the retention of older workers in their jobs. The share of young people in the workforce is changing slowly, while the rate of employees over 55 has reached 23%. Over the last three years, 99 employees have enjoyed end-of-career measures introduced in the Human Resources planning process.

A targeted hiring policy for CNP Assurances

For several years, the employment policy has been focused on promoting internal mobility. Its twofold aim is to combine the need to manage the workforce, while at the same time capitalising on knowledge and expertise, with a determination to promote inspiring internal career paths. It results in the vast majority of vacancies being filled with skills available internally, putting the focus for external recruitment on new skills (high-end commercial, digital skills) or those required to meet mounting regulatory requirements. Most of the permanent positions open to external recruitment concerned customer-facing professions, as well as actuarial and financial functions.

Internal mobility is bolstered by support for employees in the development and implementation of their career plans, in particular through the pursuit of a degree (see Challenge 7: "Attract and develop talent, develop skills" of the Non-Financial Information Statement). Mobility involving job changes or significant skills upgrades is facilitated by personalised training courses.

INCREASED HIRING AT GROUP LEVEL

	2017	2018	Change	Level of coverage
Number of new hires	527	653	+24%	100%
Percentage of new hires with permanent employment contracts	66%	70%	+6%	100%

2.1.4.4 Remuneration

Average gross salary by country (permanent employees)	2017	2018	Change
France *	€64,522	€64,770	+0.4%
Brazil	R$94,038	R$89,897	-4%
Italy	€57,918	€57,725	-0.3%
Cyprus/Greece	€33,550	€38,842	+16%
Spain	€51,712	€52,426	+1.4%
Ireland	€70,165	€70,351	+0.3%
Argentina	ARS 640,606	ARS 690,544	+7.8%

* CNP Assurances and MFPrévoyance.

At CNP Assurances, €7,033,436 was paid out under the discretionary profit-sharing plan in 2018, €20,946,471 under the statutory profit-sharing plan, and €396,907 in profit-related bonuses to seconded civil servants. All CNP Assurances and MFPrévoyance employees are covered by supplementary health and death/disability insurance, a separate long-term care insurance policy and a life insurance/pension plan with matching employer contributions. They are also eligible to participate in a "time savings account" and to invest in a PERCO voluntary pension plan.

At the end of 2018, CNP Assurances employees (excluding seconded civil servants) had invested €168,167,462 in employee savings and PERCO plans. A total of 1,316 employees held registered shares, of whom 1,379 via the employee savings plan, representing 0.20% of share capital.

Since 2017, the Group's compensation policy has incorporated the "Fit" and "Proper" standards laid down in the Solvency II directive.

2.1.5 Develop social initiatives in the field

The fifth commitment for a sustainable society is reflected in the actions taken locally by CNP Assurances Group.

2.1.5.1 Pursue local development through a responsible policy of corporate philanthropy and outreach partnerships

Corporate philanthropy is carried out in partnership with non-profits, NGOs and local authorities in France for the implementation of projects that are carried out partly by employees. Employees in Brazil, Italy and Spain also take part in organising corporate philanthropy initiatives.

Day-to-day support

This commitment is reflected in the Group's investments and in support initiatives in the areas where it operates.

Through its investments

CNP Assurances stepped up the pace of its support for SMEs significantly in 2016 with the OPEN CNP project, and by supporting SME loan funds and NovESS funds designed to help companies in the social and solidarity economy. The NovESS project and the Hemisphere fund, funded in part by CNP Assurances, also include the creation of a tool for measuring social impact.

It is also involved in the Cités Partenaires II Business Angels investment fund dedicated to helping entrepreneurs from disadvantaged areas.

Through support initiatives sponsored locally

Since 2015, CNP Assurances has also been supporting Our Neighbourhoods Have Talent (NQT), an association formed to provide individual and effective support to young graduates looking for employment. The mobilisation of the internal network of sponsors helped provide support for nearly 100 young people from priority neighbourhoods or disadvantaged backgrounds in their search for a job, allowing 40 of them to sign an employment contract.

As mentioned above, CNP Assurances is also a founding member of the Entrepreneurs de la Cité foundation.

Caixa Seguradora is heavily involved in the Jovem de Expressão programme, which develops community-based communication and youth health initiatives within its outreach programme. Its flagship achievement since 2017 has been the creation of a co-working space for young people designed to foster entrepreneurial opportunities.

It has also provided several years of support for people with AIDS, as well as prevention initiatives aimed at young people. It has continued its programme of raising awareness among young people about sustainable development goals. In 2018 Caixa Seguradora supported women victims of sexual violence by drafting an assistance protocol with the Brazilian Public Security Forum. A high level of cultural and artistic patronage completes the many actions taken by Caixa Seguradora. And the Caixa Seguradora Institute, which oversees private social investment, has cooperation agreements with UNODC (United Nations Office on Drugs and Crime) and a service contract with NGO Iniciativa Verde.

In 2015, CNP Assurances Compañía de Seguros partnered its Multiplicar programme with Comedor la Esperanza, an association working in the poor neighbourhoods of Buenos Aires, providing ongoing donations of school supplies. This year, it trained its sales partners in this cause.

In 2018, CNP Partners launched the CNP Start programme, which supports entrepreneurs through help, advice, offering accommodation and funding. More broadly, CNP Partners sponsors an association working with people with intellectual disabilities, their families and loved ones.

CNP Cyprus Insurance Holdings supports local actions for road accident and fire prevention.

Lastly, 43 employees of CNP UniCredit Vita participated in the new skills sponsorship programme in support of an association helping adolescents (tutoring, creative activities).

Local employment

CNP Assurances has been providing employment in its host regions for close to a century: 92% of CNP Assurances employees work on either the Paris, Arcueil or Angers premises. Expatriate workers represent 0.6% of the headcount at international subsidiaries. These companies also participate in their local job markets, including for senior management positions: at 31 December 2018, 59% of Executive or Management Committee members had been hired locally.

Training/research

As part of its philanthropic activities, CNP Assurances finances the Risk Foundation's "Demographic Transitions, Economic Transitions" chair.

CNP Assurances maintains regular contact with schools and training centres in connection with its business (actuarial, insurance, finance, etc.), and helps fund structures including ISUP, IFPASS, Université Paris-Dauphine and ADAPT through the apprenticeship tax.

2.1.5.2 CNP Assurances Corporate Foundation: two big commitments to health

CNP Assurances made a significant commitment in 2018 in favour of public health through its corporate foundation. Extended for three years, its new €2.4 million multi-year action programme is devoted exclusively to the projects it supports in two areas:

A foundation aimed at helping reduce social inequalities in healthcare

By promoting prevention and better health and acting on its social determinants, the Foundation aims to help foster better living and health among young people at risk of social vulnerability. In this context, the Foundation has adopted a dynamic approach to the joint development of national projects with partner organisations such as Unis-Cité, Bibliothèque Sans Frontières, FAGE and the Alliance for Education (*Alliance pour l'Éducation*) and the Foundation for Vocation (*Fondation pour la Vocation*).

The CNP Assurances Corporate Foundation, BSF and the Boulogne-sur-Mer intercommunal authority established the Health Ideas Box in 2018. The authority uses this innovative prevention mechanism to offer young people, primarily from priority neighbourhoods in the urban policy, activities centred on "affective and sexual relations" and "happiness and unhappiness".

A foundation committed to the treatment of cardiac arrest

Since 2009, the CNP Assurances Corporate Foundation has initiated and provided support for projects emanating from French local authorities wishing to install defibrillators in public places and to provide first aid training to larger numbers. Support of this nature for all these years has to date served to fund the installation of more than 4,100 defibrillators and public awareness campaigns on the importance of first aid in more than 2,800 cities and towns.

A foundation close to CNP Assurances employees

For several years, the CNP Assurances Corporate Foundation has also looked for projects in which CNP Assurances employees can become personally involved (16 projects in the areas of social inequalities in respect of healthcare, education and disability in 2018).

In addition, several volunteer employees took part this year in the Tremplins Unis-Cité Île-de-France project to help young people in civic service get the most of their experience and coach them in showcasing their period of community commitment.

Similarly, under the glass roof of the Grand Palais on 24 May 2018, CNP Assurances Corporate Foundation, along with several employees, stood up alongside the Paris City Council, AJILA, an NGO, the Paris Academy and paramedics to teach more than 5,000 Parisian pupils the basics of first aid in an operation dubbed "All Young People Have a Heart 2018".

"LET'S MOVE TOGETHER FOR A CAUSE": GROUP EMPLOYEES SUPPORT THREE NGOS WHILE TAKING A STAND FOR THEIR OWN HEALTH

"Let's Move Together for a Cause" is the Group's first solidarity challenge. It aims to encourage employees to do more exercise by giving them a chance to raise money for associations fighting inequalities around the world in the process. On 14 October 2018, employees from the eight participating countries (Argentina, Brazil, Colombia, France, Ireland, Italy, Luxembourg, Spain) embarked on their goal of walking a combined 40,000 km, the equivalent of walking right around the world.

It was a phenomenal success: in just two weeks, the initial goal was almost doubled, with the 1,147 participants covering nearly 77,400 km. Their outstanding commitment raised €30,000 for three associations fighting inequality in the world: Action against Hunger, Oxfam and Plan International.

2.2 Contribute to a sustainable environment

Every year, when renewing their membership of the UN Global Compact, CNP Assurances and its main signatory subsidiaries confirm their determination to manage their impact on the environment.

The Group's commitment to its surrounding environment is reflected in a number of concrete measures: the implementation of environmental policies, exhaustive reporting on its environmental footprint and the annual follow-up on greenhouse gas emissions.

The CNP Assurances Group is committed to supporting the ecological and environmental transition towards an economy that does not deplete natural resources, either in terms of the Company's own management (digitisation, operating buildings), more passively (through relationships with policyholders) or through its financial assets.

Its commitment in this area is based on:

- monitoring the environmental impact of the Group's business;
- taking actions to reduce it.

2.2.1 Monitoring environmental impact

2.2.1.1 Greenhouse gas emissions audit

CNP Assurances' greenhouse gas emissions

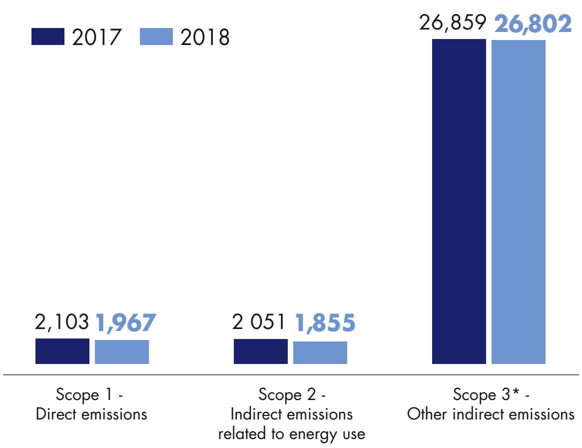
CNP Assurances is required to audit its greenhouse gas emissions pursuant to the provisions of Article L.229-25 of the French Environment Code.

The provisions laid down in this article are available at www.bilans-ges.ademe.fr.

The baseline emission factors used in the audit are those contained in version 15.0 of the ADEME methodology. Version 15.0 saw the update of various energy emission factors, which reduced CNP Assurances' greenhouse gas emissions by less than 1%.

CNP Assurances has also reported its greenhouse gas emissions to the Carbon Disclosure Project since 2005.

CNP ASSURANCES GREENHOUSE GAS EMISSIONS AUDIT *(IN TEQCO$_2$)*



* Excluding financial assets.

Scope 1 and Scope 2 emissions are immaterial. Even after optimisation efforts, they are inevitably volatile: lower direct GHG emissions (Scope 1) are the result of replacing gas heating with geothermal energy at the Arcueil site. The slight decline in indirect energy-related emissions (Scope 2) is attributable in part to changes in weather conditions, but also to continued energy efficiency work.

Other indirect emissions (Scope 3, excluding financial assets) were stable.

Major emissions sources at CNP Assurances	2018 emissions for CNP Assurances	Share in total emissions	Level of uncertainty
Purchase of services and provision of intellectual services (Scope 3)	15,290 teqCO_2	50%	High (>50%)
Computer hardware (Scope 3)	3,463 teqCO_2	11%	Average (20-50%)
Business travel (Scopes 1 and 3)	2,847 teqCO_2	9%	Low (<20%)
Energy (Scope 2)	1,855 teqCO_2	6%	Low (<20%)
Paper (Scope 3)	539 teqCO_2	2%	Average (20-50%)
TOTAL		**78%**	

Other than the proportion attributable to the purchase of services and the provision of intellectual services, the key sources of CNP Assurances' emissions are the use of computer hardware, business travel and the consumption of electricity and paper. These sources of emissions are consistent for a company operating in the service industry.

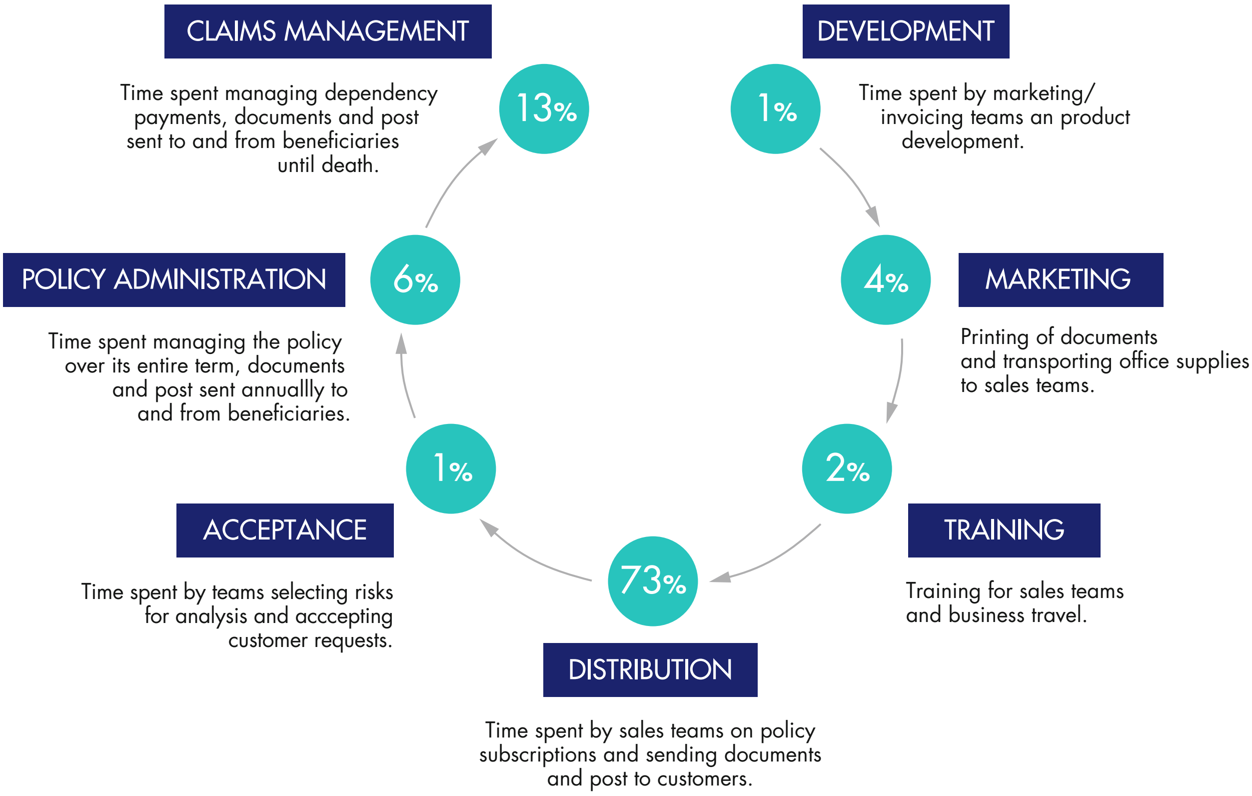
Caixa Seguradora group's greenhouse gas emissions

The Caixa Seguradora group's carbon footprint, measured as regards emissions related to business travel and buildings (based on the GHG Protocol), totalled 1.79 tonnes of CO_2 equivalent per employee. Air travel was the main contributor. With its emissions offset by reforestation in the Atlantic forest carried out with Iniciativa Verde, Caixa Seguros Holding has earned Carbon Free certification for several years in a row.

2.2.1.2 Studies on the environmental impact of an insurance producnt

Lifecycle analysis of an insurance product

The estimated cradle-to-grave greenhouse gas emissions associated with a death and disability insurance product were revised in 2015, in line with the carbon analysis method®. For example, a Trésor Prévoyance Garantie Autonomie policy generates 22 kilograms of CO_2 over its lifetime, as follows:



We used the results of this analysis to set priorities for action, resulting in ongoing work to reduce the environmental footprint of our internal operations, and to promote paperless solutions and online tracking.

2.2.2 Actions implemented to reduce environmental impacts

2.2.2.1 Travel

Car travel is a big part of CNP Assurances' carbon footprint. As the potential economic and environmental gain is significant, practical training courses on road risks and bad driving were offered to all employees in the commercial network in 2017, and then again in 2018. A specific one-day module (road risks, driving in an emergency situation and bad driving) is also followed by all new employees of the network.

Development of videoconferencing

CNP Assurances' videoconference equipment has been extended to personal computers and smartphones.

Since 2013, CNP UniCredit Vita has included tracking indicators for video and audioconferencing hours, as well as for air and train travel, in its quarterly report presented to the Management Committee.

BUSINESS TRIPS AT GROUP LEVEL

	2017	2018	Change	Level of coverage
Million km travelled by plane	19.0	15.6	-18%	95%
Million km travelled by train	2.8	3.1	+10%	93%
Million km travelled by car	9.7	13.8	+42%	86%

Use of air travel has been reined in widely across the CNP Assurances Group (CNP Assurances, Caixa Seguradora, CNP Partners and CNP UniCredit Vita).

CNP Assurances is the main source of travel by train, with more than a third made up of trips between its main sites in Paris and Angers. CNP Assurances has prepared a written travel policy, providing a framework for employee practices to reduce the impact on the environment, while continuing to ensure the comfort and safety of travellers.

CNP Assurances encourages the use of public transport. Taxis can be used under certain conditions, and in this case, hybrid vehicles have been given priority by the booking office since May 2013. Hybrid vehicles accounted for an average of 47% of taxi journeys over the last two years.

All data concerning business travel by car for the Caixa Seguradora group were consolidated this year, which explains the 30% increase in the number of kilometres driven by car.

CNP UniCredit Vita continues to raise awareness among its employees (train vs plane or public transport), and offers them annual public transport subscriptions at a reduced rate. This system was extended to all of Lombardy in 2018. In addition, CNP UniCredit Vita has now replaced a motorised courier by a service using bicycles for letters, documents and small parcels in the Milan area.

In Argentina, a special focus was placed on sustainable mobility – particularly bicycles – in 2017, with the provision of bicycle protection and road safety kits.

2.2.2.2 Operating buildings

Controlling energy consumption

CNP Assurances' energy consumption reflects heating, cooling and office equipment used by employees and computer servers. Electricity is the main form of energy used.

	2017	2018	Change	Level of coverage
Electricity consumption	21.9 million kWh	22.4 million kWh	+3.8%	97%
Gas consumption	1.47 million kWh	1.36 million kWh	-5.0%	97%
Fuel oil consumption	17,286 litres	11,640 litres	-33%	97%

For the heating of CNP Assurances' Paris offices, 4.68 million kWh from Compagnie Parisienne de Chauffage Urbain (CPCU) were added in 2018. Fuel oil use only concerns power generators at major sites in France. It is rare and not material. The change in electricity consumption in 2018 is attributable in large part to a particularly hot summer in France, resulting in more extensive use of cooling units.

CNP Assurances has adopted energy-saving measures designed to help buildings operate more efficiently. For example, improving how heating (French sites except Arcueil), air conditioning and ventilation systems are controlled requires the expert management of programmable time settings.

A specific initiative was taken in 2017 to reduce electricity consumption when buildings are empty. It came in response to the conclusions of the energy audit carried out in 2015. One aspect involved replacing existing lighting by LED systems and installing presence detectors. This policy will continue in the years to come. Moreover, when extra meeting rooms are created, the addition of a CO_2 sensor enables the air conditioning system to adjust itself depending on the number of employees present.

CNP Assurances also ensures that routine maintenance work includes a search for greater energy efficiency. The most energy-efficient option is always taken when replacing technical equipment. This ongoing aim of reining in the environmental impact is what guides CNP Assurances' work on its sites.

Significant work has been carried out to reduce energy use. For example:

- as part of a comprehensive plan to reduce energy costs at the Saint-Serge building in Angers, and on the basis of the energy performance assessment, a four-year programme (2014-2019) began with renovation work on the refrigeration system. It guaranteed compliance with regulations via the removal of R-22 fluid and the replacement of open air-cooling towers, which consume large amounts of water, with closed towers, which, by virtue of their design, do not consume water;
- a new stage of the project began in 2016. The renovation of air handling units is now underway, using the principle of heat recovery for office areas. In 2018, three floors were completely renovated. Regulatory equipment is being replaced as part of the renovation of the building management system. The renovation also includes the addition of meters and new instruments allowing energy consumption to be tracked more accurately. This will contribute to improving the energy performance of the Saint-Serge site in Angers;
- at the same time, temperature control and function control equipment is being replaced. Information of this nature is collated in a management system that allows the building's energy performance to be maintained over time. In 2018, the replacement covered six floors of CNP Assurances' building in Paris Montparnasse;
- as part of the multi-year works programme, the renovation of the control system continued, with the installation of new terminal units to control fan convectors and the replacement of flexible heating water supply pipes on six floors as part of work to stop water leakage.

For the data centre in France, the increase allowed in the temperature in the server rooms improved the energy performance indicator slightly compared with its 2017 level (1.56, vs 1.57 in 2017). Developed by Green Grid, this indicator measures a data centre's energy efficiency. It is calculated by dividing the centre's overall consumption by the consumption of IT equipment (server, storage, network).

Lastly, as part of a virtuous mobility incentive, four electric-vehicle charging stations were installed in the car park of the Company's headquarters. In view of the success, four additional stations will be installed in 2019.

In 2018, work was done to replace an extinguisher using a halogenated gas harmful to the ozone layer (FM200) with one using a neutral gas (nitrogen). A total of 1,790 kg of FM200 gas was recycled.

In addition, water leak detection systems were installed in two of the buildings comprising CNP Assurances' Paris Montparnasse premises.

CNP Assurances' subsidiaries have also gradually adopted measures to reduce electricity use, notably for lighting, heating and IT servers.

At the end of 2014, the Caixa Seguradora group moved its headquarters to a more energy-efficient building equipped with presence detectors, LED lighting, glass façades (less artificial light) and a more efficient air conditioning system.

CNP Assurances Compañía de Seguros' buildings were renovated in 2015 and 2016. They are now more open, more user-friendly and more energy efficient. New features include natural light, LED bulbs, double glazed windows and doors, and a more efficient air conditioning/heating system.

CNP UniCredit Vita completely overhauled its lighting system by installing energy-saving LED lamps in all offices at its headquarters, as well as presence detectors to automate the lighting system in some locations.

In addition, awareness campaigns have been carried out for employees across the Group's entities (see 6.4.5 – Building employee awareness of sustainable development issues through training).

Renewable energy

Since 2017, CNP Assurances' Arcueil site has been heated by geothermal energy, which completely eliminated gas consumption.

The installation of photovoltaic panels on the roof of Caixa Seguradora's headquarters has resulted in the establishment of a renewable energy plant that generated 115.05 MWh.

THE KNOCK-ON EFFECT OF DIGITISATION: REDUCING THE ENERGY CONSUMPTION OF DATA CENTRES AND WORKSTATIONS

Data centres and workstations are two key features of the digital transformation, and it is vital that we remain vigilant about their energy consumption.

The regular renewal of computer hardware by replacing desktop PCs with mini PCs as well as gradually providing employees with latest generation laptops help reduce power consumption.

Computer servers become more energy efficient with each generation: new equipment has the Energystar Label.

Virtualisation has also been widely adopted, not only on servers, but also on storage systems and CNP Assurances networks. This technique of separating IT services from the physical systems that supply them increases the efficiency of the information system (fewer resources consumed for the same service).

It is also important to remember that server cooling consumes a large amount of energy. CNP Assurances is taking initiatives to optimise the circulation of data centre airflows (urbanisation of IT rooms), while progressively equipping its equipment with smart power distribution units to monitor energy consumption.

WATER CONSUMPTION AT GROUP LEVEL

	2017	2018	Change	Level of coverage
Water consumption in cubic metres	63,111	75,312	+19%	97%

The analysis of local constraints on the Group's water consumption by the Aqueduct Water Risk Atlas (World Resources Institute) shows that 2% of water is consumed in extremely high stress zones, 1% in high stress zones, 52% in medium to high stress zones, 4% in low to medium stress zones and 41% in low stress zones. See the definition of zones and the methodology used by the WRI on its website: https://www.wri.org/our-work/project/aqueduct.

The headquarters of Odonto, a Caixa Seguradora subsidiary, is located in a building with a system that reuses wastewater.

CNP UniCredit Vita has also started working with Water With a Mission, a supplier that sells bottled water with the aim of guaranteeing access to water for all by funding well construction in Senegal.

WASTE MANAGEMENT AND COMMITMENT TO CIRCULAR ECONOMY IN THE GROUP

	2017	2018	Change	Level of coverage
Proportion of employees with access to waste sorting	97%	97%	0%	97%
Tonnes of waste paper and cardboard recycled	213	176	-17%	80%

Waste-sorting systems allow Group entities to recycle printer cartridges and paper used in offices for internal purposes. The financial gains of recycling are donated to NGOs in France.

The CNP Assurances recycling system was extended in 2011, with the addition of a dedicated process for office furniture. Used batteries and light bulbs are collected at the Group's main sites.

Computer hardware is another major source of waste. Most Group entities regularly donate their computer hardware to NGOs.

In 2017, CNP Assurances equipped its smoking areas with "cyclopeur", cigarette bins designed to reduce pollution by allowing cigarette butts to be recycled into cellulose sheets used for outdoor furniture.

Caixa Seguradora's move into a new building in late 2014 provided an opportunity for a diagnostic review of waste management. A collection of electrical and electronic waste was established at Caixa Seguradora in 2018.

CNP UniCredit Vita has set up a plastic bottle compaction system, including caps, in one of its communal areas.

Pollution

Given the nature of its business, CNP Assurances causes no water or soil pollution, and emits very few greenhouse gases other than CO_2. In the management of its woodland assets, it uses techniques that prevent soil erosion and ensure water filtration and purification.

2.2.2.3 Office supplies and paper

Consumption of office supplies

CNP Assurances' operations are entirely in the field of insurance. As with other financial services, paper is the principal raw material used. To that end, numerous initiatives have been implemented within the Group's entities over recent years to reduce the volume of paper consumed.

A REDUCTION IN GROUP-WIDE PAPER USE FOR INTERNAL OPERATIONS

	2017	2018	Change	Level of coverage
Paper consumption (equivalent A4 sheets)	130 million	129.7 million *	-1%	97%
Proportion of paper certified environmentally sustainable	90%	88%	-11%	97%

* Estimate

The mobilisation of employees, the introduction of new equipment (multifunction printers, dual screens, etc.) and digitisation of contractual documents are gradually reducing the Group's total paper consumption each year.

But the reduction was limited in 2018 due to major communication campaigns targeting policyholders following the entry into force of the General Data Protection Regulation in Europe.

It should be noted that the switch to paperless systems enabled MFPrévoyance to reduce its internal paper consumption by more than 35% in 2018.

Similarly, CNP Assurances Compañía de Seguros' paper consumption has fallen significantly following the digitisation of seven internal processes and a series of exchanges with the Argentinian Insurance Supervisory Authority.

Moreover, 88% of paper used by the Group has a sustainable management label such as FSC, PEFC or EU Ecolabel.

2.2.2.4 Preserving biodiversity

CNP Assurances had 57,090 hectares of forests at the end of 2018, which benefited from sustainable forest management by Société Forestière. Preservation of biodiversity is one of its management objectives and each year, it carries out actions in favour of biodiversity. It regularly strives to maintain dead trees in forests, whether they are still standing or have fallen. Dead trees are home to very specific biodiversity – more than a quarter of animal and fungal forest species – and are of major interest for scientists and NGOs working to protect nature.

These actions are paying off, with the additional benefit of allowing the identification and conservation of trees or other remarkable features. For instance, the launch in 2018 of a census of these features will help build up a geographical database aimed at preserving them from any exploitation. New elements identified in 2018 include a giant anthill in Montorge forest inhabited by red ants, which have a fundamental role in forest ecosystems. They play a direct part in regulating certain insect pests in the forests they feed on.

Caixa Seguradora has joined the "Aliança Cerrado" Forum, in partnership with two Brasilia-based NGOs fighting for the protection of biodiversity and water reserves in the Cerrado region (Brazilian savannah).

2.3 Contribute to a sustainable economy

Our Group's primary financial responsibility is to secure the commitments made to policyholders. The second is to guarantee a steady, optimised performance year after year. In line with the belief that including socially responsible investment criteria in the investment selection process optimises the yield-to-risk ratio over the long term, ESG screens have for many years been applied to the majority of CNP Assurances' assets and those of its French subsidiaries.

This commitment also applies to our suppliers. CNP Assurances has launched an assessment and improvement programme to steadily improve its suppliers' CSR performance.

The commitment for a sustainable economy is broken down according to two priorities:

- be a responsible investor;
- be a responsible purchaser.

2.3.1 Be a responsible investor

This point is addressed in Challenge 2: "Make ESG and climate challenges part of investment processes" of the Non-Financial Information Statement.

2.3.2 Be a responsible purchaser

CNP Assurances' CSR principles are also put into practice by the Purchasing department. All buyers are made aware of CSR standards, and most of them receive training in this area. The Group's Ethical Purchasing Charter and the code of ethics govern purchasing practices.

Societal and environmental clauses in contracts

The main calls for tenders and consultations include a CSR component, and the assessment on this aspect is a determining criterion. CNP Assurances' "The 2018 CSR essentials" brochure is part of the consultation files provided in the E-Purchasing application.

Having pledged to uphold the United Nations Global Compact, CNP Assurances systematically promotes its commitment to human rights among subcontractors and suppliers. Agreements include contractual clauses to protect workers.

The Caixa Seguradora group also includes CSR clauses in its supplier contracts based on the Global Compact principles (ILO, the fight against organised crime and drug trafficking, the environment, combating fraud and money laundering).

CSR assessment of suppliers

Nearly all of CNP Assurances' suppliers of goods and intellectual or other services are based in France.

To monitor the environmental, social and ethical performance of its suppliers in overall terms, CNP Assurances has formed a partnership with EcoVadis, which performs a CSR assessment of key suppliers. Information is compiled on a collaborative platform that includes 150 business sectors and 95 countries.

Following the audit, suppliers receive detailed feedback on their CSR practices, including a rating in four categories (environment, social, ethics, and responsible purchasing), plus a list of their strengths and areas for improvement.

The main suppliers in the Top €200k (suppliers deriving more than €200 thousand in revenue including VAT from CNP Assurances, representing a total of approximately 250) are subject to an EcoVadis assessment. In 2018, 110 suppliers representing 55% of total purchases were assessed. The average of the evaluations is 58.8/100 for these 110 suppliers, well above the average of the companies rated by EcoVadis. The main tendering and referencing processes launched via the internal purchase monitoring application (*E-achat*) result in an application for EcoVadis rating, which is one of the criteria on which tenders are scored.

3. Methodological note on the annex for labour, social and environmental information

This annex was prepared on the basis of the CSR data collection process described in the Non-Financial Information Statement (methodological note).

The scope for water and energy use includes the facilities in Paris, Angers and Arcueil, but excludes regional offices (1,800 sq.m); this corresponds to 92% of CNP Assurances' employees.

The level of coverage of the indicators provided in the tables represents the workforce of entities included in the calculation of the indicator divided by the total workforce of the consolidated Group, excluding CNP Europe Life, CNP Luxembourg, the Danish branch and the Colombian sub-subsidiary of the Caixa Seguradora group. It therefore covers a total of 98.4% of the consolidated Group's employees at 31 December 2018.

For the energy consumption of CNP Assurances' Paris sites (electricity, heating, CPCU, gas and fuel oil), flows are measured over 12 rolling months from 1 November 2017 to 31 October 2018.

For business travel, flows are measured over 12 rolling months from 1 October 2017 to 31 October 2018.

Estimates have been used for certain environmental data where more exact information is not available (for instance, when consumption is included in the rental charges). This applies in particular to water and energy consumption data for buildings, which are sometimes estimated on a pro rata basis based on the number of square metres (Arcueil site).

8

ADDITIONAL INFORMATION

8.1 General information

8.1.1 Name, headquarters, Trade and Companies Registry number and APE business identifier code

CNP Assurances

4, place Raoul Dautry

75716 Paris Cedex 15, France

Paris Trade and Companies Registry number 341 737 062 – APE business identifier code: 6511 Z

LEI code: 969500330J87723S1285

Phone: +33 1 42 18 88 88

8.1.2 Legal form and governing law

CNP Assurances is a French *société anonyme* (joint-stock company) created in its current legal form by French Act No. 92-665 of 16 July 1992 adapting insurance and credit legislation to the single European market.

The General Meeting of 10 July 2007 approved a change in CNP Assurances' governance structure, replacing the two-tier structure with a Supervisory Board and an Executive Board by a new governance structure with a Board of Directors only.

CNP Assurance's activities are supervised by the French banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR). As a company whose shares are traded on NYSE Euronext Paris, CNP Assurances is also supervised by the French securities regulator (*Autorité des Marchés Financiers* - AMF).

8.1.3 Date of incorporation and term of CNP Assurances

The origins of the Company date back to 1850 when the National Insurance Funds (*Caisses nationales d'assurance*) were founded. CNP Assurances was created in 1959 and was given the status of a public industrial and commercial establishment (*Établissement public à caractère industriel et commercial* – EPIC) by French Decree No. 87-833 of 12 October 1987. Its current status, that of a *société anonyme d'assurances*, results from Act No. 92-665 of 16 July 1992 (Official Journal of 17 July 1992). CNP Assurances is a public sector company.

The Company was incorporated for a term of 99 years ending on 15 July 2086.

8.1.4 Corporate purpose (Article 2 of the Articles of Association)

"CNP Assurances' corporate purpose is to:

- *write life and endowment insurance;*
- *write accidental injury and health insurance;*
- *hold majority interests in insurance companies.*

For this purpose, it may:

- *hold stakes in companies whose business activities may assist it in performing the corporate purpose;*
- *more generally carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance."*

8.1.5 Financial year

1 January to 31 December (calendar year).

8.1.6 Participation in General Meetings

8.1.6.1 Provisions of the Articles of Association (extract from Article 26 – General Meetings)

"1. General Meetings are called and held in accordance with the conditions set down by law. Meetings take place at the Company's headquarters or at any other venue indicated in the notice of meeting."

8.1.6.2 Shareholder participation in General Meetings

All shareholders may participate in General Meetings. They may attend the meeting in person, vote by post or give proxy to any individual or legal entity of their choice (Article L.225-106 of the French Commercial Code [*Code de commerce*]).

The rules governing shareholder participation and voting in General Meetings are set out in Article 26 of CNP Assurances' Articles of Association. The notices of meeting published by the Company in the French Legal Gazette (*Bulletin des annonces légales obligatoires* – BALO) prior to each General Meeting also explain how to participate and vote in the Meeting.

In accordance with Article L.225-123 of the French Commercial Code, double voting rights are awarded to fully paid-up shares registered in the name of the same holder for at least two years. The double voting right is automatically lost when the shares are converted to bearer form or sold or transferred, except in the specific cases provided for by law.

Formalities to be completed in advance of the meeting

In accordance with Article R.225-85 of the French Commercial Code, shareholders wishing to participate in the General Meeting are required to provide evidence of ownership of shares recorded in a securities account in their name or in the name of the bank or broker registered as their representative, by 12:00 a.m. CEST on the second business day preceding the date of the meeting.

- For holders of shares registered in their name or that of the bank or broker registered as their representative, the entry in the CNP Assurances' share register as provided for above is sufficient to permit their participation in the meeting.
- Holders of bearer shares are required to obtain a certificate of ownership ("*attestation de participation*") issued by the bank or broker that keeps their securities account, as provided for above. This certificate must be attached to the postal voting form or to the application for an admission card prepared in their name or in the name of the bank or broker registered as their representative. Evidence of their ownership of shares is therefore provided by the bank or broker that keeps their securities account, who will be responsible for issuing their certificate of ownership.

  This share ownership certificate issued by the bank or broker must be attached to the postal voting form, the request for a share ownership certificate from holders of bearer shares wishing to participate in the General Meeting by Internet, the proxy form or the application for an admission card sent by the bank or broker, to Caceis Corporate Trust, Service Assemblées Générales – 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

8.1.6.3 Documents and information made available to shareholders

The documents and information relating to CNP Assurances, including the Articles of Association, the annual and consolidated financial statements, all reports and documents relating to the Company for the year ended 31 December 2018 and prior years, are made available to shareholders at CNP Assurance's headquarters in accordance with the applicable legal and regulatory provisions. The Registration Documents of CNP Assurances, filed with the AMF for each of the last five financial years, the Interim Financial reports and the Group's results presentations and outlook are accessible on the Company's website.

8.1.7 Existence of disclosure thresholds

Form, rights and transfer of shares (Articles 11, 13 and 14 of the Articles of Association)

CNP Assurances' Articles of Association are available on the Company's website at www.cnp.fr.

Article 11 of the Articles of Association - Form and transfer of shares: share ownership disclosure thresholds.

8.1.7.1 Form of shares

"Shares may be held either in registered or bearer form, at the shareholder's discretion.

Holders of bearer shares will be identified under the conditions set out below. In accordance with the applicable laws and regulations, the Company may request from any organisation or accredited intermediary – including the share transaction clearing organisation or the intermediary registered on behalf of a shareholder not domiciled in France within the meaning of Article 102 of the French Civil Code – information about the holders of securities which convey immediate or future voting rights in its General Meetings, including their identity, nationality, address, the number of shares they hold, and any restrictions on the shares.

The shares are recorded in an account held by the Company or an accredited intermediary."

8.1.7.2 Transfer of shares

"The shares are freely transferable subject to legal and regulatory provisions and according to the conditions provided by law."

8.1.7.3 Share ownership disclosure thresholds

"Any person who, acting alone or in concert raises his direct or indirect interest in the capital or voting rights to at least 0.5%, 1% or any multiple of 1% is required to notify the Company by registered letter with return receipt requested of the total number of shares and the number of voting rights held. Said disclosure shall be made within five days of the recording in the share account of the shares that lead to this threshold being reached or crossed. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold. (…)"

Article 13 of CNP Assurances' Articles of Association – Rights attached to shares:

"1. Each share shall entitle its holder to a share of the Company's profits and net assets proportionate to the number of outstanding shares as set out below. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and these Articles of Association;

2. When it is necessary to own a certain number of shares to exercise a particular right, shareholders who do not hold the requisite number of shares shall be personally responsible for obtaining the necessary number of shares or rights, including by purchasing shares or selling shares to another shareholder."

Article 14 of CNP Assurances' Articles of Association – Transfer of rights and seals:

"The rights and duties attached to shares shall be transferred with title to the shares. Share ownership shall automatically require shareholders to comply with these Articles of Association and the decisions made at General Meetings.

The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property and documents of the Company, or that they be sold by auction or divided, nor shall they interfere in any way in the Company's administration. In order to exercise their rights, they shall refer to the Company's statements of assets and liabilities and to the resolutions of the General Meetings."

8.1.8 Material contracts

At the date this financial information was published, CNP Assurances had not entered into any material contracts other than in the normal course of business, with the exception of the agreements described in the Statutory Auditors' special report on related-party agreements.

8.1.9 Claims and litigation

On 26 July 2018, the French banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) issued a reprimand to CNP Assurances and fined it €8 million following an audit of its system to combat money laundering and the financing of terrorism.

8.1.10 Information about related-party agreements governed by Article L.225-37-4, paragraph 2, of the French Commercial Code

In 2018, the Company did not enter into any agreements governed by Article L.225-37-4, paragraph 2, of the French Commercial Code, i.e., agreements entered into other than in the normal course of business on arm's length terms, directly or through an intermediary, between (i) a director, the Chief Executive Officer or a shareholder that holds more than 10% of the voting rights at General Meetings of CNP Assurances shareholders and (ii) a company that is more than 50%-owned by CNP Assurances.

8.2 Person responsible for the information and the audit of the financial statements

Person responsible for the Registration Document

Antoine Lissowski, Chief Executive Officer of CNP Assurances

Statement by the person responsible for the CNP Assurances Registration Document

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and that the report of the Board of Directors, the content of which is listed in the "Information relating to the management report and corporate governance report" section, presents fairly the changes in the business, results and financial position of the Company and the entities included in the scope of consolidation, and that it describes their principal risks and contingencies.

I have received a letter from the Statutory Auditors, PricewaterhouseCoopers Audit and Mazars, confirming that they have verified the information about the Company's financial position and financial statements provided in this Registration Document, with the exception of the solvency-related information which they have not reviewed, and that they have read the entire Registration Document."

Antoine Lissowski

Statutory Auditors

Statutory Auditors of CNP Assurances	First appointed	Current term expires
PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine, France Represented by Bénédicte Vignon *	2010 financial year	AGM to be held to approve the 2021 financial statements
Substitute: Xavier Crépon *	2016 financial year	AGM to be held to approve the 2021 financial statements
Mazars 61, rue Henri-Regnault – Tour Exaltis 92400 Courbevoie - France Represented by Olivier Leclerc *	1998 financial year	AGM to be held to approve the 2021 financial statements
Substitute: Franck Boyer *	2010 financial year	AGM to be held to approve the 2021 financial statements

* Member of the Compagnie régionale des commissaires aux comptes de Versailles

Information policy

Person responsible for financial information

Thomas Béhar, Chief Financial Officer

4, place Raoul Dautry – 75716 Paris Cedex 15, France

Documents concerning the Company may be consulted at its headquarters

CNP Assurances

Département juridique corporate

4, place Raoul Dautry - 75716 Paris Cedex 15 - France

Phone: +33 1 42 18 88 88

8.3 Special committees for the exchange of information about CNP Assurances set up with the Company's shareholders

Information reported to shareholders subject to prudential supervision

La Banque Postale Conglomerate Committee and BPCE Supplementary Supervision Committee

CNP Assurances forms part of the La Banque Postale and BPCE financial conglomerates.

Under the regulations governing conglomerates [1], La Banque Postale and BPCE have certain risk supervision and regulatory reporting (to the ACPR and ECB) obligations. CNP Assurances has an obligation under Article L.511-34 of the French Monetary and Financial Code (*Code monétaire et financier*) to report to La Banque Postale and BPCE the information they require in order to fulfil these supervision and reporting obligations.

Special committees have been set up with La Banque Postale and with BPCE to exchange information about CNP Assurances that is needed by La Banque Postale and BPCE to fulfil their obligations under the regulations governing conglomerates.

These committees' internal rules describe the reporting process, the committees' procedures and the confidentiality rules applicable to their members.

The Conglomerate Committee set up with La Banque Postale in 2015 has up to ten members, including five La Banque Postale employees and five CNP Assurances employees. The La Banque Postale and CNP Assurances employees concerned work in their respective Finance, Risk, Internal Audit or Compliance departments.

The Committee met four times in 2018.

The Supplementary Supervision Committee set up with BPCE in 2016 has up to 12 members, including a maximum of six BPCE employees and six CNP Assurances employees. Four of the BPCE employees concerned work in its Risk department, one in the Group Strategic Budget Control department, and one in the Group Accounting department. At least one member from CNP Assurances works in the Risk department.

The Committee met four times in 2018.

Caisse des Dépôts Information Exchange Committee

CNP Assurances is included in the Caisse des Dépôts Prudential Model [2]. This Prudential Model constitutes "*the framework for identifying, measuring, managing, tracking and controlling capital adequacy based on the risks generated by the Caisse des Dépôts group's businesses*" and provides for prudential supervision of the Caisse des Dépôts group on a consolidated basis.

In 2017, a Committee was set up for the exchange of information about CNP Assurances required by Caisse des Dépôts to fulfil its legislative and regulatory obligations.

The Committee met twice in 2018.

The Committee's internal rules describe the reporting process, the Committee's procedures and the confidentiality rules applicable to its members.

The Committee has up to ten members, including five Caisse des Dépôts employees and five CNP Assurances employees. The Caisse des Dépôts and CNP Assurances employees concerned work in their respective Finance, Steering, Risk, Compliance and Internal Audit departments.

(1) Directive 2002/87 dated 16 December 2002 (as amended) on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate, transposed into French law by government order 2004-1201 dated 12 November 2004 and administrative decision dated 3 November 2014 on the supplementary supervision of financial conglomerates

(2) Article L.518-7 of the French Monetary and Financial Code

ANNEXES

Embedded Value

The report presenting the results, methods and assumptions used to determine the Embedded Value of The CNP Assurances Group at 31 December 2018 is available on CNP Assurances' website: www.cnp.fr/en/Investor-Analyst/CNP-Assurances-Results. Embedded Value (referred to both as Market Consistent Embedded Value – MCEV© and Embedded Value – EV) has been established according to the European Insurance CFO Forum Market Consistent Embedded Value© Principles.

Glossary and reconciliation tables

This glossary includes definitions of alternative performance measures (APMs) that are considered useful by CNP Assurances to measure and analyse the Group's performance. The APMs' reporting scope is unchanged from prior periods. All APMs are identified by an asterisk (*). They should be treated as additional information and not as substitutes for the balance sheet and income statement prepared in accordance with IFRS. They may not be comparable with those published by other companies, as their definition may vary from one company to another. Prudential measures determined in accordance with the Solvency II Directive and actuarial measures determined in accordance with European Insurance CFO Forum Market Consistent Embedded Value© Principles are not considered to be APMs.

Adjusted net asset value (ANAV)

Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets, other items included in the Value of In-Force business (VIF) and contingent liabilities. This indicator is net of non-controlling interests. ANAV breaks down between required capital and free surplus.

(In € millions)	**31.12.2018**	31.12.2017
Equity attributable to owners of the parent (1)	17,781	18,257
Subordinated notes classified in equity (2)	1,881	1,765
Intangible assets (3)	685	664
Items included in the Value of In-Force business (4)	1,568	1,917
Contingent liabilities (5)	1,046	0
ANAV = (1) - (2) - (3) - (4) - (5)	**12,600**	**13,911**

Administrative costs *

Costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. The calculation base includes non-controlling interests.

Annual Premium Equivalent (APE)

One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period. This indicator is net of non-controlling interests and ceded premiums. Annual Premium Equivalent is an indicator of underwriting volume.

APE margin (also referred to as new business margin)

Value of New Business (VNB) divided by the Annual Premium Equivalent (APE) Measures estimated future profits from insurance policies written during the period.

(In € millions)	**31.12.2018**	31.12.2017
Value of New Business (VNB) (1)	659	782
Annual Premium Equivalent (APE) (2)	3,090	3,316
APE MARGIN = (1)/(2)	**21.3%**	**23.6%**

Change at constant exchange rates

Indicators at constant exchange rates are calculated by translating current period data at the prior period exchange rate. This technique strips out the currency effect from the change in the indicator concerned.

Change on a comparable consolidation scope basis

Indicators on a comparable consolidation scope basis are calculated by excluding (i) the contribution of businesses discontinued or sold during the current period from the prior period data and (ii) the contribution of businesses acquired during the current period from current period data. This technique strips out the effect of acquisitions and divestments from the change in the indicator concerned.

Combined ratio (personal risk/protection segment) *

Calculated for the personal risk/protection insurance segment by dividing EBIT by premium income net of ceded premiums and deducting the result from 100%. The combined ratio is an indicator of Personal Risk/Protection business profitability.

(In € millions)	**31.12.2018**	31.12.2017
EBIT (personal risk/protection segment) (1)	1,184	1,153
Premium income net of ceded premiums (personal risk/protection segment) (2)	6,211	6,568
COMBINED RATIO (PERSONAL RISK/PROTECTION SEGMENT) = 100% - (1)/(2)	**80.9%**	**82.5%**

Cost/income ratio *

Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

(In € millions)	**31.12.2018**	31.12.2017
Administrative costs (1)	922	938
Net insurance revenue (NIR) (2)	3,113	3,048
COST/INCOME RATIO = (1)/(2)	**29.6%**	**30.8%**

Debt-to-equity ratio *

Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity less intangible assets. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).

(In € millions)	**31.12.2018**	31.12.2017
Subordinated notes classified in equity (1)	1,881	1,765
Subordinated notes classified in debt (2)	5,337	5,300
Total equity (3)	19,521	20,023
Intangible assets (4)	732	799
DEBT-TO-EQUITY RATIO = [(1) + (2)] / [(2) + (3) - (4)]	**29.9%**	**28.8%**

Dividend cover

Operating free cash flow (OFCF) net of cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders. This ratio is calculated only for annual results presentations.

(In € millions)	**31.12.2018**	31.12.2017
Net operating free cash flow (OFCF) (1)	1,462	1,113
Dividends (2)	611	577
DIVIDEND COVER = (1)/(2)	**2.4 x**	**1.9 x**

Earnings before interest and taxes (EBIT) *

Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and net equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. EBIT represents the margin after deducting administrative costs.

(In € millions)	**31.12.2018**	31.12.2017
Attributable net profit (1)	1,367	1,285
Finance costs (2)	(248)	(247)
Income tax expense (3)	(901)	(1,001)
Non-controlling and net equity-accounted interests (4)	(281)	(329)
Fair value adjustments and net gains (losses) (5)	89	200
Non-recurring items (6)	(216)	(227)
EBIT = (1) - (2) - (3) - (4) - (5) - (6)	**2,924**	**2,889**

Earnings per share (EPS)

Attributable net profit less net finance costs on subordinated notes classified in equity, divided by the weighted average number of shares outstanding (IFRS calculation method).

(In € millions)	**31.12.2018**	31.12.2017
Attributable net profit (1)	1,367	1,285
Net finance costs on subordinated notes classified in equity (2)	50	48
Weighted average number of shares (3)	686.4 M	686.5 M
EARNINGS PER SHARE = [(1) - (2)] / (3)	**€1.92**	**€1.80**

EIOPA

European Insurance and Occupational Pensions Authority

Eligible own-funds held to cover the MCR

Sum of Tier 1 and Tier 2 own-funds eligible for inclusion in the Minimum Capital Requirement. For calculation purposes, restricted Tier 1 own-funds are limited to 20% of total Tier 1 own-funds, and Tier 2 own-funds are limited to 20% of the MCR. Tier 3 own-funds are not eligible for inclusion in MCR.

Eligible own-funds held to cover the SCR

Sum of Tier 1, Tier 2 and Tier 3 own-funds eligible for inclusion in the solvency capital requirement (SR). For calculation purposes, restricted Tier 1 own-funds are limited to 20% of total Tier 1 own-funds, Tier 2 and Tier 3 own-funds are limited to 50% of the SCR and Tier 3 own-funds are limited to 15% of SCR.

Fair value adjustments and net gains (losses)

Measures the impact on attributable net profit of changes in asset prices (i.e., realised and unrealised capital gains net of recognised impairment losses), impairment losses and exceptional changes in intangible asset values. Fair value adjustments and net gains (losses) are calculated net of policyholder participation, non-controlling interests and income tax expense.

Free surplus

Portion of adjusted net asset value (ANAV) that may be freely used by management to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates, net of non-controlling interests.

IFRS book value *

Equity net of subordinated notes classified in equity and non-controlling interests. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.

(In € millions)	**31.12.2018**	31.12.2017
Equity attributable to owners of the parent (1)	17,781	18,257
Subordinated notes classified in equity (2)	1,881	1,765
IFRS BOOK VALUE = (1) - (2)	**15,899**	**16,492**

Insurance leverage ratio *

Sum of total equity and subordinated notes classified in debt, divided by insurance investments less derivative instruments liabilities. Indicator of the Group's solvency before risk-weighting. The higher the ratio, the greater the insurer's ability to absorb potential losses.

(In € millions)	**31.12.2018**	31.12.2017
Total equity (1)	19,521	20,023
Subordinated notes classified in debt (2)	5,337	5,300
Subordinated notes classified in equity (3)	1,881	1,765
Insurance investments (4)	380,061	387,088
Derivative instruments liabilities (5)	1,193	1,110
INSURANCE LEVERAGE RATIO = [(1) + (2)] / [(4) - (5)]	**6.56%**	**6.56%**
▪ o/w equity = [(1) - (3)] / [(4) - (5)]	4.66%	4.73%
▪ o/w subordinated notes = [(2) + (3)] / [(4) - (5)]	1.91%	1.83%

Interest cover *

EBIT divided by interest paid on total subordinated notes (classified in both debt and equity). Indicator of the Group's ability to pay the interest due to holders of its subordinated notes.

(In € millions)	**31.12.2018**	31.12.2017
EBIT (1)	2,924	2,889
Finance costs on subordinated notes classified in debt (2)	248	247
Finance costs on subordinated notes classified in equity (3)	73	74
INTEREST COVER = (1) / [(2) + (3)]	**9.1 x**	**9.0 x**

Market Consistent Embedded Value (MCEV©)

A measure of the consolidated value of shareholders' interests in the covered business. It breaks down to adjusted net asset value (ANAV) and the Value of In-Force business (VIF) – corresponding to the value of the insurance policies in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

Mathematical reserves

Sum of the surrender value of savings contracts and the discounted present value of liabilities for pensions contracts.

MCR coverage ratio

Eligible own-funds held to cover the MCR divided by the MCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

Minimum Capital Requirement (MCR)

Minimum eligible basic own-funds, defined in Solvency II as the amount of eligible basic own-funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own-funds falls below the MCR, the insurance undertaking's authorisation is withdrawn, if it is unable to re-establish this amount at the level of the MCR within a short period of time.

Net equity accounted interest

Share of profit for the year of equity accounted interest, net of the deferred profit-sharing impact for the portion of securities backing policyholders commitments.

Net insurance revenue (NIR) *

Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is net of reinsurance. It is the margin generated by insurance contracts before deducting administrative costs.

(In € millions)	**31.12.2018**	31.12.2017
Net insurance revenue (1)	3,113	3,048
Revenue from own-funds portfolios (2)	733	779
Administrative costs (3)	922	938
EBIT = (1) + (2) - (3)	**2,924**	**2,889**

Net new money

Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.

Non-recurring items

Indicator used to separately identify non-recurring income and expenses that affect attributable net profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.

Operating free cash flow (OFCF)

Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

Outstanding claims reserve

Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.

Payout ratio *

Dividend per share divided by earnings per share. Measures the proportion of attributable net profit, less finance costs on subordinated notes classified in equity, distributed to owners in the form of dividends. This ratio is calculated only for annual results presentations.

(In € millions)	**31.12.2018**	31.12.2017
Dividend per share (1)	€0.89	€0.84
Earnings per share (EPS) (2)	€1.92	€1.80
PAYOUT RATIO = (1) / (2)	**46%**	**47%**

Policyholders' surplus reserve (PSR)

Cumulative underwriting and investment income attributable to policyholders that is distributed on a deferred basis.

Premium income *

Earned premiums and premium loading on IAS 39 contracts, including non-controlling interests and ceded premiums. Premium income is an indicator of underwriting volume.

(In € millions)	**31.12.2018**	31.12.2017
Earned premiums (1)	32,315	32,077
Premium loading on IAS 39 contracts (2)	52	50
PREMIUM INCOME = (1) + (2)	**32,367**	**32,127**

Proportion of Savings/Pensions mathematical reserves represented by unit-linked (UL) contract *

Unit-linked Savings/Pensions mathematical reserves divided by total Savings/Pensions mathematical reserves. This indicator measures the proportion of mathematical reserves related to unit-linked contracts, which do not generally include a capital or yield guarantee.

(In € millions)	**31.12.2018**	31.12.2017
UL Savings/Pensions mathematical reserves (1)	56,169	54,010
Total Savings/Pensions mathematical reserves (2)	275,945	275,382
PROPORTION OF SAVINGS/PENSIONS MATHEMATICAL RESERVES REPRESENTED BY UL CONTRACTS = (1)/(2)	**20.4%**	**19.6%**

Proportion of Savings/Pensions premiums represented by unit-linked (UL) contracts *

Unit-linked Savings/Pensions premium income divided by total Savings/Pensions premium income. This indicator measures the proportion of premium income related to unit-linked contracts, which do not generally include a capital or yield guarantee.

(In € millions)	**31.12.2018**	31.12.2017
UL Savings/Pensions premium income (1)	10,778	9,468
Total savings and pensions premium income (2)	25,731	24,712
PROPORTION OF SAVINGS/PENSIONS PREMIUMS REPRESENTED BY UL CONTRACTS = (1) / (2)	**41.9%**	**38.3%**

Restricted Tier 1 own-funds

Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

Return on equity (ROE) *

Annual attributable net profit divided by average IFRS book value for the period. Measures the return on equity contributed by owners of the parent.

(In € millions)	**31.12.2018**	31.12.2017
Annualised attributable net profit (1)	1,367	1,285
Average IFRS book value (2)	16,196	16,130
RETURN ON EQUITY (ROE) = (1) / (2)	**8.4%**	**8.0%**

Revenue from own-funds portfolios *

Mainly revenue generated by investments held to back equity and subordinated notes, net of amortisation of the value of acquired In-Force business and distribution agreements. This indicator includes non-controlling interests. It is the margin generated on investments held to back equity and subordinated notes, before deducting administrative costs.

(In € millions)	**31.12.2018**	31.12.2017
Net revenue generated by investments held to back equity and subordinated notes (1)	758	804
Amortisation of Value of In-Force business and distribution agreements (2)	25	25
REVENUE FROM OWN-FUNDS PORTFOLIOS = (1) - (2)	**733**	**779**

SCR coverage ratio

Eligible own-funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

Solvency Capital Requirement (SCR)

Level of eligible own-funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own-funds, subject to a confidence level of 99.5% over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

Surrender rate

Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.

Technical reserves *

Insurance and financial liabilities net of deferred participation, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of reinsurance. Technical reserves may be calculated gross or net of reinsurance. They measure the insurer's liability towards insureds.

(In € millions)	**31.12.2018**	31.12.2017
Insurance and financial liabilities (1)	357,599	365,204
Deferred participation reserve (2)	22,107	30,336
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	21,556	22,735
TECHNICAL RESERVES GROSS OF REINSURANCE = (1) - (2) + (3)	**335,491**	**334,869**
TECHNICAL RESERVES NET OF REINSURANCE = (1) - (2) + (3) - (4)	**313,935**	**312,134**

Tier 2 own-funds

Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

Tier 3 own-funds

Subordinated notes classified in Tier 3 corresponding to insured obligations, plus any net deferred tax assets also classified in Tier 3.

Total revenue *

Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.

(In € millions)	**31.12.2018**	31.12.2017
Net insurance revenue (1)	3,113	3,048
Revenue from own-funds portfolios (2)	733	779
TOTAL REVENUE = (1) + (2)	**3,846**	**3,827**

Unrestricted Tier 1 own-funds

Own-funds other than subordinated notes included in Tier 1 own-funds, calculated as the sum of share capital, the share premium account and the reconciliation reserve less non-fungible own-funds.

Value of In-Force business (VIF)

Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

Value of New Business (VNB)

Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. VNB corresponds to the discounted present value of estimated future profits from insurance policies written during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

Withdrawal rate

Paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of claims and benefits paid to policyholders and beneficiaries.

Registration Document concordance table

The table below provides cross references between the pages in the CNP Assurances Registration Document and the key information required under European Commission Regulation No. 809/2004 (EC) implementing directive 2003-71/EC.

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* The following information is incorporated by reference in this Registration Document, in accordance with Article 28 of European Commission Regulation No. 809/2004/EC dated 29 April 2004:

- The consolidated financial statements of CNP Assurances for the year ended 31 December 2016 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2016, as presented on pages 66 to 171 and 172 to 173, respectively, of Registration Document No. D. 17-0337 filed with the AMF on 6 April 2017
- The financial statements of CNP Assurances for the year ended 31 December 2016 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2016, as presented on pages 174 to 226 and 228 to 229, respectively, of Registration Document No. D. 17-0337 filed with the AMF on 6 April 2017
- The consolidated financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2017, as presented on pages 112 to 224 and 225 to 229, respectively, of Registration Document No. D. 18-0209 filed with the AMF on 29 March 2018
- The financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2017, as presented on pages 231 to 282 and 284 to 289, respectively, of Registration Document No. D. 18-0209 filed with the AMF on 29 March 2018

Information relating to the management report and corporate governance report

This Registration Document includes all items from the Management Report and the Corporate Governance Report that are required by law.

The following table presents the items from the Management Report and the Corporate Governance Report of the Board of Directors of CNP Assurances to the Ordinary General Meeting of 18 April 2019.

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Annual Financial Report thematic cross-reference table

The following table lists the information required by the AMF with respect to the Annual Financial Report (Articles 212-13 VI and 222-3 of the AMF's General Regulations).

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Whether you are an individual, a professional, or a candidate, the CNP Assurances Group website has a **section** dedicated to you, as well as a Newsroom for journalists and Investor pages for buy-side analysts and individual shareholders.

Find out more about our Group, its mission, its unique multi-partner model, its innovation strategy, the activities of its Foundation on the "About us" page.

You can also **download** our publications, including the Annual Report, the Registration Document, the Shareholders' Letter and the Corporate Social Responsibility Report.

The website, in French and English, complies with computer accessibility standards and can also be viewed on tablets and smartphones, reflecting CNP Assurances' commitment to insuring all our futures.

Follow us on Twitter, Facebook, LinkedIn and YouTube

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@cnpassurances.officiel

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A fun way to find out more at www.cespetiteschoses.fr

The website, in French only, reminds us about the little things that help us to live well.

Take a look at the section dedicated to investors and shareholders

- A dedicated section on the CNP Assurances website for analysts, investors and shareholders – where you can consult the CNP Assurances share price, shareholder information, press releases, financial calendar, presentations to analysts and details of the General Meeting.
- Email queries can be sent to two dedicated addresses: actionnaires@cnp.fr and infofi@cnp.fr.
- A toll-free number (toll-free only from a landline in France).

  0 800 544 544 Service & appel gratuits

  From Monday to Friday, shareholders can contact the shareholder relations helpdesk directly to obtain information about CNP Assurances, or to request financial documentation or register a change of address.

2019 FINANCIAL CALENDAR

18 April

Annual General Meeting

16 May

First-quarter 2019 premium income and results indicators

29 July

First-half 2019 premium income and profit

15 November

Third-quarter 2019 premium income and results indicators

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