Registration Document

including the Annual Financial Report

2017

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2017

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

The French-language version of this Registration Document (*Document de Référence*) was filed with the AMF on 29 March 2018, 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. The French version of this document was prepared by CNP Assurances and is the responsibility of the persons who signed it.

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*).

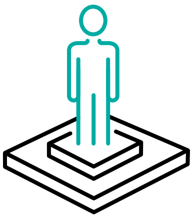
The concordance table provides cross references to the information provided in the two above-mentioned reports.

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

CNP ASSURANCES DESIGNS, DISTRIBUTES AND MANAGES PERSONAL RISK, PROTECTION, SAVINGS AND PENSION PRODUCTS. ITS MISSION IS TO OFFER ACROSS-THE-BOARD INSURANCE PROTECTION IN KEEPING WITH THE GROUP'S PROUD HERITAGE AND DEEPLY-HELD VALUES.

€1,285 million

IN ATTRIBUTABLE NET PROFIT IN 2017



No. 1

IN FRANCE FOR PERSONAL INSURANCE (1)

No. 4

IN EUROPE FOR PERSONAL INSURANCE (EXCL. HEALTH) (2)

No. 4

IN BRAZIL FOR INSURANCE (3)

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

No. 1

IN FRANCE FOR TERM CREDITOR INSURANCE (4)

OVER 160 YEARS OF EXPERIENCE

FOUNDED IN 1850

€32.1 billion

IN PREMIUM INCOME IN 2017

EBIT BY SEGMENT *(IN € MILLIONS)*

1,153 PERSONAL RISK/ PROTECTION

1,081 SAVINGS/ PENSIONS

655 OWN-FUNDS PORTFOLIOS

€310 billion

IN AVERAGE TECHNICAL RESERVES IN 2017

38 million (5)

PERSONAL RISK AND PROTECTION (6) POLICYHOLDERS WORLDWIDE

AND

14 million

SAVINGS AND PENSIONS POLICYHOLDERS

5,171

EMPLOYEES WORLDWIDE

(1) Source: FFA 2016 data, June 2017
(2) Source: Argus de l'Assurance "2016 results European Top 20", December 2017
(3) Source: Brazilian insurance supervisor SUSEP, December 2017
(4) Source: Argus de l'Assurance "*Les bancassureurs*", April 2017
(5) Estimates partly based on the number of contracts under management, rounded up
(6) Personal risk, health, term creditor and Property & Casualty insurance

1

COMPANY OVERVIEW

1.1 Key figures

2017 financial and business performance

(Source: CNP Assurances 2017 annual results)

(In € millions)		2017	2016	Change
BUSINESS PERFORMANCE	Premium income	32,127	31,536	1.9%
	Annual premium equivalent (APE)	3,316	3,129	6.0%
	Value of new business	782	436	79.6%
	APE margin	23.6%	13.9%	9.7 pts
EARNINGS	Total revenues	3,827	3,553	7.7%
	Administrative costs	938	916	2.4%
	Earnings before interest and taxes (EBIT)	2,889	2,638	9.5%
	Attributable net profit	1,285	1,200	7.0%
	Return on equity (ROE)	8.0%	7.9%	0.1 pts
	Combined ratio (1)	82.5%	83.5%	-1.1 pts
CASH FLOW AND DIVIDEND	Net operating free cash flow	€1.62 /share	€1.54 /share	5.4%
	Dividend	€0.84 /share (2)	€0.80 /share	5.0%
	Payout ratio	47%	49%	- 2 pts
	Dividend cover	1.9x	1.9x	-
SOLVENCY	Consolidated SCR coverage ratio	190%	177%	13 pts
	Consolidated MCR coverage ratio	324%	300%	24 pts

(1) Personal Risk/Protection segment (term creditor insurance, personal risk, health and property & casualty insurance)
(2) Recommended at the Annual General Meeting of 27 April 2018

Notation

(Source: Standard & Poor's report - December 2017)

Standard & Poor's - Financial Strength Rating

A

stable outlook

Standard & Poor's - Counterparty Credit Rating

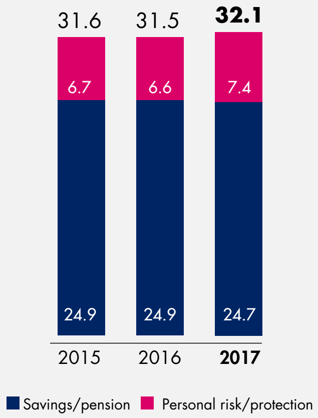
A

stable outlook

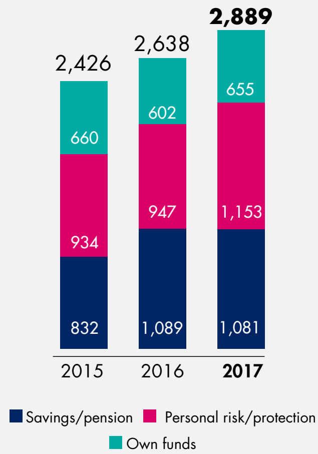
OBJECTIVE

CNP Assurances has set the objective of achieving organic EBIT growth of at least 5% in 2018 compared to the 2017 baseline.

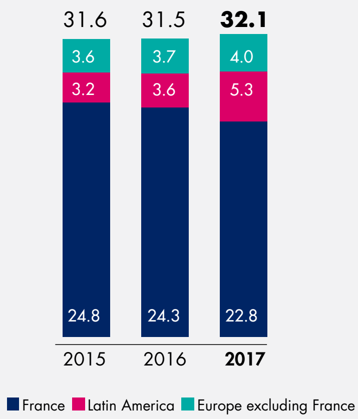
PREMIUM INCOME BY SEGMENT
(In € billions)



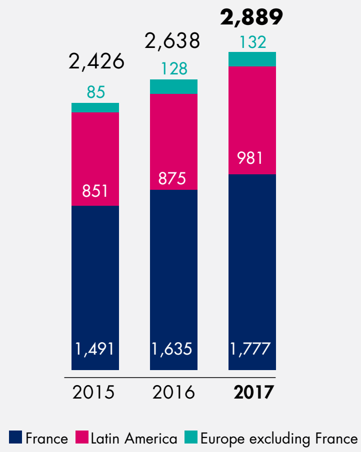
EBIT BY SEGMENT
(In € millions)



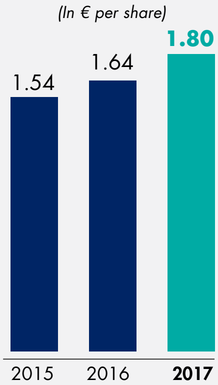
PREMIUM INCOME BY GEOGRAPHICAL AREA
(In € billions)



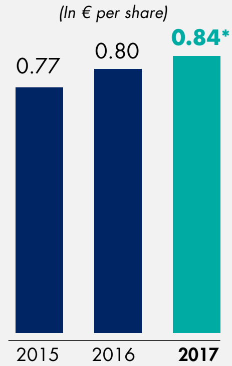
EBIT BY GEOGRAPHICAL AREA
(In € millions)



EARNINGS
(In € per share)



DIVIDEND
(In € per share)



* Recommended at the Annual General Meeting of 27 April 2018

1.2 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 Compañía 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 Compañía 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 South 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.

1.3 Business and strategy overview

As an insurer, co-insurer and reinsurer, CNP Assurances provides its customers and partners with unique expertise in protection insurance and savings solutions. Thanks to a multi-partner, multi-channel business model, the Group's solutions are distributed in Europe and Latin America by its many banking and social economy partners.

Our business, providing personal insurance cover

CNP Assurances plays a major role in meeting the social protection needs of individuals and professionals. New protection needs are emerging as families become more scattered and the population ages. Increasing life expectancy in Europe and demand for insurance among Brazil's expanding middle class are also driving demand for personal risk insurance solutions in Europe and Latin America. The CNP Assurances Group is responding to these practical imperatives by enabling people to protect their future and that of their loved ones, to confidently undertake projects, and to safely pass on their wealth to future generations.

Providing solutions across the needs spectrum

One distinguishing feature of our Group is that we work closely with our distribution partners to develop offers geared to the profiles of their respective customer bases in terms of age, risk appetite and income. The wide-ranging challenges include helping policyholders to prepare for retirement, pass on their assets to the next generation, finance long-term care, and maintain their standard of living following the death of a partner or access dental care. Whatever the need, we offer comprehensive, innovative solutions to our millions of policyholders around the world thanks to our expertise in insuring various types of risk.

To enable people with health issues to obtain a mortgage in order to buy their own home, we participated actively in discussions to drive further improvement in the Aeras convention on insurance and loans for people representing an aggravated health risk. 2016 marked a decisive turning point for cancer survivors, 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. In 2017, we participated actively in the technical analyses performed by insurance industry working groups to update this grid to reflect therapeutic advances, advances in epidemiology and regulatory changes. Our term creditor insurance rejection rate is very low, standing at less than 0.2% for the past eight years (see section 7.2.1.3 – Risk selection adapted to each policyholder's health profile).

Two continents with complementary growth drivers

By addressing the growing needs of today's society, our business model offers considerable development potential, backed by a robust, balanced geographic presence on two continents.

We are the market leader in France, in a wealthy and mature Europe where the ageing population offers significant scope for business growth.

We also have a strong position in Brazil, in a growing South American market. Our focus is on meeting the insurance needs of the country's expanding middle class and on offering affordable products for the millions of Brazilians who have low incomes.

Diversification strategy

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.

Determinedly refocusing on the personal risk/protection insurance market and on the unit-linked segment of the savings market, in the last two years we have renewed the distribution agreements with our two leading partners, BPCE and La Banque Postale, signed new partnership agreements in France with

AG2R La Mondiale, Klésia and Malakoff-Médéric, and stepped up open model distribution of term creditor insurance through our partnership with Santander Consumer Finance, the leading consumer finance company in ten European countries.

Lastly, 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.

Faster implementation of the digital strategy

In 2017, we moved up a gear in the implementation of our digital strategy. Youse, Brazil's first 100% on-line insurance platform launched at the end of 2016, was an immediate commercial success, with 115,000 policyholders signed up in just over a year. This enthusiastic consumer response has strengthened our determination to win over new customers to our full digital solutions in Latin America and Europe.

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 grow 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-2017, Open CNP had invested in five start-up partners.

Digitalisation of the policyholder experience, distribution channel diversification and 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. Through this strategy, we aim to become the benchmark digital insurance company in Europe and South America by 2020.

Leader in France at the centre of a wealthy and mature European market

France

A comprehensive offering to meet everyone's needs

In the French individual insurance market, CNP Assurances has focused for more than a century on the bancassurance model, marketing insurance products through the banking networks of our two long-standing partners, La Banque Postale and the savings bank network (BPCE Group). La Banque Postale and the BPCE Group are also shareholders, together owning 36.25% of CNP Assurances. The two networks, which have a deep presence in France, accounted for 53.5% of our Group's 2017 premium income (based on IFRS). Their distribution agreements with CNP Assurances were renewed with effect from 2016, after being reconfigured in line with the strategies of the Group and each partner. The agreement with the BPCE Group was renewed for an initial period of seven years. It provides for an exclusive term creditor insurance partnership covering all BPCE networks (Caisses d'Epargne, Banques Populaires and Crédit Foncier), specific partnerships in employee benefit plans and mechanisms to align the two partners' interests concerning the management of savings and pensions policies.

Our partnership with La Banque Postale was renewed for a further 10-year period. The agreement's scope has been 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, with CNP Assurances taking over from La Banque Postale Prévoyance in this latter segment. In June 2016, La Banque Postale bought out CNP Assurances' interest in La Banque Postale Prévoyance, which continues to write individual personal risk insurance. Last year saw the ramp-up of Term Creditor Insurance business and growth in unit-linked Pensions business in the networks covered by the partnership with BPCE, in line with the strategy of our BPCE business unit. In the networks covered by the partnership with La Banque Postale, highlights of 2017 included the successful launch of new *Eurocroissance* funds and further diversification towards unit-linked funds, which accounted for a significantly higher proportion of both new money and technical reserves compared with 2016. Lastly, the many projects to upgrade administrative and customer relationship management processes have structured the two business units' activities with a single priority, that of improving service quality.

During the year, we continued to focus our development strategy on the wealth management segment, establishing new partnerships and continuing to offer innovative products to our various distribution partners in France and Luxembourg, including private banking institutions, high street banks, family offices, asset management firms, brokers and independent financial advisors. For example our wealth management unit, CNP Patrimoine, rolled out a new concept to its partners in 2017. The concept combines security with dynamic financial performance, by allowing holders of traditional life and endowment policies with a unit-linked formula to choose the best possible time to invest in the financial markets, while receiving an enhanced yield on their investment in traditional funds.

Since 2004, products have also been distributed via our own in-house network, Amétis, comprising 215 insurance advisors, 86 of whom are certified financial and social insurance advisors, 30 regional managers, 14 of whom are certified advisors, and five regional business development managers. A 17-member headquarters team is responsible for leading the network, managing operational risks, quality programmes and marketing support (training, marketing initiatives). A specialist in personal protection solutions that initially served only the individual insurance market, Amétis has evolved into a social protection and wealth management expert serving the SME, micro-enterprise, free-lance and personal markets. It is growing the business by targeting its own portfolio of 280,000 individual customers and the customers of its partners, leveraging distribution agreements such as those signed with two employee benefits institutions, Klésia in 2016 and Malakoff Médéric at the end of 2017. Amétis represents an innovative open distribution model offering health, personal risk, savings and pensions contracts developed by CNP Assurances or its partners. Its marketing programmes are in the process of being certified.

Contributing to the social safety net

CNP Assurances has been a benchmark in the personal protection market 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, 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, as well as on the finances of employers and employees, in 2014 we set up a dedicated Social Protection and Services business unit. With its multi-disciplinary teams representing some 530 people (including the Amétis network of local insurance advisors), the business unit offers a wide range of personal insurance, customer relationship management, service, assistance and support services through companies, local authorities, employee benefits institutions and mutual insurers (covering the public sector, multiple industries, the professions and veterans).

With our recognised social engagement, vast underwriting expertise and robust financial position, CNP Assurances offers a wide range of guarantees including death, temporary and permanent disability, long-term care, funeral, pension and term creditor insurance.

Insureds include some three million civil servants working in national or local government or in public hospitals. For these people, we offer products through participatory agreements and have also developed certified contracts. We also provide statutory health, death and disability insurance cover for the employees of more than 21,000 local authorities, while our subsidiary MF Prévoyance SA writes death and disability cover on behalf of the civil service mutuals that are its partners and joint shareholders.

We also work with other mutual insurers, for example by reinsuring the employee benefits scheme providing temporary and permanent disability and death cover for the 220,000 professionals working for in-home personal service providers.

In the corporate sector, we offer group insurance solutions for the employees or senior management of some 4,600 companies either directly or in partnership with brokers, employee benefits institutions and mutual insurers.

CNP Assurances was one of the first French insurance companies to address the problem of financing long-term care. We are now one of the market leaders in this segment, with a range of compulsory and voluntary participation products that anticipate the financial costs and care needs resulting from a loss of autonomy. In an increasingly digital society where ties between generations are being stretched and transformed, we are developing guarantees, services and a distribution model that break the mould.

We have a particularly strong presence in the Company pension and employee benefit plan market. We design, market and manage all types of pension solutions ("Article 39" plans, "Article 83" plans, PERP retirement savings plans, insured length-of-service award plans and – through our interest in Inter Expansion Humanis – PERCO and PEE employee savings plans) for our own account and on behalf of partners (brokers, banks, fidelity groups). Our growth in this market is being led by Arial CNP Assurances, our joint subsidiary with AG2R La Mondiale in which we hold a 40% stake. Arial CNP Assurances combines the expertise, resources and tools of its two shareholders in the area of pensions and employee benefit plans. It is already ranked second in its market, with some €15 billion worth of assets under management. In October 2017, 18 months after it was created, Arial CNP Assurances was awarded a rating of A- with a stable outlook by Standard & Poor's. This initial rating attests to the quality of its business model and its position in the French pensions market.

Ranked No. 1 in France's term creditor insurance market, we partner over 300 financial institutions, social economy lenders and mutual banks. We also write guarantee insurance through our specialised subsidiary CNP Caution. Changes to the regulatory framework in France, including the introduction of the Lagarde and Hamon Acts, have provided increased consumer protection to buyers of insurance, particularly in terms of the advice they must be given. This trend supports our vision of term creditor insurance as a way of offering real protection to borrowers in case they fall on hard times. We provide death, temporary and permanent disability, unemployment and loss of income cover, backed by support services and assistance. Our high value-added solutions draw on our product innovation capabilities, risk management expertise, high quality administrative processes and leading edge technologies. As a pioneer in this market, we are continually upgrading our technological resources (for example, we offer our major partners a full-online underwriting process), our product offers and our term creditor insurance distribution channels. Examples include the revamped term creditor insurance offers deployed in the BPCE Group's networks in 2017 and the launch of individual insurance offers distributed by mortgage brokers, alongside our bancassurance partnerships. This agility will be invaluable when it comes to adapting to developments in the term creditor insurance market, particularly the new competitive environment resulting from the "Bourquin amendment" adopted in February 2017 which gives insureds the right to switch insurer each year.

Personal services that make a real difference

We pay close attention to the services offered with our products, for partners and policyholders alike. Through our dedicated subsidiaries, we constantly expand and adapt our expertise in this area. For example, Filassistance International, part of the Assuristance Group that is 66% owned by CNP Assurances, is continuing to develop its range of local personal assistance services. More than seven million people currently take advantage of this offering which includes all types 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. In this way, Filassistance fulfils its role as a "life facilitator". It has set up 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 customers. The Assuristance group is in the process of developing a comprehensive catalogue of assistance services. It is supported by Âge d'Or Services, a member of the CNP Assurances Group since 2001, which currently operates a network of franchisees. In 2017, Âge d'Or's network of 125 agencies and 1,600 carers assisted some 38,000 clients (elderly, disabled and people requiring long-term care) in their home or in institutions.

When we launch new employee benefits products, we support our partners at each stage in the process. To strengthen the service dynamic, following a trial phase, we launched our Lyfe digital health, wellness and ageing well services platform in late 2015. In creating Lyfe, our ambition was 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 services to be offered with 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. The platform will be regularly enhanced with the addition of new services.

Our main personal insurance markets in France

In 2017, CNP Assurances' core personal insurance market accounted for 71% 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, topping 10% since 2012 and climbing to 12% in 2017.

Life insurance market [(2)]

The number of players competing in the French life and endowment insurance market remained limited in 2016, with the five biggest players accounting for 56% of the market, including 31% in the hands of the top two (CNP Assurances and Crédit Agricole Assurances, both of which have premium income in excess of €20 billion).

Most of the leading companies in these two segments are bancassurers [(3)], who have stolen the lead from traditional insurance companies and mutual insurers.

In 2016, almost two-thirds of new life business (65.5%) was generated by financial advisors employed by the banks and 14.5% by the insurance companies' in-house insurance advisors. General agents, insurance brokers and independent financial advisors together accounted for 15.9% of distribution, with broadly similar market shares (5% to 6%).

Funeral insurance market [(4)]

The funeral insurance market grew by 5% in 2016, the same rate as in 2015, with a total of 4.3 million funeral insurance contracts in force at the year-end. There are 37 companies offering funeral insurance in France but the segment is nevertheless very concentrated, with five companies sharing half of the market.

The insurance networks accounted for 56% of In-Force funeral insurance business in 2016, but they are gradually losing market share to the bancassurers.

(1) Source: French Insurance Dashboard, 2017, FFA, December 2017
(2) Source: 2016 Key Indicators, FFA, June 2017
(3) Source: Life insurance in 2016, FFA, October 2017
(4) Source: Funeral insurance policies in 2016, FFA, October 2017

"GAV" accident insurance market [1]

Around five million "GAV" policies were in force as of 31 December 2016. The market grew by 6% over the year, on the back of 5% growth in 2015, and represented 48% of the total indemnity insurance market.

The bancassurance networks had a 46% market share in 2016. However, year by year they are losing ground to the insurance networks (general agents, brokers, in-house insurance advisors) which are recording faster rates of growth. In 2016, for example, the insurance networks' "GAV" portfolios grew by 10% (versus 3% for the bancassurers) to represent 54% of the total market. This market is very concentrated, with the market leader accounting for around 26% of In-Force business at 31 December 2016 and the top four accounting for 70%. CNP Assurances is not a key player in this market.

Long-term care insurance market [2]

Around thirty insurance companies wrote long-term care insurance business as of end-2016, covering 3.4 million insureds (a decrease of 2% compared with 2015). 48% of these contracts are for long-term care insurance only, while 52% correspond to other policies that include a long-term care formula.

CNP Assurances has a 7% share of the individual insurance segment of the long-term care market and 53% of the Group insurance segment.

A specific market: term creditor insurance [3]

In 2016, the term creditor insurance market represented annual premiums of €8.8 billion, an increase of 1% on the back of 3% growth in 2015. Of the total, 73% concerned home loans, 21% 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 remained stable for several years.

Insured outstanding loans to individuals rose from €330 billion in 2003 to €1,258 billion at end-2016.

Accidental death cover accounted for 70% of term creditor insurance premiums in 2016, temporary and permanent disability cover for 27% and unemployment cover for 3%.

In 2016, 88% of term creditor insurance premiums were generated by group policies with banks, just under 12% by delegation of insurance contracts (unchanged compared with 2015), and the balance by alternative group policies or individual policies.

Despite the large number of participants, including around forty insurance companies and various brokers, the bulk of the market is shared between four main players – led by CNP Assurances – which together account for nearly 70% of total premiums.

Europe

CNP Assurances was Europe's 4th biggest personal insurer at end-2016 [4], with some 750 employees serving this market (excluding France). The Group's development in Europe, covering 14 countries, has been based on our historical model, which consists of setting up long-term partnerships with well-established distribution networks, preferably banking groups, and giving partners a stake in results through ownership of shares in the partnership vehicle. Savings, term creditor insurance and personal risk policies are distributed through the Group's subsidiaries and branches.

We are also diversifying our distribution methods by developing an open model based on multi-channel distribution and a direct sales capability to offer white-label insurance products to targeted partners.

Multi-partner growth in Europe

Our products are distributed through partner networks that have a deep presence in their respective markets.

With UniCredit in Italy

At the end of 2017, CNP Assurances and UniCredit renewed their partnership for seven years, ending on 31 December 2024. The partnership is organised around their joint subsidiary, CNP UniCredit Vita, which has 171 employees and offers a full range of personal insurance products. This long-standing partnership began with the acquisition of Fineco Vita in 2005. The renewed agreement embodies new ambitions, consolidates our position in Italy and provides for the creation of a dedicated sales organisation to enhance the distribution of unit-linked savings products, individual protection insurance and term creditor insurance, in line with our strategy for refocusing the product mix. The partnership's geographic scope remains unchanged, covering Central and Southern Italy, including Sardinia and Sicily, and encompassing 1,365 UniCredit branches and points of sale.

With Santander Consumer Finance in ten European countries

In 2014, we set up a long-term partnership spanning ten European countries with Santander Consumer Finance, a leading provider of consumer finance. This partnership has increased the pace of growth in open model term creditor insurance distribution (currently through more than 120,000 points of sale). In 2017, the new joint subsidiary, CNP Santander Insurance, generated premium income of €692 million, a performance in line with its business plan objectives. Germany accounted for over half of the total, while Spain, Poland and the Nordic countries accounted for most of the rest. See also section 2.2.2 – CNP Assurances' 2017 business review and section 2.3.3 – Review of subsidiaries.

(1) Source: "GAV" accident insurance contracts in 2016, FFA, February 2018
(2) Source: Long-term care insurance in 2016, FFA, July 2017
(3) Source: Term creditor insurance in 2016, FFA, June 2017; 2016 Key Indicators, FFA, June 2017; "Les Bancassureurs", Argus de l'assurance, April 2017
(4) Source: "Europe Top 20, 2016 results", Argus de l'assurance, December 2017

Diversified distribution channels

Our term creditor insurance, personal risk and savings products are offered to a variety of distribution partners, including full service, specialised and Internet banks, private banks, independent financial advisors and consumer finance companies. We share with these partners our technical expertise and our mass processing and innovation capabilities. Our aim is to step up the pace of growth in Southern Europe (Italy, Spain and Portugal) through our subsidiary CNP Partners, based on an open model that is determinedly multi-partner and multi-channel. CNP Partners is supported by a servicing subsidiary (CNP Partners Solutions), a call centre capable of responding to calls in six languages, four associated insurance branches and 204 employees. The two product development priorities concern traditional savings products with a unit-linked formula designed for the wealth management market and personal risk/protection insurance. The preferred distribution channels are private banks and independent financial advisors for high-end savings products, particularly in Italy, and bancassurers and brokers for personal risk/protection insurance.

We are also present in Cyprus and Greece, with 291 employees at CNP Cyprus Insurance Holdings, a subsidiary owned jointly with the country's biggest bank, the Bank of Cyprus.

CNP Cyprus Insurance Holdings offers life insurance to residents of Cyprus through CNP Cyprialife, as well as property and casualty insurance written by CNP Asfalistiki, the local market leader in this segment. The products are generally distributed by independent agents.

We are also setting our sights on expanding in buoyant new markets in Northern and Continental Europe. In 2015, we opened a representation office in Munich to develop a term creditor insurance offer for home buyers.

Our main European markets other than France

The Italian life insurance market [1]

The Italian life insurance market contracted by 11% in the twelve months to end-November 2016 compared to the prior-year period. CNP UniCredit Vita's share of the market rose by 0.2 points to 2.1%.

The Spanish life insurance market [2]

The Spanish life insurance market totalled €31.1 billion at end-2016, a year-on-year increase of 21.8%, and the risk insurance market was up 11.40% at €4.2 billion.

See also section 2.2.2 – CNP Assurances' 2017 business review and section 2.3.3 – Review of subsidiaries.

A strong position in Brazil, in a growing Latin American market

We have been operating in Latin America since 1995 through our subsidiary in Argentina. The acquisition in 2001 of Caixa Seguradora (formerly Caixa Seguros), our Brazilian subsidiary, enabled us to move up several gears in our development in the region.

Our premium income in Latin America grew by over 47% in 2017 to €5.3 billion. In Brazil, premiums topped BRL 20 billion for the first time. On an IFRS basis and after translation into euros, Caixa Seguradora's contribution to consolidated premium income totalled €5,261.4 million, an increase of 48.3% including like-for-like growth of 38.6%. Thanks to this performance, we increased our share of the Brazilian market by 213 points to 8.0%, in a market up 4.7% [3]. Products distributed in Latin America through our local partners consist mainly of pension solutions, term creditor insurance, personal risk insurance and miscellaneous risks insurance.

Brazil

We have operated in Brazil since 2001 through Caixa Seguradora, a subsidiary owned jointly with our local distribution partner Caixa Econômica Federal, which is Brazil's third-biggest bank and the second-biggest state-owned bank.

Caixa Econômica Federal plays a major social and economic role in Brazil. The bank is present throughout the country with some 58,000 points of sale, including 3,400 bank branches and 23,000 banking correspondents and lottery sales booths that sell the most affordable products.

At end-2017, Caixa Seguradora employed 1,384 people in Brazil. With 11.1 million personal risk/protection policyholders and 3.2 million holders of savings/pensions contracts, it is Brazil's 4th biggest insurer.

Affordable products for the new middle class

Caixa Seguradora offers life insurance, pension and savings products for companies and individuals, as well as insurance for *consórcio* contracts that pool the savings of future home or car buyers. Most of its individual insurance offerings target Brazil's new middle class.

In 2017, savings and pension products (*previdência*) accounted for 60% of the Brazilian insurance market (excluding health insurance). In home-buyer term creditor insurance, Caixa Seguradora is the market's unchallenged leader with a share of 61.5% in 2017. In the consumer finance (*prestamista*) term creditor insurance market, which grew by 23.6% in 2017, Caixa Seguradora delivered another outstanding marketing performance with business up 63.6%.

(1) Source: Italian insurance supervisor (IANA)
(2) Source: Spanish insurance supervisor (ICEA)
(3) Source: Brazilian insurance supervisor (SUSEP), December 2017

Caixa Seguradora is developing its Personal Risk business in response to the emerging needs of the Brazilian population, and is currently ranked sixth in the market with a 6.5% share in 2017. It also offers innovative dental insurance solutions.

Caixa Seguradora was the first Brazilian company to enter the microinsurance segment. At end-2017, it held 6.1% of this BRL 356.2 million market which expanded by 52.6% over the year.

A new 100%-digital insurance platform

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. In the period of just over a year between its launch and end-2017, Youse signed up over 110,000 policyholders and by early 2018, sales were running at around 900 contracts per day.

Long-term goals

Caixa Seguradora is aiming to grow its life insurance and protection insurance businesses in Brazil. Its goal is to offer insurance solutions to members of Brazil's new middle class along with affordable products for low income households. Caixa Seguradora is partnering Caixa Econômica Federal's strategic growth by developing alternative distribution channels and multi-channel distribution, and by distributing microinsurance and mass-market products. It is also forging alliances with insurance brokers, particularly through the 3,000 brokers at its subsidiary in Southern Brazil, Previsul. Lastly, the Youse digital platform looks set to continue to enjoy outstanding commercial success, transforming the Brazilian market by offering an innovative customer experience.

In September 2017, CNP Assurances signed a non-binding Memorandum of Understanding with Caixa Seguridade, establishing the conditions for a new exclusive distribution agreement in Brazil. Our discussions with Caixa Seguridade should lead to a new agreement.

Our main Brazilian markets

The Brazilian insurance market (excluding health insurance) represented premiums of BRL 240 billion in 2017, up 4.7% compared with BRL 230 million in 2016. In a highly concentrated market, Caixa Seguradora's market share rose by 213 points to 8.0%, led by growth in Pensions business and personal risk/protection insurance, particularly term creditor insurance.

Argentina

A key player in the personal risk segment

The Group's oldest foreign subsidiary, CNP Assurances Compañía de Seguros, is cementing its position as one of the country's main providers of personal risk insurance thanks to its 4 million policyholders. The Company specialises in personal risk and term creditor insurance. It is owned jointly by CNP Assurances and Credicoop Bank, the Group's longstanding commercial partner. After contracting by a sharp 26.9% in 2016, premium income stabilised in 2017 at €46.9 million (a year-on-year decrease of 1.1%).

CNP Assurances Compañía de Seguros has developed many distribution partnerships and its products are currently sold in over 450 bank branches throughout Argentina, as well as through a network of brokers, cooperatives, mutual insurance companies and non-profits. The Company has also ventured into direct selling, with a team of insurance advisors on hand to advise prospective customers by phone.

See also section 2.2.2 – CNP Assurances' 2017 business review and section 2.3.3 – Review of subsidiaries.

A responsible insurer

Trust is a bedrock issue for CNP Assurances, whose added value consists of providing the assurance of a more secure future. While important for any financial institution, trust is even more critical for a personal insurer that makes very long-term commitments to policyholders and carries them in its balance sheet.

At CNP Assurances, trust is built on the three pillars of our CSR commitment, helping to build a sustainable society, a sustainable environment and a sustainable economy. In line with our commitment to "Help build a sustainable society and economy", we adhere to the highest ethical standards in every aspect of the business, particularly in terms of the quality of policy administration processes.

Woven into the design of our offers, these standards also inform the training given to the distribution network and influence the information provided to policyholders throughout the life of the policy. They are clearly expressed in the Group's commitments as a member of the insurance industry and in the employee code of conduct, which applies in particular to asset managers and to the teams in charge of processing confidential information, such as medical data or the names of policy beneficiaries. These standards are further backed by an extensive internal control process and anti-money laundering procedures.

The quality of policy administration processes is one of our core concerns. In keeping with the business model, we have used leading edge technologies to develop unique expertise allowing us to combine a highly personalised service with industrial efficiency (for example, in France alone, 14.6 million individual savings and personal risk contracts were managed in 2017).

Effective policy design and administration is also essential because insurance policies are complex products due to their legal and tax framework and their very long duration. While the average life of a policy is ten years, some remain in force for 30 to 40 years or even longer. Another layer of complexity comes from the fact that the insurer deals not just with the customer, but rather with three or more counterparties – the policyholder, the insured (who may not be the policyholder) and the beneficiary or beneficiaries (who may not be the insured). Added to that, policies are "made-to-measure", with the insurer committing to comply with the insured's personal wishes.

The "Help to build a sustainable environment" pillar reflects our commitment to placing policyholders at the forefront of our concerns. We are convinced of the benefits of refocusing policyholder relationships on a carbon-free economy, as a means of addressing the challenges of climate change that are present across all areas of our business. Our analysis of an insurance product's environmental impact confirmed that our digital strategy was a step in the right direction to reduce the main underlying factors. Promoting sustainable development principles among policyholders, by offering Socially Responsible Investment (SRI) funds to holders of unit-linked contracts, also supports this commitment.

Lastly, our high-quality asset management has nurtured a strong base of trust. The expertise and diligence of our teams are widely recognised. Financial management must combine long-term security with competitive yields for investors in traditional savings contracts, in the knowledge that they expect yields to increase at regular intervals to reflect the long-term nature of their savings as well as the gains in the market, and that they generally have the right to surrender their contracts at any time.

Effective financial management is also essential in other business, since investment performance is anticipated to some extent in the technical rate for pension contract annuities and help optimise premium rates in Protection Insurance business (personal risk, term creditor and health insurance).

Because of the specific features of the insurance business, CNP Assurances' approach to financial management is different from that of a fund manager, a bank or a pension fund, which generally knows when liabilities will fall due. We pursue a financial strategy with very long investment horizons matched to the duration of our liabilities.

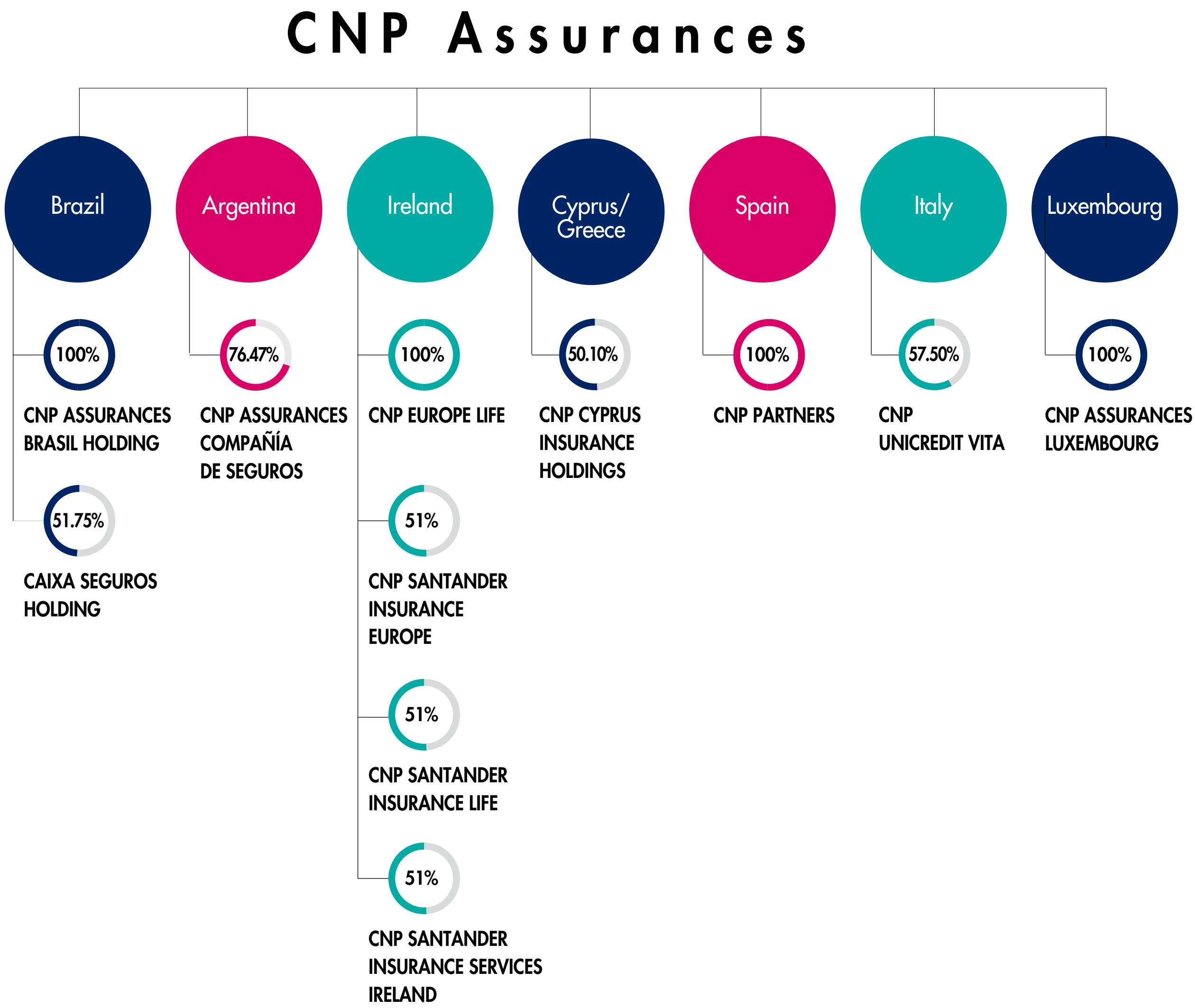
Concerning the "Help to build a sustainable economy" pillar, for more than ten years now, we have been deploying a socially responsible investment strategy, by applying environmental, social and governance (ESG) screens during the asset selection and management processes, and since 2015 we have also followed a low carbon strategy. With investments of €132.7 billion at 31 December 2017, we play a major role in financing the real economy by investing in such asset classes as government bonds, large corporates, SMEs and mid-tier companies, and real estate and infrastructure projects. With 80% of our financial assets screened using ESG criteria aligned with each asset class, we continued to actively support the Energy and Ecological Transition in 2017. In late 2017, we strengthened our commitment in this area by announcing €5 billion worth of new investments in energy and environmental transition projects in the period to 2021, and raised our targeted reduction in the carbon footprint of our portfolio of directly-held listed equities to 30% by 2021*.

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report

1.4 Group organisational structure

Simplified organisational structure of CNP Assurances' main subsidiaries and branches outside France at 31 December 2017*

The list of CNP Assurances' subsidiaries outside France at 31 December 2017 was as follows:



For information about the risks to which the CNP Assurances Group is exposed, see Notes 22 to 24 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 Frédéric Lavenir, 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 14 to 16

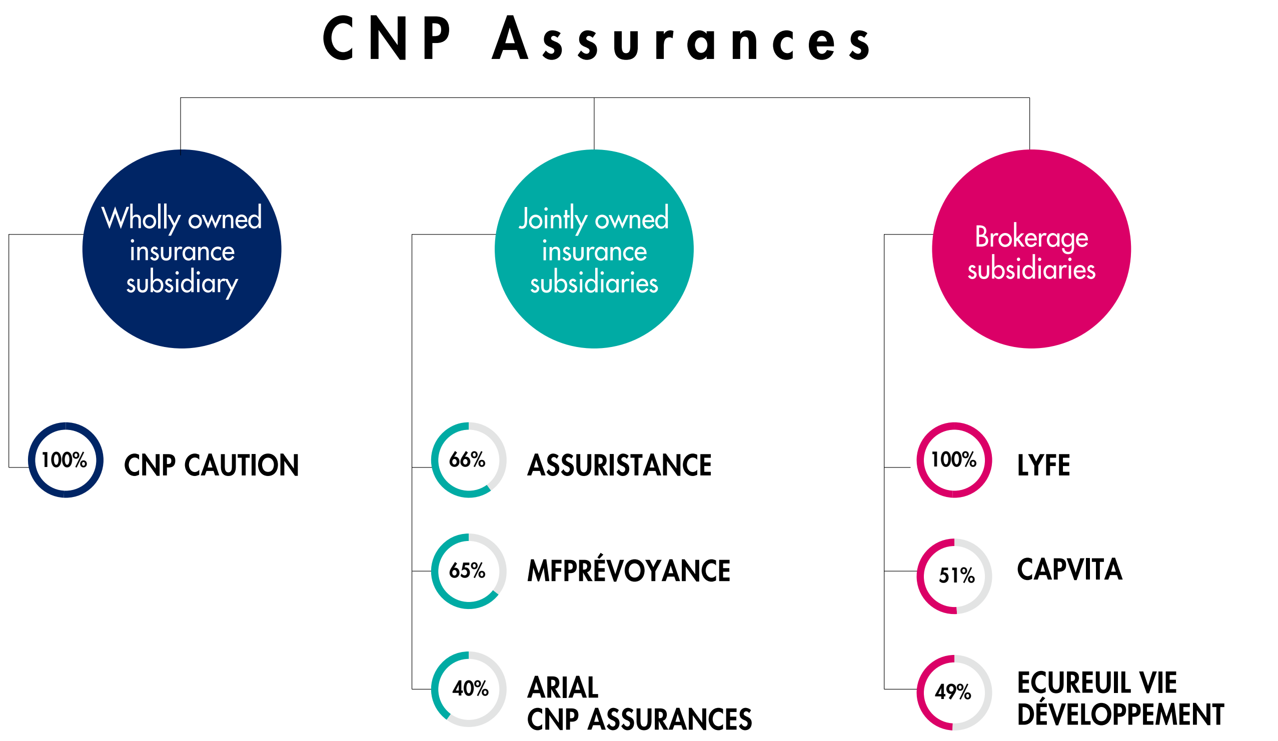
CNP Assurances has signed shareholders' agreements in relation to Caixa Seguros Holding, CNP Assurances Compañía de Seguros, CNP Santander Insurance Europe, CNP Santander Insurance Life, CNP Cyprus Insurance Holdings and CNP UniCredit Vita

*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 5.1 to 5.3 to the consolidated financial statements

The list of CNP Assurances' branches outside France at 31 December 2017 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 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 Asfalistiki	CNP Asfalistiki Greece branch	Greece	Athens

Simplified organisational structure of CNP Assurances' main subsidiaries in France at 31 December 2017*



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

For information about the risks to which the CNP Assurances Group is exposed, see Notes 22 to 24 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 5.1 to 5.3 to the consolidated financial statements

2

BUSINESS AND **FINANCIAL REVIEW**

2.1 Significant events of the year

2.1.1 First half

17 January 2017

CNP Assurances' signature recognised by Global Capital

At the Global Capital European Bond Awards, CNP Assurances won the award for the best bond issue by an insurance company in 2016.

By structuring its October 2016 issue to qualify as Tier 3 own funds under Solvency II, the Group was able to place the notes at the lowest interest rate ever obtained by a European insurer.

The innovative product attracted considerable investor interest, underscoring the market's confidence in CNP Assurances' signature.

16 March 2017

CNP Assurances signs its first QWL agreement

CNP Assurances has signed its first quality of work life (QWL) agreement with three unions representing employees. The new agreement recognises that the quality of work life is central to the organisation's successful transformation.

Deep employee engagement is needed to refocus the business model on protection insurance and deliver digital transformation.

31 March 2017

Caisse des Dépôts and CNP Assurances complete their acquisition of 49.9% of RTE

Caisse des Dépôts and CNP Assurances have completed the acquisition of a 49.9% indirect stake in RTE, after obtaining anti-trust approval of the deal.

One of the core aims of this investment is to support France's energy and environmental transition, in line with the Group's strategy as a responsible and long-term investor.

12 April 2017

CNP Assurances named best insurer of industrialised countries in Oekom Research's 2017 Corporate Responsibility Review

For the second year running, CNP Assurances was named the best insurer of industrialised countries in the Corporate Responsibility Review published by Oekom Research, a German CSR rating agency.

In terms of environmental, social and governance performance, CNP Assurances leads the other Western insurance companies by a wide margin.

The Group's capacity to engineer a lasting change in the business model through an engaged Human Resources policy, affordable insurance solutions for all and a responsible investment strategy – with ESG screens applied to 80% of portfolio assets – has been supported, since 2015, by a series of measures to help combat climate change.

12 April 2017

CNP Patrimoine recognised for its innovation capabilities

CNP Patrimoine was awarded first prize for Innovation in Life Insurance and Personal Risk Insurance at the 32nd awards ceremony organised by wealth management periodical Gestion de Fortune on 6 April 2017 at the Grand Hotel Intercontinental Opéra in Paris.

The prize recognises the quality of the *CNP PEPS* Private Equity for Personal Savings offer. This unit-linked fund offered to purchasers of CNP Patrimoine contracts since September 2016 combines the benefits of an investment in private equity with those of a life insurance contract.

13 April 2017

Chairman of the Board and Chief Executive Officer's appointments renewed

At the meeting held after the Annual General Meeting on 13 April 2017, the Board decided to maintain the separation between the positions of Chairman of the Board and Chief Executive Officer, and to re-appoint Jean-Paul Faugère as Chairman and Frédéric Lavenir as Chief Executive Officer.

18 May 2017

CNP Assurances publishes its solo and group SFCRs for 2016

CNP Assurances published its Solvency and Financial Condition Reports (SFCRs) as required by the new regulations. These 2016 reports were approved by the Group's Board of Directors at its meeting on 10 May 2017. The SFCR is a narrative report intended for public disclosure that insurance undertakings are required to prepare annually as from 2016 in application of the Solvency II directive. Two reports have been prepared:

- a group SFCR providing consolidated information for CNP Assurances and its main subsidiaries in France and abroad;
- a solo SFCR providing information for CNP Assurances only, without consolidating the operations of its main subsidiaries in France and abroad.

2.1.2 Second half

26 September 2017

CNP Assurances with Open CNP at the 5th annual France Digitale Day

For the second consecutive year, CNP Assurances partnered France Digitale Day.

During France Digitale Day 2016, CNP Assurances announced a budget of €100 million for its Open CNP programme, to be spent over five years. This Open Innovation programme, an integral part of the insurer's digital strategy, aims to support the growth of innovative start-ups financially while developing win-win situations through partnerships.

In 2016, Open CNP completed three transactions, acquiring equity stakes in:

- Lendix, the leading French crowd-lending platform for SMEs;
- H4D, a leading provider of telemedicine solutions;
- Alan, which offers start-ups and SMEs supplementary healthcare insurance with fully on-line direct underwriting.

In 2017, the Open CNP programme continued its support for start-ups by taking a stake in Stratumn, a leader in network solutions providing secure processing links between companies and their stakeholders via blockchain technology. Then most recently, it invested in MyNotary, the leading French collaborative platform designed to facilitate the co-construction of real property contracts on line.

Open CNP should eventually be in a position to provide support for between 15 and 20 start-ups.

29 September 2017

Conclusion of a non-binding Memorandum of Understanding with Caixa Seguridade

CNP Assurances has signed a non-binding Memorandum of Understanding with Caixa Seguridade, establishing the conditions for a new exclusive distribution agreement in Brazil as of 1 January 2018.

This new agreement would enable CNP Assurances to secure an important portion of its business in the Caixa Econômica Federal network for the very long term (23 years).

As of 22 December 2017 discussions between the two partners were still ongoing, and CNP Assurances has announced that, subject to the outcome of such discussions, the new definitive agreement could be signed in early 2018.

21 November 2017

CNP Assurances receives gold medal at *Victoires des Leaders du Capital Humain* awards

CNP Assurances received a gold medal for its HR policy in the banking, finance & insurance category and a silver medal for its training policy at the fourth *Victoires des Leaders du Capital Humain*.

Held on 14 November 2017 in Paris by Leaders League, publisher of Décideurs magazine, the *Victoires des Leaders du Capital Humain* was particularly rewarding for CNP Assurances, which received a gold medal in the banking, finance & insurance category for its transformation and its Dialog approach, which places employees and customers at the centre of its strategy.

The Company's transformation resulted in the signing of two key agreements: its first Human Resources planning agreement in November 2016, and its first quality of work life (QWL) agreement in February 2017.

Signed for a period of three years, these agreements aim to support the Company's digital acceleration and the development of its business model and regulatory environment.

In addition, the Company's new management training programme was awarded a silver medal at the *Victoires des Leaders du Capital Humain*.

8 December 2017

CNP announces €5 billion worth of new investments in energy and environmental transition projects by the year 2021

To help limit global warming to 2°C at the end of the century, CNP Assurances has announced €5 billion in new investments in support of the Energy and Environmental Transition (EET) between now and the end of 2021. The Company is adapting its equity investment strategy by aligning the management of its portfolios on indices favouring the Energy and Environmental Transition and is boosting its commitment to reducing their carbon footprint.

As a signatory of the Montreal Carbon Pledge in May 2015 and in keeping with COP 21, CNP Assurances undertook, among other things, to reduce the carbon footprint of its listed equity portfolios by 20% and reduce the energy consumption of its property assets, also by 20%, by the year 2020. In view of the results already achieved and the urgency of the climate challenge, CNP Assurances has decided to strengthen its initiatives by setting new targets.

The objective of reducing the carbon footprint of the companies held in its equity portfolio has been raised to 30% by 2021 compared to the 2014 baseline *.

18 December 2017

Malakoff Médéric and CNP Assurances conclude a distribution and reinsurance agreement covering the self-employed professional and individual market segments

The CNP Assurances Group's Amétis network will offer Malakoff Médéric's non-salaried and executive clients a comprehensive approach to personal and wealth protection strategies. The Amétis network comprises 220 advisers, including 86 with wealth management and personal protection certification, located throughout France and specialised in loyalty building through one-on-one advice and their ability to provide global protection solutions. This commercial partnership reinforces the multi-partnership strategy of CNP Assurances and its development efforts in the personal protection and wealth building market segments for professionals and individuals.

Via its distance selling platform, the partnership will enable Malakoff Médéric to increase its growth in the individual health and funeral insurance segments by providing access to the individual clients of CNP Assurances.

20 December 2017

CNP Assurances and UniCredit renew their partnership in Italy

CNP Assurances and UniCredit have renewed their life insurance partnership in Italy organised through the company CNP UniCredit Vita, 57.5% held by CNP Assurances, 38.8% held by UniCredit and 3.7% held 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.

The distribution agreement embodies new ambitions, consolidates the CNP Assurances Group's position in Italy and provides for the creation of a dedicated sales organisation to enhance the distribution of unit-linked savings products, individual protection insurance and term creditor insurance, in line with the CNP Assurances Group's strategy for refocusing the product mix. The partnership's geographic scope remains unchanged, covering Central and Southern Italy, including Sardinia and Sicily (i.e., 1,365 UniCredit branches and points of sale).

2.1.3 Subsequent events

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

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report

2.2 Market and business review

2.2.1 Economic and financial environment

The fastest growth since 2010, thanks to a synchronous and virtuous recovery

When it comes to taking stock, it is clear that 2017 was the best year so far of the current decade. The world's economies got back in sync, driving a 3.7% increase in global GDP, with developed economies enjoying faster growth (led by the euro zone and Japan) and emerging economies staging a rebound (with Brazil climbing out of recession despite a still troubled and uncertain political environment). The improvement was attributable to the recovery in world trade (which grew 5%) and in manufacturing industry (reflecting increased consumer spending and corporate capital expenditure).

This created a virtuous circle illustrated by lower jobless rates, with some countries (the United States, the United Kingdom, Japan and Germany) at near full employment. The tight labour market fuelled limited wage pressures, while only part of the impact of higher oil and metals prices was transferred to customers through price increases. This explains why inflation rates remained below central bank targets in developed countries and fell sharply in emerging countries (with Brazil experiencing 2.9% inflation versus 6% in 2016) as their currencies strengthened against the dollar.

Interest rates remained low in the absence of inflationary pressures

In last year's low-inflation environment, the European Central Bank (ECB) and the Bank of Japan held firm to their accommodative monetary policies, while the US Federal Reserve began a slow process of monetary policy normalization, increasing the Fed Funds rate by 75 basis points during the year and reducing its bond purchases without raising hopes of significant further moves in this direction. In the euro zone, predictions that inflation would remain below the 2% target for some time to come (particularly in light of the euro's appreciation against other currencies) led the ECB to set the pace of its bond purchases at €30 billion a month for a further nine months (until September 2018). In addition, the bank will reinvest €120 billion in redemptions in 2018. This means that the ECB's asset purchase programme will continue to exceed sovereign bond issuances in 2018. The excess of demand over supply flattened, and in some cases reduced, credit risk premiums on peripheral sovereign debt despite the climate of political uncertainty in some countries. Conversely, the central banks in emerging economies adopted accommodative monetary policies, following the example set by Brazil which cut its base rate from 13.75% to 7% in 2017.

The economic environment was very buoyant, with growth rates increasing in the euro zone (to close to 2.4%) and Japan (1.7%), and remaining vigorous in the United States (at close to 3% per quarter as from the second quarter) and China. More importantly still, the leading indicators (PMI, ISM, Ifo) remained close to their all-time highs, promising an equally robust environment in early 2018.

The best performances since 2010, with bond and equity prices rising in tandem

The favourable environment helped to keep share prices high, along with the prices of other assets. The MSCI World Index rose by 21%, led by US equities (with the three benchmark indices – S&P500, Dow Jones and Nasdaq – setting new records) and emerging market equities which gained 32%. European equities experienced mixed fortunes (the Euro Stoxx 50 Index gained 10% and the CAC 40 Index 13%), reflecting the impact of last year's electoral periods and the euro's appreciation against the dollar (with the exchange rate rising from 1.05 to 1.20). Equity prices as a whole were boosted by sharp rises in corporate earnings which exceeded the January consensus forecasts for the first time since 2010.

At the same time, the bond markets delivered a resilient performance despite fears concerning the United States' fiscal policy. The markets' positive performances were attributable to the narrower spreads resulting from institutional investors' attempts to earn higher yields and to interest rate stability (European rates remained stubbornly low, with the 10-year European swap rate at around 0.85%, France's 10-year OAT rate at close to 0.75%, and the US 10-year Fed Funds rate at around 2.45%). High yield debt funds generated yields of 5% to 7% while the average yield on emerging market debt was 10%. More generally, volatility in the bond and equity markets was extremely low, with the VIX Dow Jones implied volatility index at 10% and the V2X Euro Stoxx 50 implied volatility index at 12%, despite last year's electoral periods and geopolitical tensions.

A surprise fall in the dollar which had a significant impact on geographic performance

The main surprise of 2017 came at the end of the year when the US dollar lost 14% against the euro and 6% against the Chinese Yuan, confounding consensus forecasts made in January. The fall in value of the US currency was due to the setbacks experienced in implementing the reforms announced by the Trump administration. The markets were not affected, but the weak dollar led to differences in performance between regions, to the detriment of Europe amongst others. Of particular note was the Brazilian currency's 14% fall against the euro.

A still favourable outlook for 2018 but with a trend reversal

In 2018, European interest rates are expected to recover slowly compared with the current negative rates, despite the ECB's continued policy of bond purchases and the monetary policy normalization process initiated by the Federal Reserve which may be accelerated if the Trump administration's tax reforms result in the economy operating at close to full capacity. Looking further afield, Chinese economic growth is expected to slow following the credit squeeze announced at the end of last year. The emerging economies should continue to recover, particularly Brazil where lower inflation (and interest rates) and a stronger currency should support domestic consumption and drive growth (forecast at 2.5% versus 1% in 2017). The uncertainties will concern adoption of social reforms and the results of the October general election.

2.2.2 2017 business review

Consolidated premium income for the year totalled €32.1 billion, up 1.9% (up 0.7% like-for-like).

In France, premium income declined 5.9% to €22.8 billion.

Savings/pensions premium income contracted by 9.5% to €18.1 billion, after underwriting of new Caisses d'Epargne Savings/Pensions business was discontinued in the fourth quarter of 2016. Under the distribution agreements with BPCE Group, CNP Assurances reinsures 40% of new savings and pensions contracts sold by Natixis Assurances in the Caisses d'Epargne network between 2016 and 2019. The related inward reinsurance premiums included in premium income for 2017 amounted to €1.4 billion. Premium income from unit-linked contracts continued to rise, representing 20.7% of the total in 2017 (versus 15.0% in 2016). The trend was supported by marketing campaigns designed to encourage policyholders to transfer their savings to products with a lower Solvency Capital Requirement. During the year, €3.3 billion was transferred, of which 28% was invested in unit-linked and *Eurocroissance* products, with transfers to *Eurocroissance* products alone coming to €153 million. Savings/pensions net new money reflected a €2.3 billion net inflow to unit-linked contracts and a €7.7 billion net outflow from traditional products.

Premium income from Personal Risk/Protection business rose 11.4% to €4.7 billion. The increase reflected 21.4% growth in personal risk premiums and the extension of term creditor insurance distribution within the BPCE Group, leading to 5.8% growth in premiums from this business.

The APE margin rose sharply to 21.5% (from 10.0% in 2016), reflecting a positive shift in the product mix towards unit-linked contracts and personal risk/protection products and a more favourable economic environment.

In Latin America, all market segments contributed to the 47.4% surge in premium income to €5.3 billion (up 38.1% like-for-like). Savings/pensions premium income soared 71.6% (up 60.5% like-for-like). Caixa Seguradora continued to outperform the Brazilian pensions market, lifting its market share to 8.1% from 5.9% in 2016. Unit-linked contracts accounted for 98.4% of total savings/pensions premiums in 2017 versus 97.7% the year before. Savings/pensions net new money more than doubled to €2.0 billion, substantially all of which came from unit-linked contracts.

Premium income from Personal Risk/Protection business climbed 15.0% as reported (8.0% like-for-like), led by term creditor insurance for consumer loans and mortgage loans and by personal risk insurance.

The APE margin continued to rise, reaching 32.6% (versus 29.1% in 2016).

In Europe excluding France, premium income amounted to €4.0 billion, an increase of 8.6% (up 3.7% like-for-like).

Savings/pensions premiums were up 7.7%, reflecting the first-time consolidation of CNP Luxembourg. CNP UniCredit Vita and CNP Partners successfully refocused their product mix on unit-linked contracts. The contribution of these contracts to total savings/pensions premium income rose sharply during the year, to 72.8% from 56.5% in 2016. The €0.8 billion net inflow to unit-linked contracts more than offset the €0.5 billion net outflow from traditional products.

Premium income from Personal Risk/Protection business rose 11.5%, with growth led by the 14.3% increase in consumer finance term creditor insurance written by CNP Santander.

The APE margin remained virtually stable at 19.1% versus 19.3% in 2016.

Premium income by country

(In € millions)	**2017**	2016	% change *(reported)*	% change (like-for-like)
France	**22,820.5**	**24,251.3**	**-5.9**	**-5.4**
Brazil	5,261.4	3,548.6	48.3	38.6
Italy	2,851.3	2,770.7	2.9	2.9
Germany	469.5	431.2	8.9	8.9
Spain	221.3	242.0	-8.6	-8.6
Luxembourg *	179.6	0.0	n.m.	n.m.
Cyprus	142.8	139.0	2.8	2.8
Poland	67.3	56.8	18.5	18.5
Argentina	40.9	47.5	-13.8	-1.1
Norway	24.3	11.9	104.6	104.6
Denmark	18.1	12.9	40.2	40.2
Austria	11.8	7.5	57.0	57.0
Portugal	6.4	7.5	-14.2	-14.2
Other International	11.8	9.4	26.6	26.6
Total International	**9,306.6**	**7,284.9**	**27.8**	**22.5**
TOTAL	**32,127.0**	**31,536.2**	**1.9**	**0.7**

* CNP Luxembourg was consolidated for the first time at 31 December 2017 with retroactive effect to 1 January 2017

Premium income by segment

(In € millions)	**2017**	2016	% change *(reported)*	% change *(like-for-like)*
Savings	19,728.2	21,629.4	-8.8	-9.0
Pensions	4,984.1	3,299.7	51.0	44.2
Personal Risk	1,957.6	1,762.6	11.1	9.0
Term Creditor Insurance	4,392.6	4,001.0	9.8	8.7
Health Insurance	675.9	498.1	35.7	34.1
Property & Casualty	388.7	345.4	12.6	6.3
TOTAL	**32,127.0**	**31,536.2**	**1.9**	**0.7**

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

In 2017, the Company acquired the following controlling and other interests within the meaning of Article L.233-6 of the French Commercial Code:

	% interest at 31.12.2017	% interest at 31.12.2016
XANGE DIGITAL 3	5.83%	0.00%
MED II S.L.P	6.00%	0.00%
DIGITAL FUND OF FUNDS	7.50%	0.00%
ENTREPRENDRE & CROISSANCE I	10.42%	0.00%
ACTIPIERRE EUROPE	10.81%	9.35%
APEH FRANCE INVESTISSEMENT 1	12.66%	8.86%
HEMISPHERE HOLDING	20.00%	0.00%
CTE	20.01%	0.00%
SG AM AI PRIVATE VALUE A	24.51%	19.61%
ARDIAN EXPANSION FUND IV TRIPLE C CO-INVEST	45.45%	0.00%
RSS IMMO	99.90%	0.00%
WOODLAND INVEST	100.00%	0.00%
EUROPE PROPERTIES INVESTMENTS	100.00%	0.00%
CAPLOC	100.00%	0.00%

2.3 2017 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)	France	Latin America	Europe excl. France	Own-funds portfolios	Total 2017 (1)	Total 2016 (2)	% change (reported)	% change (like-for-like) (3)
	Geographic area							
Premium income	**22,820**	**5,302**	**4,004**		**32,127**	**31,536**	**+1.9**	**+0.7**
Net insurance revenue	1,715	1,075	258		3,048	2,782	+9.6	+7.2
Revenue from own-funds portfolios				779	779	771	+0.9	+0.0
Administrative costs					(938)	(916)	+2.4	+1.0
EBIT					**2,889**	**2,638**	**+9.5**	**+7.2**
Finance costs					(247)	(248)	-0.6	-0.6
Share of profit of equity accounted companies					7	6	+17.3	+11.1
Income tax expense					(1,001)	(865)	+15.7	+12.8
Non-controlling interests					(336)	(293)	+14.7	+8.5
Net gains and fair value adjustements					200	159	n/a	n/a
Non-recurring items					(227)	(195)	n/a	n/a
ATTRIBUTABLE PROFIT FOR THE YEAR					**1,285**	**1,200**	**+7.0**	**+5.6**

(1) Finance costs now include income and expenses from financial instruments held as cash flow hedges, in accordance with a recommendation of France's securities regulator (AMF). Excluding this reclassification (€19.5 million in 2016), finance costs increased by 7.9%

(2) Reinvoiced administrative costs recorded as a deduction from expenses in 2016 are now included in net insurance revenue

(3) Like-for-like comparisons have been determined by excluding CNP Luxembourg from the 2017 figures

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 main changes in key business indicators were as follows:

- **premium income** (and revenue from other activities) rose by 1.9% to €32.1 billion (see comments in section 2.2);
- average technical reserves (excluding the deferred participation reserve but including ceded reserves) rose by 2.2% in 2017. The increase reflected premium income for the year, the amount set aside for policyholder dividends, claim and benefit payments and contract withdrawals.

Net insurance revenue (NIR) for 2017 came to €3,048 million, up by a strong 9.6% as reported (up 7.2% like-for-like).

Net insurance revenue France

In France, net insurance revenue rose 7.2% to €1,715 million, led mainly by the personal risk and protection segment which benefited from the slower reduction in regulatory discount rates, higher premium income and an improvement in the combined ratio.

Net insurance revenue Latin America

In Latin America, net insurance revenue came to €1,075 million, an increase of 14.6% as reported (up 7.5% like-for-like) that reflected sustained momentum in the Personal Risk/Protection business and sharply higher technical reserves in the Pensions business. The performance was achieved despite the impact on additions to technical reserves of the reduction in Brazilian interest rates.

Net insurance revenue Europe excluding France

In Europe excluding France, net insurance revenue rose by 5.5% to €258 million, led by robust growth in CNP Santander's Personal Risk/Protection business.

Revenue from own-funds portfolios totalled €779 million, representing an increase of 0.9% (like-for-like revenue was stable year-on-year). In Brazil, the negative impact of lower interest rates on revenue from own-funds portfolios was offset by the positive effect of the higher average exchange rate for the Brazilian real.

Administrative costs

Administrative costs amounted to €938 million, up 2.4% (up 1.0% like-for-like). In France, administrative costs were reduced by 2.6% to €612 million. At year-end 2017, the Operational Excellence Programme had already delivered a €43 million recurring annual reduction in the cost base, in line with expectations.

EBIT

At €2,889 million, EBIT was up 9.5% as reported and 7.2% like-for-like.

Finance costs

Finance costs were stable (down by just 0.6% like-for-like). Finance costs now include income and expenses from financial instruments held as cash flow hedges, in accordance with a recommendation of France's securities regulator (AMF). Excluding this reclassification (€18.5 million in 2016), finance costs rose year-on-year due to the inclusion of a full year's worth of interest on debt issues carried out in the course of 2016.

Income tax expense

The effective tax rate rose to 37.9% in 2017 from 36.2% in 2016. The increase mainly reflected the exceptional surtax introduced in France's 2018 Finance Act, which was partly offset by the elimination of the 3% additional tax on distributed earnings.

Net gains and losses on equities and property

Capital gains mainly arose from sales of equities and units in equity funds for €162 million.

Non-recurring items

In 2017, non-recurring items corresponded mainly to the amount set aside in technical reserves following the French State's withdrawal from financing statutory uplifts to certain life annuities, along with other additions to technical reserves. Non-recurring items in 2016 corresponded primarily to additions to technical reserves for €195 million (€299 million before tax).

Profit attributable to owners of the parent

Attributable net profit for the year totalled €1,285 million, an increase of 7% compared with 2016. On a like-for-like basis, the increase was 5.6%.

Operations in France contributed €935 million, up 3.4% on 2016.

Attributable net profit from the Latin American businesses was up 19.5% (up 12.0% like-for-like), at €297 million, representing 23% of the consolidated total. At €52 million, attributable net profit from the Europe excluding France region represented 4% of the total.

Consolidated balance sheet at 31 December 2017

Total assets amounted to €423.3 billion at 31 December 2017 versus €419.1 billion at 31 December 2016, representing a 1% increase.

Insurance investments

Insurance investments grew 1% year-on-year to €387.1 billion at 31 December 2017.

For more information, see Notes 8 and 9 to the consolidated financial statements.

Equity

Equity attributable to owners of the parent rose by €723.6 million compared with 31 December 2016, to €18,257.1 million. The net increase mainly reflected recognition of profit for the year (€1,284.5 million increase), payment of dividends (€549.3 million decrease), fair value adjustments recognised directly in equity (€285.2 million increase) and exchange differences on translating foreign operations (€228.3 million decrease).

Equity includes €1,765.2 million in deeply-subordinated debt reclassified from debt in accordance with the IFRIC's interpretation published in November 2006.

For more information, see Note 4 to the consolidated financial statements.

Technical reserves

Insurance and financial liabilities totalled €365.2 billion, a 0.9% increase compared with 31 December 2016.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 1.2%.

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

Financing liabilities

Financing liabilities amounted to €5,300 million at 31 December 2017 versus €5,427.1 million at the previous year-end. The decrease reflected the impact of changes in exchange rates on debt issues denominated in foreign currencies.

For more information, see Note 11 to the consolidated financial statements.

Solvency

At 31 December 2017, the Group's SCR coverage ratio was 190% compared with 177% at the previous year-end. This ratio is determined in accordance with the Solvency II directive and the guidelines issued by France's insurance supervisor (ACPR).

Asset portfolio and financial management

Insurance investments grew 1% year-on-year to €387.1 billion at 31 December 2017.

Available-for-sale financial assets at 31 December 2017 represented 76.6% of total insurance investments and financial assets at fair value through profit (trading securities) represented 21.1%. Held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.3%.

2.3.2 Company Financial statements (French GAAP)

Premium income

(In € millions)	**31.12.2017**	31.12.2016	2017/2016	31.12.2015
Individual insurance premiums	17,577	19,480	-9.77%	19,354
Group insurance premiums	5,372	4,564	17.69%	4,990
TOTAL	**22,948**	**24,045**	**-4.56%**	**24,344**

Premium income declined by 4.56% in 2017.

Individual insurance products

Individual insurance premiums contracted year-on-year, mainly due to the fact that the Company no longer writes new Caisses d'Epargne Savings and Pensions business. In 2017, new money from unit-linked contracts increased, while new money from traditional savings and pensions contracts declined.

Group insurance products

GROUP INSURANCE PREMIUMS BY BUSINESS SEGMENT

(In € millions)	**31.12.2017**	31.12.2016	2017/2016	31.12.2015
Death benefit	2,191	1,818	20.52%	1,966
Pensions	992	671	47.86%	953
Bodily injury	2,189	2,075	5.46%	2,071
TOTAL	**5,372**	**4,564**	**17.6%**	**4,990**

Group insurance premiums increased across all business segments, reflecting the extension of term creditor insurance distribution to the BPCE Group.

Profit for the year

The net profit of CNP Assurances rose by 4.4% to €1,142.5 million in 2017, from €1,094.9 million in 2016.

2017 profit included the €19.6 million merger surplus arising from the merger of Previposte and ITV into CNP Assurances SA.

Equity

Equity at 31 December 2017 amounted to €11,405.5 million versus €10,492.5 million at the previous year-end. The year-on-year change primarily reflected payment of the 2016 dividend (€549.3 million decrease), inclusion of 2017 profit (€1,142.5 million increase), changes in the capitalisation reserve (€22.9 million increase) and recognition of the Previposte/ITV merger surplus (€296.9 million increase).

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.

The disclosures are required for the first time in the management report for the 2017 financial year.

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, CNP Assurances' payment terms in 2017 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 €390,490,932 worth of supplier invoices recorded in 2017.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Standard payment terms: contractual period of 45 days end of month					
Number of invoices concerned	146	84	36	65	331
Total value excluding VAT of the invoices concerned	1,947,786	760,422	90,524	419,680	3,218,412
Percentage of total purchases excluding VAT for the year	0.50%	0.19%	0.02%	0.11%	0.82%

In application of the circular dated 29 May 2017 issued by Fédération Française d'Assurance, the information in the above tables does not include insurance and reinsurance payables.

The Company is working to continuously improve supplier payment terms. To this end, new purchasing process software was installed in 2017 and will continue to be deployed in 2018.

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 €67,590,308 worth of customer invoices recorded in 2017.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Standard payment terms: contractual period of 45 days end of month					
Number of invoices concerned		1		13	14
Total value excluding VAT of the invoices concerned		216		119,803	120,019
Percentage of total revenues (reinvoiced costs) excluding VAT for the year		0.0003%		0.1772%	0.1776%

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

Summary of investments

(In € thousands)	Cost	Carrying amount	Realisable value
Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	12,119,398	11,773,153	15,261,461
2) Equities and other variable income securities, other than mutual fund units	23,826,489	21,258,722	26,961,749
3) Mutual fund units (other than those in 4)	30,937,732	30,428,867	37,398,793
4) Mutual fund units invested exclusively in fixed-income securities	30,086,589	30,086,589	30,383,245
5) Bonds and other fixed income securities	196,982,838	198,131,659	217,644,288
6) Mortgage loans	0	0	0
7) Other loans	168,000	168,000	176,934
8) Deposits with ceding insurers	194,491	194,491	194,491
9) Cash deposits (other than those in 8) and guarantees and other investments	390,606	390,606	390,606
10) Assets backing unit-linked contracts	34,238,862	34,238,862	34,238,862
11) Other forward financial instruments	0	0	0
TOTAL	**328,945,006**	**326,670,949**	**362,650,429**

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 €325,356,480 thousand at 31 December 2017, representing 89.72% of total insurance investments at realisable value.

2.3.3 Review of subsidiaries

Caixa Seguradora

The Caixa Seguradora group's contribution to consolidated premium income totalled €5.3 billion, up 48% as reported and 38% like-for-like. The increase was partly attributable to the drive to encourage reinvestment of the proceeds from matured Caixa Econômica Federal banking products in Caixa Seguradora's pension products, leading to 62% growth in this business. It also reflected growth in Personal Risk business (with increases of 2% like-for-like for risk insurance and 21% like-for-like for term creditor insurance, mainly on consumer finance).

Caixa Seguradora outperformed the Brazilian market over the first eleven months of the year, delivering 45.2% growth in new money versus 7.3% for the market. This translated into a 2.1-point increase in market share to 8.1%.

Caixa Seguradora's contribution to consolidated profit was favourably affected by the 6.5% positive currency effect. In 2017, the average real/euro exchange rate improved to 3.61 from 3.86 in 2016.

Net insurance revenue generated by the Caixa Seguradora group increased by 15% (7.5% like-for-like), led by 19.5% like-for-like growth in the contribution of the Pensions business and 10.8% like-for-like growth in that of the Term Creditor Insurance business. Revenue from own-funds portfolios rose by 2.3%, reflecting lower Brazilian interest rates and the favourable currency effect. The like-for-like change was a decrease of 4.3%. Administrative costs rose by 12.2% as reported (5.3% like-for-like, excluding Youse set-up costs). At €969 million, EBIT was 12.4% higher as reported and 5.1% like-for-like.

Caixa Seguradora's contribution to the Group's attributable net profit for 2017 amounted to €292 million, up 24% compared with 2016.

CNP UniCredit Vita

CNP UniCredit Vita's premium income amounted to €2.6 billion in 2017, an increase of 2.2% in an Italian market that contracted by 6% over the first eleven months of the year. The €419 million decrease in premiums from traditional savings contracts was offset by a €460 million increase in unit-linked sales. The Company's market share remained stable, at 2.1% at end-November 2017.

Net insurance revenue was 5.7% higher at €95 million, reflecting improved margins on Personal Risk and Term Creditor Insurance business. Administrative costs amounted to €36 million, an increase of 8.7% that was due to the cost of setting up the operational efficiency plan. EBIT totalled €67 million, up 2.8% compared with 2016.

CNP UniCredit Vita's contribution to the Group's attributable net profit rose by 3.3% to €31 million.

CNP Santander Insurance

CNP Santander Insurance generated premium income of €692 million in 2017, an increase of 14% compared with the previous year. The strongest growth rates were recorded in the Nordic countries and the Austrian and Spanish markets.

Net insurance revenue, in the amount of €87 million, was derived primarily from business written in Germany (55% of net insurance revenue), Spain (25%) and Poland (11%). Administrative costs were 7.6% higher at €16.2 million, reflecting an increase in employee numbers. EBIT before amortisation of acquired In-Force business and distribution agreements amounted to €72 million. EBIT after amortisation of these intangibles was €52 million, up 55% on 2016.

CNP Santander Insurance's contribution to the Group's attributable net profit amounted to €12 million, representing €9 million more than in 2016.

CNP Cyprus Insurance Holdings

CNP Cyprus Insurance Holdings' premium income totalled €145 million in 2017, an increase of 2.6% that was led by 6.1% growth in unit-linked Savings business. Personal risk premium income was stable (up 1%).

Net insurance revenue contracted by 3.9% to €35 million, following action to increase technical reserves for unit-linked business. Administrative costs decreased by 2.1% over the year. EBIT after amortisation of acquired In-Force business was €14 million, 10% higher than in 2016, reflecting improved yields on own-funds portfolios.

CNP Cyprus Insurance Holdings' contribution to Group attributable net profit after amortisation of acquired In-Force business, was €6.1 million.

2.3.4 Growth outlook

Leveraging the Group's robust financial results, our ambition is to create value for policyholders, shareholders and employees while remaining fully engaged in the battle to address the major human and environmental challenges facing society.

The main drivers of business growth will be:

- our development strategy focused on the most profitable products (unit-linked savings products, protection and personal risk insurance);
- the on-going expansion of the multi-partner business model (following last year's examples of the new partnership with Malakoff-Médéric and the renewal of the partnership with UniCredit in Italy);
- deployment of the digital strategy in line with our goal of becoming the benchmark digital insurance company in the 2020s.

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.

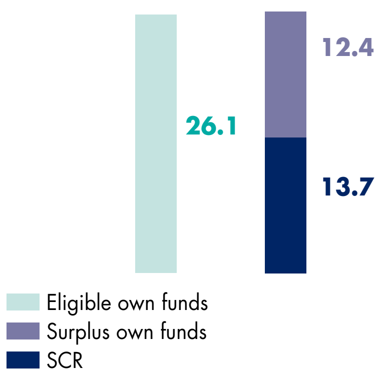
At 31 December 2017, CNP Assurances' consolidated SCR coverage ratio was 190%. The excess of own funds eligible for inclusion in capital available to cover the consolidated SCR (€26.1 billion) over the consolidated SCR (€13.7 billion) represented a regulatory surplus of €12.4 billion. The Solvency Capital 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 2017 was 324%. The excess of own funds eligible for inclusion in capital available to cover the consolidated MCR (€22.6 billion) over the consolidated MCR (€7.0 billion) represented a regulatory surplus of €15.6 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 2016 will be presented in CNP Assurances' 2017 Solvency and Financial Condition Report (SFCR) (published in May 2018).

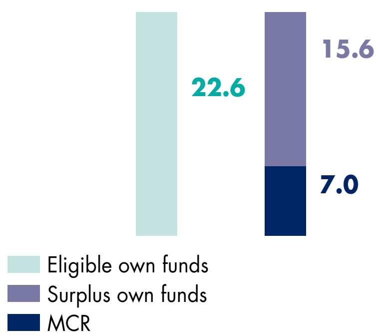
CONSOLIDATED SCR COVERAGE RATIO AT 190% AT 31 DECEMBER 2017

(In € billions)



CONSOLIDATED MCR COVERAGE RATIO AT 324% AT 31 DECEMBER 2017

(In € billions)



3

CORPORATE GOVERNANCE

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, 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, to the extent possible, 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 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.

In all cases, candidates' tasks and responsibilities in their previous positions are examined in detail, along with their cross-functional skills (for example, holistic vision, analytical and deductive skills, and interpersonal, outreach and communication skills), behavioural skills (for example, natural authority, management skills and sense of responsibility), reputation and integrity.

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 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 in General Meeting.

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 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 41.2% of Board members.

* AMF recommendation DOC-2012-02 presents in a single document all the recommendations applicable to companies that refer to the AFEP-MEDEF Corporate Governance Code as revised in November 2016

The Board of Directors has 19 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.

Steps are taken to ensure that some Board members have expertise in areas corresponding to the Company's new strategic challenges such as mastering the digital transition, innovation processes and emerging technologies.

Three Committees of the Board (the Audit and Risk Committee, the Strategy Committee and the Remuneration and Nominations 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 Board decisions and to use authorisations given to the Board by the General Meeting.

The Board of Directors' prior approval of certain strategic transactions, such as business acquisitions, must be obtained by the Chief Executive Officer before any material 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 financial statements, authorise (or delegate to the Board of Directors its power to 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 ethical standards and corporate values, as well as with all applicable laws and regulations. When conducting its duties and taking decisions, the Board acts in a completely independent manner.

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. The Annual General Meeting of 27 April 2018 will therefore be asked to re-elect six directors whose terms expire at the close of the meeting.

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;
- 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 2017, the Board met nine times (eight times in 2016).

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 prepared by the Group Risk Committee and the Strategic Asset Allocation Committee, allowing him to discuss the topic concerned with the Chief Executive Officer and ensure that he fully understands the Company's risk exposure.

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 Company's Chief Executive Officer is Frédéric Lavenir.

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.

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 internal 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 three Deputy Chief Executive Officers and ten 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 Group's results and financial ratios and reviews the action plans to be implemented by the Group. 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. In addition, the International Partnerships department coordinates the operational management of the international subsidiaries.

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.

Antoine Lissowski, Deputy Chief Executive Officer and Finance 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 business model. 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.

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

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 new business value, 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 (whose interests are held through a joint holding company, Sopassure) and the French State – that are united by a shareholders' agreement.

The shareholders' agreement organises the composition of the Board of Directors, as follows:

Six directors recommended by Caisse des Dépôts	Caisse des Dépôts, represented by Eric Lombard Delphine de Chaisemartin Virginie Chapron du Jeu Pauline Cornu-Thénard Olivier Mareuse Olivier Sichel
Five directors recommended by Sopassure	Sopassure, represented by Florence Lustman Jean-Yves Forel François Pérol 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	Frédéric Lavenir, Chief Executive Officer

Directors' profile

41.2%
OF DIRECTORS ARE WOMEN *

23.5%
OF DIRECTORS ARE INDEPENDENT *

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 Governance Code and Article L. 225-27-1 of the French Commercial Code

Changes in the composition of the Board in 2017 and the first part of 2018

Date *	Term expires	Resigned	Elected/appointed	Re-elected/ appointment ratified
13 April 2017			French State, represented by Bertrand Walckenaer	Jean-Paul Faugère Frédéric Lavenir Virginie Chapron du Jeu Sopassure represented by Florence Lustman Delphine de Chaisemartin Rose-Marie Van Lerberghe Pauline Cornu-Thénard
10 May 2017	Laurence Guitard, director representing employees		Laurence Guitard, director representing employees	
10 May 2017			Philippe Bartoli, director representing employees	
27 July 2017		Franck Silvent		
28 September 2017			Charles Sarrazin appointed to take over from Bertrand Walckenaer as representative of the French State (by ministerial order dated 7 September 2017)	
14 December 2017			Eric Lombard appointed to take over from Pierre-René Lemas as representative of Caisse des Dépôts	
21 February 2018			Olivier Sichel appointed as director to fill the seat left vacant by Franck Silvent's resignation on 27 July 2017	

* Date of Board Meeting following appointment to the Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS AT 27 APRIL 2018, BEFORE THE ANNUAL GENERAL MEETING (INDIVIDUAL DIRECTORS AND REPRESENTATIVES OF CORPORATE DIRECTORS)

Directors	Age	Nationality	Gender	First elected	Years served on the Board	Current term expires	Attendance rate at Board meetings in 2017	Audit and Risk Committee	Remuneration and Nominations Committee	Strategy Committee	Follow-up Committee on the Implementation of the BPCE and LBP Partnership *
Jean-Paul Faugère, Chairman of the Board of Directors	61	FR	M	2012	6	2021	100%		●	◆	◆
Frédéric Lavenir, Chief Executive Officer	57	FR	M	2012	6	2021	100%				
Eric Lombard	59	FR	M	2017	0	2020	n/m		●		
Virginie Chapron du Jeu	56	FR	F	2012	6	2021	100%				●
Pauline Cornu-Thénard	38	FR	F	2016	1	2020	89%				
Olivier Mareuse	54	FR	M	2013	5	2018	67%	●		●	
Delphine de Chaisemartin	47	FR	F	2016	1	2021	89%				
Olivier Sichel	50	FR	M	2018	0	2018	n/a			●	●
Florence Lustman	57	FR	F	2015	3	2021	100%	●			
Jean-Yves Forel	56	FR	M	2012	5	2018	100%	●		●	
François Pérol	54	FR	M	2009	9	2018	22%		●		
Philippe Wahl	62	FR	M	2011	7	2018	78%		●		
Rémy Weber	60	FR	M	2013	4	2018	89%			●	
Charles Sarrazin	44	FR	M	2016	1	2020	100%				●
Philippe Bartoli	59	FR	M	2017	1	2021	100%				
Laurence Guitard	57	FR	F	2016	2	2021	89%				
Marcia Campbell	59	UK	F	2011	7	2020	89%	●		●	●
Stéphane Pallez	58	FR	F	2011	7	2020	89%	◆		●	●
Rose-Marie Van Lerberghe	71	FR	F	2013	5	2021	100%		◆		●

● Member ◆ Chairman
n/m: not meaningful because Eric Lombard was appointed on 13 December 2017
n/a: not applicable

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS TO BE PROPOSED AT THE 27 APRIL 2018 ANNUAL GENERAL MEETING

Directors stepping down (end of term or resignation)	Candidates proposed for election	Directors proposed for re-election
-	-	Olivier Mareuse François Pérol Jean-Yves Forel Olivier Sichel Philippe Wahl Rémy Weber

* Committee set up on 21 February 2018

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 21 February 2018, 41.2% of Board members were women, in line with the 40% minimum proportion required by Article L.225-18-1.

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 legislative and regulatory requirements applicable to insurance undertakings.

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).

3.2.3 Compliance with the AFEP-MEDEF Corporate Governance Code

Directors' independence

At its meeting on 21 February 2018, the Board of Directors reviewed the Remuneration and Nominations Committee's work on the independence criteria to be applied to directors and approved the Committee's recommendations concerning the directors qualified as independent.

The Company applies the independence criteria listed in the AFEP-MEDEF Corporate Governance Code (November 2016 version), as presented in the table below. The table also shows the directors who are qualified as independent based on the Board's assessment of their situation in relation to these criteria.

	Jean-Paul Faugère	Stéphane Pallez	Marcia Campbell	Rose-Marie Van Lerberghe
Not to be an employee or executive director of CNP Assurances (currently or in the previous five years)	Complies	Complies	Complies	Complies
Not to be an employee, executive director or non-executive director of a consolidated subsidiary of CNP Assurances (currently or in the previous five years)	Director of Caixa Seguros Holding, a consolidated subsidiary of CNP Assurances	Complies	Complies	Complies
Not to be an employee, executive director or non-executive director of the Group's parent company or a consolidated subsidiary of the parent company (currently or in the previous five years)	Complies	Complies	Complies	Complies
Not to be an executive director of a company: ▪ in which CNP Assurances holds a directorship, directly or indirectly (currently or in the previous five years); ▪ of which the Chief Executive Officer of CNP Assurances or an employee appointed as such is a director (currently or in the previous five years)	Complies	Complies	Complies	Complies

	Jean-Paul Faugère	Stéphane Pallez	Marcia Campbell	Rose-Marie Van Lerberghe
Not to be a customer, supplier, investment banker or commercial banker *: ▪ that is material to CNP Assurances or its Group or; ▪ that depends on CNP Assurances or its Group for a significant part of its business	Complies	Complies	Complies	Complies
Not to be related by close family ties to a corporate officer	Complies	Complies	Complies	Complies
Not to have been a Statutory Auditor of CNP Assurances within the previous five years	Complies	Complies	Complies	Complies
Not to have been a director of CNP Assurances for more than twelve years	Complies	Complies	Complies	Complies
Not to represent a shareholder that owns over 10% of CNP Assurances' share capital	Complies	Complies	Complies	Complies
Qualification of director based on the Remuneration and Nominations Committee's analysis	Independent	Independent	Independent	Independent

* At its meeting on 21 February 2018, 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

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.

AFEP-MEDEF Code Recommendations	CNP Assurances	Explanations
Proportion of independent directors		
Board of Directors: proportion should be over 33% in controlled companies	proportion is 23.52%	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.
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%	
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 issued in December 2016, Jean-Paul Faugère does not participate in decisions by CNP Assurances' Board on matters that may give rise to a conflict of interest between CNP Assurances and Caixa Seguros Holdings.

AFEP-MEDEF Code Recommendations	CNP Assurances	Explanations
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 executive directors		Article 5.3 of the shareholders' agreement describes the specific process for appointing the Chief Executive Officer and other corporate officers. This process led to the Board of Directors' decision on 23 February 2017 to propose to the Annual General Meeting the renewal of the Chief Executive Officer's appointment. 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 CNP Assurances. Concerning the temporary or permanent replacement of holders of the other key functions in the Group, a continuity and succession plan for the 17 holders of key functions (11 of whom are members of the Executive Committee) was reviewed by the Remuneration and Nominations Committee and presented by the Chairman of the Committee to the Board of Directors at its meeting in February 2017.
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. The relevant provisions of the Board of Directors' internal rules are based on this article, and do not currently provide for the appointment of a director representing employees to the Remuneration and Nominations Committee.
Quantifiable objectives should account for the largest share of the Chief Executive Officer's variable remuneration		As from 2018, quantifiable objectives will account for 60% and qualitative objectives for 40% to ensure compliance with the AFEP-MEDEF Corporate Governance Code, which provides for quantifiable objectives to be weighted more than qualitative objectives.

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 and 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 shape 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 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 three Committees: the Audit and Risk Committee, the Remuneration and Nominations Committee and the Strategy Committee.

The duties and procedures of each 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 2017

Board of Directors

9	84%	2H30
NUMBER OF MEETINGS	ATTENDANCE RATE	AVERAGE DURATION OF EACH MEETING

During 2017, the Board of Directors:

- devoted one meeting to reviewing the broad lines of the Group's strategy and changes to the business model;
- received regular updates from Executive Management on the negotiations conducted in Brazil (with Caixa Econômica Federal) and Italy (with UniCredit) with a view to renewing the long-standing partnerships in these countries;
- reviewed the succession plans for holders of key functions;
- authorised related party transactions concerning the Group's business (with Arial CNP Assurances) or its investments (with GRTgaz, LPBAM, AEW Ciloger);
- approved an internal restructuring operation (merger of two life insurance subsidiaries into CNP Assurances) designed to streamline the Group's legal structure and reduce the recurring costs of administering subsidiary insurance undertakings;
- regularly reviewed the status of various business developments, particularly in relation to:
  - the premium life insurance and Savings business (CNP Patrimoine),
  - operations in Spain with CNP Partners,
  - deployment of the 100% digital insurance platform in Brazil (Youse);
- regularly reviewed the digital transformation programmes, information systems issues, Human Resources challenges and outlook and the operational excellence plan, all of which influence the Group's performance;
- performed 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);
- reviewed the Company's responses to questions and information requests from the ACPR.

(1) SFCR reports, RSR reports, report on the procedures for the preparation and verification of financial information, report 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

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, Chairman Marcia Campbell	6	90%	3 hours and 20 minutes
Directors (elected on the recommendation of the parties to the shareholders' agreement)	Florence Lustman Jean-Yves Forel Olivier Mareuse			

During 2017, the Audit and Risk Committee continued to provide opinions and recommendations to the Board, based notably on discussions with the Statutory Auditors held without any members of Executive Management or other employees being present.

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 long in advance to permit them to prepare their questions for the Statutory Auditors, the Finance Director, 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 2017, 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 new business value, by conducting an assessment of the measures deployed to reverse the situation;
- the content of the Solvency and Financial Condition Reports (SFCRs) published by insurance undertakings in 2017, based on the results of a survey conducted by a firm of consultants;
- 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 2017, and their respective programmes for 2018.

The Committee also looked closely at the Company's response to the audits performed by the ACPR, including 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 included the agreement on a system to approve 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

<table>
<tr><th colspan="2">Number of members: 5</th><th>Number of meetings</th><th>Attendance rate</th><th>Average duration of each meeting</th></tr>
<tr><td>Independent directors</td><td>Rose-Marie Van Lerberghe, Chairman
Jean-Paul Faugère</td><td rowspan="2">1</td><td rowspan="2">100%</td><td rowspan="2">1 hour and 30 minutes</td></tr>
<tr><td>Directors (elected on the recommendation of the parties to the shareholders' agreement)</td><td>François Pérol
Pierre-René Lemas
Philippe Wahl</td></tr>
</table>

Jean-Paul Faugère, Chairman of the Board, and Frédéric Lavenir, Chief Executive Officer, both take part in the work of the Remuneration and Nominations Committee: Jean-Paul Faugère is a member of the Committee and Frédéric Lavenir 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 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 non-executive corporate officers, which is part of the Group's overall remuneration policy approved by the Board.

It reviews any planned employee rights issues or share grants.

During its meetings in 2017, the Committee mainly examined:

- proposals concerning the re-election or election of directors;
- the components of the remuneration awarded to the Chairman of the Board of Directors and the Chief Executive Officer.

It recommended to the Board of Directors to:

- maintain the annual remuneration awarded to Jean-Paul Faugère in his capacity as Chairman of the Board of Directors at €280,000 in 2017. Jean-Paul Faugère does not receive any directors' fees for participating in meetings of the Board or the Committees of the Board and has waived the directors' fees due to him in his capacity as a director of Icade and Caixa Seguros Holding;
- maintain the remuneration awarded to Frédéric Lavenir, Chief Executive Officer, comprising an annual fixed salary of €400,000 and a bonus of €50,000, the payment of which depends on the achievement of certain quantifiable and qualitative performance criteria. Frédéric Lavenir does not receive any directors' fees for participating in meetings of the Board of Directors and has waived the directors' fees due to him in his capacity as a director of Caixa Seguros Holding.

Strategy Committee

<table>
<tr><th colspan="2">Number of members: 7</th><th>Number of meetings</th><th>Attendance rate</th><th>Average duration of each meeting</th></tr>
<tr><td>Independent directors</td><td>Jean-Paul Faugère, Chairman
Stéphane Pallez
Marcia Campbell</td><td rowspan="2">5</td><td rowspan="2">93%</td><td rowspan="2">2 hours</td></tr>
<tr><td>Directors (elected on the recommendation of the parties to the shareholders' agreement)</td><td>Rémy Weber
Jean-Yves Forel
Olivier Mareuse
Franck Silvent</td></tr>
</table>

The Strategy Committee primarily examined the renewal of the partnerships with Caixa Econômica Federal (Latin America) and UniCredit (Italy) and the proposed acquisition of a majority stake in iSalud, an insurance price comparison site and Spain's leading digital distributor of individual health insurance.

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 2017 the Board performed a self-assessment of its performance with the assistance of outside consultants. The results of this self-assessment, which followed an independent assessment performed in 2016, were formally presented to the Board of Directors on 15 November 2017.

The self-assessment exercise was based on a questionnaire sent to all directors and on interviews with directors who had joined the Board since 2016.

The questionnaire covered the role, responsibilities and practices of the Board and the role and responsibilities of the Committees of the Board, and also included a self-assessment of each director's individual contribution to the Board's work.

The directors confirmed their favourable opinion of the Company's governance, highlighting the quantity and quality of their training, which ensures they are able to fulfil their regulatory obligations. They also underlined the need for the Board to step up its role in overseeing the Company's strategy, in particular during an annual seminar.

The exercise was also an opportunity to track implementation of the formal action plan to address the areas of improvement identified during the 2016 assessment.

A formal progress report was presented at the Board Meeting on 15 November 2017 and further proposed improvements were also put forward.

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 one hundred million euros per commitment*;
- business acquisitions and disposals for amounts in excess of fifty million euros 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 CNP Assurances 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.

On 21 February 2018, 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 one hundred million euros 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 one billion, five hundred million euros (€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 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;
- 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 one billion, five hundred million euros (€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.

* 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 Members of the Board of Directors

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

AGE: 59

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
CNP Assurances' strategy and business model
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

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.

AGE: 59

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
CNP Assurances' strategy and business model
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)

FIRST ELECTED TO THE BOARD: 22 February 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

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 companies outside France.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Sainsbury's Bank (UK), *director, Chairman of the Transmission Committee, member of the Audit Committee*
- Murray International Trust Plc (UK), *Chairman 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*
- Woodford Investment Management (UK), *Chairman of the Oversight Board (since June 2016)*
- Charles Stanley Group plc (UK), *director (since October 2017)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- Scottish Government, *Chairman of the Advisory Committee for Environmental Strategy (term expired 2014)*
- Ignis Asset Management (subsidiary of Phoenix Group Plc), *Director of Operations (2010-March 2012)*
- Scottish Business in the Community (charitable institution), *director (2006 to 2012)*

AGE: 47

NATIONALITY: French

EDUCATION: MBA from York University, Toronto (Canada), Degree in Accounting and Finance from EM Lyon Business School

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
Financial and actuarial analysis

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: 8 November 2016

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

DELPHINE DE CHAISEMARTIN

Main function: Head of Financial Institutions and Private Equity, Group Steering Department of Caisse des Dépôts (since 2012)

PROFESSIONAL EXPERIENCE

Delphine de Chaisemartin began her career with Compagnie Parisienne de Réescompte as fixed income desk risk and results supervisor. In 1997, she moved to PricewaterhouseCoopers where she served as an Audit Manager in the Financial Services group.

- In 2002, she joined Société Générale Corporate & Investment Banking, as Deputy Director then Director, Financial Control of Operations.
- In 2006, she moved to the New York office of Société Générale Corporate & Investment Banking, to take up the position of Chief Operating Officer for the interest rate, credit and financing markets business.
- Since 2012, she has been Director of the Financial Institutions and Private Equity unit of the Group Steering Department of Caisse des Dépôts.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts Entreprises Elan PME, *Chairman of the Board of Directors*
- La Banque Postale Collectivités Locales (SA), *director*
- Bpifrance Financement (SAS), *director, member of the Financing and Guarantees Committee, member of the Innovation Committee, member of the Audit Committee, member of the Risk Committee, member of the Nominations and Remuneration Committee*
- Qualium Investissement (SAS), *director, member of the Qualium Fund Advisory Committee*
- Société de Financement Local (SA), *director, member of the Remuneration and Nominations Committee, member of the Audit Committee, member of the Risk Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- Dexia Crédit Local (SA), *director (term expired January 2013)*
- France Brevets (SAS), *director (term expired October 2014)*
- Innovation Capital (SAS), *representative of Univers 12 on the Supervisory Board (term expired 2016)*
- Sofired (SAS), *director (term expired September 2014)*

AGE: 56

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
CNP Assurances' strategy and business model
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 ASSURANCES :
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Group Finance Director, member of the Management Committees of Caisse des Dépôts and of the Group*
- BPI France (SA), *director, member of the Risk Committee and the Audit Committee*
- La Poste (SA), *director, Chairman of the Audit Committee*
- Réseau Transport Electricité - RTE, *member of the Supervisory Board, member of the Oversight and Audit Committee*
- Coentreprise de Transport d'Électricité - CTE, *director*
- Novethic, *Chairman and member of the Strategy Committee*
- CDC GPI (SA), *representative of Caisse des Dépôts, director*
- CDC GPII (SAS), *representative of Caisse des Dépôts, director*
- Humanis Retraite Arrco (supplementary pension institution), *director representing members*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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)*
- Cacéis (SA), *director (term expired 2016)*
- AEW Europe (SA), *representative of Caisse des Dépôts, director* (term expired 2016)

AGE: 38

NATIONALITY: French

EDUCATION: Attorney-at-Law admitted to the Paris Bar, Post-graduate degree in Banking and Finance Law (Paris II Assas University)

SOLVENCY II-RELATED EXPERTISE:
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: 8 November 2016

CURRENT TERM EXPIRES: 2020

PAULINE CORNU-THÉNARD

Main function: Deputy Legal and Tax Counsel, Caisse des Dépôts (since 1 February 2018)

PROFESSIONAL EXPERIENCE

After obtaining her post-graduate degree in Banking and Finance Law from Paris II Assas University, Pauline Cornu-Thénard worked as a lawyer between 2004 and 2009 (at Gide Loyrette Nouel and Linklaters LLP) before joining the Legal Department at Caisse des Dépôts initially as a lawyer, then as Deputy Manager of the Finance Law unit (2012-2015) and Deputy Director of the Legal and Tax Department from 2016 to 2018.

On 1 February 2018, she was appointed Deputy Legal and Tax Counsel at Caisse des Dépôts.

AGE: 61

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
CNP Assurances' strategy and business model
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)

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

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)
- Listener (*auditeur*) at the Conseil d'État (French supreme administrative court) (1982)
- Counsel (*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 Committee*

JEAN-YVES FOREL

AGE: 56

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Grenoble*, Degree in Economics

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 2014

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

Main function: member of the General Management Committee of BPCE and Chief Executive Officer, Transformation & Business Efficiency (since May 2016)

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. Jean-Yves Forel was a member of the Management Board of BPCE's Commercial Banking and Insurance Division from 2012 to May 2016.

OTHER DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *member of the General Management Committee of BPCE and Chief Executive Officer, Transformation & Business Efficiency*
- BPCE IT, *director, Chairman and Chief Executive Officer (since 30 November 2016)*
- Albiant IT (SA), *director, Chairman and Chief Executive Officer (since 30 November 2016)*
- IT-CE, *Chairman and Chief Executive Officer (since 18 July 2016)*
- i-BP, *director, Chairman and Chief Executive Officer (since 29 September 2016)*
- 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), *representative of BPCE, Chairman of the company and the Board of Directors (since 31 August 2016)*
- EDEP, *director, Chairman of the Board of Directors (since 20 December 2017)*
- Holassure, *director and Chairman (since 9 February 2017)*
- Natixis Coficiné (SA), *director (since 20 April 2010)*
- NEFER, *director, Chairman of the Board of Directors (since 29 September 2016)*
- Sopassure (SA), *director and Chairman (since 6 December 2012)*
- BPCE Achats, *Director (since 22 September 2016)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- Algiers Business Centers (Algeria), *director (term expired 11 June 2013)*
- Albiant-IT (SA), *director (term expired 7 December 2012)*
- 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)*
- Caceis (SA), *director (term expired 31 December 2012)*
- Compagnie Européenne de Garanties et Cautions (SA), *Chairman of the Board of Directors (term expired 29 November 2012)*
- 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)*
- Natixis Altaïr Shared Services (SA), *representative of Natixis, director (term expired 31 December 2012)*
- Natixis Consumer Finance (SAS), *Chairman of the Board of Directors (term expired 28 November 2012)*
- Natixis Consumer Finance IT (SAS), *Chairman (term expired 30 November 2012)*
- Natixis Factor (SA), *Chairman of the Board of Directors (term expired 4 December 2012)*
- Natixis Financement (SA), *Chairman of the Board of Directors (term expired 28 November 2012)*
- Natixis Interépargne, *Chairman of the Board of Directors (term expired 18 December 2012)*
- Natixis Lease (SA), *Chairman of the Board of Directors (term expired 11 December 2012)*
- Natixis Paiements, *Chairman of the Board of Directors (term expired 18 December 2012)*
- Nova Credit (SA), *Chairman of the Board of Directors (term expired 30 November 2012)*
- Partecis (SAS), *director (term expired 10 March 2015)*
- SICOVAM Holding (SA), *representative of Natixis, director (term expired 31 December 2012)*
- Titres Cadeaux (SAS), *Vice-Chairman of the Board of Directors (term expired 21 December 2012)*

AGE: 57

NATIONALITY: French

EDUCATION: *École nationale d'assurance* and CNIL

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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

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 real estate 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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- FCPE Actions CNP (corporate mutual fund), *Chairman of the Supervisory Board*

AGE: 57

NATIONALITY: French

EDUCATION: Graduate of HEC and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 4,000

FIRST ELECTED TO THE BOARD: 25 April 2013

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

FRÉDÉRIC LAVENIR

Main function: Chief Executive Officer of CNP Assurances (since 26 September 2012)

PROFESSIONAL EXPERIENCE

Frédéric Lavenir began his career at the French Inspectorate of Finance in 1986 before joining the French Treasury where, in 1992, he was appointed Director of the Insurance Company Office. In 1995, he was appointed Secretary General of the Inter-Ministerial Committee for Industrial Restructuring (CIRI). He served as Deputy Director of the Office of the Minister of the Economy, Finance and Industry from 1997 to 2000.

He joined the BNP Paribas Group in 2001, becoming Chief Executive Officer and then Chairman and Chief Executive Officer of BNP Paribas Lease Group. From 2007 to end-September 2012 he was Human Resources Director and a member of the Executive Committee of BNP Paribas Group.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *director*
- Arial CNP Assurances (SA), *Chairman of the Board of Directors*

Other directorships and functions

- Caisse des Dépôts, *member of the Group Management Committee*
- ADIE (Association pour le droit à l'initiative économique), *Chairman since 1 September 2016*

ERIC LOMBARD

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

AGE: 59

NATIONALITY: French

EDUCATION: Graduate of HEC

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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

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 General Management Committee of Corporate and Investment Banking – 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)

OTHER DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *CEO and member of the Executive Committees of Caisse des Dépôts and of the Group*
- Fonds de Réserve pour les Retraites (FRR) (public institution), *Chairman of the Management Board*
- BPIFrance (SA), *Chairman of the Board of Directors*
- Société Nationale Immobilière – SNI (SAEM), *Chairman of the Supervisory Board*
- La Poste (SA), *representative of Caisse des Dépôts, director and member of the Remuneration and Governance Committee*
- Le Fonds Marguerite (European Fund), *representative of Caisse des Dépôts, director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

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

AGE: 57

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
CNP Assurances' strategy and business model
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

FLORENCE LUSTMAN

Main function: Chief Financial Officer, La Banque Postale (since April 2014)

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 AIS 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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Public Affairs Director*
- AEW SA (SA), *representative of SF2, director, Chairman 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 Chairman 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), *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), *Chairman of the Board of Directors*
- SF2 (SA), *director and Chief Executive Officer*
- Sopassure (SA), *director*
- La Banque Postale Prévoyance (SA), *representative of SF2, director, Chairman of the Audit and Risk Committee*
- Tikehau Capital (SCA), *member of the Supervisory Board*
- Tikehau Capital Advisors (SAS), *representative of Fonds Stratégique de Participations, director*

AGE: 54

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 2014

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

OLIVIER MAREUSE

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

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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Director of the Savings Funds Division of Caisse des Dépôts and a member of the Management Committees of Caisse des Dépôts and the Group*
- AF2i (French institutional investors association), *director*
- CDC Infrastructure (SA), *director (until his resignation in August 2017)*
- CDC International Capital (SA), *director, member of the Investment Committee and the Audit and Accounts Committee*
- Icade (listed SA), *director, member of the Audit, Sustainable Development and Risk Committee*
- Qualium Investissement (SAS), *representative of Caisse des Dépôts, director (until his resignation in November 2017)*
- Société Forestière de la Caisse des Dépôts (SA), *director (until his term expired in June 2017)*
- Veolia Environnement (listed SA), *representative of Caisse des Dépôts, director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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 GPI (SA), *representative of Caisse des Dépôts, director (term expired September 2016)*
- CDC GPII (SA), *representative of Caisse des Dépôts, director (term expired September 2016)*
- DEXIA (listed SA), *director (term expired December 2012)*
- FSI (Fonds Stratégique d'Investissement), *representative of Caisse des Dépôts, director (term expired September 2012)*

AGE: 58

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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
126, rue Galliéni
92643 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 (Chairman)
Strategy Committee (member)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)

FIRST ELECTED TO THE BOARD: 5 April 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

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 Treasury Department 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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- La Française des Jeux, *Chairman of the Board and Chief Executive Officer*
- Eurazeo (listed SA), *member of the Supervisory Board, Audit Committee and CSR Committee*
- ENGIE (formerly GDF-Suez) (listed SA), *representative of the French State, director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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)*

FRANÇOIS PÉROL

Main function: Chairman of the Management Board of BPCE (since 1 August 2009)

AGE: 54

NATIONALITY: French

EDUCATION: Graduate of HEC, *Institut d'études politiques de Paris* and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 21 April 2009

LAST RE-ELECTED: 2014

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

PROFESSIONAL EXPERIENCE

François Pérol began his career in 1990 at the French General Inspectorate of Finance. In 1994, he was appointed Deputy Secretary General of the Interministerial Committee for Industrial Restructuring (CIRI). In 1996, he was appointed Director of the Financial Markets unit at the French Treasury. From 1999 to 2001, he was Secretary General of the Club de Paris, responsible for international debt negotiations. He was Deputy Director of Business Financing and Development at the French Treasury in 2001, before being appointed Deputy Director of the Office of Francis Mer, Minister of the Economy, Finance and Industry in 2002, and Deputy Director of the Office of Nicolas Sarkozy, Minister of State and Minister of the Economy, Finance and Industry in 2004. In 2005, he was appointed managing partner of Rothschild & Cie. In May 2007, he was appointed Deputy Secretary-General to the office of the French President. From 2 March to 1 August 2009, François Pérol held the positions of Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne and Chief Executive Officer of Banque Fédérale des Banques Populaires.

OTHER DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Chairman of the Management Board*
- Banque Centrale Populaire (Morocco), *representative of BPCE Morocco, director*
- CE Holding Promotion (SAS), *Chairman and director*
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors*
- Natixis (listed SA), *Chairman of the Board of Directors*
- Sopassure (SA), *director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- BPCE International (BPCE I) (SA), *Chairman of the Board of Directors, director (term expired 6 December 2012)*
- Banque Populaire Création, *representative of BPCE, Chairman (term expired 28 December 2015)*
- Crédit Immobilier et Hôtelier (CIH) (Morocco), *Vice-Chairman of the Board of Directors (term expired 2012)*
- Fédération Bancaire Française (Federation) (FBF), *Chairman (term expired 31 August 2015), previously Vice-Chairman (term expired 31 August 2014)*
- Groupement Européen des Caisses d'Epargne (ESBG) (non-profit organisation), *Chairman (term expired 12 June 2015)*
- Musée d'Orsay (public institution), *director (term expired 21 September 2013)*
- SCI Ponant Plus, *representative of BPCE, legal manager (term expired 3 December 2014)*
- SNC Bankéo, *representative of BPCE, legal manager (term expired 22 November 2012)*

AGE: 44

NATIONALITY: French

EDUCATION: Graduate of *École polytechnique*, ENSAE 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

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 on the Paris Administrative Court, hearing tax cases, before joining the French 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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Agence des Participations de l'État (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*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- Director of ODAS
- Director of TSA

AGE: 50

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Paris*, ESSEC and *École nationale d'administration*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
Financial and actuarial analysis

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:
Strategy Committee (member)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)

FIRST ELECTED TO THE BOARD: February 2018

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

OLIVIER SICHEL

Main function: Deputy Chief Executive Officer of Caisse des Dépôts (since 15 December 2017)

PROFESSIONAL EXPERIENCE

Olivier Sichel began his career as an Inspector (*Inspecteur des Finances*) at the Ministry of the Economy and Finance in 1994.

Four years later, in 1998, he left the public sector to take his first steps in the telecoms industry by accepting a position as Director of a France Telecom agency.

In 2000, he was appointed Chairman and Chief Executive Officer of Alapage.com, an e-commerce subsidiary of Wanadoo, before also becoming Wanadoo's Chairman and Chief Executive Officer in 2002. After Wanadoo was merged into France Telecom, he led its integration in the telecoms group and became Executive Director of Orange's Fixed-line Telephone & Internet Europe Division.

In 2006, he left France Telecom to become a partner of the Sofinnova venture capital fund, and in 2012 he took the helm of LeGuide.com, an on-line shopping guide that he sold in 2016.

While running LeGuide.com, Olivier Sichel also created and led the Digital New Deal Foundation, a digital think tank.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Caisse des Dépôts, *Deputy Chief Executive Officer, member of the Management Committees of Caisse des Dépôts and the Group (since 15 December 2017)*
- La Poste, *director, member of the Audit Committee, member of the Strategy and Investment Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- LeGuide.com, *Chairman and Chief Executive Officer (term expired 2016)*

AGE: 71

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Paris*, *École nationale d'administration* and *École normale supérieure*; History graduate and philosophy professor

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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 (Chairman)
Follow-up Committee on the Implementation of the BPCE and LBP Partnerships (member)

FIRST ELECTED TO THE BOARD: 25 September 2013

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ROSE-MARIE VAN LERBERGHE

Main function: Senior Advisor, BPI Group

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.

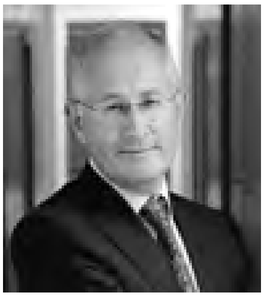
She was Chairman of the Board of Directors of Institut Pasteur (Foundation) between 2013 and 2016 and is currently a senior advisor at BPI Group.

OTHER DIRECTORSHIPS AND FUNCTIONS

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

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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: 62

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, Postgraduate degree in monetary and financial economics

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 2014

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

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 maître des requêtes (Counsel) 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.

OTHER 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), *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), *representative of La Poste, director*
- Sopassure (SA), *director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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), formerly Chairman of the Board of Directors, Delegate General (term expired 2012)*
- 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*
- Société Financière de Paiements (SAS), *Vice-Chairman of the Supervisory Board (term expired 2012)*

AGE: 60

NATIONALITY: French

EDUCATION: Graduate of *Institut d'études politiques d'Aix-en-Provence* and HEC

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
CNP Assurances' strategy and business model
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: 2014

CURRENT TERM EXPIRES: 2018

RE-ELECTION PROPOSED AT THE ANNUAL GENERAL MEETING OF: 2018

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 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.

OTHER DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Chairman of the Management Board*
- Association Française des Banques (non-profit organisation), *Vice-Chairman*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager*
- Fédération Bancaire Française (FBF) (Federation), *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)*
- 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), *director*
- Poste Immo (SA), *director*
- SCI Tertiaire Saint Romain (SCI), *representative of La Banque Postale, legal manager*
- SF2 (SA), *Chairman of the Board of Directors*
- Sopassure (SA), *director, previously Chairman and Chief Executive Officer (from 28 March 2016 to 28 March 2017)*
- La Banque Postale Crédit Entreprises, *Chairman of the Supervisory Board (term expired 7 March 2017)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2012 TO 2016

- 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)*

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 Corporate Governance Code, as revised in November 2016, 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.

He also has the use of a company car.

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

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.

* 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.

No directors' fees are awarded to the Chief Executive Officer, 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.

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 2017 variable bonus is subject to shareholder approval at the 2018 Annual General Meeting.

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 is less than the maximum remuneration 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 OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

(In euros)

Jean-Paul Faugère, Chairman of the Board of Directors	2016	2017
Remuneration payable for the year (see breakdown in Table 2)	302,560	280,000
Value of long-term incentive bonus granted during the year	None	
Value of stock options granted during the year (Table 4)	No stock options granted	
Value of performance shares granted during the year (Table 6)	No performance shares granted	
Value of other long-term remuneration	None	
TOTAL	**302,560**	**280,000**

Frédéric Lavenir, Chief Executive Officer	2016	2017
Remuneration payable for the year (see breakdown in Table 2)	450,000	450,000
Value of long-term incentive bonus granted during the year	None	
Value of stock options granted during the year (Table 4)	No stock options granted	
Value of performance shares granted during the year (Table 6)	No performance shares granted	
Value of other long-term remuneration	None	
TOTAL	**450,000**	**450,000**

* 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	2016		2017	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Salary	280,000	280,000	280,000	280,000
Annual variable bonus	None	None	None	None
Long-term incentive bonus	None	None	None	None
Special bonus	None	None	None	None
Directors' fees	22,560	52,560	0	0
Benefits in kind	None	None	None	None
TOTAL	**302,560**	**332,560**	**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

2016	2017
Fixed and variable remuneration On 16 February 2016, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2016 at €280,000.	**Fixed and variable remuneration** On 22 February 2017, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2017 at €280,000.
Directors' fees The directors' fees payable for 2016 (€22,560) correspond in full to the amounts payable by Caixa Seguros Holding. The directors' fees paid in 2016 (€52,560) correspond to the amounts paid by Caixa Seguros Holding (€22,560) and Icade (€30,000). Jean-Paul Faugère has decided to waive the fees due to him in his capacity as a director of Icade (effective from 2016) and as a director of Caixa Seguros Holding (effective from 2017).	**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.

Executive Management Frédéric Lavenir, Chief Executive Officer	2016		2017	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Salary	400,000	400,000	400,000	400,000
Annual variable bonus	47,961	47,961	48,168	28,776
Long-term incentive bonus	None	None	None	None
Special bonus	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind (3)	2,039	2,039	1,832	1,832
TOTAL	**450,000**	**450,000**	**450,000 (4)**	**430,608**

(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) Corresponding to the use of a company car
(4) Subject to approval of the 2017 bonus by the 2018 Annual General Meeting

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

2016	2017
2016 salary On 16 February 2016, the Board of Directors set Frédéric Lavenir's gross annual fixed salary for 2016 at €400,000, unchanged since his appointment in 2012.	**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.
2016 bonus At the same meeting, his maximum bonus for 2016 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 16 February 2016 also set the objectives to be used in 2017 to determine Frédéric Lavenir's 2016 bonus, as presented in the table below (first three columns). In 2017, based on the Remuneration and Nominations Committee's analysis of achievement rates compared to Frédéric Lavenir's 2016 bonus objectives, as presented to the Board of Directors on 22 February 2017 (corresponding to the third and fourth columns of the table below), at its meeting on 22 February 2017, the Board of Directors decided to award the maximum possible bonus of €50,000 (including the €2,039 estimated value of his company car) to Frédéric Lavenir for 2016. The bonus breakdown is shown in the last column of the table below. In accordance with the remuneration policy, 60% of the €47,961 net bonus was paid in 2017, with 20% to be paid in 2018, 10% in 2019 and 10% in 2020.	**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 will be paid in 2018 followed by 20% in 2019, 10% in 2020 and 10% in 2021, subject to the Annual General Meeting voting in favour.
Benefits in kind Frédéric Lavenir continued to have the use of a company car in 2016.	**Benefits in kind** Frédéric Lavenir continued to have the use of a company car in 2017.

VARIABLE REMUNERATION FOR 2016 PAID IN 2017

	% weighting	2016 threshold/ objective	2016 performance	Achievement rate
Quantitative objectives	**50%**			
Cost/income ratio	25%	35% or less	32.9%	Over 100%, corresponding to a bonus of €12,500
EBIT	25%	At least €2,405m	€2,638m	Over 100%, corresponding to a bonus of €12,500
Qualitative objectives	**50%**			
Ongoing adjustment of the business model	17%	Product diversification, digital transition	▪ Growth in unit-linked sales and development of the premium Savings business ▪ Higher quality personal risk insurance book and improved underwriting margins ▪ Development of CNP Santander's Term Creditor Insurance business ▪ Expansion of the digital approach	100%, corresponding to a bonus of €8,500
Geographical diversification	17%	Stronger presence in Brazil	▪ Launch of the digital insurance business in Brazil (Youse) ▪ Launch of the health insurance business in Brazil	100%, corresponding to a bonus of €8,500
Managerial performance	16%	Support for skill-set transformations and development, operational excellence programme	▪ Projected changes in skill sets over the next three years: Human Resources planning agreement signed ▪ Operational excellence programme objectives in line with projections contained in 2016 budget	100%, corresponding to a bonus of €8,000
TOTAL	**100%**		**100%, CORRESPONDING TO A BONUS OF €50,000 BEFORE DEDUCTING THE ESTIMATED VALUE OF FRÉDÉRIC LAVENIR'S COMPANY CAR (€2,039)**	

In accordance with the remuneration policy, 60% of the €47,961 net bonus (i.e., €28,776) was paid in 2017, with 20% to be paid in 2018, 10% in 2019 and 10% in 2020.

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

	% weighting	2017 threshold/ objective	2017 performance	Achievement rate
Quantifiable objectives*	**50%**			
Cost/income ratio	25%	30.8% or less	30.8%	100%, corresponding to a bonus of €12,500
EBIT	25%	At least €2,850m	€2,889m	Over 100%, corresponding to a bonus of €12,500
Qualitative objectives	**50%**			
Product diversification	12.5%	Growth in unit-linked sales	25% growth in unit-linked sales	100%, corresponding to a bonus of €6,250
		Development of the premium Savings business	Qualitative advances in premium Savings business (higher unit-linked weighting and increased number of contracts)	
		Development of the personal risk-protection/ services business	15% growth in premium income and new partnerships	
Development of diversified distribution models	12.5%	Development of the digital insurance business in Brazil (Youse)	Very strong marketing performance (250% growth in monthly sales in the space of a year)	100%, corresponding to a bonus of €6,250
		B to C initiative	Launch of CAPLOC in France and Go Protect in Italy	
Service quality	12.5%	Improved policyholder service quality	Shorter processing time, particularly for claims and benefits payable to insureds	100%, corresponding to a bonus of €6,250
			Improved policyholder response traceability and quality	
Managerial performance	12.5%	Change management support	Home-working trials	100%, corresponding to a bonus of €6,250
		Innovations	Launch of participative innovations leading to new services being developed	
TOTAL	**100%**		**100%, CORRESPONDING TO A BONUS OF €50,000 BEFORE DEDUCTING THE ESTIMATED VALUE OF FRÉDÉRIC LAVENIR'S COMPANY CAR (€1,832)**	

* Disclosure in addition to the information provided in the Corporate Governance Report: as from 2018, quantifiable objectives will account for 60% and qualitative objectives for 40% to ensure compliance with the AFEP-MEDEF Corporate Governance Code, which provides for quantifiable objectives to be weighted more than qualitative objectives

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

Table 3

DIRECTORS' FEES PAID BY CNP ASSURANCES

Members of the Board of Directors	Directors' fees paid in 2016 *(In €)* In respect of second-half 2015	Directors' fees paid in 2016 *(In €)* In respect of first-half 2016	**Directors' fees paid in 2017** *(In €)* **In respect of second-half 2016**	**Directors' fees paid in 2017** *(In €)* **In respect of first-half 2017**	Paid to
Jean-Paul Faugère [(1)]					
Frédéric Lavenir [(1)]					
Marc-André Feffer (Sopassure) [(2)]	12,950	-			Sopassure
Florence Lustman (Sopassure) [(2)]	28,150	24,350	27,400	21,300	Sopassure
Philippe Wahl [(2)]	28,150	14,450	14,450	18,250	Sopassure
Rémy Weber [(2)]	25,100	14,450	15,200	17,500	Sopassure
François Pérol [(2)]	18,250	14,450	10,650	6,850	Sopassure
Jean-Yves Forel [(2)]	43,400	21,300	15,200	24,350	Sopassure
Virginie Chapron du Jeu	19,000	11,400	15,200	15,200	Caisse des Dépôts
Pierre-René Lemas [(2)]	7,600	3,800	11,400	6,850	Caisse des Dépôts
Odile Renaud-Basso [(2)]	28,150	14,450			Caisse des Dépôts
Delphine de Chaisemartin			7,600	11,400	Caisse des Dépôts
Olivier Mareuse [(2)]	44,150	24,350	23,600	23,600	Caisse des Dépôts
Anne-Sophie Grave	19,000	11,400			Caisse des Dépôts
Pauline Cornu-Thénard			7,600	15,200	Caisse des Dépôts
Franck Silvent [(2)]	31,200	18,250	15,200	21,300	Caisse des Dépôts
Antoine Saintoyant (French State)	22,800	3,800			French Treasury
Bertrand Walckenaer (French State)	-	11,400	15,200	15,200	French Treasury
Rose-Marie Van Lerberghe [(2)]	50,250	24,350	21,300	21,300	Rose-Marie Van Lerberghe
Stéphane Pallez [(2)]	52,550	32,750	29,700	27,400	Stéphane Pallez
Marcia Campbell [(2)]	50,250	30,450	27,400	27,400	Marcia Campbell
Philippe Baumlin [(2)] [(3)]	35,000	17,500			Philippe Baumlin
Philippe Bartoli				3,800	Trade union
Laurence Guitard				3,800	Trade union
Jean-Louis Davet (non-voting director)	7,600	3,800			MGEN
Pierre Garcin (non-voting director)	15,200	11,400	3,800		Sopassure
TOTAL	**538,750**	**308,100**	**260,900**	**280,700**	

(1) Jean-Paul Faugère and Frédéric Lavenir do 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 2015 and 30 June 2017

(3) Philippe Baumlin decided to pay his total fees to charity, including Caisse des Dépôts Tiers-Monde

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 the 2016 financial year:
  - for each meeting attended during the first six months and second six months of 2016, 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,
  - Marcia Campbell, Stéphane Pallez and Rose-Marie Van Lerberghe received directors' fees of €3,050 per meeting of the ad hoc Committee attended;
- for the 2017 financial year:
  - for each meeting attended during the first six months and second six months of 2017, 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

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

Table 6 *

PERFORMANCE SHARES GRANTED TO THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER DURING THE YEAR

Performance shares granted to the Chairman of the Board and the Chief Executive Officer 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

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

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.

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 expires: 2021 AGM to approve the 2020 financial statements		X		X		X		X

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

SUPPLEMENTARY PENSION PLAN

	Gross annual benefit *(In €)* under the supplementary pension plan	
	31.12.2016	**31.12.2017**
Jean-Paul Faugère, Chairman of the Board of Directors	None	None
Frédéric Lavenir, Chief Executive Officer	None	None

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, and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not participate in this supplementary pension plan.

CONTRACTUAL TERMINATION BENEFITS

	31.12.2017 (Theoretical gross amount)
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	None
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	None

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.

RETIREMENT BENEFITS PAYABLE ON RETIREMENT

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

	31.12.2016 (Gross amount paid)	**31.12.2017 (Gross amount paid)**
Jean-Paul Faugère, Chairman of the Board of Directors	None	None
Frédéric Lavenir, Chief Executive Officer	None	None

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.

Table 12

HISTORICAL INFORMATION CONCERNING SHARE GRANTS – INFORMATION ON SHARES GRANTED

	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

Frédéric Lavenir, Chief Executive Officer	Remuneration paid in 2016 *(In €)*	**Remuneration paid in 2017** ***(In €)***
Salary	400,000	400,000
Bonus	47,961	28,776
Directors' fees received from CNP Assurances, its subsidiaries and other companies	0	0
Miscellaneous (holiday pay, retirement benefits, EPI, bonus, company car)	2,039	1,832
TOTAL	**450,000**	**430,608**

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 Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer Yves Couturier, Deputy Chief Executive Officer	Remuneration paid in 2016* *(In €)*	**Remuneration paid in 2017** ***(In €)***
Aggregate salaries of the Deputy Chief Executive Officers	654,999.96	950,919.00
Aggregate bonuses of the Deputy Chief Executive Officers	348,080.00	381,037.00
Aggregate benefits in kind of the Deputy Chief Executive Officers (company car)	6,197.73	8,765.00
Aggregate directors' fees (subsidiaries of CNP Assurances)	53,258.86	54,851.11
Miscellaneous (holiday pay, EPI, bonus)	136,237.17	94,490.00
Aggregate remuneration of the Deputy Chief Executive Officers	1,198,773.72	1,490,062.11
Average remuneration per Deputy Chief Executive Officer	599,386.86	496,687.37
AGGREGATE EXECUTIVE MANAGEMENT REMUNERATION (CEO + DEPUTY CEOs)	**1,648,773.72**	**1,920,670.39**
Average remuneration per member of Executive Management	549,591.24	480,167.60

* Not including the components of the remuneration package of Yves Couturier, who became a Deputy Chief Executive Officer in 2017

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 his/her 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 2017

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.322-7 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.322-7 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 during the year

In accordance with Article L.225-40 of the French Commercial Code and Article R.322-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

1) Agreements with Arial CNP Assurances (agreements between companies with common directors)

Person concerned

Frédéric Lavenir is Chief Executive Officer of CNP Assurances and Chairman of the Board of Directors of Arial 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 on 1 April 2016 by CNP Assurances' acquisition from La Mondiale of 39.95% of the capital and voting rights of Arial CNP Assurances (ACA).

Under the terms of the partnership agreement, CNP Assurances was to have transferred a portfolio of group retirement savings contracts to Arial CNP Assurances (ACA) in 2016. However, the transfer was postponed until 2017 following discussions with government authorities.

To reflect the delay and adjust the terms of the original agreement, various addenda were signed and the draft asset contribution agreement, CNP reinsurance treaty covering In-Force contracts and 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;

- asset contribution agreement (signed on 29 May 2017) specifying the terms and conditions for the transfer of a portfolio of group retirement savings contracts held by CNP Assurances to Arial CNP Assurances;
- 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 Arial CNP Assurances 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 Arial CNP Assurances 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 19 October 2017), whose purpose is to reflect the structure adopted in the In-Force reinsurance treaty concerning pledges for category 211 contracts;
- senior pledge agreement (signed on 19 October 2017) extending the pledge on financial securities accounts to include CNP Assurances' obligations towards Arial CNP Assurances 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. Arial CNP Assurances 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 which were required to take into account the postponement of the deadline for completing the portfolio transfer until 31 December 2017:

- addendum to the shareholders' agreement (and the undertakings given in application of the agreement) (signed on 28 June 2017);
- addendum to the business lease (signed on 29 May 2017);
- addendum to the exclusive distribution agreement (signed on 28 June 2017);
- addendum to the delegated insurance portfolio management mandate (signed on 29 May 2017).

On 27 October, France's insurance supervisor (ACPR) announced that the regulatory requirements for the transfer of the retirement savings contracts by CNP Assurances to Arial CNP Assurances (representing some €4 billion in commitments) had been fulfilled and that the portfolios had been transferred. CNP Assurances subsequently acquired a further 0.05% of Arial CNP Assurances' capital, raising its interest to 40%.

Inward reinsurance premiums received by CNP Assurances in 2017 totalled €481.1 million, including €248.2 million from the new business reinsurance treaty. Net expenses came to €6.9 million.

Benefits for the Company of signing the agreements

The agreements for the implementation of the partnership represent a major milestone in the construction of the partnership between CNP Assurances, La Mondiale and AG2R Réunica Prévoyance, while the addenda serve to extend the deadline for the partnership's practical implementation.

2) LBPAM (agreements between companies with common directors)

Persons concerned

The persons in one of the situations referred to in Article L.225-38 of the French Commercial Code and who announced that they were faced with a possible conflict of interests at the meeting of the Board of Directors on 10 May 2017, are Sopassure (represented by Florence Lustman), Rémy Weber, Philippe Wahl, the French State (represented by Bertrand Walckenaer), Caisse des Dépôts et Consignations (represented by Pierre-René Lemas) and Franck Silvent.

Nature and purpose

Under 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.

These agreements were signed on 26 June 2017 and came into effect on 3 July 2017, when they replaced the original mandate dated 28 April 2006.

Fees paid by CNP Assurances pursuant to this agreement in 2017 amounted to €14.5 million. This amount was rebilled to the subsidiaries concerned.

Benefits for the Company of signing the agreements

As well as adapting the earlier agreement to reflect the changes made necessary by Solvency II, these new agreements 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 Elengy (agreement with a company that owns more than 10% of CNP Assurances' capital)

Persons concerned

The persons in one of the situations referred to in Article L.225-38 of the French Commercial Code and who announced that they were faced with a possible conflict of interests at the meeting of the Board of Directors on 10 May 2017, are Caisse des Dépôts et Consignations (represented by Pierre-René Lemas), Delphine de Chaisemartin, Franck Silvent, Olivier Mareuse, Pauline Cornu-Thénard, Virginie Chapron du Jeu, Stéphane Pallez and the French State (represented by Bertrand Walckenaer).

Nature and purpose

CNP Assurances and Caisse des Dépôts et Consignations (CDC) hold interests of 54.4% and 45.6% respectively in Holding d'Infrastructures Gazières (HIG), which owns the entire capital of Société d'Infrastructures Gazières (SIG), owner of a 25% minority interest in GRTgaz.

To support GRTgaz's plan to acquire the entire capital of Elengy, a methane terminal operator that is wholly owned by Engie, CNP Assurances and CDC decided to underwrite a capital increase by GRTgaz through SIG. CNP Assurances' share of the investment amounted to €110 million.

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:

- an investment agreement to be entered into between Engie, SIG and GRTgaz, to which CNP Assurances, CDC and Elengy are also parties, setting the terms and conditions of GRTgaz's acquisition of the entire capital of Elengy from Engie;
- an addendum to the GRTgaz shareholders' agreement to be entered into between Engie and SIG, to which GRTgaz, CNP Assurances and CDC 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, CDC and Elengy are also parties;
- a call option on GRTgaz shares representing up to 0.187% of the capital, to be 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;
- a call option on GRTgaz shares representing up to 0.063% of the capital, to be 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.

These agreements were signed on 18 July 2017.

Benefits for the Company of signing the agreements

The transaction concerned by the agreements represents an opportunity for CNP Assurances to partner the development of GRTgaz. The Company already owns approximately 25% of GRTgaz's capital, alongside Caisse des Dépôts et Consignations.

Elengy is France's leading methane terminal operator. The integration of GRTgaz upstream in the gas value chain should help GRTgaz to grow, create new opportunities for industrial cooperation and lead to greater operational flexibility. The fact that Elengy operates in the same regulatory environment as GRTgaz should help to protect against volume and price risks.

4) Agreements with AEW Ciloger (agreement with a company that owns more than 10% of CNP Assurances' capital)

Persons concerned

The persons in one of the situations referred to in Article L.225-38 of the French Commercial Code and who announced that they were faced with a possible conflict of interests at the meeting of the Board of Directors on 15 November 2017, are Sopassure (represented by Florence Lustman), Philippe Wahl, Rémy Weber, François Pérol and Jean-Yves Forel.

Nature and purpose

In a property portfolio management mandate signed on 11 July 2008, CNP Assurances retained the services of AEW Ciloger (previously AEW Europe) 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.

The property portfolio management mandate was due to expire on 31 December 2017 and CNP Assurances therefore negotiated with AEW Ciloger the terms and conditions of new mandates for the management of property assets, with the same scope as previously. These new mandates are for a period of five years, from 1 January 2018 to 31 December 2022.

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 Ciloger will be paid fees 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 based on the number of assets held by the vehicle and the number of account closings;
- investment vehicle account consolidation services: a flat fee based on the number of account closings;
- works management services: fees based on the invoiced cost of the works, excluding tax.

All of the costs associated with these agreements will be paid directly by the investment vehicles.

The agreements were signed on 22 December 2017 and came into effect on 1 January 2018. Consequently, they had no impact in 2017.

Benefits for the Company of signing the agreements

With the existing agreement due to expire on 31 December 2017, it was considered appropriate to enter into new agreements with AEW Ciloger. 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.

Agreements and commitments already approved by the Annual General Meeting

Agreements and commitments approved in previous years

a) That were implemented during the year

In accordance with Article R.225-30 of the French Commercial Code and Article R.322-7 of the French Insurance Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in previous years, that remained in force and were implemented during the year ended 31 December 2017.

1) Acquisition of a stake in Réseau de Transport d'Électricité (RTE)

Nature and purpose

EDF, the sole shareholder of RTE, launched a plan for the sale of 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, CDC 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, CDC 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 CDC 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 CTE – CNP Assurances, CDC 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 CDC 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.

At 31 December 2017, CNP Assurances held 20% of CTE's share capital, representing a €1,080 million investment.

2) Renewal of the partnership with La Banque Postale

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;
- specify the terms and conditions for unwinding their relations under the renewed partnership and any new distribution agreement that they may enter into in the future. 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 define relations between the parties under the renewed partnership.

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 in the area of life and endowment insurance between CNP Assurances, La Banque Postale and BPE (La Banque Postale's private banking arm that has been wholly-owned by 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;
- a contract whereby CNP Assurances appoints La Banque Postale and BPE to distribute its life and endowment insurance policies;
- 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 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 began, 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 came come into effect when La Banque Postale and BPE started 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.

Fees paid by CNP Assurances pursuant to this agreement in 2017 amounted to €572 million.

3) Final agreements covering deployment of the renewed partnership between CNP Assurances and the BPCE Group commencing 1 January 2016

Nature and purpose

In March 2015, CNP Assurances and Groupe BPCE signed an agreement renewing their partnership for an initial seven-year period commencing 1 January 2016.

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 that expired on 31 December 2015 were 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;
- 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 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 quota-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' pact 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 the year, 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

Terms and conditions

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 2017.

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 2017 amounted to €974.3 million.

4) Acquisition of a 25% interest in the share capital of GRTgaz by the public consortium comprising CNP Assurances, Caisse des Dépôts and CDC Infrastructure

Nature and purpose

CNP Assurances and Caisse des Dépôts et Consignations (CDC) hold interests of 54.4% and 45.6% respectively in Holding d'Infrastructures Gazières (HIG), which owns the entire capital of Société d'Infrastructures Gazières (SIG), owner of a 25% minority interest in GRTgaz.

Terms and conditions

On 27 June 2011, GDF Suez and SIG signed a shareholders' agreement relating to GRTgaz, to which GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts were also parties ("the Shareholders' Agreement"). The Shareholders' Agreement sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. It was entered into for a period of 20 years and is renewable once for a period of ten years. The Shareholders' Agreement grants SIG the usual rights of a non-controlling shareholder.

At 31 December 2017, CNP Assurances held 54.41% of the capital of HIG valued at €420.7 million, and SIG bonds in the amount of €319 million (including €269 million directly and €50 million through Infra Invest). In 2017, CNP Assurances received dividends totalling €34.5 million from HIG.

5) Agreement between CNP Assurances and La Banque Postale (LBP) concerning La Banque Postale Prévoyance (LBPP)

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 La Postale Prévoyance to La Banque Postale, 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 2017, 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:

- €0.5 million for advisory and financial management services;
- €17.45 million for support services and delegated management services.

6) Property portfolio management mandate with AEW Europe

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 property portfolio management mandate with AEW Europe. A framework agreement was signed on 11 July 2008 and amended on 25 January 2012 and later in January 2015 for a period of 3 years.

Pursuant to this agreement, AEW Europe was responsible for:

- managing the property portfolio defined in the agreement, and
- providing assistance and advice in defining and implementing the investment and portfolio rotation strategy.

Terms and conditions

AEW Europe received a fee determined as follows:

- 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;
- strategic asset management services: a percentage of rental income, excluding taxes and expenses, where AEW Europe provided rental and technical management services;
- administrative management services: a flat annual fee based on the number of assets held by the subsidiary and the number of account closings;
- works management services: fees based on the invoiced cost of the works, excluding tax;
- consolidation services: a flat half-yearly fee;
- a percentage of the purchase and/or sale price of the properties purchased or sold with its assistance.

In 2017, fees paid by CNP Assurances to AEW for these services amounted to €1.8 million.

7) Securities portfolio management mandate with Natixis AM

Nature and purpose

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 to replace the earlier agreement signed in 2008 as 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 flat 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 2017 amounted to €20.8 million. This amount was rebilled to the subsidiaries concerned.

8) Agreement for the issue of perpetual subordinated notes between CNP Assurances and the 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 deeply-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 bps until 20 December 2026, then 3-month Euribor +195 bps.

The interest expense recorded by CNP Assurances in 2017 amounted to €0.69 million.

9) Asset management mandate with La Banque Postale Asset Management (formerly Sogéposte)

Nature and purpose

On 4 April 2006, the Supervisory Board authorised the signature of a portfolio management mandate with La Banque Postale

Asset Management (LBPAM), a subsidiary of La Banque Postale (formerly Sogéposte). The mandate was signed on 28 April 2006 and was subsequently amended in 2009, 2010, 2011, 2013, 2014, 2015 and 2016.

Pursuant to this agreement, CNP Assurances gives full powers to LBPAM 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

LBPAM receives a fee for its portfolio management services, determined as follows:

- an annual fee based on the value of assets under management and the type of securities held;
- portfolio transactions fees.

Fees paid by CNP Assurances pursuant to this mandate in 2017 amounted to €14.5 million. This amount was rebilled to the subsidiaries concerned.

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 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 bps from 15 November 2016;
- second tranche: 3-month Euribor +70 bps until 2016, then 3-month Euribor +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2017 amounted to €1.11 million for the first tranche and €1.31 million for the second tranche.

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 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 bps. The interest expense recorded by CNP Assurances in 2017 amounted to €3.37 million.

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.

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.

Neuilly-sur-Seine and Courbevoie, 12 March 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Bénédicte Vignon	Olivier Leclerc

4

RISK FACTORS
AND RISK MANAGEMENT

4.1 Risk factors

Introduction

The risks described below are inherent in the economic, competitive and regulatory environment in which the Group operates.

The 2017 economic and financial environment is described in section 2.2.

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.

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 4.3 – Internal control and risk management procedures.

This section discusses:

- **underwriting risk factors linked to the insurance business:** insurance risk on savings, pension and personal risk/protection products, concentration of insurance risk, reinsurance risk and liability adequacy risk due to changes in assumptions;
- **risk factors linked to the financial markets:** asset/liability mismatch risk, interest rate risk, credit risk, sovereign debt risk, country risk, liquidity risk, equity risk, real estate risk, infrastructure risk, private equity risk, currency risk and hedging adequacy risk;
- **risk factors linked to the business:** operational risk (including business continuity risk, compliance risk, litigation risk, money-laundering and fraud risk, information systems risk, employee-related risk and model risk);
- **other risk factors:** tax risk, rating downgrade risk, environmental risk, partner risk, and regulatory and antitrust risk.

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 Underwriting risk factors linked to the insurance 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 funded pension plans for which the value of the point is guaranteed, employee benefits plans and term creditor insurance.

In addition, our 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.

The insurer's 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 24.4 to the consolidated financial statements – Risk associated with guaranteed yields on insurance and financial liabilities).

  Most savings products 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 considerations. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both 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 compliance risk (see section 4.1.3 – 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 have an adverse effect on unit-linked earnings.

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 funds managed by the insurer.

For these contracts, results are determined by long-term financial management strategies 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 returns on plan assets will fall significantly short of the valuation rate of interest used in the pricing model.

Personal risk/protection 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.

We establish risk selection and reinsurance 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.

The Group's business may be affected by the occurrence of natural or man-made disasters. A wave of extreme weather events, acts of terrorism, the 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.

The increase in the legal retirement age in France has had an adverse impact on the business's profitability 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 is adversely affected by unfavourable financial market trends (such as declining interest rates).

The Group is exposed to concentration risk

The Group is potentially exposed to concentration risk which could arise from:

- one or a number of Group entities underwriting the same risk;
- one or a number of Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and approval procedure and the product portfolio management process, which includes managing the related reinsurance cover (see Note 24.5 to the consolidated financial statements – Concentration of insurance risk).

The Group has set up a reinsurance programme to limit risk exposure

The reinsurance programme is an important part of managing both the insurance business and the related risk. It has the following features and objectives:

- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability;
- risks are shared on large-scale new Personal Risk business.

Other reinsurance treaties have been set up for strategic and commercial reasons.

The reinsurance policy is implemented throughout the Group, covering business written by the Company and by its subsidiaries.

Applications have been developed to monitor reinsurance results. As explained in Note 10.5 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. Even if all relevant exposure limits are complied with, certain reinsurers may be unable to honour their financial obligations and this could adversely affect the Group's consolidated earnings.

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.

A change in assumptions may result in inadequate technical reserves or adversely affect earnings or solvency

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

- managing the risks associated with a fall in interest rates;
- taking into account any increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved, internally developed experience-based table;
- regularly assessing risks through:
  - prospective monitoring of yield commitments,
  - detailed analyses and statistical studies of personal risk and group death/disability contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of reserve utilisation rates.

The main categories of technical reserves are disclosed in Note 24.3 to the consolidated financial statements – Valuation of insurance liabilities.

Statistical and actuarial approaches are used to:

- develop new products;
- determine technical reserves, their adequacy (through liability adequacy tests), deferred participation reserves and assets and the latter's recoverability;
- measure certain indicators such as new business value or embedded value (see section on the Embedded Value report);
- measure the value of In-Force business and cash flow projections used for goodwill impairment testing;
- determine potential shock scenarios in order to assess the Group's risk exposure.

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, surrender rate, renewal/lapse rate, etc.);
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different. In particular, changes in technical assumptions or in the financial markets may affect reserving rates, embedded value and new business value, and negatively impact the Group's consolidated earnings and solvency (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks). Similarly, unreliable estimates of future contract administration costs may have an adverse effect on the Group's results and solvency.

4.1.2 Risk factors linked to the financial markets

The Group must always maintain a match between asset and liability durations and yields

See Note 23 to the consolidated financial statements – Liquidity risk and asset/liability management.

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 actual 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 is exposed to the fall in interest rates and persistently low rates

The impact of declining interest rates on the Group's ability to fulfil its commitments to policyholders is analysed at regular intervals.

During a period of falling interest rates, yields on reinvested premiums decline, leading to a gradual erosion of portfolio yields (see Note 22.3 to the consolidated financial statements – Interest rate risk on financial assets).

A prolonged fall in interest rates makes contractual loading more difficult to apply 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, CNP Assurances has followed a policy of setting aside a portion of the investment income generated by its assets in the policyholder surplus reserve, which could be used in such a situation. In addition, initiatives have been taken to modify new products in order to adapt the Group's liabilities over time to the new very low interest rate environment.

In 2017, interest rates remained very low despite a small uptick at the beginning of the year, leading 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 products sold. These are predominantly personal risk contracts and Property & Casualty products that are generally more exposed to underwriting risks, and unit-linked pension products that are also less exposed to interest rate fluctuations. It should nevertheless be noted that the SELIC was cut from 13.75% to 7% over the year.

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 other 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 the Group's policyholders and those available on the market, thus pushing the surrender rate even higher (see Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks).

The current low interest rate environment exacerbates 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 9.6 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 hedges 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 extended each year to keep pace with growth in assets under management.

As a long-term investor, CNP Assurances is exposed to credit risk (or counterparty risk) on its investments

See Note 9.8 to the consolidated financial statements – Credit risk.

The credit risk (or counterparty risk) on a bond is the risk of issuer default.

This depends on the issuer's financial bill of health as reflected in agency ratings (which can range from AAA to D). The credit spread is the risk premium – in other words, 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 counterparty default risk represented by the issuer.

Historically, spreads on corporate bonds tend to narrow in periods of growth and widen during a recession when the number of issuer defaults tends to increase.

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, 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.

Counterparty risk also extends to derivative instruments (such as interest rate swaps – i.e., caps and floors – and swaptions), reinsurance and repos. Margin calls and collateralisation arrangements are used to reduce counterparty risk.

See the tables in the following notes to the consolidated financial statements: Note 9.3 – Repurchase agreements, Note 9.4 – Lent securities, and Note 9.6 – Derivative instruments.

A significant portion of the Group's investment portfolio is invested in government bonds and exposed to sovereign risk

See Note 9.9 to the consolidated financial statements – Classification of investments by category and by geographic region.

Sovereign risk is the risk that a sovereign issuer defaults and that bondholders are unable to recover part or all of their investment.

Due to the nature of the assets in the portfolio, the Group has significant exposure to this type of risk.

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, the Group may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

Having invested heavily in French and other European government bonds, the Group is naturally sensitive to any widening of spreads. A rise in interest rates coupled with a large number of policy surrenders would trigger losses on the sale of bonds which could in turn impact the Group's equity. Since 2011, 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. We apply a selective approach to investing in these countries' debt and monitoring is organised at the highest level of the Group.

Outside the eurozone, the Group's investments may be subject to country risk due to restrictions on asset transfers

The Group has developed a significant international presence and may be confronted with various different country risks culminating in an inability to repatriate the capital it has invested abroad. This risk mainly concerns the Group's investment in its South American subsidiaries.

In the event of a sharp rise in the policy surrender rate, the Group would be exposed to significantly higher liquidity risk

See Note 23.1 to the consolidated financial statements – 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.

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.

The Group's subordinated notes issues are not subject to any covenants.

The Group is exposed to the risk of a fall in the value and dividend yield of its equity portfolio

See Note 20 to the consolidated financial statements – Investment income.

Equity risk measures the sensitivity of the equity portfolio to changes in stock market prices. By extension, the definition of equities also includes investments in private equity and equity funds. 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, impairment provisions may have to be set aside for unrealised losses on certain equity portfolios, with an adverse effect on earnings.

For example, the Group may hold shares in a heavily leveraged company whose value is underpinned by forecasts of future profitable growth. If the Company concerned fails to meet its growth target or has difficulty making debt repayments, the share price may take a big hit.

See Note 22.4 to the consolidated financial statements – Sensitivity of MCEV© to market risks.

Moreover, while the Group may not be directly affected by a fall in the value of unit-linked portfolios, there is still a risk that its margins will suffer.

See Note 23.3 to the consolidated financial statements – Reconciliation of unit-linked assets and liabilities.

In 2017, European and non-European stock markets delivered very positive performances and volatility declined on these markets.

The Group has invested in real estate, infrastructure and private equity funds, and is exposed to the risk of a fall in the value or yields of these asset classes

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 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 should also be taken into consideration given the current environment.

See Note 8 to the consolidated financial statements – Investment and owner-occupied property.

The year also saw a sharp rise in policyholder investment in unit-linked property funds. 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. To take account of these risks, unit-linked products are subjected to an internal analysis and selection process before being marketed.

Infrastructure investments consist of providing financing for current or planned projects in the transport, energy, environmental services, telecommunications and public works sectors.

They represent an important portfolio diversification opportunity for the Group and the amount invested in this asset class was increased significantly in 2017, mainly through the acquisition with Caisse des Dépôts of a 49.9% stake in RTE. At 30 September 2017, infrastructure investments represented 0.9% of total consolidated assets (excluding unit-linked portfolios).

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.

Most investments of this type are made through venture capital and innovation funds and, to a lesser degree, venture capital companies in France.

There are two types of risk inherent in private equity: the yield risk and the risk associated with the lack of a liquid market for these investments which require a medium-term perspective.

Our property, infrastructure and private equity 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 (equities, property, infrastructure or private equity) could have an adverse impact on consolidated earnings due to the provisions that must be set aside under the French Insurance Code.

CNP Assurances is exposed to currency risk

See Note 9.10 to the consolidated financial statements – Foreign currency balances.

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 continuing to grow, and changes in the real/euro exchange rate therefore have a material impact on consolidated net profit and cash flows. We purchase currency hedges to manage this risk; however, these are based on analyses and forecasts and may prove inadequate or ineffective.

In 2017, the Brazilian real's 16% depreciation against the euro had the effect of increasing the Group's exposure to currency risk.

With the exception of Caixa Seguros Holding, the bulk of the Group's asset portfolios are invested in the securities of eurozone issuers. As a result, the portfolios' exposure to currency risks is very limited. In addition, exposures are governed by a currency standard.

CNP Assurances has issued subordinated notes denominated in US dollars and in sterling. The currency risk on three of these issues is hedged and the fourth issue match-funds investments denominated in the same currency.

See the tables in the following notes to the consolidated financial statements: Note 11 – Subordinated debt and Note 9.7 – Derivative instruments qualifying for hedge accounting.

The hedging programmes set up by CNP Assurances may prove inadequate or incomplete

See the following notes to the consolidated financial statements: Note 9.6 – Derivative instruments and Note 9.7 – Derivative instruments qualifying for hedge accounting.

We track all types of financial market risk very closely and manage the exposure of both assets and liabilities through various hedging programmes.

However, these programmes may prove incomplete, ineffective or only partially effective in protecting the Group against increased exposure under extreme conditions or against losses that it wanted to attenuate, all of which could negatively affect the Group's business, earnings and financial position.

Even the most comprehensive and sophisticated hedging strategies cannot remove all risks of losses. Moreover, the Group may incur losses if any of its various hedging instruments or strategies proves to be ineffective.

Any unexpected market developments may lessen the effectiveness of hedging strategies and recognition of gains and losses arising on the ineffective portion of certain hedges may subject the Group's reported results to greater volatility.

4.1.3 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 fallible – by addressing risks by category instead of focusing on individual risks identified by process. The system also includes a risk mapping process.

Certain activities outsourced to partners or outside contractors may give rise to a risk of non-compliance with insurance 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) as well as 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 Group's code of ethics, including the Ethical Purchasing Charter, the code of conduct for Group employees, the professional standards applicable to each business, such as fund management standards, 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 a 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 a Committee, 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 services may expose the Group to compliance risk

Several aspects of the regulatory framework governing insurance activities are in the process of being changed. Many new regulations have been introduced to improve customer protection, including the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation that came into effect on 1 January 2018, the Insurance Intermediation directive and the revamped Insurance Distribution directive (IDD) that also came into effect on 1 January 2018.

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 business, which are also a source of changing risks.

Under the CNP Assurances business model in France, presentations of life insurance offers are generally prepared by the partner networks although responsibility for objectively and transparently presenting these offers lies with 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 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.

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. Particular attention is paid to compliance risks at the time of new product launches.

The number of lawsuits brought by French policyholders has remained stable over the past three years. Recourse to procedures of this type concern only a very small proportion of the total number of policies managed by the Group.

In 2017, a specific anti-bribery training module was developed and an alert mechanism was prepared for use by all employees, in compliance with the requirements of France's Sapin II Act.

As a financial intermediary, the Group is exposed to the risk of money laundering and fraud

Combating money laundering and the financing of terrorism is a constant concern for the Group, which is exposed to these risks due to the nature of its business.

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.

When policyholder relations are handled by partners, they also play a key role in data gathering and know-your-customer procedures. Nearly all transactions go through policyholders' accounts with the partner banks which are responsible for performing background checks on cash flows.

We participate regularly in industry studies with a view to pro-actively adapting our processes ahead of the expected adoption of new regulations.

We also set up an internal working group to review our system to combat money laundering and the financing of terrorism, based on the observations made by France's insurance supervisor (ACPR) following its audit of the system. Nevertheless, in March 2017 the ACPR decided to launch disciplinary proceedings against the Company. The related procedure is still in progress. Working with our partners, we are strengthening the internal control system by reviewing existing controls and introducing new ones such as on-the-spot checks on tasks performed by partners on our behalf. The new system helps us to know our customers better and perform more detailed analyses. This means that when a customer is interested in purchasing an insurance product, we can generate their profile in real time and deploy the necessary procedures more quickly, based on the risk classification.

The Group is also exposed to fraud risk. For example, we may have to contend with a misappropriation of funds by an asset manager or by an external party through identify theft. We may also be faced with a false declaration by a customer when the policy is purchased or a claim is settled. In addition to leveraging the processes and expertise already deployed to combat money laundering, action has been taken to beef up controls performed by partners and our own in-house policy administration teams, as well as processes for analysing data on contractual financial flows. Any suspected fraud by persons inside or outside the Group that is detected by the policy administration teams or any instances of ethically questionable practices or abuse of vulnerable people by sales personnel are subject to an in-depth investigation by a specialised unit within the Group. The investigation is followed by a detailed report and recommendations where necessary. The risk may be aggravated by the economic situation and we have therefore strengthened the system of delegations of powers and signature authority, as well as our controls over payments.

As a major insurance company, any security incident exposes CNP Assurances' IT system 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.

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 and developing IT disaster recovery plans.

Granting access to the systems to 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 IT systems and processes are secure and fluid and that data integrity is protected, including through a cyber-insurance policy and the multi-annual programme to improve systems security deployed in application of the data protection directive. However, despite this investment, systems could still be hit by technical problems that may have an adverse impact on operations.

Changes in tax legislation may have a material impact on the Group's situation

Tax risk covers all taxes and levies payable by the Group or collected on behalf of the government.

It concerns the prospective or retrospective application and interpretation of existing and new tax rules and the risk of failure to comply with the Group's tax obligations.

Poor management of tax risks can result in claims for additional taxes or penalties.

When new insurance products are being developed, particularly life insurance products, many factors are taken into account, including the product's tax treatment under current tax rules. Any changes in tax rules, particularly the removal of tax relief or the application of higher rates of taxation or new rules, may have a material adverse effect on current and future premium income, technical reserves, net profit, the Group's cash position and financial position and possibly even its share price.

Application of the new flat tax on savings income will be closely monitored to avoid the occurrence of any related tax risks.

The Group may be exposed to risks arising from the use of models to calculate management and regulatory reporting metrics

The term model covers all the assumptions, methods and simulations used to produce Solvency II and MCEV© metrics for the Group's insurance portfolio.

Model risks concern the quality of the metrics produced using the models (design errors, implementation errors, poor quality of the underlying data, etc.), the time taken to produce metrics using the models (underperforming modelling system, difficulty in setting the right parameters, etc.) and analysis of the metrics taking into account the model's limits (poor interpretation of the results, use of the results for purposes other than those for which the model was developed, failure to see the bigger picture, 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.

The Group could be exposed to employee-related risk

The Group is exposed to risks in the event of failures in its management of Human Resources. We are attentive to these risks, which may be due to structural factors (risks related to working conditions) or business factors (risks arising in connection with the business's development), and regular constructive dialogue is maintained between employee representatives and management.

We also have a well-established strategy for preventing psychosocial risks and measures addressing this issue were implemented under an agreement signed in 2012. The strategy continued in 2017 with the implementation of a new quality of work life (QWL) agreement addressing such issues as gender equality and prevention of psychosocial risks.

Group entities have set up insurance programmes and contingency plans to mitigate operational risks

The Group has designed a series of measures to ensure that all potential risks are efficiently managed, reduce the probability that they will occur and limit their impact. These include two cross-functional measures: the insurance programme and the contingency plan.

As part of the risk assessment process, property and casualty insurance has been taken out to protect most of the Group's assets and cover liability risks. The insurance programme comprises both Group-wide policies and subsidiary-level policies.

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.

4.1.4 Other risk factors

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 investors to estimate risk is a potential investee'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.

CNP Assurances' rating is reviewed by Standard & Poor's at regular intervals. The Group seeks to maintain a healthy rating as proof of its financial strength.

See Note 11 to the consolidated financial statements – Subordinated debt.

Risks related to the Group's strategic partnerships

To consolidate its presence in certain markets, the Group makes strategic investments, directly or through subsidiaries, in the form of partnerships.

These strategic partnerships are a means for the Group to share its business and financial risk. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Joint ownership and operating 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 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 underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect the Group's financial position. See Note 7.1 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, the investment (or long-term partnership) is integrated into our financial reporting system. Its performance is monitored, any necessary adjustments are made and corrective action taken, jointly with the distribution partner, if appropriate.

We pay close attention to anticipating the expiry of our long-term partnerships 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.

On 29 September 2017, we announced the signature of a non-binding Memorandum of Understanding with Caixa Seguridade, establishing the conditions for a new exclusive distribution agreement in Brazil when the current agreement expires in 2021. In December 2017, we renewed our personal insurance partnership with UniCredit in Italy. The new agreement covers the seven years from 1 January 2018 to 31 December 2024.

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.

Macro-economic indicators and political developments in our host countries are continuously monitored. In addition, the annual business review conducted at each subsidiary is an opportunity to review in detail the situation of the host country and any implications for our business.

In late June 2017, the Brazilian economy emerged from the worst recession in its history and subsequently held up well in a troubled and uncertain political environment as the country prepared to go to the polls in 2018. In Spain, we kept a close watch on last year's evolving political situation and the stand-off in Catalonia, although the impact on the Group was not material.

Risks related to new regulations

The introduction of new regulations in Europe or the Group's other host countries could prove both complex and costly for the Group. 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 framework.

In 2017, preparations were made for the application as from 2018 of the Insurance Distribution directive (IDD), the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and the General Data Protection Regulation (GDPR).

This year, we will also be devoting considerable time and effort to applying the changes to the standard formula in Solvency II and preparing for the adoption in 2021 of IFRS 17, which will have a significant impact on the financial statements of insurers.

CNP Assurances' highly competitive market is a source of constant risks for both its business and earnings

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.

This competitive pressure may force the Group to cut prices for certain products and services, which could put a strain on margins and negatively affect its earnings and financial position.

Any harm done to the Group's image or reputation could have an adverse impact on future earnings.

4.2 Financial risks associated with the effects of climate change

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.

4.2.1 Financial risks associated with the effects of climate change arising from the Group's investment policy

Risk exposure and mitigation

We have identified the following physical and transition risk factors and implemented measures to mitigate them:

Physical risk

Our property and forestry assets are located mainly in France and their exposure to physical risk is therefore limited. A more detailed review of this exposure was nevertheless launched in 2017, to obtain a holistic view of the Group's climate risk exposure.

Risk mitigation

Property assets are regularly assessed for flood risk and are covered by natural disaster insurance. In 2014, a list was produced of properties in the portfolio located in the Seine river's flood plain that would be at risk in the event of a once-in-a-hundred-years flood.

Concerning forestry assets, our investment policy has led to the acquisition of woodland in a wide number of areas. 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 been launched.

Transition risk

Asset values are potentially exposed to regulatory, technological, market and reputational risk, especially property assets and investments in the energy, transport, materials, construction and agri-food sectors. The Group's exposure to these risks is limited because investments in each of these sectors represent less than 6% of our total equity and bond portfolios.

Risk mitigation

We have been managing transition risks for a number of years using several different approaches:

- application of ESG screens has gradually been integrated in asset management strategies since 2006;
- analyses are performed to identify the most significant risk. In 2015, we decided to blacklist coal, leading to the sale of all of our investments in companies that derive over 25% of their revenues from thermal coal and to a ban on investing in companies that derive over 15% of their revenues from thermal coal;
- since 2016, we have calculated the carbon footprint of the companies in our portfolio, to identify those that are the most exposed to transition risk, i.e., those that cause the greatest carbon emissions. 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 also track the CO_2 equivalent emissions avoided by renovating buildings since 2012;

- lastly, for 2018 our asset managers – La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers) – have been set the target of closely aligning the portfolios of directly held equities with indices that give a high weighting to the contribution of the companies in the portfolio to the energy and environmental transition. This objective is designed to strengthen our approach to managing transition risk by investing in companies that are helping to drive the energy and environmental transition, while also extending the targets for reducing the carbon footprint of companies in the directly held equities portfolio.

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 30% between 2014 and 2021*;
- reduce the energy use of property assets by 20% between 2006 and 2020;
- exclude from the portfolio all companies that derive over 25% of their revenues from thermal coal;
- 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 by the Group reflect those made by France at the COP21 conference, which were taken up in the national low-carbon strategy published in November 2015. They align our objectives with the 2°C scenario:

- our objective for the directly held equities portfolio is in step with France's national low-carbon strategy and is in fact more ambitious (France is aiming to cut greenhouse gas emissions by 40% by 2030 compared to the 1990 baseline. Compared to the 2014 baseline of 461.1 mteq.CO_2, this target works out as a 28% reduction by 2030);
- the targeted reduction in energy use by the properties in our portfolio is also consistent with the national low-carbon strategy, which calls for a 28% reduction in energy use between 2010 and 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, which affect personal risk policies, group death/disability policies and term creditor insurance policies.

We address climate risk by covering the risk of higher than expected mortality rates, whatever the cause (for example, flu pandemics or heatwaves).

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. In addition, four electric vehicle charging stations were installed in the car park at the Company's head office in 2017.

A written travel policy has been prepared, providing a framework for employee practices, in order to reduce the environmental impact of business travel while continuing to ensure the comfort and safety of travellers.

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report.

Following an energy audit carried out in 2015, a specific initiative was launched last year to reduce electricity use in our buildings outside of office hours by replacing traditional lighting with LED lights equipped with presence detectors.

This policy will be pursued in the coming years.

Lastly, action taken in recent years to reduce paper use (shared printers, paperless files) have saved several million sheets of paper.

Our initiatives in these areas and our current procedures are described in more detail in the Corporate Social Responsibility Report.

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, in section B, 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.

Internal control and risk management procedures for the preparation and processing of accounting and financial information

Assessment of underwriting risk

The actuarial function at CNP Assurances is represented by the Group Actuarial Department, whose activities include assessing the Group's underwriting indicators from different angles (embedded value and new business value, technical reserves under French GAAP, IFRS and Solvency II) and forecasting underwriting results.

The department's Methods and Innovations unit prepares guidelines on technical reserves and MCEV© *, conducts actuarial research and development work and prepares the executive summaries and analysis reports required from the Group Actuarial Department. It has pursued the Group's work on the application to model and calculate insurance commitments, in particular by taking into account the option for policyholders to transfer their savings between traditional and unit-linked funds, and the regulatory changes affecting "L.441" pension plans. The actuaries' report on technical reserves, underwriting policy and reinsurance policy, prepared under Solvency II, provides an overview of insurance commitments for use by the Underwriting Department and the Board of Directors.

Management of system and process upgrades

Upgrades of tools and processes 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.

The Finance programme was designed to meet key challenges such as speeding up the publication of the financial statements, integrating new standards and generating automatic reconciliations of financial information prepared under different standards (IFRS, Solvency II, MCEV©, etc.). Since 2014, there have been major changes to the Group's consolidation application and process, the general ledger system, the subsidiary accounting system used for investments and the application used to calculate technical reserves. Additional applications and technical upgrades were completed during 2017, concerning the reports submitted to France's insurance supervisor, including the National Specific Templates (NSTs).

* Market Consistent Embedded Value©

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 financial statements 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 Accounting Standards 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 2017, due notably to the objective of publishing Solvency II reports increasingly early in 2017, 2018 and 2019. A new system to manage the multi-standard accounts closing process, named MAP (for Monitoring, Accounting and regulatory Process), was deployed in September 2017 to track the IFRS and Solvency II tasks.

At Company level, an important phase in the automation of reporting processes for NST, IFRS and Solvency II reports was completed in 2017. At the same time, the report production process was reviewed. At Group level, work to industrialise the reporting process was pursued.

Identification of publication requirements

Four departments, each with its own specific skills, are involved in identifying and producing information for the markets: the Investor and Shareholder Relations unit, the Accounting department, the Corporate Law department and the Group Accounting Standards department. The operational ties forged with correspondents at the French securities regulator (*Autorité des Marchés Financiers*) have also helped enhance the financial communication process.

5

FINANCIAL STATEMENTS

5.1 Consolidated financial statements

5.1.1 Consolidated balance sheet

ASSETS

(In € millions)	Notes	**31.12.2017**	31.12.2016
Goodwill	7	273.2	309.5
Value of In-Force business	7	24.1	22.2
Other intangible assets	7	501.8	534.8
Total intangible assets		**799.1**	**866.5**
Investment property	8	2,568.1	2,926.5
Held-to-maturity investments	9	548.7	766.3
Available-for-sale financial assets	9	296,481.3	299,428.6
Securities held for trading	9	81,721.8	74,540.6
Loans and receivables	9	4,970.5	4,945.3
Derivative instruments	9	797.5	654.3
Insurance investments		**387,088.0**	**383,261.6**
Other investments		**9.2**	**10.9**
Investments in equity-accounted companies	5	**65.9**	**67.4**
Reinsurers' share of insurance and financial liabilities	10	**22,734.8**	**23,032.6**
Insurance or reinsurance receivables	12	3,334.5	3,142.9
Current tax assets		532.5	455.6
Other receivables	12	4,646.9	4,236.3
Owner-occupied property and other property and equipment	8	291.5	309.3
Other non-current assets		2,280.5	2,052.8
Deferred participation asset	10	0.0	0.0
Deferred tax assets	13	284.3	294.4
Other assets		**11,370.3**	**10,491.3**
Non-current assets held for sale and discontinued operations		**0.0**	**0.0**
Cash and cash equivalents		**1,230.9**	**1,399.9**
TOTAL ASSETS		**423,298.2**	**419,130.3**

EQUITY AND LIABILITIES

(In € millions)	Notes	31.12.2017	31.12.2016
Share capital	4	686.6	686.6
Share premium account		1,736.3	1,716.8
Revaluation reserve		4,131.6	3,846.4
Cash flow hedge reserve	9	(48.4)	(41.9)
Undated subordinated notes reclassified in equity	4	1,765.2	1,765.2
Retained earnings		9,060.5	8,491.1
Profit for the period		1,284.5	1,200.3
Translation reserve		(359.3)	(131.1)
Equity attributable to owners of the parent		**18,257.1**	**17,533.5**
Non-controlling interests		1,765.9	1,763.1
Total equity		**20,023.0**	**19,296.6**
Insurance liabilities (excluding unit-linked)	10	158,653.5	152,601.4
Insurance liabilities (unit-linked)	10	45,822.4	39,506.1
Insurance liabilities		**204,475.9**	**192,107.4**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	10	121,580.0	130,379.3
Financial liabilities – financial instruments without DPF (excluding unit-linked)	10	625.4	727.5
Financial liabilities – unit-linked financial instruments	10	8,187.6	7,820.4
Financial liabilities		**130,393.0**	**138,927.2**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	10	30,335.5	30,713.6
Insurance and financial liabilities		**365,204.4**	**361,748.3**
Provisions	14	**210.5**	**250.6**
Subordinated debt	11	5,300.0	5,427.1
Financing liabilities		**5,300.0**	**5,427.1**
Operating liabilities represented by securities		10,310.2	8,645.4
Operating liabilities due to banks		470.1	143.2
Liabilities arising from insurance and reinsurance transactions	15	14,262.3	14,884.0
Current taxes payable		298.5	291.7
Current account advances		49.8	45.5
Liabilities towards holders of units in controlled mutual funds		728.1	767.5
Derivative instruments	9	1,110.1	1,244.9
Deferred tax liabilities	13	915.3	1,287.2
Miscellaneous payables	15	4,416.1	5,098.3
Other liabilities		**32,560.4**	**32,407.8**
Liabilities related to assets held for sale and discontinued operations		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**423,298.2**	**419,130.3**

5.1.2 Consolidated income statement

(In € millions)	Notes	31.12.2017	31.12.2016*
Premiums written		32,460.0	31,779.6
Change in unearned premiums reserve		(382.5)	(284.8)
Earned premiums	16	**32,077.4**	**31,494.7**
Revenue from other activities	16	**160.3**	**124.3**
Other operating revenue		**0.2**	**0.1**
Investment income, net of expenses		8,371.7	8,468.9
Gains and losses on disposal of investments		379.4	836.9
Change in fair value of financial assets at fair value through profit or loss		3,293.8	1,463.5
Change in impairment losses on financial instruments		728.6	14.9
Total investment income net of expenses	20	**12,773.4**	**10,784.1**
Income from ordinary activities		**45,011.3**	**42,403.3**
Claims and benefits expenses	17	(37,538.3)	(35,731.0)
Reinsurance result	19	106.2	66.1
Income and expenses of other businesses, net		17.9	(2.9)
Acquisition costs	18	(3,982.0)	(3,796.0)
Amortisation of value of acquired In-Force business and distribution agreements	7	(25.1)	(24.5)
Contract administration expenses	18	(198.8)	(186.3)
Other recurring operating income and expense, net	18	(617.1)	(260.8)
Total other recurring operating income and expense, net		**(42,237.1)**	**(39,935.3)**
Recurring operating profit		**2,774.2**	**2,468.0**
Other non-recurring operating income and expense, net		(18.0)	(5.8)
Operating profit		**2,756.3**	**2,462.2**
Finance costs	20	(246.7)	(228.7)
Change in fair value of intangible assets	7	1.8	1.6
Share of profit of equity-accounted companies	5	7.3	6.2
Income tax expense	21	(895.6)	(744.4)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Profit for the period		**1,623.1**	**1,497.0**
Non-controlling interests		(338.6)	(296.6)
Profit attributable to owners of the parent		**1,284.5**	**1,200.3**
Basic earnings per share *(In €)*		1.80	1.64
Diluted earnings per share *(In €)*		1.80	1.64

*Pro forma:

Effective from 2017, the Group has chosen to present on a single line, the net amount represented by investment income net of expenses, and to continue reporting finance costs separately below operating profit, as recommended by France's accounting standards board (ANC recommendation 2013-05).

Accordingly, the following changes were made:

- the line "Investment and other financial expenses, excluding finance costs" has been deleted from the income statement;
- investment income ceded to reinsurers is now recognised in reinsurance result;
- income and expenses from financial instruments held as cash flow hedges are now recognised in finance costs. The amount in 2016 was €19.5 million.

Details of these reclassifications are provided in Notes 17, 18, 19 and 20

5.1.3 Consolidated statement of income and expense recognised in equity – 2017

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**1,284.5**	**338.6**	**1,623.1**
Gains and losses 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**

Consolidated statement of income and expense recognised in equity – 2016

(In € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**1,200.3**	**296.6**	**1,497.0**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**718.8**	**215.0**	**933.8**
Available-for-sale financial assets			
Change in revaluation reserve during the period	2,569.3	77.4	2,646.6
Reclassification of proceeds from disposals to profit or loss	(1,253.3)	(11.6)	(1,264.9)
Reclassification of impairment losses to profit or loss	617.9	0.8	618.8
Sub-total including deferred participation and deferred taxes	*1,933.9*	*66.6*	*2,000.5*
Deferred participation including deferred taxes	(1,380.9)	(19.3)	(1,400.2)
Deferred taxes	(35.1)	(25.3)	(60.5)
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	*517.9*	*21.9*	*539.8*
Cash flow hedge reserve	(37.0)	0.0	(37.0)
Change in cash flow hedge reserve during the period	(99.7)	0.0	(99.7)
Cash flow hedge reserve recycled through profit or loss during the period	43.3	0.0	43.3
Deferred taxes	19.4	0.0	19.4
Translation differences	238.0	193.1	431.0
Amounts not recycled through profit or loss	**(0.3)**	**0.0**	**(0.3)**
Actuarial gains and losses	(0.3)	0.0	(0.3)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**718.5**	**215.0**	**933.6**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**1,918.9**	**511.6**	**2,430.5**

5.1.4 Consolidated statement of changes in equity

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)**
▪ 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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2016

(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 01.01.2016 – IFRS	**686.6**	**1,716.8**	**3,364.2**	**(4.9)**	**2,635.2**	**9,084.0**	**(369.0)**	**17,113.0**	**1,457.8**	**18,570.7**
Net profit and unrealised and deferred gains and losses for the period			**517.9**	**(37.0)**	**0.0**	**1,200.1**	**238.0**	**1,918.9**	**511.6**	**2,430.5**
▪ Dividends paid						(528.5)		**(528.5)**	(207.3)	**(735.9)**
▪ Issue of shares										
▪ Subordinated notes, net of tax					(870.0)	(75.9)		**(945.8)**		**(945.8)**
▪ Treasury shares, net of tax						12.1		**12.1**		**12.1**
▪ Changes in scope of consolidation			(35.7)			0.4		**(35.3)**	(0.9)	**(36.2)**
▪ Other movements						(0.7)		**(0.7)**	1.9	**1.1**
EQUITY AT 31.12.2016	**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**

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 by the equity method.

Definition of cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in ordinary money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued by the French financial markets authority (*Autorité des Marchés Financiers* – AMF) 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.

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.

(In € millions)	**Movements in 2017**	Cash flows		Other movements	Notes
Change in treasury shares (before tax)	*(0.4)*	*(0.4)*		*0.0*	*Equity (treasury shares)*
Change in treasury shares (tax)	*(0.1)*			*(0.1)*	*Equity (treasury shares)*
Change in treasury shares (net of tax)	**(0.5)**	**(0.4)**		**(0.1)**	**Equity (treasury shares)**
Dividends paid by CNP Assurances	(549.3)	(549.3)		0.0	Equity (dividends paid)
Dividends paid to non-controlling interests	(193.2)	(193.2)	748.1	0.0	Equity (dividends paid)
Change in dividends payable or receivable	(5.6)	(5.6)		0.0	Consolidated balance sheet (other assets/liabilities)
Subordinated debt	**(127.1)**	**(127.1)**		**0.0**	**Consolidated balance sheet (subordinated notes)**
Cash flow hedge reserve (before tax)	*(9.9)*	*127.1*	0.0	*(137.0)*	*Consolidated balance sheet*
Deferred tax on cash flow hedge reserve	*3.4*	*0.0*		*3.4*	*Consolidated balance sheet*
Cash flow hedge reserve (net of tax)	**(6.5)**	**127.1**		**(133.6)**	**Consolidated balance sheet**
Undated subordinated notes reclassified in equity	**0.0**	**0.0**		**0.0**	**Equity**
Interest on undated subordinated notes	(73.8)	(73.8)		0.0	Equity
Deferred tax on interest on undated subordinated notes	25.4	0.0	(320.5)	25.4	Equity
Interest on other subordinated notes	(246.7)	(246.7)		0.0	Finance costs
Net cash provided by (used by) financing activities		**(1,068.9)**			**Consolidated statement of cash flows**

(In € millions)	Movements in 2016		Cash flows	Other movements	Notes
Share issue by CNP Assurances Compañía de Seguros	0.7	0.7		0.0	Equity (other movements)
Change in treasury shares (before tax)	*12.8*	*12.8*		*0.0*	*Equity (treasury shares)*
Change in treasury shares (tax)	*(0.7)*			*(0.7)*	*Equity (treasury shares)*
Change in treasury shares (net of tax)	**12.1**	**12.8**		**(0.7)**	**Equity (treasury shares)**
Dividends paid by CNP Assurances	(528.5)	(528.5)		0.0	Equity (dividends paid)
Dividends paid to non-controlling interests	(207.3)	(207.3)	(732.6)	0.0	Equity (dividends paid)
Change in dividends payable or receivable	3.2	3.2		0.0	Consolidated balance sheet (other assets/liabilities)
Subordinated debt	**1,431.1**	**1,431.1**		**0.0**	**Consolidated balance sheet (subordinated notes)**
Cash flow hedge reserve (before tax)	*(56.4)*	*43.3*	*1,474.4*	*(99.7)*	*Consolidated balance sheet*
Deferred tax on cash flow hedge reserve	*19.4*	*0.0*		*19.4*	*Consolidated balance sheet*
Cash flow hedge reserve (net)	**(37.0)**	**43.3**		**(80.3)**	**Consolidated balance sheet**
Undated subordinated notes reclassified in equity	**(870.0)**	**(870.0)**		**0.0**	**Equity**
Interest on undated subordinated notes	(115.7)	(115.7)		0.0	Equity
Deferred tax on interest on undated subordinated notes	39.9	0.0	(364.0)	39.9	Equity
Interest on other subordinated notes	(248.2)	(248.2)		0.0	Finance costs
Net cash provided by (used by) financing activities		**(478.7)**			**Consolidated statement of cash flows**

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

(In € millions)	**31.12.2017**	31.12.2016
Cash and cash equivalents (reported in the consolidated balance sheet)	1,230.9	1,399.9
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(470.1)	(143.2)
Securities held for trading	18,485.1	17,459.6
TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)	**19,245.8**	**18,716.3**

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".

CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	**31.12.2017**	31.12.2016
Operating profit before tax	**2,756.3**	**2,481.7**
Gains and losses on disposal of investments	(610.2)	(913.8)
Depreciation and amortisation expense, net	114.2	122.6
Change in deferred acquisition costs	(307.8)	(246.3)
Impairment losses, net	(725.7)	(11.9)
Charges to technical reserves for insurance and financial liabilities	7,209.7	(4,556.2)
Charges to provisions, net	(30.4)	(8.1)
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(3,300.3)	(1,497.0)
Other adjustments	(249.0)	688.5
Dividends received from equity-accounted companies	4.8	20.2
Total adjustments	**2,105.2**	**(6,402.1)**
Change in operating receivables and payables	(1,359.5)	10,726.7
Change in securities sold and purchased under repurchase and resale agreements	1,664.8	2,285.3
Change in other assets and liabilities	(64.4)	(90.0)
Income taxes paid, net of reimbursements	(993.2)	(699.7)
Net cash provided by (used by) operating activities	**4,109.2**	**8,301.9**
Acquisitions of subsidiaries and joint ventures, net of cash acquired *	78.4	(78.8)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	291.6
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash provided by (used by) divestments and acquisitions	**78.4**	**212.9**

* The positive amount reported for "Acquisitions of subsidiaries and joint ventures, net of cash acquired" primarily reflects the acquired cash recognised on first-time consolidation of CNP Luxembourg, the OPCI Raspail property fund and SAS Alleray

(In € millions)	**31.12.2017**	31.12.2016
Proceeds from the sale of financial assets	96,042.9	71,523.0
Proceeds from the sale of investment properties	375.2	284.3
Proceeds from the sale of other investments	5.0	1.9
Net cash provided by (used by) sales and redemptions of investments	**96,423.1**	**71,809.2**
Acquisitions of financial assets	(98,415.2)	(77,188.4)
Acquisitions of investment properties	(451.3)	(185.5)
Acquisitions of other investments	0.0	0.0
Net cash provided by (used by) acquisitions of investments	**(98,866.5)**	**(77,373.9)**
Proceeds from the sale of property and equipment and intangible assets	8.7	6.8
Purchases of property and equipment and intangible assets	(52.8)	(86.4)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	**(44.2)**	**(79.7)**
Net cash provided by (used by) investing activities	**(2,409.2)**	**(5,431.5)**
Issuance of equity instruments	0.0	0.7
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	(0.4)	12.8
Dividends paid	(748.1)	(732.6)
Net cash provided by (used by) transactions with owners	**(748.5)**	**(719.1)**
New borrowings	0.0	1,474.3
Repayments of borrowings	0.0	(870.0)
Interest paid on borrowings	(320.5)	(364.0)
Net cash provided by (used by) other financing activities	**(320.4)**	**240.4**
Net cash provided by (used by) financing activities	**(1,068.9)**	**(478.7)**
Cash and cash equivalents at beginning of period	**18,716.3**	**15,180.0**
Net cash provided by (used by) operating activities	4,109.2	8,301.9
Net cash provided by (used by) investing activities	(2,409.2)	(5,431.5)
Net cash provided by (used by) financing activities	(1,068.9)	(478.7)
Effect of changes in exchange rates	(50.5)	39.5
Effect of changes in accounting policies and other changes	(51.1)	1,105.0
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**19,245.8**	**18,716.3**

5.1.6 Notes to the Consolidated Financial Statements

DETAILED CONTENTS

SIGNIFICANT EVENTS OF THE YEAR AND SUBSEQUENT EVENTS

NOTE 1
Significant events of the period

1.1 Effect of French State's withdrawal from financing statutory uplifts to certain life annuities

France's 2018 Finance Act (Article 142) provides for the withdrawal of the French State's contribution to statutory uplifts to life annuities (except for veterans' pensions) with effect from 1 January 2018.

This decision will lead to additional costs of €212 million for the Group. The total reserve for statutory uplifts amounted to €225 million at 31 December 2017, including €183 million for annuities in payment and €42 million for deferred annuities.

The Group has chosen not to defer recognition of the accounting impact, resulting from the article in the 2018 Finance Act, over six years in the statutory financial statements.

1.2 Impact of the main French tax measures (reduction in the corporate income tax rate) on the consolidated financial statements

France's 2017 Finance Act dated 29 December 2016 provided for a reduction in the standard corporate income tax rate from 33 1/3% to 28% (excluding surtaxes), to be phased in over different periods depending on the size of the companies concerned (in terms of revenue) and/or their profits.

The 2018 Finance Act dated 30 December 2017 accelerated the process, by cutting the rate to 28% in 2018 for profits up to €500,000 and adjusting the rate cut trajectory as from 2019, as follows:

STANDARD CORPORATE TAX RATE

<table>
<tr><th rowspan="2">Amount of profits</th><th colspan="5">Financial years as from:</th></tr>
<tr><th>01.01.2018</th><th>01.01.2019</th><th>01.01.2020</th><th>01.01.2021</th><th>01.01.2022</th></tr>
<tr><td>Less than €500,000</td><td>28%</td><td>28%</td><td rowspan="2">28%</td><td rowspan="2">26.5%</td><td rowspan="2">25%</td></tr>
<tr><td>More than €500,000</td><td>33 1/3%</td><td>31%</td></tr>
</table>

Note: by including the additional 3.3% surtax, which the 2018 Finance Act does not eliminate, the 25%, 26.5%, 31% and 33 1/3% would respectively come to 25.8%, 27.4%, 28.9%, 32% and 34.4%

1.3 Consequences for the measurement of deferred tax assets and liabilities

The method used to take into account the planned tax cuts in the 2017 financial statements is the same as that used in 2016 (IFRS-based analysis of French tax entities, differentiating between items for which the tax effect is recorded in equity and those where the effect is recorded in profit or loss). Deferred tax assets and liabilities are determined using the liability method, which consists of adjusting deferred taxes for the effects of any expected change in tax rates. Changes in tax rates affect profit and also equity in the case of deferred taxes recognised in prior years.

The main source of deferred taxes affecting profit for the year concerns non-deductible provisions, which give rise to a difference between reported and taxable profit. A deferred tax asset was recognised for this timing difference. The reduction in the tax rate leads to the recognition of additional deferred tax expense of €35.0 million in the consolidated income statement, due to the decrease in the value of the deferred tax asset. This may be compared to total deferred tax expense of €29 million recorded in the 2016 consolidated income statement.

The main source of deferred taxes affecting equity concerned the remeasurement of available-for-sale financial assets at fair value. The reduction in the tax rate has the effect of reducing the deferred tax liability on these fair value adjustments, leading to a corresponding €154.2 million increase in consolidated equity (€191.7 million at 31 December 2016 based on the 2017 Finance Act).

When estimating the effects of the change in tax rates, account was taken of the periods in which deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled, in order to identify the amounts to which the new tax rate would apply.

1.4 Elimination of the *contribution additionnelle* surtax on distributed earnings and introduction of a 30% exceptional surtax on French corporate income tax in 2017

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.

Elimination of this surtax will generate an annual saving of some €15 million for the Group based on the amounts paid in prior years.

In addition, the Group has obtained a refund of the surtax paid in the years 2013 to 2017 for a total of €69.4 million including interest.

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 will represent 30% of its French income tax liability and will amount to around €94.6 million. This represents an additional tax cost of €31.5 million compared to the €63.1 million refund of the 3% tax on distributed earnings (excluding interest).

1.5 Transfer of a portfolio of contracts to Arial CNP Assurances

On 15 December 2015, AG2R La Mondiale and CNP Assurances signed a framework partnership contract in the field of retirement savings. The strategic partnership in the area of company retirement savings plans is being led by a joint subsidiary named Arial CNP Assurances, which has been 40%-owned by CNP Assurances since 1 April 2016 and is accounted for by the equity method.

CNP Assurances and AG2R La Mondiale have demonstrated their support for the new venture by agreeing to reinsure the contracts sold by Arial CNP Assurances, which combines the retirement Savings businesses, expertise and investment capacity of its two shareholders. The partnership contract covers the following main aspects:

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

1.6 Transfer of a portfolio of company retirement savings contracts (traditional and unit-linked funds) by CNP Assurances to Arial CNP Assurances

Pursuant to the commitment given in the partnership contract summarised above, CNP Assurances transferred its portfolio of group pensions contracts to Arial CNP Assurances with retroactive effect for accounting and tax purposes to 1 January 2017. The transfer concerned (i) a portfolio of company retirement savings plans invested in both traditional and unit-linked funds representing liabilities of €4,013 million and (ii) unit-linked asset portfolios and mutual fund units with an equivalent value, both being transferred at net book value. The net assets transferred by CNP Assurances amounted to €23.99 and were remunerated by the issue of one new Arial CNP Assurances share credited as fully paid.

1.7 Acquisition of a stake in Réseau de Transport d'Électricité (RTE)

On 14 December 2016, EDF, Caisse des Dépôts and CNP Assurances signed a binding agreement for the acquisition by Caisse des Dépôts and CNP Assurances of a combined 49.9% stake in Réseau de Transport d'Électricité (RTE). The aim of the transaction is to provide RTE with a new governance structure to support the Group over the long term as it invests in building a smart transmission system that will help drive the energy transition.

On 31 March 2017, Caisse des Dépôts and CNP Assurances became core shareholders of RTE alongside EDF, through the creation of a joint venture, CTE, which is 50.1%-owned by EDF and 49.9%-owned by Caisse des Dépôts and CNP Assurances. The deal structure gives Caisse des Dépôts a 29.9% indirect interest in RTE and CNP Assurances an indirect interest of 20%.

All the conditions precedent were fulfilled ahead of the completion date. CNP Assurances' stake in the CTE acquisition vehicle was acquired at a cost of €1,080 million.

The three indirect shareholders exercise joint control over RTE within the regulatory framework established by France's energy industry regulator, the Commission de la Régulation de l'Énergie (CRE). A shareholders' agreement has been signed describing how CTE's shareholders will jointly exercise their rights and obligations.

CNP Assurances exercises significant influence over RTE. However, as the investment is mainly in representation of participatory contracts, the Group has chosen to use the exemption from applying the equity method provided for in IAS 28, paragraph 18, and to measure the CTE shares at fair value through profit or loss.

1.8 Partnership with the Crédit Agricole Group

On 22 June 2017, CNP Assurances and the Crédit Agricole Group signed a memorandum of understanding relating to term creditor insurance at Crédit Agricole's regional banks. The Crédit Agricole Group announced back in March 2016 that it intended to internalise the Group borrower insurance contracts of the regional banks to its Crédit Agricole Assurances subsidiary, as part of its "Strategic ambitions for 2020" plan. The transfer of new business on term creditor insurance to the Crédit Agricole Group will take place gradually starting in September 2017, and the agreement provides for 20% reinsurance by CNP Assurances for five annual accounting periods, from 2018. CNP Assurances will underwrite 50% of the portfolio of existing contracts for as long as the policies remain in force.

For information, regarding CNP Assurances, the average contribution from the partnership with Crédit Agricole to CNP Assurances' recurring EBIT has been €30 million in recent years, i.e., around 1.7% of EBIT France (€1,777 million in 2017) or 1.0% of Group EBIT (€2,889 million in 2017).

1.9 CNP Assurances and UniCredit renew their partnership in Italy

On 20 December 2017, CNP Assurances and UniCredit renewed their life insurance partnership in Italy organised through the company CNP UniCredit Vita, 57.5% held by CNP Assurances, 38.8% held by UniCredit and 3.7% held by Cardif. Concluded for seven years as from 1 January 2018, the partnership takes the form of a shareholders' pact among CNP Assurances, UniCredit and Cardif, supplemented by a distribution agreement between CNP UniCredit Vita and UniCredit. The distribution agreement provides for the creation of a dedicated sales organisation to enhance the distribution of unit-linked savings products, individual protection insurance and term creditor insurance, in line with CNP Assurances Group's strategy for reorienting the product mix. The partnership's geographic scope remains unchanged, covering Central and Southern Italy, including Sardinia and Sicily (i.e. 1,365 UniCredit branch offices and points of sale).

Key figures for CNP UniCredit Vita are provided in Note 5.4 "Summary financial information: consolidated entities with material non-controlling interests".

NOTE 2
Subsequent events

None.

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 2017 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 21 February 2018.

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 2016.

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

New accounting standards adopted since 1 January 2017

The amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses and disclosure initiative amendments to IAS 7 – Statement of Cash Flows were adopted by the European Union on 6 November 2017 and are applicable for accounting periods beginning on or after 1 January 2017. The disclosures required by the amendments to IAS 7 are presented in the section "Statement of cash flows". The amendments to IAS 12 have also been taken into account, but had no material impact on the Group's consolidated financial statements at 31 December 2017.

Some of the new standards and amendments to existing standards presented below are not yet applicable.

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

IFRS 9

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 intends to choose the option of deferring application until 1 January 2021 (see below).

This standard, which replaces IAS 39 – Financial Instruments, sets down accounting principles and disclosure requirements for financial assets and liabilities. This comprehensive final version of IFRS 9 follows three earlier partial publications:

- on 12 November 2009, the IASB published the first (partial) version of IFRS 9 – Financial Instruments, focusing exclusively on "classification and measurement" of financial assets;
- on 28 October 2010, the IASB published the second (partial) version of IFRS 9 – Financial Instruments, incorporating requirements on accounting for financial liabilities;
- on 19 November 2013, the IASB published a new section of IFRS 9 – Financial Instruments, focusing on hedge accounting and amendments to IFRS 9, IFRS 7 – Disclosures and IAS 39 – Financial Instruments: Recognition and Measurement. This new section includes the definition of a business model that more closely reflects an insurance company's strategy for holding and managing financial assets.

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

Main provisions of IFRS 9

a) Classification and measurement

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

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

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

IFRS 9 introduces two types of business model as follows:

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

b) Impairment

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

Under the new model, assets move through three stages:

- at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument;
- stage 2: if there has been a significant increase in credit risk since initial recognition, lifetime expected credit losses are recognised, but interest 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.

c) Hedge accounting

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

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

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

The standard also makes hedge effectiveness testing less rigid. Retrospective and prospective testing (using the 80% 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.

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 plans to defer application until 2021.

In light of the publication on 12 September 2016 by the IASB of an amendment to IFRS 4 - Insurance Contracts describing 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). It provides for:

- application of an "overlay approach" by insurance companies that choose to apply IFRS 9 as from 1 January 2018. This approach consists of reclassifying from profit or loss to "Income and expense recognised directly in equity" the additional volatility caused by applying IFRS 9 to assets previously accounted for as available-for-sale financial assets

or financial assets at amortised cost under IAS 39. Insurers will have the option of applying this approach throughout the period until the effective date of the new insurance standard;
- the second option consists of deferring adoption of IFRS 9 for a period of three years until 1 January 2021 (the "deferral approach").

All traditional insurance companies have the automatic right to apply the deferral approach.

The IASB has also introduced an option to simplify application of IFRS 9 by allowing associates and joint ventures accounted for by 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 would enable 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 by the equity method in the consolidated financial statements of its three main shareholders which are financial institutions and are required to 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).

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 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.

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

As part of its preparation for IFRS 9, the Group has taken part in several field tests organised by the European Financial Reporting Advisory Group (EFRAG). EFRAG was created in order to assist the European Commission in approving the international financial reporting standards published by the IASB by providing technical advice on accounting matters. These field tests suggest that the standard's main impact will be a possible material increase in securities classified as "Financial assets at fair value through profit or loss". The final impact of these reclassifications on profit or loss will depend on the options for applying IFRS 17.

The Group has launched a project for the limited application of IFRS 9 asset classification criteria in order to prepare the additional disclosures required under the amendment to IFRS 4 as from 2018.

IFRS 15

IFRS 15 – Revenue from Contracts with Customers: published on 28 May 2014 and applicable for accounting periods beginning on or after 1 January 2018 was adopted 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 that currently deal 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 Group is currently reviewing the basis of application and the potential impacts of IFRS 15. However, further to the review of existing contracts recognised in accordance with IAS 18 (representing 0.29% of consolidated premium income, (see Note 16, Premium income), the Group believes that application of IFRS 15 will not have a material impact on its consolidated financial statements.

Clarifications of IFRS 15

Amendments clarifying 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.

IFRS 16

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 lessors, 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 effects of applying IFRS 16 are currently being analysed by the Group. They are not expected to be material as the Group has very few leases.

The amendments to IFRS 4 concerning the application of IFRS 9 by insurance undertakings were adopted by the European Union on 3 November 2017 and are applicable for accounting periods beginning on or after 1 January 2018.

Main standards and interpretations published but not yet approved by the European Union

IFRS 14 – Regulatory Deferral Accounts

This standard was published by the IFRS Foundation on 30 January 2014. It is applicable for accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. Pending the definitive version, the European Commission has decided not to launch an adoption process for the provisional standard. This provisional standard allows first-time adopters of IFRSs to continue to account for rate-regulated activities in accordance with its previous GAAP until such time as the IASB can complete its comprehensive project on rate regulated activities.

This standard does not have any impact on the Group's consolidated financial statements at 31 December 2017.

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).

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 (PPA) – 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 subsequently,
  - 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.

Amendments to the following standards

The amendments to IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate or Joint Venture published on 11 September 2014 have not yet been adopted by the European Union. In addition, the IASB has decided to postpone their application date.

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 are applicable for accounting periods beginning on or after 1 January 2018, subject to adoption by the European Union which is expected to take place in the first quarter of 2018.

On 12 October 2017, the IASB published amendments to IFRS 9 – Prepayment Features with Negative Compensation. These amendments will be applicable for accounting periods beginning on or after 1 January 2019. The process for their adoption by the European Union was launched at the end of 2017.

On 7 June 2017, the IASB published IFRIC 23 – Uncertainty over Income Tax Treatments. This interpretation will be applicable for accounting periods beginning on or after 1 January 2019 and the process for its adoption by the European Union was launched at the end of 2017.

IFRS annual improvements, 2014-2016 cycle: the amendments are applicable for accounting periods beginning on or after 1 January 2017 or 1 January 2018 and were adopted by the European Union on 8 February 2018.

The Group is currently studying the potential impact of the amendments not applicable from 1 January 2017.

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 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 of CNP Assurances for the year ended 31 December 2015 and the related Statutory Auditors' report, as presented on pages 58 to 159, and pages 160 to 161, respectively, of the Registration Document filed with the AMF on 5 April 2016;

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 acquired 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 which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The 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.

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

Subsidiaries are fully consolidated.

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

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 by the equity method, from or up to the date when the Group exercises or ceases to exercise joint control.

Associates

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

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

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

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

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 3.13.2).

3.4 Intragroup transactions

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

3.5 Deferred participation asset/reserve

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

There are two types of deferred participation.

3.5.1 Unconditional participation

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

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

3.5.2 Conditional participation

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

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

3.6 Foreign currency translation into the Group's presentation currency

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

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

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

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

3.7 Foreign currency balances

The individual Group entities translate foreign currency transactions into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, 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 3.10.3.

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

3.8 Business combinations and other changes in scope of consolidation

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

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

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

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

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

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

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

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

3.9 Intangible assets

3.9.1 Goodwill

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

Positive goodwill is:

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

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

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

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

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

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

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

3.9.2 Life insurance portfolios

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

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

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

3.9.3 Distribution agreements

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

3.9.4 Software

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

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

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

3.10 Investments

3.10.1 Property

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

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

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

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

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

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

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

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

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

Depreciation

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

Due to the difficulty of reliably determining the residual value of property, investment and 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

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

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

3.10.2 Financial assets

Classification

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

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

Recognition

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

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

Derecognition

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

Valuation method

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

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

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

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

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for by 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.

3.10.3 Derivative instruments

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

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

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

c) it is settled at a future date.

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

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

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

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

Hedge accounting

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

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 disclosed in Note 9.7

3.10.4 Measurement at fair value

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

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

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

Structured product valuation principles

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

The valuation techniques used:

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

Fair value hierarchies

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

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

- equities, measured on the basis of quoted prices on their reference market;
- mutual fund units, measured at their net asset value;
- bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows), taking into account liquidity factors in the choice of market;

- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivatives traded on an organised market.

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

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

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

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

The Group uses valuations of its complex products prepared internally, or by an external arranger or valuer. 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 the main models listed below and the market data required for each model at the calculation date.

Structured products	Models/Methods
Interest-rate linked structured notes	4-Factor Libor Market Model (LMM)
	Hybrid Equity Black-FX Model
	Hull-White One-Factor Model
Equity linked structured notes	Dupire model
	Heston model
	Dupire hybrid equation - Hull-White One-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
Currency derivatives	**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

Unlisted securities are valued:

- using generally accepted market practices, primarily by reference to the prices of similar, comparable market transactions; or
- by discounting the future cash flows expected to be generated by the investment.

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

3.10.5 Repurchase and securities lending transactions

Repurchase and securities lending transactions are part of the Group's portfolio optimisation strategy.

The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership. They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in "Operating liabilities represented by securities".

The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

3.10.6 Structured entities

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

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

Details of CNP Assurances' investments in non-consolidated structured entities are disclosed in Note 9.1.4 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."*)

3.11 Equity

3.11.1 Components of equity

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

3.11.2 Capital management

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

At 31 December 2017, 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 (ACPR).

3.12 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 allocating shares under employee share grant plans (see Note 3.15.2). Treasury shares are recorded as a deduction from equity in the IFRS accounts.

3.13 Insurance and financial liabilities

3.13.1 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

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

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

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

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

3.13.2 Insurance contracts and financial instruments with DPF

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

Insurance contracts

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

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

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

Financial instruments with DPF

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

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

Hybrid contracts

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

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

Life insurance and savings contracts

Premiums

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

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

Technical and mathematical reserves

Reserves for contracts 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 2017, the general administration expense reserve for savings and pensions contracts amounted to €260 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 €426 million at 31 December 2017. 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 €383 million at 31 December 2017. 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 costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset or liability), less related deferred acquisition costs and related intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in profit or loss.

Shadow accounting

Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or the value of acquired 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.

3.13.3 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.

3.13.4 Service contracts

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

3.14 Property and equipment

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

3.15 Employee benefit obligations

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

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).

3.15.1 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 monetize 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.

3.15.2 Share-based payment

Accounting treatment of employee share grants

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

3.16 Financing liabilities and subordinated debt

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

3.17 Acquisition costs and operating expenses

Underwriting expenses are presented by function:

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

Cost recognition and allocation:

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

Other costs are analysed between:

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

3.18 Taxation

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The main companies in the tax group are CNP Assurances and its subsidiaries, Montparvie 2, CNP Caution, Prévimut, 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. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches, a deferred tax liability is recognised only when the Group is unable to control the period in which the temporary difference will reverse and it is improbable that it will not reverse in the foreseeable future.

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

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

3.19 Operating segments

In accordance with IFRS 8, the Group's reportable business segments are based on the internal reporting system approved by the Group's Executive Committee, regarded as the chief operating decision maker as defined by IFRS 8. At 31 December 2016, CNP Assurances chose to align its profit and loss indicator for each segment with the internal reporting, which now focuses on geographic sectors rather than the technical characteristics of the products distributed by the Group.

This choice of geographic 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 geographic 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 acquired In-Force business" and "Financial investments and investments in associates" were tracked by reportable segment on a regular basis.

3.20 Contingent liabilities

A contingent liability is:

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources. Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

ASSETS, EQUITY AND LIABILITIES

NOTE 4
Capital

4.1 Undated subordinated notes reclassified in equity

		31.12.2017		
(In € millions)	Issuance date	Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,765.2**
CNP Assurances	June 2004	Tec 10 +10 bps, 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 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	EUR	108.0
	October 2012	7.5% until October 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	379.9
	November 2014	4% until November 2024 then reset at the 5-year fixed swap rate +410 bps	EUR	493.6
TOTAL				**1,765.2**

	31.12.2016			
(In € millions)	Issuance date	Interest rate	Currency	Amount
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	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 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	EUR	108.0
	October 2012	7.5% until October 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	379.9
	November 2014	4% until November 2024 then reset at the 5-year fixed swap rate +410 bps	EUR	493.6
TOTAL				**1,765.2**

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,615,340	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	**537,188,080**	**78.24%**
Private investors	149,430,397	21.76%
of which: CNP Assurances (treasury shares) *	143,695	0.02%
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

4.3 Equity

	Ordinary shares	
Issued capital	**31.12.2017**	31.12.2016
Number of shares outstanding at the beginning of the period	686,618,477	686,618,477
Shares issued during the period	0	0
Number of shares outstanding at the end of the period	**686,618,477**	**686,618,477**

4.4 2017 Dividends

The recommended 2017 dividend amounts to €0.84 per share, representing a total payout of €576.8 million.

The 2016 dividend approved by the Annual General Meeting amounted to €0.80 per share, representing a total payout of €549.3 million. It was paid in 2017.

4.5 Basic and diluted earnings per share

(In € millions)	**31.12.2017**	31.12.2016
Profit attributable to owners of the parent	1,284.5	1,200.3
Charge on deeply-subordinated notes, net of tax	(48.4)	(75.9)
Profit attributable to ordinary shares	**1,236.1**	**1,124.4**
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	(123,056.75)	(311,094.25)
Weighted average number of shares at end of reporting period	**686,495,420.3**	**686,307,382.8**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares	**1.80**	**1.64**

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

4.6 Related party information

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

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

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

For information, CNP Assurances received a total of €282 million in dividends from subsidiaries in 2017, comprising €61 million from its French subsidiaries, €205.8 million from its Brazilian subsidiaries, €14.4 million from CNP UniCredit Vita and €0.8 million from CNP Cyprus Insurance Holdings.

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

4.6.1 Transactions with shareholders and their subsidiaries

(In € millions)	Transaction (income statement)	Balance (balance sheet)
Commissions	(1,521.1)	(541.1)
Claims and benefits	(26.0)	(3.9)
Reinsurance (inward)	(3.2)	1,920.7
Reinsurance (ouward)	(24.9)	(11,635.4)
Employee benefits expense	(8.3)	(0.6)
Financial income and loans	0.0	0.0
Financial expenses and borrowings	(6.5)	(491.4)
Dividends	(423.6)	0.0
Other	0.0	0.0

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

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

Claims and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances, asset management fees paid to Natixis AM and La Banque Postale AM and the costs of managing service contracts reinvoiced to La Banque Postale Prévoyance in accordance with IAS 18.

2016 dividends paid to the Group's shareholders in 2017 amounted to €423.6 million, comprising amounts of €224.5 million, €99.4 million and €99.8 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

4.6.2 Transactions with equity-accounted entities

The main insurance undertakings accounted for by the equity method are Arial CNP Assurances and Wiz Solucoes e Corretagem de Seguros SA.

(In € millions)	Transaction (income statement)	Balance (balance sheet)
Commissions	15.3	15.3
Claims and benefits	8.0	8.4
Reinsurance (acceptations)	61.0	(52.4)
Employee benefits expense	2.5	0.6
Financial income and loans	0.0	0.0
Financial expenses and borrowings	0.0	0.0
Dividends	1.0	0.0
Other	0.0	0.0

4.6.3 Transactions with other related parties

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

(In € millions)	Transaction (income statement)	Balance (balance sheet)
Commissions	0.0	0.0
Claims and benefits	0.4	0.6
Reinsurance	0.0	0.0
Employee benefits expense	(0.2)	0.0
Financial income and loans	0.0	0.0
Financial expenses and borrowings	0.0	0.0
Dividends	0.0	0.0
Other	0.0	0.0

4.7 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 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 Chairman, the Chief Executive Officer and the three Deputy Chief Executive Officers totalled €10,239,925.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2017 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2016

- 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 two Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,722,364.90.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the two Deputy Chief Executive Officers totalled €7,437,759.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2016 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

NOTE 5

Scope of consolidation

5.1 Consolidated companies and percentage of voting rights at 31 December

				31.12.2017		31.12.2016	
Company	Consolidation method	Country/city	Business	% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances [1]	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Préviposte [1]	Full	France/Paris	Insurance	-	-	100.00%	100.00%
ITV [1]	Full	France/Paris	Insurance	-	0	100.00%	100.00%
CNP Caution	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Arial CNP Assurances [2]	Equity method	France/Mons en Baroeul	Insurance	40.00%	40.00%	39.95%	39.95%
MFPrévoyance	Full	France/Paris	Insurance	51.00%	65.00%	51.00%	65.00%
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	Full	Brazil/Brasilia	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias [3]	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%

Company	Consolidation method	Country/city	Business	31.12.2017 % rights	31.12.2017 % interest	31.12.2016 % rights	31.12.2016 % interest
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%
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 [3]	Full	Brazil/Porto Alegre	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguros Participações Do Sul Ltda [3]	Full	Brazil/Brasilia	Insurance	-	-	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 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 [4]	Full	Luxembourg/Luxembourg	Insurance	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	Full	France	Mutual fund units	96.13%	96.13%	93.41%	93.41%
Univers CNP 1 FCP	Full	France	Mutual fund units	100.00%	100.00%	99.03%	99.03%
CNP ACP Oblig FCP	Equity method	France	Mutual fund units	49.74%	49.74%	54.70%	54.70%
Natixis Ionis	Full	France	Mutual fund units	100.00%	100.00%	99.93%	99.93%

Company	Consolidation method	Country/city	Business	31.12.2017 % rights	31.12.2017 % interest	31.12.2016 % rights	31.12.2016 % interest
CNP ACP 10 FCP	Equity method	France	Mutual fund units	49.82%	49.82%	54.95%	54.95%
LBAM Court Terme	Full	France	Mutual fund units	100.00%	100.00%		
Ecureuil Profil 90	Full	France	Mutual fund units	56.66%	56.66%	53.96%	53.96%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	81.49%	81.49%	81.50%	81.50%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalizaçao SA	Full	Brazil	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdencia	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Consórcios	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Holding Caixa Seguros Holding SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
3. Property companies							
Assurbail Patrimoine	Full	France	Lease financing	100.00%	100.00%	100.00%	100.00%
AEP 3	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	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
PB6	Not consolidated	France	Property	0.00%	0.00%	0.00%	0.00%
OPCI AEW Imcom 6	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
SICAC	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
Assur-immeuble	Full	France	NTPC	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	OPCI	99.50%	99.50%	100.00%	100.00%
OPCI AEW Imcom 1	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEP 247	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
SAS Alleray [5]	Full	France	OPCI	100.00%	100.00%		
OPCI Raspail [5]	Full	France	OPCI	100.00%	100.00%		
Ecureuil Vie Développement	Equity method	France	Brokerage	49.00%	49.00%	49.00%	49.00%
Outlet Invest	Full	France	OPCI	99.95%	99.95%	99.95%	99.95%

(1) ITV and Préviposte were merged into CNP Assurances on 31 December 2017. The merger was backdated to 1 January 2017 for accounting and tax purposes. As ITV and Préviposte were both wholly owned by CNP Assurances, they were dissolved without first being liquidated and the €19.6 million merger surplus was cancelled in the IFRS consolidated financial statements. The simplified merger rules applied and the transaction had no impact on the IFRS consolidated financial statements

(2) Arial CNP Assurances is 60%-owned by AG2R La Mondiale and 40% by CNP Assurances. CNP Assurances transferred its portfolio of Pensions contracts to Arial CNP Assurances on 31 October 2017 in a transaction backdated to 1 January 2017 for accounting and tax purposes. The contracts are reinsured on a 100% basis by CNP Assurances

(3) The Caixa Seguros group streamlined its legal structure during first-half 2017. Caixa Seguros Participaçoes Do Sul Ltda was merged into its subsidiary, Previsul, on 1 May with retroactive effect to 1 January. The same day, all of the shares making up Previsul's issued capital were contributed to Caixa Seguros Participaçoes Securitarias Ltda, which became Previsul's new parent company. The legal restructuring led to the recognition of a BRL 16.2 million tax credit on the goodwill arising on Caixa Seguros Participaçoes Securitarias Ltda's acquisition of Previsul in accordance with Brazilian law. After adjustment, recognition of this tax credit had an impact of €2.3 million on equity attributable to owners of the parent. The other accounting entries recorded in connection with the legal restructuring had no impact on profit

(4) CNP Luxembourg was set up in 2015 to speed deployment of CNP Assurances' premium product offering in the European market. It was consolidated for the first time at 31 December 2017

(5) The OPCI Raspail property fund was consolidated for the first time at 31 December 2017 following the transfer to the fund of shares in several SCI non-trading property companies during the year. For operational reasons, SAS Alleray – which holds units in OPCI Raspail – was also consolidated at 31 December 2017

5.2 Non-consolidated companies

Company	Country/City	31.12.2017 % interest
1. Other subsidiaries		
23-25 Marignan SAS	France/Paris	100.00%
36 Marboeuf SAS	France/Paris	100.00%
107 Boétie Élysées	France/Paris	100.00%
270 Investments	France/Paris	100.00%
3i Growth Capital	United Kingdom/London	76.92%
Age d'Or Expansion	France/Troyes	99.98%
Alpinvest Feeder VCV	Netherlands/Amsterdam	99.98%
Assuristance	France/Paris	66.00%
Avenir Santé	France/Paris	100.00%
Bridgepoint Europe IV	United Kingdom/London	83.33%
Capvita	France/Paris	51.00%
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'Informat	France/Paris	99.70%
Cœur Méditerranée	France/Paris	70.00%
Das Goethe	France/Paris	100.00%
DIF Infrastructure II	Netherlands/Schiphol	53.33%
Ecureuil Vie Investment	France/Paris	100.00%
Europe Properties Investments	France/Paris	100.00%
Filassistance Services	France/Paris	65.00%
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%
Holding Infrastructures Gazières	France/Paris	54.41%
Immaucom	France/Paris	80.00%
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%
Kleber 46	France/Paris	100.00%
Laiki Brokers (Insurance & Consultancy Services) Ltd	Cyprus/Nicosia	100.00%
Laiki Insurance Agencies Ltd	Cyprus/Nicosia	100.00%
LCY Cavendish Place Properties Ltd	Cyprus/Nicosia	100.00%

Company	Country/City	31.12.2017 % interest
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%
Malthazar	France/Paris	50.00%
Montagu IV	United Kingdom/London	100.00%
Montparvie 2	France/Paris	100.00%
Montper Entreprises Limited	Cyprus/Nicosia	50.10%
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%
Reldon SAS	France/Paris	100.00%
SMCA	France/Paris	50.00%
Sogestop K	France/Paris	100.00%
Sogestop L	France/Paris	50.00%
SAS 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 Neuilly	France/Paris	100.00%
Yellowalto	France/Courbevoie	100.00%
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%
Axe France	France/Paris	50.00%
Baudry Ponthieu	France/Paris	99.91%
Bercy Crystal	France/Paris	100.00%
Cicoge	France/Paris	100.00%

Company	Country/City	31.12.2017 % interest
Cottages du Bois aux Daims	France/Paris	100.00%
Farman	France/Paris	50.00%
Farmoric	France/Courbevoie	100.00%
Foncière Cnp	France/Paris	100.00%
Foncière ELBP	France/Paris	100.00%
FPIP	France/Paris	100.00%
Gf De Brèves	France/Paris	50.00%
Green Rueil	France/Paris	50.00%
Habimmo	France/Paris	99.90%
Holdipierre	France/Paris	100.00%
Ilot 13	France/Paris	50.00%
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%
Liberté	France/Paris	50.00%
Ofelia	France/Paris	66.66%
OREA	France/Levallois-Perret	100.00%
Paris 08	France/Paris	100.00%
Parvis Belvedere	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	99.90%
Residential	France/Paris	100.00%
RSS IMMO	France/Paris	99.90%
Rue du Bac	France/Paris	50.00%
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%
SAS Richelieu Vivienne	France/Paris	50.00%
SCI Assurécureuil Pierre 8	France/Paris	100.00%
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%

		31.12.2017
Company	Country/City	% interest
SCI Kureck	France/Paris	100.00%
SCI Les Chevrons	France/Paris	50.00%
SCI Max	France/Paris	100.00%
SCI Rueil Apollo	France/Paris	100.00%
SCI Taunus	France/Paris	99.00%
SCI Yvoire	France/Paris	50.00%
Secrets et Boétie	France/Paris	100.00%
Sonne	France/Neuilly sur Seine	99.95%
Terre Neuve 4 Immo	France/Paris	100.00%
Vendome Europe	France/La Défense	50.00%
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).

5.3 Average number of employees of consolidated companies

(Headcount)	31.12.2017	31.12.2016
Management-grade	2,203	2,208
Non-management-grade	2,800	2,981
Total	**5,003**	**5,189**

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

(In € millions)	Caixa Seguros Group 2017	Caixa Seguros Group 2016	CNP UniCredit Vita 2017	CNP UniCredit Vita 2016	CNP Santander Insurance 2017	CNP Santander Insurance 2016	CNP Cyprus Insurance Holdings* 2017	CNP Cyprus Insurance Holdings* 2016	MFPrévoyance 2017	MFPrévoyance 2016
Earned premiums/Revenue	5,261.4	3,548.6	2,605.7	2,549.0	692.3	605.4	145.3	141.5	137.0	134.2
Net profit (100%)	**554.1**	**482.7**	**50.6**	**49.1**	**63.1**	**47.8**	**12.3**	**10.5**	**4.6**	**12.4**
Net profit – non-controlling interests	272.2	237.2	21.5	20.9	30.9	23.4	6.2	5.2	1.6	4.3
Other comprehensive income (100%)	(8.1)	(21.1)	38.1	40.3	6.7	3.5	6.6	3.3	13.2	13.4
Comprehensive income (100%)	**546.0**	**461.5**	**88.7**	**89.5**	**69.8**	**51.3**	**18.9**	**13.8**	**17.8**	**25.8**
Comprehensive income – non-controlling interests	268.4	225.3	37.7	38.0	34.2	25.1	9.5	6.9	6.2	9.0
Assets	17,400.4	16,405.3	14,389.9	13,979.4	2,259.6	2,092.3	700.6	683.1	674.0	693.8
Liabilities	15,478.4	14,405.1	13,524.7	13,137.7	1,950.6	1,849.7	482.5	479.1	450.1	474.3
Net assets (100%)	**1,922.0**	**2,000.2**	**865.1**	**841.7**	**308.9**	**242.6**	**218.1**	**204.1**	**223.8**	**219.4**
Net assets – non-controlling interests	953.1	990.4	367.7	357.7	151.4	118.9	108.8	101.8	78.3	76.8
Net cash provided by (used by) operating activities	2,664.5	1,417.0	280.8	475.9	144.0	144.5	8.2	9.1	(33.2)	(175.0)
Net cash provided by (used by) investing activities	(2,284.9)	(1,090.7)	(211.1)	(428.4)	(117.8)	(143.5)	7.0	(9.2)	(0.2)	185.7
Net cash provided by (used by) financing activities	(360.1)	(326.4)	(26.0)	(26.0)	0.0	0.0	(17.9)	(9.8)	0.0	0.0
Dividends paid to non-controlling interests	(15.7)	(18.2)	(10.6)	(10.6)	0.0	0.0	(0.8)	(6.6)	0.0	0.0

* 2016 data concerning the Cypriot sub-group have been revised to take into account intercompany eliminations recorded at sub-group level

5.5 Summary financial information: material joint arrangements

CNP Assurances holds a 20% interest in CTE, which has a 100% equity interest in Réseau de Transport d'Électricité (RTE). CNP Assurances exercises significant influence over RTE. However, as the investment's value is determined almost entirely on the basis of participatory contracts, the Group has chosen to use the exemption from applying the equity method provided for in IAS 28, paragraph 18, and to measure the CTE shares at fair value through profit or loss.

At 31 December 2017, the CTE shares were valued by an independent expert based on revised assumptions, in particular taking into account the new tax environment and the reduction in regulated tariffs. The revised valuation does not affect expected yields on the infrastructure market. Taking into account these factors and the inherent modelling uncertainty, the carrying amount of the shares was maintained at a cost of €1,080 million (see Note 1). Due to the use of the fair value model, it will be reviewed again at 30 June 2018.

(In € millions)	31.12.2016 Total assets	Equity	Premium income	Profit/(Loss)
Coentreprise de Transport d'Électricité (CTE)	7,958,917.3	5,138,805.4	0.0	(4,060.4)

The above data are extracted from the French GAAP accounts and concern 2016 as the 2017 financial statements were not yet available when these consolidated financial statements were drawn up. The amounts are presented on a 100% basis before allocating profits and losses.

5.6 Summary financial information: non-material joint arrangements

(In € millions)	Joint ventures		Associates	
	2017	2016	**2017**	2016
Carrying amount of investments accounted for using the equity method in CNP Assurances' balance sheet	0.0	0.0	65.9	67.4
Contribution to CNP Assurances' net profit	0.0	0.0	7.3	6.2
Contribution to CNP Assurances' other comprehensive income	0.0	0.0	3.3	4.4
Contribution to CNP Assurances' comprehensive income	**0.0**	**0.0**	**10.6**	**10.7**

5.7 Information relating to entities accounted for by the equity method

5.7.1 Summary financial information on a 100% basis

(In € millions)	**31.12.2017**			
	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

* The data for Arial CNP Assurances are provisional figures

(In € millions)	31.12.2016			
	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances *	11,831.5	112.6	741.2	2.1
Ecureuil Vie Développement	11.5	0.3	0.0	0.0
Wiz Soluçoes e Corretagem de Seguros SA	54.4	33.8	103.7	42.3
CNP ACP OBLIG FCP	918.3	918.3	0.0	0.0
CNP ACP 10 FCP	888.2	888.2	0.0	0.0

* The data for Arial CNP Assurances are provisional figures

5.7.2 Investments accounted for by the equity method

(In € millions)	31.12.2017	31.12.2016
At 1 January	**67.4**	**186.5**
Increase in investment	0.0	0.0
Change in accounting method	0.0	0.1
Newly-consolidated companies	0.0	43.3
Increase in capital	0.0	0.0
Share in earnings	7.3	6.2
Share in identifiable net assets	(4.1)	5.0
Other movements *	0.0	(168.9)
Dividends received	(4.8)	(4.9)
At 31 December	**65.9**	**67.4**

* In 2016, "Other movements" relate to the liquidation of PB6

NOTE 6
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.

At 31 December 2016, CNP Assurances chose to align its profit and loss indicator for each segment with the internal reporting, which now focuses on geographic sectors rather than the technical characteristics of the products distributed by the Group.

This choice of geographic 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 geographic 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.

6.1 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**
Administrative 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 profit of equity-accounted companies				7.3
Income tax expense (effective tax rate)				(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**

(In € millions)	Desensitised income statement 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**

(In € millions)	Income tax expense 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)**

(In € millions)	Non-controlling interests 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)**

6.2 2016 income statement by geographic segment

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income	24,251.3	3,596.1	3,688.8	31,536.2
Total revenue	**2,257.4**	**1,056.3**	**239.7**	**3,553.4**
General expenses	(628.2)	(175.8)	(111.6)	(915.6)
EBIT	**1,629.2**	**880.5**	**128.1**	**2,637.8**
Finance costs				(248.2)
Share of profit of equity-accounted companies				6.2
Non-recurring items				(195.4)
Income tax expense (effective tax rate)				(865.4)
Non-controlling interests				(293.3)
Fair value adjustments and net gains (losses)				158.7
Profit attributable to owners of the parent				**1,200.3**

(In € millions)	Desensitised income statement 31.12.2016
EBIT	**2,637.8**
Net fair value adjustments	(51.1)
Net gains/(losses) on equities and property	192.2
Non-recurring items	(297.1)
Operating profit	**2,481.7**

NOTE 7

Intangible assets

7.1 Intangible assets by category

	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**

	31.12.2016				
(In € millions)	**Cost**	**Amortisation**	**Impairment**	**Reversals**	**Carrying amount**
Goodwill	702.7	0.0	(393.2)	0.0	309.5
Value of In-Force business	355.4	(174.5)	(158.8)	0.0	22.2
Distribution agreements	390.7	(39.8)	0.0	0.0	350.9
Software	423.6	(249.4)	0.0	0.0	174.2
Internally-developed software	199.2	(123.3)	0.0	0.0	75.9
Other software	224.4	(126.1)	0.0	0.0	98.3
Other	26.9	(13.4)	(3.6)	0.0	9.8
TOTAL	**1,899.3**	**(477.2)**	**(555.6)**	**0.0**	**866.5**

7.2 Goodwill

7.2.1 Goodwill by company

(In € millions)	Original goodwill	Net goodwill at 31.12.2017	Net goodwill at 31.12.2016
Caixa Seguros Group	389.9	184.1	213.2
CNP UniCredit Vita	366.5	0.0	0.0
CNP Partners	7.2	0.0	7.2
CNP Cyprus Insurance Holdings	81.6	34.8	34.8
CNP Santander Insurance	54.4	54.4	54.4
TOTAL	**899.6**	**273.2**	**309.5**

The Group's annual goodwill impairment testing procedures are described in Note 3.9.1. The recoverable amount of the CGUs to which the entities listed above have been allocated corresponds to their value in use, based on net asset value plus expected future cash flows from existing policies and new business. Projected future revenues are estimated by taking the embedded value of In-Force insurance policies and financial instruments, and the Value of New Business. The terminal values of subsidiaries do not assume growth to infinity.

Caixa Seguros Group

The expected future cash flows are taken from the four-year business projections (2018-2022) approved by management and extrapolated based on projected new business for the period to 2021 when the current distribution agreement expires, and then discounted to present value using a post-tax discount rate of approximately 9.6%.

At 31 December 2017 and 31 December 2016, the recoverable amount of Caixa Seguros goodwill was greater than its carrying amount, and 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 and projected business volumes used for the test.

CNP Cyprus Insurance Holdings

At 31 December 2017, expected future cash flows were taken from the 2018-2022 business projections approved by management. These projections were extrapolated using a stable average new business growth rate of around 2% for non-life business and 3% for unit-linked life business for the period between 2022 and 2028 (the final year of the current distribution agreement) and discounted to present value using an after-tax discount rate of approximately 9% for operations in Cyprus. The Greek subsidiary has not been valued since June 2013.

At 31 December 2016, the recoverable amount of CNP Cyprus Insurance Holdings goodwill was greater than its carrying amount, and a reasonable change in the discount rate applied to future cash flows or a significant decline in future business volumes in Greece and Cyprus would not have resulted in the recognition of any impairment loss.

CNP Santander Insurance

At 31 December 2017, expected future cash flows were taken from the 2018-2022 business projections approved by management. These projections were then extrapolated using an average new business growth rate of 1% per year until 2018 and 2.5% from 2019 to 2024, with the rate then remaining stable until 2034 (the final year of the distribution agreement). The projected cash flows were discounted to present value using an after-tax discount rate of 5.7%.

At 31 December 2017, 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 €11.7 million in 2016 and €11.4 million in 2017 – covering the projection period ending in 2020 – and a liability towards the vendor in the same amount.

CNP Partners – BVP Italia

On 11 December 2015, CNP Partners signed an agreement with Barclays Bank for the acquisition of BVP Italia's insurance business. The €7.2 million acquisition was completed on 1 June 2016 once it had been approved by Italy's insurance supervisor, IVASS. The acquisition price was adjusted to take into account refunded commissions on insurance policies cancelled within 60 days of the completion date, as defined by Italy's insurance supervisor (€0.1 million). Provisional goodwill recognised at 31 December 2016 amounted to €7.1 million. At 30 June 2017, the purchase price allocation had been completed and a net amount of €9.3 million was allocated to the value of In-Force business. The difference between this amount and the provisional goodwill represented a bargain purchase gain that was recognised in profit for first-half 2017 for an amount of €2.1 million before tax.

7.2.2 Changes in goodwill for the period

(In € millions)	**31.12.2017**	31.12.2016
Carrying amount at the beginning of the period	**309.5**	**258.8**
Goodwill recognised during the period	0.0	7.2
Adjustments to provisional accounting	0.2	0.0
Adjustments resulting from changes in earn outs	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustment on gross goodwill *	(29.1)	43.6
Other movements	(7.4)	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustment on movements during the period	0.0	0.0
Increase in interest rates	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Carrying amount at the end of the period	**273.2**	**309.5**

* Translation adjustments on gross goodwill concern the Brazilian companies Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda

7.3 Value of acquired In-Force business and distribution agreements

7.3.1 Value of In-Force business

(In € millions)	Original value	**Carrying amount at 31.12.2017**	Carrying amount at 31.12.2016
Caixa Seguros Group	123.5	3.7	5.1
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	6.0	0.0
CNP Assurances Compañía de Seguros	0.9	0.0	0.0
CNP Cyprus Insurance Holdings	44.4	11.0	12.3
MFPrévoyance	8.3	0.0	0.0
CNP Santander Insurance	14.7	3.5	4.7
TOTAL	**391.0**	**24.1**	**22.2**

7.3.2 Changes in the value of acquired In-Force business

(In € millions)	**31.12.2017**	31.12.2016
Gross amount at the beginning of the period	**355.4**	**337.4**
Newly-consolidated companies	0.0	0.0
Translation adjustments	(12.2)	18.1
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	9.5	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Gross amount at the end of the period	**352.8**	**355.4**
Accumulated amortisation and impairment at the beginning of the period	(333.3)	(311.9)
Translation adjustments	11.5	(16.9)
Amortisation for the period	(4.8)	(4.5)
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	(2.1)	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Accumulated amortisation and impairment at the end of the period	**(328.7)**	**(333.3)**
CARRYING AMOUNT AT THE END OF THE PERIOD	**24.1**	**22.2**

7.3.3 Distribution agreements

(In € millions)	**31.12.2017**	31.12.2016
Carrying amount at the beginning of the period	**350.9**	**370.4**
Acquisitions for the period	0.0	0.0
Amortisation for the period	(20.2)	(20.1)
Adjustments	0.0	0.0
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	(0.3)	0.6
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	**330.4**	**350.9**

7.4 Software and other intangible assets

7.4.1 Internally-developed software

(In € millions)	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**75.9**	**66.9**
Acquisitions for the period	0.6	22.9
Amortisation for the period	(8.9)	(13.9)
Impairment losses	(5.5)	0.0
Translation adjustments	0.0	0.0
Other movements	1.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**63.2**	**75.9**

7.4.2 Other software and other intangible assets

(In € millions)	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**108.0**	**67.7**
Acquisitions for the period	33.5	42.1
Amortisation for the period	(20.1)	(15.1)
Impairment losses	0.0	(0.8)
Translation adjustments	(13.3)	14.4
Other movements	0.2	(0.3)
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**108.2**	**108.0**

NOTE 8

Investment and owner-occupied property

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

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- a reconciliation of the carrying 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.

8.1 Investment property

Carrying amount of investment property *(In € millions)*	31.12.2017	31.12.2016
Investment property measured by the cost model		
Gross value	1,341.0	2,097.6
Accumulated depreciation	(256.0)	(289.0)
Accumulated impairment losses	(2.2)	(3.2)
Carrying amount	**1,082.7**	**1,805.4**
Investment property measured by the fair value model		
Gross value	1,485.4	1,121.1
TOTAL INVESTMENT PROPERTY	**2,568.1**	**2,926.5**

Investment property (other than property held in unit-linked portfolios) *(In € millions)*	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**1,805.4**	**1,745.0**
Acquisitions	74.0	55.6
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	178.1	0.0
Disposals	(320.7)	(98.3)
Depreciation for the period	(36.5)	(36.0)
Impairment losses recognised during the period	(0.5)	(1.2)
Impairment losses reversed during the period	1.5	3.5
Translation adjustments	(1.4)	2.0
Other movements	(617.1)	135.0
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,082.7**	**1,805.4**

Investment property held in unit-linked portfolios *(In € millions)*	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**1,121.1**	**1,012.6**
Acquisitions	377.3	129.9
Post-acquisition costs included in the carrying amount of property	0.0	0.1
Properties acquired through business combinations	0.0	0.0
Disposals	0.0	(42.9)
Net gains arising from remeasurement at fair value	(9.7)	19.1
Translation adjustments	(3.3)	2.6
Other movements	0.0	(0.3)
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,485.4**	**1,121.1**

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

8.2 Owner-occupied property and other property and equipment

Owner-occupied property *(In € millions)*	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**265.3**	**263.9**
Acquisitions	3.8	1.8
Post-acquisition costs included in the carrying amount of property	0.0	0.2
Properties acquired through business combinations	0.0	0.0
Disposals	(3.1)	(4.5)
Depreciation for the period	(7.7)	(7.6)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.9
Translation adjustments	(8.0)	12.7
Other movements	0.0	(2.0)
CARRYING AMOUNT AT THE END OF THE PERIOD	**250.3**	**265.3**

Other property and equipment *(In € millions)*	31.12.2017	31.12.2016
Carrying amount at the beginning of the period	**44.0**	**43.2**
Acquisitions for the period	14.9	19.5
Depreciation for the period	(13.8)	(17.1)
Disposals for the period	(1.9)	(3.8)
Translation adjustments	0.0	2.4
Other movements	(1.9)	(0.2)
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**41.2**	**44.0**

NOTE 9

Investments by category

9.1 Investments by category

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

9.1.1 Investments at 31 December 2017

(In € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					12,805.8	
	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**
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

(In € millions)	Carrying amount		Total
	Unit-linked	Traditional savings	
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**

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

9.1.2 Investments at 31 December 2016

(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					11,408.6	
	Variable-rate bonds					20,877.4	
	TCNs (money market securities)					242.9	
	Equities					3,606.1	
	Investment funds					37,266.0	
	Shares in non-trading property companies					1,028.7	
	Other (including lent securities and repos)					110.9	
	Total					**74,540.6**	
Derivative instruments	Derivative instruments (positive fair value)					654.3	
	Derivative instruments (negative fair value)					(1,244.9)	
	Total					**(590.6)**	
Available-for-sale financial assets	Fixed-rate bonds	155,900.3	2,091.0	(7.5)	18,602.2	176,586.1	
	Variable-rate bonds	26,960.3	755.9	(31.7)	2,609.6	30,294.2	
	TCNs (money market securities)	3,184.2	0.0	0.0	2.1	3,186.3	
	Equities	15,163.9	0.0	(5,000.4)	7,561.9	17,725.3	
	Investment funds	45,068.9	0.0	(315.2)	3,041.1	47,794.8	
	Shares in non-trading property companies	5,063.9	0.0	(274.8)	1,641.6	6,430.7	
	Non-voting loan stock	42.9	0.0	(4.0)	21.0	59.9	
	Other (including lent securities and repos)	15,442.8	(291.3)	(127.4)	2,327.1	17,351.2	
	Total	**266,827.3**	**2,555.7**	**(5,761.0)**	**35,806.6**	**299,428.6**	

(In € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Held-to-maturity investments	Fixed-rate bonds	334.9				334.9	8.4
	Variable-rate bonds	259.6				259.6	23.4
	Other (including lent securities and repos)	171.8				171.8	10.0
	Total	766.3				**766.3**	**41.8**
Loans and receivables	Loans and receivables	4,962.4		(17.1)		4,945.3	0.0
	Total	4,962.4		(17.1)		4,945.3	**0.0**
Investment property	Investment property at amortised cost	2,097.6	(289.0)	(3.2)		1,805.4	942.8
	Investment property measured by the fair value model	1,121.1	0.0	0.0		1,121.1	0.0
	Total	**3,218.6**	**(289.0)**	(3.2)		**2,926.5**	**942.8**
TOTAL				**(5,781.3)**	**35,806.6**	**382,016.7**	**984.6**

TRADITIONAL SAVINGS AND UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2016

	Carrying amount		
(In € millions)	Unit-linked	Traditional savings	Total
Fixed-rate bonds	6,597.8	4,810.8	11,408.6
Variable-rate bonds	9,723.7	11,153.6	20,877.4
TCNs (money market securities)	75.6	167.3	242.9
Equities	278.0	3,328.2	3,606.1
Investment funds	25,235.5	12,030.5	37,266.0
Shares in non-trading property companies	0.0	1,028.7	1,028.7
Other	110.3	0.6	110.9
TOTAL	**42,021.0**	**32,519.6**	**74,540.6**

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

(In € millions)	**31.12.2017**	31.12.2016
Analysis of investments	385,978.0	382,016.7
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,110.1)	(1,244.9)
Balance sheet – Assets – Insurance investments	387,088.0	383,261.6
VARIANCE	**0.0**	**0.0**

9.1.4 Non-consolidated structured entities

9.1.4.1 Non-consolidated structured entities at 31 December 2017

(In € millions)	Investment funds (excluding unit-linked)		Asset-backed security funds (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period
Securities held for trading	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**

At 31 December 2017, the Group's maximum exposure to structured entities was limited to the amounts invested and no financial support was provided during the period.

9.1.4.2 Non-consolidated structured entities at 31 December 2016

(In € millions)	Investment funds (excluding unit-linked)		Asset-backed security funds (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period	Carrying amount	Gains/(losses) over the period
Securities held for trading	12,329.8	266.4	665.5	26.9		
Financial assets designated on initial recognition as being at fair value through profit or loss	14.6	0.4	3.7	0.1	25,246.8	33.9
Available-for-sale financial assets	47,794.8	597.8	1,480.1	21.3		
Held-to-maturity investments						
TOTAL ASSETS	**60,139.2**	**864.6**	**2,149.3**	**48.3**	**25,246.8**	**33.9**

At 31 December 2016, the Group's maximum exposure to structured entities was limited to the amounts invested and no financial support was provided during the period.

9.2 Measurement of assets recognised at fair value

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

9.2.1 Valuation methods at 31 December 2017

(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**	31.12.2016
Debt securities	14,519.0	17,619.3
O/w Structured bonds	*480.8*	*1,896.9*
Shares in non-trading property companies	9,340.5	7,459.3
Investment funds	4,741.0	4,432.8
Unit-linked portfolios	2,971.4	2,926.7
Other (including derivative instruments)	3,041.4	1,662.7
TOTAL "LEVEL 2" FINANCIAL ASSETS	**34,613.3**	**34,100.8**

9.2.2 Valuation methods at 31 December 2016

(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	65,069.1	10,125.8	0.0	75,194.9
Available-for-sale financial assets	275,448.3	23,974.9	5.4	299,428.6
TOTAL FINANCIAL ASSETS	**340,517.3**	**34,100.8**	**5.4**	**374,623.5**
Investment property at amortised cost	0.0	2,728.2	20.0	2,748.2
Investment property measured by the fair value model	0.0	1,104.9	16.1	1,121.1
TOTAL INVESTMENT PROPERTY	**0.0**	**3,833.1**	**36.2**	**3,869.3**
Financial liabilities at fair value through profit or loss				
Financial liabilities – financial instruments without DPF (excluding unit-linked)	*727.5*	0.0	0.0	*727.5*
Financial liabilities (linked liabilities) – financial instruments without DPF	4,073.2	0.0	0.0	4,073.2
Derivative instruments	0.0	1,244.9	0.0	1,244.9
TOTAL FINANCIAL LIABILITIES	**4,800.7**	**1,244.9**	**0.0**	**6,045.7**

* Includes derivative financial instruments (assets)

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

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

	31.12.2017											
(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**

	31.12.2016											
(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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	18.3	16.5	0.0	0.0	(28.8)	0.0	(0.6)	(0.5)	0.0	0.0	0.5	5.4
TOTAL FINANCIAL ASSETS	**18.3**	**16.5**	**0.0**	**0.0**	**(28.8)**	**0.0**	**(0.6)**	**(0.5)**	**0.0**	**0.0**	**0.5**	**5.4**
Investment property at fair value	7.2	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	16.1
Investment property at amortised cost	20.9	0.0	0.0	1.8	(7.3)	0.0	0.0	0.0	0.0	0.0	4.7	20.1
TOTAL INVESTMENT PROPERTY	**28.1**	**6.4**	**0.0**	**1.8**	**(7.3)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**7.3**	**36.2**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

9.3 Repurchase agreements

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

(In € millions)		Carrying amount 31.12.2017	Carrying amount 31.12.2016
Available-for-sale financial assets	Fixed-rate bonds	10,709.8	8,488.8
	Equities	0.0	0.0
TOTAL		**10,709.8**	**8,488.8**

9.4 Lent securities

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

(In € millions)		Carrying amount 31.12.2017	Carrying amount 31.12.2016
Available-for-sale financial assets	Fixed-rate bonds	8,053.9	8,627.6
	Equities (quoted)	29.9	183.1
TOTAL		**8,083.9**	**8,810.8**

9.5 Movements for the period

9.5.1 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 20.3

9.5.2 2016

(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	69,492.6	30,641.9	(29,880.6)	1,529.5	0.0	0.0	386.6	2,370.7	74,540.6
Derivative instruments	(416.9)	87.0	(46.5)	(212.4)	0.0	0.0	(0.0)	(1.7)	(590.6)
Available-for-sale financial assets	287,908.1	116,637.2	(107,871.3)	1,948.3	(618.8)	631.7	430.1	363.2	299,428.6
Held-to-maturity investments	641.5	444.0	(445.2)	0.0	0.0	0.0	0.0	125.9	766.3
Loans and receivables	5,686.8	280.0	(1,025.1)	0.0	0.0	0.0	6.7	(3.0)	4,945.3
Investment property	2,757.6	141.9	(133.5)	19.4	(0.3)	2.2	0.0	139.1	2,926.5
TOTAL	**366,069.6**	**148,232.1**	**(139,402.2)**	**3,284.8**	**(619.1)**	**634.0**	**823.3**	**2,994.2**	**382,016.7**

* See Note 20.3

9.6 Derivative instruments

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

	31.12.2017											
	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)**

	31.12.2016*											
	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	0.2	(25.4)	104.0	(154.1)	13.7	(262.0)	47.5	(211.0)	0.0	(3.8)	165.4	(656.3)
Cap/floor	0.0	(17.6)	107.2	(192.5)	160.7	(191.9)	0.0	(152.3)	0.0	0.0	267.9	(554.4)
Equity	4.7	0.0	16.0	0.0	200.3	(33.9)	0.0	(0.3)	0.0	0.0	221.0	(34.2)
TOTAL	**4.9**	**(43.0)**	**227.2**	**(346.6)**	**374.7**	**(487.8)**	**47.5**	**(363.7)**	**0.0**	**(3.8)**	**654.3**	**(1,244.9)**

* Reclassifications with respect to data as reported at 31 December 2016

Effective from 1 January 2016, each derivative instrument is presented as a single instrument without analysing the two legs separately.

9.7 Derivative instruments qualifying for hedge accounting

(In € millions)	Currency swap 31.12.2017	Currency swap 31.12.2016
Notional amount	**1,172.0**	**1,184.4**
Cash flow hedge reserve	**(6.5)**	**(37.0)**
Change in cash flow hedge reserve during the period	(137.0)	(99.7)
Cash flow hedge reserve recycled through profit or loss during the period	127.1	43.3
Deferred taxes	3.4	19.4

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

- the first hedge concerns sterling-denominated subordinated notes issued by the Group in 2011 and 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 hedge payments on the notes through to 18 July 2019;
- the third concerns subordinated notes issued in US dollars in January 2016 and hedge payments on the notes through to 22 January 2029.

These derivatives are eligible for cash flow hedge accounting (see Note 3.10.3). At 31 December 2017, no amount had been recognised in profit or loss for the ineffective portion of the hedges.

9.8 Credit risk

9.8.1 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%
Non-investment grade	18,243.3	7.3%
Not rated	3,887.7	1.5%
TOTAL	**251,411.7**	**100.0%**

9.8.2 Analysis of the bond portfolio at 31 December 2016 by issuer rating

Rating *(In € millions)*	Bond portfolio at fair value	%
AAA	21,468.1	8.2%
AA	118,179.9	45.4%
A	44,638.9	17.1%
BBB	55,257.1	21.2%
Non-investment grade	19,031.7	7.3%
Not rated *	1,762.4	0.7%
TOTAL	**260,338.1**	**100.0%**

* A misallocation of lent securities in 2016 was corrected by transferring €8,627.6 million from "not rated" to "AA"

9.9 Classification of investments by category and by geographic region

9.9.1 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	8,161	15,845	43,625	13,521	1,888	21,813	199,621
	Investment funds	36,508	281	42	12,075	0	0	1,403	50,309
	Equities	11,779	3,265	821	2,939	0	0	508	19,313
	Other	25,574	(50)	21	1,689	0	2	1	27,238
Held-for-trading and FVO	Debt securities	12,506	1,139	721	2,014	312	12,823	2,933	32,449
	Investment funds	30,120	11	37	8,729	62	1,085	49	40,094
	Equities	1,807	542	210	954	1,238	129	385	5,265
	Other	3,596	0	89	65	0	164	0	3,914
Held-to-maturity investments	Debt securities	172	0	42	0	0	335	0	549
Loans and receivables		3,493	0	0	868	0	0	609	4,971
Derivative instruments		(303)	(2)	0	(7)	0	0	0	(313)
Investment property		2,468	0	0	66	0	34	0	2,568
TOTAL		**222,489**	**13,346**	**17,829**	**73,018**	**15,134**	**16,460**	**27,703**	**385,978**

List of countries (for information)	31.12.2017			31.12.2016		
	Gross exposure – carrying amount*	**Gross exposure – fair value**	**Net exposure – fair value**	Gross exposure – carrying amount*	Gross exposure – fair value	Net exposure – fair value
France	71,493.6	81,864.9	5,383.7	68,237.8	80,303.9	5,411.3
Italy	9,393.7	10,515.6	693.7	9,769.1	11,135.7	667.6
Belgium	6,257.3	7,119.6	418.5	7,438.7	8,603.8	475.5
Spain	8,685.2	9,276.4	787.1	7,487.5	8,154.5	672.0
Austria	4,400.6	4,909.2	163.8	4,274.3	4,935.9	162.5
Germany	1,776.9	2,052.0	154.8	1,929.7	2,277.3	182.2
Brazil	1,677.5	1,689.6	1,014.9	2,086.0	2,059.0	1,235.7
Canada	781.5	823.9	106.2	667.0	729.3	91.9
Ireland	600.5	665.3	26.5	604.0	696.0	36.2
Portugal	272.3	305.7	7.9	271.7	297.6	7.8
Poland	294.4	324.6	72.7	377.2	413.3	69.8
Netherlands	181.6	202.2	7.8	181.7	206.5	8.3
Slovenia	140.3	150.6	4.6	140.5	155.8	4.8
Finland	91.2	92.2	2.5	79.4	81.5	2.6
Cyprus	58.3	67.5	33.6	36.5	39.0	18.9
Luxembourg	50.3	53.4	18.6	50.3	55.2	21.8
Greece	10.0	10.8	0.1	3.9	1.5	0.1
Sweden	1.2	2.3	0.4	82.5	83.7	47.6
Other	5,860.2	6,661.1	631.8	5,910.5	6,911.4	686.8
TOTAL	**112,026.6**	**126,787.0**	**9,529.4**	**109,628.2**	**127,140.8**	**9,800.4**

* Carrying amount, including accrued coupon

At 31 December 2017, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €126.8 billion, or an estimated exposure net of deferred participation and deferred taxes of €9.5 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 3.13.2). 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 reinforce the validity of this approach to presenting the impact of net exposure.

The apparent 7.5% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 65.5% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (a 11.5% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a net exposure to gross exposure ratio of 7.5% (65.5% multiplied by 11.5%).

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 0.4% for a projected DPF rate of around 1.5% at end-2017, whereas in Italy and Spain this ability is limited by the guaranteed yields on policies in these countries;
- unrealised gains, especially on property (€3.6 billion) and on equities (€15.03 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

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

9.9.2 Classification of investments by geographic region at 31 December 2016

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	96,023	9,253	16,888	46,930	13,907	2,379	24,687	210,067
	Investment funds	33,961	360	47	12,045	5	0	1,377	47,795
	Equities	10,649	3,229	769	2,474	1	13	590	17,725
	Other	22,012	(54)	26	1,821	0	0	36	23,842
Held-for-trading and FVO	Debt securities	13,499	1,091	856	3,131	396	11,752	1,804	32,529
	Investment funds	28,895	11	52	7,766	41	476	25	37,266
	Equities	654	466	126	760	1,178	127	295	3,606
	Other	1,031	0	56	52	0	0	0	1,140
Held-to-maturity investments	Debt securities	172	0	42	0	0	553	0	766
Loans and receivables		4,124	0	0	803	0	0	18	4,945
Derivative instruments		(193)	38	0	(207)	(96)	0	(132)	(591)
Investment property		2,836	0	0	64	0	27	0	2,926
TOTAL		**213,664**	**14,394**	**18,863**	**75,638**	**15,431**	**15,327**	**28,700**	**382,017**

9.10 Foreign currency balances

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) represented less than 0.5% of consolidated assets and liabilities in 2015, 2016 and 2017.

Following the Brexit vote, the Group identified all of its direct sterling exposures. CNP Assurances' sterling exposure is very limited in relation to its total assets of €386 billion.

9.11 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)	**31.12.2017**	31.12.2016
Financing commitments	136.4	182.4
Guarantees	1,124.5	54.2
Securities commitments	7,042.0	4,210.1

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

COMMITMENTS RECEIVED

(In € millions)	**31.12.2017**	31.12.2016
Financing commitments	0.0	0.0
Guarantees	11,715.1	11,148.5
Securities commitments	11,435.0	12,282.1

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

NOTE 10

Analysis of insurance and financial liabilities

10.1 Analysis of insurance and financial liabilities

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

10.1.1 Analysis of insurance and financial liabilities at 31 December 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**

10.1.2 Analysis of insurance and financial liabilities at 31 December 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,372.9**	**6,917.1**	**1,455.8**
Unearned premium reserves	892.0	802.8	89.2
Outstanding claims reserves	5,480.8	4,400.1	1,080.7
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	43.9	42.3	1.6
Other technical reserves	1,956.2	1,672.0	284.2
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**183,734.5**	**166,998.6**	**16,735.9**
Unearned premium reserves	1,495.9	1,367.0	128.9
Life premium reserves	175,339.1	158,949.2	16,390.0
Outstanding claims reserves	2,263.7	2,086.9	176.8
Policyholder surplus reserves	3,978.5	3,948.6	29.9
Other technical reserves	657.3	647.0	10.3
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**134,126.5**	**129,617.8**	**4,508.6**
Life premium reserves	126,670.6	122,442.6	4,228.0
Outstanding claims reserves	2,566.7	2,450.2	116.5
Policyholder surplus reserves	4,889.1	4,725.0	164.2
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,800.7**	**4,468.5**	**332.3**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**30,713.6**	**30,713.6**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**361,748.3**	**338,715.7**	**23,032.6**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.2 Change in technical reserves

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

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 Changes in mathematical reserves – life insurance – 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**

10.2.1.2 Changes in mathematical reserves – life insurance – at 31 December 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**293,987.3**	**284,559.5**	**9,427.7**
Premiums	27,029.7	13,657.2	13,372.5
Extinguished liabilities (benefit payments)	(26,483.8)	(24,387.0)	(2,096.8)
Locked-in gains	6,903.8	6,412.8	491.0
Change in value of linked liabilities	409.1	409.1	0.0
Changes in scope (acquisitions/divestments)	685.9	687.1	(1.2)
Outstanding fees	(1,763.6)	(1,686.1)	(77.5)
Surpluses/deficits	(2.4)	(2.4)	0.0
Currency effect	2,014.7	2,014.7	0.0
Changes in assumptions	0.0	0.0	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(770.9)	(273.1)	(497.8)
Mathematical reserves at the end of the period	**302,009.7**	**281,391.8**	**20,618.0**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 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**

10.2.2.2 Changes in technical reserves – non-life insurance – at 31 December 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,911.7**	**4,948.1**	**963.6**
Claims expenses for the period	2,210.3	1,959.8	250.5
Prior period surpluses/deficits	0.0	0.0	0.0
Total claims expenses	**2,210.2**	**1,959.8**	**250.4**
Current period claims settled during the period	(2,645.5)	(2,508.8)	(136.6)
Prior period claims settled during the period	(40.0)	(37.4)	(2.6)
Total paid claims	**(2,685.5)**	**(2,546.2)**	**(139.3)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	38.4	32.4	6.0
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	**5,474.9**	**4,394.1**	**1,080.7**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

(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**

(In € millions)	31.12.2016		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**4,793.4**	**4,646.3**	**147.1**
Premiums	451.8	447.2	4.6
Extinguished liabilities (benefit payments)	(885.2)	(852.6)	(32.6)
Locked-in gains	45.8	45.8	0.0
Change in value of linked liabilities	386.1	395.7	(9.6)
Changes in scope (acquisitions/divestments)	(67.8)	(67.8)	0.0
Currency effect	151.4	151.4	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	(74.8)	(297.5)	222.8
Mathematical reserves at the end of the period	**4,800.7**	**4,468.5**	**332.3**

10.3 Deferred participation (shadow accounting adjustments)

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

Deferred participation asset/reserve *(In € millions)*	31.12.2017			31.12.2016		
	DPA	**DPR**	**Total**	DPA	DPR	Total
Deferred participation on remeasurement of assets at fair value through profit or loss	0.0	1,415.2	(1,415.2)	0.0	336.9	(336.9)
Deferred participation on remeasurement of assets at fair value through equity	0.0	28,920.3	(28,920.3)	0.0	30,376.7	(30,376.7)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**30,335.5**	**(30,335.5)**	**0.0**	**30,713.6**	**(30,713.6)**

The following table analyses year-on-year changes:

(In € millions)	31.12.2017		31.12.2016	
	DPA	**DPR**	DPA	DPR
Deferred participation at the beginning of the period	**0.0**	**30,713.6**	**0.0**	**29,176.2**
Deferred participation on remeasurement of securities at fair value through profit or loss	0.0	1,078.4	0.0	114.5
Deferred participation on remeasurement of securities at fair value through equity	0.0	(1,456.5)	0.0	1,422.9
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	**0.0**	**30,335.5**	**0.0**	**30,713.6**

10.4 Changes in financial liabilities – linked liabilities

10.4.1 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 10.4.3

10.4.2 Changes in 2016

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**36,291.5**	**36,144.4**	**147.1**
Entries (new contracts, transfers between contracts, replacements)	6,581.4	5,033.4	1,548.0
Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,492.1	1,501.7	(9.6)
Exits (paid benefits and expenses)	(3,032.8)	(2,945.5)	(87.3)
Entries/exits related to portfolio transfers	41.4	52.7	(11.3)
Outstanding fees deducted	(264.9)	(255.2)	(9.7)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	(1.8)	(1.8)	0.0
Translation adjustment	1,976.8	1,976.8	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	169.6	(82.8)	252.4
Linked liabilities at the end of the period*	**43,253.3**	**41,423.6**	**1,829.7**

* Refer to reconciliation table in Note 10.4.3

10.4.3 Balance sheet reconciliation

(In € millions)	31.12.2017	31.12.2016
Financial liabilities – linked liabilities – balance sheet	**54,010.0**	**47,326.5**
Changes in financial liabilities – linked liabilities other than IAS 39	50,057.1	43,253.3
Changes in financial liabilities – linked liabilities – IAS 39	3,952.9	4,073.2
VARIANCE	**0.0**	**0.0**

10.5 Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer:

- excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA;
- for quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows.

10.5.1 Credit risk on reinsured business at 31 December 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 *(In € millions)*	**22,734.8**	**100.00%**

10.5.2 Credit risk on reinsured business at 31 December 2016

CEDED TECHNICAL RESERVES

Credit rating	Amount *(In € millions)*	%
A	16,675.4	72.40%
BBB+	2,678.5	11.63%
AA -	1,363.3	5.92%
A	928.9	4.03%
-	1,386.5	6.02%
Total ceded technical reserves *(In € millions)*	**23,032.6**	**100.00%**

NOTE 11
Subordinated debt

11.1 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 beyond 15 years	Undated	Fair value*
Dated subordinated notes					**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 bps		EUR	700.0					700.0		860.8
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	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 bps		EUR	750.0					750.0		865.4
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bps 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 bps		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 subordinated notes					**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 bps		EUR	45.0						45.0	48.4
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bps from 15 Nov. 2016		EUR	90.0						90.0	90.4
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016, then 3-month Euribor +160 bps		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 bps	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 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 17 regarding the fair value of these instruments.

Subordinated liabilities are not 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.

11.2 Subordinated debt at 31 December 2016

(In € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value *
Dated subordinated notes					**4,724.7**	**0.0**	**0.0**	**1,200.0**	**0.0**	**3,524.7**	**0.0**	**5,084.2**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bps		EUR	700.0					700.0		828.3
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	350.4					350.4		392.3
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		845.8
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bps from 24 June 2013		EUR	200.0			200.0				205.6
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365)		EUR	500.0					500.0		516.4
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bps		EUR	750.0					750.0		772.2
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	474.3					474.3		506.9
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0			1000.0				1,016.7
Undated subordinated notes					**702.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**702.3**	**703.8**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +25 bps		EUR	45.0						45.0	42.1
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bps from 15 Nov. 2016		EUR	90.0						90.0	77.4
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016, then 3-month Euribor +160 bps		EUR	93.0						93.0	79.9
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bps	500.0	USD	474.3						474.3	504.5
TOTAL					**5,427.0**	**0.0**	**0.0**	**1,200.0**	**0.0**	**3,524.7**	**702.3**	**5,788.0**

* 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 €122.7 million before tax at 31 December 2016. The fair values of linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments

Subordinated liabilities are not subject to financial covenants.

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 12

Insurance and reinsurance receivables

12.1 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2017 and 31 December 2016.

(In € millions)	**31.12.2017**	31.12.2016
Earned premiums not yet written	2,357.4	1,871.7
Other insurance receivables	681.9	548.7
Reinsurance receivables	295.2	722.5
TOTAL	**3,334.5**	**3,142.9**
Of which doubtful receivables	4.6	4.7

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	31.12.2017		
(In € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 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**

	31.12.2016		
(In € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,871.7	0.0	0.0
Other insurance receivables	541.8	5.1	1.8
Reinsurance receivables	713.3	2.8	6.3
TOTAL	**3,126.8**	**7.9**	**8.1**

12.2 Other receivables

(In € millions)	**31.12.2017**	31.12.2016
Receivables from employees	0.6	1.1
Prepaid payroll charges and other taxes	511.2	750.6
Sundry receivables	4,135.1	3,484.6
TOTAL	**4,646.9**	**4,236.3**

NOTE 13

Deferred taxes

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

Sources of temporary differences *(In € millions)*	31.12.2017		
	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)**

Sources of temporary differences (In € millions)	31.12.2016		
	Assets	Liabilities	Net
Goodwill	14.7	(1.0)	13.7
Value of In-Force business	0.0	(2.4)	(2.4)
Distribution agreements	0.0	(43.5)	(43.5)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(77.0)	(77.0)
Financial assets	19.1	(10,904.6)	(10,885.5)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	175.0	0.0	175.0
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	1.8	0.0	1.8
Other assets	269.8	0.0	269.8
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(31.1)	(31.1)
Provisions for liabilities and charges	207.7	0.0	207.7
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(0.6)	(0.6)
Deferred participation asset/reserve	9,381.3	0.0	9,381.3
Other liabilities	0.0	(1.0)	(1.0)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(9,774.9)	9,774.9	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**294.4**	**(1,287.2)**	**(992.8)**

France's 2017 Finance Act provided for a phased reduction in the standard corporate tax rate from 33 1/3% to 28% over the period 2018 to 2020.

The 2018 Finance Act provides for a reduction in the standard corporate tax rate from 33 1/3% to 25% over the period to 2022. The reduction will be phased in and companies will be affected at different rates depending on their profits. In addition, the amended 2017 Finance Act introduces an exceptional surtax payable by large corporations.

NOTE 14
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.

14.1 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**

14.2 Provisions for liabilities and charges – 2016

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2016	**73.2**	**170.0**	**243.1**
New provisions set up during the period and increases in existing provisions	63.7	10.2	73.9
Amounts utilised during the year	0.0	(8.7)	(8.7)
Surplus provisions released during the period	(69.2)	(4.1)	(73.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	14.8	0.8	15.6
Changes in scope of consolidation	0.0	0.1	0.1
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2016	**82.5**	**168.2**	**250.6**

NOTE 15

Liabilities arising from insurance and reinsurance transactions

15.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of insurance and reinsurance liabilities at 31 December 2017 and at 31 December 2016.

(In € millions)	**31.12.2017**	31.12.2016
Cash deposits received from reinsurers	12,088.7	12,347.4
Liabilities arising from insurance transactions	1,335.3	1,069.5
Liabilities arising from reinsurance transactions	764.9	1,336.7
Deferred acquisition costs	73.4	130.4
TOTAL	**14,262.3**	**14,884.0**

ANALYSIS BY MATURITY

(In € millions)	**31.12.2017**			31.12.2016		
	Due within 1 year	**Due in 1 to 5 years**	**Due beyond 5 years**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	11,972.9	115.8	0.0	12,235.7	111.7	0.0
Liabilities arising from insurance transactions	1,282.1	44.8	8.4	1,069.3	0.2	0.0
Liabilities arising from reinsurance transactions	764.9	0.0	0.0	1,334.7	2.0	0.0
Deferred acquisition costs	4.6	58.1	10.7	15.6	81.6	33.3
TOTAL	**14,024.5**	**218.7**	**19.1**	**14,655.3**	**195.5**	**33.3**

15.2 Other liabilities

(In € millions)	**31.12.2017**	31.12.2016
Wages, salaries and bonuses payable	409.8	398.4
Accrued payroll charges and other taxes	1,256.1	1,276.7
Sundry payables	2,750.2	3,423.3
TOTAL	**4,416.1**	**5,098.3**

15.3 Employee benefits – IAS 19

15.3.1 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	12	1.17%	2.00%	Included in salary increases	n/a
Jubilees	8	0.69%	2.00%	Included in salary increases	n/a
Article 39 of the French Tax Code	6	0.36%	2.00%	Included in salary increases	0.36%
Time-savings account system	6	0.28%	2.00%	Included in salary increases	n/a
New early retirement plan – Option 1	1	-0.27%	2.00%	Included in salary increases	n/a
New early retirement plan – Option 2	2	-0.24%	2.00%	Included in salary increases	n/a
Other plans: Italy	22	1.30%	3.00%	1.10%	n/a

The short-term measure introduced by the French government to help employees ease into retirement is applicable from 1 January 2017 to 31 December 2018. 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.

15.3.2 Recognised benefit obligations

(In € millions)	Post-employment benefit plans	
	31.12.2017	31.12.2016
Projected benefit obligation	227.7	199.7
Fair value of plan assets	0.2	0.0
Projected benefit obligation net of plan assets	**228.0**	**199.7**
Unrecognised past service cost	0.0	0.9
Liability recognised in the balance sheet – defined benefit plans	**228.0**	**200.7**
Liability recognised in the balance sheet – defined contribution plans	62.5	60.5
Total liability recognised in the balance sheet for post-employment benefit plans	**290.5**	**261.2**
Other long-term benefit obligations	19.0	19.4
Of which length-of-service and jubilee awards	*19.0*	*19.4*
Total liability recognised in the balance sheet for long-term benefit obligations*	**309.5**	**280.6**

* Benefit obligations are mainly carried in the books of the French and Italian entities (€308.1 million and €1.1 million, respectively)

15.3.3 Analysis of long-term benefit costs

(In € millions)	Post-employment benefit plans	
	31.12.2017	31.12.2016
Current service cost (net of employee contributions)	**9.4**	**11.0**
Interest cost	1.7	2.3
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	**11.2**	**13.3**
Post-employment benefit expense – defined contribution plans	15.9	17.6
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**27.0**	**30.9**

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

(In € millions)	Post-employment benefit plans	
	31.12.2017	31.12.2016
At the beginning of the period [(1)]	**200.7**	**194.3**
Effect of changes in exchange rates [(2)]	0.0	0.0
Post-employment benefit expense	11.2	13.4
Employer's contributions [(3)]	(6.6)	(4.0)
Benefits paid [(4)]	(8.7)	(3.5)
Actuarial gains and losses recognised directly in equity [(5)]	3.4	0.4
Actuarial gains and losses recognised through profit	6.8	0.0
Changes in scope of consolidation	21.2	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0
AT THE END OF THE PERIOD	**228.0**	**200.7**

(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

15.3.5 Change in actuarial gains

(In € millions)	Post-employment benefit plans	
	31.12.2017	31.12.2016
Actuarial gains and losses recognised in equity at the beginning of the period	**136.6**	**136.2**
Actuarial gains and losses related to changes in discount rates	2.1	5.4
Actuarial gains and losses related to changes in retirement age assumptions	0.0	(11.6)
Actuarial gains and losses related to changes in technical rates	0.0	3.3
Actuarial gains and losses related to annuity contributions	0.0	0.0
Actuarial gains and losses related to changes in staff turnover rate assumptions	(1.3)	0.0
Actuarial gains and losses related to changes in payroll tax assumptions	(0.7)	0.0
Actuarial gains and losses related to historical loss adjustments	3.3	3.4
Actuarial gains and losses recognised in equity at the end of the period	**140.0**	**136.6**

15.3.6 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its commitments to employees in relation to changes in discount rates, employee turnover rates, rate of salary increase, valuation rates of interest and mortality tables. Accrued employee benefit obligations are most sensitive to changes in the discount rate and the rate of salary increases. A 25 bps change in these two rates, for the French entities, would result in a 2% increase or decrease in employee benefit obligations.

INCOME STATEMENT

NOTE 16
Premium income

Premium income comprises:

- earned premiums;
- loading on premiums on financial instruments without DPF (IAS 39), reported under “Revenue from other activities”.

16.1 Earned premiums and revenue from other activities

Business segment and contract type *(In € millions)*	31.12.2017	31.12.2016
Insurance contracts	**28,753.2**	**26,968.6**
▪ Life	25,399.5	24,012.6
Pure premiums	23,580.4	22,349.0
Loading	1,819.2	1,663.6
▪ Non-life	3,353.7	2,955.9
Pure premiums	2,377.8	2,015.6
Loading	975.9	940.4
Financial instruments with DPF	**3,324.2**	**4,526.2**
Pure premiums	3,281.2	4,475.6
Loading	43.1	50.5
Earned premiums	**32,077.4**	**31,494.7**

Revenue from other activities *(In € millions)*	31.12.2017	31.12.2016
Financial instruments without DPF	**62.7**	**58.4**
Premium loading on financial instruments without DPF (IAS 39)	49.6	41.5
Loading on technical reserves for financial instruments without DPF	13.1	16.9
Services (IAS 18) *	**93.1**	**73.8**
Other activities	**4.5**	**(7.8)**
TOTAL	**160.3**	**124.4**

* In 2017, commissions received by CNP Assurances for managing service contracts totalled €18.0 million and were included in service revenues in accordance with IAS 18. In 2016, these fees were recorded as a deduction from contract administration expenses (see Notes 17 and 18) for an amount of €20.2 million

16.2 Reconciliation to reported premium income

(In € millions)	31.12.2017	31.12.2016
Earned premiums	32,077.4	31,494.7
Premium loading on financial instruments without DPF (IAS 39)	49.6	41.5
TOTAL	**32,127.0**	**31,536.2**

16.3 Premium income by partner

(In € millions)	31.12.2017	31.12.2016
La Banque Postale	9,207.6	8,758.3
BPCE	7,989.8	10,261.0
Amétis	316.6	404.8
CNP Patrimoine	939.5	957.9
Financial institutions	1,533.0	1,488.7
Companies and local authorities	2,261.9	1,637.5
Mutual insurers	524.2	559.9
International subsidiaries	9,306.6	7,284.9
Other	47.8	183.2
TOTAL PREMIUM INCOME	**32,127.0**	**31,536.2**

16.4 Premium income by business segment

(In € millions)	31.12.2017	31.12.2016
Savings	**19,728.2**	**21,629.4**
Pensions	**4,984.1**	**3,299.7**
Personal Risk	1,957.6	1,762.6
Term Creditor Insurance	4,392.6	4,001.0
Health Insurance	675.9	498.1
Property & Casualty	388.7	345.4
Sub-total Personal Risk and other	**7,414.8**	**6,607.1**
Other business segments	**0.0**	**0.0**
TOTAL PREMIUM INCOME	**32,127.0**	**31,536.2**

16.5 Premium income by company

(In € millions)	31.12.2017	31.12.2016
CNP Assurances	22,639.0	23,939.3
Préviposte *	0.0	121.6
ITV *	0.0	9.2
CNP Caution	95.4	96.1
MFPrévoyance	137.0	134.1
CNP Assurances Compañía de Seguros	40.9	47.5
CNP Luxembourg	179.6	-
Caixa Seguros Group	5,261.4	3,548.6
CNP UniCredit Vita	2,605.7	2,549.0
CNP Partners	330.6	343.8
CNP Cyprus Insurance Holdings	145.3	141.5
CNP Europe Life	0.0	0.1
CNP Barclays Vida y Pensiones	0.0	0.0
CNP Santander Insurance	692.3	605.4
TOTAL PREMIUM INCOME	**32,127.0**	**31,536.2**

* ITV and Préviposte were merged into CNP Assurances on 31 December 2017. The merger was backdated to 1 January 2017 for accounting and tax purposes

16.6 Premium income by country

(In € millions)	Under IFRS 31.12.2017	Under IFRS 31.12.2016	Under French GAAP 31.12.2017	Under French GAAP 31.12.2016
France	22,820.5	24,251.3	22,934.0	24,301.2
Italy	2,851.3	2,770.6	2,892.1	2,822.2
Portugal	6.4	7.5	6.4	7.5
Brazil	5,261.4	3,548.6	5,541.6	3,812.1
Argentina	40.9	47.5	40.9	47.5
Spain	221.3	242.0	221.2	242.0
Cyprus	142.8	138.9	146.3	144.6
Ireland	0.0	0.1	0.0	0.1
Germany	469.5	431.2	469.5	431.2
Norway	24.3	11.9	24.3	11.9
Poland	67.3	56.8	67.3	56.8
Denmark	18.1	12.9	18.1	12.9
Austria	11.8	7.5	11.8	7.5
Luxembourg	179.6	-	179.6	-
Other	11.8	9.4	12.1	9.6
TOTAL PREMIUM INCOME	**32,127.0**	**31,536.2**	**32,565.4**	**31,907.0**

16.7 Direct and inward reinsurance premiums

(In € millions)	31.12.2017	31.12.2016
Direct business premiums	29,376.2	30,206.0
Inward reinsurance premiums	2,750.9	1,330.2
TOTAL PREMIUM INCOME	**32,127.0**	**31,536.2**

16.8 Reconciliation of net new money (French GAAP) to premium income (IFRS)

(In € millions)	31.12.2017	31.12.2016
Net new money (French GAAP)	**32,565.4**	**31,907.0**
Restatement of net new money (French GAAP) from financial instruments without DPF (IAS 39)	(488.0)	(412.3)
IFRS premium loading on financial instruments without DPF (IAS 39)	49.6	41.5
IFRS PREMIUM INCOME	**32,127.0**	**31,536.2**

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 17

Claims and benefits

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)*	31.12.2017	31.12.2016*	31.12.2016
Incurred claims	12,393.4	11,333.1	11,333.1
Endowments due	342.9	212.3	212.3
Benefits due	975.0	1,052.8	1,052.8
Surrenders	17,734.9	15,599.8	15,599.8
Credited interest and policyholder dividends included in paid benefits	(108.8)	(83.6)	(83.6)
Benefit and claim handling expenses	156.1	162.8	162.8
Claims and benefits	**31,493.5**	**28,277.1**	**28,277.1**
Change in technical reserves – insurance contracts	8,843.6	7,943.7	7,944.6
Change in technical reserves – financial instruments with DPF	(11,405.0)	(8,466.1)	(8,466.2)
Change in other technical reserves	152.2	45.8	45.8
Change in technical reserves	**(2,409.2)**	**(476.6)**	**(475.7)**
Credited interest	949.5	1,125.2	1,125.2
Policyholder dividends	7,504.4	6,805.2	6,805.2
Credited interest and policyholder dividends	**8,453.9**	**7,930.4**	**7,930.4**
Claims and benefits expenses	**37,538.3**	**35,731.0**	**35,731.8**

* Pro forma: The amounts previously reported under "Investment expenses and interest expense, excluding finance costs" have been reclassified
Expenses of €0.9 million were reclassified as a change in insurance contracts and expenses of €0.1 million were reclassified as a change in financial instruments with DPF

NOTE 18

Administrative expenses and business acquisition costs

18.1 Expenses analysed by function

(In € millions)	31.12.2017	31.12.2016 pro forma	31.12.2016
Commissions	(4,038.1)	(3,806.6)	(3,806.6)
Expenses analysed by function	56.1	10.6	10.6
Acquisition costs	**(3,982.0)**	**(3,796.0)**	**(3,796.0)**
Contract administration expenses	**(198.8)**	**(186.3)**	**(186.3)**
Other underwriting income and expenses	(393.6)	(88.6)	(88.8)
Other income and expenses	(189.5)	(147.4)	(147.4)
Employee profit-sharing	(34.0)	(24.8)	(24.8)
Other recurring operating income and expense, net	**(617.1)**	**(260.8)**	**(261.0)**
TOTAL	**(4,797.9)**	**(4,243.1)**	**(4,243.3)**

18.2 Expenses analysed by nature

(In € millions)	**31.12.2017**	31.12.2016
Depreciation and amortisation expense and impairment losses	(52.4)	(42.2)
Employee benefits expense	(479.2)	(459.7)
Taxes other than on income	(35.7)	(64.8)
Other *	(396.1)	(365.1)
TOTAL	**(963.5)**	**(931.8)**

* Details of fees paid to the Statutory Auditors are presented in Note 18.5

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.

18.3 Administrative expenses, net

(In € millions)	**31.12.2017**	31.12.2016
Administrative costs*		
▪ Excluding international subsidiaries and other businesses	611.7	628.2
▪ Including international subsidiaries and other businesses	937.7	915.5

* Excluding Amétis network expenses

18.4 Analysis of commission expense

(In € millions)	**31.12.2017**	31.12.2016
BPCE	974.3	984.1
La Banque Postale	572.0	612.8
Other	2,491.8	2,209.7
TOTAL	**4,038.1**	**3,806.6**

18.5 Fees paid to the Statutory Auditors

(In € thousands)	MAZARS				PwC			
	Amount incl. VAT		%		Amount incl. VAT		%	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016
Audit								
Audit of the financial statements of the Company and the Group	1,666	1,490	71%	64%	2,446	2,241	81%	71%
Issuer	*984*	*847*	*42%*	*36%*	*991*	*865*	*33%*	*27%*
Fully consolidated companies	*682*	*643*	*29%*	*28%*	*1,455*	*1,376*	*48%*	*44%*
Other audit and special engagements *	669	821	29%	36%	578	885	19%	28%
Issuer	*475*	*807*	*19%*	*35%*	*531*	*814*	*18%*	*26%*
Fully consolidated companies	*194*	*14*	*8%*	*1%*	*47*	*71*	*1%*	*2%*
Sub-total	**2,335**	**2,311**	**100%**	**100%**	**3,024**	**3,126**	**100%**	**99%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax, and labour-law advisory services						*25*		*1%*
Other								
Sub-total	**0**	**0**	**0%**	**0%**	**0**	**25**	**0%**	**1%**
TOTAL	**2,335**	**2,311**	**100%**	**100%**	**3,024**	**3,151**	**100%**	**100%**

* "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

NOTE 19

Reinsurance result

(In € millions)	**31.12.2017**	31.12.2016 pro forma	31.12.2016
Ceded premiums	(1,645.6)	(14,128.3)	(14,128.3)
Change in ceded technical reserves	1,768.8	14,425.4	14,426.5
Reinsurance commissions received	330.9	344.5	344.5
Investment income *	(347.8)	(575.5)	(267.5)
TOTAL	**106.2**	**66.1**	**375.1**

* Investment income ceded to reinsurers is now recognised in reinsurance result. In addition, the accounting treatment of ceded investment income on a material contract was revised in 2017, leading to a €267.5 million positive impact on ceded investment income and a corresponding negative impact on net investment income

Technical reserves ceded under the 10% quota-share insurance treaty with Natixis Assurances deployed in 2016 amounted to €11.8 billion, leading to a corresponding impact on "Ceded premiums" and "Changes in technical reserves".

NOTE 20
Investment income

20.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or loss or directly in equity for 2017 and 2016.

(In € millions)		31.12.2017	31.12.2016 pro forma	31.12.2016
Available-for-sale financial assets	Income from debt securities	26.1	(45.0)	(45.0)
	Interest income	5,750.9	6,318.2	6,318.2
	Income from other financial assets	2,158.8	1,750.4	1,750.4
	Capital gains and losses on disposals	389.8	598.5	598.5
	Impairment	727.7	13.0	13.0
	Net income from available-for-sale financial assets	**9,053.4**	**8,635.2**	**8,635.2**
Held-to-maturity investments	Income from debt securities	0.0	0.0	0.0
	Interest income	46.1	53.1	53.1
	Other income	0.0	35.8	35.8
	Impairment	0.0	0.0	0.0
	Net income from held-to-maturity investments	**46.1**	**88.9**	**88.9**
Loans and receivables	Interest income	5.1	(29.0)	(29.0)
	Other income	0.0	0.0	0.0
	Impairment	0.0	0.0	0.0
	Net income from loans and receivables	**5.1**	**(29.0)**	**(29.0)**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	3,955.0	2,284.7	2,284.7
	Profit (loss) on derivative instruments held for trading and hedging	(147.8)	(228.7)	(228.7)
	Capital gains and losses on disposals	(64.8)	51.7	51.7
	Net income (expense) from financial assets at fair value through profit or loss	**3,742.3**	**2,107.7**	**2,107.7**
Investment property	Rent and other revenue	69.6	91.8	91.8
	Fair value adjustments	15.6	35.0	35.0
	Capital gains and losses on disposals	54.4	150.8	150.8
	Net income from investment property	**139.6**	**277.7**	**277.7**
Other investment expenses		**(213.0)**	**(296.4)**	**(584.8)**
Dilution gain		**0.0**	**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**12,773.4**	**10,784.1**	**10,495.7**
Interest on subordinated debt at amortised cost		(258.0)	(248.2)	(248.2)
Interest on subordinated debt at fair value		0.0	0.0	0.0
Finance costs - Cash flow hedges		11.3	19.5	0.0
Total finance costs		**(246.7)**	**(228.7)**	**(248.2)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**12,526.7**	**10,555.4**	**10,247.5**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(In € millions)	**31.12.2017**
Investment income before finance costs	12,773.4
Finance costs	(246.7)
TOTAL	**12,526.7**

20.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2017 and 2016.

20.2.1 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	18,249.5	17,725.3	524,2
	Investment funds	51,373.1	47,794.8	3,578,3
	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)
	Other (including lent securities and repos)	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**

20.2.2 Fair value adjustments to assets – 2016

(In € millions)		Investments held at 31.12.2016	Investments held at 31.12.2015	Movements in 2017
Assets at fair value through profit or loss	Fixed-rate bonds	11,408.6	9,908.9	1,499.7
	Variable-rate bonds	20,877.4	18,877.4	2,000.0
	TCNs (money market securities)	242.9	142.9	100.0
	Equities	3,606.1	3,592.5	13.6
	Investment funds	37,266.0	35,841.8	1,424.2
	Shares in non-trading property companies	1,028.7	960.2	68.5
	Other (including lent securities and repos)	110.9	168.8	(57.9)
	Total	**74,540.6**	**69,492.6**	**5,048.0**
Derivative instruments	Derivative instruments (positive fair value)	654.3	4,417.2	(3,762.9)
	Derivative instruments (negative fair value)	(1,244.9)	(4,834.1)	3,589.2
	Total	**(590.6)**	**(416.9)**	**(173.7)**
Available-for-sale financial assets	Fixed-rate bonds	176,586.1	173,056.5	3,529.6
	Variable-rate bonds	30,294.2	31,432.4	(1,138.2)
	TCNs (money market securities)	3,186.3	3,517.3	(331.0)
	Equities	17,725.3	16,359.2	1,366.1
	Investment funds	47,794.8	41,195.5	6,599.3
	Shares in non-trading property companies	6,430.7	5,160.2	1,270.5
	Non-voting loan stock	59.9	60.0	(0.1)
	Other (including lent securities and repos)	17,351.2	17,127.1	224.1
	Total	**299,428.6**	**287,908.1**	**11,520.5**
Held-to-maturity investments	Fixed-rate bonds	343.3	365.9	(22.6)
	Variable-rate bonds	282.9	282.1	0.8
	Other (including lent securities and repos)	181.8	0.0	181.8
	Total	**808.0**	**648.0**	**160.0**
Loans and receivables	Loans and receivables	4,945.3	5,730.0	(784.7)
	Total	**4,945.3**	**5,730.0**	**(784.7)**
Investment property	Investment property at amortised cost	2,748.2	2,451.7	296.5
	Investment property measured by the fair value model	1,121.1	1,102.6	18.5
	Total	**3,869.3**	**3,464.3**	**405.0**
TOTAL		**383,001.3**	**366,826.0**	**16,175.3**

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

(In € millions)	**31.12.2017**	31.12.2016
Fair value of investments	386,933.9	383,001.3
Unrealised gains and losses, net	(956.0)	(984.6)
Carrying amount of investments	**385,977.9**	**382,016.7**

20.3 Impairment

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

(In € millions)	**31.12.2017**	31.12.2016
Available-for-sale financial assets	**(240.4)**	**(618.8)**
Fixed-rate bonds	0.0	(9.3)
Variable-rate bonds	(17.7)	(4.5)
TCNs (money market securities)	0.0	0.0
Equities	(32.3)	(475.2)
Equity funds	0.0	(83.6)
Non-voting loan stock	0.0	(1.3)
Other (including mutual fund units)	(190.4)	(44.8)
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(240.4)**	**(618.8)**
Available-for-sale financial assets	**968.1**	**631.7**
Fixed-rate bonds	7.0	2.4
Variable-rate bonds	4.0	5.7
TCNs (money market securities)	0.0	0.0
Equities	827.0	292.8
Equity funds	34.2	44.1
Non-voting loan stock	0.0	0.1
Other (including mutual fund units)	95.9	286.6
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**968.1**	**631.7**
NET CHANGE IN IMPAIRMENT PROVISIONS	**727.7**	**13.0**

NOTE 21

Income tax expense

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

(In € millions)	**31.12.2017**	31.12.2016
Current tax	(939.0)	(742.9)
Deferred tax	43.5	(1.5)
INCOME TAX EXPENSE	**(895.6)**	**(744.4)**
Profit for the period	1,623.1	1,497.0
Tax rate	35.56%	33.21%
INCOME TAX EXPENSE	**(895.6)**	**(744.4)**

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Tax proof *(In € millions)*	**31.12.2017**		31.12.2016	
	Rate	**Amount**	Rate	Amount
Profit before tax		2,518.7		2,241.3
Income tax at the standard French tax rate [1]	34.43%	(867.2)	34.43%	(771.7)
Permanent differences [2]	0.83%	(20.9)	-2.71%	60.7
Effects of changeover to the equity method	-0.10%	2.5	0.10%	2.1
Capital gains and losses taxed at reduced rate	-3.35%	84.3	-3.39%	76.1
Effects of changes in tax rates [3]	4.70%	(118.3)	5.68%	(127.2)
Tax credits and tax loss carryforwards used [4]	-1.50%	37.7	-1.26%	28.3
Other	0.55%	(13.7)	0.56%	(12.6)
TOTAL	**35.56%**	**(895.6)**	**33.21%**	**(744.4)**

(1) Including the current additional contribution of 3.3%, the theoretical tax rate for 2017 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.
Elimination of this surtax will generate an annual saving of some €15 million for the Group based on the amounts paid in prior years.
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 will represent 30% of its French income tax liability and amounts to around €94.6 million. This represents 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) Including the effects of differences in foreign tax rates and changes in statutory tax rates. The effects of the change in the French tax rate provided for in the 2018 Finance Act are recognised in the 2017 consolidated financial statements and are also included under this caption.
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 resulting adjustments to deferred taxes recorded in 2017 included recognition of additional deferred tax expense of €35 million and a €154.2 million deferred tax benefit, reported under "Other income and expenses recognised directly in equity". The main source of deferred taxes affecting profit for the year concerned non-deductible provisions, which give rise to a difference between reported and taxable profit). A deferred tax asset was recognised for this timing difference. The reduction in the tax rate therefore gives rise to an expense corresponding to the reduction in the value of the deferred tax asset.
The main source of deferred taxes affecting equity concerned the remeasurement of available-for-sale financial assets at fair value. The reduction in the tax rate has the effect of reducing the resulting deferred tax liability, leading to a corresponding increase in consolidated equity.
The caption "Effects of changes in tax rates" also reflects the impact of the increase in the Brazilian tax rate, from 40% to 45%, phased in over two years

(4) Caixa Saúde SA, the Brazilian health insurance subsidiary, has been the subject of a major recovery plan.
Following this plan, a deferred tax asset was recognised at 31 December 2017 for the Company's tax loss carryforwards, which are now considered to be recoverable. The impact on the Group's consolidated profit was €24.3 million, including a €12.6 million impact on profit attributable to owners of the parent

Deferred taxes on: *(In € millions)*	31.12.2017	31.12.2016
Fair value adjustments to financial assets held for trading	99.7	(104.2)
Deferred participation asset/reserve	(112.9)	85.2
Fair value adjustments to other financial assets	7.9	21.3
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	(38.2)	(0.8)
TOTAL	**(43.5)**	**1.5**

OTHER ANALYSES

NOTE 22
Financial risks

22.1 Credit risk

The Group's credit risk policies are presented in section 4 of this Registration Document on Risk factors and risk management (Note 4.1.2).

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

22.2 Currency risk

Most portfolios covering insured liabilities are invested in assets denominated in 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 2% 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 1% 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.

22.3 Interest rate risk on financial assets

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

22.3.1 Caps and floors

The following tables show the notional amount of caps and floors by strike price and residual life at 31 December 2017 and 31 December 2016.

22.3.1.1 Caps and floors at 31 December 2017

(In € millions)	Residual life										
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
≥ 0% to < 1%	1,709	708	1,096	203	4	9	0	0	0	0	3,728
≥ 1% to < 2%	841	900	0	201	0	7	0	30	0	0	1,978
≥ 2% to < 3%	500	0	0	8,770	6,850	6,000	54	71	0	0	22,245
≥ 3% to < 4%	700	0	4,900	0	0	1,594	0	0	0	210	7,404
≥ 4% to < 5%	2,293	940	450	2,310	3,820	0	0	0	0	158	9,971
≥ 5% to < 6%	2,410	883	300	200	1,850	1,910	0	1	0	0	7,554
≥ 6% to < 7%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**8,453**	**3,431**	**6,746**	**11,683**	**12,524**	**9,519**	**54**	**102**	**0**	**368**	**52,880**

22.3.1.2 Caps and floors at 31 December 2016

(In € millions)	Residual life										
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
≥ 0% and < 1%	0	1,000	300	880	200	0	0	0	0	0	2,380
≥ 1% and < 2%	300	1,200	1,300	215	200	0	0	0	0	0	3,215
≥ 2% and < 3%	100	400	0	0	8,770	6,850	0	0	0	0	16,120
≥ 3% and < 4%	0	700	0	4,900	0	0	1,594	0	0	0	7,194
≥ 4% to < 5%	4,160	1,290	910	500	2,260	3,820	0	0	0	0	12,940
≥ 5% and < 6%	5,754	940	313	300	0	1,850	1,910	0	0	0	11,067
≥ 6% and < 7%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**10,314**	**5,530**	**2,823**	**6,795**	**11,430**	**12,520**	**3,504**	**0**	**0**	**0**	**52,916**

22.3.2 Effective interest rates

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

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

- France;
- Italy;
- Brazil;
- Spain.

22.3.2.1 Effective interest rates at purchase

	31.12.2017		31.12.2016	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	2.96%	EUR	3.11%
Italy	EUR	2.42%	EUR	2.58%
Brazil	BRL	9.37%	BRL	12.37%
Spain	EUR	2.54%	EUR	2.58%

22.3.2.2 Effective interest rates at balance sheet date

	31.12.2017		31.12.2016	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	0.19%	EUR	0.18%
Italy	EUR	2.48%	EUR	2.65%
Brazil	BRL	7.40%	BRL	12.17%
Spain	EUR	0.46%	EUR	0.61%

22.3.3 Carrying amounts by maturity

22.3.3.1 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 beyond 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**

22.3.3.2 Carrying amounts by maturity at 31 December 2016

Type of instrument *(In € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	19,989.4	15,191.9	20,499.1	22,062.7	25,019.6	82,571.0	185,333.7
Zero coupon bonds	1,147.3	709.0	2,214.6	682.2	663.0	13,556.4	18,972.6
Adjustable-rate bonds	15.3	8.6	4.6	40.0	2.1	1,631.8	1,702.3
Variable-rate bonds	2,680.5	2,086.5	2,945.4	1,366.1	2,108.4	2,052.4	13,239.4
Fixed-rate inflation-indexed bonds	1,339.1	167.2	697.4	1,546.6	964.4	8,842.8	13,557.5
Other bonds	2,486.7	1,973.9	1,721.5	2,755.8	1,374.1	7,966.7	18,278.7
TOTAL	**27,658.3**	**20,137.1**	**28,082.7**	**28,453.3**	**30,131.7**	**116,621.1**	**251,084.3**

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

22.3.4.1 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 beyond 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**

22.3.4.2 Carrying amount at 31 December 2016

Carrying amount of financial instruments measured at amortised cost *(In € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	186.5	102.9	65.0	41.8	109.7	88.6	594.5
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**186.5**	**102.9**	**65.0**	**41.8**	**109.7**	**88.6**	**594.5**

22.3.5 Average life of securities

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

22.3.5.1 Average life of securities – 31 December 2017

France	Italy	Brazil	Spain
5.47	3.32	1.96	4.19

22.3.5.2 Average life of securities – 31 December 2016

France	Italy	Brazil	Spain
5.66	3.52	1.12	4.34

22.4 Sensitivity of MCEV© to market risks

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

The Group's embedded value reporting is based on 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 Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees. The valuation techniques used to measure financial options are based on market consistent financial assumptions at 31 December 2017.

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 acquired 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 euro zone, 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 4.2% at 40 years. For Brazil, the last liquid point is at 10 years with convergence on the ultimate forward rate of 5.2% 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, the Group's main subsidiaries in France, the rest of Europe and Latin America. The sensitivities analysed in 2017 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 2017

(In € millions)	50 bps increase in interest rates	50 bps decrease in interest rates	25% decrease in equity prices
Impact on MCEV©*	**1,248.4**	**(1,157.8)**	**(2,763.4)**

* The calculation of the impact on MCEV© is based on estimated data

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2016

(In € millions)	50 bps increase in interest rates	50 bps decrease in interest rates	25% decrease in equity prices
Impact on MCEV©*	**1,142.0**	**(1,141.0)**	**(2,887.0)**

* The calculation of the impact on MCEV© is based on estimated data

Sensitivity to insurance risks is presented in Note 24.

NOTE 23

Liquidity risk and asset/liability management

23.1 Liquidity risk

23.1.1 Future cash flows from assets

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

23.1.1.1 Future cash flows from assets at 31 December 2017

Intended holding period *(In € millions)*	**Less than 1 year**	**1 to 5 years**	**5 to 10 years**	**Beyond 10 years**
Available-for-sale financial assets	24,161	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

23.1.1.2 Future cash flows from assets at 31 December 2016

Intended holding period *(In € millions)*	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	25,584	102,520	79,597	25,594
Assets held for trading and assets measured at FV	3,961	6,440	3,988	1,545
Held-to-maturity investments	195	507	0	89
Loans and receivables	43	0	0	0

23.1.2 Payment projections by maturity

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

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

23.1.2.1 Payment projections by maturity at 31 December 2017

(In € millions)	**Less than 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**	**Beyond 15 years**
Insurance and financial liabilities (incl. linked liabilities)	19,365.3	65,010.7	64,376.1	45,927.0	139,218.7

23.1.2.2 Payment projections by maturity at 31 December 2016

(In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	21,394.9	65,731.5	63,583.4	44,511.7	125,731.1

23.1.3 Contracts with immediate surrender option

(In € millions)	**31.12.2017**	31.12.2016
Contracts with immediate surrender option	264,336.3	269,735.4
Contracts with no immediate surrender option	70,532.6	61,299.3

Contracts with an immediate surrender option represented a total liability of €264.3 billion at 31 December 2017 (€269.7 billion at 31 December 2016). 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 23.1.2.

23.2 Asset/Liability management

The Group's ALM policy is presented in section 4 of this Registration Document on Risk factors and risk management (Note 4.1.2).

23.3 Reconciliation of unit-linked assets and liabilities

(In € millions)	**31.12.2017**	31.12.2016
Investment properties held to cover linked liabilities	2,167.6	1,339.6
Financial assets held to cover linked liabilities	51,672.3	45,757.5
Investments accounted for by 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	**53,839.9**	**47,097.1**
Linked liabilities – financial instruments without DPF	8,187.6	7,820.4
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	45,822.4	39,506.1
TOTAL LINKED LIABILITIES	**54,010.0**	**47,326.5**
Guaranteed capital reserves	1.6	2.0
TOTAL LINKED LIABILITIES	**54,011.6**	**47,328.5**

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 above table.

NOTE 24
Risks related to insurance and financial liabilities

24.1 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 4.1 Risk factors.

24.2 Contract terms and conditions

24.2.1 Types of insured risk by class of business

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

The main 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 24.4 to the consolidated financial statements – Risk of 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 4.1.3 – 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.

24.2.2 Description of the main policyholder guarantees

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

Unit-linked savings contracts do not involve any capital guarantee for the insurer 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" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum;

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

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

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

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

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

24.2.3 Participation clauses

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

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

Participation rates are determined based on the local accounts.

24.3 Valuation of insurance liabilities (assumptions and sensitivities)

24.3.1 Technical reserve models

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured;
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
- 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;
- capitalisation reserve;
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

24.3.2 Modelling objectives

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.

24.3.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

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

24.3.4 Assumptions used to calculate reserves

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

Mathematical reserves for individual savings products are 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.

24.3.5 Use of different assumptions

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

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

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

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.

24.3.6 Assumption correlations

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

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

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

At 31 December 2017, a 10% fall in surrender rates would have a positive impact of €251 million on MCEV©. A 5% fall in observed losses would have a positive impact of €177 million on MCEV© for mortality and disability risks, and a negative impact of €61 million for longevity risks.

24.4 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)*	31.12.2017	
	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 Seguros in Brazil, where bond rates are above 7% (see Note 22.3)
(3) Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

Guaranteed yield *(In € millions)*	31.12.2016	
	Technical reserves	%
0% [1]	186,867.0	56.4%
]0%-2%]	15,210.5	4.6%
]2%-3%]	16,363.1	4.9%
]3%-4%]	1,451.6	0.4%
]4%-4.5%]	6,097.2	1.8%
>4.5% [2]	1,502.6	0.6%
Linked liabilities	47,327.8	14.3%
Other [3]	56,214.8	17.0%
TOTAL	**331,034.7**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 7% (see Note 22.3)
(3) Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves

24.5 Concentration of insurance risk

24.5.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk);
- to share risks on large-scale new business.

24.5.2 Loss exposure per catastrophe and per occurrence

All portfolios are covered by catastrophe/accident excess-of-loss reinsurance obtained from professional reinsurers.

- individual policies: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its LBPP, UniCredit Vita and CNP Partners subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the Group retains ten times the annual social security ceiling and the reinsurers cover 270 times this ceiling per event and 540 times the ceiling (€39,228 in 2017);

- group policies:

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

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

All portfolios are also covered beyond €2 million for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

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

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*. The treaty covers a 0.05% increase in the mortality rate beyond an average rate of 0.20% (based on number of deaths), subject to a 0.10% deductible and a maximum reinsurance payout of €50 million. It kicks in after any payouts made by the catastrophe/accident reinsurance pool under the excess of loss treaty and therefore covers only pandemic risk.

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

24.5.3 Counterparty risk on reinsurance balances

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

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

24.5.4 Insurance-related legal risks

The Group's insurance-related legal risks and its risk management policy are presented in section 4.1.3 Risk factors linked to the business.

5.2 Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2017

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 includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. 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 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2017 and of the results of its operations for the year then ended 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 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 2017 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.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the matter set out in Note 5.5 to the consolidated financial statements concerning the application of the exemption from applying the equity method provided for in IAS 28, paragraph 18, with respect to Co-enterprise de Transport d'Électricité (CTE).

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.

ESCALATING RISKS RESERVE FOR LONG-TERM CARE AND TERM CREDITOR POLICIES

(See Note 3.13.2 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 specific all of the inputs to be used to calculate this reserve.
 	
At 31 December 2017, other technical reserves, which are broken down in Note 3.13.2 to the consolidated financial statements, included the escalating risks reserve for long-term care policies in an amount of €383 million; the escalating risks reserve for Term Creditor Insurance business amounted to €426 million in the consolidated financial statements, 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.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 3.13.2 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 2017, other technical reserves, which are broken down in Note 3.13.2 to the consolidated financial statements, included general administrative expense reserves in an amount of €260 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves to: ▪ a situation of persistently low return rates; ▪ 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 financial return rate; ▪ 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 return rate curve applied to mathematical reserves in order to determine the forecast investment income; ▪ carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

MEASUREMENT OF UNLISTED FINANCIAL ASSETS

(See Notes 3.10.2, 3.10.3, 3.10.4 and 9.2 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 2017 for a net amount of €387,088 million, represented 91% 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 is not especially problematic given that the assets are listed on the markets. However, the risk concerning the measurement of fair value is considered greater for assets that are not listed on liquid markets, as indicated in Notes 3.10.2, 3.10.3, 3.10.4 and 9.2 to the consolidated financial statements, such as structured debt securities, venture-capital funds, loan funds, investments in 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.

Verification of the information pertaining to the Group presented in the management report

As required by law 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 its fair presentation and its consistency with the consolidated financial statements, it being specified that it is not our responsibility to give an opinion on the fair presentation and the consistency with the parent company financial statements of the prudential information (SCR coverage ratio) taken from the report provided for in Article L.356-23 of the French Insurance Code (*Code des assurances*).

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 2017, Mazars and PricewaterhouseCoopers Audit were in the twentieth year and the eighth 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 consolidated 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 accounting and financial reporting procedures.

The consolidated financial statements were 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 consolidated 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 accounting and financial reporting procedures.

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, 9 March 2018

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Bénédicte Vignon	Olivier Leclerc

Responsibilities of the Statutory Auditors relating to the audit of the consolidated 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 Company financial statements

5.3.1 Balance Sheet at 31 December 2017

5.3.1.1 Assets

(In € thousands)	**31.12.2017**	31.12.2016	Year-on-year change*
Intangible assets	**69,972**	**85,558**	**-18.2%**
Investments	**291,519,997**	**286,622,125**	**1.7%**
Land and buildings	11,796,327	10,983,824	7.4%
Investments in subsidiaries and affiliates	6,511,322	5,536,270	17.6%
Other investments	273,017,857	269,897,521	1.2%
Cash deposits with ceding insurers	194,491	204,510	-4.9%
Assets held to cover linked liabilities	**34,238,862**	**29,833,560**	**14.8%**
Reinsurers' share of technical reserves	**22,325,061**	**22,708,198**	**-1.7%**
Unearned premium and unexpired risks reserves	0	0	0.0%
Life premium reserves	18,806,518	19,444,425	-3.3%
Outstanding life claims reserves	260,960	276,099	-5.5%
Outstanding non-life claims reserves	1,021,807	999,122	2.3%
Policyholder surplus reserve – life	239,809	192,722	24.4%
Non-life bonus and rebate reserve	826	1,608	-48.6%
Claims equalisation reserve	16,818	11,256	49.4%
Other life technical reserves	0	0	0.0%
Other non-life technical reserves	229,011	272,924	-16.1%
Linked liabilities	1,749,312	1,510,042	15.8%
Receivables	**7,028,218**	**6,504,858**	**8.0%**
Insurance receivables	**2,549,940**	**2,050,848**	**24.3%**
Earned premiums not yet written	*2,259,819*	*1,788,033*	*26.4%*
Other insurance receivables	*290,121*	*262,815*	*10.4%*
Reinsurance receivables	**239,736**	**694,714**	**-65.5%**
Other receivables	**4,238,542**	**3,759,296**	**12.7%**
Prepaid payroll costs	*95*	*204*	*-53.3%*
Prepaid and recoverable taxes	*693,845*	*822,055*	*-15.6%*
Other	*3,544,602*	*2,937,037*	*20.7%*
Other assets	**608,478**	**549,999**	**10.6%**
Property and equipment	167,167	173,582	-3.7%
Current accounts and cash on hand	438,549	374,329	17.2%
Treasury shares	2,762	2,087	32.3%
Accrued income and prepaid expenses	**9,101,725**	**8,688,894**	**4.8%**
Accrued interest and rental revenue	2,811,320	2,935,723	-4.2%
Deferred acquisition costs	182	149	22.5%
Other accrued income and prepaid expenses	6,290,223	5,753,023	9.3%
TOTAL ASSETS	**364,892,313**	**354,993,192**	**2.8%**

* Changes in assets include the impact of the merger of Préviposte and Investissement Trésor Vie into CNP Assurances effective 1 January 2017. The contribution balance sheet is presented in Note 1.4 Merger of Préviposte and ITV into CNP Assurances, in the Significant Events section

5.3.1.2 Equity and liabilities

(In € thousands)	31.12.2017	31.12.2016	Year-on-year change*
Equity	**11,405,467**	**10,492,457**	**8.7%**
Share capital	686,618	686,618	0.0%
Additional paid-in capital	1,736,332	1,716,846	1.1%
Revaluation reserve	38,983	38,983	0.0%
Other reserves	6,129,704	5,815,552	5.4%
Retained earnings	1,671,303	1,139,573	46.7%
Net profit for the year	1,142,526	1,094,883	4.4%
Subordinated debt	**7,063,611**	**7,248,159**	**-2.5%**
Technical reserves	**269,860,626**	**265,615,779**	**1.6%**
Unearned premium and unexpired risks reserves	59,862	61,956	-3.4%
Life premium reserves	246,522,997	245,184,634	0.5%
Outstanding life claims reserves	4,345,603	4,010,210	8.4%
Outstanding non-life claims reserves	5,381,840	4,994,222	7.8%
Policyholder surplus reserve – life	11,261,886	9,197,301	22.4%
Bonus and rebate reserve – non-life	59,783	37,352	60.1%
Claims equalisation reserves	403,847	337,469	19.7%
Other life technical reserves	285,487	198,081	44.1%
Other non-life technical reserves	1,539,321	1,594,555	-3.5%
Linked liabilities	**34,352,524**	**29,972,337**	**14.6%**
Provisions for liabilities and charges	**122,864**	**153,283**	**-19.8%**
Cash deposits received from reinsurers	**11,972,937**	**12,235,682**	**-2.1%**
Other liabilities	**26,591,221**	**25,964,684**	**2.4%**
Liabilities arising from insurance transactions	939,302	854,530	9.9%
Liabilities arising from reinsurance transactions	690,270	1,259,551	-45.2%
Bank borrowings	398,871	134,188	197.2%
Other liabilities	24,562,778	23,716,415	3.6%
Other borrowings, deposits and guarantees received	*9,091,304*	*9,611,247*	*-5.4%*
Accrued payroll costs	*389,586*	*380,124*	*2.5%*
Accrued payroll and other taxes	*635,343*	*603,089*	*5.3%*
Other payables	*14,446,545*	*13,121,955*	*10.1%*
Deferred income and accrued expenses	**3,523,064**	**3,310,811**	**6.4%**
TOTAL EQUITY AND LIABILITIES	**364,892,313**	**354,993,192**	**2.8%**

* Changes in liabilities include the impact of the merger of Préviposte and Investissement Trésor Vie into CNP Assurances effective 1 January 2017. The contribution balance sheet is presented in Note 1.4 Merger of Préviposte and ITV into CNP Assurances, in the Significant Events section

5.3.2 Income Statement for the year ended 31 December 2017

5.3.2.1 Non-life technical account

Non-life technical account *(In € thousands)*	31.12.2017			31.12.2016	
	Gross	**Reinsurance**	**Net**	Net	Year-on-year change
Earned premiums	**2,368,388**	**(405,918)**	**1,962,470**	**1,596,932**	**22.9%**
Premiums	2,366,294	(405,918)	1,960,376	1,596,471	22.8%
Change in unearned premiums reserve and unexpired risks reserve	2,094	0	2,094	460	354.7%
Allocated investment income	**165,804**	**0**	**165,804**	**151,041**	**9.8%**
Other underwriting income	**2,960**	**0**	**2,960**	**2,023**	**46.4%**
Paid claims and benefits and change in claims reserves	**(1,783,015)**	**279,333**	**(1,503,683)**	**(1,212,695)**	**24.0%**
Paid claims and expenses	(1,419,868)	256,648	(1,163,220)	(1,738,644)	-33.1%
Change in outstanding claims reserves	(363,147)	22,685	(340,462)	525,949	-164.7%
Change in other technical reserves	**62,969**	**(43,913)**	**19,056**	**(148,545)**	**-112.8%**
Policyholder rebates	**(64,734)**	**(782)**	**(65,516)**	**(33,883)**	**93.4%**
Acquisition costs and administrative expenses	**(670,006)**	**177,971**	**(492,035)**	**(438,414)**	**12.2%**
Business acquisition costs	(580,246)	0	(580,246)	(542,348)	7.0%
Policy administration expenses	(89,760)	0	(89,760)	(75,425)	19.0%
Reinsurance commissions received	0	177,971	177,971	179,359	-0.8%
Other underwriting expenses	**(35,856)**	**0**	**(35,856)**	**(19,853)**	**80.6%**
Changes in claims equalisation reserve	**(79,900)**	**5,562**	**(74,337)**	**895**	**-8,407.7%**
NON-LIFE UNDERWRITING RESULT	**(33,389)**	**12,253**	**(21,136)**	**(102,500)**	**-79.4%**

5.3.2.2 Life technical account

Life technical account (In € thousands)	31.12.2017 Gross	Reinsurance	Net	31.12.2016 Net	Year-on-year change
Premiums [1]	**20,579,927**	**(970,942)**	**19,608,985**	**8,784,800**	**123.2%**
Investment income [2]	**10,691,606**	**(276,996)**	**10,414,610**	**10,024,540**	**3.9%**
Investment income	7,983,885	(276,996)	7,706,889	7,728,324	-0.3%
Other investment income	817,317	0	817,317	722,172	13.2%
Profits on disposal of investments	1,890,404	0	1,890,404	1,574,044	20.1%
Mark-to-market gains on assets held to cover linked liabilities	**2,897,813**	**(101,816)**	**2,795,997**	**2,824,108**	**-1.0%**
Other underwriting income	**35,817**	**(252)**	**35,564**	**309,697**	**-88.5%**
Paid claims and benefits and change in claims reserves [3]	**(24,812,068)**	**1,485,948**	**(23,326,120)**	**(19,496,137)**	**19.6%**
Paid claims and expenses	(24,561,252)	1,501,088	(23,060,164)	(19,432,442)	18.7%
Change in outstanding claims reserves	(250,816)	(15,139)	(265,956)	(63,695)	317.5%
Change in life premium reserves and other technical reserves	**5,929,384**	**(401,183)**	**5,528,201**	**13,493,387**	**-59.0%**
Life premium reserves	10,345,863	(642,772)	9,703,090	14,405,106	-32.6%
Linked liabilities	(4,380,187)	239,270	(4,140,917)	(899,092)	360.6%
Other technical reserves	(36,291)	2,320	(33,972)	(12,626)	169.1%
Policyholder dividends	**(7,276,687)**	**49,418**	**(7,227,269)**	**(7,362,315)**	**-1.8%**
Acquisition costs and administrative expenses [4]	**(2,261,244)**	**131,389**	**(2,129,854)**	**(2,086,585)**	**2.1%**
Business acquisition costs	(1,019,469)	0	(1,019,469)	(988,674)	3.1%
Policy administration expenses	(1,241,774)	0	(1,241,774)	(1,244,801)	-0.2%
Reinsurance commissions received	0	131,389	131,389	146,890	-10.6%
Investment expenses [5]	**(2,774,284)**	**5,743**	**(2,768,540)**	**(2,727,672)**	**1.5%**
Internal and external investment management expenses and interest	(547,957)	0	(547,957)	(619,067)	-11.5%
Other investment expenses	(1,046,697)	5,743	(1,040,953)	(1,271,885)	-18.2%
Losses on disposal of investments	(1,179,630)	0	(1,179,630)	(836,720)	41.0%
Mark-to-market losses on assets held to cover linked liabilities	**(1,366,441)**	**14,164**	**(1,352,277)**	**(2,254,345)**	**-40.0%**
Other underwriting expenses	**(258,641)**	**90**	**(258,551)**	**(276,254)**	**-6.4%**
Investment income transferred to the non-technical account	**0**	**0**	**0**	**0**	**0.0%**
LIFE UNDERWRITING RESULT [6]	**1,385,183**	**(64,436)**	**1,320,747**	**1,233,224**	**7.1%**

(1) Net premiums for 2016 are stated after deducting €11.8 billion worth of premiums ceded to BPCE. Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 net premiums amounted to €8,915,540 thousand, representing a like-for-like increase of 119.9%

(2) Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 investment income amounted to €10,336,297 thousand, representing a like-for-like increase of 0.8%

(3) Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 paid claims and benefits and change in claims reserves amounted to €20,074,062 thousand, representing a like-for-like increase of 16.2%

(4) Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 acquisition costs and administrative expenses amounted to €2,133,036 thousand, representing a like-for-like decrease of 0.1%

(5) Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 investment expenses amounted to €2,850,570 thousand, representing a like-for-like decrease of 2.9%

(6) Restated to exclude the impact of the merger of Préviposte and ITV into CNP Assurances, 2016 life underwriting result represented a profit of €1,256,367 thousand, representing a like-for-like increase of 5.1%

5.3.2.3 Non-technical account

Non-technical account *(In € thousands)*	31.12.2017	31.12.2016	Year-on-year change
Non-life underwriting result	**(21,136)**	**(102,500)**	**-79.4%**
Life underwriting result	**1,320,747**	**1,233,224**	**7.1%**
Investment income	**576,807**	**535,213**	**7.8%**
Investment revenue	426,841	412,617	3.4%
Other investment income	45,267	38,557	17.4%
Profits on disposal of investments	104,699	84,039	24.6%
Allocated investment income	**0**	**0**	**0.0%**
Investment expenses	**(153,334)**	**(145,631)**	**5.3%**
Internal and external investment management expenses and interest	(30,348)	(33,052)	-8.2%
Other investment expenses	(57,653)	(67,906)	-15.1%
Losses on disposal of investments	(65,333)	(44,673)	46.2%
Investment income transferred to the technical account	**(165,804)**	**(151,041)**	**9.8%**
Other income	**13,989**	**12,715**	**10.0%**
Other expenses	**(22,202)**	**(12,678)**	**75.1%**
Non-recurring items	**19,574**	**(8,317)**	**-335.3%**
Non-recurring income	99,195	8,344	1,088.8%
Non-recurring expenses	(79,621)	(16,661)	377.9%
Employee profit-sharing	**(21,083)**	**(17,819)**	**18.3%**
Income tax expense	**(405,031)**	**(248,283)**	**63.1%**
NET PROFIT FOR THE YEAR	**1,142,526**	**1,094,883**	**4.4%**

5.3.3 Commitments received and given

(In € thousands)	31.12.2017	31.12.2016
1. Commitments received	**56,937,781**	**62,777,867**
1a. Commitments related to securities, other assets or revenue [1]	56,937,781	62,127,759
1b. Other commitments received	0	650,108
2. Commitments given	**56,590,985**	**60,836,639**
2a. Sureties, bonds and guarantees provided	11,064,792	11,083,174
2b. Securities and other assets purchased under resale agreements	4,586	5,218
2c. Other commitments related to securities, other assets or revenue [1]	37,490,053	45,343,887
2d. Other commitments given [2]	8,031,553	4,404,360
3. Securities lodged as collateral by reinsurers	**13,809,156**	**12,977,269**

(1) Commitments related to forward financial instruments are presented in Note 7
(2) Other commitments given correspond mainly to assets pledged as collateral under inward reinsurance treaties

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 life and endowment insurance;
- write accidental injury and health insurance;
- 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 Acquisition of a stake in Réseau de Transport d'Électricité (RTE)

On 14 December 2016, EDF, Caisse des Dépôts and CNP Assurances signed a binding agreement for the acquisition by Caisse des Dépôts and CNP Assurances of a combined 49.9% stake in Réseau de Transport d'Électricité (RTE). The aim of the transaction was to provide RTE with a new governance structure to support the Group over the long term as it invests in building a smart transmission system that will help drive the energy transition.

On 31 March 2017, Caisse des Dépôts and CNP Assurances became core shareholders of RTE alongside EDF, through the creation of a joint venture, CTE, which is 50.1%-owned by EDF and 49.9%-owned by Caisse des Dépôts and CNP Assurances. The deal structure gives Caisse des Dépôts a 29.9% indirect interest in RTE and CNP Assurances an indirect interest of 20%.

All the conditions precedent were fulfilled ahead of the completion date. CNP Assurances' stake in the CTE acquisition vehicle was acquired at a cost of €1,080 million.

The three indirect shareholders exercise joint control over RTE within the regulatory framework established by France's energy industry regulator, the *Commission de la Régulation de l'Énergie* (CRE). A shareholders' agreement has been signed describing how CTE's shareholders will jointly exercise their rights and obligations.

1.2 Partnership with the Crédit Agricole Group

On 22 June 2017, CNP Assurances and the Crédit Agricole Group signed a memorandum of understanding relating to term creditor insurance at Crédit Agricole's regional banks. The Crédit Agricole Group announced back in March 2016 that it intended to internalise the Group borrower insurance contracts of the regional banks to its Crédit Agricole Assurances subsidiary, as part of its "Strategic ambitions of 2020" plan. The transfer of new business on term creditor insurance to the Crédit Agricole Group will take place gradually starting in September 2017, and the agreement provides for 20% reinsurance by CNP Assurances for five annual accounting periods, from 2018. CNP Assurances will underwrite 50% of the portfolio of existing contracts for as long as the policies remain in force.

The partnership with Crédit Agricole has contributed an average of €30 million to CNP Assurances' recurring EBIT in recent years, representing around 1.7% of EBIT for France (€1,777 million in 2017) and 1.0% of consolidated EBIT (€2,889 million in 2017).

1.3 CNP Assurances and UniCredit renew their partnership in Italy

On 20 December 2017, CNP Assurances and UniCredit renewed their life insurance partnership in Italy organised through the company CNP UniCredit Vita, 57.5% held by CNP Assurances, 38.8% held by UniCredit and 3.7% held 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. The distribution agreement provides for the creation of a dedicated sales organisation to enhance the distribution of unit-linked savings products, individual protection insurance and term creditor insurance, in line with the CNP Assurances Group's strategy for reorienting the product mix. The partnership's geographic scope remains unchanged, covering Central and Southern Italy, including Sardinia and Sicily (i.e., 1,365 UniCredit branches and points of sale).

1.4 Merger of Préviposte and ITV into CNP Assurances

As of 1 January 2017, Préviposte, which was licensed to write class 20 lines (life insurance and death benefits) and class 24 lines (endowment insurance), and Investissement Trésor Vie (ITV), which was licensed to write class 24 lines (endowment insurance), were both wholly-owned subsidiaries of CNP Assurances.

They were originally created to manage the *bons de capitalisation* endowment insurance contracts sold by La Banque Postale and the Trésor Public network, on behalf of CNP Assurances which was not licensed to write class 24 lines until 1994.

The purpose of merging them into CNP Assurances was to reduce the number of separate companies from three to one.

The proposed merger was authorised by France's insurance supervisor, ACPR in its decision No. 2017-C-36 dated 11 September 2017 approving the transfer of the two subsidiaries' insurance books, which was published in the *Journal Officiel* on 4 October 2017.

As allowed by Article L.236-11 of the French Commercial Code, the simplified merger was backdated to 1 January 2017 for accounting and tax purposes.

The total assets transferred from Préviposte and ITV to CNP Assurances amounted to €7,257 million.

The total callable liabilities transferred amounted to €6,798 million.

The net assets transferred from Préviposte and ITV to CNP Assurances therefore amounted to €459 million.

The difference between the book value of the transferred assets and rights and the book value of the Préviposte and ITV shares held by CNP Assurances was €311 million, representing a merger surplus.

In accordance with French accounting standard (*Comité de la Réglementation Comptable*) CRC 2004-01, paragraph 4.5.1 of 4 May 2004, this surplus was recorded in financial income for €19.6 million and in equity for €291.4 million.

Following the transfer of all of their assets and liabilities to CNP Assurances, Préviposte and ITV were automatically dissolved due to the merger being completed.

The Préviposte contribution balance sheet was as follows:

Balance sheet - assets

(In € thousands)	31.12.2016
Intangible assets	**0**
Investments	**6,527,248**
Assets held to cover linked liabilities	**0**
Reinsurers' share of technical reserves	**0**
Receivables	**30,059**
Insurance receivables	**5,713**
Earned premiums not yet written	*628*
Other insurance receivables	*5,085*
Reinsurance receivables	**0**
Other receivables	**24,347**
Prepaid and recoverable taxes	*11,322*
Other	*13,024*
Other assets	**147**
Current accounts and cash on hand	147
Accrued income and prepaid expenses	**124,547**
TOTAL ASSETS	**6,682,002**

Balance sheet – equity and liabilities

(In € thousands)	31.12.2016
Equity	**0**
Subordinated debt	**0**
Technical reserves	**6,107,214**
Life premium reserves	5,745,343
Outstanding life claims reserves	84,494
Policyholder surplus reserve – life	277,131
Other life technical reserves	247
Linked liabilities	**0**
Provisions for liabilities and charges	**5,192**
Cash deposits received from reinsurers	**0**
Other liabilities	**83,424**
Liabilities arising from insurance transactions	4,055
Bank borrowings	5,319
Other liabilities	74,050
Accrued payroll and other taxes	*8,401*
Other payables	*65,649*
Deferred income and accrued expenses	**85,793**
TOTAL EQUITY AND LIABILITIES	**6,281,624**

The Investissement Trésor Vie contribution balance sheet was as follows:

Balance sheet - assets		**Balance sheet – equity and liabilities**	
(In € thousands)	31.12.2016	*(In € thousands)*	31.12.2016
Intangible assets	**0**	**Equity**	**0**
Investments	**549,192**	**Subordinated debt**	**0**
Assets held to cover linked liabilities	**0**	**Technical reserves**	**500,603**
Reinsurers' share of technical reserves	**0**	Life premium reserves	473,700
Receivables	**1,797**	Policyholder surplus reserve – life	26,903
Insurance receivables	**217**	**Linked liabilities**	**0**
Earned premiums not yet written	*148*	**Provisions for liabilities and charges**	**307**
Other insurance receivables	*69*	**Cash deposits received from reinsurers**	**0**
Reinsurance receivables	**0**		
Other receivables	**1,580**	**Other liabilities**	**12,130**
Prepaid and recoverable taxes	*213*	Liabilities arising from insurance transactions	517
Other	*1,367*	Bank borrowings	446
Other assets	**30**	Other liabilities	11,168
Current accounts and cash on hand	30	*Accrued payroll and other taxes*	*1,483*
		Other payables	*9,685*
Accrued income and prepaid expenses	**23,811**	**Deferred income and accrued expenses**	**3,022**
TOTAL ASSETS	**574,830**	**TOTAL EQUITY AND LIABILITIES**	**516,063**

1.5 Transfer of a portfolio of contracts to Arial CNP Assurances

On 15 December 2015, AG2R La Mondiale and CNP Assurances signed a framework partnership contract in the field of retirement savings. The strategic partnership is organised around a joint subsidiary, Arial CNP Assurances, which combines the teams, resources and business portfolios of the two partners and is aiming to become the leading company retirement savings plan provider.

The purpose of the joint venture is to manage retirement savings plans for some 20,000 companies ranging from SMEs to CAC40 companies, representing around €12 billion in technical reserves. To drive its growth, Arial CNP Assurances is leveraging the financial strength and expertise of its two shareholders, AG2R La Mondiale, the number-one social protection group and leader in the field of private pensions, and CNP Assurances, the number-one provider of personal insurance in France.

CNP Assurances owns 40% of Arial CNP Assurances and AG2R La Mondiale owns 60%. They have demonstrated their support for the new venture, by agreeing to reinsure the contracts sold by Arial CNP Assurances, which combines the retirement Savings businesses, expertise and investment capacity of AG2R La Mondiale and CNP Assurances, demonstrating the important contribution of this business to the two Groups' growth strategies.

The partnership contract covers the following main aspects:

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

Transfer of a portfolio of company retirement savings contracts (traditional and unit-linked funds) by CNP Assurances to Arial CNP Assurances

The proposed transfer of the insurance portfolio was authorised by France's insurance supervisor, ACPR in its decision No. 2017-C-35 dated 11 September 2017, which was published in the *Journal Officiel* on 27 October 2017 (edition 0252).

The transfer was backdated to 1 January 2017 and all transactions carried out by CNP Assurances in respect of the transferred portfolio were considered as having been carried out by Arial CNP Assurances as from that date for accounting and tax purposes.

It concerned (i) a portfolio of company retirement savings plans invested in both traditional and unit-linked funds representing liabilities of €4,013 million and (ii) unit-linked asset portfolios and mutual fund units for a total of €4,013 million, transferred at net book value. The net assets (assets less liabilities) transferred by CNP Assurances amounted to €23.99

As consideration for the transferred net assets, CNP Assurances received one new Arial CNP Assurances share, credited as fully paid.

The contribution balance sheet for the portfolio transferred by CNP Assurances to Arial CNP Assurances was as follows:

Balance sheet - assets

(In € thousands)	31.12.2016
Investments	**2,597,561**
Land and buildings	
Other insurance assets	2,597,561
Assets held to cover linked liabilities	**1,365,788**
Receivables	**31,216**
Insurance receivables	
Earned premiums not yet written	*28,574*
Other insurance receivables	*2,643*
Other assets	**18,278**
Current accounts and cash on hand	18,278
TOTAL ASSETS	**4,012,843**

Balance sheet – equity and liabilities

(In € thousands)	31.12.2016
Technical reserves	**2,623,517**
Life premium reserves	2,540,220
Outstanding life claims reserves	20,487
Policyholder surplus reserve – life	62,810
Linked liabilities	**1,369,327**
Other liabilities	**19,999**
Liabilities arising from insurance transactions:	6,820
Other liabilities	13,179
Accrued payroll and other taxes	*1,244*
Other payables	*11,935*
TOTAL EQUITY AND LIABILITIES	**4,012,843**

1.6 Elimination of the *contribution additionnelle* surtax on distributed earnings and introduction of a 30% exceptional surtax on French corporate income tax in 2017

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.

Elimination of this surtax will generate an annual saving of some €15 million for the Company based on the amounts paid in prior years.

In addition, the Company has obtained a refund of the surtax paid in the years 2013 to 2017 for a total of €69.4 million including interest.

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 will represent 30% of its French income tax liability and amounts to around €94.6 million. This represents an additional tax cost of €31.5 million compared to the €63.1 million refund of the 3% tax on distributed earnings (excluding interest).

1.7 Reform of points-based supplementary pension plans

Decree No. 2017-1172 dated 18 July 2017 has enacted a regulatory change concerning points-based supplementary pension plans. Article 1 of the decree establishes new rules for the calculation of the special technical reserves ("PTS") set aside for these plans.

Under the new rules, 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 special technical reserves.

The Government order dated 14 August 2017 has introduced new rules for determining the theoretical mathematical reserve ("PMT"), using the EIOPA discount curve in place of the previously mandated discount rate.

From an accounting standpoint, these changes (inclusion of unrealised gains and losses in the calculation of the ratio used to determine whether a PTSC is required) and changes in the methods of estimating the PMT and the (PTS) have had the effect of transforming deficits under points-based plans into surpluses. As a result, the PTSC set aside in prior years is no longer necessary and has been released, for an amount of €123 million net of reinsurance.

The release of this reserve qualifies as the effect of a change of accounting estimate and has therefore been recorded in 2017 profit.

1.8 Effect of French State's withdrawal from financing statutory uplifts to certain life annuities

Article 142 of France's 2018 Finance Act provides for the withdrawal of the French State's contribution to statutory uplifts to life annuities (except for veterans' pensions) with effect from 1 January 2018.

This decision will lead to additional costs of €212 million for the Company. The total reserve for statutory uplifts amounted to €225 million at 31 December 2017, including €183 million for annuities in payment and €42 million for deferred annuities.

The Company has chosen not to defer recognition of the accounting impact over six years.

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 2017.

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 at the risk-free rate plus a conservatively estimated risk premium (capitalisation rate corresponding to the TME rate + 500 bps) or, failing that the last month's market average, over the probable holding period for the corresponding assets. The holding period takes into account the Company's capacity to hold investments and its intention to do so.

CNP Assurances recognised a provision for an other-than-temporary impairment of €2,481 million for equities and mutual funds.

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 of years.

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 and from the profit defined in Article L.232-12 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, fair 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 not intended 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 2017 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 Caixa Seguros Holding's profit for the year;
- for the Brazilian real, to hedge CNP Assurances' net investment in CNP Assurances Partcipações Ltda;
- 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.343-3-7 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 a 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 2017, the general administration expense reserve for savings and pensions contracts amounted to €232 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 €424 million at 31 December 2017. 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 €383 million at 31 December 2017. 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 monetize 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" plans). 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, Prévimut, 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 2017, 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" and deducted from taxable profit.

The €1.6 million CICE tax credit for 2017 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 01.01.2017	Additions	Disposals	Transfers	Gross at 31.12.2017
Intangible assets	**316,570**	**18,659**	**18,975**		**316,254**
Software	316,570	18,659	18,975		316,254
Land and buildings	**11,302,266**	**3,195,010**	**2,354,293**	**(411)**	**12,142,573**
Forests	103,619	2,452	2,468	(1,399)	102,204
Developed property	231,858	244	1,733	7,497	237,865
Shares in unlisted property companies	10,950,780	3,188,490	2,349,811	(411)	11,789,049
Property investments in progress	16,008	3,824	280	(6,097)	13,455
Investments in subsidiaries and affiliates	**5,945,364**	**1,677,324**	**530,260**	**(113,577)**	**6,978,851**
Investments in subsidiaries	4,676,664	463,143	339,831	(142,052)	4,657,923
Investments in affiliates	1,268,700	1,214,182	190,429	28,475	2,320,928
TOTAL	**17,564,200**	**4,890,993**	**2,903,527**	**(113,988)**	**19,437,678**

Depreciation, amortisation and provisions *(In € thousands)*	Gross at 01.01.2017	Increases	Decreases	Transfers	Gross at 31.12.2017
Amortisation of software	231,012	22,154	7,183	300	246,282
Depreciation of buildings	100,317	7,680	1,506	0	106,491
Provisions for impairment of land		542	240	1,947	2,248
Provisions for impairment of buildings	1,947			(1,947)	0
Provisions for impairment of shares in property companies	216,179	26,125	4,765	(32)	237,507
Provisions for impairment of investments in subsidiaries	358,575	76,313	19,201	(192)	415,495
Provisions for impairment of other investments	50,519	6,710	3,908	(1,287)	52,034
TOTAL	**958,549**	**139,524**	**36,804**	**(1,211)**	**1,060,057**

Carrying amount (gross amount less depreciation, amortisation and provisions) *(In € thousands)*	Net at 01.01.2017	Increases	Decreases	Transfers	Net at 31.12.2017
Intangible assets	**85,558**	**(3,495)**	**11,791**	**(300)**	**69,972**
Software	85,558	(3,495)	11,791	(300)	69,972
Land and buildings	**10,983,824**	**3,160,663**	**2,347,781**	**(379)**	**11,796,327**
Forests	103,619	1,910	2,228	(3,346)	99,955
Developed property	129,595	(7,437)	227	9,443	131,374
Shares in unlisted property companies	10,734,601	3,162,366	2,345,046	(379)	11,551,543
Property investments in progress	16,008	3,824	280	(6,097)	13,455
Investments in subsidiaries and affiliates	**5,536,270**	**1,594,301**	**507,151**	**(112,099)**	**6,511,322**
Investments in subsidiaries	4,318,089	386,829	320,630	(141,860)	4,242,428
Investments in affiliates	1,218,182	1,207,472	186,521	29,762	2,268,894
TOTAL	**16,605,651**	**4,751,469**	**2,866,723**	**(112,777)**	**18,377,620**

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	**12,119,398**	**11,773,153**	**15,261,461**
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	**23,217,421**	**20,750,443**	**26,546,478**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	609,068	508,279	415,270
3) Mutual fund units (other than those in 4)	**30,937,732**	**30,428,867**	**37,398,793**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
4) Units in mutual fund invested exclusively in fixed-income securities	**30,086,589**	**30,086,589**	**30,383,245**
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	**195,892,124**	**197,625,157**	**218,359,029**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,090,714	506,502	(714,741)
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	**168,000**	**168,000**	**176,934**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
8) Deposits with ceding insurers	**194,491**	**194,491**	**194,491**
9) Cash deposits (other than those in 8) and guarantees and other investments	**390,606**	**390,606**	**390,606**
10) Assets backing unit-linked contracts	**34,238,862**	**34,238,862**	**34,238,862**
Property investments	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	**328,945,006**	**326,670,949**	**362,650,429**

(In € thousands)	Gross amount	Carrying amount*	Realisable value
a) of which:			
investments measured in accordance with Article R.343-9	191,773,655	193,005,451	212,342,838
investments measured in accordance with Article R.343-10	102,757,980	99,252,128	115,894,220
investments measured in accordance with Article R.343-13	34,238,862	34,238,862	34,238,862
investments measured in accordance with Article R.343-11	174,509	174,509	174,509
b) of which:			
securities representing technical reserves other than those listed below	295,795,724	293,660,834	325,783,866
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)	7,041,973	7,041,973	7,041,973
securities allocated to special technical reserves for other business in France	8,611,747	8,995,854	11,019,508
other allocated or unallocated investments	17,495,562	16,972,289	18,805,083
c) of which:			
investments and forward financial instruments in OECD member countries	327,667,572	325,433,458	360,517,684
investments and forward financial instruments in countries that are not members of the OECD	1,277,433	1,237,492	2,132,746
II - Assets representing technical reserves (other than investments and reinsurers' share of technical reserves)			
Accrued interest	2,834,738	2,834,738	2,834,738
Cash at bank	39,679	39,679	39,679
Other	2,434,750	2,434,750	2,434,750
Total assets representing technical reserves	**5,309,167**	**5,309,167**	**5,309,167**
TOTAL	**334,254,172**	**331,980,116**	**367,959,596**

* Including €2,481 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	71,211	4,659
Italy	6,227	441
Belgium	6,087	345
Spain	8,227	662
Austria	4,394	146
Brazil	3	1
Portugal	271	7
Netherlands	175	4
Ireland	590	15
Germany	1,727	119
Greece	10	0
Finland	89	1
Poland	246	27
Luxembourg	50	17
Sweden	0	0
Denmark	0	0
Slovenia	140	4
Canada	775	98
Supranational issuers	5,389	472
Other	381	39
TOTAL	**105,992**	**7,058**

(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)*	Gross amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Insurance receivables	**2,549,940**	**2,545,298**	**4,642**	
Earned premiums not yet written	2,259,819	2,259,819		
Other insurance receivables	290,121	285,479	4,642	
Reinsurance receivables	**239,736**	**239,736**		
Other receivables	**4,238,542**	**4,238,542**		
Prepaid payroll costs	95	95		
Prepaid and recoverable taxes	693,845	693,845		
Other	3,544,602	3,544,602		
Called and unpaid capital	**0**	**0**		
TOTAL	**7,028,218**	**7,023,576**	**4,642**	

Payables *(In € thousands)*	Gross amount	Less than 1 year	Between 1 and 5 years	More than 5 years
Cash deposits received from reinsurers	**11,972,937**	**11,972,937**		
Other liabilities	**26,591,221**	**26,542,585**	**48,636**	
Liabilities arising from insurance transactions	939,302	939,302		
Liabilities arising from reinsurance transactions	690,270	690,270		
Bank borrowings	398,871	398,871		
Other liabilities	24,562,778	24,514,142	48,636	
Negotiable debt securities issued by the Company	0	0		
Other borrowings, deposits and guarantees received	9,091,304	9,042,668	48,636	
Accrued payroll costs	389,586	389,586		
Accrued payroll and other taxes	635,343	635,343		
Other payables	14,446,545	14,446,545		
TOTAL	**38,564,158**	**38,515,522**	**48,636**	

5.4 Subsidiaries and affiliates

5.4.1 Investments in subsidiaries and affiliates

(In € thousands)	Total at 31.12.2017				Affiliates				Subsidiaries			
	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	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			20,788					20,788			20,788
CNP CAUTION	464,917			464,917					464,917			464,917
CNP CYPRUS INSURANCE HOLDINGS LIMITED	145,915		22,396	123,519					145,915		22,396	123,519
CNP EUROPE LIFE LIMITED	13,526			13,526					13,526			13,526
CNP LUXEMBOURG	32,000			32,000					32,000			32,000
CNP PARTNERS	129,154			129,154					129,154			129,154
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		6,125		6,125					
Sub-total	**2,408,562**	**401**	**337,676**	**2,071,287**	**49,505**	**0**	**6,125**	**43,380**	**2,359,057**	**401**	**331,551**	**2,027,907**

(In € thousands)	Total at 31.12.2017				Affiliates				Subsidiaries			
	Shares	**Other**	**Impairment**	**Carrying amount**	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	Carrying amount
Other companies												
270 INVESTMENTS	125,573	304,050		429,623					125,573	304,050		429,623
3i GROWTH CAPITAL F	27,347			27,347					27,347			27,347
ÂGE D'OR EXPANSION	2,448	2,200	1,708	2,940					2,448	2,200	1,708	2,940
ALPINVEST FEEDER (EURO) V C.V.	38,824			38,824					38,824			38,824
ASSURISTANCE	13,427			13,427					13,427			13,427
AXA INFRASTRUCTURE PARTNERS	49,742			49,742	49,742			49,742				
BABYLON INVESTMENTS BV	96,174			96,174	96,174			96,174				
BRIDGEPOINT EUROPE IV G	9,169			9,169					9,169			9,169
CANTIS		62		62		62		62				
CAPLOC	100			100					100			100
CAPVITA	26		22	3					26		22	3
CARTERA PBTAMSI	15,000			15,000					15,000			15,000
CBPE CAPITAL VIII SPECIAL INVESTORS	10,931		3,142	7,789					10,931		3,142	7,789
CLEANTECH EUROPE II SPECIAL INVESTORS	16,222			16,222					16,222			16,222
CNP ASSURANCES PARTICIPAÇOES LTDA	381,918			381,918					381,918			381,918
CNP FORMATION	37		31	6					37		31	6
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	49,014			49,014					49,014			49,014
CNP TECHNOLOGIES DE L'INFORMATION	914	4,000		4,914					914	4,000		4,914
COMMERCIAL REAL ESTATE LOANS	32,800			32,800	32,800			32,800				
CREDICOOP AFAVyDC	7,460		7,460		7,460		7,460					
CTE	1,083,355			1,083,355	1,083,355			1,083,355				
DIF INFRASTRUCTURE II	37,190		37,190						37,190		37,190	
ECUREUIL VIE DEVELOPPEMENT	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
EQUASANTÉ	805		36	768	805		36	768				
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.	15,211			15,211					15,211			15,211
GEOSUD	139,488			139,488					139,488			139,488
GROUPEMENT PROPRIÉTÉS CDC CNP	6			6	6			6				
HOLDING D'INFRASTRUCTURES GAZIERES	420,471			420,471					420,471			420,471
INFRA VIA	8,093			8,093	8,093			8,093				
INFRA-INVEST	5,115			5,115					5,115			5,115
INFRA-INVEST FRANCE	102,001	94,473	35,718	160,757					102,001	94,473	35,718	160,757
INFRASTRUCTURE PARTNERS (MORGAN STANLEY)	41,378		4,672	36,706					41,378		4,672	36,706
INTER EXPANSION-FONGEPAR	7,977		2,267	5,709	7,977		2,267	5,709				

(In € thousands)	Total at 31.12.2017				Affiliates				Subsidiaries			
	Shares	**Other**	**Impairment**	**Carrying amount**	Shares	Other	Impairment	Carrying amount	Shares	Other	Impairment	Carrying amount
LANCOSME	61	98		159					61	98		159
LYFE	100	150	40	210					100	150	40	210
MERIDIAM INFRASTRUCTURE	103,297			103,297	103,297			103,297				
MERIDIAM TRANSITION	149,989			149,989	149,989			149,989				
MONTAGU IV (SCOTS FEEDER)	17,943			17,943					17,943			17,943
MONTPARVIE 2	675			675					675			675
OPEN CNP	22,000			22,000					22,000			22,000
PREVIMUT	1,564		1,340	225					1,564		1,340	225
SMCA	2,000			2,000					2,000			2,000
SOGESTOP K	156		81	74					156		81	74
SOGESTOP L	18,626			18,626					18,626			18,626
Other companies*	**724,847**		**36,146**	**688,701**	**724,847**		**36,146**	**688,701**				
Sub-total	**4,110,623**	**459,265**	**129,853**	**4,440,035**	**2,267,129**	**4,294**	**45,909**	**2,225,514**	**1,843,494**	**454,971**	**83,944**	**2,214,521**
Total by type	6,519,185	459,666	467,529	6,511,322	2,316,633	4,294	52,034	2,268,894	4,202,551	455,372	415,495	4,242,428
TOTAL		**6,978,851**	**467,529**	**6,511,322**		**2,320,928**	**52,034**	**2,268,894**		**4,657,923**	**415,495**	**4,242,428**

* Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital

5.4.2 Financial income and expenses received from and paid to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	**31.12.2017**	31.12.2016
Financial expenses	34,426	8,478	42,904	83,581
Financial income	560,706	215,933	776,639	775,688

5.4.3 Receivables from and payables to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	**31.12.2017**	31.12.2016
Receivables	**43,721**	**1**	**43,722**	**68,824**
Other receivables	43,721	1	43,722	68,824
Prepaid and recoverable taxes	*14,400*	*0*	*14,400*	*14,400*
Other	*29,321*	*1*	*29,322*	*54,424*
Other liabilities	**367,807**	**507,357**	**875,164**	**1,033,509**
Other payables	*367,807*	*507,357*	*875,164*	*1,033,509*

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	6,942	104,642	85,726	85,726	100.00%	60,145	6,504	2,532	1,565	Property company
270 INVESTMENTS[7]	4, place Raoul Dautry - 75015 Paris - France	EUR	32,129	82,146	375,318	125,573	125,573	100.00%	304,050	0	11,045	8,032	Investment fund
36 MARBOEUF SAS[1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	28,317	(41)	52,738	55,694	55,694	100.00%	21,745	2,557	897	0	Property company
3i GROWTH CAPITAL F	16 Palace Street - London SW1E 5JD - UK	EUR	n/a	n/a	n/a	27,347	2,231	76.92%	0	n/a	n/a	0	Investment fund
A9B PARIS[1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	10,000	87,565	215,019	99,991	99,991	100.00%	101,009	8	2,337	0	Property company
AEP 247[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	168,067	(3,493)	189,144	161,102	161,102	100.00%	0	5,058	14,613	4,592	Property company
AEW IMCOM 1[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	131,753	(1,893)	155,455	102,119	102,119	100.00%	20,389	4,277	3,841	4,792	Property company
AEW IMCOM 6[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	373,642	(11,932)	560,115	258,699	258,699	83.33%	141,665	34,891	26,177	16,814	Property company
ALPINVEST FEEDER (EURO) V C.V.	Jachthavenweg 118 - 1081 KJ Amsterdam - Netherlands	EUR	n/a	n/a	n/a	38,824	27,283	99.98%	0	n/a	n/a	0	Investment fund
ASSURBAIL PATRIMOINE[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	183,233	91,882	303,981	214,588	214,588	99.99%	0	13,630	16,224	16,287	Property company
ASSURECUREUIL PIERRE[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	19,312	16,433	50,231	58,138	58,138	85.83%	0	6,694	10,747	12,453	Property company
ASSURECUREUIL PIERRE 3[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	199,624	190,528	696,913	252,165	252,165	77.98%	212,015	7,920	22,849	41,877	Property company
ASSURECUREUIL PIERRE 4[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	101,740	73,141	236,146	168,599	168,599	100.00%	18,282	0	42,148	8,953	Property company
ASSURECUREUIL PIERRE 5[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,362	1,679	7,188	8,225	8,225	100.00%	511	1,465	1,103	1,026	Property company
ASSURIMMEUBLE[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	644,000	764,625	1,425,594	1,512,840	1,512,840	100.00%	0	1,295	15,056	18,450	Property company
ASSURISTANCE[7]	4, place Raoul Dautry - 75015 Paris - France	EUR	20,344	552	27,424	13,427	13,427	66.00%	0	0	5,974	3,786	Diversification
AXE France[1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	5,001	56,505	141,631	43,085	43,085	50.00%	35,618	10,257	3,300	1,317	Property company
BAUDRY PONTHIEU[1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,460	36,549	98,463	44,559	44,559	99.90%	53,270	6,049	2,331	446	Property company
BERCY CRYSTAL[1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	5,000	45,002	127,186	50,000	50,000	100.00%	68,786	2,341	1,931	1,250	Property company
BRIDGEPOINT EUROPE IV G	30, Warwick Street - London W1B 5AL - UK	EUR	n/a	n/a	n/a	9,169	6,602	83.34%	0	n/a	n/a	0	Investment fund
CAIXA SEGUROS HOLDING[7]	SCN Quadra 01 Lote A Ed. N°1 - 15°,16° e 17° Andares - Brasilia - Brazil	EUR	801,632	(175,874)	1,201,399	434,906	434,906	50.75%	0	0	570,170	203,761	Insurance
CANOPÉE[1]	20, rue Quentin Bauchart - 75008 Paris - France	EUR	47,210	0	97,478	47,200	47,200	99.98%	45,107	8,103	1,765	2,382	Property company
CARTERA PBTAMSI	Almagro, 36, 2° planta - 28010 Madrid - Spain	EUR	n/a	n/a	n/a	15,000	14,000	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	10,931	7,204	100.00%	0	n/a	n/a	0	Investment fund
CICOGE[1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	37,320	68,002	115,010	198,869	198,869	99.99%	0	5,971	4,510	7,763	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
CIMO [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	213,022	154,979	416,457	600,345	600,345	100.00%	0	18,368	36,255	45,161	Property company
CLEANTECH EUROPE II SPECIAL INVESTORS	140, Brompton Road - London SW3 1HY - UK	EUR	n/a	n/a	n/a	16,222	15,515	100.00%	0	n/a	n/a	0	Investment fund
CNP ASSURANCES BRASIL HOLDING LTDA [7]	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710-900 Brasila - Brazil	EUR	7,054	21,200	33,904	8,128	8,128	100.00%	0	0	5,393	2,016	Insurance
CNP ASSURANCES COMPAÑIA DE SEGUROS [7]	M.T. de Alvear 1541 (C1060AAC) - 1001 Buenos Aires - Argentina	EUR	10,169	7,723	68,333	20,788	20,788	76.47%	0	47,472	11,163	0	Insurance
CNP ASSURANCES PARTICIPAÇOES LTDA [7]	na Alameda Santos 1293 conj. 63 CEP 01419-904 São Paulo - Brazil	EUR	195,102	3,951	200,169	381,918	381,918	100.00%	0	0	0	0	Diversification
CNP CAUTION [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	258,735	177,538	704,341	464,917	464,917	100.00%	0	87,201	18,149	0	Insurance
CNP CYPRUS INSURANCE HOLDINGS LIMITED [7]	64 Arch. Makarios III ave. & 1 Karpenisiou Str - 1077 Nicosia - Cyprus	EUR	90	132,034	160,848	145,915	123,519	50.10%	0	0	15,025	777	Insurance
CNP EUROPE LIFE LIMITED [7]	Embassy House, Herbert Park Lane, Ballsbridge - Dublin 4 - Ireland	EUR	52,523	23,006	253,837	13,526	13,526	100.00%	0	140	(591)	0	Insurance
CNP Luxembourg [7]	10, rue de Reims L-2417 Luxembourg - Luxembourg	EUR	32,000	(496)	181,433	32,000	24,000	100.00%	0	53,845	(2,466)	0	Insurance
CNP PARTNERS [7]	El Plantio Calle Ochandiano n°10 Planta 2a - 28023 Madrid - Spain	EUR	93,287	66,917	2,176,977	129,154	129,154	99.50%	0	343,766	5,078	0	Insurance
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	20, place Vendôme - 75001 Paris - France	EUR	n/a	n/a	n/a	50,022	50,022	100.00%	0	n/a	n/a	0	Investment fund
CNP SANTANDER INSURANCE EUROPE DAC [7]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	53,000	8,240	802,386	111,670	111,670	51.00%	0	174,644	14,794	0	Insurance
CNP SANTANDER INSURANCE LIFE DAC [7]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	103,600	29,340	1,282,374	199,926	199,926	51.00%	0	430,756	32,386	0	Insurance
CNP UNICREDIT VITA [7]	Piazza Durante 11 - 20131 Milan - Italy	EUR	381,699	410,901	13,979,449	726,775	417,620	57.50%	0	2,549,012	49,126	14,350	Insurance
CŒUR MÉDITERRANÉE [6]	128, boulevard Raspail - 75006 Paris - France	EUR	42,113	140	62,584	28,619	28,619	70.00%	12,933	1,863	1,682	2,413	Property company
COTTAGES DU BOIS AUX DAIMS [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	1,131	9,824	26,597	11,301	11,301	100.00%	15,100	1,790	(75)	0	Property company
DIF INFRASTRUCTURE II [7]	WTC Schiphol Airport,Tower D, 10th Floor Schiphol Boulevard 269 - 1118 BH Schiphol - Netherlands	EUR	20	85,393	85,430	37,190	0	53.33%	0	0	0	35,468	Infrastructure
ECUREUIL VIE INVESTMENT [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	10,935	341,638	425,647	328,338	328,338	100.00%	50,000	0	21,408	15,856	Investment fund
ÉQUINOX [1]	20, rue Quentin Bauchart - 75008 Paris - France	EUR	41,404	(17,374)	66,306	41,400	21,959	99.98%	47,637	5,056	(5,830)	0	Property company
FARMAN [1]	4, rue Auber - 75009 Paris - France	EUR	25,000	136,745	231,429	80,872	80,872	50.00%	29,414	16,126	8,631	3,922	Property company
FARMORIC [1]	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%	36,943	0	5,251	6,595	Property company
FONCIÈRE CNP [1]	4, rue Auber - 75009 Paris - France	EUR	2,250	65,623	122,133	29,603	29,603	100.00%	52,784	4,558	(625)	26,000	Property company
FONCIÈRE ELBP [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	17,814	157,758	419,569	178,131	178,131	100.00%	229,312	16,225	(541)	0	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
FONCIÈRE HID (1)	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,370	6,979	57,394	11,300	11,300	100.00%	44,900	3,981	500	262	Property company
FSN CAPITAL IV (B) L.P.	Akersgaten 20 NO-0158 - Oslo - Norway	SEK	n/a	n/a	n/a	15,211	12,620	100.00%	0	n/a	n/a	0	Investment fund
GCK (1)	5, rue Guillaume Kroll - L-1882 Luxembourg - Luxembourg	EUR	10,529	2,080	25,840	100,994	100,994	80.00%	0	13,231	6,600	4,170	Property company
GEOSUD (7)	2, rue des Martinets - 92569 Rueil Malmaison - France	EUR	122,140	37,032	169,171	139,488	139,488	98.00%	0	0	6,935	0	Infrastructure
GREEN RUEIL (1)	11-13, avenue de Friedland - 75008 Paris - France	EUR	9,110	77,962	213,906	45,546	45,546	50.00%	57,525	15,336	4,485	2,004	Property company
HOLDING D'INFRASTRUCTURES GAZIÈRES (2)	4, place Raoul Dautry - 75015 Paris - France	EUR	603,907	165,636	835,357	420,471	420,471	54.41%	0	0	65,793	34,500	Infrastructure
HOLDIPIERRE (7)	128, boulevard Raspail - 75006 Paris - France	EUR	129,272	(4,637)	129,662	95,030	95,030	100.00%	300	4,789	4,665	6,125	Property company
ILOT 13 (1)	50-56, rue de la Procession - 75015 Paris - France	EUR	45,000	0	86,613	22,500	22,500	50.00%	18,589	8,809	2,771	1,981	Property company
IMMAUCOM (7)	4, rue Auber - 75009 Paris - France	EUR	183,518	(2,650)	187,188	132,776	132,776	80.00%	0	0	3,516	2,132	Property company
INFRA-INVEST FRANCE (7)	4, place Raoul Dautry - 75015 Paris - France	EUR	10,201	91,971	244,696	102,001	66,283	100.00%	94,473	0	(902)	40,984	Infrastructure
INFRASTRUCTURE PARTNERS (MORGAN STANLEY) (7)	6, place de la République Dominicaine - 75017 Paris - France	USD	31,587	0	33,133	41,378	12,638	64.94%	0	1,625	1,499	0	Infrastructure
IRELAND PROPERTY INVESTMENT FUND (7)	George's Court, 54-62 Townsend Street - Dublin 2 - Ireland	EUR	303,809	11,296	315,410	314,450	314,450	100.00%	0	2,582	655	0	Property company
ISSY VIVALDI (1)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,310	29,718	70,612	33,010	33,010	100.00%	35,362	2,955	133	1,159	Property company
JASMIN (1)	20, rue Quentin Bauchart - 75008 Paris - France	EUR	19,010	0	44,685	19,000	19,000	99.95%	22,745	3,332	1,941	1,757	Property company
JESCO (7)	4, rue Auber - 75009 Paris - France	EUR	40,801	9,422	85,027	28,051	28,051	55.00%	21,035	5,236	(5,183)	0	Property company
KLEBER 46 (1)	4, rue Auber - 75009 Paris - France	EUR	15,058	275	39,006	45,858	45,858	100.00%	22,704	0	576	860	Property company
LBP ACTIFS IMMO (7)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	440,977	(2,447)	499,075	384,251	384,251	100.00%	8,720	18,683	4,712	3,597	Property company
LESLY (1)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,071	(365)	107,938	45,071	45,071	100.00%	60,096	3,506	658	0	Property company
LIBERTÉ (1)	4, rue Auber - 75009 Paris - France	EUR	25,350	61,060	237,947	51,003	51,003	50.00%	63,146	19,250	11,595	5,768	Property company
LUX GARE (1)	11-13, avenue de Friedland - 75008 Paris - France	EUR	435	6,849	24,059	12,219	12,219	100.00%	15,798	1,627	(82)	271	Property company
MALTHAZAR (1)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	6,135	(1,693)	104,519	52,688	52,688	50.00%	20,846	5,848	1,719	2,423	Property company
MFPRÉVOYANCE (7)	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	81,774	86,463	616,919	67,853	67,853	51.00%	0	135,451	13,349	0	Insurance
MONTAGU IV (SCOTS FEEDER)	2 More London Riverside - London SE1 2AP - UK	EUR	n/a	n/a	n/a	17,943	15,243	100.00%	0	n/a	n/a	0	Investment fund
MTP INVEST (3)	11-13, avenue de Friedland - 75008 Paris - France	EUR	506,845	(14,143)	758,836	394,112	394,112	99.00%	248,605	17,185	14,060	17,276	Property company
NEUILLY PILOT (1)	11-13, avenue de Friedland - 75008 Paris - France	EUR	150	(875)	17,295	8,520	8,520	100.00%	16,935	838	(122)	0	Property company
NEW SIDE (1)	4, rue Auber - 75009 Paris - France	EUR	1,947	37,000	99,853	38,939	38,939	100.00%	57,959	5,853	1,811	1,537	Property company
OPCI RASPAIL (1)	128, boulevard Raspail - 75006 Paris - France	EUR	477,819	300,815	1,228,593	587,839	587,839	77.42%	367,313	0	9,141	4,994	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
OPEN CNP [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	10,000	0	10,004	22,000	14,000	100.00%	0	0	(24)	0	Diversification
OREA [3]	11-13, avenue de Friedland - 75008 Paris - France	EUR	69,435	2,264	86,034	86,829	86,829	100.00%	5,099	4,193	(3,814)	2,333	Property company
PANTIN LOGISTIQUE [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	5,810	40,252	128,271	71,508	71,508	100.00%	70,664	9,398	(7,550)	0	Property company
PARIS 08 [1]	4, rue Auber - 75009 Paris - France	EUR	42,091	103	50,670	42,091	42,091	100.00%	5,660	2,503	748	0	Property company
PAYS-BAS RETAIL 2013 BV [4]	Naritaweg 165, Telestone 8 - 1043 BV Amsterdam - Netherlands	EUR	0	18,063	47,584	17,500	17,500	100.00%	28,500	0	695	0	Property company
PIAL 34 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	15,001	93,564	247,331	141,001	141,001	100.00%	137,363	0	(798)	0	Property company
RESIDENTIAL [1]	4, rue Auber - 75009 Paris - France	EUR	33,801	(898)	33,603	33,801	33,801	100.00%	205	2,058	(977)	0	Property company
RUE DU BAC [1]	91-93, Boulevard Pasteur - 75015 Paris - France	EUR	25,240	143,143	238,032	86,192	86,192	50.01%	28,941	14,036	6,848	2,918	Property company
RUEIL NEWTON [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	3,115	25,401	71,279	15,508	15,508	50.00%	20,370	1,913	(1,633)	0	Property company
SAPHIRIMMO [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	6,767	102,439	229,585	109,205	109,205	99.99%	112,096	9,405	1,209	1,002	Property company
SAS ALLERAY - SQUARE 15 [1]	128, boulevard Raspail - 75006 Paris - France	EUR	10,000	59,223	240,061	118,592	118,592	100.00%	116,947	0	51,934	4,170	Property company
SCI DE LA CNP [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	59,711	36,381	104,984	141,090	141,090	100.00%	5,000	6,619	3,099	3,088	Property company
SECRETS ET BOÉTIE [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,201	28,512	83,089	42,001	42,001	100.00%	47,206	3,807	1,247	0	Property company
SILK HOLDING [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	27,592	9,464	89,478	54,437	54,437	100.00%	50,564	0	800	0	Property company
SOGESTOP L [7]	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	22,897	19,747	42,643	18,626	18,626	50.00%	0	0	(18)	0	Diversification
SONNE [1]	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France	EUR	2	14,125	56,099	14,127	14,127	99.95%	41,504	2,259	(626)	0	Property company
TERRE NEUVE 4 IMMO [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	6,601	59,422	158,584	66,001	66,001	100.00%	86,360	9,998	3,829	3,367	Property company
THEEMIM [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	26,636	59,224	92,731	84,646	84,646	100.00%	0	0	5,868	0	Property company
US REAL ESTATE 270 SAS [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	120,012	14	232,454	120,012	120,012	100.00%	102,991	0	7,886	6,658	Property company
US REAL ESTATE EVJ SAS [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	120,063	20	232,528	120,063	120,063	100.00%	102,939	0	7,886	6,664	Property company
WAGRAM 92 [1]	4, rue Auber - 75009 Paris - France	EUR	7,925	(2,628)	23,079	17,717	17,717	100.00%	16,392	1,769	553	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%	0	n/a	n/a	0	Property company
YBRY PONT DE NEUILLY [1]	128, boulevard Raspail - 75006 Paris - France	EUR	10,501	95,260	239,347	106,493	106,493	100.00%	123,832	0	5,590	0	Property company
YELLOWALTO [1]	Tour Majunga, La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France	EUR	8,717	78,869	243,993	87,173	87,173	99.99%	155,976	0	(236)	7,780	Property company
II – Affiliates (10% to 50% owned)													
17 CAPITAL FUND 3	32, Grosvenor Gardens - London SW1W0DH - UK	EUR	n/a	n/a	n/a	50,000	39,166	10.00%	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	82,607	7,302	7,302	15.00%	6,414	4,890	3,412	692	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
ACTIPIERRE EUROPE [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	432,941	30,433	515,428	74,735	74,735	10.86%	0	23,094	17,321	1,591	Property company
ALPINVEST SECONDARIES FUND LUX EURO MASTER VI	Jachthavenweg 118 - 1081 KJ Amsterdam - Netherlands	EUR	n/a	n/a	n/a	80,000	10,947	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	9,600	8,460	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	0	45.45%	0	n/a	n/a	0	Investment fund
ARIAL CNP ASSURANCES [7]	32, avenue Emile Zola - 59370 Mons-en-Baroeul - France	EUR	10,848	89,799	11,982,920	43,380	43,380	40.00%	0	0	2,621	993	Insurance
AUGUST EQUITY PARTNERS III A	10, Slingsby Place - St Martin's Courtyard - Covent Garden - London WC2E 9AB - UK	GBP	n/a	n/a	n/a	15,029	13,024	10.00%	0	n/a	n/a	0	Investment fund
AXA DBIO	40, rue du Colisée - 75008 Paris - France	EUR	n/a	n/a	n/a	15,108	9,371	15.48%	0	n/a	n/a	0	Investment fund
AXA INFRASTRUCTURE PARTNERS [7]	20, place Vendôme - 75001 Paris - France	EUR	392,061	(724)	394,991	49,742	41,715	12.90%	0	0	2,105	0	Infrastructure
BABYLON INVESTMENTS BV	Jachthavenweg 760 - 1081 KJ Amsterdam - Netherlands	EUR	n/a	n/a	n/a	96,174	48,087	44.44%	72,000	n/a	n/a	0	Infrastructure
CDC CAPITAL III	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	18,369	11,138	36.29%	0	n/a	n/a	0	Investment fund
CDC CAPITAL III B	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	9,071	1,056	46.43%	0	n/a	n/a	0	Investment fund
CERTIVIA SICAV [7]	128, boulevard Raspail - 75006 Paris - France	EUR	19,004	(421)	35,848	20,000	6,200	13.33%	0	0	(585)	0	Property company
CLEARSIGHT TURNAROUND FUND II	Carinthia House, 9-12 The Grange - St Peter Port GY1 4BF - Guernsey - Channel Islands	EUR	n/a	n/a	n/a	20,496	17,643	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	24,069	16,379	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	4,312	10.00%	0	n/a	n/a	0	Investment fund
COMMERCIAL REAL ESTATE LOANS	21, boulevard Grande Duchesse Charlotte - L-1331 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	32,800	32,800	36.02%	0	n/a	n/a	2,583	Diversification
CREDICOOP AFAVyDC [7]	Adolfo Alsina N°633 Piso 3 - Ciudad Autónoma de Buenos Aires - Argentina	EUR	2,093	(1,079)	1,417	7,460	0	29.84%	0	0	353	0	Diversification
CTE [7]	69-17, rue de Miromesnil - 75008 Paris - France	EUR	2,571,438	(1)	7,958,917	1,083,355	1,083,355	20.01%	0	0	(4,060)	39,792	Infrastructure
D&P PME IV	152, avenue de Malakoff - 75116 Paris - France	EUR	n/a	n/a	n/a	12,690	1,454	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	15,526	13,124	26.56%	0	n/a	n/a	0	Investment fund
DÉFENSE CB3 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	4,500	42,078	128,684	31,328	20,337	25.00%	21,208	0	(8,290)	1,733	Property company
EMZ 7-I	11, rue Scribe - 75009 Paris - France	EUR	n/a	n/a	n/a	45,280	36,301	11.90%	0	n/a	n/a	0	Investment fund
EUROFFICE	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	83,402	(33,201)	66,996	24,119	10,101	18.48%	2,315	0	3,906	0	Property company
FLI [7]	100-104, avenue de France - 75013 Paris - France	EUR	104,500	937,581	1,183,079	39,570	30,616	11.48%	0	679	(998)	257	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
FONCIÈRE ECUREUIL II [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,188	(1,660)	86,393	13,729	10,879	21.77%	7,581	0	7,368	0	Property company
FONDINVEST VII	33, rue de La Baume - 75008 Paris - France	EUR	n/a	n/a	n/a	9,389	7,862	40.85%	0	n/a	n/a	0	Investment fund
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	18,045	5,701	10.00%	0	n/a	n/a	0	Investment fund
GF FRANCE EST [7]	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	24,479	4,420	30,022	7,092	7,092	28.97%	0	2,043	808	279	Forests
HEMISPHERE HOLDING	100-104, avenue de France - 75013 Paris - France	EUR	n/a	n/a	n/a	10,563	10,225	20.00%	0	n/a	n/a	0	Property company
INFRA VIA [7]	20-22, rue Vernier - 75017 Paris - France	EUR	157,641	13,430	200,061	8,093	6,115	11.84%	0	0	4,474	0	Infrastructure
INITIATIVE & FINANCE II	96, avenue d'Iéna - 75783 Paris - France	EUR	n/a	n/a	n/a	16,000	7,616	11.43%	0	n/a	n/a	0	Investment fund
INTER EXPANSION-FONGEPAR [7]	141, rue Paul Vaillant-Couturier - 92240 Malakoff - France	EUR	22,790	(8,272)	41,270	7,977	5,709	35.00%	0	24,297	1,794	0	Diversification
INVISION V FEEDER	Grafenaustrasse 7 - 6300 Zug - Switzerland	EUR	n/a	n/a	n/a	18,000	11,166	23.38%	0	n/a	n/a	0	Investment fund
LDX SME II	41 rue Delizy - 93500 Pantin - France	EUR	n/a	n/a	n/a	9,763	8,926	11.11%	0	n/a	n/a	0	Investment fund
LOGISTIS [3]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	670,152	80,231	1,335,612	71,034	71,034	10.91%	0	53,726	107,680	4,677	Property company
LOGISTIS LUX [3]	5, allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	151,113	118,999	849,898	30,371	30,371	10.91%	44,736	23,786	39,671	463	Property company
MERIDIAM INFRASTRUCTURE [7]	5, allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	507,767	472,375	1,036,136	103,297	103,297	17.60%	0	0	55,578	22,318	Infra–structure
MERIDIAM TRANSITION [1]	4, Place de l'Opéra - 75002 Paris - France	EUR	6,360	0	934	149,989	10,390	42.86%	0	0	(6,131)	0	Infrastructure
NIBC GROWTH CAPITAL FUND II	Carnegieplein 4 - 2517 KJ The Hague - Netherlands	EUR	n/a	n/a	n/a	10,859	8,439	10.64%	0	n/a	n/a	0	Investment fund
OFELIA [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	12,609	23,266	39,549	11,916	11,916	33.33%	45,731	0	3,664	4,886	Property company
OFFICE CB 21 [7]	10, avenue Kleber - 75016 Paris - France	EUR	343,372	13,059	364,801	82,553	82,553	25.00%	0	0	8,325	6,852	Property company
OPC 1 [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	65,385	(1,187)	102,901	13,990	13,990	19.56%	0	4,870	3,883	742	Property company
OPC 2 [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	76,842	9	109,017	27,505	27,505	42.14%	0	2,681	5,504	2,316	Property company
ORKOS III	34, boulevard Haussman - 75009 Paris - France	EUR	n/a	n/a	n/a	7,942	2,104	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	23,704	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	7,911	6,916	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	3,035	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	115,659	145,288	51,946	14,867	14.57%	0	48	(15,428)	2,098	Property company
PLACEMENT CILOGER 3 [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	108,302	8,591	123,149	49,050	49,050	36.24%	0	16,342	6,255	2,166	Property company
POLARIS PRIVATE EQUITY IV	Malmøgade 3 - DK-2100 Copenhagen - Denmark	DKK	n/a	n/a	n/a	40,296	10,929	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	65,193	9,706	9,706	45.00%	17,255	0	2,340	564	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
QUADRILLE TECHNOLOGIES III	16, place de la Madeleine - 75008 Paris - France	EUR	n/a	n/a	n/a	15,000	6,225	11.11%	0	n/a	n/a	0	Investment fund
REIM EUROCORE 1 (1)	44, avenue J-F Kennedy - L-1855 Luxembourg - Luxembourg	EUR	10,224	(24,903)	3,332	16,471	0	32.22%	0	99	(2,586)	0	Property company
SILVERSTONE (5)	128, boulevard Raspail - 75006 Paris - France	EUR	113,650	30,519	152,270	16,422	16,422	17.69%	980	8,172	8,060	2,805	Property company
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE (1)	7, place du Chancelier-Adenauer - 75016 Paris - France	EUR	3,048	1	352,928	27,567	27,567	22.00%	32,449	85,920	66,682	12,102	Property company
SOFINNOVA CAPITAL VII	16-18, rue du 4 Septembre - 75002 Paris - France	EUR	n/a	n/a	n/a	25,000	22,500	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	20,000	2,500	10.00%	0	n/a	n/a	0	Investment fund
SUNLIGHT (3)	128, boulevard Raspail - 75006 Paris - France	EUR	89,366	77	92,735	38,269	38,269	46.98%	0	3,339	3,249	2,023	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	34,747	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	9,761	9,761	21.47%	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			–	–	–	25,952	22,727	–	535,987	–	–	7,344	
International subsidiaries			–	–	–	7,515	7,515	–	457,812	–	–	0	
French affiliates			–	–	–	79,766	55,021	–	34,088	–	–	1,816	
International affiliates			–	–	–	31,009	14,821	–	8,545	–	–	4,040	
C - Aggregate information (A+B)													
French subsidiaries			–	–	–	10,341,385	10,243,562	–	4,512,566	–	–	428,584	–
International subsidiaries			–	–	–	2,394,335	1,970,345	–	473,609	–	–	256,643	–
French affiliates			–	–	–	2,311,282	1,957,053	–	212,757	–	–	86,750	–
International affiliates			–	–	–	713,037	412,880	–	80,545	–	–	31,039	–

(1) Provisional data at 31 December 2017
(2) Data at 3 November 2017
(3) Data at 30 September 2017
(4) Provisional data at 30 September 2017
(5) Data at 31 August 2017
(6) Data at 30 June 2017
(7) Data at 31 December 2016

5.4.5 Entities of which CNP Assurances is a general partner

Company	Legal form	Headquarters
107 BOÉTIE ÉLYSÉES	Non-trading property company	128, boulevard Raspail – 75006 Paris – France
13/15 VILLE L'ÉVÊQUE	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
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	20, rue Quentin Bauchart – 75008 Paris – France
CANTIS	Intercompany partnership	16-18, place du Général-Catroux – 75017 Paris – France
CAPTIVA CAPITAL PARTNERS II	Partnership limited by shares	39, rue Alphonse Munchen – L-2172 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	39, rue Alphonse Munchen – L-2172 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 – L-2453 Luxembourg – Luxembourg
COTTAGES DU BOIS AUX DAIMS	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 – L-2535 Luxembourg – Luxembourg
EOLE RAMBOUILLET	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
EQUINOX	Non-trading property company	20, rue Quentin Bauchart – 75008 Paris – France
FARMAN	Non-trading property company	4, rue Auber – 75009 Paris – France
FLI	Non-trading property company	100-104, avenue de 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

Company	Legal form	Headquarters
GF BAUFFREMONT	Non-trading company	8 bis, rue de Chateaudun – 75009 Paris – France
GF DE BREVES	Non-trading property 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 FORET GEREE III GF DE L'ILE DE FRANCE	Forestry partnership	41, rue du Capitaine Guynemer – 92400 Courbevoie – France
GF FRANCE EST	Non-trading property company	8 bis, rue de Chateaudun – 75009 Paris – France
LA FORET GEREE IV GF PICARDIE NAVARRE	Forestry partnership	41, rue du Capitaine Guynemer – 92400 Courbevoie – France
GF SELLIERES 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 PROPRIETES 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	100-104, avenue de France – 75013 Paris – France
ISSY DESMOULINS	Non-trading property company	22, rue du Docteur Lancereaux – 75008 Paris – France
ISSY ILOT 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	20, rue Quentin Bauchart – 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
LIBERTE	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	1, rue Euler– 75008 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 – L-1855 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
REIM EUROCORE 1	Partnership limited by shares	44, avenue J-F Kennedy – L-1855 Luxembourg – Luxembourg
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

Company	Legal form	Headquarters
RUE DE RENNES (136)	Non-trading property company	6, place de la Pyramide – Tour Majunga – 92908 La Défense – France
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
S-CDC	Intercompany partnership	84, rue de Lille – 75007 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 – L-1855 Luxembourg – Luxembourg
WHITEHALL 2008	Partnership limited by shares	2, rue de Reims L-1536 Luxembourg – Luxembourg

5.5 Ownership structure

5.5.1 Composition of share capital

Number of shares	31.12.2017	31.12.2016
Number of ordinary shares outstanding	686,618,477	686,618,477
Number of shares held in treasury	(143,695)	(121,661)
Number of ordinary shares with dividend rights	686,474,782	686,496,816

5.5.2 Treasury shares

MOVEMENTS OVER THE REPORTING PERIOD

Movements	Number of shares
Purchases	5,040,865
Sales	5,018,831

NUMBER OF TREASURY SHARES AND VALUE AT PERIOD END

Movements	31.12.2017	31.12.2016
Number of treasury shares	143,695	121,661
Carrying amount of treasury shares in euros	2,761,716	2,087,497

5.6 Reserves, equity, revaluation reserve

(In € thousands)	Type of reserve	31.12.2016	Appropriation of 2016 profit	2017 profit	Merger *	Change for the period	31.12.2017
Share capital	Statutory	686,618					686,618
Additional paid-in capital	Statutory	1,716,846			19,485		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	1,846,825			289,558	22,874	2,159,257
Guarantee fund reserve	Tax-driven	63,458	3,079		1,719		68,257
Discretionary reserves	Other	2,279,295	(3,079)				2,276,216
Contingency reserve	Other	338,850					338,850
Property revaluation reserve	Other	(109,185)					(109,185)
Retained earnings		1,139,573	545,630		(13,900)		1,671,303
Net profit for the year		1,094,883	(1,094,883)	1,142,526			1,142,526
TOTAL		**10,492,457**	**(549,253)**	**1,142,526**	**296,863**	**22,874**	**11,405,467**

* Préviposte merger surplus included in equity for €261,300 thousand (of which €254,441 thousand credited to the capitalisation reserve) and €5,192 thousand impact of cancelling the deferred tax provision
ITV merger surplus included in equity for €35,563 thousand (of which €35,118 thousand credited to the capitalisation reserve) and €307 thousand impact of cancelling the deferred tax provision

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)*	31.12.2017		31.12.2016	
	Assets	**Liabilities**	Assets	Liabilities
Accrued interest	2,811,320		2,935,723	
Deferred acquisition costs	182		149	
Deferred expenses	0		0	
Prepaid expenses	26,990		1,049,229	
Accrued income	50,944		65,250	
Amortisation by the effective interest method (income)	4,921,236		4,638,543	
Accrued income and prepaid expenses related to forward financial instruments [(1)]	1,291,054			
Deferred income		49,157		476,259
Amortisation by the effective interest method (expense)		3,072,477		2,829,889
Unearned interest income		(2,065)		4,663
Accrued expenses and deferred income related to forward financial instruments [(2)]		403,496		
TOTAL	**9,101,725**	**3,523,064**	**8,688,894**	**3,310,811**

(1) In 2016, accrued income and prepaid expenses related to forward financial instruments were reported under "Prepaid expenses" for €1,018,285 thousand and under "Accrued income" for €6,107 thousand
(2) In 2016, accrued expenses and deferred income related to forward financial instruments were reported under "Deferred income" for €425,237 thousand

5.7.2 Accrued receivables and payables

Balance sheet items *(In € thousands)*	Accrued income		Accrued expenses	
	31.12.2017	31.12.2016	**31.12.2017**	31.12.2016
Other receivables	**185,400**	**286,637**	**157,339**	**189,229**
▪ Prepaid payroll costs				
▪ Other	185,400	286,637	157,339	189,229
Accrued income and prepaid expenses	**2,862,263**	**3,000,973**		
▪ Prepaid interest and rental revenue	2,811,320	2,935,723		
▪ Deferred acquisition costs				
▪ Other accrued income and prepaid expenses	50,944	65,250		
Other liabilities			**2,037,093**	**2,035,408**
▪ Accrued payroll costs			386,668	377,393
▪ Other payables			1,650,426	1,658,015
TOTAL	**3,047,663**	**3,287,610**	**2,194,432**	**2,224,637**

Balance sheet items *(In € thousands)*	Deferred income		Prepaid expenses	
	31.12.2017	31.12.2016	**31.12.2017**	31.12.2016
Accrued income and prepaid expenses			**6,239,461**	**5,687,921**
▪ Deferred acquisition costs			182	149
▪ Amortisation by the effective interest method			4,921,236	4,638,543
▪ Other accrued income and prepaid expenses			26,990	1,049,229
▪ Accrued income and prepaid expenses related to forward financial instruments [(1)]			1,291,054	
Deferred income and accrued expenses	**3,523,064**	**3,310,811**		
▪ Deferred income	49,157	476,259		
▪ Amortisation by the effective interest method	3,072,477	2,829,889		
▪ Unearned interest income	(2,065)	4,663		
▪ Accrued expenses and deferred income related to forward financial instruments [(2)]	403,496			
TOTAL	**3,523,064**	**3,310,811**	**6,239,461**	**5,687,921**

(1) In 2016, accrued income and prepaid expenses related to forward financial instruments were reported under "Other accrued income and prepaid expenses" for €1,024,392 thousand

(2) In 2016, accrued expenses and deferred income related to forward financial instruments were reported under "Deferred income" for €425,237 thousand

5.7.3 Provisions for liabilities and charges

Type of provision *(In € thousands)*	Purpose	**31.12.2017**	31.12.2016
Revaluation provision	Revaluation of the property portfolio	2,422	2,444
Other provisions	Provisions for litigation and miscellaneous risks	120,442	150,840
TOTAL		**122,864**	**153,283**

5.7.4 Assets denominated in foreign currency

Balance sheet item	Currency	Foreign currency amount *(In € thousands)*	Amount in euros *(In € thousands)*
Other investments			**2,964,736**
	US dollar	1,444,562	1,204,504
	Swedish krona	665,332	67,589
	Swiss franc	180,312	154,087
	Canadian dollar	55,781	37,091
	Pound sterling	1,130,275	1,273,937
	Japanese yen	30,718,600	227,528

5.8 Change in life premium reserves before reinsurance

(In € thousands)	**31.12.2017**	31.12.2016
In the income statement		
1. Change in life premium reserves	**(10,345,863)**	**(4,157,638)**
2. Effect of changes in exchange rates	**(505)**	**(1,639)**
3. Credited interest and policyholder dividends paid directly out of investment income for the year	**3,948,946**	**4,073,446**
Credited interest	870,260	1,071,805
Policyholder dividends	3,078,686	3,001,641
4. Use of policyholder surplus reserve	**1,553,677**	**1,493,307**
TOTAL [(2)]	**(4,843,745)**	**1,407,477**
In the balance sheet		
Change in mathematical reserves		
1. Life premium reserves – end of period	**246,522,997**	**245,184,634**
2. Life premium reserves – beginning of period [(1)]	**(251,403,677)**	**(243,777,157)**
TOTAL [(2)]	**(4,880,680)**	**1,407,477**

(1) Life premium reserves at the beginning of the period include the €6,219,043 thousand impact of the merger of Préviposte and ITV into CNP Assurances effective 1 January 2017

(2) The €37 million difference between changes in mathematical reserves in the balance sheet and the income statement impact primarily reflects the inclusion of the mathematical reserve for administrative expenses in other technical reserves in the contribution balance sheet for the business transferred to Arial CNP Assurances

5.9 Mathematical reserves for PERP plans

(In € thousands)	**31.12.2017**	31.12.2016
Insurance liabilities (excluding linked liabilities) – mathematical annuity reserves for annuity payments	1,059,840	1,004,129
Linked liabilities	162,208	151,277
Special mathematical reserves for points-based pension liabilities	383,917	348,399
TOTAL	**1,605,965**	**1,503,805**

5.10 Liquidity risk reserve

(In € thousands)	31.12.2017	31.12.2016
Total net unrealised gain or loss – Article R.343-5 assets	16,642,093	13,368,731
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	1,142,526	1,094,883

NOTE 6

Notes to the income statement

6.1 Investment income and expenses

(In € thousands)	31.12.2017			31.12.2016
	Income and expenses from investments in subsidiaries and affiliates	Other financial income and expenses	2017 total	
Investment income				
Revenues from investments in subsidiaries and affiliates	425,491	(262,437)	163,055	69,455
Revenues from property investments	11,167	491,536	502,703	396,384
Revenues from other investments	60,848	6,649,989	6,710,837	6,948,059
Other financial revenues (commissions, fees)	236,420	520,716	757,136	727,043
Investment revenues	**733,926**	**7,399,804**	**8,133,730**	**8,140,941**
Other investment income	**23,110**	**839,473**	**862,583**	**760,729**
Profits on disposal of investments	**19,603**	**1,975,501**	**1,995,103**	**1,658,083**
Total investment income	**776,639**	**10,214,778**	**10,991,416**	**10,559,753**
Investment expenses				
Financial expenses (fees, commissions, interest, bank charges, etc.)	1,500	576,805	578,305	652,119
Other investment expenses	83,023	1,015,583	1,098,606	1,339,791
Losses on disposal of investments	(41,619)	1,286,583	1,244,963	881,393
Total investment expenses	**42,904**	**2,878,970**	**2,921,874**	**2,873,303**
NET INVESTMENT INCOME	**733,735**	**7,335,807**	**8,069,542**	**7,686,450**

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	366,765	97,127	11,619,578	70,566	1,870,306
Claims and benefits	263,254	33,975	21,038,433	82,958	673,442
Change in life premium reserves and other technical reserves	75,763	628	(10,828,267)	(3,143)	28,104
Mark-to-market gains and losses on assets held to cover linked liabilities	0	0	0	0	0
Underwriting profit (loss)	**27,747**	**62,525**	**1,409,411**	**(9,249)**	**1,168,760**
Business acquisition costs	2,491	16,660	129,966	7,275	738,079
Other contract administration costs, net	16,556	4,857	1,062,895	5,349	127,595
Acquisition and contract administration costs, net	**19,046**	**21,517**	**1,192,861**	**12,624**	**865,674**
Net investment income	120,231	883	6,619,084	18,865	21,152
Credited interest and policyholder dividends	98,602	890	6,261,996	17,361	(1,710)
Net	**21,629**	**(8)**	**357,088**	**1,504**	**22,863**
Ceded premiums	3,361	148	383,271	171	155,273
Reinsurers' share of claims and benefits	9,485	0	963,990	3,506	63,051
Reinsurers' share of change in life premium reserves and other technical reserves	(4,553)	0	(463,277)	(3,224)	(6,072)
Reinsurers' share of policyholder surplus	(192)	0	46,387	0	98
Reinsurance commissions received	326	0	51,753	16	63,428
Reinsurance result	**1,705**	**(148)**	**215,582**	**127**	**(34,767)**
UNDERWRITING RESULT	**32,035**	**40,853**	**789,220**	**(20,243)**	**291,181**
Other information					
Policy surrenders	219,828	252	12,746,014	44,999	0
Gross credited interest	3,355	448	781,554	10,650	890
Technical reserves – end of period	4,313,726	47,610	228,855,339	691,279	1,285,108
Technical reserves – beginning of period *	2,018,288	48,648	229,618,743	696,485	1,186,892

* Technical reserves at the beginning of the period (excluding the impact of the merger with Préviposte and ITV) take into account the reclassification of group life insurance contracts (€2,597.2 million negative impact), single or flexible premium unit-linked life or endowment policies (€915.3 million negative impact) and regular premium unit-linked life or endowment policies (€468.3 million negative impact) as inward reinsurance (life) (positive impact of €4,009.9 million), primarily in connection with the transfer of an insurance book to Arial CNP Assurances

Technical reserves at the beginning of the period after taking into account the merger with Previposte and ITV were as follows:

Other information					
Technical reserves at the beginning of the period	4,092,165	48,648	234,152,683	696,485	1,186,892

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
69,089	3,799,176	3,573	367,186	109,341	1,522	2,205,699	20,579,927
219,957	1,487,965	35,881	569,755	37,868	655	367,923	24,812,068
(18,616)	3,474,321	(41,607)	(564,407)	66,797	20,948	1,860,094	(5,929,384)
0	1,351,199	18,097	0	9,733	0	64,691	1,443,720
(132,253)	**188,089**	**27,395**	**361,837**	**14,409**	**(20,082)**	**42,374**	**3,140,963**
522	49,814	39	14,690	6	13	59,915	1,019,469
61,302	165,561	989	14	16,620	0	3,023	1,464,761
61,824	**215,375**	**1,028**	**14,704**	**16,626**	**13**	**62,938**	**2,484,230**
143,105	240,854	30,546	246,272	46,130	20,096	138,851	7,646,069
118,061	137,600	23,105	492,791	43,914	0	84,077	7,276,687
25,044	**103,254**	**7,441**	**(246,518)**	**2,217**	**20,096**	**54,774**	**369,383**
40,406	177,950	0	207,931	0	0	2,431	970,942
56,270	73,134	0	331,730	0	0	(78)	1,501,088
(15,822)	169,335	0	(101,727)	0	0	9,018	(416,322)
149	3,040	0	0	0	0	(65)	49,418
522	16,085	0	0	0	0	(740)	131,389
714	**83,644**	**0**	**22,072**	**0**	**0**	**5,703**	**294,631**
(168,318)	**159,610**	**33,808**	**122,686**	**0**	**2**	**39,913**	**1,320,747**
17,390	927,420	17,163	41,529	31,599	482	106,775	14,153,452
65,602	50	7,511	0	0	0	201	870,260
4,183,048	32,403,637	515,176	15,606,207	1,662,260	176,331	7,219,533	296,959,253
4,076,773	28,098,927	532,963	15,677,647	1,550,628	2,846	5,259,248	288,768,087
4,076,773	28,098,927	532,963	15,677,647	1,550,628	2,846	5,259,248	295,375,905

Non-life

Classes 20 – 39 *(In € thousands)*	Individual bodily injury policies	Group bodily injury policies	Inward reinsurance	Total
Earned premiums	**8,580**	**1,686,474**	**673,334**	**2,368,388**
1a. Earned premiums	8,517	1,688,953	668,824	2,366,294
1b. Change in earned premium and unexpired risks reserve	(63)	2,478	(4,510)	(2,094)
Claims and benefits	**3,464**	**1,183,468**	**613,014**	**1,799,946**
2a. Paid claims and expenses	2,674	1,023,474	393,720	1,419,868
2b. Change in outstanding claims reserves	790	159,994	219,294	380,077
Underwriting profit (loss)	**5,116**	**503,007**	**60,320**	**568,443**
Business acquisition costs	3,610	523,342	53,293	580,246
Other contract administration costs, net	7,532	109,574	5,549	122,656
Acquisition and contract administration costs, net	**11,142**	**632,917**	**58,843**	**702,902**
Investment income	886	121,700	43,218	165,804
Policyholder dividends	0	32,522	32,212	64,734
Net	**886**	**89,178**	**11,007**	**101,070**
Reinsurers' share of earned premiums	0	405,918	0	405,918
Reinsurers' share of paid claims	0	256,648	0	256,648
Reinsurers' share of outstanding claims reserves	0	(15,666)	0	(15,666)
Reinsurers' share of policyholder dividends	0	(782)	0	(782)
Reinsurance commissions received	0	177,971	0	177,971
Reinsurance result	**0**	**12,253**	**0**	**12,253**
UNDERWRITING RESULT	**(5,141)**	**(28,479)**	**12,484**	**(21,136)**
Other information				
Earned premium and unexpired risk reserve – end of period	99	19,211	40,551	59,862
Earned premium and unexpired risk reserve – start of period	162	16,733	45,061	61,956
Outstanding claims reserve – end of period	8,106	3,743,429	1,630,306	5,381,840
Outstanding claims reserve – start of period	6,871	3,559,867	1,427,484	4,994,222
Other technical reserves – end of period	29,146	1,283,650	226,624	1,539,420
Other technical reserves – start of period *	29,591	1,354,150	210,913	1,594,654

* 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 2017, net new money invested in *Eurocroissance* contracts totalled €152,904,416.23.

In accordance with the government order dated 13 July 2016 (paragraph 1), unrealised capital gains representing 0.050639% were transferred from the general reserve to the *Eurocroissance* reserve.

Unrealised capital gains before the transfer represented 11.985644% (information disclosed in accordance with paragraph 2 of the above order).

Unrealised capital gains after the transfer represented 11.980590% (information disclosed in accordance with paragraph 3 of the above order).

6.4 Payroll costs

Payroll costs break down as follows:

(In € thousands)	**31.12.2017**	31.12.2016	Year-on-year change
Wages and salaries	180,443	179,089	0.8%
Payroll taxes	87,635	84,427	3.8%
Other	9,526	9,563	-0.4%
TOTAL	**277,604**	**273,079**	**1.7%**

6.5 Commissions

Direct insurance and inward reinsurance commissions for the year amounted to €2,651,718 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)*	**31.12.2017**	31.12.2016
Other (non-technical) income	**13,989**	**12,715**
Interest income from miscellaneous loans	131	60
Other non-technical income	34	50
Reversals from the capitalisation reserve credited to the non-technical account	13,824	12,606
Other (non-technical) expenses	**22,202**	**12,678**
Transfers to the capitalisation reserve from the non-technical account	1,626	5,141
Other non-technical expenses	20,576	7,537
Non-recurring income	**99,195**	**8,344**
Income relating to prior years		1,320
Other non-recurring income	14,107	1,046
Reversals of provisions for contingencies	85,088	5,978
Gains on disposal of owner-occupied property		
Non-recurring expenses	**79,621**	**16,661**
Losses relating to prior years		98
Other non-recurring expenses	11,757	120
Impairment expense	13,197	467
Additions to provisions for contingencies	54,668	15,975

6.7 Income tax expense

Income tax expense *(In € thousands)*	31.12.2017	31.12.2016	Year-on-year change
Tax expense on recurring profit	405,031	248,283	
Tax (benefit) expense on non-recurring items	0	0	
Income tax expense	**405,031**	**248,283**	**63.1%**

6.8 Policyholder participation in underwriting profit and investment income

Description *(In € thousands)*	31.12.2017	31.12.2016	31.12.2015	31.12.2014	31.12.2013
A. Policyholder participation	**7,341,421**	**7,586,075**	**7,889,060**	**8,157,002**	**8,582,471**
A1. Policyholder dividends and credited interest	5,558,439	5,630,283	6,397,087	6,918,687	7,743,761
A2. Change in the policyholder surplus reserve [1]	1,782,982	1,955,793	1,491,973	1,238,315	838,710
B. Policyholder participation – "Article A.132-10" policies					
B1. Average mathematical reserves [2]	240,717,692	240,486,098	237,085,421	230,820,659	224,669,386
B2. Minimum policyholder participation	3,691,567	4,218,763	4,569,340	4,901,854	5,024,096
B3. Actual policyholder participation [3]	5,047,472	5,410,830	5,711,896	6,067,746	6,260,975
B3a. Policyholder dividends and credited interest	3,345,328	3,471,829	4,299,236	4,830,193	5,425,611
B3b. Change in the policyholder surplus reserve	1,702,144	1,939,000	1,412,659	1,237,553	835,364

(1) The change in the policyholder surplus reserve takes into account the impact of the Préviposte and ITV mergers
(2) Half of the sum of opening and closing mathematical reserves for "Article A.132-10" contracts
(3) Actual participation (expense for the period, including credited interest) for "Article A.132-10" contracts

6.9 Employee information

The number of employees by category as of 31 December 2017 was as follows:

Status *(number of employees)*	31.12.2017	31.12.2016	Year-on-year change
Management-grade	1,777	1,794	-0.9%
Non-management-grade	1,026	1,089	-5.8%
TOTAL	**2,803**	**2,883**	**-2.8%**

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 categories of the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors, Jean-Paul Faugère, and the Chief Executive Officer, Frédéric Lavenir.

In 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 or to the Chairman or members of the Board of Directors 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 in 2017.

In 2016

- 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 2016 amounted to €1,576,850.
- 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 or to the Chairman or members of the Board of Directors in 2016.
- Share-based payments: no share-based payments were made by the Company in 2016. No stock options or performance shares were granted to any senior executives or members of the Board in 2016.

6.11 Premium income by geographic segment

Gross premiums Premium income by geographic segment [1] *(In € thousands)*	**31.12.2017**	31.12.2016	%
France	22,747,557	23,981,390	-5.1%
International	200,758	63,270	217.3%
Italian branch	*68,316*	*61,263*	11.5%
Spanish branch	*1,013*	*2,089*	-51.5%
Cofidis European Union	*0*	*(185)*	-100.0%
Germany (premiums written under EU freedom of services directive)	*(103)*	*103*	-200.0%
Luxembourg subsidiary [2]	*131,531*	*0*	0.0%
TOTAL	**22,948,315**	**24,044,660**	**-4.6%**

(1) The increase in premium income includes the impact of the merger of Préviposte and ITV into CNP Assurances effective 1 January 2017
(2) The 2016 premium income of the Luxembourg subsidiary, in the amount of €96,535 thousand, is included in the figure for "France"

6.12 Fees paid to the Auditors

Fees paid to the Auditors in 2017, excluding VAT
(In € thousands)

Audit	Mazars	%	PricewaterhouseCoopers	%
Audit of the financial statements of the Company and the Group	**820**	**67%**	**826**	**65%**
CNP Assurances	820		826	
Other audit and special engagements*	**396**	**33%**	**442**	**35%**
TOTAL	**1,216**	**100%**	**1,268**	**100%**

* "Other audit-related services" mainly concern subordinated notes issues, the review of MCEV© calculations, English translation of the Registration Document, sustainable development indicators and internal control processes covering the search for beneficiaries of unsettled life insurance policies and the payment of the benefits due

NOTE 7
Off-balance sheet commitments

Strategy by type of forward financial instrument *(In € thousands)*	Amounts at 31.12.2017		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	(5,253,655)		100,194	(4,370,052)	(983,797)
Sales of calls and puts		(4,090,663)	(1,694,014)	(1,926,393)	(470,256)
Interest rate instruments					
Purchases of caps	54,009,000		7,403,000	28,915,000	17,691,000
Sales of caps		33,257,000	3,758,000	23,510,000	5,989,000
Swaps					
Receive positions	8,182,436		450,746	3,914,015	3,817,675
Pay positions		8,323,715	450,704	3,886,451	3,986,560
TOTAL RECEIVED	**56,937,781**		**7,953,939**	**28,458,963**	**20,524,878**
TOTAL GIVEN		**37,490,053**	**2,514,690**	**25,470,059**	**9,505,304**
NET COMMITMENT	**19,447,728**		**5,439,250**	**2,988,905**	**11,019,574**

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 bps	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 bps	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 bps until 15 Nov. 2016, then 3-month Euribor +160 bps	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 bps	14.09.2020	Tier 2	14.09.2040
07.04.2011	Subordinated notes Fixed/ variable rate	FR0011033851	EUR	700	700	6.875% until Sept. 2021, then 12-month Euribor +440 bps	30.09.2021	Tier 2	30.09.2041
07.04.2011	Subordinated notes Fixed/ variable rate	FR0011034065	GBP	300	338	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	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 bps	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 bps	10.06.2027	Tier 2	10.06.2047
22.01.2016	Subordinated notes Fixed/ variable rate	FR0013101599	USD	500	417	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**	**4,838**				

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 bps, capped at 9%	Passed	Tier 1	Undated
24.09.2004	Subordinated notes Variable rate	FR0010093328	EUR	50	50	Tec 10 +10 bps, capped at 9%	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167296	EUR	23.75	23.75	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 bps	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 bps (including 100 bps 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 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	20.12.2026	Tier 1	Undated
18.10.2012	Subordinated notes Fixed rate	FR0011345552	USD	500	417	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	18.10.2018	Tier 1	Undated
18.07.2013	Subordinated notes Fixed rate	FR0011538461	USD	500	417	6.875% until July 2019, then reset at the 6-year fixed swap rate +500 bps	18.07.2019	Tier 1	Undated
18.11.2014	Subordinated notes Fixed rate	FR0012317758	EUR	500	500	4% until Nov. 2024, then reset at the 5-year fixed swap rate +410 bps	18.11.2024	Tier 1	Undated
TOTAL SUBORDINATED NOTES				**2,392**	**2,226**				
TOTAL SUBORDINATED LIABILITIES				**7,275**	**7,064**				

5.4 Other information

5.4.1 Proposed appropriation of 2017 profit

Net profit for the year ended 31 December 2017 totalled €1,142,526,026.21 and retained earnings brought forward from the prior year amounted to €1,671,303,326.23, resulting in distributable profit of €2,813,829,352.44.

At the Annual General Meeting, the Board of Directors will make the following recommendations concerning the appropriation of profit and the amount of the dividend:

- payment of a total dividend of €576,759,520.68, shared between all shareholders;
- transfer of the balance of €2,237,069,831.76 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 €0.84.

The shares will trade ex-dividend on NYSE Euronext Paris from 3 May 2018 and the dividend will be paid as from 7 May 2018.

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 will 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

(In € thousands)	**31.12.2017**	31.12.2016	31.12.2015	31.12.2014	31.12.2013
Share capital	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					
Premium income excluding tax	22,948,315	24,044,660	24,344,274	21,988,755	18,985,447
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	1,547,557	1,343,167	1,508,238	1,035,412	1,062,203
Income tax expense	405,031	248,283	233,421	285,006	332,235
Net profit	1,142,526	1,094,883	1,274,817	714,073	735,289
Earnings per share *(In €)*					
Earnings per share before tax, depreciation, amortisation and provisions (EBTDA)	2.25	1.96	2.20	1.51	1.55
Earnings per share	1.66	1.59	1.86	1.04	1.07
Dividend per share *	0.84	0.80	0.77	0.77	0.77
Employee data					
Average number of employees	2,803	2,883	2,897	2,908	2,998
Total payroll and benefits *(In € thousands)*	277,604	273,079	271,750	287,594	288,911

* Recommended 2017 dividend subject to shareholder approval at the Annual General Meeting on 27 April 2018

5.5 Statutory Auditors' report on the company financial statements

For the year ended 31 December 2017

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 includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. 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 2017.

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 as at 31 December 2017 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 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 2017 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 specific all of the inputs to be used to calculate this reserve. At 31 December 2017, other technical reserves, which are broken down in Note 4.6 to the financial statements, included the escalating risks reserve for long-term care policies in an amount of €383 million; the escalating risks reserve for Term Creditor Insurance business amounted to €424 million in the financial statements, 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.

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 2017, other technical reserves, which are broken down in Note 4.5.2 to the financial statements, included general administrative expense reserves in an amount of €232 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves to: ▪ a situation of persistently low return rates; ▪ 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 financial return rate; ▪ 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 return rate curve applied to mathematical reserves in order to determine the forecast investment income; ▪ carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

USE OF RECOVERABLE AMOUNTS TO MEASURE RESERVES FOR OTHER-THAN-TEMPORARY IMPAIRMENT

(See Notes 4.3.3 and 5.2 to the financial statements)

Description of risk	How our audit addressed this risk
CNP Assurances determines provisions for the other-than-temporary impairment of financial investments falling within the scope of article R.343-10 of the French Insurance Code (Code des assurances) based on an estimate of their recoverable amount over the intended holding period, in accordance with the procedure described in Note 4.3.3 to the financial statements. At 31 December 2017 these provisions amounted to €2,481 million in the balance sheet of CNP Assurances. The estimated recoverable amount of the financial investments is established by reference to the fair value via a multi-criteria approach, capitalised at the risk-free rate to which a risk premium is added or, failing that, the market average of the most recent month considered, over the probable holding period of the investments concerned. This takes into account the Company's ability and management's intention to hold these financial investments. Given the degree of judgement required from management, we deemed the estimation of recoverable amounts, which are the basis for determining provisions for the other-than-temporary impairment of financial investments, to be a key audit matter.	In order to assess the reasonableness of the provisions for other-than-temporary impairment, we performed the following procedures: ▪ assessing the consistency of the holding period applied for each of the investment categories with those applied in previous years as well as with the Company's ability to hold these investments; ▪ assessing the prudence and justification of the risk premium used to determine the recoverable amount; ▪ assessing management's justification of the use of the recoverable amount.

Verification of the management report and of the other documents provided to the shareholders

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 with respect to the Company's financial position and the financial statements

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, 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*).

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 the 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 2017, Mazars and PricewaterhouseCoopers Audit were in the twentieth year and the eighth 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 accounting and financial reporting procedures.

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 accounting and financial reporting procedures.

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, 9 March 2018

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 2017:

€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

Date	Description of the transactions	Number of new shares	Aggregate par value of new shares	Net premium	Total number of shares	Share capital
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%

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

2015 financial year

Number of shares: 686,618,477

Number of voting rights: 685,595,410

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,940	40.87%	40.93%
Sopassure (La Banque Postale and BPCE holding company)	248,926,986	36.25%	36.31%
French State	7,645,754	1.11%	1.11%
TOTAL SHARES HELD IN CONCERT (2)	**537,188,680**	**78.24%**	**78.35%**
Public, Company employees and other	149,429,797	21.76%	21.65%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	1,023,067	0.15%	-
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

(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' knowledge, no other shareholder owns more than 5% of the Company's share capital or voting rights

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:	of which:	of which:	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' 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:	of which:	of which:	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' 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)

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.

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 the Company 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.

(1) The percentages indicated do not include shares issued to pay scrip dividends

(2) At 31 December 2017, 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

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). The CNP Assurances share is included in the following indices: SBF 120, DJ Euro Stoxx Insurance, DJ Stoxx Europe 600, MSCI Europe, and MSCI World.

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)*
2016	January	14,491,269	10.680	12.590
	February	15,703,118	10.515	13.700
	March	13,595,355	13.345	14.150
	April	9,761,664	13.415	15.235
	May	8,954,742	13.875	15.290
	June	12,713,343	12.410	15.365
	July	9,239,518	12.220	14.575
	August	7,860,549	13.070	14.600
	September	7,814,904	14.000	15.260
	October	8,568,935	14.470	15.900
	November	9,360,915	15.435	16.800
	December	10,150,993	16.305	18.075
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

(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 2014, 2015, 2016 and 2017 were as follows:

Year of distribution	2014	2015	2016	**2017**
Consolidated earnings per share	€1.49	€1.54	€1.64	€1.80
Dividend per share	€0.77	€0.77	€0.80	€0.84 *
Number of shares with dividend rights	686,618,477	686,618,477	686,618,477	686,618,477

* Subject to the decision of the Annual General Meeting of 27 April 2018

Dividends not claimed within five years are statute-barred and are paid over to the French State.

6.4.3 Dividend policy

The Company's dividend policy is determined by the Board of Directors after review of the Group's financial position and results.

This policy takes into account the Group's investment needs, the economic environment and any other factor deemed relevant.

The Company's dividend policy has always been consistent with its development strategy while seeking to ensure dividend sustainability by maintaining a reasonable payout ratio for its shareholders.

6.5 Delegations of competence and financial authorisations

6.5.1 Delegation of competence given to the Board of Directors to issue shares

21st and 22nd extraordinary resolutions of the Annual General Meeting of 13 April 2017. Expires: 13 June 2019.

6.5.2 Delegation of competence given to the Board of Directors to grant shares

11th extraordinary resolution of the Annual General Meeting of 6 May 2015. Expires: 6 July 2018.

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 2016 AND 2017

Type of authorisation	Purpose	Duration	Ceiling	Use in 2016 and 2017
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
Employee rights issue	Issue of ordinary shares to members of a Company or Group employee share ownership plan	Granted by the AGM of 13 April 2017 (22nd resolution) Duration: 26 months Expires: 13 June 2019	3% of share capital outstanding at the date of the AGM	None
Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 13 April 2017 (20th resolution) Expires at the 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 2017, 143,695 shares were held in treasury (0.02% of share capital)
	Employee share grants	Granted by the AGM of 6 May 2015 (11th resolution) Duration: 38 months Expires: 6 July 2018	0.5% of share capital outstanding when the authorisation is used	None

2018: DELEGATIONS OF COMPETENCE SOUGHT AT THE ANNUAL GENERAL MEETING OF 27 APRIL 2018

Type of authorisation	Purpose	Duration	Ceiling
Share buyback programme	Buy and sell CNP Assurances shares	20th resolution Expires at the AGM called to approve the 2018 financial statements Duration: 18 months Expires: 27 October 2019	10% of share capital outstanding at the date of the AGM
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	21st resolution Expires at the AGM called to approve the 2018 financial statements 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)
Rights issue	Issue of deeply-subordinated contingent convertible bonds without pre-emptive subscription rights	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)
Employee rights issue *	Issue of shares to members of a Company or Group employee share ownership plan without pre-emptive subscription rights for existing shareholders	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)
	Employee share grants	24th resolution Duration: 38 months Expires: 27 June 2021	0.5% of share capital outstanding when the authorisation is used

* As of 31 December 2017, employees held 0.20% of the Company's capital, directly and indirectly (versus 0.21% at end-2016)

6.5.4 Transactions carried out in 2017 under the share buyback programme authorised by the General Shareholders' Meeting of 13 April 2017

The Annual General Meeting held on 13 April 2017 renewed the share buyback programme in place since the IPO.

6.5.4.1 Share purchases and sales

Pursuant to the authorisation granted by the Annual General Meeting of 13 April 2017, the Company purchased (between 1 January 2017 and 31 December 2017) 5,040,865 of its own shares at an average price of €19.14, and sold 5,018,831 treasury shares for an average price of €19.18.

FROM 1 JANUARY 2017 TO 31 DECEMBER 2017

	Aggregate gross amounts		Open positions on the day the prospectus was filed					
	Purchases	Sales	Open buy positions			Open sell positions		
Number of shares	5,040,865	5,018,831	Purchased calls	Sold puts	Futures	Purchased calls	Sold puts	Futures
Maximum average maturity	None	None	None	None	None	None	None	None
Average transaction price	€19.14	€19.18						
Average exercise price	None	None	None	None	None	None	None	None
Total	€96,482,156	€96,261,179						

SUMMARY

Treasury share transactions in the period from 1 January 2017 to 31 December 2017	
Percentage of issued capital held by the Company, directly and indirectly	0.02%
Number of shares cancelled in the past 24 months	None
Number of shares held in treasury as of 31 December 2017	143,695
Book value (1)	€2,761,818
Market value (2)	€2,767,566

(1) Average purchase price of shares held in treasury as of 31 December 2017: €19.22
(2) At closing price on 31 December 2017: €19.26

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 2017 share buyback programme. All of the shares held as of 31 December 2017 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 20th resolution presented at the Ordinary and Extraordinary General Meeting of 27 April 2018 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 13 April 2017;
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 that complies with the code of ethics of the French association of financial and investment firms (*Association française des marchés financières* – AMAFI) recognised by the AMF,
  - 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 €30, 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 €2,059,855,410,
- that the shares may be bought back on one or several occasions by any method, in compliance with the rules set out in the AMF's position paper/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 extend the term of any liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF,
  - place buy and sell orders on- or off-market,
  - adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share,
  - 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 *Autorité des Marchés Financiers* and any other organisation,
  - carry out any and all publications 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 2018 or 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 21 February 2018 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 Deputy Chief Executive Officer and Finance Director, 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 the Deputy Chief Executive Officer and Finance Director, 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 Deputy Chief Executive Officer and Finance Director, 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 and the Deputy Chief Executive Officer and Finance Director, 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 9.11 "Commitments given and received" in section 5.1 "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
2013	€6,570,565.60	3,293
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

* 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-Fongepar. 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
2013	€17,278,647.00	3,095
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

6.6.3 Employee stock options

Not applicable.

7

CORPORATE SOCIAL RESPONSIBILITY

Labour, social and environmental information included in the management report

The following report presents the Group's Corporate Social Responsibility (CSR) action plan, including the priorities for each component of the CSR policy and related additional initiatives, with the corresponding figures. It features examples of initiatives carried out across all Group entities (see "Methodology"). It was drafted in accordance with the provisions of Articles L.225-102-1 and R.225-105-1 *et seq.* of the French Commercial Code (*Code de commerce*), and concludes with a concordance table serving to identify the regulatory information. An independent third-party body has performed an analysis to verify the existence and fair presentation of the information falling within the scope of Article 225 of the French Commercial Code. The most material data were subject to detailed tests. The other data were reviewed for overall consistency as indicated in the concordance table at the end of the section.

Moreover, in view of the importance given by CNP Assurances to social and environmental information, the Group decided to verify ten indicators for their reasonable assurance. These indicators are identified by the √ symbol.

The Caixa Seguradora group also publishes a sustainable development report, available online at: www.caixaseguradora.com.br/institucional/Paginas/relatorios-de-sustentabilidade.aspx.

7.1 Corporate Social Responsibility at CNP Assurances

7.1.1 The story of our CSR commitment

2003: The fundamental first step, pledging to uphold the Global Compact

CNP Assurances has always upheld human rights and citizens' rights, in line with the Universal Declaration of human rights, and more specifically has always complied with the labour standards of the International Labour Organization and the national labour laws of each host country.

In pledging to uphold the Global Compact in 2003, we reaffirmed our commitment to respecting these fundamental principles, and also 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.

2009: Helping to promote the adoption of these principles throughout the insurance sector

We played an active role in launching the *Association française de l'assurance*'s sustainable development charter in 2009. Our commitments under the charter are to meet core social responsibility challenges in the insurance industry, including helping to reduce social vulnerability and combat climate change, supporting economic development and promoting socially responsible investment.

2011: Deepening our commitment to acting as a responsible insurer and a responsible investor

In 2011, we pledged to uphold the United Nations' Principles for Responsible Investment (PRI), ushering in a new phase in our commitment as a responsible investor. In 2015, Caixa Seguradora signed the Principles for Sustainable Insurance (PSI).

2015: Commitments in favour of the energy and environmental transition

A signatory of the Montreal Carbon Pledge, CNP Assurances published the carbon footprint of its financial portfolio of directly held listed equities in December 2015, and has publicly pledged to reduce it. It made other ambitious commitments regarding its real estate portfolio and its "coal" assets.

2017: Reinforcing initiatives to limit global warming

In the first half of 2017, CNP Assurances signed the Shift Project's "Decarbonize Europe Manifesto" and spoke about its approach at the press conference announcing the initiative.

At the end of 2017, CNP Assurances decided to intensify its action, setting the target of reducing the carbon footprint of its equity portfolio by 30% by the end of 2021*. It has pledged €5 billion in new investments for energy and environmental transition projects by 2021.

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report

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 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. Business 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.

7.1.2 Components of the CSR approach

The CNP Assurances Group's CSR approach is based on three pillars:

- commitments in line with the UN objectives;
- stakeholder dialogue;
- steering bodies.

7.1.2.1 CSR commitments aligned with the UN Sustainable Development Goals

For CNP Assurances, being a responsible insurer means acting as a value-adding financial intermediary for policyholders looking to protect themselves by minimising their exposure to the risks of everyday life and for the economy by providing funding. Our excellent risk assessment skills and our responsible and long-term investment strategy nurture these commitments, which are central to our insurance offer.

Social responsibility means aligning the interests of the Company with those of society as a whole. 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. This is how it contributes to achieving the 2015-2030 Sustainable Development Goals (SDGs) defined by the UN, particularly five 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).

To show the links between the Group's CSR issues and the SDGs, the relevant sections of this report are identified by the corresponding pictograms:

In practical terms, the CSR approach is built around three strong commitments, consistent with the Company's strategy:

Contribute to a sustainable society

- Combat inequalities by avoiding financial exclusion and through pooling.
- Satisfy policyholders as much as possible.
- 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.

7.1.2.2 Regular dialogue with stakeholders

CNP Assurances maintains regular dialogue with its main stakeholders, and conducts periodic surveys.

It plays an active role in the work of the French Insurance Association (*Association française de l'assurance* – AFA) on CSR issues. 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. Lastly, CNP Assurances' Data Protection Officer is the Secretary General of the French association of personal data officers.

The international subsidiaries also participate in local professional bodies. In 2016, the Caixa Seguradora group joined Forum Aliança Cerrado, which brings together companies and stakeholders to discuss environmental issues. Similarly, CNP Assurances Compañía de Seguros has joined the "Sustainable Mobility" group in Buenos Aires.

In 2015, CNP Assurances launched La Fabrique d'Assurance, which brings together insurers and experts in various fields to discuss trends in social issues and their impact on insurance. The resulting white paper outlines several avenues for action to develop the microinsurance market in Western countries, and particularly in France. Work continued this year; a second white paper on the theme of an inclusive and supportive society for all, especially people with disabilities, was published in 2017.

To better understand the impact of population ageing and generational segmentation on society, social protection and businesses, CNP Assurances has also initiated a dialogue open to partners and civil society with The Boson Project, a start-up. As part of this process, a series of six lectures held in 2017 brought together more than 70 participants; each talk led to the emergence of findings included in a white paper with the title "Fracking and new horizons, redrawing solidarities in France".

Satisfaction surveys are conducted regularly among policyholders and our distribution partners in France and worldwide. They help enhance the Company's customer service process. CNP Assurances and its main subsidiaries also conduct qualitative and quantitative studies to anticipate the needs resulting from social and demographic change (see section 7.2.2 "Better satisfy policyholders").

CNP Assurances also engages in constructive dialogue with companies in which it is a shareholder whenever a problem is revealed in the course of the quarterly SRI screening process via our asset managers or directly during the lead-up to General Meetings.

In addition to institutional labour relations, diagnostic reviews of psychosocial risks performed in 2015 helped improve our understanding of how employees perceive their work environment. Since 2016, CNP Assurances has been using its "Dialog" approach among all employees, with a view to encouraging exchanges on working conditions between each manager and his or her team.

The www.cnp.fr website, which is accessible to all, had more than one million unique visitors in 2017, more than half of which to the sections 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 60,000

Facebook fans on topics relating to living better for longer by the end of December. Caixa Seguradora also uses social networks to raise awareness about sustainable development and conscious consumption. CNP Assurances Compañía de Seguros uses them to air short films devoted to prevention, health, sustainable mobility and protection of the environment.

FROM THE GENERATION Y OBSERVATORY TO THE YOU & US COMMUNITY

Nearly two years ago, CNP Assurances created an online community dedicated to 18-35 year olds in order to get a clearer picture of their use and expectations. The richness of the exchanges quickly made us want to take the initiative further by extending it to the other generations. With 300 active members to date, the You & Us community is a forum for listening, exchanging and co-creating, which supports CNP Assurances on a daily basis. You & Us features a 24/7 digital platform built around discussion forums on various topics (digital use, lifestyles, chatbot, protection, etc.), thematic co-creation workshops, connecting customers and employees of CNP Assurances and online surveys to spot emerging trends early.

7.1.2.3 The CSR management bodies

Since October 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, the Board of Directors and the Chairman on the Group's activities and objectives.

Since the end of 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. Their role is to intensify the work of all departments.

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;
- in 2013, the Caixa Seguradora group established the Caixa Seguradora Institute, in addition to its Sustainable Development Committee, thereby reinforcing its social, environmental and cultural programmes;
- since the end of 2014, the CSR actions undertaken by CNP Assurances Compañía de Seguros have been blended with broader strategic objectives. In July 2015, the Company launched its *Multiplicar* CSR programme and created a Sustainability Committee.

A specific system for environmental issues

Environmental issues are handled locally with a system structured in accordance with the size of the entity, around existing CSR services or Committees. The subsidiaries report to CNP Assurances on their environmental performance on an annual basis.

CNP Assurances has a Corporate Social and Environmental Responsibility department, which assists the support departments in charge of environmental issues, namely purchasing, workplace environment and real estate investment. The Building Management department monitors regulatory developments. Each year an external audit firm prepares an assessment of regulatory compliance and a monitoring tool for equipment at risk.

The Caixa Seguradora group set up a Sustainable Development Committee in 2007 to address environmental issues. Comprising 14 representatives from various sectors within the Group, it is led by the Chairman of the Group's Executive Committee. The initiatives in the environmental programme help to instil a culture of sustainable development within the Group.

7.1.3 A measure of CSR performance

7.1.3.1 Key CSR objectives and indicators

We strive to create value for all CNP Assurances stakeholders as a responsible insurer and investor.

Climate targets: a satisfactory performance in the period to end-2017

Objective	% of target achieved at end-2017
30% reduction in the carbon footprint of the portfolio of directly held listed equities between 2014 and 2021 *	121%
€3 billion in "green" investments by the end of 2018	81%
20% reduction in the energy consumption of real estate assets between 2006 and 2020	48%
Exclusion of companies deriving more than one-quarter of their revenue from thermal coal	100%

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report

CNP Assurances' achievement of the objectives it has set itself in terms of reducing its carbon footprint and energy consumption may depend on the methods of collection of companies or among management companies. As such, variations observed from one year to the next are carefully analysed.

At the end of 2017, CNP Assurances also pledged €5 billion in new investments for energy and environmental transition projects by 2021.

7.1.3.2 The external CSR evaluation

The quality of CNP Assurances' Corporate Social Responsibility policy has been recognised by SRI rating agencies. We obtained particularly high scores for our performance in the areas of Human Resources management and community outreach.

Summary of CNP Assurances' CSR ratings (unsolicited)

Rating agency	CSR rating	Comment	Methodology
Sustainalytics	83/100 (2014)	5/94 (global insurance)	http://www.sustainalytics.com/
Oekom	Prime B- (2017)	1/128 (global insurance)	http://www.oekom–research.com/index_en.php?content=corporate-rating
Vigeo	54/100 (2016)	6/42 (European insurance)	http://www.vigeo.com
MSCI	AAA (2017)		
CDP	B (2017)		

SRI indices that include CNP Assurances shares

CNP Assurances' shares are included in several European SRI indices. In particular, its presence in the Ethibel Sustainability Index Excellence Europe, the Euronext Vigeo Eurozone 120 and Europe 120 indexes and the MSCI Global Sustainability Indexes has been confirmed. Since 2015, the share has been part of the FTSE4Good Index.

AWARDS AND OTHER EXTERNAL RECOGNITION IN 2017

CNP Assurances received the 2017 *Grand Prix de la Mixité* in the category of companies with fewer than 10,000 employees in recognition of its commitments to gender equality and the balanced representation of women and men on its governance bodies and throughout the Company.

CNP Assurances Compañía de Seguros was rewarded by the City of Buenos Aires for the sustainable mobility strategy implemented for its employees.

Caixa Seguradora won the "Modern consumer" award for its customer service, in the insurance, retirement and endowment category.

CNP Cyprus Insurance Holdings received the innovation award in the service category for the development and use of customer needs analysis software.

7.2 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.

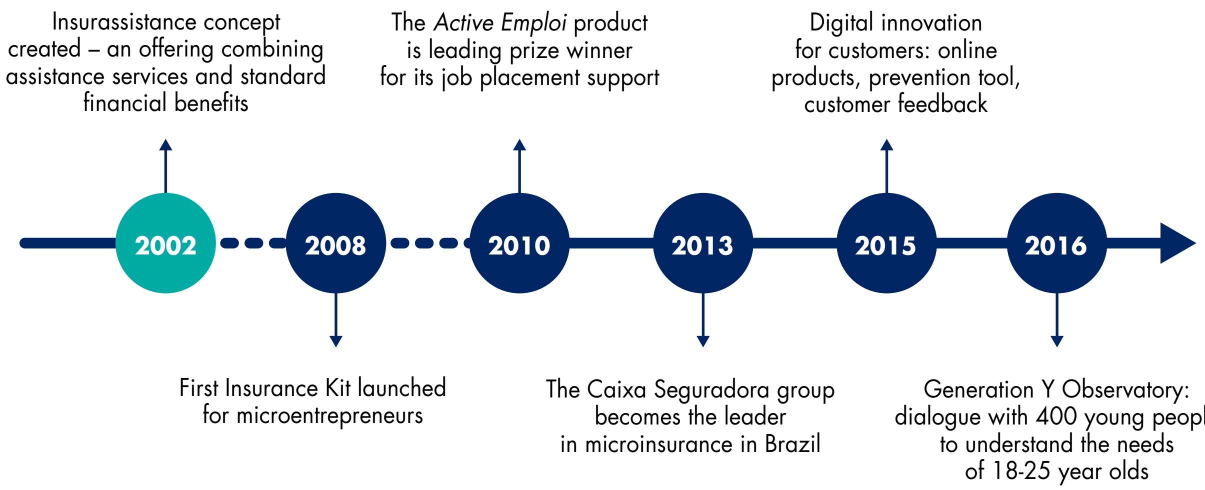
To do this, it seeks to offer all policyholders guarantees that match their daily lives, needs and budgets as closely as possible. It also aims to offer each of its customers a quality of service that meets their expectations. These two goals are ambitious because of the very wide-ranging situations 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 tomorrow. 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:

- fight against inequalities by avoiding financial exclusion and through pooling;
- satisfy policyholders as much as possible;
- ensure good business ethics;
- implement a responsible HR policy;
- develop social initiatives in the field.



7.2.1 Fight against inequalities, by avoiding financial exclusion and through pooling

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;
- provide informative and transparent information.

7.2.1.1 Products accessible to all

In France, an offer aligned with the needs of people with low incomes

In agreement with our distribution partners, we offer products with intentionally low minimum amounts, i.e., €30 per month, despite the weight of fixed administrative costs.

CNP Assurances insures loans granted by many social economy non-profits including Action Logement, social Committees and the Crédits Municipaux. This close collaboration makes it possible to market a creditor insurance offer adapted to the realities of the social economy market.

As the leader in the Group life insurance segment, 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.

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 187 new Basic Insurance Kit contracts were sold in 2017. To go further, CNP Assurances launched La Fabrique d'Assurance in 2015, with the aim of bringing together insurers and experts in various fields to discuss trends in social issues and their impact on insurance. The first workshop focused on microinsurance, identifying needs, and examining obstacles and levers for development.

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 persons 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.

In Brazil, innovative microinsurance products

In Brazil, the Caixa Seguradora group was the first insurer to enter the Brazilian funeral microinsurance market, with the Amparo contract launched in 2011. More than 200,000 Amparo contracts have been sold to date. In 2015, Caixa Seguradora launched a micro-credit insurance product, Familia Tranquila, which covered 9,200 microentrepreneurs at 31 December 2017.

7.2.1.2 Products with a social benefit

CNP Assurances continuously updates its offer to adapt to the latest developments in society, by enhancing existing offers and developing targeted prevention services.

Innovative guarantees are available covering the problems of loss of autonomy, job loss and ageing. In France, for example, in addition to the preventive advice issued by Filassistance International and Lyfe, we offer an unemployment insurance product with a small premium and advice to help the policyholders find a new jobs.

Since May 2017, as part of its CNP Premium individual creditor insurance offer, CNP Assurances has been offering policyholders assistance at key moments of life 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 the support for sick children or dependent family members.

2017 saw the launch of a new job loss guarantee in La Banque Postale's creditor insurance offering. 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%.

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 55 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.

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, as well as 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.

7.2.1.3 Risk selection adapted to each policyholder's health profile

CNP Assurances draws on its exceptionally deep understanding of risks, acquired over its many years' 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 to as great an extent as 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 nine years.

CNP Assurances, covering aggravated health risks

We are resolutely committed to ensuring that individuals representing an aggravated risk have 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.

7.2.1.4 Promoting good health

A structure dedicated to prevention: Filassistance International

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, in particular through its Filassistance International subsidiary.

Filassistance works closely with its customers, and has been offering multidimensional support for several years. It has brought together a medico-psycho-social team comprising psychologists, social workers, doctors, an occupational therapist and a social and family economics consultant on a single site to provide the most comprehensive assistance to members who need its services. Filassistance offers insurance against the loss of autonomy and cardiovascular risks. It also provides listening and support services for carers and people with long-term illnesses – specifically women with cancer – both medically and socially. Moreover, its *aide aux aidants* (Assistance to Caregivers) offer was included on SIACI's "My Prevention" website, which has received numerous awards for innovation. In 2016, Filassistance International continued to digitise its offerings by creating, developing and promoting digital sites for its partners. In 2017, hospitalisation and dependency solutions were enhanced.

Lyfe, the CNP Assurances health services platform

More than two years after its launch, the Lyfe platform offers ten services in the fields of health, well-being and ageing well, such as remote personalised health advice giving policyholders access to a doctor online and *allô expert dépendance*, a preventative support service targeting loss of independence in the elderly. The number of people registered increased 12-fold in nine months. Its partnership with MonDocteur.fr allows Lyfe to offer online appointment bookings throughout France. 82% percent of members are satisfied with the site according to a survey carried out in 2016. In 2017, Lyfe signed a partnership with innovative company Concilio, offering its users quick and easy access to specialists in their various pathologies. It provides up-to-date information on diseases, thereby combating inequalities in the field of health, one of the main causes of which is the difficulty in accessing information.

Specific prevention campaigns

CNP Assurances deploys numerous workplace programmes to promote the health and well-being of local government employees. The Caixa Seguradora dental care subsidiary runs a programme to prevent tooth decay among young children. In Argentina, CNP Assurances Compañía de Seguros uses social networks to promote sport and preventative activities.

Prevention for everyone in everyday life

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.

7.2.1.5 Access to information

Information and product transparency

Under the CNP Assurances business model in France, presentations of life insurance operations are generally prepared by the partner networks, although these operations are 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 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.

In 2017, CNP Assurances actively prepared for the implementation in 2018 of two European regulations that constitute major advances in terms of customer information: the PRIIPs regulation, which provides for the provision of a key information document (KID) setting out the main characteristics of savings products and their associated risks, and the Insurance Distribution directive (IDD), which extends this requirement to non-life policies by providing for the delivery of an equivalent pre-contractual information document, known as the insurance product information document (IPID).

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.

Access to communication

Insuring all our futures also means providing access to information for all. After audit, the www.cnp.fr website was declared 95%-compliant with France's WCAG web accessibility standards, which cover aspects such as colour contrasts, keyboard accessibility, text equivalents for images, infobubbles, page titles and prioritisation of information.

7.2.2 Better satisfy policyholders

The second commitment for a sustainable society covers the entire customer relationship through:

- listening to the needs of policyholders;
- assessing customer satisfaction;
- following up policyholder requests.

7.2.2.1 Listening to the needs of policy holders

In addition to studies carried out with distribution partners, the Group's entities analyse the needs arising from emerging social and demographic trends in order to anticipate them. In 2017, a close look was taken at CNP Assurances' customer experience and the expectations of consumers about online insurance in three European countries.

CNP Assurances has created an online community known as You & Us, with 300 active members. It is a forum for listening, exchanging and co-creating that helps CNP Assurances on a daily basis (see text box in section 7.1.2). The community has already helped revisit customer pathways in order to improve satisfaction, foster the emergence of new concepts and test prototypes of new offers.

In 2017, CNP CIH conducted a qualitative study on policyholder expectations.

In line with work of this nature, as well as surveys conducted with its customers and partners, Filassistance decided in 2017 to strengthen and improve the range of services dealing with the well-being of policyholders and their families, as well as assistance before and after hospitalisation, taking into account changes in outpatient care needs. New offers are being examined in these areas.

7.2.2.2 Doubling up satisfaction monitoring

Group entities periodically carry out surveys among both policyholders and distribution partners so as to obtain a comprehensive view of customer satisfaction.

In 2017, CNP Assurances conducted six customer satisfaction surveys. They focused on the quality of telephone assistance and online services. The satisfaction rate varied from 79% to 84% depending on the survey. Surveys such as these help improve customer service.

Since 2015, an online survey software package has been able to distribute questionnaires to policyholders by e-mail, SMS and online; customers can respond using a computer, tablet or smartphone.

CNP Assurances also conducted satisfaction surveys on more than 400 local and regional insurance companies in 2017. Average satisfaction scores are stable at between 7 and 8 out of 10 depending on the local authority.

Satisfaction surveys are also conducted in the CNP UniCredit Vita and CNP CIH subsidiaries, and as often as monthly in all business units in South America. CNP Partners conducted a satisfaction survey on its distributors and another on policyholders to share their view of service quality. Satisfaction scores varied between 3.9 and 4.2 out of 5).

7.2.2.3 Following up policyholder requests

CNP Assurances regularly reviews a sample of letters sent to customers in response to requests for information or complaints in order to assess the quality of such letters. Fifteen checkpoints on their substance and form are used to identify any anomalies. The results are presented in reports and are given to the departments that issued the letters to help to them constantly improve the quality of service. The system was made digital in 2017

Processing complaints more quickly

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.

Complaints are dealt with by dedicated teams. Tools have been implemented to fine-tune follow-up and improve the analysis of complaints; one of the objectives is to learn lessons to improve quality of service and reduce processing time. Complaints received by CNP Assurances mainly concern the purchase and claim management processes.

With 11,800 complaints lodged in personal insurance in the first half of 2017 (a volume close to that of 2016), the number of grievances 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 most cases, CNP Assurances' position is maintained.

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). It should be noted that the mediator in most cases upholds CNP Assurances' position.

Unclaimed contracts at CNP Assurances

2017 was marked by work to comply with the Eckert law, which came into force on 1 January 2016. The work carried out on the Eckert law mechanism and its implementation resulted in the production of regulatory reporting from the first quarter of 2017, as required by the law. CNP Assurances has fulfilled its obligations in relation to the regulator and Caisse des Dépôts.

At the same time, work continued with supervisory bodies throughout 2017 on the specific monitoring of unclaimed contracts. The Statutory Auditors submitted their latest report on the scope of the Group's death and disability insurance, and the conclusions were presented to the ACPR on 28 February 2017, together with an action plan. Follow-up of the action plan on a separate basis was also presented in the third quarter of 2017.

In addition to the specific monitoring, the Statutory Auditors and the ACPR took special note of optimisations made to the "death" process as a whole and the positive result of the actions undertaken.

It should also be noted that a project aimed at improving the identification of unclaimed contracts has been underway in the Data'Lab Group since 2016. It is known as the Missing Person Recovery (MPR) model. In 2017, monthly cross-referencing using this model served to identify nearly 3,600 additional deaths thanks to similar cross-referencing algorithms.

The Statutory Auditors and the regulator found this approach particularly noteworthy, describing it as unique and very innovative in the market.

Disputes

There were 1,476 disputes in progress at CNP Assurances at the end of 2017. 73% percent of cases were won in the first instance in 2017, 76% on appeal and 95% on submission to the highest court of appeal.

7.2.3 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.

7.2.3.1 Measures supporting policyholder security

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 him the resources to carry out his duties within the Group. Actions taken in recent years have served to establish 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.

In the field of data governance, the Data Protection Officer participates in numerous bodies dealing with risk and its management. He is 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. He also attends 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 so as 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.

For data compliance processes within the Group, all new documents requiring the collection of personal data (membership forms, administrative or financial amendments, etc.) are subject to a process of prior validation by the Data Protection Officer, who examines the proportionality and the 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 data protection clauses to ensure transparency. In addition, all new processes are subject to risk analysis validated by the Data Protection Officer, as well as a legal compliance check before being referenced in the register of processes, as required by law. 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. There are plans to extend this approach throughout the Group in 2018. 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 2017, the Data Protection Officer devoted much of his time to the setting up of new portals intended for employees.

CNP Assurances systematically responds within the legal deadline to messages from policyholders wishing 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 within the Company who are responsible for managing personal data. Requests of this nature have been facilitated since 2008 by the possibility of contacting the Data Protection Officer via the institutional portal and by email at cil@cnp.fr. Lastly, a video made by the FFA, which aims to explain the purpose of the collection of personal data for any insurer, can be viewed on the www.cnp.fr website. It reminds policyholders that they have the right to access their own data and tells them how they can exercise this right.

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. A very active Yammer 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 GDPR conference dedicated to the legal insurance segment was organised by the Data Protection Officer, with the support of an expert. An Intranet site dedicated to data protection allows users to acquire the fundamentals and get information about the practical application of data protection laws in the various businesses, in the form of factsheets. Lastly, ahead the entry into force of the new European regulation in May 2018, part of 2017 employee incentive bonuses was hinged on an e-learning training module on the protection of personal data. The Data Protection Officer's review of initiatives is distributed each year to the Group's senior management bodies and to the Works Council to raise the Group's awareness of this essential issue.

GENERAL DATA PROTECTION REGULATION (GDPR): A NEW EUROPEAN REGULATION STRENGTHENING THE PROTECTION OF PERSONAL DATA

The General Data Protection Regulation (GDPR), a European regulation applicable throughout the European Union, updates and above all expands 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 prepare for its entry into force, a cross-company project has mobilised 90 people. All the requirements of the new regulation have been analysed in order to define and implement the necessary compliance measures.

Cybersecurity

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 is 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 2016, this process was reflected importantly in the strengthening of defensive mechanisms geared towards fighting new threats, the contribution of the digital management team to all new projects, a review of governance arrangements and the running of numerous communication campaigns for users. In early 2017, CNP Assurances signed a cyber insurance contract to cover potential impacts in terms of civil liability, operating losses and additional costs incurred.

In 2016, to take into account the numerous technological, usage, regulatory and legal developments, CNP Assurances updated the charter governing the use of information system resources, which sets out the rights and obligations of the system's users. Moreover, the Group's new information systems security policy sets the framework for the Group's security approach and its main principles. An IT Security Officer reports directly to the Programmes and Information Systems Director, strengthening the governance structure represented by the IT Security Committee.

2017 saw the completion of the project for the management of digital identities and access control systems for the information system (logical access), as well as the implementation of a solution for securing office data (Word, Excel, etc.) so as to reduce the risk of access to sensitive data.

In the second half of 2017, CNP Assurances started to implement a security event detection and correlation solution to reduce the risk of attacks.

A dedicated site open to employees now offers awareness training on issues related to information systems security. Factsheets have been created to present and illustrate good security practices to facilitate their implementation on a daily basis.

Business continuity plan

A business continuity plan has been drawn up to prepare for the risk of downtime following an incident. Tests are performed each year, using different scenarios, to ensure that normal business operations can be quickly and efficiently restored in all the various departments.

Implementation in subsidiaries

The European subsidiaries comply with the European Data Protection directive (95/46/EC) as transposed into national law. Some, such as CNP Cyprus Insurance Holdings, have included its provisions in their code of conduct. All employees in Cyprus received IT security training in 2016. MFPrévoyance, where medical confidentiality is a particular concern, has a dedicated Data Protection Officer. Employees must sign a formal pledge to uphold their obligation to maintain professional secrecy. Medical confidentiality training courses are regularly given to MFPrévoyance employees by the medical officer.

The data security policy at Caixa Seguradora is also regularly updated, and all information is categorised by level of confidentiality to ensure appropriate treatment. Regular intrusion tests are conducted to assess the efficacy of the security measures. Its health subsidiary has established exclusive channels for the exchange of sensitive information with partners.

CNP Assurances Compañía de Seguros has drawn up a best practices guide on data privacy, notably including its legal aspects, in the aim of entrenching a culture of personal data protection as a component of service quality.

CNP UniCredit Vita updates its security policy governing the protection of customer data in its data protection document on an annual basis. It has a Chief Information Security Officer (CISO). In 2017, an independent analysis was carried out before the new European regulation came into force.

Product and service compliance

All of the Group's entities verify that contractual, marketing and advertising documents are compliant at every stage of the development of new products. Dedicated teams, working closely with legal experts, ensure that insurance products are compliant, and that changes in the legal framework are taken into account. The workstations used by the distribution partners of the Group's entities enhance the quality and efficiency of policyholder services, while incorporating the duty to provide advice.

CNP Assurances and several subsidiaries have obtained ISO 9001 certification of certain business processes. Once obtained, these certifications are regularly renewed. At Caixa Seguradora, the quality management system is subject to regular audits.

7.2.3.2 Ethics and anti-corruption measures

Codes within all entities

All subsidiaries provide ethical guidelines through their standard operating procedures, charters or codes. A Group-wide anti-corruption policy has been developed and made available to employees on the Intranet, accompanied by a specific information message.

CNP Assurances' code of conduct, appended to the internal rules, is one of the Group's tools in the fight against corruption. It notably 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. Flashes are regularly placed on the Intranet to remind employees of the main rules. All other entities in the Group also have ethics codes, guidelines and rules.

Some more exposed professions have specific codes (purchasing management and sales management):

- an ethical purchasing guide provides practical guidance for key situations encountered by the Company's purchasers;
- similarly, a specific code of ethics spells out standards for sales representatives of the Amétis network.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries specifically prohibit them in their code of ethics or conduct.

Moreover, 2017 was used to design a training module specific to combating corruption and to prepare the alert tool for all employees, in accordance with the requirements of France's Sapin II law.

Corruption risk training has increasingly been offered in subsidiaries since 2016, notably in Brazil and Italy following the enactment of new anti-corruption laws.

Procedures governing financial management and purchases

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.

At CNP Assurances, the fight against corruption extends to purchasing, and purchasing contracts include a standard CSR clause requiring suppliers to commit to combating corruption, including on the part of their own suppliers and subcontractors.

7.2.3.3 Combating money laundering, terrorism and fraud

A shared requirement

As a player in the financial sector, CNP Assurances is deeply involved in the fight against money laundering, the financing of terrorism and fraud. Our business model, in which a lot of transactions are performed by partners, has shaped the related controls. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners. Caixa Seguradora, the Group's main subsidiary, carries out an annual external audit of the risk of fraud.

Dedicated teams

Supported by roughly 20 employees, a specific unit is dedicated to these controls at CNP Assurances, All employees can access the mechanisms aimed at fighting money laundering and terrorist financing, and the Group's policy in this regard, on the Intranet. Similar arrangements are in place in all subsidiaries, in compliance with local constraints and the principles adopted by the Group. CNP Partners has an anti-money laundering Committee.

Work to bolster the system

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 operations controls and to implement the new requirements set out in the fourth and fifth directives.

CNP UniCredit Vita adopted an organisation and management model consistent with the new Italian rules in 2016. The application is monitored by a specialised committee.

Specific training

Newcomers and CNP Assurances employees who have changed jobs are systematically trained using an e-learning module developed with the French Insurance Federation and several major insurers. In addition, all employees exposed to AML-CFT risk – a total of 2,000 people – were given a refresher course in 2017.

Training on money laundering has been extended to subsidiaries in recent years. The Cypriot subsidiary annually trains the relevant employees and the branch network on KYC procedures.

7.2.3.4 Fiscal transparency

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

2017 (In € millions)	France	Latin America	Europe excl. France	Total
Corporate income tax	(458)	(410)	(28)	(896)

In addition, the Group's insurance companies in France paid nearly €940 million in taxes on behalf of policyholders in 2017.

Exclusion of activities in tax havens

CNP Assurances formalised its policy of excluding offshore financial centres at the end of 2014. 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 prohibited countries covering all of its activities, extending exclusion beyond the list of countries prohibited as part of the fight against money laundering, terrorist financing and non-cooperation in tax matters to include countries identified as tax havens based on the Tax Justice Network indices.

7.2.3.5 Human rights

The guiding principles of the Global Compact

In line with its 2003 pledge to uphold the UN Global Compact, CNP Assurances ensures 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. The Group also signed up to the UN PSI (principles for sustainable insurance) in 2015.

This commitment is reflected in the integration of environmental, social and governance criteria into financial asset management strategies. Respect for human rights has been one of the criteria used to select equity and bond investments, as well as to determine "sensitive countries", since 2014. CNP Assurances has drawn up a list of prohibited countries covering all of its activities, extending beyond the list of tax havens mentioned above (7.2.3.4 – Fiscal transparency) to countries posing serious problems with regard to democracy, human rights and corruption, as determined by Freedom House and Transparency International.

Lastly, in accordance with the Global Compact, neither CNP Assurances nor the Group's subsidiaries have recourse to forced or child labour.

Each year, signatories reaffirm their commitment to upholding the Compact's principles, and promote it among their asset managers and suppliers.

A message communicated to stakeholders

The signing of the Principles for Responsible Investment reinforces CNP Assurances' commitment, notably among issuers and companies of which it is a shareholder.

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.

The Human Resources Intranet provides information for CNP Assurances employees 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 continuous communication from the unions to staff.

Dedicated procedures

Subsidiaries report annually on their social situation to the parent company, particularly on the four overriding principles shared within the Group, namely respect for human rights, freedom of association and the right to collective bargaining, long-term support for employees and the promotion of equal opportunity.

Particular vigilance is also given to these issues in purchasing policy (see section 7.4.2) and the management of real estate assets.

CNP Assurances Group procedures to guarantee respect for civil and political rights include internal codes and standard operating procedures, agreements on union rights, and data protection procedures.

7.2.4 Implement a responsible HR policy

Built around the management of jobs and skills, with the goal of ensuring quality of life at work in an environment characterised by major transformations, the CNP Assurances Group's human relations policy is based on the promise of being a responsible and committed employer:

- it is responsible in that the entities of the CNP Assurances Group endeavour day after day to build up the skills of each of its employees, which serves 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.

7.2.4.1 Develop skills in line with the Group's strategy

7.2.4.1.1 Human Resources planning – attentive employee management

Number of employees in the Group

The CNP Assurances Group (excluding CNP Europe Life) had a total of 5,171 employees at 31 December 2017, representing an increase of 2.9% compared with 2016.

Headcount by entity √	Country	2017	2016	2015
CNP Assurances	France	2,908	2,992	3,006
Caixa Seguradora Group	Brazil	1,384	1,179	863
CNP UniCredit Vita	Italy	171	170	163
CNP Cyprus Insurance Holdings	Cyprus, Greece	291	284	285
CNP Partners	Spain, Italy, France	204	204	176
MFPrévoyance	France	73	75	76
CNP Santander Insurance	Ireland, Italy	80	61	44
CNP Assurances Compañía de Seguros	Argentina	60	62	65
CONSOLIDATED TOTAL * – GROUP		**5,171**	**5,027**	**4,732**

√ Data reviewed to obtain reasonable assurance
* Excluding CNP Europe Life

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 2017, the number of CNP Assurances employees on permanent contracts declined significantly (2.8%). 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 large number of retirements, given the demographic structure and changes in pension rules;
- 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), thereby enhancing the Group's capacity to continue growing in a manner consistent with its strategy.

The use of temporary employees was down significantly in 2017 (24%).

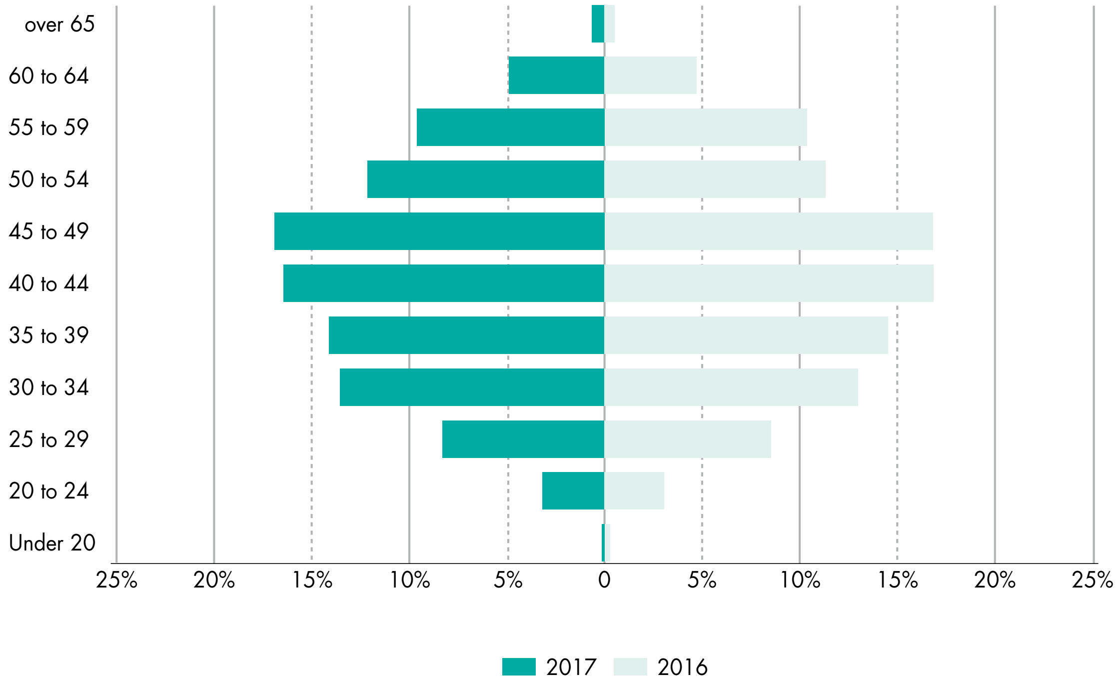
Caixa Seguradora data include its Odonto subsidiary in 2017, which explains the increase in its workforce between 2016 and 2017. For CNP Santander Insurance, the increase reflects business growth.

	2017	2016	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	43.2	-0.7	100%

√ Data reviewed to obtain reasonable assurance

Virtually all of the Group's employees (98%) are covered by local insurance industry collective bargaining agreements.

AGE PYRAMID √ *(In %)* **√**



√ *Date reviewed to obtain reasonable assurance*

There are 93 civil servants from Caisse des Dépôts on secondment at CNP Assurances. Managers represent 61.1% of the workforce. The average length of service within the Group is 13 years, identical to that of 2016.

With the age pyramid showing a mean age of 46.5 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 was stable, while the rate of employees aged over 55 is approaching 22%. The end-of-career measurement included in the Human Resources planning agreement will increase CNP Assurances' visibility on projected retirements in the coming three years, thereby increasing its capacity to manage the transition.

A targeted hiring policy for CNP Assurances

For several years, the employment policy has been focused on promoting internal mobility. Its twofold aim is 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.

In this context, 77% of permanent positions were filled internally in 2017. 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 the section on training). Mobility involving job changes or significant skills upgrades is facilitated by personalised training courses.

	2017	2016	Change	Level of coverage
Number of new hires √	527	651	-19%	100%
Percentage of new hires with permanent employment contracts	66%	73%	-9%	100%

√ Data reviewed to obtain reasonable assurance

Departures from the Group

	2017	2016	Change	Level of coverage
Total departures √	**546**	**440**	**24%**	**100%**
▪ dismissals √	130	95	37%	100%
▪ terminations by mutual agreement	22	14	57%	100%
▪ resignations	153	112	37%	100%
▪ retirements	72	67	7%	100%
▪ departures at the end of fixed-term contracts	149	137	9%	100%
Turnover rate √	**7.2%**	**5.8%**	**24%**	**100%**

√ Data reviewed to obtain reasonable assurance

Turnover within the Group's entities reflects varying situations: although growing, it remains low at CNP Assurances (4.8%), and was higher this year in Brazil due to the inclusion of the Previsul subsidiary in the Caixa Seguradora group's workforce resulting in numerous movements within the entity. Also noteworthy was an increase in Spain, in line with the sector rate in that country. A little less than one departure of a permanent employee out of every two at CNP Assurances was a retirement, which is consistent with the age structure.

Mergers/acquisitions/disposals/restructuring

None of the Group's international entities carried out a restructuring plan in 2017.

7.2.4.1.2 Skills development – continuous investment in line with changes to jobs

The Human Resources planning agreement lists the commitments made by CNP Assurances to develop the skills essential to the implementation of its strategy and to support its employees in their career development.

Constant monitoring of changes to jobs

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, 93.6% of employees had one in 2017.

At CNP Assurances, 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.

At CNP Assurances, 304 employees benefited from internal mobility and 66 were promoted in 2017.

Sustained efforts to bolster the professional skills of employees and managers

	2017	2016	Change	Level of coverage
Number of training hours	76,786	112,055	-31%	100%
Percentage of employees who received training	87%	84%	3%	100%

Developing employee skills is one of CNP Assurances' central priorities. This is evidenced by training budgets, which have averaged approximately 5% of the payroll in recent years (5.2% in 2016, 4.6% in 2017). In 2017, almost 85% of employees attended a training course, and 36 employees were able to work towards a diploma, with a view to achieving professional goals aligned with the Company's development.

With this in mind, the decline in the number of training hours at CNP Assurances can be attributed to the redesign of several of its training programmes in 2017 (cross-cutting, customer relationship offers for example), not to mention the now much more widespread use of multi-modal training methods (e-learning for example), which tends to reduce the duration of each course (short formats are now preferred, as is the case for the profession as a whole). The Caixa Seguradora group mainly provided online training, resulting in a 50% fall in training hours.

At CNP Assurances, the 2017 skills development plan made it possible to offer employees management training, with the ramp-up of the new training path for new managers in the digital age (ULM), and the design of modules geared towards supporting managers in the transformation of their managerial practices towards those of manager coach (trust, remote work, facilitation rather than control, etc.). In addition, training designed to support the implementation of strategic development strategies focused on insurance techniques and handling new IT applications, as well as sales, marketing and finance techniques.

The offer of courses designed to develop employees' cross-functional, relational and behavioural skills has been recast. Open to all and known as Passerelles, this offer contains dozens of online training courses on four topics: customer focus, collaborative practices, personal development and communication.

Lastly, the 2017 incentive scheme made all employees aware of the protection of personal data through an e-learning session.

Elsewhere, more people received training in all of the Group's entities in 2017. Individual training needs and requests are generally discussed during annual performance reviews. Group training needs are analysed when the annual training plans are drawn up.

In 2017, CNP UniCredit Vita continued to provide mandatory training, particularly on anti-money laundering, ethics and professional conduct. This year, it trained all employees on the new European regulation on data protection. Various workshops were also held on responsible finance, well-being at work and diversity.

CNP Assurances Compañía de Seguros has developed its training offer in accordance with the Agile method. It offers training in areas including teamwork, innovation, continuous improvement, coaching and conflict resolution. In Cyprus, CNP CIH this year developed specific training on negotiation techniques and leadership skills for managers.

7.2.4.2 Create a working environment that fosters well-being and performance

Ensuring a working environment conducive to the well-being of employees on a daily basis, as a source of personal development and collective performance, is a constant focus of the Group's Human Resources policies. This calls on a significant social component (mainly the CNP Assurances QWL agreement) and the implementation of personalised support measures for employees. It also requires employee/employer relations to combine a variety of channels.

7.2.4.2.1 Employee/employer relations combining a variety of channels

Virtually all of the Group's employees (98%) are covered by local insurance industry collective bargaining agreements. Exceptions are consistent with local rules governing the sector: 80 employees in Ireland and 17 in Argentina.

Employee representation and protection

Social dialogue is a priority throughout the CNP Assurances Group. There is at least one employee representative in all subsidiaries except CNP Santander Insurance, acquired in 2014, which has 80 employees. The Caixa Seguradora group does not have a staff delegate. However, in accordance with the rules set out in the union of insurance workers' agreement, an employee representative and the union president participate in meetings between employee and management representatives. A total of 108 meetings between employees and management were held at the Group's various entities.

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 covering the main areas, including classification and remuneration through the labour adjustment agreement, working hours (ARTT agreement), employees with disabilities, union resources, psychosocial risks, the PERCO voluntary pension plan, profit-sharing and Human Resources planning. In 2017, CNP Assurances signed a new amendment to the profit-sharing agreement, a mandatory annual negotiations agreement and an agreement on quality of life at work. The quality of life at work agreement places particular emphasis on the gender equality dimension and the prevention of psychosocial risks.

In 2017, the Caixa Seguradora group signed two agreements: one on profit-sharing, the second on working time. At CNP CIH, a new two-year wage agreement has been signed; CNP Vita has a new agreement on financing training.

MFPrévoyance has a set of 14 collective agreements covering such key social issues as working hours, the exercise of the right to organise, the work-life balance and profit sharing. An agreement on wage bargaining was also signed this year.

Spending on social matters for Group employees represented 1.5% of the payroll in 2017.

The European element

The European Works Council had one ordinary meeting in 2017, for the presentation of the Annual Report on the Group's activities, projects and results.

CNP Assurances' focus on managerial communication

Since 2015, the principles of action, initiative, creativity, customer focus and trust have guided the behaviour of managers and their teams. Currently in a process of cultural transformation, CNP Assurances sees managerial communication as an essential means of fostering relations with employees. In 2017, a managerial space offering a centralised information base was opened, allowing line management to have a dedicated channel of Human Resources information. Also, the CEO took part in chats with all employees on two occasions.

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.

7.2.4.2.2 Prevention of psychosocial risks and promotion of support systems at CNP Assurances

Over the past decade, CNP Assurances has paid close attention to the prevention of psychosocial risks. Several mechanisms contribute to creating an environment conducive to limiting situations of risk.

Since 2016, the new management training offer has included a chapter on "quality of life at work and prevention of psychosocial risks" offered by the Human Resources department. The Dialog approach also contributes to this vigilance on working conditions.

The 2017 quality of life at work agreement extends actions already taken to identify, prevent and manage psychosocial risks, New commitments include the testing of teleworking, the right to disconnect, further action regarding gender equality, and the implementation in coordination with the occupational health service of a system to identify individual and collective psychosocial risks, providing managers with a methodology for addressing and dealing with the workload.

Already a long-standing system, the in-house mediation service aims to prevent and deal with allegations of harassment and discrimination, stress and everyday conflicts. In 2017, it received 32 requests for advice and support. Lastly, all employees also have 24/7 access to a toll-free hotline (Filassistance) all year round if they need to talk to someone.

7.2.4.2.3 Multiple initiatives in each subsidiary

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. CNP UniCredit Vita set up a training course on stress management for call centre staff this year, drawing on breathing techniques used by actors. To mark International Women's Day, the Company also offered a subscription to the SecureWoman application, which among other features helps in the management of anxiety. Lastly, a mutual insurer covers occupational risk prevention measures for CNP Partners employees.

7.2.4.2.4 Organisation of working hours

Hours worked annually

Annual working hours within the Group range from 1,575 to 2,141, depending on local legislation. At CNP Assurances and MFPrévoyance, full-time corresponds to 1,575 hours per year (ARTT agreement of November 2001).

	2017	2016	Change	Level of coverage
Percentage of employees working part time	12%	13%	-7%	100%
Number of overtime hours	44,807	31,122	44%	100%
Percentage of overtime hours	0.45%	0.37%	22%	100%

There has been a clear increase in the number of overtime hours and the number of employees benefiting in the Caixa Seguradora Group, due to the change in scope this year (entry of Previsul employees into the Group).

Development of part-time work and flexitime

All employees who work part time within the Group's entities choose to do so. At Group level, part-time employees represent 12% of the workforce. For CNP Assurances, nearly 18% of employees chose to work part time in 2017, on schedules representing 80% or more of the total working time. Part-time employees are entitled to all of the same benefits as full-time employees.

In addition, 62.3% of the workforce at CNP Assurances have personalised working hours to help them achieve a better work-life balance and organise their working hours in accordance with their professional obligations.

In 2017, CNP UniCredit Vita continued testing a new way of working known as smart working. Its aim is to increase productivity while promoting a better work-life balance. The experiment involves allowing beneficiaries to work from a place of their choice for up to four days every month.

CNP Partners also continued its teleworking experiment this year. It now offers the possibility to all employees.

7.2.4.2.5 Remuneration

Average gross salary by country (permanent employees)	**2017**	2016	Change	Average annual increase by country
France [1] [2]	€64,522	€58,795	n/a [2]	0.4
Brazil	BRL 94,038	BRL 78,946	19%	5.6
Italy	€57,918	€55,911	3%	1.5
Cyprus/Greece	€33,550	€36,837	-9%	2.0
Spain	€51,712	€50,913	1%	2.4
Ireland	€70,165	€68,153	3%	1.5
Argentina	ARS 640,606	ARS 516,618	24%	24.0

(1) CNP Assurances and MFPrévoyance
(2) The increase is in part the result of a change in the calculation method

For the consolidated CNP Assurances Group, the average pay rise was 2.3% across the board, with variations among countries due to inflation, particularly in Argentina.

At CNP Assurances, €7,768,294 was paid out under the discretionary profit-sharing plan in 2017, €19,541,409 under the statutory profit-sharing plan, and €427,353 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 invest in a PERCO voluntary pension plan.

At the end of 2017, CNP Assurances employees (excluding seconded civil servants) had invested €167,510,983 in employee savings and PERCO plans. A total of 1,370 employees held registered shares, of whom 1,231 via the employee savings plan, representing 0.21% of share capital.

In 2017, the Group's remuneration policy was revisited in the context of Solvency II to integrate the "Fit and Proper" standards.

7.2.4.2.6 Health and safety

The CNP Assurances Group is committed to ensuring the health and safety of its employees. Numerous preventive actions have been implemented in CNP Assurances Group entities that have an autonomous occupational health service on their main sites. A social worker is also available, and older employees benefit from close medical follow-up. The Company's training programme includes road safety training modules for travelling insurance advisors.

Similar initiatives have been undertaken at Caixa Seguradora, with nutritionists present on site several times a week. 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 to implement preventive actions. An internal health and accident prevention week is organised every year as well.

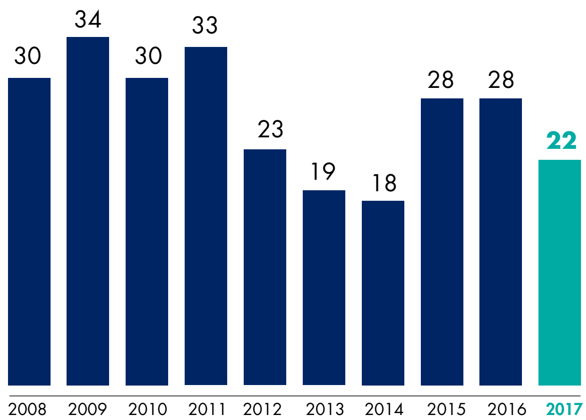
CNP Cyprus Insurance Holdings has teams in both Cyprus and Greece tasked with informing employees about health and safety risks. An Occupational Health and Safety Week is held in Cyprus each year. CNP UniCredit Vita uses as a reference an important Italian law that lays down a strict health and safety framework in the workplace. CNP Partners has outsourced the prevention of health and safety risks to a specialised mutual insurer.

	2017	2016	Change	Level of coverage
Number of workplace accidents (with or without lost time)	22	28	-21%	100%
Occupational illnesses	2	1	100%	100%

There were no deaths resulting from a workplace accident or occupational illness in 2017.

Almost all workplace accidents took place at CNP Assurances, and only half of them resulted in lost time. There was a clear decline in their number compared with 2016 (21%).

NUMBER OF WORKPLACE ACCIDENTS WITHIN THE GROUP



The accident frequency rate was 1.43% for the Group for 2017; the severity rate was 0.013%.

Absenteeism

The Group absenteeism rate fell in 2017.

	2017	2016	Change	Level of coverage
Absenteeism rate	5.42%	6.20%	-12%	100%
Absenteeism rate excluding maternity leave	4.64%	5.21%	-11%	100%

In 2017, CNP Assurances launched two projects aimed at preventing absenteeism. The first aims to revisit the practices of those involved (HR experts, occupational physicians, social workers, managers and employees) to allow a more sustainable return to employment after a long absence. The second aims to achieve a better understanding of what motivates presence, so as to identify means for preventing absenteeism. Their results will feed into an action plan in 2018.

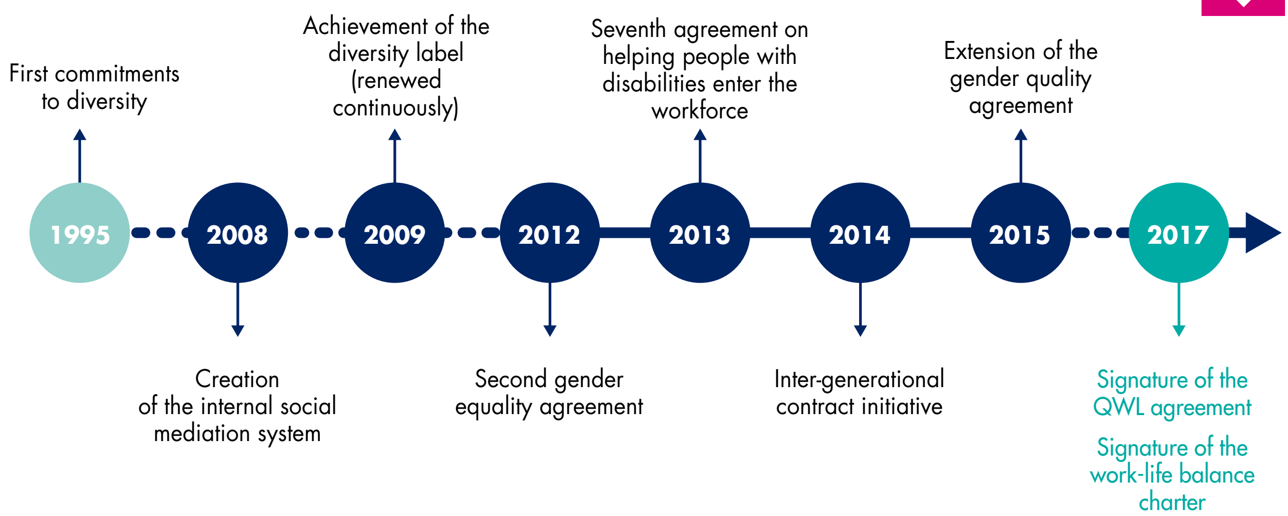
Workplace health and safety agreements

In all, 98% of the Group's employees are covered by collective agreements dealing with the main health and safety issues.

The Occupational Health, Safety and Working Conditions Committee acts on behalf of all CNP Assurances' employees as well as outside service providers working on its premises. Every year, a programme is drawn up to prevent risks and improve working conditions. A member of the Occupational Health, Safety and Working Conditions Committee is now the point person on psychosocial risks and meets with the in-house mediation team at least once a quarter. Another member is responsible for the prevention plan for external service providers. In addition to supplementary health insurance, CNP Assurances employees are covered by death/disability insurance with an optional long-term care formula.

Collective agreements with MFPrévoyance's Occupational Health, Safety and Working Conditions Committee also include supplementary health and death/disability insurance. CNP Partners also has an Occupational Health, Safety and Working Conditions Committee, which met twice in 2017.

7.2.4.3 Pursue a robust policy on gender equality in the workplace



7.2.4.3.1 A strong Group-wide policy

CNP Assurances is dedicated to 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. Employees may report any complaints or problems involving suspected or actual discrimination via the diversity officer, whose contact details are available on the Intranet.

CNP Assurances received the Seal of Diversity in 2009 for its clear diversity and anti-discrimination policy reflected in several mechanisms, and has consistently managed to keep the distinction since then.

The results of this policy are illustrated not only by the Seal of Diversity but also by several indicators:

- in 2017, at the launch of the Zimmermann index of corporate diversity, CNP Assurances received the *grand prix de la mixité* in the category of companies with fewer than 10,000 employees. This award recognises CNP Assurances' long-term commitment to gender diversity;
- in disability, employees with disabilities represented 7.43% of CNP Assurances' workforce at 31 December 2017, stable compared with 2016. Its seventh internal agreement on this subject signed with three union organisations for 2015-2018 is testimony to its enduring commitment;
- in 2017, a working group brought together management and trade union organisations, resulting in the signature of a quality of work life agreement laying down the conditions for valuing the experience gained by elected or designated employee representatives.

A commitment applied across the Group: The commitment to fighting discrimination is shared across the Group. It features in the Caixa Seguradora group's code of ethics and Good Conduct, where new courses were offered on the theme of "ethics and good conduct", particularly for new employees. CNP Cyprus Insurance Holdings' Code of Service addresses the issues of discrimination, privacy, freedom of religion, and respect for each employee. Procedures exist to address problems related to discrimination if they occur. A collective agreement on this subject was also signed by MFPrévoyance in 2011. A working group to promote diversity at UniCredit Vita this year once again implemented measures to promote women's careers and LGBT inclusion (membership of two inter-company networks, mentoring, etc.).

7.2.4.3.2 Promoting gender equality in the workplace

	2017	2016	Change	Level of coverage
Proportion of female management-grade staff	50%	50%	0%	100%
Proportion of female senior executives √	34%	33%	3%	100%
Average male/female income ratio by category	109%	110%	-1%	100%

√ Data reviewed to obtain reasonable assurance

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion.

At 31 December 2017, 44% of Board members were women. Women also accounted for 36% of Executive Committee at the end of 2017. 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 in the Caisse des Dépôts Group, particularly through the "stereotypes and diversity" think tank in 2017.

After signing the corporate parenthood charter in 2012 and joining the Corporate Parenthood Observatory in 2013, CNP Assurances signed the work-life balance charter in 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.

7.2.4.3.3 The employment and integration of employees with disabilities

	2017	2016	Change	Level of coverage
Number of employees with disabilities (permanent employment contracts)	171	160	7%	97%

For more than 20 years, the Company 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 152 disabled employees on permanent contracts (up 7.8% compared with 2016) and the employees of the 196 sheltered workshops used by the Company, the proportion of disabled employees was 7.43% of the workforce at 31 December 2017.

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 6% of the workforce this year.

7.2.4.3.4 Fighting age discrimination

Employing young people

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 2017, 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 87 interns and hired five young people under the age of 25 in 2017.

Employing seniors

The Human Resources planning agreement is based on the goals set for hiring or retaining seniors. CNP Assurances had 26 seniors on fixed-term contracts at the end of 2017. Eleven seniors with expertise were hired during the year. The Human Resources planning agreement at the same time provides for end-of-career measures.

7.2.4.3.5 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 2017, to extend this well-entrenched progress, two "recruit without discriminating" training sessions were held for recruitment officers, a "stereotypes and discrimination, understand to act" talk was held for staff representatives, and a guide devoted to religious observance in the workplace was given to managers. The "40 minutes to understand discrimination" self-training module is also now made available to all newcomers.

7.2.4.4 Compliance with and promotion of the fundamental ILO conventions

8 DECENT WORK AND ECONOMIC GROWTH

In keeping with their commitment to the Global Compact, CNP Assurances, CNP Assurances Compañía de Seguros, the Caixa Seguradora group and CNP UniCredit Vita ensure that laws and regulations are complied with in each country where they operate.

All the subsidiaries share the four overriding principles of respect for human rights, freedom of association and the right to collective bargaining, long-term support for employees and the promotion of equal opportunity. Each one submits an Annual Report on their HR performance to the parent company, with a special focus on these four criteria. Measures guaranteeing respect for civil and political rights at CNP Assurances include the Company's internal code of conduct, the appointment of a liaison officer for dealings with the French data protection agency (CNIL) and agreements on union rights.

Employees are covered by an insurance industry collective bargaining agreement (excluding Ireland and certain categories in Argentina due to local regulations). CNP Assurances monitors the level of training and promotion of its staff representatives.

Furthermore, compliance with ILO standards is reflected in dealings with suppliers and their own subcontractors (see section 7.4.2), the inclusion of CSR criteria in the investment strategy (80% of financial assets of the French entities, 100% of the Brazilian entity, 41% in Italy) and the management of property assets.

The abolition of forced or compulsory labour and effective abolition of child labour

Neither CNP Assurances nor its subsidiaries are directly concerned by forced or child labour. However, the Group pays particularly close attention to this issue in its purchasing policy (see section 7.4.2).

7.2.4.5 Building employee awareness of sustainable development issues through training

Sustainable development challenges are the subject of awareness/training initiatives to embed them in the corporate culture and day-to-day practices.

7.2.4.5.1 Awareness raising

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:

- CNP Assurances organises competitions, surveys and conferences, shares guidelines and raises awareness on eco-driving. Since 2015 and COP21 in Paris, the energy and environmental transition has been the subject of specific awareness raising involving an interactive serious game and a lecture showing the lifecycle analysis of an insurance product;
- Family Day, first organised in Paris in 2016 and then repeated in Angers in June 2017, 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 the CSR approach at CNP Assurances was handed out to all participants. The participation of children in the various activities was crowned by a reforestation initiative in Brazil;
- in 2017, sustainable development week was an opportunity to test employees' knowledge of CNP Assurances' main social responsibility commitments: a quiz on the "conversation on our commitment" video was given to all employees, followed by a survey on responsible investing;
- to mark Responsible Finance Week, CNP Assurances again used the Intranet to inform its employees about how CNP Assurances' asset management policy is aligned with objectives in the fight against climate change, as well as comparing the vision of SRI among Generation Y and CNP Assurances employees;
- the sustainable development discussion group set up on the Yammer corporate social network in 2016 is becoming increasingly active. It allows all employees to post information and discuss various topics on sustainable development issues;
- various awareness campaigns are held on eco-gestures within the Group's entities: the Caixa Seguradora group raises awareness among its employees every year, putting the focus on waste sorting in 2017. In 2017, CNP UniCredit Vita created a visual campaign on eco-gestures and waste reduction;
- in Argentina, the "Multiplicar" programme established in 2015 aims to reinforce responsible employee behaviour through awareness raising and training; the subsidiary's Management Committee was given a specialist presentation devoted to the strategic challenges represented by the UN Sustainable Development Goals.

7.2.4.5.2 Training

CNP Assurances offered 25 employees two half-day workshops on responsible investment in 2016.

The Caixa Seguradora group offers e-learning courses on socio-environmental responsibility for all employees, with 878 people trained in 2016 and a further 49 in 2017. In Argentina, all employees received training or attended lectures at monthly staff meetings on issues such as reducing the use of paper, eco-efficiency, sustainable mobility and road safety in 2017.

CNP UniCredit Vita continued to provide diversity training during the year, and also offered courses on CSR, ethics and responsible finance. It also organised another edition of its digital laboratory, under the name "CSR and digital strategy", launched in 2016 in collaboration with the University of Milan. The project's dual purpose was to train young talents on issues related to CSR and the world of insurance, and to raise employee awareness on the importance of sustainable development in corporate strategy. Students and staff worked together to come up with a project, which they then presented to the Executive Committee. The most innovative ideas were chosen to form the foundations of a new commercial offer.

Lastly, a training course on socially responsible investment was given to the entire CNP UniCredit Vita Management Committee, and two workshops were organised for technical teams (finance and risks) on the key challenges of employee commitment in favour of human rights and the consideration of climate change in business investment policies.

7.2.5 Develop social initiatives in the field

The fifth commitment for a sustainable society is reflected in the actions taken locally by the CNP Assurances Group:

- as a company;
- as an employer.

7.2.5.1 Work for local development

Local employment

CNP Assurances has been providing employment in its host regions for close to a century: 91% 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 2017, 85% of Executive or Management Committee members had been hired locally.

CNP Assurances is a founding member of the Entrepreneurs de la Cité foundation. In addition, the focus of CNP Assurances' sponsorship – supporting the inclusion of young people in education and civic service – and the partnership established with Our Neighbourhoods Have Talent (NQT) offer practical solutions in finding jobs.

Lastly, and less directly, several insurance products include assistance in finding work. Examples include, in France, an unemployment insurance product with a reduced premium or advisory services to help the policyholder find a new job and, in Brazil, the job search support service offered by Caixa Seguradora.

Impact as an insurer and long-term investor

By making its products widely accessible, in terms of both affordability and medical screening, the Group is helping to combat financial exclusion. These topics, which are an essential part of the Group's CSR approach, are discussed further in section 7.4.1.

With over €300 billion in investments, the CNP Assurances Group plays a major role in financing the economies of its host countries. It 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 (see section 7.4.1). The NovESS project and the Hemisphere fund, funded in part by CNP Assurances, also include the creation of a tool for measuring social impact.

Similarly, Caixa Seguradora's financial investments are made entirely in Brazil. CNP CIH was recognised as a "substantial contributor" to the Cypriot economy at the annual International Investment Awards organised by Gold Magazine.

In France, all sectors of the economy receive support to foster long-term development. CNP Assurances promotes Corporate Social Responsibility among the companies in the portfolio, through its policy of being a responsible investor and shareholder (see section 7.4.1).

Actions in the local community

The Group's entities also contribute to resolving the community's current challenges. For example:

- Filassistance's assistance and prevention services meet the needs of people made vulnerable by age, disability or illness (see section 7.2.1);
- the Caixa Seguradora group actively helps local communities, with programmes such as Jovem de Expressão, which is supporting human development during the current period of demographic and epidemiological transition in Brazil (see www.jovemdeexpressao.com.br). Through this campaign, the Group seeks to reduce violence by fostering access to jobs, and to cut exposure to sexually transmitted diseases among young people. This programme was recognised in 2010 for its innovative character, and received an award for its actions in the fight against HIV/AIDS in 2015. These actions were shared internationally at the 2015 United Nations Congress on Crime Prevention in Doha and a conference on sex education in the United States. The related fund, "positHIVo", which Caixa Seguradora co-founded, funded 15 projects carried out by youth organisations throughout Brazil in 2016;
- in 2016, the Caixa Seguradora group joined Forum Aliança Cerrado, which brings together companies and stakeholders to discuss environmental issues related to the Cerrado, the Brazilian savannah (regulation, research and funding);
- in Cyprus, Cyprus CNP Assurance Holdings supports local actions in favour of fire prevention and road safety in schools;
- the CNP Santander team raised funds to increase public awareness about the problems faced by homeless people. More than one-third of the Company, including its head, slept in a park for one night;
- the Italian subsidiary, CNP UniCredit Vita, participated in the reconstruction of a state school in one of the areas affected by the earthquake in 2016, in response to the call issued by the Italian National Association of Insurers.

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. CNP Assurances is also involved in the Paris Europlace SRI Commission, and is also a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together various stakeholders (NGOs, unions and trade associations).

By way of illustration, CNP Assurances took an active part in development of the "Declaration on climate change by the Paris financial marketplace" signed by seven associations, including ORSE, Paris Europlace and the FFA, in 2015.

In late 2017, CNP Assurances joined Climate Action 100+. This initiative, coordinated largely in accordance with the PRIs, of which CNP Assurances is a signatory, is a collaborative endeavour aimed at companies emitting the largest volumes of greenhouse gases.

None of the Group's entities makes donations to political parties. In countries where such donations are not illegal, subsidiaries, such as CNP Assurances Compañía de Seguros, specifically prohibit them in their code of ethics.

7.2.5.2 Pursue a responsible policy of corporate philanthropy and outreach partnerships

Corporate philanthropy operations are carried out in partnership with non-profit organisations following calls for projects. In France, some projects are partly driven by employees, or by higher education institutions. Employees in Brazil and Italy take part in organising corporate philanthropy initiatives. Furthermore, the Caixa Seguradora Institute, which manages the philanthropic work of the Brazilian group, has cooperation agreements with UNODC and UNESCO as well as service agreements with the NGO Iniciativa Verde.

The subsidiaries are involved in many philanthropy programmes, essentially social ones: CNP Partners sponsors a solidarity association, CNP Assurances Compañía de Seguros undertook to assist a disadvantaged community through its Multiplicar programme in 2015, and CNP Cyprus Insurance Holdings supports local actions in the fields of fire and accident prevention. A high level of cultural and artistic patronage completes the many actions taken by Caixa Seguradora.

In 2017, CNP Partners employees supported the Panda Raid, a rally in which one of its employees participated. The Panda Raid is organised with the GoodPlanet Foundation, which offsets carbon emissions and is funding the construction and development of a bioclimatic school in Morocco on top of the purchase of school supplies.

Specific initiatives

Training/research

CNP Assurances maintains close relations with ENASS, France's leading business school specialised in the insurance sector. It also funds training and apprenticeship centres such as IFPASS and ADAPT, and provides financial assistance to educational institutions through the apprenticeship tax.

As part of its philanthropic activities, CNP Assurances funds several research chairs, including the Risk Foundation's "Demographic Transitions, Economic Transitions" chair.

CNP UniCredit Vita launched its "CSR and digital strategy in the insurance sector" laboratory in collaboration with the Catholic University of Milan in 2016. Since then, four days of training and working groups have brought together staff and students each year to identify the new opportunities offered by digital technology.

Integration

The CNP Assurances Group has a long history of introducing young people to the world of work. At the end of 2017, CNP Assurances had 105 employees on combined work-study or apprenticeship contracts, as well as 221 interns and 203 young people on insertion contracts.

Since 2015, CNP Assurances has also supported Our Neighbourhoods Have Talent (NQT), an association that aims to foster informal exchanges between young graduates from priority neighbourhoods or disadvantaged backgrounds. Over 20 CNP Assurances employees voluntarily and willingly work with the association to help these young people find employment.

CNP Assurances is also a founding member of the Entrepreneurs de la Cité foundation, and co-insures the entrepreneurs helped by the foundation. It is also involved in the Cités Partenaires II business angels investment fund dedicated to helping entrepreneurs from disadvantaged areas.

In 2017, CNP Assurances teamed up with the Angers teaching hospital to improve the hospital environment, notably through a public artistic commission (creation of two works for the hospital gardens) and to allow artist Elsa Tomkowiak to decorate the walls and ceilings of the intensive care unit.

The Caixa Seguradora group is heavily involved in the Jovem de Expressão programme (see section 7.2.5.1 – Work for local development, and signed a cooperation agreement with UNESCO in 2011 to develop community-based communication and promote youth health initiatives as part of this outreach programme. In October 2016, the associated training programme trained 25 young people on policy and technical issues relating to sustainable development goals.

Caixa Seguradora has partnered with LECRIA to establish a co-working space for young people to generate entrepreneurial opportunities.

CNP Assurances Compañía de Seguros supports an NGO working in the poor districts of Buenos Aires, donating school supplies in 2017.

Similarly, the Group of CNP UniCredit Vita employees in charge of sponsorship has for the last two years devoted its budget to the education of children and teenagers around the world.

CNP Assurances Corporate Foundation

CNP Assurances made a significant commitment in 2017 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 to reduce social inequalities in healthcare**

By promoting prevention and better health and acting on its social determinants, the Foundation aims to help promote 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*);

- **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 3,800 defibrillators and public awareness campaigns of the importance of first aid in more than 2,400 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 (such as projects in the areas of social inequalities in respect of healthcare, education and disability in 2017).

In addition, several volunteer employees took part this year in the Tremplins Unis-Cité Ile 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.

THE "PUT ON YOUR TRAINERS" PROJECT: EMPLOYEES SUPPORT THE COMMITMENT OF THEIR COLLEAGUES WHILE MAKING A GESTURE FOR THEIR OWN HEALTH

246 CNP Assurances employees participated in the "Put on your trainers" charity event. Everyone's physical activity (walking, running, cycling) was tracked for one week and converted into euros to raise donations for ten organisations sponsored by employees and supported by the CNP Assurances Foundation.

7.3 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 relationship with policyholders) or through its financial assets.

This commitment has two objectives:

- optimise the environmental footprint of the Group's internal workings;
- gear our customer relationship towards a low-carbon economy through products and investments.

7.3.1 Optimise the environmental footprint of the Group's internal workings

The first commitment for a sustainable environment is one shared by the entire CNP Assurances Group.

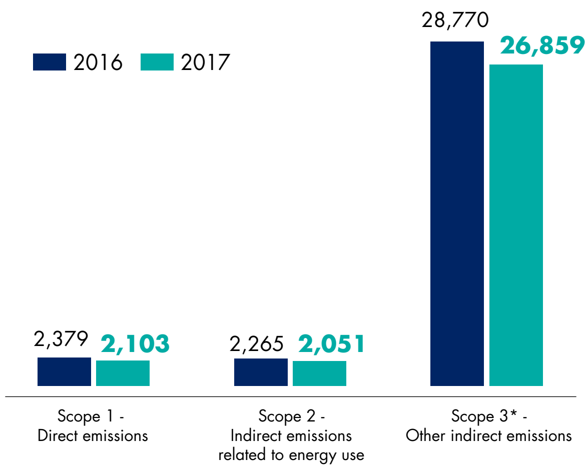
The annual greenhouse gas audit guides the Group's efforts towards the most effective actions, in particular on travel, paper consumption and the management of operating buildings.

7.3.1.2 Greenhouse gas emissions audit

CNP Assurances' greenhouse gas emissions

CNP Assurances' emissions of CO_2 equivalent have been monitored for seven years. Since 2012, they have been measured in accordance with Article 75 of France's Grenelle II law of 12 July 2010. The baseline emission factors used in the audit are those contained in version 12.1 of the ADEME methodology.

CNP ASSURANCES GREENHOUSE GAS EMISSIONS AUDIT
(IN TEQCO$_2$)



* Excluding financial assets.

Scope 1 and Scope 2 emissions are immaterial. Even after optimisation efforts, their volatility is inevitable: lower direct GHG emissions (Scope 1) are the result of the replacement of gas heating by 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 energy efficiency work (see section 7.3.1.3.3).

For other indirect emissions (Scope 3, excluding financial assets), the reduction observed between 2016 and 2017 stemmed from a drop in paper consumption and the reduced use of hardware-intensive IT services.

Major emissions sources at CNP Assurances	2017 emissions for CNP Assurances	Share in total emissions	Level of uncertainty
Purchase of services and provision of intellectual services (Scope 3)	15,514 teqCO_2	50%	High (>50%)
Computer hardware (Scope 3)	3,413 teqCO_2	11%	Average (20-50%)
Business travel (Scopes 1 and 3)	2,935 teqCO_2	9%	Low (<20%)
Energy (*Scope* 2)	2,051 teqCO_2	7%	Low (<20%)
Paper (Scope 3)	568 teqCO_2	2%	Average (20-50%)
TOTAL		**79%**	

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 emissions sources are consistent for a company operating in the service industries.

The breakdown by item is available on the www.bilans-ges.ademe.fr website, in accordance with II of Article L.229-25 of the French Environment Code. CNP Assurances has also reported its greenhouse gas emissions to the Carbon Disclosure Project since 2005.

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 1.64 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.

7.3.1.3 Measures taken to reduce greenhouse gas emissions

7.3.1.3.1 Business travel

Car travel is a big part of CNP Assurances' carbon footprint. As the potential economic and environmental gain is significant, training and awareness campaigns on road risks and eco-driving were established for all employees in 2013. New employees in the sales network attend specific personalised modules.

Development of videoconferencing

The use of video and audioconferencing is now widespread within the Group, as a means of limiting business travel. 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.

CNP Assurances' videoconference equipment has been extended to personal computers and smartphones.

In 2017, 8,640 hours of videoconferencing connections were recorded across the Group, a decline of 44% (videoconferencing room equipment statistics) on the back of a reduction in its use in Brazil.

Commuting

CNP Assurances updated the commuting survey in 2017. The average distance travelled by private car remained broadly unchanged, but the average number of kilometres travelled by train has increased by 38%.

To encourage employees to use an electric vehicle for commuting (the survey showed that 0.7% of respondents use an electric car and twice that proportion a hybrid car), eight electric-vehicle charging stations have been made available to employees in the car parks of the Group's main sites in Paris and Angers.

Carpooling has become much more widespread: 4% of respondents using cars for their work commutes practise carpooling, and 3% of respondents use a bicycle to commute.

Business travel

	2016	2017	Change	Level of coverage
Million km travelled by plane	16.1	19.0	+18%	97%
Million km travelled by train	4.6	2.8	-39%	97%
Million km travelled by car	8.7	9.7	+11%	88%

The increase in air and car travel is most pronounced in the Caixa Seguradora group following the consolidation of Previsul. In Brazil, air travel is justified by business development and the size of the country.

CNP Assurances is the predominant source of travel by train, and the decline observed is attributable to the significant reduction in the number of trips by its employees. Employees travelled 2.6 million kilometres by train, of which more than 50% between the Company's main sites in Angers and Paris. 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. Accordingly, hybrid vehicles accounted for 48% of taxi journeys in 2017, up from 42% in 2016.

This year, a large number of subsidiaries again cut back on business travel or opted for cleaner modes of transport. As such, CNP UniCredit Vita continues its work to raise employee awareness (train vs plane and public transport), offering staff annual subscriptions at reduced rates. In Argentina, a special focus was placed on sustainable mobility – particularly bicycles – in 2017, with the provision of bicycle protection and road safety kits.

7.3.1.3.2 Consumption of office supplies

The CNP Assurances Group's operations are entirely in the field of insurance. As with other financial services, paper is the principal raw material consumed. 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

	2016	2017	Change	Level of coverage
Paper use for internal operations (equivalent A4 sheets)	29.4 million *	26.4 million *	-10%	99%
Proportion of recycled paper used for internal purposes	14.9%	5.9%	-60%	99%

* Estimate

At CNP Assurances, following a steady reduction over several years thanks to the commitment of employees (savings of 11% in 2012, 5% in 2013 and 6% in 2015), the deployment of multifunction printers across all sites helped further reduce paper use by several million sheets in 2017. The implementation of such equipment also has a positive impact on energy consumption due to its better performance.

The increased use of electronic files and presentations enabled CNP Santander to reduce paper consumption for internal operations by 40% in 2017. Similarly, CNP Partners saw a 46% reduction in its consumption thanks to the installation of dual screens combined with two awareness-raising initiatives in 2017.

CNP UniCredit Vita only uses recycled paper for its internal operations

7.3.1.3.3 Office building environmental management

Controlling energy consumption

The CNP Assurances Group's energy consumption reflects heating, cooling and office equipment used by employees and computer servers. Electricity is the main form of energy used.

	2016	2017	Change	Level of coverage
Electricity consumption √	22.7 million kWh	21.9 million kWh	-4%	99%
Gas consumption	2.18 million kWh	1.47 million kWh	-32%	99%
Fuel oil consumption	11,953 litres	17,286 litres	+45%	56%

√ Data reviewed to obtain reasonable assurance

A total of five million kWh of heating supplied by the CPCU district heating network in Paris was used to heat CNP Assurances' Paris offices in 2017. Fuel oil use only concerns power generators at major sites in France. It is rare and not material. The variation in consumption in 2017 resulted from the use of generators in Paris during an outage on the EDF network.

Since 2017, the Arcueil site has been heated by geothermal energy to reduce gas consumption.

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 (2014-2018) 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 2017. The replacement of air handling units is now underway, using the principle of heat recovery for office areas;
- 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;
- 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;
- at the CTI data centre in Beaucouzé, the change in guidelines resulting in an increase in the temperature in the rooms housing the computer servers helped reduce the energy performance indicator by 0.1 points. 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.

CNP Assurances' subsidiaries have also gradually adopted measures to reduce electricity use, notably for lighting, heating and IT servers. The Caixa Seguradora group has 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.

The installation of photovoltaic panels on the roof of Caixa Seguradora's headquarters has resulted in the establishment of a renewable energy plant. The buildings housing the other Group entities are not currently equipped with systems for generating renewable energy.

CNP Partners ceased using gas in 2017, following its move to a building where all facilities run on electricity. In addition, a number of environmental improvements have been implemented: installation of valves with flow limiters, LED bulbs and motion detectors to automate the lighting system and thermal insulation on the exterior façades.

Awareness campaigns have also been conducted among employees in the Group's entities (see section 7.2.4.5 – Building employee awareness of sustainable development issues through training).

Water consumption

	2016	2017	Change	Level of coverage
Water consumption in cubic metres	63,491	63,111	-0.5%	99%

The Group's consumption fell significantly between 2014 and 2015, following the modernisation of the air conditioning system at the headquarters of the Caixa Seguradora group, before stabilising since 2016.

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, 2% in high stress zones, 55% in medium to high stress zones, 6% in low to medium stress zones and 35% in low stress zones (see the definition of zones and the methodology used by the WRI on its website: http://www.wri.org/publication/aqueduct-global-maps-21-indicators).

Waste management and commitment in favour of the circular economy

	2016	2017	Change	Level of coverage
Proportion of employees with access to waste sorting	99%	97%	-2%	98%
Tonnes of waste paper and cardboard recycled	235	213	-9%	90%

Waste-sorting systems allow Group entities to recycle printer cartridges and paper used in offices for internal purposes. The financial benefits of recycling are donated to NGOs in France. Awareness-raising campaigns are carried out in the Group's various entities. Argentina was particularly active in 2017. Caixa Seguradora's move into a new building in late 2014 provided an opportunity for a diagnostic review of waste management.

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 on the Group's main sites. The volume of waste batteries increased sharply at CNP Assurances this year following the change made to UPS batteries.

Computer equipment is also a significant source of waste. CNP Assurances sells or gives away nearly 80% of its obsolete equipment, and the rest is dismantled for recycling by a specialised firm. Most subsidiaries regularly donate their computer equipment to NGOs.

In 2017, CNP Assurances equipped its smoking areas with *cyclopeur* systems, which are ashtrays designed to reduce pollution by allowing cigarette butts to be recycled into cellulose sheets used for outdoor furniture.

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.

The Group's entities do not cause noise or other forms of pollution. Several entities have installed lighting in their offices that switches off automatically.

None of the Group's entities have been convicted of any environmental violations or have been the subject of any non-monetary environmental sanctions.

7.3.2 Gear our customer relationship towards a low-carbon economy through products and investments

The second commitment for a sustainable environment stems from the conviction that the fight against climate change is only effective if it is made central to the business. A signatory to the Kyoto Statement of the Geneva Association, CNP Assurances has worked hard since 2015 to gain the fullest picture possible of the carbon impact of its products, on the insurance side and on the investment side alike. It also gave noteworthy support to the "Declaration on climate change by the Paris financial marketplace".

Two types of initiatives are taken:

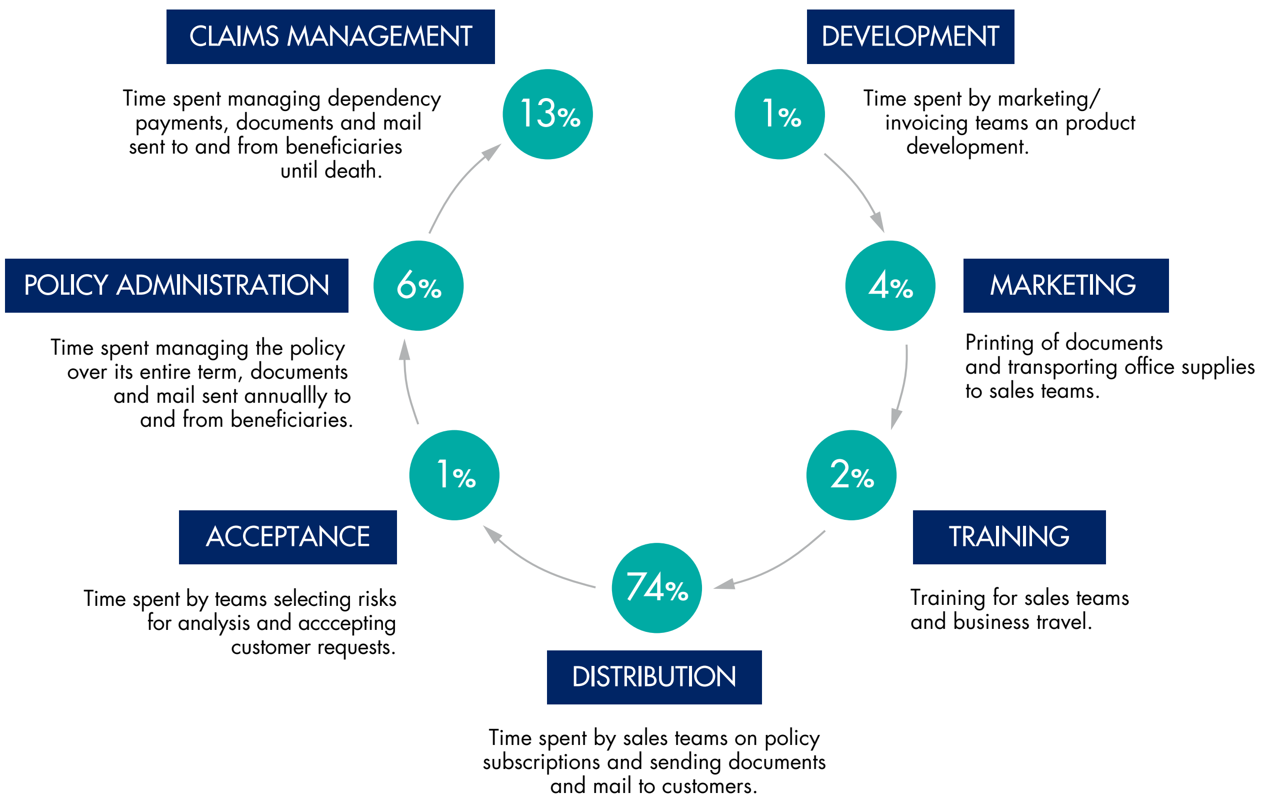
- those that reduce the carbon impact of our products. The study of the environmental consequences of an insurance product backed up decisions taken to reduce the main impact factors;
- those that promote sustainable development among our policyholders.

Caixa Seguradora incorporated the management of environmental risk resulting from its activities and operations into its sustainable development policy in 2015, which covers identification, assessment of negative impacts, mitigation and control.

7.3.2.1 Studies of the environmental impact of an insurance product

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.

Environmental impact of the digitisation of an insurance product

In 2015, CNP Assurances analysed the environmental impact of online subscription to creditor insurance contracts as opposed to printed contracts, based on observations made on a product released more than a year earlier.

The results were very positive, particularly in terms of greenhouse gas emission reductions.

7.3.2.2 Reducing key impact factors

The studies presented in the previous chapter show that the main direct environmental impact factors of an insurance product are paper and travel. Solutions to reduce paper consumption, via the use of paperless management or the digitisation of the customer relationship, are being developed in line with the Group's broader strategy. However, we must remain vigilant about the environmental impact of the energy consumption of IT equipment.

PAPER USE FOR COMMUNICATION WITH CUSTOMERS

	2016	**2017**	Change	Level of coverage
Paper consumption for customers [1] (equivalent A4 sheets)	128.5 million [2]	103.7 million [2]	-19%	94%
Proportion of paper certified as environmentally sustainable [3]	91%	90%	-1%	99%

(1) Including paper used for contractual documents and claims management
(2) Estimated number of sheets
(3) All paper, excluding chemical carbon paper required for contractual documents

Reduced paper consumption for insurance products can stem from several factors. The main ones at CNP Assurances are the switch to online contractual documents, which saves nearly ten million sheets. It should also be noted in mind that there was a one-off increase in 2016 following the change of corporate identity. The Caixa Seguradora group is experiencing a significant decline in its paper consumption since migrating its customer communications to email.

For several years, some Group entities, including the Caixa Seguradora group, CNP Partners and MFPrévoyance, have outsourced the printing of their contractual documents and/ or customer correspondence.

Moreover, 90% of paper used by the Group (including for internal purposes) has a sustainable management label such as FSC, PEFC or EU Ecolabel.

Paperless documents and digitisation – a rapidly expanding approach

The digital conversion of certain documents and procedures has increased at CNP Assurances: the Amétis network started going paperless for marketing correspondence in 2011. Virtually all applications for La Banque Postale products are now paperless. This has helped eliminate the use of carbon paper (a saving of 1 million sheets). In a similar way, CNP Assurances Compañía de Seguros in 2015, CNP UniCredit Vita this year launched a campaign to encourage customers to register on the private area of the website to access their personal information, thereby avoiding the need to send printed documents.

CNP Assurances offers services matching the technological developments expected of its partners and policyholders: CNPnet is the single platform for processing health questionnaires for customers applying for creditor insurance. In 2017, 70% of health questionnaires were automatically submitted by CNPnet for processing by management teams. To support the digitisation of banking processes in lending, CNP Assurances launched the iQS portal with an electronic signature in 2014. 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.

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, as they can fill out their health questionnaire 24/7 without having to go to their bank branch. By the end of 2017, six of CNP Assurances' partners had decided to offer this portal to their customers. A total of 189,400 applications were completed online and signed electronically by the applicants. The optimisation of the iQS portal coupled with the acceleration of the digitisation of processes in the banking world suggests that CNP Assurances may stand to benefit from wide-scale take-up of the portal.

In 2017, the modernisation of exchanges continued, taking a new step towards the establishment of direct relationships with policyholders with @dèle, a website for online requests for creditor insurance. The new website, which has received an enthusiastic welcome from CNP Assurances policyholders, is currently being rolled out to all La Banque Postale borrowers.

Building on its success with La Banque Postale, the solution will now be extended to Crédit Immobilier de France, Boursorama Banque and ING Direct. Used initially to simplify the first claim for compensation after an illness or accident resulting in incapacity for work, disability or death, @dèle will be gradually extended to other events in policyholder's life (extension of sick leave).

The digitisation of the customer relationship continues with Diap@son, which will allow customers to complete their medical assessment in full online (health questionnaire, complementary documents).

In July 2016, Caixa Seguradora launched a fully digital company under the name Youse. Built with Brazil's leading InsurTech in a collaborative entrepreneurship model, it offers fully online car and life insurance policies, with over 1,000 possible combinations to suit each customer.

Since 2017, CNP Partners has offered a pension fund in which all transactions (subscription, payments, modifications, follow-up, statements and termination of the contract) are carried out online.

A corollary to digitisation: reducing the energy consumption of data centres

Data centres are a key feature of the digital transformation, and it is vital that we remain vigilant about their energy consumption.

IT servers are gaining in energy efficiency with each generation: new equipment benefits from the Energystar Label, and CNP Assurances adopts technological targets (renewal of microarchitecture, use of high performance microprocessors, etc.).

Virtualisation has also been widely adopted, not only on servers, but also on storage systems and CNP Assurances networks. This technique consists in separating IT services from the physical systems that provide them.

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.

Impact of the financial investments of life insurance products

CNP Assurances factors environmental aspects into the investment and management criteria governing its assets (equities, corporate bonds, real estate, forestry), thereby prioritising companies with a good environmental performance and taking into account carbon risks and opportunities (see section 7.4.1 – Be a responsible investor).

7.3.2.3 Encouraging policyholder commitment to sustainable development

SRI offering

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 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, such as:

- LBPAM Responsable (https://www.labanquepostale-am.fr/isr-et-engagements/notre-offre-isr/id/72);
- Ecureuil Bénéfice (https://www.caisse-epargne.fr/ecureuil-benefices-resp.aspx);
- CNP Développement Durable (https://epargne.humanis.com/information-financiere/cnpdeveloppementdurable).

SRI funds were once again promoted by CNP Assurances' two major partners in 2017. At the end of the year, nearly 187,300 life insurance policies included an SRI fund. SRI assets totalled €806 million at that date, an increase of more than 36% compared with 2016.

The inclusion of environmental, social and governance criteria in the management of the assets underlying all our traditional savings products and own funds portfolios is promoted among policyholders (see section 7.4.1 – Be a responsible investor). A brochure on key CSR matters entitled "#conversations around our commitment" was sent to several thousand policyholders in 2016. It features among the main resources used to present CNP Assurances' offers to its partners, and is available to policyholders on the www.cnp.fr website.

In its wealth management offering, CNP Assurances offers unit-linked products comprising directly held securities. Eligible securities offered to policyholders are also selected by taking into account exclusion rules on environmental (coal), social (Global Compact) and governance (sensitive countries) issues applicable to financial assets (see section 7.4.1 – Be a responsible investor).

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.
- The launch of the fully digital company Youse in 2016 allowed Caixa Seguradora to promote collaborative entrepreneurship by donating R$1 for every policy sold to a fund financing entrepreneurship projects. Similarly, in 2017, as part of its pilot online pension products project, CNP UniCredit Vita pledged to plant an orange tree for each new product.
- 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.
- Every year, CNP Assurances' pledge to uphold the United Nations Global Compact and its responsible investing strategy are highlighted in more than 19 million letters sent to policyholders (postal mail, email or position papers available online). Since 2011, the message is 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.
- In 2016, CNP Assurances rolled out a new communications tool, dubbed the Lettre de CNP Patrimoine, to showcase its responsible investor approach and support for the energy transition to partners.
- In 2017, CNP Assurances participated in responsible finance week through a campaign promoting SRI funds. A brochure on responsible investment was produced to mark the occasion for Amétis network customers.

7.4 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.

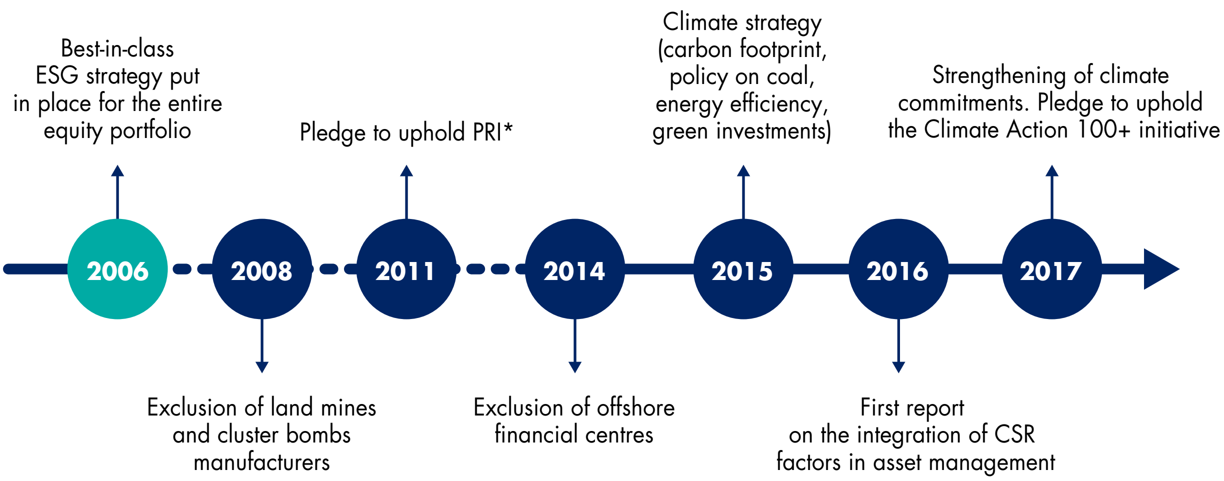
This commitment also applies to our suppliers. CNP Assurances has launched an audit and improvement programme to steadily improve its suppliers' CSR performance.

The commitment for a sustainable economy is broken down according to two priorities:

- be a responsible investor;
- be a responsible purchaser.

7.4.1 Be a responsible investor

CNP ASSURANCES' RESPONSIBLE INVESTOR STORY



*PRI: the United Nations' Principles for Responsible Investment

The first commitment for a sustainable economy is the subject of a special report on how non-financial factors are taken into account in the management of CNP Assurances' assets, in accordance with the requirements of Article 173-VI of the French law on the energy transition for green growth. It is available on the www.cnp.fr website.

CNP Assurances is primarily an insurance group. As such, it manages the assets backing the rights of its policyholders and its own assets, but does not manage assets for third parties, delegating their operational management to external management companies. For CNP Assurances, the responsible investor approach is defined and managed internally, drawing on the SRI expertise of asset management companies Ostrum AM and LBP Asset Management. CNP Assurances' strategy applies to all of its assets and those of its French subsidiaries. Its approach was strengthened in 2011 with the signing of the Principles for Responsible Investment (PRI).

The responsible investor strategy has resulted in the implementation of an ESG policy. Following the addition of a low carbon strategy in 2015, this policy is gradually being extended into the various asset compartments. At 31 December 2017, the ESG filter covered 80% of the financial assets held by CNP Assurances and its French subsidiaries (for details of policyholder investments in SRI funds, see section 7.3.2.3).

The CNP Assurances Group also seeks to ensure that its investments make an impact, particularly for the energy and environmental transition.

7.4.1.1 ESG exclusion: a strategy adopted for all financial assets

8 DECENT WORK AND ECONOMIC GROWTH

CNP Assurances determines the list of exclusions and securities under surveillance (countries and companies), relying notably on the SRI experts of management companies Ostrum AM and LBPAM, as well as on indices in the public domain.

Exclusion of securities

Since 2008, CNP Assurances has chosen to exclude 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. On existing assets, holdings of financial assets in this sector are subject to a cap of 25% of revenue. Assets have been sold when the companies in question have exceeded this ceiling (see box below).

In addition, as part of its 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.

WITHDRAWAL FROM THE COAL SECTOR

Since 2015, CNP Assurances has sold nearly €300 million in corporate bonds issued by companies that extract coal and produce coal-based energy. Since end-2015, its portfolio has included no directly held listed entities or bonds issued by companies deriving more than 25% of their revenue from thermal coal.

Exclusion of countries based on the balance of governance, as well as cooperation and fiscal transparency

CNP Assurances formalised its policy of excluding offshore financial centres at the end of 2014. CNP Assurances has drawn up a list of prohibited 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.

A specific approach in investment funds

The ESG approach in the field of investment funds is based on general principles for the investment universe: exclusion of players and funds speculating on agricultural commodities and application of CNP Assurances' exclusion principles discussed previously.

The exclusion of securities as described above also applies to dedicated funds. For open-ended funds, due diligence on acquisition and the bi-annual survey ensure the existence of equivalent principles on controversial weapons, tax havens and embargoes.

7.4.1.2 Asset Management Strategy: integration of ESG

8 DECENT WORK AND ECONOMIC GROWTH

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. However, the approach cannot be applied equally to equities, bonds, real estate assets, corporate or sovereign securities, direct holdings or units of funds.

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 Ostrum AM since 2006 and LBPAM since 2009. Dialogue is engaged with companies held in these funds when ESG issues are identified, either through our asset managers or directly during the lead-up to General Meetings. When dialogue fails to produce results, other measures can be taken, potentially including a suspension of purchases of the Company's securities, or even their sale or exclusion.

The responsible investor approach in the listed equities compartment has supported the ecological and energy transition for several years. Initiated through the development of a risk and opportunity approach in 2015, CNP Assurances' objective is that, by the end of 2018, the management of directly held equities will be aligned with indices that strongly weight the contribution to the Energy and Ecological Transition, implemented in partnership with La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers). Another benefit of the commitment to reduce the carbon footprint of the equity portfolio (see box) 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 reduce GHG emissions from the equity portfolio in 2017, not to mention its membership of Climate Action 100+, a platform for collaborative shareholder engagement.

Shareholder engagement

Since 2005, CNP Assurances has followed a policy of shareholder activism by systematically voting at the General Meetings of listed companies in its portfolio. In 2017, CNP Assurances voted at the General Meetings of 99.9% of the French companies in its portfolio. Since 2016, the voting scope has extended to European companies presenting environmental and carbon risks, reaching 84% of assets held. It reviewed 1,853 resolutions proposed at 98 General Meetings, voting against 20.1% of them. When there are issues with proposed resolutions, CNP Assurances endeavours to talk to the companies concerned ahead of the meetings.

Voting principles are laid down by senior management. The core objective is to protect the rights of minority shareholders who are 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.

Bonds

The SRI experts of the companies in charge of managing them (Ostrum AM 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.

CARBON FOOTPRINT OF THE FINANCIAL PORTFOLIO

13 CLIMATE ACTION

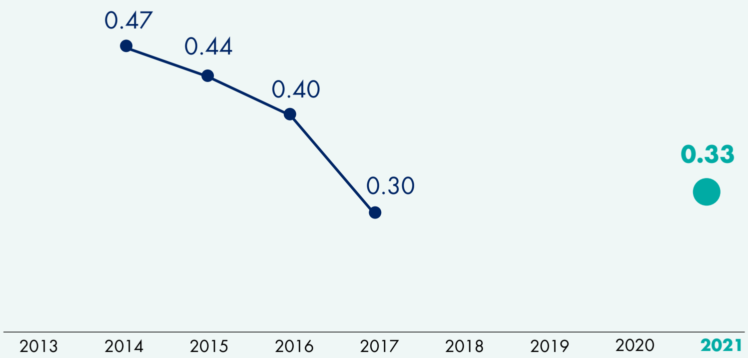
In line with its commitment under the Montreal Carbon Pledge in May 2015,
CNP Assurances publishes and measures the carbon footprint of its financial portfolio.

Portfolio of directly held listed equities

At 31 December 2017, the footprint is estimated at 0.30 tonnes of CO_2 equivalent per thousand euros invested. In 2015, CNP Assurances set itself the goal of reducing the end-2014 level by 20% by 2020, revising the target reduction to 30% by 2021* in 2017 (twice the pace implied by the commitments under the French National Low Carbon Strategy), notably 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.

N.B. This calculation is an estimate of Scope 1 and 2 greenhouse gas emissions by portfolio companies at the end of 2016 (most recent published data) without adjustment for overlap, based on the portfolio's asset value. These estimates are volatile, and depend notably on the scope and data collection methods used in the various companies and changes in reference emission factors. As such, while the 2017 results are very encouraging, CNP Assurances remains vigilant and is pursuing its carbon reduction efforts.

ESTIMATE OF THE CARBON FOOTPRINT OF THE PORTFOLIO OF DIRECTLY HELD LISTED EQUITIES
(IN TEQCO_2/€ THOUSANDS INVESTED)



Portfolio of directly held listed corporate assets

Continuing its commitment to the Montreal Carbon Pledge, CNP Assurances began regularly calculating the carbon footprint of its corporate assets in 2016, estimating the share held directly in equities and bonds in proportion to the balance sheets of the respective companies. Greenhouse gas emissions are estimated taking solely into account disclosures of portfolio companies in respect of their Scope 1 and 2 emissions, without adjusting for overlap. As a large number of companies do not provide this data, the estimate covers 60% of the portfolio. It amounted to 0.11 tonnes of CO_2 equivalent per thousand euros invested at 31 December 2017.

* In our 2017 results press release published on 22 February 2018, we stated that we had stepped up our commitment to reducing the carbon footprint of the directly held equities portfolio, setting an objective of 0.25 teqCO_2/€k invested by end-2021 versus 0.33 teqCO_2/€k invested in 2014. This commitment represents a reduction of 47% compared to the 2014 baseline, versus the 2017 targeted reduction of 30% mentioned in this report

Sustainably managing property assets

With €13.5 billion in property assets in France based on net book values, CNP Assurances is an important player in this market. Management of its property assets is entrusted to specialised companies on the basis of 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 adopted with Foncia IPM (formerly Icade) in 2008, and the establishment in 2014 of a green works charter to factor in the impact of all co-owned property management agreements on the environment, and on the health and safety of users.

Improved energy performance

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 (31% of the floor space of property assets under direct management had energy, environmental or operating certification at the end of 2017, a significant increase compared with 2016).

Since 2009, an environmental audit has been systematically carried out on all newly acquired properties. In 2015, as part of its low-carbon strategy, CNP Assurances signed the Energy Efficiency Charter for Commercial Buildings, thereby illustrating its desire to become more involved in the green building sector.

A general audit to determine an energy performance target

In advance of the requirements ushered in by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 134 of CNP Assurances' wholly owned property assets had already been assessed to measure their energy efficiency by the end of 2017. Action plan scenarios adapted to each building have been defined in order to reduce CO_2 emissions and energy use.

CNP Assurances has already rolled out a €150 million work programme within this framework. Ultimately, this work will reduce the energy consumption of the entire property portfolio by 20% by 2020, in comparison with 2006.

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 56% at end-2017. The objective is to carry out an audit of all assets over three years and to track the work subsequently carried out.

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 18 private equity funds were rated in 2017.

CSR reporting is also used for new infrastructure investments. In 2017, 67% of our infrastructure funds took part in this reporting or voluntarily provided us with their own CSR reporting.

Forests: an environmental opportunity

Integrating environmental issues in woodland management processes

CNP Assurances is France's largest private owner of woodland, with 55,316 hectares at 31 December 2017. Société Forestière, a 50%-owned subsidiary, applies sustainable management techniques that help to prevent fires, promote biodiversity and anticipate the effects of climate change. In 2003, in addition to ISO 9001 certification, all of CNP Assurances' woodland assets were certified by the Pan European Forest Council (PEFC), which guarantees that the timber comes from sustainably managed forests. In 2017, a new forest investment programme began in Scotland.

Carbon sinks in France and Brazil

In 2017, the growth of CNP Assurances' trees served to sequester 512,258 tonnes of carbon dioxide. After deducting timber sold or cut down during the year, a net 218,692 tonnes of carbon dioxide was added to the sequestered total in 2017.

Since 2007, the Caixa Seguradora group has been offsetting its carbon emissions by financing NGO Green Initiative's tree-planting programmes in the Atlantic forest. Forests are managed in accordance with biodiversity principles, while providing income and training to disadvantaged local communities. Operations organised by CNP Assurances with employees have added 6,376 trees to these plantations.

Anticipating the effects of climate change

In 2001, in compliance with France's Forestry Act, CNP Assurances approved a sustainable management charter defining the commitments of Société Forestière, the Company in charge of managing its woodland. These commitments include managing woodland sustainably, protecting biodiversity and proactively planning for the impact of climate change.

The climate change issue is a key factor in managing CNP Assurances' forests. To ensure the long-term health and value of the woodland, the management company selects transitional tree species adapted to current and future climates, and pays increasing attention to moisture reserves, depth of rooting and fertility in areas where new trees are being planted.

Preserving biodiversity

Société Forestière continued its actions in favour of biodiversity in 2017. 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 remarkable trees. In 2017, for instance, some adult field elms, a species almost eradicated by a microscopic fungus in the 20th century, were identified in the Lancosme forest. They will obviously be preserved from any exploitation.

CNP Assurances' woodland management also prevents soil erosion and ensures water filtration and purification. The Caixa Seguradora group's reforestation operations promote biodiversity, protect water resources and participate in soil conservation.

Deploying ESG screening in international subsidiaries

The Caixa Seguradora group excludes certain industries from its equity and government and corporate bond portfolios. CNP Assurances Compañía de Seguros had dedicated 16% of its assets to supporting SMEs or social infrastructure projects at the end of 2017. CNP UniCredit Vita has applied the exclusion rules laid down by CNP Assurances covering sensitive securities and countries to its euro-denominated portfolio, as has MFPrévoyance.

7.4.1.3 Impact investments

In addition to its investment policy incorporating ESG criteria, CNP Assurances pursues an active policy in terms of impact investments, be it environmental impact, societal impact via investment in SMEs or social impact.

Investments in funds supporting the energy and environmental transition

At 31 December 2017, CNP Assurances had €35 million invested in private equity funds in the clean energy, clean industry and cleantech sectors. Direct and indirect investments in renewable energy infrastructure, sustainable mobility, and water and waste treatment represented a total of €1,041 million at 31 December 2017, including the Meridiam Transition fund. This fund, created at the end of 2015 with management company Meridiam, funds innovative development projects related to the energy transition, local services such as heating systems or energy from recovered waste, electricity and gas grids, and innovative renewable energy.

An additional €1,362 million is invested directly in green bonds funding specific environmental projects.

CNP Assurances became a major shareholder of RTE in 2017, and supports the electricity transmission network's investment strategy aimed at optimising its infrastructure to facilitate the energy transition.

Progress in its low-carbon strategy allowed CNP Assurances to achieve its initial goal of tripling its investments in the energy and environmental transition sector a full year ahead of target between 2014 and 2017. Building on this achievement, and in view of the urgency of the climate challenge, 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 environmental transition by 2021, covering green infrastructure, green bonds, energy-efficient buildings and forests.

MFPrévoyance had meanwhile invested a total of €97 million in green bonds at the end of 2017.

Direct support for SMEs

Operating in the private equity business since 1992, CNP Assurances is one of the world's top 50 institutional investors (number two in France) in private equity funds (2015 EPI ranking). Be they innovative start-ups or SMEs with an established presence in their market, operating in the high-tech sector or established industrial segments, these companies play a strategic role in strengthening France's economic fabric, creating jobs and attracting foreign investment. 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. After supporting a crowdlending platform for SMEs, CNP Assurances chose to support a telemedicine solution to fight against social and geographical inequalities in access to healthcare. Since 2017, it has supported, among other projects, a new online health insurance company dedicated to start-ups and SMEs, as well as the development of the blockchain system to secure processes between companies.

Social impact funds

CNP Assurances had also invested in several socially beneficial funds in a total amount of nearly €140 million at 31 December 2017. Examples include financing small businesses that have trouble raising capital due to social barriers, and supporting SMEs facing financial hardship.

In addition, CNP Assurances partnered with a long-term loan fund on behalf of around 100 European SMEs in 2016. Since June 2016, it has also supported the NovESS fund, whose objective is to support the transition and change of dimension of the Social and Solidarity Economy. Attentive to the contribution of socially responsible investment, NovESS uses a social impact measurement tool to evaluate the impact of each project on several criteria, including job creation. In 2017, it supported the first network of collaborative factories offering equipped workshops for tradespeople, as well as a company specialising in the recovery of food waste from restaurants, canteens and markets, offering training in sorting waste and transforming it into biogas or compost.

CNP Assurances contributed to the Hémisphère fund, the first social impact bond, dedicated to assisting and housing vulnerable people. Part of the financial return is hinged on the achievement of audited social objectives, including aspects relating to the schooling of children or the placement of assisted people in permanent housing.

Among investments combining environmental and societal aspects, CNP Assurances has purchased SRI mutual funds in the amount of €2.5 billion, or 7% of assets of all non-dedicated mutual funds held at 31 December 2017. For details of policyholder investments in SRI funds (unit-linked), see section 7.3.2.3.

7.4.2 Be a responsible purchaser

The second commitment for a sustainable economy involves the integration of CSR into the purchasing policy. It is most widespread in the Group's largest entities, namely CNP Assurances and the Caixa Seguradora Group.

7.4.2.1 CNP Assurances – Fulfilling a commitment on an everyday basis

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 buying practices.

The main calls for tenders and consultations include a CSR component, and the assessment on this aspect is a determining criterion.

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. A CSR assessment of key suppliers is performed by EcoVadis (see section 7.3.2.3).

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. 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 200 (CNP Assurances' 200 biggest suppliers) are subject to assessment by EcoVadis. In 2017, 74 suppliers representing 38% of total purchases were assessed. Their average rating was 57.3/100. In 2017, with the deployment of the e-purchasing tool, major tenders and listings were systematically asked for an EcoVadis rating, which has become one of the rating criteria of our offers.

Average supplier payment terms were 47 days in 2017, a gain of two days compared with 2016, thanks to the various optimisation measures undertaken, such as indexing invoices when received and sending targeted reminders depending on the payment deadline. This puts CNP Assurances' "supplier payment terms" indicator for 2017 within the standard contractual period.

The 2016 CSR brochure, "#conversations around our commitment", is also transmitted with consultation files.

7.4.2.2 The Caixa Seguradora group – CSR clauses in all contracts

The Caixa Seguradora group 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).

7.5 Methodology

Group reporting methodology

Progress in sustainable development performance is tracked through the use of dedicated indicators and by identifying outstanding accomplishments. Our Corporate Social Responsibility indicators are reported in accordance with Articles L.225-102-1 and R.225-105-1 *et seq.* of the French Commercial Code.

Guidelines and definition

Indicators and reporting processes have been defined for all Group entities. These processes serve as a reference for the various people involved in preparing this section at CNP Assurances and at all subsidiaries. They describe the issues, roles, indicators and data collection processes, as well as the main identified risks and the system for controlling and managing these risks. The processes were established using Global Reporting Initiative (GRI) guidelines. The reference indicators are presented on the GRI website: https://www.globalreporting.org.

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), namely, unless otherwise stated, CNP Assurances, CNP Caution, MFPrévoyance, CNP Partners (for environmental data excluding offices in Italy and France), CNP Assurances Compañía de Seguros, Caixa Seguradora group, CNP UniCredit Vita, CNP Cyprus Insurance Holdings and CNP Santander Insurance and 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 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. From 2017, the Caixa Seguradora data include the Previsul sub-subsidiary.

The level of coverage for each indicator is presented in the tables. It represents the headcount of entities included in the calculation of the indicator divided by the total headcount of the consolidated Group, excluding CNP Europe Life, the Danish branch and the Colombian sub-subsidiary. Section 7 therefore covers a total of 98.7% of the consolidated Group's employees at 31 December 2017.

Change is the percentage difference between 2016 and 2017. It has been noted that the aforementioned change of scope did not materially influence the rate of change. In the event of major adjustments to the scope explaining a particular rate of change, the rate of change is also presented at constant scope.

Reporting period

Indicators mapping movements cover the period from 1 January 2017 to 31 December 2017 (except business travel and energy and water consumption at CNP Assurances' Paris sites, which cover 12 rolling months from 1 November 2016 to 30 October 2017, and some environmental data from Caixa Seguradora, which cover 12 rolling months from 1 December 2016 to 30 November 2017). Indicators of stocks are as at 31 December 2017.

Historical date and change in scope

CNP Europe Life was removed from the reporting scope in 2017. Slight variations in scope can appear when indicators have not been provided for an entity or sub-entity in 2016, but have been in 2017.

Reporting, control and consolidation method

Indicators are reported by operational departments (notably HR, building management and purchasing), and are broken down by facility where necessary. Accounting consolidation software is also used for CSR reporting. CSR officers have been appointed for each entity (a total of 16 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

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). Furthermore, the definitions of social indicators may differ slightly between countries. However, the consolidated indicators used are consistent and material. 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.

Verification

An independent third-party body performed an analysis to verify the existence and fair presentation of information falling within the scope of Article 225 of the French Commercial Code. The most material data were subject to detail tests; the other data were reviewed for overall consistency. The audit report is provided at the end of this section.

7.6 Concordance table for labour, social and environmental data

The table below reviews in detail the indicators found in Articles L.225-102-1 and R.225-105-1 *et seq.* of the French Commercial Code and specifies the sections that cover these indicators in this report. All the sections mentioned in the table fall within the scope of the verification; the level of verification is specified in the table.

Labour indicators	Level of verification	Relevant section
a) Workforce		
▪ Total workforce and breakdown by age, gender and geographical area	Detail tests	7.2.4.1.1
▪ Hires and terminations	Detail tests	7.2.4.1.1
▪ Remuneration and changes in remuneration	Detail tests	7.2.4.2.5
b) Working hours		
▪ Organisation of working hours	Detail tests	7.2.4.2.4
▪ Absenteeism	Detail tests	7.2.4.2.6
c) Employee relations		
▪ Organisation of social dialogue (employee information and consultation procedures and negotiation processes)	Detail tests	7.2.4.2.1
▪ Corporate agreements	Detail tests	7.2.4.2.1
d) Health and safety		
▪ Workplace health and safety conditions	Detail tests	7.2.4.2.6
▪ Health and safety agreements signed with trade unions and other employee representatives	Consistency	7.2.4.2.6
▪ Workplace accidents, frequency, severity and occupational illnesses	Detail tests	7.2.4.2.6
e) Training		
▪ Training policies	Detail tests	7.2.4.5.2
▪ Total number of training hours	Detail tests	7.2.4.5.2
f) Equal opportunity		
▪ Measures taken to promote gender equality	Detail tests	7.2.4.3.2
▪ Measures taken to promote the employment and integration of people with disabilities	Consistency	7.2.4.3.3
▪ Anti-discrimination policy	Detail tests	7.2.4.3.4
g) Promotion of and compliance with the International Labour Organization's fundamental conventions concerning		
▪ The right to exercise freedom of association and the right to collective bargaining	Consistency	7.2.4.4
▪ The elimination of discrimination in respect of employment and occupation	Consistency	7.2.4.3
▪ The elimination of forced and compulsory labour	Consistency	7.2.4.4
▪ The effective abolition of child labour	Consistency	7.2.4.4

Environmental indicators	Level of verification	Relevant section
a) General environmental policy		
▪ Structures for addressing environmental issues	Consistency	7.1.2.3
▪ Employee training and awareness initiatives for the protection of the environment	Consistency	7.2.4.5
▪ Resources allocated to preventing pollution and other environmental risks	Excluded in view of the Group's activities as a service provider	
▪ Environmental provisions and warranties	Consistency	No provisions or guarantees
b) Pollution		
▪ Measures to prevent, reduce and remedy air, water and soil pollution seriously affecting the environment	Excluded in view of the Group's business as a service provider	
▪ Measures to address noise and other forms of pollution specific to an activity	Consistency	7.3.1.3.3
c) Circular economy		
i) Waste prevention and management		7.3.1.3.3
▪ Prevention, recycling, reuse, other forms of recovery and elimination of waste		
▪ Initiatives to combat food waste	Excluded in view of the Group's activities as a service provider	
ii) Sustainable use of resources		
▪ Water use and supply in relation to local restrictions	Consistency	7.3.1.3.3
▪ Raw materials use and the measures taken to use them more efficiently	Detail tests	7.3.1.3.2/7.3.2.2
▪ Energy use and the measures taken to improve energy efficiency and increase the use of renewable energies	Detail tests	7.3.1.3.3
▪ Land use	Consistency	7.4.1.2
d) Climate change		
▪ Significant sources of greenhouse gas emissions generated due to the Company's operations, including the use of goods and services it produces.	Detail tests	7.3.1.2
▪ Measures taken to adapt to climate change	Consistency	7.4.1.2
e) Protecting biodiversity		
▪ Measures taken to protect or develop biodiversity	Consistency	7.4.1.2

Social indicators	Level of verification	Relevant section
a) Territorial, economic and social impact of the Company's operations		
▪ In terms of employment and regional development	Consistency	7.2.5.1
▪ On local residents and communities	Consistency	7.2.5.1
b) Relations with people or organisations that have an interest in the Company's operations		
▪ Dialogue with these people and organisations	Consistency	7.1.2.2
▪ Partnership or philanthropy initiatives	Detail tests	7.2.5.2
c) Subcontractors and suppliers		
▪ Integration of social and environmental issues in purchasing policy	Detail tests	7.4.2
▪ Outsourcing and the importance of including CSR in dealings with suppliers and subcontractors	Detail tests	7.4.2
d) Fair practices		
▪ Action taken to prevent corruption	Consistency	7.2.3.2
▪ Measures taken to promote the health and safety of consumers	Consistency	7.2.1.4/7.2.3.1
e) Other initiatives to promote human rights	Consistency	7.2.3.5

Moreover, in view of the importance given by CNP Assurances to societal and environmental information, the Group chose to subject ten indicators to reasonable assurance verification, identified by the √ symbol:

- workforce;
- percentage of employees with permanent employment contracts;
- percentage of women;
- age pyramid;
- number of new hires;
- total departures;
- number of dismissals;
- turnover rate;
- proportion of female senior executives;
- electricity consumption.

7.7 Report by the independent third party on the consolidated labour, environmental and social information included in the management report

This is a free English translation 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 standards applicable in France.

For the year ended 31 December, 2017

To the Shareholders,

In our capacity as independent third party, certified by COFRAC under number 3-1058 (scope available at www.cofrac.fr) and member of the Mazars network of the Company's Statutory Auditor, we hereby report to you on the consolidated Human Resources, environmental and social information for the year ended 31 December, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics (*Code de déontologie*) of our profession and the requirements of Article L.822-11-3 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information);
- provide, at the request of the Company, a reasonable assurance as to whether the information identified by the symbol √ in the Chapter 7 of the management report was prepared, in all material respects, in accordance with the adopted Guidelines.

It is however not our responsibility to attest compliance with other legal dispositions where appropriate, in particular those included in law No. 2016-1691, dated 9 December 2016, said Sapin II (fight against corruption).

Our work involved five persons and was conducted between November 2017 and February 2018 during a five-week period.

We performed our work in accordance with professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement, and with ISAE 3000 [(1)] concerning our conclusion on the fairness of CSR Information.

I. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding Human Resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by Article L.233-1 and the controlled entities as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note, presented in section 7.5 of the management report.

Based on the work performed, and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

II. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about twenty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the Human Resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important [(2)]:

- at parent entity and two entities level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us [(3)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 62% of total headcount, considered as material data of social issues and between 86% and 100% of quantitative environmental data considered as material data of environmental issues [(4)].

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

(2) **Human Resources information:** Total headcount and its distribution by age, gender and type of contract; Number of hirings; Number of departures, including dismissals; Turnover; Percentage of women among top managers; Remunerations and their evolution (average individual annual salary); Work accidents frequency rate; Work accidents severity rate; Number of training hours; Working time organisation; Social dialogue procedures and review of collective agreements; Health and safety conditions, work accidents and occupational diseases; Training policies; Measures taken in favour of gender equality; Policies implemented to fight against discrimination

Environmental information: Electricity consumption; Gas consumption; Urban heating consumption; Consumption of paper for internal use; Greenhouse gas emissions on scopes 1, 2, 3 (excluding financial products); Raw material consumption and measures taken to improve efficiency in their use; Measures taken to improve efficiency in energy use, energy efficiency and renewable energy use

Social information: Share portfolio carbon footprint; Sponsorship actions; Inclusion of social and environmental stakes in purchasing policies; Subcontracting significance and inclusion of their social and environmental impact in relations with suppliers and subcontractors; Responsible investment

(3) CNP Assurances (France) and CNP CIH (Cyprus)

(4) Energy consumptions; Consumption of paper for internal use; Greenhouse gas emissions on scopes 1, 2, 3 (excluding financial products)

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are 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. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

III. Reasonable assurance report on selected CSR Information

Nature and scope of procedures

Regarding information selected by the Group and identified by the √ symbol, we conducted similar work as described in paragraph 2 above for CSR Information that we consider to be most significant but of greater depth, especially regarding the number of tests.

The selected sample represents 62% of headcount considered as material data of social issues and 86% of quantitative environmental data identified by the √ symbol.

We deem this work allows us to express a reasonable assurance on the information selected by the Company and identified by the √ symbol.

Conclusion

In our opinion, the Information selected by the Group and identified by the √ symbol was prepared, in all material respects, in accordance with the Guidelines.

Paris La Défense, 9 March 2018

The independent third party

Mazars SAS

Olivier LECLERC	Edwige REY
Partner	*Partner CSR & Sustainable Development*

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 2017 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

From time to time CNP Assurances Group is involved in legal proceedings in the normal course of business. In March 2017, the French banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR) decided to initiate disciplinary proceedings against CNP Assurances and its subsidiaries Préviposte and ITV, which were merged into CNP Assurances in 2017, following an audit of their system to combat money laundering and the financing of terrorism.

To the best of the Company's knowledge and that of its Group, no other governmental, legal or arbitration proceedings are pending or threatened, including any proceedings of which the Company is aware, that may have, or have had in the past 12 months, a material adverse effect on the financial position or the profitability of the Company or the Group.

8.1.10 Information about related-party agreements governed by Article L.225-37-4, paragraph 2, of the French Commercial Code

In 2017, 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 Persons responsible for the information and the audit of the financial statements

Person reponsible for the Registration Document

Frédéric Lavenir, 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."

Frédéric Lavenir

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

Antoine Lissowski, Deputy Chief Executive 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 2017.

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 2017.

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 once in 2017.

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 2017 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 and other items included in the value of In-Force business (VIF). This indicator is net of non-controlling interests. ANAV breaks down between required capital and free surplus.

(In € millions)	**31.12.2017**	31.12.2016
Equity attributable to owners of the parent (1)	18,257	17,534
Subordinated notes classified in equity (2)	1,765	1,765
Intangible assets (3)	664	564
Items included in the value of In-Force business (4)	1,917	1,763
ANAV = (1) - (2) - (3) - (4)	**13,911**	**13,442**

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)	**31.12.2017**	31.12.2016
Value of new business (VNB) (1)	782	436
Annual premium equivalent (APE) (2)	3,316	3,129
APE MARGIN = (1) / (2)	**23.6%**	**13.9%**

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)	**31.12.2017**	31.12.2016
EBIT (personal risk/protection segment) (1)	1,153	947
Premium income net of ceded premiums (personal risk/protection segment) (2)	6,568	5,745
COMBINED RATIO (PERSONAL RISK/PROTECTION SEGMENT) = 100% - (1) / (2)	**82.5%**	**83.5%**

Cost/income ratio *

Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

(In € millions)	**31.12.2017**	31.12.2016
Administrative costs (1)	938	916
Net insurance revenue (NIR) (2)	3,048	2,782
COST/INCOME RATIO = (1) / (2)	**30.8%**	**32.9%**

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)	**31.12.2017**	31.12.2016
Subordinated notes classified in equity (1)	1,765	1,765
Subordinated notes classified in debt (2)	5,300	5,427
Total equity (3)	20,023	19,297
Intangible assets (4)	799	867
DEBT-TO-EQUITY RATIO = [(1) + (2)] / [(2) + (3) - (4)]	**28.8%**	**30.1%**

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)	**31.12.2017**	31.12.2016
Net operating free cash flow (OFCF) (1)	1,113	1,056
Dividends (2)	577	549
DIVIDEND COVER = (1) / (2)	**1.9 X**	**1.9 X**

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)	**31.12.2017**	31.12.2016
Attributable net profit (1)	1,285	1,200
Net finance costs on subordinated notes classified in equity (2)	48	76
Weighted average number of shares (3)	686.5 M	686.3 M
EARNINGS PER SHARE = [(1) - (2)] / (3)	**€1.80**	**€1.64**

Earnings before interest and taxes (EBIT) *

Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and 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)	**31.12.2017**	31.12.2016
Attributable net profit (1)	1,285	1,200
Finance costs (2)	(247)	(248)
Income tax expense (3)	(1,001)	(865)
Non-controlling and equity-accounted interests (4)	(329)	(287)
Fair value adjustments and net gains (losses) (5)	200	159
Non-recurring items (6)	(227)	(195)
EBIT = (1) - (2) - (3) - (4) - (5) - (6)	**2,889**	**2,638**

EIOPA

European Insurance and Occupational Pension 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)	**31.12.2017**	31.12.2016
Equity attributable to owners of the parent (1)	18,257	17,534
Subordinated notes classified in equity (2)	1,765	1,765
IFRS BOOK VALUE = (1) - (2)	**16,492**	**15,768**

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)	**31.12.2017**	31.12.2016
Total equity (1)	20,023	19,297
Subordinated notes classified in debt (2)	5,300	5,427
Subordinated notes classified in equity (3)	1,765	1,765
Insurance investments (4)	387,088	383,262
Derivate instrument liabilities (5)	1,110	1,245
INSURANCE LEVERAGE RATIO = [(1) + (2)] / [(4) - (5)]	**6.56%**	**6.47%**
▪ o/w equity = [(1) - (3)] / [(4) - (5)]	4.73%	4.59%
▪ o/w subordinated notes = [(2) + (3)] / [(4) - (5)]	1.83%	1.88%

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)	**31.12.2017**	31.12.2016
EBIT (1)	2,889	2,638
Finance costs on subordinated notes classified in debt (2)	247	248
Finance costs on subordinated notes classified in equity (3)	74	116
INTEREST COVER = (1) / [(2) + (3)]	**9.0X**	**7.3X**

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 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)	**31.12.2017**	31.12.2016
Net insurance revenue (1)	3,048	2,782
Revenue from own-funds portfolios (2)	779	771
Administrative costs (3)	938	916
EBIT = (1) + (2) - (3)	**2,889**	**2,638**

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 €)	**31.12.2017**	31.12.2016
Dividend per share (1)	€0.84	€0.80
Earnings per share (2)	€1.80	€1.64
PAYOUT RATIO = (1) / (2)	**47%**	**49%**

In the interest of comparability with other insurance groups, this indicator was redefined in 2017 in line with market practices. Originally, this indicator was calculated as dividends paid to owners of the parent divided by attributable net profit:

(In € millions)	**31.12.2017**	31.12.2016
Dividends (1)	577	549
Attributable net profit (2)	1,285	1,200
PAYOUT RATIO = (1) / (2)	**45%**	**46%**

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)	**31.12.2017**	31.12.2016
Earned premiums (1)	32,077	31,495
Premium loading on IAS 39 contracts (2)	50	42
PREMIUM INCOME = (1) + (2)	**32,127**	**31,536**

Proportion of savings/pensions mathematical reserves represented by unit-linked (UL) contracts *

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)	**31.12.2017**	31.12.2016
UL savings/pensions mathematical reserves (1)	54,010	47,328
Total savings/pensions mathematical reserves (2)	275,382	274,820
PROPORTION OF SAVINGS/PENSIONS MATHEMATICAL RESERVES REPRESENTED BY UL CONTRACTS = (1) / (2)	**19.6%**	**17.2%**

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)	**31.12.2017**	31.12.2016
UL savings/pensions premium income (1)	9,468	6,655
Total savings/pensions premium income (2)	24,712	24,929
PROPORTION OF SAVINGS/PENSIONS PREMIUMS REPRESENTED BY UL CONTRACTS = (1) / (2)	**38.3%**	**26.7%**

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) *

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)	**31.12.2017**	31.12.2016
Attributable net profit (1)	1,285	1,200
Average IFRS book value (2)	16,130	15,123
RETURN ON EQUITY (ROE) = (1) / (2)	**8.0%**	**7.9%**

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)	**31.12.2017**	31.12.2016
Net revenue generated by investments held to back equity and subordinated notes (1)	804	796
Amortisation of value of In-Force business and distribution agreements (2)	25	25
REVENUE FROM OWN-FUNDS PORTFOLIOS = (1) - (2)	**779**	**771**

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.

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.

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. They measure the insurer's liability towards insureds.

(In € millions)	**31.12.2017**	31.12.2016
Insurance and financial liabilities (1)	365,204	361,748
Deferred participation reserve (2)	30,336	30,714
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	22,735	23,033
TECHNICAL RESERVES GROSS OF REINSURANCE = (1) - (2) + (3)	**334,869**	**331,035**
TECHNICAL RESERVES NET OF REINSURANCE = (1) - (2) + (3) - (4)	**312,134**	**308,002**

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 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)	**31.12.2017**	31.12.2016
Net insurance revenue (1)	3,048	2,782
Revenue from own-funds portfolios (2)	779	771
TOTAL REVENUE = (1) + (2)	**3,827**	**3,553**

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 2015 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2015, as presented on pages 160 and 161 of Registration Document No. D.16-0275 filed with the AMF on 5 April 2016
- the financial statements of CNP Assurances for the year ended 31 December 2015 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2015, as presented on pages 218 and 219 of Registration Document No. D.16-0275 filed with the AMF on 5 April 2016
- 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 172 and 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 on pages 228 and 229 of Registration Document No. D.17-0337 filed with the AMF on 6 April 2017

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 27 April 2018.

Management report

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Whether you're an individual, a professional, a candidate, a journalist, a shareholder or an analyst, you can access the pages dedicated to you directly.

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.

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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)

  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.

0 800 544 544 Service & appel gratuits

2018 FINANCIAL CALENDAR

27 April

Annual General Meeting

16 May

First-quarter 2018 premium income and results indicators

30 July

First-half 2018 premium income and profit

16 November

Third-quarter 2018 premium income and results indicators

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