CNP assurances

Insuring a more open world

2019 Universal Registration Document

including the Annual Financial Report

Contents

2019 Universal Registration Document

including the Annual Financial Report

The French language version of this Universal Registration Document was filed on 16 March 2020 with the AMF, as the competent authority under Regulation (EU) 2017/1129, without prior approval as allowed by Article 9 of the Regulation.

The Universal Registration Document may be used as a prospectus for a public offer of financial instruments or the admission of financial instruments for trading on a regulated market, provided that it is accompanied by an information memorandum (or listing particulars) and, if necessary, summary and detailed descriptions of all the amendments made to the Universal Registration Document. In this case, the prospectus comprising the Universal Registration Document and the information memorandum or listing particulars is submitted to the AMF for approval in accordance with Regulation (EU) 2017/1129.

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

The following information is incorporated by reference in this Universal Registration Document, in accordance with Article 19 of European Commission Regulation No. 2017/1129/EC:

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2018 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2018, as presented respectively on pages 126 to 238 and 239 to 244 of Registration Document No. D.19-0214 filed with the AMF on 28 March 2019;
- the financial statements of CNP Assurances for the year ended 31 December 2018 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2018, as presented respectively on pages 245 to 293 and 294 to 299 of Registration Document No. D.19-0214 filed with the AMF on 28 March 2019;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2017, as presented respectively on pages 112 to 224 and 225 to 229 of Registration Document No. D.18-0209 filed with the AMF on 29 March 2018;
- the financial statements of CNP Assurances for the year ended 31 December 2017 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2017, as presented respectively on pages 231 to 282 and 284 to 289 of Registration Document No. D.18-0209 filed with the AMF on 29 March 2018.

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** • Groupe Caisse des Dépôts

Our mission is to protect our policyholders and everything they hold dear over the long term.

With our partners, we reinvent protection solutions aligned to each individual's needs whatever turns their life takes.

Profile

An insurance underwriter since 1850

A COMPREHENSIVE RANGE OF SOCIAL PROTECTION SOLUTIONS

5,353

employees worldwide

38

million insureds [(1)] under personal risk/ protection policies [(2)] worldwide

12

million [(1)] savings and pensions policyholders worldwide

350

distribution partners

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

No. 1

in France for term creditor insurance [(3)]

No. 2

in France for life insurance [(4)]

No. 3

in Brazil for insurance [(5)]

No. 7

in Europe for insurance [(6)]

EBIT BY SEGMENT
(€m)

1,234 Personal Risk/ Protection insurance

1,204 Savings/ Pensions

603 Own-funds portfolios

€1,412m

ATTRIBUTABLE NET PROFIT IN 2019

€33.5bn

premium income in 2019

€321bn

average net technical reserves in 2019

(1) Estimates partly based on the number of contracts under management
(2) Personal Risk, Health, Term Creditor and Property & Casualty insurance
(3) 2018 data, Argus de l'Assurance, October 2019, term creditor insurance rankings
(4) 2018 data, FFA, July 2019
(5) Data published in October 2019 by SUSEP (Brazilian insurance supervisor that oversees Caixa Seguradora)
(6) Data published in November 2019 on the Bloomberg site, companies ranked by size of technical reserves based on their consolidated financial statements

chapter

1

COMPANY OVERVIEW

1.1 Our business, providing personal insurance cover

As an insurer, co-insurer and reinsurer, CNP Assurances makes its unique protection and savings expertise available to its policyholders and partners in France, Europe and South America.

Serving everyone

Our mission is to protect our policyholders and everything they hold dear over the long term.

Policyholders can have very different needs, such as maintaining their standard of living after retirement or an accident, passing on capital to future generations, ensuring that help will be available in the event of a loss of autonomy and increasing medical cost reimbursement rates.

Our Group assesses and pools risks, and offers innovative comprehensive solutions that enable policyholders to move forward in life with full peace of mind.

In a changing world

Lifestyles and working arrangements are evolving. People may change trajectory a number of times during their lifetime and new social challenges are emerging (in housing, care for the elderly, health care, social protection, etc.).

Thanks to our many years' experience, we are ideally placed to track economic and social trends, and to work with our partners to come up with appropriate solutions to support these new journeys through life.

Offers by segment

SAVINGS/ PENSIONS	SAVINGS Traditional life insurance and life insurance with a unit-linked or *Croissance* (growth fund) formula
	PENSIONS Private and company-sponsored plans
PERSONAL RISK/ PROTECTION	PERSONAL RISK INSURANCE Death, temporary and permanent disability insurance, long-term care insurance, unemployment insurance, loss of income insurance, support and assistance services
	TERM CREDITOR AND GUARANTEE INSURANCE Home loans, consumer finance, business loans
	HEALTH INSURANCE
	PROPERTY & CASUALTY

See also Premium income by segment in Chapter 2 - Group activities

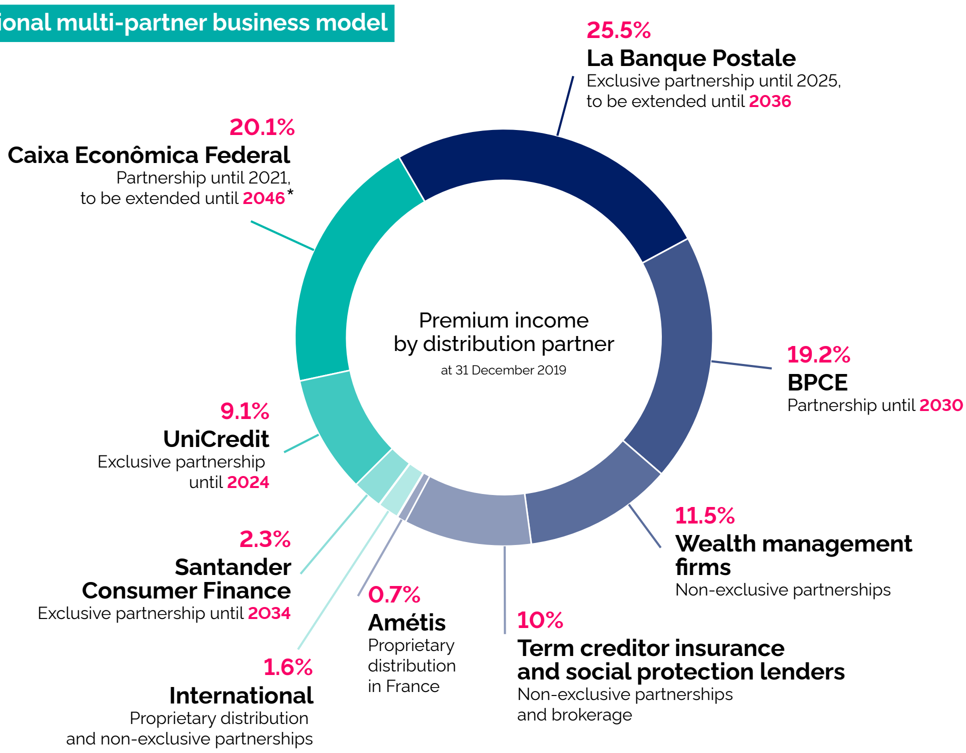
1.2 A unique business model

The CNP Assurances business model is based on long-term partnership agreements with major banks and social economy lenders. Combining insurance expertise with a local presence, it is a model that has proved its efficiency over the years.

1.2.1 An international multi-partner business model

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

An international multi-partner business model



* Subject to various conditions precedent

Five major banking partners

In France, our products are distributed through two long-standing partners, **La Banque Postale** and the **BPCE group** (Banques Populaires and Caisses d'Epargne networks), under long-term agreements. As CNP Assurances shareholders, they have a direct stake in the Group's performance and its future.

In international markets, the Group has set up joint ventures with banking groups that have a strong franchise and broad distribution network in their respective home markets, such as **Caixa Econômica Federal** in Brazil, **UniCredit** in Italy and **Santander Consumer Finance** in 12 European countries. These partners' participation as shareholders in the joint ventures' governance and financial performance incentivises the networks and, as such, is a critical growth driver.

350 non-exclusive partners in France

We have developed non-exclusive partnerships with 40 wealth management firms and 205 lenders for term creditor insurance. We are also the preferred partner of more than 100 employee benefits institutions, mutual insurers, non-profits and brokers operating in the social protection market.

Proprietary distribution

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

1.2.2 A business model that creates value and has a positive social impact

Our personal insurance business draws on multiple internal and external skill-sets. Our strong financial position ensures that we will be able to honour our commitments to policyholders. We leverage these strengths and the quality of our partners to create value for all of our stakeholders.

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

A business model that creates value for stakeholders

Resources

Policyholder premiums
€33.5 billion
in premium income

Human Resources
5,353
employees

External resources
Providers/suppliers

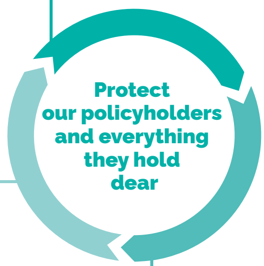
Distribution partners
350

Financial resources
€19.3 billion
in equity

€8.3 billion
in bond issues

The CNP Assurances group

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



guarantees
the proper execution of each policy

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

Value creation

€26.1 billion
in lump sum payments or in annuities
Policyholder beneficiaries

€1.1 billion
of ceded premiums
Reinsurers

€5 billion
in wages and salaries, purchases of services and commissions
Employees
Service providers/Suppliers
Distribution partners

€0.9 billion
of dividends and interest
Shareholders
Bondholders

€0.8 billion
in corporate income tax
States*

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

CSR contribution to the UN Sustainable Development Goals (SDGs)

3 GOOD HEALTH AND WELL-BEING
38 million personal risk/protection policyholders worldwide

8 DECENT WORK AND ECONOMIC GROWTH
97% of the Group's employees are covered by a collective bargaining agreement and 96% have a permanent employment contract

10 REDUCED INEQUALITIES
€6 million donated by the Group to health and social inclusion projects

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
82% of our investment portfolio met environmental, social and governance (ESG) criteria

13 CLIMATE ACTION
€14.4 billion worth of green investments by end-2019, target of €20 billion by 2023

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
94 countries excluded from our investment portfolios due to lack of tax transparency, corruption or breaches of democracy or freedoms

1.2.3 A sustainable model

We manage risks and protect insureds over the long term. Our financial indicators attest to our robustness, while our corporate values guarantee our ethical approach to doing business and the protection of policyholders' data.

The keys to lasting performance

Our close attention to effectively managing risks ensures that our products are correctly priced and that premiums are protected (*see Risk factors*).

Our historical values and tradition of serving the public interest underpin the corporate social responsibility strategy deployed since 2006.

The unflagging support of our four historical shareholders – Caisse des Dépôts, La Banque Postale, BPCE and the French State – since the 1998 IPO, has also contributed to our overall sustainability.

Recognised financial strength

Since the IPO in 1998, CNP Assurances has consistently reported a profit and has matched or increased its dividend every year. Consolidated net profit has grown at an average rate of more than 8% since 1998.

At 31 December 2019, CNP Assurances had own-funds of €34.8 billion, representing more than double its Solvency Capital Requirement of €15.3 billion and an SCR coverage ratio of 227% under Solvency II.

These figures have earned our Group insurer financial strength ratings of **A** from Standard & Poor's, corresponding to a high level of financial strength, and **A1** from Moody's, corresponding to a low credit risk.

1.2.4 A model open to stakeholders' needs

Leveraging our ability to adapt to different types of partners and our approach to working with all the players in our ecosystem, we have built relationships of mutual trust with all stakeholders based on a long-term perspective.

Overview of stakeholders

CNP Assurances group

Policyholders

38 million personal risk/protection **policyholders**[1] worldwide (excluding life and health insurance)

12 million savings and pensions **policyholders**[1] worldwide

Shareholders
at 2 January 2020

40.9% La Caisse des Dépôts
20.1% La Banque Postale
16.1% BPCE
1.1% French State
21.8% free-float
(institutional and individual shareholders)

Distributors

350 distribution partners
Banks, wealth management firms, lenders for term creditor insurance and social protection in Europe and Latin America

Financed entities[2]

423 companies
76 States, public bodies, local authorities, supranational organisations

Employees

5,353 employees worldwide:
CNP Assurances : 2,873
Consolidated subsidiaries: 2,480

Civil society

- Public authorities
- Supervisory bodies
- Professional bodies
- Beneficiaries of corporate sponsorship
- Associations and NGOs

Providers/ Suppliers

- IT service providers
- Delegated management service providers
- Consultants

Planet

- Climate
- Biodiversity

(1) Estimates partly based on the number of contracts under management
(2) CNP Assurances SA assets at 31 December 2019 in the form of directly held shares and/or bonds

1.3 Market positioning

France

In 2018, the personal insurance market accounted for 74% of the total insurance market in France [(1)].

A major player in life insurance [(2)]

The French life insurance and endowment market is still concentrated. It is dominated by the bancassurers, with traditional and mutual insurers lagging behind. In 2018, the top five players, which include CNP Assurances, together held over 55% of the market. CNP Assurances is France's second largest life insurer, with nearly 13% of the market [(2)], thanks in no small measure to its partners, La Banque Postale and BPCE.

In the wealth management market, we propose innovative offers to many different distribution partners in France and Luxembourg, including private banking institutions, high street banks, family offices, wealth management firms, brokers and independent financial advisors.

Leader in term creditor insurance [(3)]

Despite the large number of companies offering term creditor insurance in France, nearly 70% of the market is shared between the top four, with CNP Assurances ranked no.1. The Group partners close to 205 financial institutions, brokers, social economy lenders and mutual banks. We provide wide ranging cover of death, temporary and permanent disability, unemployment and loss of income risks, backed by support and assistance services, to ensure that borrowers are fully protected following the occurrence of an insured event. Full-online underwriting has helped to consolidate our leadership.

Pioneering long-term care insurance [(4)]

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

A major supplementary pensions provider [(5)]

We are present in the supplementary pensions market through Arial CNP Assurances, our joint subsidiary with AG2R La Mondiale. Arial CNP Assurances designs, markets and manages all types of company pension plans. It is the only insurance company in France specialised exclusively in supplementary pension plans and ranks second in the market, with some 130,000 corporate clients, 1.5 million insureds and around €16.2 billion worth of managed assets.

A service-led differentiation strategy

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

Filassistance International, a member of the Assuristance sub-group, has developed an array of personal assistance services drawing on the best that new technologies and one-to-one interactions have to offer. More than eight million policyholders have access to the assistance provided by its network of 10,000 service providers. Filassistance International's network is supported by Age d'Or, which operates a network of around a hundred home care agencies (in 2019).

Lyfe, a digital health, wellness and healthy ageing services platform, offers members of mutual insurance companies and employee benefits institutions, and employees of member companies, a range of prevention and coaching services, as well as assistance in accessing healthcare and help-for-carers networks.

Latin America, a growing market

Our Brazilian subsidiary, Caixa Seguradora, is owned jointly with Caixa Econômica Federal, the country's second-biggest state-owned bank [(6)]. Caixa Econômica Federal plays a major social and economic role, with a deep network of branches serving the local population throughout the country. Caixa Seguradora is Brazil's third-biggest insurance company [(7)].

Meeting new needs [(8)]

Caixa Seguradora offers products for companies and individuals, focusing on Brazil's emerging middle class. The Company is particularly active in the retirement savings market and is the unchallenged leader in term creditor insurance for home-buyers, with 58.3% of the market. In personal risk insurance, it occupies sixth place with a 6.3% share.

In the twelve months to November 2019, we expanded our share of this highly concentrated market by 1.2 points, to approximately 11.4%, helped by good performances in the pensions and personal risk/protection insurance segments.

(1) Source: French Insurance Dashboard, 2018, FFA, February 2019
(2) Source: 2018 Key Indicators, FFA, July 2019
(3) Sources: Premium income, 2018 Key Indicators, FFA, July 2019. Positioning by player, Argus de l'Assurance "Les Bancassureurs", October 2019
(4) Source: Personal risk insurance policies in 2018, FFA, July 2019
(5) Source: 2018 retirement savings plan rankings, Argus de l'Assurance, September 2019
(6) Source: Brazilian Central Bank, September 2019
(7) Data published in November 2019 by SUSEP (Brazilian insurance supervisor that oversees Caixa Seguradora Especializada em Saùde)
(8) Source: insurance market data by class taken from the databases of Brazil's insurance supervisor, SUSEP, November 2019: http://www2.susep.gov.br/menuestatistica/SES/principal.aspx

Leading the way in full-online insurance distribution

Caixa Seguradora has been distributing auto insurance, comprehensive home-owner insurance and personal risk insurance via its 100% digital insurance platform, Youse, for more than three years now. As of end-2019, Youse had signed up more than 133,000 clients and had a portfolio of more than 183,000 active policies.

At the heart of a wealthy and mature European market

With operations in 14 countries, CNP Assurances is Europe's seventh largest insurance company [(1)]

With UniCredit in Italy

The partnership between CNP Assurances and UniCredit through their joint subsidiary CNP UniCredit Vita, which was rolled over in 2017 until 2024, covers distribution of a full range of personal insurance products in central and southern Italy, Sardinia and Sicily. A dedicated marketing support team has been set up to promote sales of unit-linked savings products, individual personal risk insurance and term creditor insurance, in line with our Group's strategic refocusing of the product mix. CNP UniCredit Vita has a 2.9% share of the Italian life insurance market [(2)], which grew by 2.9% in the twelve months ended November 2019 compared with the previous period.

Open model distribution to drive growth

Santander Consumer Insurance distributes our term creditor insurance offer in 12 countries. More than half of the partnership's term creditor insurance premiums are generated in Germany, while Spain, Poland, Italy and the Scandinavian countries account for most of the rest.

In Cyprus, we consolidated our presence in 2019 by becoming the sole owner of CNP Cyprus Insurance Holdings with 100% of the capital. In an economy enjoying sustained growth, CNP Cyprus Insurance Holdings is the second-largest non-life insurer with 13% of the market [(3)] and the third-largest life insurance with a 20.6% share [(3)].

(1) Source: Bloomberg, end-November 2019, size ranking based on each company's annual consolidated financial statements
(2) Source: ANIA (national federation of Italian insurers)
(3) Sources: documents submitted to the two subsidiaries' Boards of Directors and market data published by the Insurer Association of Cyprus (IAC)

1.4 Roadmap and outlook

Leveraging our robust earnings performance, our unique international and multi-partner business model, our stock market listing, and our upcoming integration in La Banque Postale Group, our objective is to offer new long-term savings and protection solutions for our partners' clients. At the same time, we will maintain our commitment to tackling current and future human and environmental challenges.

Seizing all the opportunities of the upcoming integration in La Banque Postale Group

In 2020, La Banque Postale will become CNP Assurances' controlling shareholder with 62.1% of the capital. The closer ties between our two groups will enable us to deepen and diversify our current partner relationship, as we expand the life and Personal Risk Insurance businesses, and deploy a new Property & Casualty strategy in the coming years. As the exclusive provider of insurance offerings for La Banque Postale's clients, we will partner the bank in its project to build a large public bancassurance group.

Inventing new long-term protection solutions

Low interest rates are set to remain a major challenge for life insurers in Europe. We are working with our partners to transform the life insurance model and offer a new generation of long-term protection solutions aligned with the new environment as from 2020.

In France, where new legislation, namely the PACTE Law, has been introduced with the aim of increasing the pensions market by €100 billion (based on technical reserves) over the next three years, we will be pushing harder to increase our share of the retirement savings plan and employee savings plan segments by launching new products (individual or group PER retirement savings plans), developing new services and driving even greater improvement in the client experience.

Expanding our partnerships in Europe and Latin America

In France, the extended distribution agreements with the BPCE group running until 2030 have put the final seal on our multi-partner business model. In Brazil, the new partnership agreement will secure local subsidiary Caixa Seguridade's business for the very long term (until 2046). It also paves the way for new development initiatives in Brazil, where the proposed pension reform and exponential growth in the insurance needs of the middle class open up opportunities in the favourable interest rate environment.

In Europe, the business has been strengthened by our acquisition of sole control of CNP Cyprus Insurance Holdings, which is very active in its market. Added to this, ongoing development of the Term Creditor Insurance business, led by CNP UniCredit Vita and CNP Santander, has also helped to drive growth. At the same time, the search for new partnership opportunities and exploration of new distribution channels and networks, both in Europe and in international markets, will provide even greater stimulus for the multi-partner model.

Deepening our corporate social responsibility commitment

As a responsible investor, CNP Assurances plays an important role in the fight against global warming and is determined to encourage other economic players to follow its example. Having fulfilled our commitments in favour of the environmental and energy transition ahead of schedule, we raised the stakes at the end of 2019. The current objective of doubling green investments (sustainably managed woodland, green bonds, high energy performance buildings and green infrastructure projects) will raise the amount held in this asset class to €20 billion by the end of 2023. At the same time, we have extended our thermal coal exit plan by deciding not to make any new investments in any companies that develop new coal mines or coal-fired power plants, whatever their size (as opposed to excluding just the 120 largest as is currently the case). We are also steadily lowering the bar for excluding companies that derive a certain percentage of their revenue from thermal coal. These green policy decisions place CNP Assurances among the leading insurers in terms of responsible investment.

1.5 Key figures

2019 operational and financial performance

(Source: CNP Assurances 2019 annual results)

(in € millions)		2019	2018	Change
BUSINESS PERFORMANCE	Premium income	33,496	32,367	*+3.5%*
	Value of New Business	543	659	*-17.6%*
	Annual Premium Equivalent (APE) margin	17.1%	21.3%	*-4.3 pp*
EARNINGS PERFORMANCE	Total revenues	3,967	3,846	*+3.1%*
	Administrative costs	926	922	*+0.4%*
	Earnings before interest and taxes (EBIT)	3,041	2,924	*+4.0%*
	Attributable recurring profit	2,244	2,171	*+3.4%*
	Attributable net profit	1,412	1,367	*+3.3%*
	Return on equity (ROE)	8.5%	8.4%	*+0.0 pp*
	Combined ratio [(1)]	80.7%	80.9%	*-0.2 pp*
DIVIDEND AND CASH FLOW	Earnings per share	€1.99/share	€1.92/share	*+3.5%*
	Dividend	€0.94/share [(2)]	€0.89/share	*+5.6%*
	Payout ratio	47%	46%	-
	Net operating free cash flow	€1.97/share	€2.13/share	*-7.5%*
	Dividend cover	2.1x	2.4x	-
SOLVENCY	Consolidated SCR coverage ratio	227%	187%	*+40 pp*
	Consolidated MCR coverage ratio	388%	317%	*+71 pp*

(1) Personal Risk/Protection segment (Term Creditor insurance, Death/Disability, Health and Property & Casualty insurance)
(2) Recommended at the Annual General Meeting of 17 April 2020

Financial ratings

Standard & Poor's - Financial Strength Rating
A
stable outlook
(Source: Standard & Poor's report - December 2019)

Moody's - Financial Strength Rating
A 1
stable outlook
(Source: Moody's report - November 2019)

2019 Non-financial ratings

MSCI
(December 2019)
AAA

ISS - ESG
(September 2019)
Prime B-
Insurance industry leaders

Vigeo-Eiris
(March 2018)
61/100
#4 out of 53 insurers in Europe

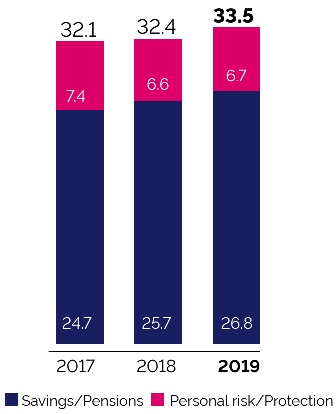
TARGET

For 2020, CNP Assurances is aiming to deliver 3% to 7% growth in attributable net profit [(1)].

(1) These projections are based on current market conditions. They may be revised by CNP Assurances, notably in the event of a downturn in economic conditions

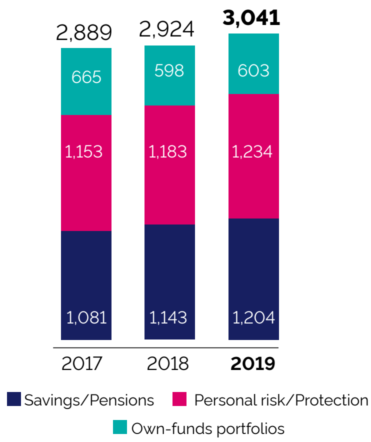
PREMIUM INCOME BY SEGMENT

(in € billions)



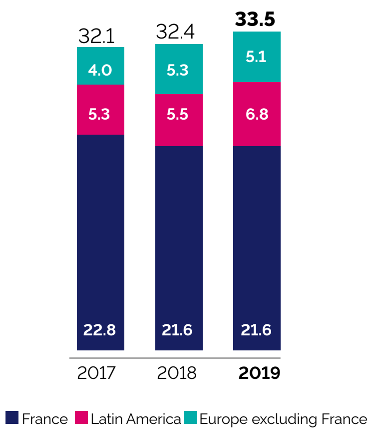
EBIT BY SEGMENT

(in € millions)



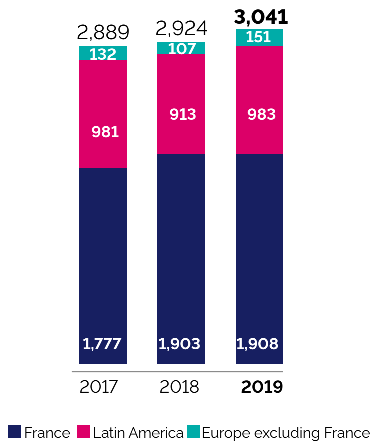
PREMIUM INCOME BY GEOGRAPHY

(in € billions)



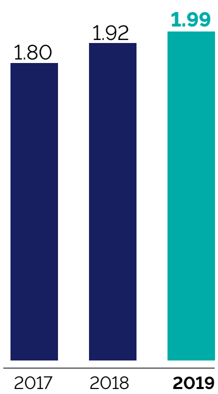
EBIT BY GEOGRAPHY

(in € millions)



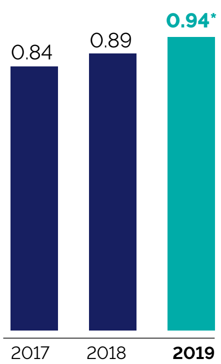
EARNINGS PER SHARE

(in €)



DIVIDEND PER SHARE

(in €)

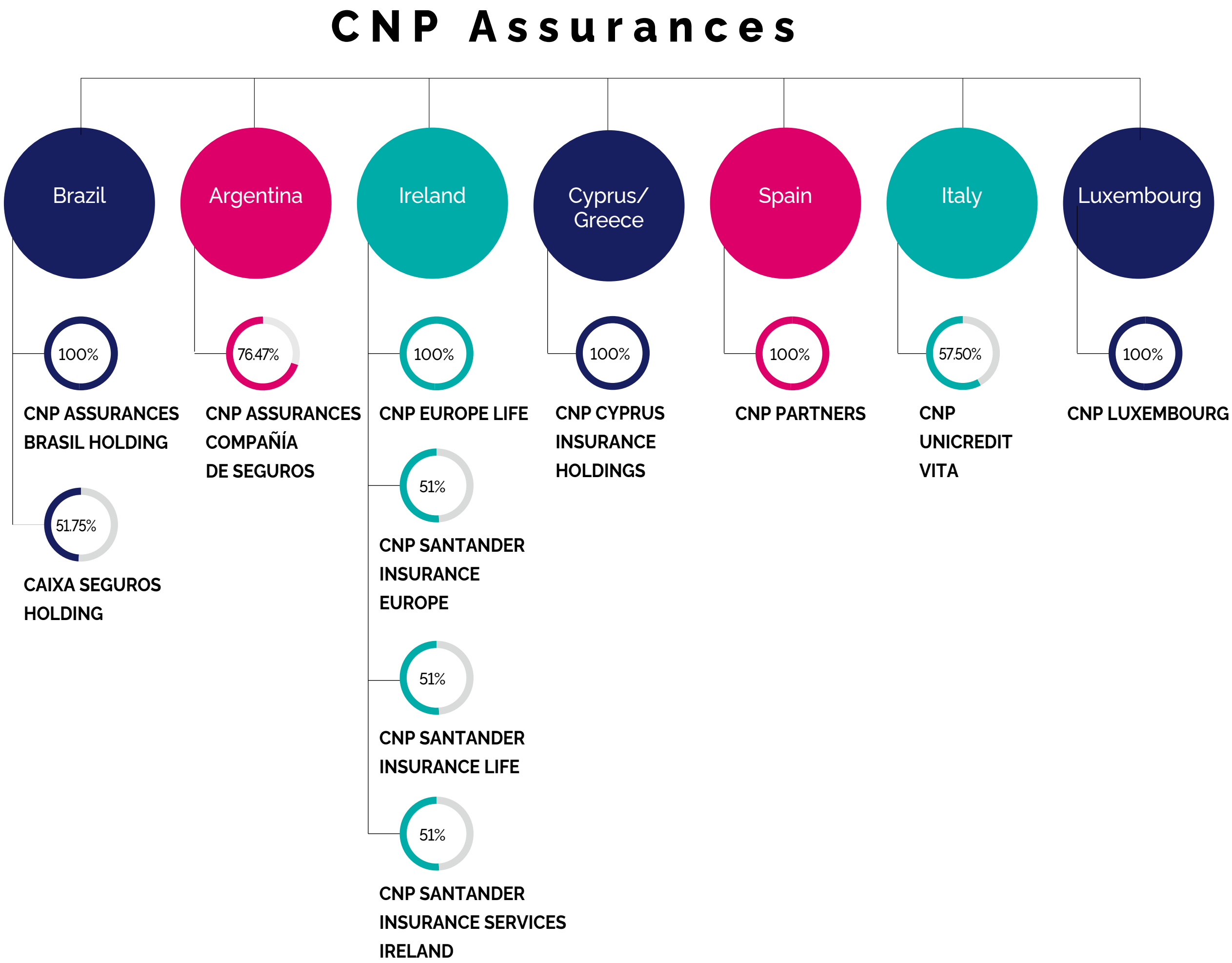


* Recommended at the Annual General Meeting of 17 April 2020

1.6 Group organisational structure

Simplified organisational structure of CNP Assurances' main subsidiaries and branches outside France at 31 December 2019*

CNP Assurances' subsidiaries outside France at 31 December 2019 are as follows:



For information about the risks to which the CNP Assurances Group is exposed, see Notes 24 to 26 to the consolidated financial statements and the description of risk factors (Chapter 4)

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

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

The strategic partnerships in Latin America and Europe (excluding France) are discussed on page 7

CNP Assurances has signed Shareholders' Agreements in relation to Caixa Seguros Holding, CNP Assurances Compañía de Seguros, CNP Santander Insurance Europe, CNP Santander Insurance Life, CNP Santander Insurance Services Ireland and CNP UniCredit Vita

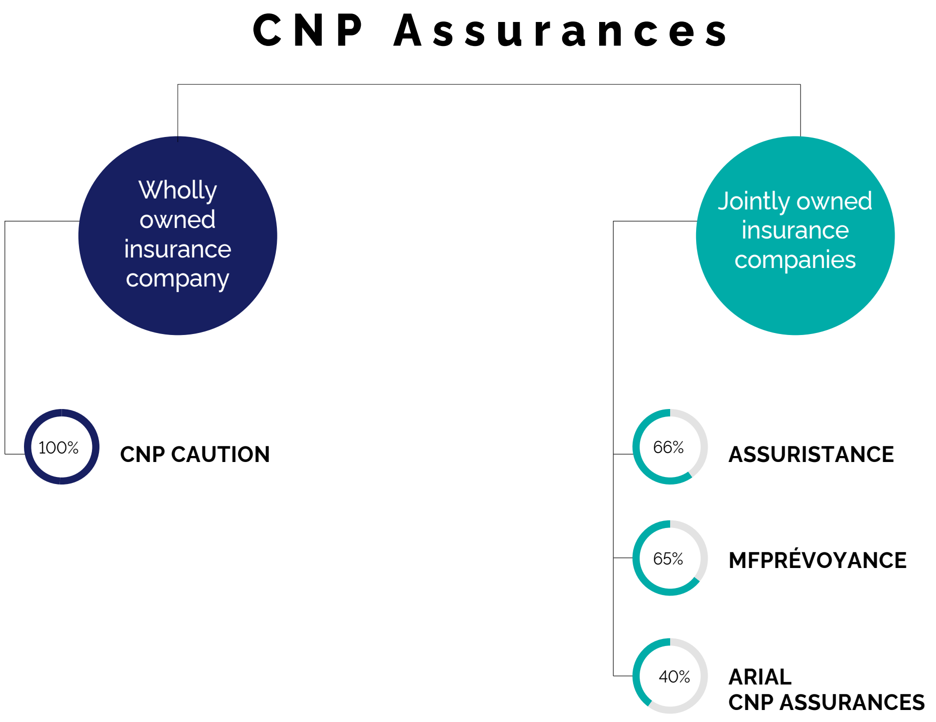
* The percentages shown indicate both the interest in share capital and the voting rights directly and indirectly held in each subsidiary
A more detailed presentation of CNP Assurances' main subsidiaries is provided in Notes 4.5 to 4.6 to the consolidated financial statements

CNP Assurances' branches at 31 December 2019 are as follows:

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

The CNP Partners Solution branches in Italy and France are no longer listed following the liquidation of CNP Partners Solutions in July 2019.

Simplified organisational structure of CNP Assurances' main companies in France at 31 December 2019*



CNP Assurances has signed Shareholders' Agreements in relation to Assuristance, MFPrévoyance and Arial CNP Assurances

For information about the risks to which the CNP Assurances Group is exposed, see Notes 24 to 26 to the consolidated financial statements and the description of risk factors (Chapter 4)

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

1.7 Key dates in the history of CNP Assurances

1850

Creation of Caisse Nationale de Retraite pour la Vieillesse within Caisse des Dépôts.

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.

1960

Launch of the first individual insurance policies invested in mutual funds.

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 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, dedicated to the provision of local services.

2005

Entry into the Italian market.

2006

- Extension of the Shareholders' Agreement with La Poste, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State until 2015.
- Entry into the Spanish market.

2008

Entry into the Cypriot and Greek markets.

2012

Creation of Groupe Assuristance with 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

Acquisition in Brazil of Previsul, a personal insurance specialist, and Tempo Dental, one of the country's largest dental insurance companies.

2014

- Renewal of the partnership agreement between the BPCE group and CNP Assurances for a seven-year period starting in January 2016 and focused on protection insurance.
- Signing of an exclusive agreement with Banco Santander for the distribution of protection insurance products in ten European countries.

2016

- Renewal of the distribution agreements with La Banque Postale for ten years, including for the distribution of savings products through the bank's BPE wealth management arm.
- Partnership with AG2R La Mondiale with the aim of making their joint subsidiary Arial CNP Assurances the market leader in retirement savings.
- Launch of Youse, Brazil's first 100% digital insurance platform.

2017

- Shareholders' Agreement with La Banque Postale, Groupe Caisses d'Epargne, Caisse des Dépôts and the French State rolled over until 2019.
- Partnership agreement with UniCredit in Italy rolled over for a further seven years as from 2018.

2018

Binding framework agreement signed with Caixa Econômica Federal, providing for a new exclusive distribution agreement covering the period to 2041.

2019

- Increase in CNP Assurances' interest in CNP Cyprus Insurance Holdings from 50.1% (since 2008) to 100%, consolidating the Group's position in the fast-growing local market.
- Signature of an addendum to the binding framework agreement of 29 August 2018 between CNP Assurances and Caixa Seguridade, providing for a five-year extension to the exclusive distribution agreement until 13 February 2046.
- Extension of the distribution agreement between the BPCE group and CNP Assurances (originally due to expire in 2022) until 31 December 2030.

chapter

2

GROUP ACTIVITIES

2.1 Significant events

2.1.1 Partnerships

4 JUNE 2019

Proposed extension of the distribution partnerships with La Banque Postale and the BPCE group

The planned change in the distribution of the share capital held by public shareholders in favour of La Banque Postale will be an opportunity, when the time comes, to extend and grow the business partnership with the bank. In this regard, La Banque Postale has committed to extend its current agreements with CNP Assurances until at least 2036.

In addition, the BPCE group and La Banque Postale informed the Board of Directors of their plan for an expanded industrial partnership that will involve several components, and in particular of the BPCE group's intention to extend, starting 1 January 2020, the current expiration dates of the agreements made in 2015 between BPCE/Natixis and CNP Assurances (covering term creditor insurance, group health insurance, and personal risk insurance). The dates will be extended from 31 December 2022 to 31 December 2030.

See also section 1.6 Ownership structure: New CNP Assurances Shareholders' Agreement between La Banque Postale and the BPCE group.

10 DECEMBER 2019

CNP Assurances announces a new partnership in optics between Lyfe and Sénèque

Pursuing its objective of facilitating access to health information and healthcare, Lyfe announced a new partnership with Sénèque in the optical business. A new service proposed free of charge to the 1,755,000 beneficiaries of the Lyfe platform – members of around 20 mutual insurance companies, employee benefits institutions, pension funds and employees of partner companies – Sénèque offers them the opportunity to get the best value for money for their glasses, and on average reduces their bill by 20-25%, by comparing quotes from opticians referenced by the platform, based on an optical care plan. The site's ergonomic design facilitates browsing and the user experience.

12 DECEMBER 2019

BPE, La Banque Postale's private bank, and CNP Assurances announce the launch of BPE Emeraude

BPE Emeraude offers savers the opportunity to invest in a wide range of funds under "client-directed management" and "financial advisor-directed management" formulas. In particular, it responds to the expectations of clients who want to delegate the management of their savings by choosing the "financial advisor-directed management" formula. BPE Emeraude offers a choice of seven strategies (ranging from moderate to very high risk), three of which involve equities. Under the "client-directed management" formula, clients may notably invest in the best French property funds (SCPI) on the market, including those of AEW Ciloger and Sofidy, as well as in temporary EMTN-type (Euro Medium Term Notes) funds.

19 DECEMBER 2019

Extension of the distribution partnerships with the BPCE group

On 19 December 2019, the BPCE group and CNP Assurances signed agreements extending the 2015 distribution partnerships between BPCE/Natixis and CNP Assurances that were originally due to expire on 31 December 2022. Under the new agreements, which came into effect on 1 January 2020, the distribution partnerships will now continue until 31 December 2030, thereby consolidating CNP Assurances' multi-partner model.

The agreements also provide for the co-insurance rate for group term creditor insurance policies between Natixis Assurances (BPCE Vie and BPCE Prévoyance) and CNP Assurances to be balanced at 50/50 and for 34% of individual Term Creditor Insurance business written by BPCE Vie to be reinsured by CNP Assurances.

2.1.2 International

4 JUNE 2019

Increase in CNP Assurances' ownership in its subsidiary CNP Cyprus Insurance Holdings to 100%

On 4 June 2019, CNP Assurances signed an agreement to acquire Bank of Cyprus' 49.9% interest in CNP Cyprus Insurance Holdings, which had been a 50.1%-owned subsidiary of CNP Assurances since the end of 2008.

The acquisition consideration amounts to €97.5 million and will be financed by CNP Assurances using its own resources. CNP Cyprus Insurance Holdings is the second largest insurance operator in Cyprus, offering the full spectrum of life and non-life insurance products and services distributed through the largest network of independent agents in the country. In 2018, CNP Cyprus Insurance Holdings contributed €157 million to CNP Assurances' premium income (up by 8.4% compared to the previous year) and €7.3 million to the Group's net profit.

The acquisition of the Bank of Cyprus' stake enables CNP Assurances to take full control of its subsidiary and thereby strengthen its position in Cyprus, a market with attractive growth potential in which CNP Cyprus Insurance Holdings is a leading player with a market share of 21% in life and 13% in non-life.

The transaction was completed on 7 October 2019, once the necessary regulatory approvals had been obtained.

20 SEPTEMBER 2019

Signature of an addendum to the framework agreement of 29 August 2018 between CNP Assurances and Caixa Seguridade

CNP Assurances has completed its discussions with Caixa Seguridade concerning their new exclusive distribution agreement in the Caixa Econômica Federal network in Brazil and signed an addendum to the framework agreement dated 29 August 2018, which concerned only part of the scope of their partnership. The main changes introduced in the addendum are as follows:

- CNP Assurances will benefit from a five-year extension of the exclusive distribution agreement, which will now run until 13 February 2046 (versus the original expiry date of 13 February 2041);
- CNP Assurances' share of pensions, personal risk and consumer finance Term Creditor Insurance business written under the 29 August 2018 agreement will be kept at 51.75% until December 2020 (as opposed to being reduced immediately to 40%, as previously agreed);
- CNP Assurances will continue to write all the other classes of business through its subsidiary Caixa Seguros Holding until the current operating agreement expires on 14 February 2021 and none of these businesses will be discontinued ahead of that date;
- the amount to be paid by CNP Assurances has been increased from R$4.65 billion to R$7.0 billion and the payment date has been set in December 2020.

The addendum also includes incentives to outperform the first five years' volume and margin objectives, in the form of additional payments, capped at R$0.8 billion (Group share) based on 31 December 2020 values. The addendum will have the effect of increasing the Group's SCR coverage ratio by an estimated three points.

CNP Assurances continues to expect the investment in the new agreement to generate an internal rate of return in excess of 15%, contributing to the Group's long-term value creation process. The agreement is subject to various conditions precedent, including the issuance of the necessary approvals by the competent supervisory and competition authorities. Subject to these approvals being obtained, the transaction is expected to be completed at the end of December 2020.

2.1.3 Innovation & transformation

14 FEBRUARY 2019

YesWeHack raises €4 million and plans to disrupt Europe's cybersecurity market

YesWeHack, Europe's leading Bug Bounty platform, has raised €4 million from Open CNP, the corporate venture capital programme of CNP Assurances, and Normandie Participations. The deal is intended to strengthen the Company's presence in France and accelerate its international development, notably in Europe and Asia.

Founded in 2013, YesWeHack offers companies an innovative approach to cybersecurity with Bug Bounty (pay-per-vulnerability discovered), connecting organisations with more than 7,000 cyber-security experts (ethical hackers) across 120 countries to secure their exposed scopes, and report vulnerabilities in their websites, mobile apps, infrastructure and connected devices.

“YesWeHack mobilises collective intelligence to plug the widening gap in cybersecurity skills – one of the big challenges of the next few decades”, said Guillaume Vassault-Houlière, CEO of YesWeHack.

Thanks to the funds raised, YesWeHack intends to play a key role in developing an agile approach to security in Europe, a catalyst for digital transformation. Bug Bounty fits into the DevSecOps (development-security-operations) trend, which embeds security into projects in a more pro-active way, from their inception.

3 MARCH 2019

CNP Assurances signs its second GPEC agreement to support its transformation

With this second GPEC (career and skills management programme) agreement, CNP Assurances is stepping up its commitments to support its transformation by developing its employees' skills and promoting new forms of mobility.

On 15 February 2019, CNP Assurances bolstered its commitments to jobs and professional careers by entering into its second GPEC agreement with the three representative trade unions within the organisation (CFDT, CFE-CGC and UNSA) for 2019 to 2021.

The first GPEC agreement, signed in 2016, made it possible to perpetuate a work-study policy and refresh the age pyramid, to keep the over-50s in employment, to constitute a platform based on a revamped skills approach and to promote internal mobility as a means of professional development.

This second agreement aims to accentuate the dynamics involved by placing them in today's new organisational and regulatory environments.

21 MARCH 2019

France Digitale and CNP Assurances partner the "#NoBullshitTalk – reinventing insurance together" workshop

At the #NoBullshitTalk workshop organised on 19 March at the Le Wagon boot camp in Paris with France Digitale, CNP Assurances shared its experience of working with start-ups to innovate and optimise the client experience.

In front of an audience of around fifty representatives of Insurtech, Fintech, e-Health and Deeptech start-ups, Antoine Porte, co-founder of Lydia, France's leading mobile payment solutions provider, and Christophe Bourguignat, co-founder of Zelros, a start-up specialised in developing artificial intelligence solutions for insurers, lifted the veil on their partnerships with CNP Assurances.

In February 2018, CNP Assurances participated in a fund-raising exercise by Lydia through its Open CNP Corporate Venture Capital programme. A few months later, Lydia chose CNP Assurances as its partner to develop a bespoke app-based mobile phone insurance offer.

18 APRIL 2019

CNP Assurances announces plans to move its head office to Issy-les-Moulineaux

At the General Shareholders' Meeting that took place on 18 April 2019, CNP Assurances' shareholders approved all the resolutions proposed by the Board of Directors, including those pertaining to the plan to transfer the Group's head office to Issy-les-Moulineaux in 2022.

The project is in line with the CNP Assurances group's determination to offer its employees in and around Paris a high quality work environment in the new eco-district "Issy Cœur de Ville" in the centre of Issy-les-Moulineaux, Hauts-de-Seine, and to unite all the teams that are currently spread out on two sites in Paris Montparnasse and in Arcueil-Cachan, near Paris.

At the same time, CNP Assurances and the joint venture formed by Caisse des Dépôts (advised by CDC Investissement Immobilier, formerly CDC GPI) and Altarea Cogedim signed a reciprocal promise of sale, subject to suspensive conditions, for CNP Assurances' current head office building in Paris Montparnasse. The future buyers intend to redesign the site to create an office building that meets the latest standards.

The head office in Paris Montparnasse was sold on 7 October 2019 for €299.4 million, of which CNP Assurances' share amounts to €148.8 million. The sale agreement includes a price adjustment clause whereby the price may be increased or reduced depending on changes in the building's situation.

CNP Assurances will stay in its current head office in Paris under a tenant-at-will lease, until all staff members have moved to Issy-les-Moulineaux.

21 NOVEMBER 2019

CNP Patrimoine announces the launch of the secure Pergola 90 product, the first in France to combine security and a return on savings

The secure Pergola 90 product is offered exclusively by CNP Patrimoine, a CNP Assurances entity dedicated to wealth management. This product has been developed in partnership with Morgan Stanley, a global leader in financial services. This new Pergola 90 offer is particularly tailored to the current environment: secure, liquid and exposed to global equity and bond markets through an ETF basket.

The secure Pergola 90 product, launched for the first time in France, will be available very soon. CNP Patrimoine designed the Pergola 90 offer for wealth management clients drawing on the expertise of Morgan Stanley.

In the current climate of low rates, this innovative product makes it possible to supplement the secure portion of savings invested in life insurance and endowment contracts, while benefiting from the rise of equity and bond markets. Policyholders will benefit from protection at all times for their investment at 90% of the highest historic level reached by Pergola 90. The product provides daily liquidity.

It offers multiple benefits for clients, including:

- affordability: the minimum investment on Pergola 90 is €5,000. There is no maximum investment;
- security: Pergola 90 is protected at all times, at 90% of the highest net asset value. It is offered under non-unit-linked contracts as the secure investment vehicle alongside the traditional fund;
- flexibility and daily liquidity: the initial and supplementary payments, transfers between funds, and partial or full surrenders are flexible and adjustable.

6 DECEMBER 2019

The annual symposium of La Fabrique d'Assurance, focused on the ethics of artificial intelligence in insurance

At its fourth annual symposium, La Fabrique d'Assurance continued to explore "the new frontiers of insurance" through two panel discussions on the topic "Science and conscience: artificial intelligence and ethics". The symposium brought together nearly 300 professionals from the insurance sector, including mutual insurers, employee benefits institutions, the healthcare sector, the research sector, economic and political think tanks, and the political world to discuss major social issues and the future of the insurance sector. The symposium included an exclusive presentation of a white paper on artificial intelligence and ethics in the insurance sector, with contributions from across the insurance and social protection industry on how best to put AI to work in the service of people. In 2020, La Fabrique d'Assurance will be focusing its work on the issue of how to restore confidence in insurance.

10 DECEMBER 2019

CNP Assurances, through Open CNP, participates in a fund-raising exercise by InterCloud to consolidate its position as European leader in cloud interconnection

InterCloud is the leader in fully managed Software-Defined cloud applications interconnection, working with global enterprises in deploying resources in a multi-cloud environment.

InterCloud allows global companies to seamlessly interconnect their multi-cluster resources. Thanks to its global application platform, InterCloud is the only Software-Defined Cloud Interconnect (SDCI) capable of providing an end-to-end managed turnkey service, enabling companies to simplify their infrastructure and offering them greater visibility and control over their multi-cloud applications.

InterCloud helps very large companies (Forbes 2000) in their digitalisation, allowing them to move their critical applications to the cloud in a secure and reliable way.

The new investment will further strengthen InterCloud's European market position as well as accelerate the development of new services.

2.1.4 Corporate Social Responsibility

7 FEBRUARY 2019

CNP Assurances scores 99/100 on the gender equality index

By 1 March 2019, the 1,400 companies in France that employ more than 1,000 people were required to have measured their performance on the basis of five indicators and published their overall score, based on the gender equality index calculation method. CNP Assurances was already ahead of the game and had published its own score of 99/100 – the result of a long-term commitment to tackling discrimination and promoting diversity. The firm obtained the maximum score for practically all of the indicators: gender pay gap for people of comparable ages in comparable positions, individual pay rise differences and discrepancies in promotions between men and women, pay rises when women come back from maternity leave, gender-based apportionment of the ten employees with the highest salaries.

21 MAY 2019

CNP Assurances, a partner in the national Les Entrep' programme to promote entrepreneurship among young people

CNP Assurances and the Association Nationale Les Entrepreneuriales (national entrepreneurial association) both wish to raise young people's awareness of the importance of entrepreneurship and have entered into a partnership agreement to roll out the Les Entrep' programme among as many young people in France as possible. The ANLE, an association recognised as being in the public interest, is rolling out the Les Entrep' programme across France via its regions. The programme, which provides people with training in how to set up companies, is completely free and is open to any young person who has obtained their *baccalauréat* school diploma.

As part of its transformation, which notably involves opening up to start-ups, CNP Assurances has implemented a number of initiatives designed to help entrepreneurs set up companies.

In addition to helping to produce a small private online course (SPOC) on jobs in the insurance sector and in so doing contributing to Les Entrep's e-learning content, CNP Assurances will share the wide-ranging expertise of its staff with these young people. The Les Entrep' programme encourages initiative, showcases expertise and introduces young people to the world of business by providing them with a practical training path and an opportunity for professionals and company directors to share their experience.

10 SEPTEMBER 2019

CNP Assurances wins ChooseMyCompany's HappyIndex®Trainees award

Taking part in the HappyIndex®Trainees campaign for the first time, CNP Assurances won this award given by ChooseMyCompany to companies that are given the highest rating by interns and work-study trainees. Based solely on the opinions of interns and work-study trainees, the HappyIndex®Trainees award rewards organisations where students are the happiest and most motivated.

23 SEPTEMBER 2019

CNP Assurances is ahead of its main goals in the fight against global warming

To mark Ethical Finance Week, CNP Assurances announced that it had reached and even surpassed three of its four main goals in the fight against global warming.

As a player in the transition towards a carbon-free economy, CNP Assurances wants to align its interests with those of society. Its investment policy aims to contribute to sustainable economic growth, in particular through its commitments to further environmental and energy transition (EET).

CNP Assurances has set itself ambitious quantified targets to help limit global warming to 2°C by the end of the century. The Group has already reached and even surpassed three of its four main goals:

- as a signatory of the Montreal Carbon Pledge, CNP Assurances published the carbon footprint of the directly held companies in its equities portfolio at 31 December 2015 and undertook to reduce it by 47% between 2014 and 2021 to attain a level of 0.25 teqCO_2/per €k invested by 2021: this target was reached in June 2019, a year and a half earlier than intended;
- CNP Assurances decided to step up its action by setting new objectives in December 2017: undertaking to devote €5 billion in new investments over the 2018-2021 period in favour of environmental and energy transition, including green infrastructure, forests, green bonds and high energy performance buildings. At the end of August 2019, this target was exceeded a year and half ahead of schedule: new green investments since 2018 amounted to €5.2 billion, bringing the accumulated amount of green investments to €12.5 billion at the end of August 2019;
- CNP Assurances was one of the first insurance companies to put a coal policy in place in 2015. The coal policy objectives were to halt all new investment in mining companies and coal-fired power plant operators that derive more than 10% of their revenue from thermal coal, and to divest from the portfolio companies that derive more than 25% of their revenue from thermal coal. In addition, the decision was made to stop investing in the companies with the greatest involvement in the development of new coal-fired power plants. As of end-2018, these coal policy objectives had been met in full;
- CNP Assurances undertook to reduce the carbon footprint of its directly held property portfolio by 40% between 2006 and 2021 (in teqCO_2/sq.m.): as of end-2018, the target had been 85% met.

An innovative approach to asset management

In collaboration with its two main asset managers, LBPAM and Ostrum AM, CNP Assurances shifted the focus of the management strategy for its equity portfolios to give preference to companies that act in favour of environmental and energy transition. In 2018, the result was positive: the CNP Assurances equity portfolios outperformed the usual benchmark indices while continuing to be invested across all economic sectors, but with a reduced focus on industries with the greatest carbon footprint.

In addition, CNP Assurances has invested in equity funds that focus on issuers' alignment with a 2°C trajectory:

- €100 million in the CNP LBPAM ISR Actions Euro fund managed by LBPAM and dedicated to CNP Assurances. The fund obtained its SRI label in November 2018;
- €100 million in the CNP 2°C Sustain Euro fund managed by Mirova and dedicated to CNP Assurances.

Beyond its contribution to environmental and energy transition, CNP Assurances contributes to financing all sectors of the real economy and its responsible investor approach applies to all its investments, with environmental, social and governance (ESG) screens applied to €279 billion worth of assets in the portfolio.

Lastly, in line with what most savers expect (according to a Deloitte survey in April 2019, 57% of them want to be able to invest in Socially Responsible Investment – SRI – funds), CNP Assurances offers unit-linked SRI funds with all of its main life insurance contracts. At the end of 2018, policyholder savings invested in SRI funds represented €1.1 billion, an increase of more than 31% on 2017.

Under Article 72 of the PACTE Law, which provides for the inclusion in life insurance policies of unit-linked funds that meet responsible investment or environmental and energy transition funding criteria, CNP Assurances has undertaken together with its distribution networks to make investment in green and responsible funds easily accessible to savers in its mass-market savings products.

15 OCTOBER 2019

CNP Assurances supports the APAJH Socially Responsible Company Awards

By supporting the APAJH Awards for the 15th year in a row, CNP Assurances reasserted its commitment to integration, tackling discrimination and helping people with disabilities to remain in employment.

At the ceremony for the 15th APAJH Awards on 14 October 2019 at the *Carrousel du Louvre* in Paris, Vincent Damas, CNP Assurances' CSR Officer, presented the "Socially Responsible Company" award to Siemens France's *Centre Être et Handicap* for its unique programme to help people with mental health problems to find employment.

Every year, the APAJH Awards (created by the *Association Pour Adultes et Jeunes Handicapés* – a non-profit set up to support young people and adults with disabilities in France) are presented in recognition of original initiatives which promote the social integration of people with disabilities. The 93 regional APAJHs that are members of the APAJH Federation support 32,000 people with disabilities through a network of more than 700 facilities and departments. The Federation has been working for over 50 years to ensure that the rights of people with disabilities are respected and that they are treated in the same way as everyone else.

A benchmark player in the French personal insurance market, CNP Assurances has a policy of promoting diversity in its role as a responsible corporate citizen. This policy, which focuses in particular on people with disabilities, was first recognised by the Diversity label awarded by AFNOR in 2009 and has been renewed every year since then.

Since 1995, CNP Assurances' employment policies have been specifically designed to provide employment opportunities for people with disabilities and, at the end of 2018, the Company signed its eighth agreement on inclusive policies in the recruitment, integration and continued employment of people with disabilities.

18 NOVEMBER 2019

CNP Assurances announces new objectives in support of environmental and energy transition

Having already achieved and even exceeded three of its four main objectives in support of environmental and energy transition (EET), CNP Assurances has announced its intention to double its green investment portfolio by 2023 and accelerate its coal exit policy.

As a stakeholder in the transition towards a carbon-neutral economy, CNP Assurances seeks to align its interests with those of society. Its investment policy aims to contribute to sustainable economic growth, in particular through its commitments in support of environmental and energy transition.

CNP Assurances is stepping up its fight against global warming and has announced its intention to double its green investments – in forests, green bonds, high energy performance buildings, green infrastructure such as renewable energy projects and low-carbon transport and mobility solutions – to €20 billion by the end of 2023 from €10.4 billion at the end of 2018.

At the same time, CNP Assurances is accelerating its withdrawal from thermal coal:

- by lowering the exclusion threshold for existing investments, i.e., by divesting from companies that derive at least 20% of revenue from thermal coal instead of 25% previously;
- by committing to excluding from the portfolio all companies that are developing new coal-fired power plants (rather than only the 120 largest, as is currently the case);
- by asking all companies in the investment portfolio to publish, by 2021, a thermal coal exit plan aligned with an exit by 2030 in EU and OECD countries, and by 2040 in the rest of the world, based on the closure and not the sale of assets;
- by pursuing a policy of shareholder dialogue with companies in order to encourage those developing new thermal coal projects to abandon them, and those with thermal coal assets to adopt a plan for the phased closure of their infrastructure.

27 NOVEMBER 2019

CNP Assurances joins the Net-Zero Asset Owner Alliance and commits to a carbon-neutral investment portfolio by 2050

CNP Assurances is one of the first French institutional investors to join the Net-Zero Asset Owner Alliance, an unprecedented initiative supported by the United Nations that aims to strengthen commitments to implement the Paris Agreement on climate change and accelerate their implementation.

Launched in September 2019 at the United Nations' Climate Action Summit, the Net-Zero Asset Owner Alliance brings together insurers and pension funds who commit to making their investment portfolios carbon neutral by 2050. By targeting the transition of their portfolios to net-zero greenhouse gas emissions by 2050, the members of the Alliance wish to help limit global warming to 1.5°C in line with the Paris Agreement.

The current members of the Alliance are Alecta, Allianz, AMF Pension, AXA, Aviva, Caisse des Dépôts et Consignations (CDC), Caisse de Dépôt et Placement du Québec (CDPQ), CalPERS, CNP Assurances, Folksam Group, FRR, Nordea Life and Pension, PensionDanmark, Storebrand, SwissRe and Zurich.

The Alliance wants to continue to bring together other institutional investors in order to quickly achieve a critical mass, and thus play a key role in decarbonising the global economy and investing in climate change resilience.

As part of this long-term commitment, CNP Assurances and the other members of the Alliance will take into account advances in available scientific knowledge, particularly the conclusions of the IPCC, and will regularly report on progress made by setting interim objectives every five years until 2050.

Joining the Alliance involves implementing three action levers: regularly measuring the investment portfolio's alignment with the Paris Agreement and publishing progress made, conducting a shareholder dialogue with companies to ensure they are also targeting carbon neutrality, and lobbying for public policies that promote the transition to a decarbonised economy, since the commitment of Alliance members to net-zero portfolios is based on the assumption that governments will fulfil their own commitments to meeting the objectives of the Paris Agreement.

2.1.5 Equity

1 FEBRUARY 2019

€500 million Tier 2 subordinated notes issue

On 5 February 2019, CNP Assurances completed a Tier 2 subordinated notes issue under the EMTN programme set up in December 2018. The 2.75% notes have a 10-year life and are repayable at maturity.

The issue proceeds will be eligible for inclusion in Solvency II regulatory capital. The notes have been rated BBB+ by Standard & Poor's and A3 by Moody's. The issue will allow CNP Assurances to refinance upcoming debt maturities.

26 NOVEMBER 2019

CNP Assurances carries out an inaugural green subordinated bonds issue

A player in the transition towards a carbon-neutral economy, on 20 November 2019, CNP Assurances announced that it had successfully launched its inaugural green subordinated bonds issue. The bonds are due in July 2050 and have a first call date in July 2030.

This inaugural €750 million issue constitutes Tier 2 regulatory capital in accordance with Solvency II requirements. It was a great success and was heavily oversubscribed, with orders close to €2 billion. The fixed 2% coupon represents the lowest coupon obtained by CNP Assurances on Tier 2 capital.

The funds raised through this operation will enable CNP Assurances to finance green projects in the following areas:

- high energy-performance buildings (new builds and renovations);
- sustainably-managed forests;
- green infrastructure such as renewable energy projects and low-carbon transportation systems.

The projects financed within the framework of this issue will help CNP Assurances to meet its objective of doubling its green investments to €20 billion by end-2023, versus €10.4 billion at end-2018.

In application of the best standards of the green bonds market (Green Bond Principles), CNP Assurances will publish a report on the use of the funds raised every year, and depending on the data available, the environmental impact of the projects financed (CO_2 emissions avoided, energy saved).

In June 2019, CNP Assurances became the first European issuer in the insurance sector to publish a green bond framework. The issued bonds are also the first callable green bonds from a European insurer.

10 DECEMBER 2019

€250 million subordinated private placement notes issue

On Tuesday, 10 December 2019, CNP Assurances placed €250 million worth of subordinated notes with an institutional investor.

The notes were issued in response to a specific request from the investor. The proceeds will support business growth and strengthen the Group's balance sheet.

The issue was structured to qualify as Tier 3 capital for the calculation of the SCR coverage ratio under Solvency II. The notes pay interest at an annual rate of 0.80%. This is the lowest rate ever obtained by a European insurer for this type of subordinated debt issue. The notes mature on 15 January 2027.

2.1.6 Ownership structure

4 JUNE 2019

Planned changes in ownership structure

The CNP Assurances Board of Directors met on Tuesday, 4 June 2019, to examine the implications of the plan to change the Company's shareholder base. This plan was proposed by the Company's public shareholders and it would change the distribution of CNP Assurances' share capital to give direct control over it to La Banque Postale.

At the special meeting, the Board confirmed the Company's multi-partner model both in and outside of France. The directors performed a review of strategy and unanimously approved the areas of concentration previously affirmed, reiterating their priorities:

- consolidating and strengthening existing partnerships;
- optimising operational efficiency to better serve clients, particularly by digitising management processes;
- seeking out new partnerships and regions for growth.

The planned change in the distribution of the share capital held by public shareholders in favour of La Banque Postale will be an opportunity, when the time comes, to extend and grow the business partnership with the bank. In this regard, La Banque Postale has committed to extend its current agreements with CNP Assurances until at least 2036.

The Board of Directors also confirmed to the Chief Executive Officer of CNP Assurances their wish to see the multi-partner model take shape concretely as opportunities come along that might serve as mechanisms for growth in the European and Latin American markets.

La Banque Postale expressed its intention, in agreement with the Caisse des Dépôts, to establish rules for governance at CNP Assurances that will stimulate the development of a multi–partner business model that respects all shareholders. These rules will cover the composition of the Board of Directors and of its Committees, and the term of the Chief Executive Officer. The purpose will be to guarantee the rights of all business partners in France, both current and future, whether or not they are shareholders.

The Board of Directors unanimously found that in this context, the planned change in the shareholder base and the plans for renewed partnerships are in the corporate interests of CNP Assurances. The Board reaffirmed that it intends to place the Company on a path for growth in the coming years.

26 JUNE 2019

Press Release

As part of the constitution of a large state-owned financial group announced by CNP Assurances' public sector shareholders on 30 August 2018, France's securities regulator (the AMF) granted the requested waivers on 25 June 2019 with respect to the requirement to launch a takeover bid for CNP Assurances' shares within the framework of transactions aimed at providing La Banque Postale with a majority stake in its share capital.

La Banque Postale announced its decision to terminate the Shareholders' Agreement entered into with Caisse des Dépôts, the French State and BPCE with effect on 31 December 2019.

CNP Assurances confirmed the terms of its press release published on 4 June 2019, following the meeting of the Board of Directors held on the same day, during which the Board concluded unanimously that the operation was in the corporate interests of CNP Assurances.

The Company reaffirmed its commitment to placing itself on a path for growth in accordance with its multi-partner and international business model, in the interests of all shareholders, using corporate governance rules aimed at guaranteeing the rights of all CNP Assurances partners.

It will inform its shareholders, especially following the discussions currently underway among its major shareholders in preparation for a new Shareholders' Agreement.

19 DECEMBER 2019

New CNP Assurances Shareholders' Agreement between La Banque Postale and the BPCE group

As part of the convergence between CNP Assurances and La Banque Postale scheduled for early 2020, and following the termination in late June 2019 by La Banque Postale of the current Shareholders' Agreement relating to CNP Assurances that was due to expire on 31 December 2019, BPCE and La Banque Postale have entered into a new Shareholders' Agreement as shareholders of CNP Assurances. This new Shareholders' Agreement will be in force until end-2030.

With two directors, the BPCE group will be represented in the Board of Directors of CNP Assurances and its specific Committees.

2.1.7 Subsequent events

Ownership structure

Since 2 January, the BPCE group interest in CNP Assurances has been held through Holassure and La Banque Postale's interest has been held through Sopassure and SF 2 (historically, the two groups' interests were held through Sopassure). On 2 January, SF 2 exercised a call option on 13,833,334 CNP Assurances shares held by Holassure. Following this transaction, the interests held by CNP Assurances' main shareholders at that date were as follows:

- La Caisse des Dépôts, 40.87% of the capital;
- Sopassure, 18.13% of the capital;
- Holassure, 16.11% of the capital;
- SF 2, 2.01% of the capital;
- the French State, 1.11% of the capital.

2.2 Business review

2.2.1 Economic and financial environment

A vintage year for the markets, interest rates and share prices

For the financial markets, 2019 was an exceptional year. The MSCI World index, with dividends reinvested, gained 30% in euros and 27% in dollars. Most of the world's main indices ended the year up by more than 20%, with the CAC 40 at +26%, the E50 at +25%, the S&P500 at +29%, the Nasdaq at +35%, the Bovspa at +32% and the Shanghai A at +21%. The indices that underperformed were those of stock markets in countries affected by specific political environments, such as Hong Kong, Poland and Chile. The rally was not limited to equities, it also concerned all the (sovereign and corporate) bond markets, due to the combined effect of lower interest rates and narrower spreads. The Barclays Aggregate Bond Indices gained 6.3% for the euro index and 13% for the US index, while the Barclays Corporate High Yield Indices were up 12% for the euro index and 14.5% for the US index. The main commodity prices rebounded strongly, with gold prices up 18% and oil prices (brent) up 25%. Lastly, on the currency markets, the dollar strengthened against its reference basket (up 1.5%), reflecting significant rises against the euro (up 4%),the Yuan (up 2%) and emerging currencies in general (up 4.8%).

Economic slowdown confirmed in all regions of the world, with growth held back by the manufacturing sector

The above advances took place in an environment shaped by a loss of momentum that affected all regional economies to a similar extent. Global economic growth declined from 3.7% to 3%, reflecting steep falls in the Eurozone (to around 1%), China (around 6%) and emerging economies as a whole (around 4%). The worsening economic situation was due to persistently sluggish global trade (which declined in value on flat volumes), its negative effects on the manufacturing sector (production output and inventory build-ups) and its consequences in terms of investment (with companies scaling back their capital spending programmes). Even the United States showed signs of weakness, with growth at around 2%, after delivering a resilient performance in 2018. Global economic growth escaped these trends, however, thanks to solid consumer demand. Consumer purchasing power was supported by dynamic job markets (with the developed countries enjoying almost full employment) and moderate inflation (at 2% in the United States, 1% in Europe and an average of 4% in emerging economies).

Disappointing corporate earnings performances, with sharp contrasts between sectors

Buoyant consumer spending boosted earnings in the consumer goods and services sectors. The technology sector also benefited from resilient digitisation budgets. However, some sectors that are more cyclical (automotive, energy) or more dependent on global trade (metals, chemicals) were adversely affected by the cycle downturn and reported sharply lower earnings. Overall, corporate earnings were flat (Europe) or declined (United States), confounding predictions of earnings growth made at the start of the year. These contrasting earnings performances were mirrored in the performances of the indices, which differed not from region to region but from one type of stock to another, with growth stocks, defensive stocks and large caps outperforming other stocks by a wide margin.

A still uncertain political environment but surprisingly little volatility

Investors continued to search for visibility throughout 2019, due to the uneasiness observed on the markets in the fourth quarter of 2018 and uncertainty concerning the geopolitical environment. The trade war between the United States and China continued to shape market performances. Similarly, local political spats (UK/Brexit, Italy/EU, China/Hong Kong) sparked fears among investors. However, these upheavals did not prevent stock prices from rising more or less continuously in 2019 to end the year at annual highs (the S&P500 in the United States set a new record of 3,230 pp), with very little volatility (the VIX and V2X volatility indices ended the year at 12 pp).

Markets boosted by the central banks' monetary stimulus policies

As has been the case for several years, the explanation of this general euphoria surrounding financial assets (and also real assets not traded on commodity markets, which saw their prices soar) lay in the policies implemented by the central banks. Moves by the Federal Reserve to tighten its monetary policy in 2018 caused the markets to tumble. January 2019 saw a radical about-face, when the Federal Reserve announced a pause in its policy, and promises of a looser policy to come fed the stock market rally from March onwards. The rally was amplified by widespread reductions in interest rates, not only in developed countries (Australia) but also in emerging economies

(Brazil, Russia, Indonesia, Mexico, India, etc.). Even the ECB, which had not moved to tighten its monetary policy, reduced its prime rate (by 10 bp) and revived its programme of bond purchases (investing €20 billion per month in the programme). These coordinated announcements led to widespread declines in long-term interest rates (-65 bp for the 10-year OAT, -80 bp for the T-bond, -130 bp for the Italian BTP). The central banks responded by breaking with tradition and launching a period of monetary stimulus without waiting for the cycle to end. Justifying this decision by the current moderate level of inflation, this policy made 2019 a vintage year in terms of financial performance if not economic performance.

2.2.2 2019 business review

The Group's **consolidated premium income** for the year totalled €33.5 billion, up 3.5% (up 4.0% like-for-like).

In France, premium income rose slightly by 0.3% to €21.6 billion.

Savings/Pensions premium income increased by 0.4% to €17.5 billion (€8.3 billion for LBP and €5.2 billion for BPCE). In the Savings segment, strong growth of 42% at CNP Patrimoine offset a 14% decline in premium income for the BPCE network that was mainly due to lower Fourgous transfers by the banking group's customers. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained high, at 20.1%. Savings/Pensions net new money reflected a €3.3 billion net inflow to unit-linked contracts and a €3.0 billion net outflow from traditional products.

Personal Risk/Protection premium income was virtually stable (down 0.1%) at €4.1 billion, with 4.5% growth in term creditor insurance premiums (generated mainly by the BPCE network) almost entirely offsetting the decline in premiums from group insurance that was due to a more selective underwriting approach.

The new business margin slipped to 12.3% in 2019 from 19.7% the previous year due to unfavourable economic conditions (higher cost of capital guarantees in the Savings segment, in the low interest rate environment).

In Europe excluding France, premium income amounted to €5.1 billion, a slight decrease of 3.8%.

Savings/Pensions premium income contracted by 5.8% due to a decline in sales following the withdrawal from the market of certain tax-advantaged products in Italy. Premium income at CNP Luxembourg rose over the year to €793 million (up 29%), with unit-linked business accounting for 45% of the total.

Premium income from **Personal Risk/Protection** business rose 4.5% to €1.1 billion, with growth led by CNP Santander (notably in Poland, Spain, Italy and Austria).

The new business margin rose to 21.4% from 16.9% in 2018, reflecting the higher contribution of CNP Santander and the increase in the Group's interest in CIH.

In Latin America, premium income totalled €6.8 billion, up 23.3% as reported (up 26.5% at constant exchange rates).

Savings/Pensions premium income was 30.4% higher (up 33.6% at constant exchange rates) at €5.2 billion, with Caixa Seguradora accounting for substantially all of this amount as it went from strength to strength in this segment, which is a strategic priority for Caixa Econômica Federal. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.7%.

Personal Risk/Protection premiums totalled €1.5 billion, up 4% as reported (up 7% at constant exchange rates). The solid growth was attributable to higher sales of consumer finance credit insurance (*Prestamista*). The increase in premiums from home loan credit insurance (*Hipotecario*) was due for the most part to a low basis of comparison.

The new business margin held firm, at 29.7% in 2019 versus 30.1% in 2018.

The **Value of New Business (VNB)** written by the Group [(1)] was €543 million in 2019, breaking down as follows between the main partners and subsidiaries: 51% from the partnership with BPCE, 37% from Caixa Seguradora, 8% from CNP Santander Insurance, 7% from the partnership with La Banque Postale, and -3% from other networks.

Average consolidated net technical reserves totalled €320.8 billion at 31 December 2019, compared with €313.0 billion the year before, an increase of 2.4%.

(1) The Value of New Business is calculated on a group share basis

PREMIUM INCOME BY COUNTRY

(in € millions)	**2019**	2018	% change	% change *(like-for-like)*
France	**21,630**	**21,571**	**+0.3**	**+0.3**
Brazil	6,733	5,452	+23.5	+26.5
Italy	3,261	3,638	-10.4	-10.4
Luxembourg	793	616	+28.8	+28.8
Germany	472	483	-2.2	-2.2
Spain	242	263	-8.1	-8.1
Cyprus	163	153	+6.5	+6.5
Poland	92	83	+11.2	+11.2
Denmark	20	22	-9.0	-9.0
Norway	21	21	-1.4	-1.4
Austria	21	13	+56.8	+56.8
Argentina	21	27	-22.8	+26.2
Portugal	5	5	+7.6	+7.6
Other International	21	17	+21.5	+21.5
Total International	**11,866**	**10,795**	**+9.9**	**+11.6**
TOTAL	**33,496**	**32,367**	**+3.5**	**+4.0**

PREMIUM INCOME BY SEGMENT

(in € millions)	**2019**	2018	% change	% change *(like-for-like)*
Savings	20,488	20,642	-0.7	-0.7
Pensions	6,273	5,089	+23.3	+25.7
Personal Risk	1,618	1,738	-6.9	-5.8
Term Creditor Insurance	4,305	4,075	+5.6	+6.1
Health Insurance	420	449	-6.3	-6.2
Property & Casualty	393	374	+5.1	+7.4
TOTAL	**33,496**	**32,367**	**+3.5**	**+4.0**

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

In 2019, the Company acquired the following controlling and other interests within the meaning of Article L.233-6 of the French Commercial Code:

	% interest at 31.12.2019	% interest at 31.12.2018
A&M CAPITAL EUROPE, SCSP	7.50%	0.00%
CM-CIC DEBT FUND 3	12.22%	0.00%
FLI 2	11.03%	0.00%
ICV	99.90%	0.00%
LBPAM PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	66.67%	0.00%
LYXOR DETTE MIDCAP II	33.33%	0.00%
OSTRUM DEBT SCS RAIF - ESSENTIAL INFRA DEBT FUND	37.50%	0.00%
SENIOR EUROPEAN LOAN FUND 3	50.00%	0.00%
T2 ENERGY TRANSITION FUND	5.00%	0.00%

2.3 2019 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)	Geographical area: France	Geographical area: Latin America	Geographical area: Europe excl. France	Own-funds portfolios	**Total 2019**	Total 2018	Movements *(%)*	% change (like-for-like)[1]
Premium income	**21,630**	**6,754**	**5,112**		**33,496**	**32,367**	**3.5%**	**4.0%**
Net insurance revenue	1,814	1,117	289		3,220	3,113	3.4%	4.4%
Revenue from own-funds				747	747	733	2.0%	2.9%
Administrative costs					(926)	(922)	0.4%	1.4%
EBIT					**3,041**	**2,924**	**4.0%**	**5.0%**
Finance costs					(251)	(248)	0.9%	0.9%
Share of profit of equity-accounted companies					13	11	16.3%	17.7%
Non-controlling interests[2]					(559)	(515)	8.5%	11.0%
Underlying attributable net profit[2]					**2,244**	**2,171**	**3.4%**	**4.1%**
Income tax expense[2]					(694)	(677)	2.4%	3.2%
Net gains and fair value adjustments					482	89	n.m.	n.m.
Non-recurring items					(620)	(216)	n.m.	n.m.
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT					**1,412**	**1,367**	**3.3%**	**4.0%**

(1) No changes in scope of consolidation in 2019

(2) Underlying attributable net profit corresponds to attributable net profit before: income tax expense, net gains and fair value adjustments and non-recurring items. This indicator is calculated net of non-controlling interests and is gross of income tax expense. As a result, non-controlling interest and income tax expense at 31 December 2018 were restated

Note: The Brazilian real lost 2.4% against the euro, with the average exchange rate standing at 4.41 at 31 December 2019 versus 4.31 at 31 December 2018

Net insurance revenue (NIR) came to €3,220 million, up 3.4% (up 4.4% like-for-like).

In France, net insurance revenue rose by 0.6% to €1,814 million. The Savings/Pensions business grew while the Personal Risk/Protection business contracted slightly.

In Europe excluding France, net insurance revenue was up a strong 20.0% at €289 million, reflecting excellent momentum in the Personal Risk/Protection business.

In Latin America, net insurance revenue came to €1,117 million, an increase of 4.5% as reported (up 7.4% at constant exchange rates) that reflected the impact of rapid growth in the Pensions, consumer finance Term Creditor Insurance and Personal Risk businesses.

Revenue from own-funds portfolios was up 2.0% as reported (up 2.9% like-for-like) at €747 million, lifted by higher realised capital gains in France on the equity portfolio.

Total revenue rose 3.1% as reported to €3,967 million (up 4.1% like-for-like).

Administrative costs amounted to €926 million, up 0.4% (up 1.4% like-for-like). Administrative costs in France were stable at €611 million. As of end-2019, the recurring cost base had been reduced by €14 million on a full-year basis (compared with the 2018 baseline). This was in line with the objective of recurring savings of €45 million by 2021.

The cost/income ratio improved by 0.9 points to 28.8%.

At €3,041 million, **EBIT** was up 4.0% as reported and up 5.0% like-for-like. The Group total breaks down as follows: 30.2% from the partnership with BPCE, 20.1% from Caixa Seguradora, 19.4% from the partnership with La Banque Postale, 1.5% from CNP Santander Insurance, 1.3% from CNP UniCredit Vita, 19.8% from the own funds portfolios and 7.7% from other businesses.

Attributable net profit came to €1,412 million, an increase of 3.3% as reported (up 4.0% like-for-like).

Earnings per share rose 3.5% to €1.99.

Consolidated balance sheet at 31 December 2019

Total assets at 31 December 2019 amounted to €440.4 billion compared with €415.5 billion at the previous year-end, an increase of 6.0%.

Insurance investments

Insurance investments increased 6.2% year-on-year to €403.8 billion at 31 December 2019.

For more information, see Note 8 to the consolidated financial statements.

Equity

Equity attributable to owners of the parent rose by €1,613 million compared with 31 December 2018, to €19,393 million. The net increase reflected the inclusion of profit for the year (€1,412 million positive impact), fair value adjustments recognised directly in equity (€851 million positive impact due mainly to increases in financial asset values in 2019), payment of the 2018 dividend (€611 million negative impact) and exchange differences on translating foreign operations (€39 million negative impact).

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

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

Technical reserves

Insurance and financial liabilities totalled €378.3 billion, a 5.8% increase compared with 31 December 2018.

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

Financing liabilities

Financing liabilities amounted to €6,386 million at 31 December 2019 versus €5,342 million at the previous year-end. The increase corresponded to the three subordinated debt issues carried out in 2019 for a total of €1,500 million, partly offset by the redemption of a USD 500 million issue.

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

Solvency capital

The consolidated SCR coverage ratio was 227% at 31 December 2019 versus 187% at end-2018. The 40-point improvement reflected the inclusion of the policyholders' surplus reserve, in line with the applicable regulations, and the reduction in interest rates.

The increase between 2018 and 2019 breaks down as follows: creation of capital net of dividends for +4 points, effect of the addendum to the distribution agreement in Brazil for -3 points, subordinated notes issues in 2019 (€1 billion net of repayments) for +7 points, the effect of changes in the financial markets for -34 points, inclusion of the policyholders' surplus reserve in Tier 1 for +60 points and other effects for +6 points.

Asset portfolio and financial management

Insurance investments at 31 December 2019 totalled €403.8 billion versus €380.1 billion at 31 December 2018, an increase of €23.7 billion.

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

At 31 December 2019, available-for-sale financial assets represented 75.1% of total investments, financial assets at fair value through profit or loss (trading securities) represented 23.0%, and held-to-maturity investments and other investments (mainly investment property and loans) accounted for 1.9%.

2.3.2 Financial statements of the Company (French GAAP)

Premium income

(In € millions)	31.12.2019	31.12.2018	2019/2018	31.12.2017
Individual insurance premiums	17,300	17,492	-1.10%	17,577
Group insurance premiums	5,807	4,496	29.14%	5,372
TOTAL	**23,106**	**21,988**	**5.00%**	**22,948**

In France, premium income increased 5.00%.

Group insurance products

GROUP INSURANCE PREMIUMS BY BUSINESS SEGMENT

(In € millions)	31.12.2019	31.12.2018	2019/2018	31.12.2017
Death benefit	2,746	2,196	25.04%	2,191
Pension	1,924	638	+201.34%	992
Bodily injury	1,137	1,662	-31.59%	2,189
TOTAL	**5,807**	**4,496**	**29.14%**	**5,372**

Group insurance products

The increase in group insurance premiums resulted mainly from the addition to the portfolio of an inward reinsurance policy on a group pensions plan.

Policyholder participation

Changes in policyholder participation are presented in Note 6.8 to the parent company financial statements.

Profit for the year

The net profit of CNP Assurances rose by 15.3% to €1,343.4 million in 2019, from €1,165.3 million in 2018.

Equity

Equity at 31 December 2019 amounted to €12,798.8 million versus €12,070.4 million at the previous year-end.

The year-on-year change primarily reflected payment of the 2018 dividend (€611 million negative impact), inclusion of 2019 profit (€1,343.4 million positive impact) and changes in the capitalisation reserve (€4.2 million negative impact).

Supplier payment terms

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

In accordance with Articles L.441-6-1 and D.441-4 of the French Commercial Code, CNP Assurances' payment terms in 2019 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 €491,309,645 worth of supplier invoices recorded in 2019;
- the amounts in the following table are stated net of credit notes for a total (excluding VAT) of €1,000,212, of which €259,136 is in the "91 days and more" tranche.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	75	75	31	55	236
Total value excluding VAT of the invoices concerned	624,342	380,655	309,435	223,048	1,537,481
Percentage of total purchases excluding VAT for the year	0.13%	0.08%	0.06%	0.04%	0.31%

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.

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 €34,436,289 worth of customer invoices recorded in 2019.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	0	3	8	36	47
Total value excluding VAT of the invoices concerned	0	25,747	6,304	118,948	150,999
Percentage of total revenues (reinvoiced costs) excluding VAT for the year	0%	0.08%	0.02%	0.34%	0.44%

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

At 31 December 2019 *(In € thousands)*		Cost In the balance sheet	Cost In the balance sheet	Realisable value
Investments (detail of captions 3 & 4 in the balance sheet)				
1)	Property investments and property investments in progress	12,673,948	12,356,147	16,551,439
2)	Equities and other variable income securities, other than mutual fund units	33,707,588	32,149,933	40,448,190
3)	Mutual fund units (other than those in 4)	23,761,375	23,681,199	28,488,661
4)	Mutual fund units invested exclusively in fixed-income securities	29,410,921	29,410,921	29,735,737
5)	Bonds and other fixed income securities	202,289,755	203,970,171	222,461,245
6)	Mortgage loans	0	0	0
7)	Other loans	23,000	23,000	23,639
8)	Deposits with ceding insurers	232,010	232,010	232,010
9)	Cash deposits (other than those in 8) and guarantees and other investments	306,231	306,231	306,231
10)	Assets backing unit-linked contracts	37,952,918	37,952,918	37,952,918
11)	Other forward financial instruments	0	0	0
TOTAL		**342,361,156**	**341,058,956**	**375,615,576**

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 €330,768,437 thousand, representing 88.06% of total insurance investments.

2.3.3 Review of subsidiaries

Caixa Seguradora

The Caixa Seguradora sub-group reported premium income of €6.7 billion, up 23.5% as reported and 26.5% at constant exchange rates. Growth was driven by the Pensions business that expanded by 33.7% at constant exchange rates. Caixa Seguradora continued to attract significant amounts of new money for its Savings/Pensions products, which are a strategic priority for the partner. Caixa Seguradora increased its market share by 1.3 pp to 11.4% at end-November 2019.

Premium income for the Personal Risk/Protection business grew by 4.0% after translation into euros due to the unfavourable currency effect. At constant exchange rates, the year-on-year change was an increase of 7.2%. The increase in term creditor insurance premiums (up 21.0% at constant exchange rates) was mainly due to a one-off adjustment to premiums on a home loan term creditor insurance portfolio.

Caixa Seguradora's contribution to consolidated profit was unfavourably affected by the 2.4% negative currency effect. In 2019, the average real/euro exchange rate improved to 4.41 from 4.31 in 2018.

The subsidiary's net insurance revenue was up 7.7% at constant exchange rates compared with 2018, reflecting strong growth in pensions technical reserves and in consumer finance Term Creditor Insurance business, combined with an improved loss experience in personal risk/protection insurance.

Revenue from own funds portfolios rose by 79% on a low 2018 basis of comparison. Administrative costs increased by 2.4% at constant exchange rates. At €976 million, EBIT was up 8.1% as reported and up 10.7% at constant exchange rates.

Caixa Seguradora's contribution to attributable net profit amounted to €249 million, an increase of 5.6% year-on-year as reported and up 8.2% at constant exchange rates.

CNP UniCredit Vita

CNP UniCredit Vita's premium income amounted to €3.1 billion in 2019, a decrease of 9.4% in an Italian market that grew by 3% over the first eleven months of the year. Savings premiums were down by €0.32 billion. The Company's market share dipped by 0.7 points to 2.2% at end-November 2019 compared to 2018.

Its total net insurance revenue grew 14.6% to €85 million, reflecting the low basis of comparison for certain items in 2018 (corresponding to the favourable effect of dormant policies) and the reversal of a provision for administrative expenses following a change in the method of calculating unit costs in 2019.

General administrative expenses were up 3.7% at €36.0 million. EBIT totalled €56 million, up 17.2% compared with 2018.

CNP UniCredit Vita's contribution to the Group's attributable net profit under IFRS rose by 13.8% to €23.2 million.

CNP Santander Insurance

CNP Santander Insurance generated premium income of €765 million in 2019, an increase of 3.0% compared with the previous year that came mainly from operations in Germany, Poland and Spain.

Net insurance revenue, in the amount of €113.7 million, was derived primarily from business written in Germany (52% of net insurance revenue), Spain (27%) and Poland (14%). Administrative expenses totalled €20.0 million in 2019, an increase of 6.3%. The subsidiary's EBIT rose by 10.2% after deducting €75 million in amortisation of intangible assets.

CNP Santander Insurance's contribution to the Group's attributable net profit under IFRS amounted to €6.9 million, representing €3 million more than in 2018.

CNP Cyprus Insurance Holdings

CNP Cyprus Insurance Holdings' premium income totalled €167 million in 2018, an increase of 6.1% on 2018. Growth was led by an 8.4% increase in Property & Casualty premiums.

Net insurance revenue increased by 12.6% to €42 million. Administrative costs increased by 9.5% over the year. In all, EBIT after amortisation of acquired In-Force business was 14.9% higher compared with 2018, at €16 million.

CNP Cyprus Insurance Holdings' contribution to Group attributable net profit under IFRS, after amortisation of acquired In-Force business, was €10.1 million, up €3.3 million compared with 2018.

2.3.4 Growth outlook

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

2.4 Solvency

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

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

At 31 December 2019, CNP Assurances' consolidated SCR coverage ratio was 227%. The excess of own-funds eligible for inclusion in capital available to cover the SCR (€34.8 billion) over the SCR (€15.3 billion) represented a regulatory surplus of €19.5 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 2019 was 388%. The excess of own funds eligible for inclusion in capital available to cover the consolidated MCR (€29.9 billion) over the consolidated MCR (€7.7 billion) represented a regulatory surplus of €22.2 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 2018 will be presented in the 2019 Solvency and Financial Condition Report (published in April 2020).

chapter

3

CORPORATE GOVERNANCE

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

3.1 Governance structure

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

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

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

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

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

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

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

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

A Fit and Proper policy has been adopted by the Board of Directors. Its application is overseen by the Fit and Proper Review Committee. This Committee is chaired by the Group's Human Resources Director, who also acts as its Secretary. The other members are the Group Chief Compliance Officer, the Group Administrative Officer and, when the appointment concerns a subsidiary, the Chief Executive Officer of the entity to which the subsidiary belongs. If the person to be appointed or re-appointed is the head of the Compliance Group key function, he or she is replaced on the Committee by the head of the Internal Audit Group key function.

3.1.1 Allocation of duties and responsibilities

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

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

The Board approves the financial statements of CNP Assurances' and the consolidated financial statements of 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.

* 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

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 remuneration awarded to the Board by the General Meeting and calling General Meetings.

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

At 19 February 2020, the Board of Directors had 18 members, including two directors representing employees as required by Article L.225-27-1 of the French Commercial Code.

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

In 2019, in accordance with their terms of reference, the five Committees of the Board (the Audit and Risk Committee, the Strategy Committee, the Remuneration and Nominations Committee, the Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships and the Special Committee) examined the technical issues that are a feature of the business in order to help to prepare and to facilitate the Board's decisions.

A Special Committee, set up at the end of 2018 to assess the implications of the proposed increase in La Banque Postale's interest in CNP Assurances' capital, pursued its work until the end of May 2019. The issues covered were:

- the ongoing development of CNP Assurances' multi-partner model, both with its current partners and with new partners in France and abroad; and
- the required governance recommendations to support ongoing implementation of the multi-partner model.

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.

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

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

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

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

- two people are effectively responsible for running the undertaking and four senior executives are in charge of key corporate functions (internal audit, actuarial analysis, risk management and compliance);
- the Board of Directors has adopted written policies and prepares reports intended for France's banking and insurance supervisor (ACPR) or the general public;
- oversight of compliance with fit and proper requirements applicable to the holders of key functions has been stepped up.

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

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

To ensure the quality of the Board's governance while encouraging the transmission of knowledge and experience to new directors, directors' terms are staggered, with the entire Board being re-elected over a period of four years.

3.1.2 Separation of the positions of Chairman and Chief Executive Officer

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

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

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

Respective roles of the Chairman and the Chief Executive Officer

Chairman

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

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

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

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

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

The Chairman organises and leads the work of the Board of Directors, calling meetings at least four times per year, or more frequently if warranted by circumstances. In 2019, the Board met ten times.

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

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

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

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

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

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

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

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

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

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

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

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

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

Chief Executive Officer

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

The Chief Executive Officer actively participates in Board Meetings and keeps the Board abreast of the day-to-day management of CNP Assurances 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 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.

In 2019, the Executive Committee comprised the Chief Executive Officer, the Deputy Chief Executive Officers and eight other senior executives.

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

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

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

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

Summary minutes are kept of each Executive Committee meeting.

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

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

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer and Partnerships and Business Development Director, has been designated as the second person effectively responsible for running 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 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 (i) applies the risk appetite defined in the Group's risk management strategy through risk policies and economic capital estimates; (ii) ensures that all risks are covered by the system and that the related surveillance measures are effective; (iii) rolls down the risk acceptance framework to the different businesses through such measures as underwriting policies, delegations of authority and investment guidelines and (iv) delivers a preliminary opinion on decisions with a significant impact on CNP Assurances' risk profile based on the four-eyes principle.

The Compliance function is run by the Compliance department, which detects, identifies, assesses and prevents the occurrence of compliance risks, and provides advice and guidance in the following main areas: (i) governance (existence of appropriate committees, verification of independent advisors' professional qualifications); (ii) business ethics (professional secrecy and confidentiality, prevention of insider trading, anti-bribery and corruption measures); (iii) policyholder protection (know-your-

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

client procedures, duty of advice, policyholder information, complaint processing procedures); (iv) marketing practices (advertising, sales and marketing documents, alignment of products with target clients, policy marketing rules); (v) procedures to combat money laundering and the financing of terrorism; (vi) procedures to combat insurance fraud and (vii) protection of personal data.

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

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 the control exercised by its historical shareholders through their Shareholders' Agreement.

The Shareholders' Agreement in force between 1998 and 2019 organised the composition of the Board as follows:

	Directors appointed or elected
Six directors recommended by Caisse des Dépôts	Caisse des Dépôts, represented by Eric Lombard Alexandra Basso Virginie Chapron du Jeu Olivier Fabas Laurence Giraudon Olivier Mareuse
Five directors recommended by Sopassure	Sopassure, represented by Perrine Kaltwasser Jean-Yves Forel Laurent Mignon Philippe Wahl Rémy Weber
One director recommended by the French State	The French State, represented by Charles Sarrazin
Two directors representing employees	Philippe Bartoli Laurence Guitard
Four independent directors	Jean-Paul Faugère, Chairman of the Board of Directors Marcia Campbell Stéphane Pallez Rose-Marie Van Lerberghe
One director recommended jointly by the Agreement's signatories.	-

Additional information to the corporate governance report: the tables on this page and the next two pages show the composition of the Board of Directors at 31 December 2019 and 19 February 2020. The composition of the Board of Directors at 4 March 2020 is presented in chapter 8, section 8.4

A new Shareholders' Agreement covering the transition period was signed on 20 December 2019 and came into effect on 1 January 2020. The Shareholders' Agreement organises the composition of the Board of Directors, as follows:

	Directors appointed or elected [1]
Six directors recommended by Caisse des Dépôts	Caisse des Dépôts, represented by Eric Lombard Alexandra Basso Virginie Chapron du Jeu Olivier Fabas Laurence Giraudon Olivier Mareuse
Three directors recommended by La Banque Postale	Sopassure, represented by Perrine Kaltwasser Philippe Wahl Rémy Weber
Two directors recommended by BPCE [2]	Jean-Yves Forel Laurent Mignon
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

(1) Where applicable, director appointed subject to ratification by the Annual General Meeting of 17 April 2020
(2) For as long as BPCE holds at least 12.5% of CNP Assurances' capital, then one director for as long as BPCE's interest is at least 5%

Directors' profile

43.75%

Proportion of women directors as of 19 February 2019 [1]

7/16

4

independent directors, representing 25% [1]
(Stéphane Pallez, Rose-Marie Van Lerberghe, Marcia Campbell and Jean-Paul Faugère)

4/16

5 years

Average period served on the Board [2]

56

Average age [2]

(1) The two directors representing employees are excluded for the purpose of calculating percentages, in accordance with Article 9.3 of the AFEP-MEDEF Corporate Governance Code and L.225-27-1 of the French Commercial Code
(2) Data at 31 December 2019

Overview of the Board of Directors

MEMBERSHIP OF THE BOARD OF DIRECTORS AT 19 FEBRUARY 2020

	Personal information				Experience	Position on the Board				Membership of Board Committees				
	Age	*Nationality*	*Gender*	*Number of shares*	*Number of directorships of listed companies*	*Independence*	*First appointed*	*Current term expires*	*Years served on the Board*	*Audit and Risk Committee*	*Remuneration and Nominations Committee*	*Strategy Committee*	*Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships*	*Special Committee*
Executive director														
Jean-Paul Faugère	63	FR	M	1,500	2	Yes	2012	2021	8		●	◆	◆	◆
Directors														
Éric Lombard	61	FR	M	200	1	No	2017	2020	2		●			
Alexandra Basso	45	FR	F	200	1	No	2019	2021	1					
Virginie Chapron du Jeu	58	FR	F	200	1	No	2012	2021	8			●	●	
Olivier Fabas	37	FR	M	200	1	No	2019	2022	1				●	
Laurence Giraudon	50	FR	F	200	1	No	2018	2020	2					
Olivier Mareuse	56	FR	M	200	3	No	2013	2022	7	●		●		
Perrine Kaltwasser	39	FR	F	-	0	No	2019	2021	0	●				
Jean-Yves Forel	58	FR	M	200	1	No	2012	2022	7	●		●		
Laurent Mignon	56	FR	M	200	3	No	2018	2022	2		●			
Philippe Wahl	63	FR	M	200	1	No	2011	2022	9		●			
Rémy Weber	62	FR	M	200	1	No	2013	2022	6			●		
Charles Sarrazin	45	FR	M	-	1	No	2016	2020	3				●	
Marcia Campbell	60	UK	F	750	1	Yes	2011	2020	9	●		●	●	●
Stéphane Pallez	60	FR	F	200	3	Yes	2011	2020	9	◆		●	●	●
Rose-Marie Van Lerberghe	73	FR	F	200	3	Yes	2013	2021	7		◆		●	●
Directors representing employees														
Philippe Bartoli	60	FR	M	180	1	No	2017	2021	3					
Laurence Guitard	58	FR	F	-	1	No	2016	2021	4					

● Member ◆ Chair

Changes in the membership of the Board of Directors and the Committees of the Board during 2019

MEMBERSHIP OF THE BOARD OF DIRECTORS AT 19 FEBRUARY 2020

	Resigned	Appointed	Re-elected
Board of Directors	Annabelle Beugin-Soulon, Olivier Sichel (20 February 2019)	Alexandra Basso Olivier Fabas (20 February 2019)	
	Florence Lustman (26 September 2019)	Perrine Kaltwasser (26 September 2019)	
Audit and Risk Committee	Florence Lustman (26 September 2019)	Perrine Kaltwasser (26 September 2019)	
Remuneration and Nominations Committee			
Strategy Committee	Olivier Sichel (20 February 2019)	Virginie Chapron du Jeu (20 February 2019)	
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships	Olivier Sichel (20 February 2019)	Olivier Fabas (20 February 2019)	
Special Committee			

Directors' independence

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

Criterion 1: not to have been an employee or executive director in the previous five years
Not to be and not to have been within the previous five years:
- an employee or executive officer of the corporation;
- an employee, executive officer or director of a company consolidated within the corporation;
- an employee, executive officer or director of the Company's parent company or a company consolidated within this parent company.

Criterion 2: no cross directorships
Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the corporation (currently in office or having held such office within the last five years) holds a directorship.

Criterion 3: no significant business relationships*
Not to be a customer, supplier, commercial banker, investment banker or consultant:
- that is significant to the corporation or its group; or
- for which the corporation or its group represents a significant portion of its activities.

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

Criterion 4: no family ties
Not to be related by close family ties to a company officer.

Criterion 5: not to have been an auditor
Not to have been an auditor of the corporation within the previous five years.

Criterion 6: no more than 12 years on the Board
Not to have been a director of the corporation for more than 12 years. Loss of the status of independent director occurs on the date when this 12 years is reached.

Criterion 7: no variable compensation
A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the corporation or the Group.

Criterion 8: not a significant shareholder
Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review the qualification of a director as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.

* At its meeting on 19 February 2020, the Board of Directors found that none of the directors qualified as independent had any material direct or indirect business ties with CNP Assurances or the Group

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

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

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

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

Directors' attendance rates in 2019

	Attendance rate at Board Meetings	Attendance rate at Audit and Risk Committee meetings	Attendance rate at Remuneration and Nominations Committee meetings	Attendance rate at Strategy Committee meetings	Attendance rate at meetings of the Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships	Attendance rate at Special Committee meetings
Jean-Paul Faugère	100%	-	100%	100%	100%	100%
Éric Lombard	100%	-	100%	-	-	-
Virginie Chapron du Jeu	80%	-	-	100%	100%	-
Laurence Giraudon	90%	-	-	-	-	-
Olivier Mareuse	80%	100%	-	100%	-	-
Alexandra Basso	90%	-	-	-	-	-
Olivier Fabas	90%	-	-	-	100%	-
Florence Lustman	80%	100%	-	-	-	-
Perrine Kaltwasser	100%	100%	-	-	-	-
Jean-Yves Forel	100%	71%	-	100%	-	-
Laurent Mignon	70%	-	0%	-	-	-
Philippe Wahl	90%	-	100%	-	-	-
Rémy Weber	100%	-	-	100%	-	-
Charles Sarrazin	100%	-	-	-	0%	-
Marcia Campbell	70%	86%	-	60%	100%	100%
Stéphane Pallez	70%	86%	-	40%	100%	75%
Rose-Marie Van Lerberghe	100%	-	100%	-	100%	100%
Philippe Bartoli	90%	-	-	-	-	-
Laurence Guitard	90%	-	-	-	-	-

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 19 February 2020, 43.75% 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 system of governance;
- financial and actuarial analysis;
- the legal and regulatory requirements applicable to an insurance undertaking.

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

Information about the way that CNP Assurances endeavours to ensure balanced representation of men and women on the Executive Committee and information about diversity among the top 10% of executives

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

Concerning total employees, CNP Assurances scored 99/100 for the second year running in the gender equality index created by the French government to enable companies to measure their progress in this area. This score is the result of a long-term commitment to tackling discrimination and promoting diversity. The Company obtained the maximum score for four of the index's five indicators: gaps between individual pay rises and between promotions for men and women, percentage of women employees who received a pay rise in the year following their return from maternity leave, gender breakdown of the ten highest paid employees.

Directors' qualifying shares

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

3.2.3 Compliance with the AFEP-MEDEF Corporate Governance Code

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

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

The divergent practices are listed in the table below, which has been prepared in accordance with the "comply or explain" provisions of Article L.225-37-4, paragraph 8 of the French Commercial Code.

AFEP-MEDEF Code Recommendations	CNP Assurances	Explanations
Proportion of independent directors		The membership of CNP Assurances' Board of Directors is mainly organised by the Shareholders' Agreements and is a reflection of the Company's ownership structure. Consequently, the proportion of independent directors does not comply with Code guidelines.
▪ Board of Directors: proportion should be greater than 33% in controlled companies	Proportion is 25%	
▪ Audit and Risk Committee: proportion should be greater than 66%	Proportion is 40%	
▪ Remuneration and Nominations Committee: proportion should be greater than 50%	Proportion is 40%	
Independence criteria		
Not to be a (...) director (...) of a consolidated subsidiary (...) of CNP Assurances.	Jean-Paul Faugère is a director of Caixa Seguros Holding (Brazil), a consolidated subsidiary of CNP Assurances	The Board of Directors believes that, in light of Caixa Seguros Holding's critical contribution to CNP Assurances, electing an independent director of CNP Assurances to its Board is useful, because it provides CNP Assurances' Board with an additional perspective on the Group's business in Latin America. As recommended in the AFEP-MEDEF Corporate Governance Code's application guidance, Jean-Paul Faugère does not participate in deliberations or decisions by CNP Assurances' Board on matters that may give rise to a conflict of interests between CNP Assurances and Caixa Seguros Holding.
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 AFEP-MEDEF Corporate Governance Code is available on the AFEP website, at http://www.afep.com/themes/governance/

AFEP-MEDEF Code Recommendations	CNP Assurances	Explanations
The Nominations Committee (or an ad hoc Committee) designs management succession plans for corporate officers.		CNP Assurances' Shareholders' Agreements describe the specific process for appointing the Chief Executive Officer and other corporate officers. CNP Assurances' practices comply with Solvency II, which requires insurance undertakings to identify two persons who effectively run the undertaking. This means that if either of the two positions concerned were to fall vacant, there would still be one person left to effectively run the business. Concerning the temporary or permanent replacement of holders of other key functions in the Group, a continuity and succession plan for key functions was reviewed by the Remuneration and Nominations Committee in February 2019.
The Remuneration and Nominations Committee should include a director representing employees.		The CNP Assurances' Shareholders' Agreements describe the specific process for appointing members of the Committees of the Board. This process is described in the Board of Directors' internal rules. The Board currently has no plans to appoint a director representing employees to the Remuneration and Nominations Committee.
When an employee becomes a corporate officer, his or her employment contract with the Company or another Group entity should be terminated either by means of a settlement agreement or by the employee resigning.		The Board of Directors considered that it would not be appropriate to require the termination of Antoine Lissowski's employment contract with CNP Assurances, which has been in force since 2003. The Board took the view that the loss of his rights under the contract and by virtue of his years of service up until September 2018 would be sufficiently damaging as to adversely affect the management transition, given that he was appointed Chief Executive Officer for a fixed term in accordance with the Articles of Association.
Quantifiable criteria should have more weight than qualitative criteria for the determination of the Chief Executive Officer's remuneration.		The Board of Directors decided in February 2019 that, in light of the Group's long-term development challenges, it was more appropriate to give equal weight to quantifiable and qualitative criteria.

3.2.4 Preparation and organisation of the Board's work

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

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

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

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

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

Directors also receive detailed updates on developments regarding commercial, financial and operational issues that help them to track the implementation of the Group's strategy and better understand its businesses and outlook. In addition, they are kept regularly informed about action plans implemented by CNP Assurances at the request of the insurance supervisor (ACPR) and about climate risk issues.

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 decisions.

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 the Committees of the Board.

The duties and procedures of the Audit and Risk Committee, the Remuneration and Nominations Committee and the Strategy Committee are set out in the Board of Directors' internal rules. The Committees 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 2019

BOARD OF DIRECTORS

10
Number of meetings

88%
Attendance rate

2h10
Average duration of each meeting

The main matters discussed by the Board of Directors in 2019 were as follows:

- negotiations with the Brazilian partner, Caixa Econômica Federal, with a view to renewing the partnership in Latin America;
- acquisition of Bank of Cyprus' interest in CNP Cyprus Insurance Holdings, the Cypriot subsidiary of CNP Assurances;
- the implications of the change in the Company's ownership structure planned by its public sector shareholders;
- the interest rate environment, leading to a review of the Group's solvency capital and the measures taken to adapt to this environment;
- the many aspects of the Group's business development, including:
  - open model distribution of wealth management products through 30 partners in France and 10 in Luxembourg, including private banks, family offices, large specialised brokerages and independent financial advisor platforms (CNP Patrimoine),
  - alignment of the pensions savings business with the new environment created by the PACTE Law (CMO BU),
  - the home loan guarantee business, unemployment cover included in term creditor insurance and insurance offered with credit cards (CNP Caution),
  - the Group's life and non-life businesses in Latin America (Latin America BU),
  - life and non-life insurance distributed in Italy through UniCredit (CNP UniCredit Vita),
  - life and non-life insurance distributed in Spain and Italy through CNP Partners;
- the measures taken to protect the Company against cybercrime and build a benchmark insurance services platform, covering France and international markets, omni-channel and multi-partner distribution, focused on the practices and needs of partners and customers;
- the technical procedures required under Solvency II (review of the Own Risk and Solvency Assessment (ORSA) process and approval of reports [1] and adjustments to written policies [2] designed to guarantee the sound, prudent and efficient management of the business);
- the Company's responses to questions and information requests from France's banking and insurance supervisor, ACPR.

Committees of the Board of Directors

AUDIT AND RISK COMMITTEE

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Stéphane Pallez, Chairman** Marcia Campbell	7	89%	Three hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Perrine Kaltwasser (replacing Florence Lustman) Jean-Yves Forel Olivier Mareuse			

(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, recovery plan

(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

The members of the Audit and Risk Committee are chosen based on their business experience and/or qualifications. All of the Committee's members have the required expertise in finance, accounting or financial audit. See their biographical details for more information.

During 2019, the Audit and Risk Committee continued to provide opinions and recommendations to the Board, based notably on discussions with the Auditors.

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

Audit and Risk Committee meetings are generally 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 2019, 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 and the risk review performed by an independent consultant;
- portfolios with a sharply negative Value of New Business, by conducting an assessment of the measures deployed to reverse the situation;
- Solvency II programme issues (determination of the overall Solvency Capital Requirement, drafting of written policies, etc.);
- the Group's investment policy and policy concerning the use of financial futures;
- the activities of the Internal Audit department and the Compliance department in 2019, and their respective programmes for 2020;
- the activity of Youse in Brazil;
- the manner in which the prolonged low interest rate environment is taken into account in managing the savings business;
- the challenges of climate risk for an insurer like CNP Assurances.

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

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

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

At its meeting on 18 February 2020, the Committee examined a proposal for the Board of Directors to set up a procedure to assess regularly whether routine agreements presented as being entered into on arm's length terms effectively fulfil this condition. The Committee validated the proposed procedure, which consisted in obtaining a list of the agreements concerned from the business units and Group functions, along with a written explanation of why they are considered to represent routine agreements and why their terms may be qualified as arm's length.

REMUNERATION AND NOMINATIONS COMMITTEE

Number of members: 5		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Rose-Marie Van Lerberghe, Chair** Jean-Paul Faugère	1	80%	One and a half hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Laurent Mignon Éric Lombard Philippe Wahl			

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

The Remuneration and Nominations Committee is responsible for selecting candidates for election as directors and members of the Committees of the Board, and for reviewing the proposed appointment of the Chairman of the Board of Directors, the Chief Executive Officer, the second person effectively responsible for running the undertaking, and the candidates for appointment to the four key functions.

The Committee also reviews the remuneration awarded to the Chairman of the Board of Directors, the Chief Executive Officer and the corporate officers of subsidiaries controlled by the Company. It is informed of the principles underpinning the remuneration policy for employees or certain categories of employees, such as risk-takers*, through the Group remuneration policy approved by the Board of Directors.

The Committee also makes recommendations to the Board concerning the remuneration to be attributed to each director based on fixed and clearly defined criteria such as attendance at meetings and membership (or chairmanship) of a Committee of the Board.

It reviews any planned employee rights issues or share grants.

In addition, the Remunerations and Nominations Committee:

- is informed by the Chief Executive Officer about:
  - any proposed new or amended wording of the Deputy Chief Executive Officers' employment contracts or remuneration terms (method of determining their fixed and variable remuneration, specific contract termination conditions, pension entitlements, etc.),
  - the remuneration awarded by the Group to its corporate officers;
- is asked by the Chief Executive Officer for its opinion on:
  - the persons that the Chief Executive Officer plans to appoint to the four key functions (if needed, the consultation on the choice of candidates may be carried out by e-mail),
  - the proposal to be submitted to the Board of Directors concerning the designation by the Chief Executive Officer of the second person effectively responsible for running the undertaking;
- issues its opinion each year on the level of remuneration and performance in relation to objectives of the holders of the key functions and the second person effectively responsible for running the undertaking.

STRATEGY COMMITTEE

Number of members: 7		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell	5	86%	One and a half hours
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Rémy Weber Jean-Yves Forel Olivier Mareuse Virginie Chapron du Jeu			

In 2019, the Strategy Committee reviewed developments concerning the renewal of the partnership in Brazil with Caixa Econômica Federal (Latin America), the proposed buyout of the minority shareholder of CNP Cyprus Insurance Holdings (Cyprus) and the Group's strategy for the period 2018-2023 in its competitive environment in France, Europe and Latin America.

FOLLOW-UP COMMITTEE ON THE IMPLEMENTATION OF THE BPCE AND LA BANQUE POSTALE PARTNERSHIPS

Number of members: 7		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell Rose-Marie Van Lerberghe	1	86%	One hour
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	Olivier Fabas Virginie Chapron du Jeu Charles Sarrazin			

At its meeting on 26 July 2019, the Follow-up Committee on the Implementation of the BPCE and LBP Partnerships reviewed the terms of the extension to the distribution partnership with BPCE and assessed the related pros and cons.

* Persons whose activities have a material impact on the Company's risk profile, including the persons who effectively run the business and the holders of the four key functions

SPECIAL COMMITTEE

Number of members: 4		Number of meetings	Attendance rate	Average duration of each meeting
Independent directors	**Jean-Paul Faugère, Chairman** Stéphane Pallez Marcia Campbell Rose-Marie Van Lerberghe	4	94%	One hour and forty-five minutes
Directors (elected on the recommendation of the parties to the Shareholders' Agreement)	-			

The Special Committee determined the information to be made available to La Banque Postale as part of the latter's request to open a data room, reviewed information about La Banque Postale's P&C and death/disability insurance businesses, assessed possible product and cost synergies between La Banque Postale and CNP Assurances, estimated the value that would be created by the renewal of the partnership between La Banque Postale and CNP Assurances for a long period, and examined the issue of pursuing the partnership with BPCE.

The Committee also analysed the potential benefits of drawing up formal governance rules to protect the interests of distribution partners (including partners that are not also shareholders) and insureds, assuming that La Banque Postale becomes CNP Assurances' controlling shareholder following a change in the Company's ownership structure.

The Special Committee completed its work in July 2019 by issuing a favourable recommendation to the Board of Directors based on the information provided for its consideration.

The rules would cover measures to protect:

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

3.2.6 Performance assessment of the Board of Directors and its Committees

In accordance with the AFEP-MEDEF Corporate Governance Code and its own internal rules, in 2019 the Board performed a self-assessment of its performance with the assistance of outside consultants. The results of the self-assessment were presented to the Board at its meeting on 17 December 2019.

The self-assessment was based on a questionnaire sent to all the directors and on one-on-one conversations with nearly all of the directors.

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

The directors confirmed their favourable or highly favourable opinion about the Group's governance and nearly all of them considered themselves satisfied.

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

Certain points were noted for inclusion in an action plan to be implemented in 2020.

3.2.7 Limitations on the powers of the Chief Executive Officer

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

- the issue of guarantees to secure the Company's commitments in excess of €100 million per commitment*;
- business acquisitions and disposals for amounts in excess of €50 million per transaction, whether they are carried out by CNP Assurances or by one of its direct or indirect subsidiaries. This threshold takes into account the price, the net debt of the target, any put options written or underwriting commitments granted by 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.
- organic growth or internal restructuring operations qualified as having a major impact for the Group.

On 19 February 2020, the Board of Directors also renewed the Chief Executive Officer's authorisations to:

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

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

* 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

3.3.1 Chairman of the Board

AGE: 63

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 1,500

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

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

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

JEAN-PAUL FAUGÈRE

Main function: Chairman of the Board of Directors of CNP Assurances

PROFESSIONAL EXPERIENCE

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- Caixa Seguros Holding (Brazil), *Director*

Other directorships and functions

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

3.3.2 Chief Executive Officer

AGE: 63

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 2,000

CURRENT TERM EXPIRES: 2021

ANTOINE LISSOWSKI

Main function: Chief Executive Officer of CNP Assurances

PROFESSIONAL EXPERIENCE

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

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

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

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Arial CNP Assurances (SA), *Chairman of the Board of Directors*
- Caixa Seguros Holding (Brazil), *Director*
- CNP Immobilier (SCI non-trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances, Manager (term expired 21 June 2019)*
- Lyfe (SAS), *representative of CNP Assurances, Chairman (term expired 17 June 2019)*
- Montparvie IV (SAS), *Chairman (term expired 28 June 2019)*
- Montparvie V (SAS), *representative of CNP Assurances, Chairman (term expired 27 June 2019)*
- SCI de la CNP (SCI non trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances, Manager (term expired 21 June 2019)*
- SICAC (SCI non-trading property company), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances, Manager*
- Société Forestière de la CDC (SA), *permanent representative of CNP Assurances, Director (term expired 10 January 2019)*
- Partecis (SAS), *Director (term expired 29 March 2019)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- Assurbail Patrimoine (SAS), *Chairman of the Board of Directors (term expired 1 June 2015)*
- Assuristance (SA), *member of the Supervisory Board (term expired 17 December 2015)*
- CDC Habitat (public-private company), *member of the Supervisory Board, Audit Committee and Selection and Remuneration Committee (term expired 31 December 2018)*
- CNP Caution (SA), *permanent representative of CNP Assurances, Chairman (term expired 19 December 2018)*
- CNP IAM (SA), *Chairman and Chief Executive Officer (term expired 28 November 2015)*
- CNP TI (GIE), *Chairman of the Board of Directors (until 22 June 2015) and Director (until 23 May 2017)*
- Ecureuil Vie Développement, *Director (term expired 31 December 2015)*
- Ilot A5B (SCI), *person authorised to routinely enter into binding commitments on behalf of CNP Assurances (term expired 21 September 2016)*
- Investissement Trésor Vie (SA), *permanent representative of CNP Assurances (term expired 4 October 2017)*
- La Banque Postale Prévoyance (SA), *Director (term expired 28 June 2016)*
- MFPrévoyance (SA), *permanent representative of CNP Assurances, Chairman (term expired 4 December 2018)*

3.3.3 Directors

AGE: 61

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 180

FIRST ELECTED TO THE BOARD: 27 April 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%

PHILIPPE BARTOLI

Director representing employees

Main function: Head of the Cross-Functional Audits unit of the Internal Audit department

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. He is currently head of the Cross-Functional Audits unit of the Internal Audit department, after previously serving as head of the Special and Cross-Functional Audits unit of the Operational Risk and Internal Control section of CNP Assurances' Group Risks Department (July 2015 – April 2019).

OTHER DIRECTORSHIPS AND FUNCTIONS (N/A)

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

AGE: 45

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

FIRST ELECTED TO THE BOARD: 20 February 2019

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%

ALEXANDRA BASSO*

Main function: Head of Financial Control and Accounting and Prudential Coordination in the Savings Funds department of Caisse des Dépôts

PROFESSIONAL EXPERIENCE

Alexandra Basso began her career in 1998 with PricewaterhouseCoopers Audit, in the banking group, before joining Arthur Andersen in 2000. In 2001, she returned to PricewaterhouseCoopers Audit, in the financial services group, rising to the position of Senior Manager in 2006 with responsibility for auditing the separate and consolidated financial statements of various financial institutions, including the Caisse des Dépôts Group. In 2014, she joined the finance department of Caisse des Dépôts, where she was responsible for permanent controls and operational risk monitoring in the Accounting and Financial Management department.

Alexandra Basso is currently Head of Financial Control and Accounting and Prudential Coordination in the Savings Funds department of Caisse des Dépôts, after previously being responsible for investments in the Caisse des Dépôts Group's Financial Institutions unit (December 2018 – October 2019).

OTHER DIRECTORSHIPS AND FUNCTIONS (N/A)

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

* Additional information to the corporate governance report: Alexandra Basso resigned on 4 March 2020. Yves Brassart was appointed on the same day. His biographical details are presented in chapter 8, section 8.4

AGE: 61

NATIONALITY: British

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 750

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

FIRST ELECTED TO THE BOARD: 22 February 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

NEXT TERM WILL EXPIRE (SUBJECT TO RE-ELECTION BY THE ANNUAL GENERAL MEETING): 2024

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 70%
Audit and Risk Committee: 86%
Strategy Committee: 60%
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships: 100%
Special Committee: 100%

MARCIA CAMPBELL

Main function: Company Director

PROFESSIONAL EXPERIENCE

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

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

Marcia Campbell is a director of several companies outside France.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Aviva (UK and Ireland), *member of the Independent Governance Committee*
- Canada Life (Great-West Life Group) (*Canada*), *Director*
- Canada Life Limited (Great-West Life Group) (*Canada*), *Director, Chair of the Risk Committee and member of the Audit Committee*
- Charles Stanley Group plc (UK), *Director (since October 2017), Chair of the Risk Committee and member of the Audit Committee*
- Murray International Trust Plc (UK), *Chair of the Audit Committee*
- Sainsbury's Bank *(UK), Director, member of the Audit and Risk Committee*
- Woodford Investment Management, *Chair (term expired in October 2019)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

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

AGE: 58

NATIONALITY; French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 29 June 2012

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 80%
Strategy Committee: 100%
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships: 100%

VIRGINIE CHAPRON DU JEU*

Main function: Group Finance Director, Caisse des Dépôts

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. She is also a member of the Executive Committee of Caisse des Dépôts.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Alter Egales (non-profit organisation), Chair
- BPI France (SA), *Director, member of the Risk Committee and the Audit Committee*
- CDC Croissance (SA), Director
- CDC GPI (SA), *representative of Caisse des Dépôts, Director*
- CDC Investissement Immobilier Interne (formerly CDC GPII) (SAS), *representative of Caisse des Dépôts, Director*
- Coentreprise de Transport d'Électricité - CTE, *Director*
- La Poste (SA), *Director, Chairman of the Audit Committee*
- Novethic, *Chairman and member of the Strategy Committee*
- Réseau Transport Electricité - RTE, *member of the Supervisory Board, member of the Oversight and Audit Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- AEW Europe (SA), permanent representative of Caisse des Dépôts, *Director (term expired 2016)*
- CDC Placement (SA), *Director (term expired 2016)*
- Humanis Retraite Arrco (supplementary pension institution), *Director representing members (term expired in 2018)*

* Additional information to the corporate governance report: Virginie Chapron du Jeu resigned on 4 March 2020. Catherine Charrier-Leflaive was appointed on the same day. Her biographical details are presented in chapter 8, section 8.4

OLIVIER FABAS*

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

AGE: 37

NATIONALITY: French

EDUCATION: ESCP Europe

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

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

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 La Banque Postale Partnerships (member since 20 February 2019)

FIRST ELECTED TO THE BOARD: 20 February 2019

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships: 100%

PROFESSIONAL EXPERIENCE

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

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- BPI France Financement (SAS), *Director, member of the Financing and Guarantees Committee, member of the Innovation Committee, member of the Audit and Risk Committee, member of the Nominations and Remuneration Committee*
- CDC Entreprises Elan PME (SAS), *Chairman of the Board of Directors*
- Qualium Investissement (SAS), *Director*
- Société Forestière de la Caisse des Dépôts (SA), *Director, Chairman of the Audit Committee*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

* Additional information to the corporate governance report: Olivier Fabas resigned on 4 March 2020. François Géronde was appointed on the same day. His biographical details are presented in chapter 8, section 8.4

AGE: 58

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 11 December 2012

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Audit and Risk Committee: 71%
Strategy Committee: 100%

JEAN-YVES FOREL

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

PROFESSIONAL EXPERIENCE

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- BPCE Immobilier Exploitation (SAS), *representative of BPCE, Chairman of the company and the Board of Directors (since 31 August 2016)*
- Fidor Bank (Germany), *Chairman of the Supervisory Board (since October 2018)*
- Fidor Solution (Germany), *Chairman of the Supervisory Board (since October 2018)*
- Holassure, *Director and Chairman (since 9 February 2017)*
- Média Consulting & Investment (SA), *Director (since 20 April 2010)*
- Natixis Algérie (Algeria), *Chairman of the Board of Directors (since 20 January 2011)*
- Natixis Coficiné (SA), *Director (since 20 April 2010)*
- Oney Bank (SA), *Chairman of the Board of Directors (since October 2019)*
- Sopassure (SA), *Chairman and Chief Executive Officer (until 2 January 2020)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- Albiant IT (SA), *Director, Chairman and Chief Executive Officer (term expired 7 December 2018)*
- Banque Palatine (SA), *Chairman of the Board of Directors (term expired 24 May 2016)*
- BPCE Achats, *Director (term expired 12 December 2018)*
- BPCE IT, *Director, Chairman and Chief Executive Officer (term expired 7 December 2018)*
- BPCE International et Outre-Mer (SA), *Chairman of the Board of Directors (term expired 25 May 2016)*
- Crédit Foncier de France (SA), *Director (term expired 9 June 2016)*
- Ecureuil Vie Développement, *representative of BPCE, Director (term expired 31 December 2015)*
- EDEP, *Director, Chairman of the Board of Directors (term expired 28 March 2018)*
- IT-CE, *Chairman and Chief Executive Officer (term expired 17 October 2018)*
- i-BP, *Director, Chairman and Chief Executive Officer (term expired 10 October 2018)*
- NEFER, *Director, Chairman of the Board of Directors (term expired 26 September 2018)*
- Partecis (SAS), *Director (term expired 10 March 2015)*

AGE: 50

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

FIRST ELECTED TO THE BOARD: 27 September 2018

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

NEXT TERM WILL EXPIRE: 2024

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%

LAURENCE GIRAUDON*

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

PROFESSIONAL EXPERIENCE

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

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Crédit Municipal de Paris (public institution), *member of the Strategy and Oversight Board*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

* Additional information to the corporate governance report: Laurence Giraudon resigned on 4 March 2020. Sonia de Demandolx was appointed on the same day. Her biographical details are presented in chapter 8, section 8.4

AGE: 58

NATIONALITY: French

EDUCATION: *École nationale d'assurance* and CNIL

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

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

FIRST ELECTED TO THE BOARD: 28 April 2016

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%

LAURENCE GUITARD

Director representing employees

Main function: Customer Relationship Manager at the BPCE BU

PROFESSIONAL EXPERIENCE

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

She then acquired experience in the property sector, as a 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.

Since January 2020, she has been a customer relationship manager in the BPCE CNP Assurances Angers business unit.

OTHER DIRECTORSHIPS AND FUNCTIONS (N/A)

PERRINE KALTWASSER

Main function: Group Chief Risk Officer, La Banque Postale Group

AGE: 39

NATIONALITY: French

EDUCATION: École polytechnique, ENSAE

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

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

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

REPRESENTATIVE OF SOPASSURE SINCE:
26 September 2019

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

SOPASSURE LAST RE-ELECTED: 2017

SOPASSURE'S CURRENT TERM EXPIRES: 2021

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

PROFESSIONAL EXPERIENCE

Perrine Kaltwasser became an insurance auditor in 2004. The same year she joined the financial services unit attached to the French Embassy in the United States. In 2005, she took up a position with the French insurance supervisor (Autorité de Contrôle des Assurances et des Mutuelles) before moving to EIOPA in 2009, first as a member of the Solvency II team responsible for issues concerning the control of insurance groups and then as project manager for the 5th Solvency II impact study. She also participated in negotiating level 2 texts at the European Commission.

She joined the French banking and insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution*) in September 2011 as unit manager in the Mutual Banks and Insurers and Investment Firms Control Department, then moved to the ECB in April 2014 as Division Manager in the Microprudential Supervision department.

In December 2018, she became Director of Capital Management and Conglomerate at La Banque Postale and Deputy Director of Balance Sheet Management.

She has been Group Chief Risk Officer at La Banque Postale since February 2020.

OTHER DIRECTORSHIPS AND FUNCTIONS (N/A)

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

AGE: 61

NATIONALITY: French

EDUCATION: HEC

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

PERMANENT REPRESENTATIVE OF CAISSE DES DÉPÔTS SINCE: 13 December 2017

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

CAISSE DES DÉPÔTS LAST RE-ELECTED: 2016

CAISSE DES DÉPÔTS' CURRENT TERM EXPIRES: 2020

NEXT TERM WILL EXPIRE (SUBJECT TO RE-ELECTION BY THE ANNUAL GENERAL MEETING): 2024

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

ÉRIC LOMBARD*

Main function: Chief Executive Officer of Caisse des Dépôts

PROFESSIONAL EXPERIENCE

- Technical advisor to the Cabinet of the spokesman for the French Government (1989-1991)
- Advisor to the Minister Delegate for Justice (1991-1992)
- Advisor to the Minister of Economy and Finance (1992-1993)
- Responsible for Mergers & Acquisitions in the banking and insurance sector - BNP Paribas (1993-1999)
- Head of the Financial Institutions Group and a member of the Corporate and Investment Banking General Management Committee - BNP Paribas (1999-2002)
- Responsible for Corporate and Institutional Relations - BNP Paribas (2002-2004)
- Chief Executive Officer of BNP Paribas Cardif (2004-2006)
- Chairman and Chief Executive Officer of BNP Paribas Cardif (2006-2013)
- General Manager and then Chairman and Chief Executive Officer of Generali France (2013-2017)
- Chairman of the Board of Europ Assistance Holding (2015-2017)
- Chief Executive Officer of Caisse des Dépôts (since 8 December 2017)

OTHER DIRECTORSHIPS AND FUNCTIONS

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

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018 (N/A)

* Additional information to the corporate governance report: La Caisse des Dépôts resigned on 4 March 2020. Christiane Marcellier was appointed on the same day. Her biographical details are presented in chapter 8, section 8.4

AGE: 56

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 25 April 2013

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 80%
Audit and Risk Committee: 100%
Strategy Committee: 100%

OLIVIER MAREUSE*

Main functions: Director of the Savings Funds Division, Caisse des Dépôts, and Asset Management Director

PROFESSIONAL EXPERIENCE

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

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

He has been Director of the Savings Funds Division of Caisse des Dépôts since 1 September 2016 and Asset Management Director since 1 June 2018. He is also a member of the Executive Committee of Caisse des Dépôts.

OTHER DIRECTORSHIPS AND FUNCTIONS

- AF2i (French institutional investors association), *Director and member of the Board*
- CDC Croissance (SA), *Chairman of the Board of Directors*
- CDC Investissement Immobilier (formerly CDC GPI) (SA), *Director*
- Icade (listed SA), *Director, member of the Audit and Risk Committee*
- Société Forestière de la Caisse des Dépôts (SA), *Director*
- Veolia Environnement (listed SA), *representative of Caisse des Dépôts, Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- AEW Europe (SA), *Director (term expired July 2016)*
- CDC Infrastructure (SA), *Director (term expired August 2017)*
- CDC International Capital (SA), *Director, member of the Investment Committee and the Audit and Accounts Committee (term expired 31 December 2018)*
- Qualium Investissement (SAS), *representative of Caisse des Dépôts, Director (term expired November 2017)*

* Additional information to the corporate governance report: Olivier Mareuse resigned on 4 March 2020. Tony Blanco was appointed on the same day. His biographical details are presented in chapter 8, section 8.4

AGE: 56

NATIONALITY: French

EDUCATION: HEC, Stanford Executive Program

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 15 May 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 70%
Remuneration and Nominations Committee: 0%

LAURENT MIGNON

Main function: Chairman of the Management Board of BPCE

PROFESSIONAL EXPERIENCE

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

He was Chief Executive Officer of Natixis between 2009 and 2018, becoming a member of the BPCE Management Board in 2013.

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Arkema (listed SA), *Director*
- AROP (Association pour le Rayonnement de l'Opéra National de Paris), *Director*
- CE Holding Promotion (SAS), *Chairman (since 6 June 2018)*
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors (from 17 May 2018 to 31 July 2019)*
- Fimalac, *Non-voting Director (since 16 April 2019)*
- Natixis (listed SA), *Chairman of the Board of Directors and member of the Strategy Committee (since 1 June 2018)*
- ODDO BHF SCA, *Non-voting Director (since 29 March 2019)*
- Sopassure (SA), *Director (until 2 January 2020)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- Coface (SA), *Chairman of the Board of Directors (term expired 15 June 2018)*
- Lazard Ltd (listed SA), *Director (term expired 19 April 2016)*
- Natixis (listed SA), *Chief Executive Officer (term expired 31 May 2018)*
- Natixis Assurances, *Chairman of the Board of Directors (term expired 7 June 2018)*
- Natixis Investment Managers, *Chairman of the Board of Directors (term expired 28 May 2018)*
- Peter J. Solomon Company LLC, Director (*term expired 30 May 2018*)

AGE: 60

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 5 April 2011

LAST RE-ELECTED: 2016

CURRENT TERM EXPIRES: 2020

NEXT TERM WILL EXPIRE (SUBJECT TO RE-ELECTION BY THE ANNUAL GENERAL MEETING): 2024

ATTENDANCE RATE AT MEETINGS:
Board of Directors: 70%
Audit and Risk Committee: 86%
Strategy Committee: 40%
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships: 100%
Special Committee: 75%

STÉPHANE PALLEZ

Main function: Chair and Chief Executive Officer, La Française des Jeux (listed company)

PROFESSIONAL EXPERIENCE

Stéphane Pallez began her career in 1984 and served as a Technical Advisor on industrial matters in the Office of the Minister for the Economy and Finance between 1991 and 1993. She spent time at the Directorate General of the Treasury as Deputy Director of Insurance between 1995 and 1998, and Deputy Director in charge of State Investments between 1998 and 2000. She was appointed head of European and International Affairs at the Treasury Department in 2000 and in this capacity served as Chair 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 Chair and Chief Executive Officer of Caisse Centrale de Réassurance.

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Eurazeo (listed SA), *member of the Supervisory Board, Audit Committee and CSR Committee*
- RAISESHERPAS Endowment fund, *Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- ENGIE (formerly GDF-Suez) (listed SA), *representative of the French State, Director (term expired 18 May 2018)*

AGE: 46

NATIONALITY: French

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

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

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

MEMBERSHIP OF COMMITTEES OF THE BOARD OF DIRECTORS OF CNP ASSURANCES:
Follow-up Committee on the Implementation of the BPCE and La Banque Postale 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

NEXT TERM WILL EXPIRE (SUBJECT TO RE-ELECTION BY THE ANNUAL GENERAL MEETING): 2024

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 100%
Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships: 0%

CHARLES SARRAZIN*

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

PROFESSIONAL EXPERIENCE

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

Charles Sarrazin has been Director of Services and Finance Sector Investments at the State Investment Agency (APE) since August 2017.

OTHER DIRECTORSHIPS AND FUNCTIONS

- 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*
- France Télévisions, *representative of the French State, Director*
- La Poste (SA), *representative of the French State, Director*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

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

* Additional information to the corporate governance report: the French State resigned on 4 March 2020

AGE: 73

NATIONALITY: French

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

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

BUSINESS ADDRESS:
33, rue Frémicourt
75015 Paris, France

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 25 September 2013

LAST RE-ELECTED: 2017

CURRENT TERM EXPIRES: 2021

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

ROSE-MARIE VAN LERBERGHE

Main function: Company Director

PROFESSIONAL EXPERIENCE

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

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

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

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

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- Air France (listed SA), *Director (term expired 2016)*
- BPI Group, *senior advisor (until 2018)*
- 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: 64

NATIONALITY: French

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

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

FIRST ELECTED TO THE BOARD: 22 February 2011

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS:
Board of Directors: 90%
Remuneration and Nominations Committee: 100%

PHILIPPE WAHL

Main function: Chairman and Chief Executive Officer of La Poste

PROFESSIONAL EXPERIENCE

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

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Géopost (SA), *representative of La Poste, Director*
- Institut Montaigne (non-profit organisation), *member of the Steering Committee*
- La Banque Postale (SA), *Chairman of the Supervisory Board, member of the Nominations Committee and member of the Remuneration Committee.*
- La Poste Silver (SASU), *member of the Strategy Committee*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Director*
- Poste Immo (SA), *representative of La Poste, Director*
- Sopassure (SA), *Director (until 2 January 2020)*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- Paris Europlace (non-profit organisation), *Director (term expired 24 April 2014)*
- Sofipost (SA), representative of La Poste, *Director (term expired 1 July 2014)*

AGE: 62

NATIONALITY: French

EDUCATION: *Institut d'Études Politiques d'Aix-en-Provence* and HEC.

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

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

NUMBER OF CNP ASSURANCES SHARES: 200

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

FIRST ELECTED TO THE BOARD: 6 November 2013

LAST RE-ELECTED: 2018

CURRENT TERM EXPIRES: 2022

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

RÉMY WEBER

Main functions: Chairman of the Management Board of La Banque Postale, and Deputy Chief Executive and Director of Financial Services at La Poste

PROFESSIONAL EXPERIENCE

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

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

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

OTHER DIRECTORSHIPS AND FUNCTIONS

- Association Française des Banques (non-profit organisation), *Vice-Chairman*
- CRSF DOM (SCI), *permanent representative of La Banque Postale, legal manager*
- CRSF Métropole (SCI), *permanent representative of La Banque Postale, legal manager*
- Fédération Bancaire Française (FBF) (Federation), *representative of the Association Française des Banques, member of the Executive Committee*
- KissKissBankBank & Co (SAS), *Chairman of the Management 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 Leasing & Factoring (formerly La Banque Postale Crédit Entreprises) (SA), *member of the Supervisory Board*
- L'Envol Le Campus de La Banque Postale (non-profit organisation), *Director, Vice-Chairman of the Administrative Committee*
- Ma French Bank (SA), *Chairman of the Board of Directors (since 21 December 2017)*
- 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), *permanent representative of La Banque Postale, legal manager*
- SF 2 (SA), *Chairman of the Board of Directors*
- Sopassure (SA), *Director, Chief Executive Officer (since 14 November 2019), previously Chairman and Chief Executive Officer until 28 March 2019*

OTHER DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2014 TO 2018

- CNP Assurances (SA), *member of the Audit Committee (term expired 2015)*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board (term expired 2014)*
- 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 Crédit Entreprises, *Chairman of the Supervisory Board (term expired 7 March 2017)*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors and Chairman of the Nominations and Remuneration Committee (term expired 28 June 2016)*
- SF 2 (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)*

3.4 Remuneration of corporate officers

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 and Article L.225-37-2 of the French Commercial Code.

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

Under the Solvency II governance system in force at CNP Assurances, 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 [(1)] and corporate officers.

The specific policy applicable to the Chairman of the Board of Directors and the Chief Executive Officer is part of this broad policy and is decided by the Board of Directors.

It is aligned with the Company's corporate interests because it establishes a close link between their remuneration and both the actual work they have performed and their active involvement in developing the business over the long term. Added to this, their remuneration may be considered as very reasonable compared with executive remuneration at most listed companies included in the SBF 120 index.

The remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer contributes to the Company's long-term sustainability because it remains stable year after year and sets objectives for the Chief Executive Officer that promote the Company's long-term development.

The remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer is consistent with the Company's strategy because the Chief Executive Officer's objectives under the policy are aligned with the Company's strategic objectives.

The remuneration policy for the Chairman of the Board of Directors and the Chief Executive Officer takes into account the remuneration and employment conditions of the Company's employees by granting the Chairman of the Board of Directors and the Chief Executive Officer a stable remuneration.

Remuneration policy applicable to the Chief Executive Officer

Principles

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

The Chief Executive Officer may also be awarded a benefit in kind in the form of a company car. If the Board of Directors decides to appoint an employee of the Company as Chief Executive Officer, his or her employment contract will be suspended for the duration of his or her term as Chief Executive Officer.

The Chief Executive Officer's total remuneration package is less than the maximum package allowed in public sector companies*.

(1) Persons whose activities have a material impact on the company's risk profile, including the persons who effectively run the business and the holders of the four key functions

* Cap specified in Decree No. 2012-915 dated 26 July 2012 concerning State control over the remuneration of corporate officers of 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; ▪ compliance with internal and external rules and ethical standards. The Chief Executive Officer would forfeit all or part of his deferred remuneration in the event of any disciplinary sanction, equivalent measure or formal action resulting from his failure to comply with the internal rules (procedural rules, ethical or professional standards) or external rules that apply to him.

Rules adopted by the Board of Directors

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

Details of the policy adopted by the Board of Directors and the resulting remuneration paid or awarded to the Chief Executive Officer are presented below. Payment of his 2019 variable bonus is subject to shareholder approval at the 2020 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. He also has the use of a company car.

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

Rules adopted by the Board of Directors

Each year, the Board of Directors decides on the fixed remuneration to be paid to the Chairman. This remuneration was increased to €280,000 in 2016 after remaining unchanged at €250,000 between 2012 and 2015.

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

Remuneration policy applicable to the members of the Board of Directors

Principles

The remuneration allocated to each director is based on the total amount awarded to the Board at the Annual General Meeting.

Since 2015, this amount has been set at €830,000 per year (resolution adopted by the Annual General Meeting of 28 April 2016).

The amount allocated to individual directors is based on their attendance rate at meetings, with the chair of each meeting of a Committee of the Board receiving double the amount allocated to the other members.

Rules adopted by the Board of Directors

In 2019, the allocated amounts were as follows:

- €3,800 for each meeting of the Board of Directors and €3,050 for each meeting of a Committee of the Board (where applicable) attended by the director;
- €3,050 for each meeting of a Committee of the Board chaired by the director.

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.

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

Report on the remuneration of the corporate officers

Table 1

GROSS REMUNERATION PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER *(in euros)*

Jean-Paul Faugère, Chairman of the Board of Directors	2018	2019
Remuneration payable for the year *(Table 2)*	280,000	280,000
Value of stock options granted over the year *(Table 4)*	None	None
Value of performance shares granted during the year *(Table 6)*	None	None
Value of other long-term remuneration	None	None
TOTAL	**280,000**	**280,000**

Chief Executive Officer Antoine Lissowski, Chief Executive Officer since 1 September 2018 Frédéric Lavenir, Chief Executive Officer until 31 August 2018	2018		2019
	F. Lavenir	A. Lissowski	A. Lissowski
Remuneration payable for the year *(Table 2)*	298,333.31	150,000	450,000
Value of stock options granted over the year *(Table 4)*	None	None	None
Value of performance shares granted during the year *(Table 6)*	None	None	None
Value of other long-term remuneration	None	None	None
TOTAL	**448,333.31**		**450,000**

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	2018		2019	
	Payable [(1)]	Paid [(2)]	Payable [(1)]	Paid [(2)]
Salary	280,000	280,000	280,000	280,000
Annual variable bonus	None	None	None	None
Special bonus	None	None	None	None
Remuneration allocated to directors	None	None	None	None
Benefits in kind	0	0	0	0
TOTAL	**280,000**	**280,000**	**280,000**	**280,000**

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

(2) The "Paid" columns show the total remuneration paid to the Chairman or the Chief Executive Officer for the duties performed in each of those years

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

2018	2019
Fixed and variable remuneration On 21 February 2018, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2018 at €280,000 (capped since 2016)	**Fixed and variable remuneration** On 20 February 2019, the Board of Directors set Jean-Paul Faugère's annual remuneration for 2019 at €280,000 (capped since 2016)
Remuneration allocated to directors n/a	**Remuneration allocated to directors** n/a
Benefits in kind Jean-Paul Faugère does not receive any benefits in kind	**Benefits in kind** Jean-Paul Faugère does not receive any benefits in kind
Benefit plan open to all employees and covering death/disability insurance and medical insurance Jean-Paul Faugère participates in this plan	**Benefit plan open to all employees and covering death/disability insurance and medical insurance** Jean-Paul Faugère participates in this plan

Executive Management Antoine Lissowski, Chief Executive Officer since 1 September 2018 Frédéric Lavenir, Chief Executive Officer until 31 August 2018	2018				2019	
	Payable [1]		Paid [2]		Payable [3]	Paid [2]
	F. Lavenir	A. Lissowski	F. Lavenir	A. Lissowski	A. Lissowski	
Salary	266,666.64	150,000	266,666.64	150,000	400,000	400,000
Annual variable bonus [3]	30,445.23	None	38,493.20	None	50,000	0
Special bonus	None	None	None	None	0	0
Remuneration allocated to directors [4]	None	None	None	None	0	0
Benefits in kind [5]	1,221.44	0	1,221.44	0	0	0
Sub-total	**298,333.31**	**150,000**	**306,381.28**	**150,000**	**450,000**	**400,000**
TOTAL	**448,333.31**		**456,381.28**		**450,000**	**400,000**

(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
(3) Payment of Antoine Lissowski's 2019 variable bonus is subject to shareholder approval at the 2020 Annual General Meeting
(4) No directors' fees were awarded to Frédéric Lavenir, who is a member of the Company's Board of Directors, for his participation in meetings of the Board and the Committees of the Board until 31 August 2018
(5) Corresponding to the use of a company car

Additional information about the 2018 remuneration of Frédéric Lavenir, Chief Executive Officer until 31 August 2018

2018 salary

On 21 February 2018, the Board of Directors set Frédéric Lavenir's gross annual fixed salary for 2018 at €400,000, unchanged since his appointment in 2012.

Frédéric Lavenir resigned on 31 August 2018. The gross salary due and paid to him for the period in 2018 up to his resignation amounted to €266,666.64.

2018 bonus

At the same meeting, his maximum bonus for 2018 was set at €50,000 (representing 12.5% of his annual fixed salary), unchanged since his appointment in 2012.

The Board of Directors' Meeting of 21 February 2018 set the objectives to be used in 2019 to determine Frédéric Lavenir's 2018 bonus, as presented in the second table on page 85 of the 2018 Registration Document (first three columns).

Following Frédéric Lavenir's announcement that he was resigning, the Board of Directors decided not to wait until 2019 and to determine his bonus as soon as possible after his resignation.

In July 2018, based on the Remuneration and Nominations Committee's analysis on 27 July 2018 of achievement rates compared to Frédéric Lavenir's 2018 bonus objectives (as presented in the table on page 85 of the 2018 Registration Document), at its meeting on 27 July 2018, the Board of Directors decided to award a bonus of €30,445.23 (compared to a maximum prorated bonus of €32,111.89 after deducting the €1,221.44 estimated value of his company car) to Frédéric Lavenir for 2019. The bonus breakdown is shown in the table referred to above.

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

The total €38,493.20 in variable remuneration paid in 2018 corresponds to 60% of the 2017 bonus (€48,168) and 20% of the 2016 bonus (€47,961).

Benefits in kind

Frédéric Lavenir continued to have the use of a company car in 2018, up to the date of his resignation.

Benefit plan open to all employees and covering death/disability insurance and medical insurance

Frédéric Lavenir participated in this plan in 2018, up to the date of his resignation.

Additional information on the remuneration of Antoine Lissowski, Chief Executive Officer, in 2019

2019 salary

On 20 February 2019, the Board of Directors set Antoine Lissowski's gross annual fixed salary for 2019 at €400,000, corresponding to the amount paid to the Chief Executive Officer since 2012.

2019 bonus

At the same meeting, his maximum bonus for 2019 was set at €50,000 (representing 12.5% of his annual fixed salary), corresponding to the maximum possible annual bonus awarded to the Chief Executive Officer since 2012.

The Board of Directors' Meeting of 20 February 2019 also set the objectives to be used in 2020 to determine Antoine Lissowski's bonus, as presented in the table below.

In 2020, based on the Remuneration and Nominations Committee's analysis of achievement rates compared to Antoine Lissowski's 2019 bonus objectives, as presented to the Board of Directors on 19 February 2020 (see description in the table below), at its meeting on 19 February 2020, the Board of Directors decided to award a bonus of €50,000 to Antoine Lissowski for 2018. The bonus breakdown is shown in the last column of the table below.

Benefit plan open to all employees and covering death/disability insurance and medical insurance

Antoine Lissowski participated in this plan.

Additional information about the variable remuneration payable to Antoine Lissowski in 2019 in respect of 2019 and paid after the 2020 Annual General Meeting if approved by shareholders

	% weighting	2019 threshold/objective	2019 performance	Achievement rate & Variable bonus
Quantitative objectives				
Net insurance revenue (NIR)	20%	At least **€3,241m** With the following intermediate amounts: • 100% if NIR at least €3,241m • 50% if NIR between €3,113m and €3,241m • 0% if NIR less than or equal to €3,113m	2019 pro forma net insurance revenue* = **€3,249m**	Rate = 100% Variable = €10k
EBIT	30%	At least **€3,009m** With the following intermediate amounts: • 100% if EBIT at least €3,009m	2019 EBIT = **€3,041m**	Rate = 100% Variable = €15k
Qualitative objectives				
Strengthen the Group's multi-partner business model	30%	Major partnerships in France and abroad, premium savings segment in France and Europe, etc.	Brazil: Signature of an addendum to the framework agreement of 29 August 2018 between CNP Assurances and Caixa Seguridade Signature between the BPCE group and CNP Assurances of an agreement extending the expiry date of their distribution partnership from 31 December 2022 to 31 December 2030 Closer partnership between CNP Assurances, BPE and La Banque Postale, with the launch of BPE Emeraude product for wealth management clients Increased interest in CNP Cyprus Insurance Holdings, leading to greater strategic agility	Rate = 100% Variable = €15k
Quality of strategic initiatives deployed during the period	20%	Managerial performance, NEW CNP	Deployment of new digital tools, notably to facilitate teleworking	Rate = 100% Variable = €10k
		Improved Customer Experience	Digitisation of the various stages in the customer relationship (electronic signatures in bank branches, etc.), reduced processing times	
		Operational excellence, Digitisation	Process digitisation, leading to improved service quality and reduced costs	
		Compliance and CSR	Compliance: Stronger AML-TF system CSR: CSR objectives met or exceeded	
TOTAL	**100%**			**OVERALL ACHIEVEMENT RATE: 100%** **TOTAL VARIABLE BONUS = €50K**

In accordance with the remuneration policy, 60% of the €50,000 bonus (i.e., €30,000) will be paid in 2020 followed by 20% in 2021, 10% in 2022 and 10% in 2023, subject to the Annual General Meeting voting in favour.

* Pro forma net insurance revenue corresponds to 2019 net insurance revenue of €3,220 million restated to exclude the negative impact of €29 million following the adjustment to the regulatory valuation rate of interest on guaranteed minimum yield reserves

Table 3

REMUNERATION RECEIVED BY THE BOARD, THE CHIEF EXECUTIVE OFFICER AND THE DIRECTORS

Members of the Board of Directors	Remuneration paid to the directors in 2018 *(in €)* In respect of second-half 2017	In respect of first-half 2018	Remuneration paid to the directors in 2019 *(in €)* In respect of second-half 2018	In respect of first-half 2019	Paid to
Jean-Paul Faugère [1]	-	-	-	-	
Frédéric Lavenir [1]	-	-	-	-	
Florence Lustman (Sopassure) [2]	31,200	20,550	31,200	24,350	Sopassure
Philippe Wahl [2]	11,400	18,250	31,200	14,450	Sopassure
Rémy Weber [2]	28,150	14,450	19,000	21,300	Sopassure
François Pérol [2]	3,800	10,650	-	-	Sopassure
Laurent Mignon [2]	-	-	23,600	11,400	Sopassure
Jean-Yves Forel [2]	40,350	16,750	31,200	27,400	Sopassure
Virginie Chapron du Jeu [2]	19,000	15,200	14,450	17,500	CDC
Eric Lombard (CDC) [2]	-	15,200	31,200	18,250	CDC
Delphine de Chaisemartin	19,000	3,800	-	-	CDC
Annabelle Beugin-Soulon	-	3,800	15,200	-	CDC
Alexandra Basso	-	-	-	15,200	CDC
Olivier Mareuse [2]	26,650	16,750	23,600	26,650	CDC
Pauline Cornu-Thénard	15,200	15,200	3,800	-	CDC
Laurence Giraudon	-	-	11,400	15,200	CDC
Franck Silvent [2]	3,800	-	-	-	CDC
Olivier Sichel [2]	-	3,800	11,400	-	CDC
Olivier Fabas [2]	-	-	-	11,400	CDC
Charles Sarrazin (French State) [2]	15,200	15,200	14,450	15,200	French Treasury
Rose-Marie Van Lerberghe [2]	19,000	21,300	52,550	33,500	Rose-Marie Van Lerberghe
Stéphane Pallez [2]	45,700	36,550	48,750	45,700	Stéphane Pallez
Marcia Campbell [2]	36,550	23,600	33,500	35,050	Marcia Campbell
Philippe Bartoli	19,000	15,200	19,000	11,400	Trade union
Laurence Guitard	19,000	15,200	11,400	11,400	Trade union
TOTAL	**353,000**	**281,450**	**426,900**	**355,350**	

(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 2017 and 30 June 2019

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

Table 4*

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

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

Table 5*

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

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

Table 6*

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

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

Table 7*

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

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

Table 8*

HISTORICAL INFORMATION CONCERNING STOCK OPTION GRANTS

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

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

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 ended: 31 August 2018		X		X		X		X
Antoine Lissowski Chief Executive Officer First appointed: 1 September 2018 Term expires: 2021 AGM to approve the 2020 financial statements	X *		X		X			X

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

Supplementary pension plan

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

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

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

Contractual termination benefits

As Jean-Paul Faugère, Chairman of the Board of Directors, does not have an employment contract with the Company, he would not be entitled to any contractual termination benefits. Similarly, as Frédéric Lavenir, Chief Executive Officer between 26 September 2012 and 31 August 2018, did not have an employment contract with the Company, he would not have been entitled to any contractual termination benefits. The same applies to Antoine Lissowski, Chief Executive Officer, whose employment contract has been suspended.

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

Retirement benefits payable on retirement

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

As Jean-Paul Faugère, Chairman of the Board of Directors, does not have an employment contract with the Company, he will not be entitled to any retirement benefits. Similarly, as Frédéric Lavenir, Chief Executive Officer between 26 September 2012 and 31 August 2018, did not have an employment contract with the Company, he will not be entitled to any retirement benefits.

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

Table 12

HISTORICAL INFORMATION CONCERNING SHARE GRANTS

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

Table 13

PAY RATIOS (DISCLOSURES REQUIRED BY ARTICLE L.225-37-3 PARAGRAPH 6 OF THE FRENCH COMMERCIAL CODE)

	2014	2015	2016	2017	2018	2019
Average remuneration of employees	57,703	61,251	60,279	62,089	62,103	60,468
Median remuneration of employees	46,768	47,531	48,367	50,158	50,763	50,128
Chairman's remuneration	250,000	250,000	250,000	280,000	280,000	280,000
Chairman-to-average worker pay ratio	4.3	4.1	4.6	4.5	4.5	4.6
Chairman-to-median worker pay ratio	5.3	5.3	5.8	5.6	5.5	5.6
Chief Executive Officer's remuneration	450,810	450,000	450,000	430,815	456,381	400,000
CEO-to-average worker pay ratio	7.8	7.3	7.5	6.9	7.3	6.6
CEO-to-median worker pay ratio	9.6	9.5	9.3	8.6	9.0	8.0

Pay ratio calculation method

Remuneration of the Chairman and the Chief Executive Officer

Persons concerned:

- 2014: Jean-Paul Faugère and Frédéric Lavenir;
- 2015: Jean-Paul Faugère and Frédéric Lavenir;
- 2016: Jean-Paul Faugère and Frédéric Lavenir;
- 2017: Jean-Paul Faugère and Frédéric Lavenir;
- 2018: Jean-Paul Faugère, Frédéric Lavenir and Antoine Lissowski (prorated to period served in the position);
- 2019: Jean-Paul Faugère and Antoine Lissowski.

Components of remuneration: Fixed and variable remuneration + Benefits in kind.

The remuneration taken into account for the Chief Executive Officer corresponds to the remuneration paid to him in the reference year.

2018

The Chief Executive Officer's remuneration breaks down as follows:

- Frédéric Lavenir €306,381.36;
- Antoine Lissowski €150,000.00.

Their target remuneration is below the €450,000 limit. Any overrun would be due to calendar effects.

2019

The Chief Executive Officer, Antoine Lissowski, only received his fixed salary in 2019. He did not receive any variable remuneration in respect of his 2018 performance as Chief Executive Officer.

His maximum potential variable bonus for 2019 has been set at €50,000, corresponding to 12.5% of his fixed salary.

In 2019, Antoine Lissowski received a variable bonus in respect of his 2018 performance as Deputy Chief Executive and Chief Financial Officer.

For information, Frédéric Lavenir received a variable bonus of €32,696.84 corresponding to deferred remuneration due in respect of prior years, in line with CNP Assurances' Remuneration Policy.

Employees

Permanent employees of CNP Assurances, excluding the Chief Executive Officer.

Components of remuneration: Full-time equivalent gross remuneration (excluding discretionary and statutory profit-sharing). Full-time equivalent remuneration is calculated based on the working hours used to calculate discretionary and statutory profit-sharing.

Table 14

PAY INCREASES (DISCLOSURES REQUIRED BY ARTICLE L.225-37-3 PARAGRAPH 7 OF THE FRENCH COMMERCIAL CODE)

% Change	2015	2016	2017	2018	2019
Total remunerations [(1)]	2%	1%	2%	-3%	-1%
Company performance [(2)]	5%	6%	7%	6%	3%
Average remuneration of employees	6%	-2%	3%	0%	-3%
Median remuneration of employees	2%	2%	4%	1%	-1%
Chairman's remuneration	0%	0%	12%	0%	0%
Chairman-to-average worker pay ratio	-5%	12%	-2%	0%	2%
Chairman-to-median worker pay ratio	0%	9%	-3%	-2%	2%
Chief Executive Officer's remuneration	0%	0%	-4%	6%	-12%
CEO-to-average worker pay ratio	-6%	3%	-8%	6%	-10%
CEO-to-median worker pay ratio	-1%	-2%	-8%	5%	-11%

(1) Total gross payroll reported in CNP Assurances' corporate report ("Bilan social")
(2) Attributable net profit

3.5 Statement on convictions, bankruptcies, conflicts of interest and other disclosures concerning corporate officers

Absence of convictions for fraud, association with bankruptcy or official public incrimination or sanctions

To the best of the Company's knowledge, at the date of publication of this document:

- none of the members of the Board of Directors or Executive Management has been convicted of fraud within the last five years;
- none of the members of the Board of Directors or Executive Management has been associated with any bankruptcy, receivership or liquidation while acting as member of an administrative, management or supervisory body or as Chief Executive Officer within the last five years;
- none of the members of the Board of Directors or Executive Management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities (including relevant professional organisations), and no member of the Board of Directors or Executive Management has been disqualified by a court of law from acting as member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer.

Service contracts

None of the members of the Board of Directors or Executive Management is linked by a service contract with CNP Assurances or any other companies in the Group.

Conflicts of interest

The Board of Directors' organisation and procedures – particularly the presence of four independent directors – ensure that no single shareholder is in a position to exercise undue control over Board decisions.

To the best of the Company's knowledge at the date of publication of this document, there are no potential conflicts of interest between the duties of members of the Board of Directors or Executive Management in their capacity as director or corporate officer of CNP Assurances, and their private interests and/or other duties. To the best of the Company's knowledge at the date of publication of this document, no arrangements or agreements have been entered into with major shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or Executive Management, other than the Shareholders' Agreement described in section 6.2.2.

To the best of the Company's knowledge at the date of publication of this document, with the exception of the issue noted in the Shareholders' Agreement section, no restrictions have been accepted by the members of the Board of Directors or Executive Management concerning the sale of their interests in the Company's capital.

In accordance with the internal rules of the Board of Directors and in order to prevent risks associated with conflicts of interest, each member of the Board of Directors is required to report to the Board any situation that leads to or could lead to a conflict of interest between the interests of CNP Assurances and personal interests or those of the shareholder or group of shareholders that he/she represents, as soon as he/she is aware of it (see section I – 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' report on related party agreements and commitments

Annual General Meeting for the approval of the financial statements for the year ended 31 December 2019

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.

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 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. 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 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 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 submitted for the approval of the Annual General Meeting

Agreements authorised and entered into 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 entered into during the year that were authorised in advance by the Board of Directors.

1) Addendum to the new exclusive distribution agreement in Brazil through the Caixa Econômica Federal (CEF) network, for life insurance (vida), consumer credit life insurance (prestamista) and private pension plans (previdência) (agreement between companies that have common directors)

Persons concerned

Antoine Lissowski and Jean-Paul Faugère, directors of both CNP Assurances and Caixa Seguros Holding (CSH), a 51%-owned subsidiary of CNP Assurances.

Nature and purpose

On 29 August 2018, an agreement was signed securing for the very long term (through 2041) and for revised product categories [life insurance (*vida*), consumer credit life insurance (*prestamista*) and private pension plans (*previdência*)], a significant part of the business conducted with the Caixa Econômica Federal (CEF) network.

In March 2019, the new management team at Caixa Seguridade, CEF's insurance subsidiary, initiated discussions with CNP Assurances with a view to agreeing certain adjustments or possible additions to the 29 August 2018 agreement.

On 20 September 2019, an addendum to the 29 August 2018 agreement was signed.

The addendum introduces the following changes to the agreement:

- CNP Assurances will benefit from a 5-year extension of the exclusive distribution agreement, which will now run until 13 February 2046 (versus the original expiry date of 13 February 2041);

- CNP Assurances' share of life insurance, consumer credit life insurance and private pensions business will be kept at 51.75% until December 2020 (as opposed to being reduced immediately to 40% as previously agreed);
- CNP Assurances will continue to write all the other classes of business through its subsidiary, Caixa Seguros Holding, until the current operating agreement expires on 14 February 2021 and none of these businesses will be discontinued ahead of that date;
- in December 2020 (date specified in the addendum), CNP Assurance will pay a fixed amount of R$7.0 billion (versus the previously agreed amount of R$4.65 billion). The addendum also includes incentives to outperform the first five years' volume and margin objectives, in the form of additional payments, capped at R$0.8 billion (Group share) based on 31 December 2020 values.

Execution of the transactions provided for in the agreement is subject to various conditions precedent, including the issuance of the necessary approvals by the competent supervisory and competition authorities.

Subject to these approvals being obtained, the transaction is expected to be completed at the end of December 2020.

Terms and conditions

The Board of Directors, initially at its meeting on 18 April 2019 and then on 12 September 2019, authorised the Company's Executive Management, within the framework of Articles L.225-38 *et seq.* of the French Commercial Code, to sign a binding framework agreement with CEF and Caixa Seguridade (together "Caixa") and the sub-agreements listed therein or resulting therefrom.

Benefits for the Company in signing the agreement

The benefits of the addendum for CNP Assurances are as follows:

- extension of the partnership for a further five years will help to secure future growth in new business, revenues and cash flows from a significant part of the current business scope in Brazil up until 2046;
- completion of the transaction (and payment of the fixed amount by CNP Assurances) has been postponed until December 2020;
- Caixa Seguros Holding will keep all of its other lines of business until the current operating agreement expires (in February 2021).

2) Agreements with BPCE (agreements between companies that have common directors)

Persons concerned

Jean-Yves Forel and Laurent Mignon, directors of both CNP Assurances and BPCE (indirect shareholder of CNP Assurances with an interest of more than 10%).

Nature and purpose

On 19 December 2019, the BPCE group and CNP Assurances signed agreements effective 1 January 2020 that extend the 2015 agreements between BPCE/Natixis and CNP Assurances.

The agreements extend the expiry date of the 2015 agreements from 31 December 2022 until 31 December 2030, without any option of negotiating the purchase of the Savings/Pensions insurance book ahead of this date, thereby supporting CNP Assurances' multi-partner business model.

In addition, under the terms of the agreements, CNP Assurances share of group Term Creditor Insurance business co-insured with Natixis Assurances has been raised from 50% to 66% as from 1 January 2020 and 34% of individual term creditor insurance written by BPCE Vie is reinsured by CNP Assurances.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 17 December 2019, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- agreement amending the new partnership agreements between CNP Assurances, BPCE and Natixis (the "Amendment Agreement");
- addendum no. 1 to the new business reinsurance treaty – tranche 1 between CNP Assurances and BPCE Vie, co-signed by Natixis ("Addendum to the Tranche 1 Treaty");
- addendum no. 1 to the agreement guaranteeing the stabilisation of technical reserves between CNP Assurances and BPCE ("Addendum to the Stabilisation Guarantee Agreement");
- addendum no. 1 to the outperformance agreement between CNP Assurances and BPCE ("Addendum to the Outperformance Agreement");
- reinsurance treaty between CNP Assurances, BPCE Vie and BPCE Prévoyance covering individual term creditor insurance ("Individual Term Creditor Insurance Reinsurance Treaty").

Benefits for the Company in signing the agreements

The benefits of the agreement are as follows:

- the partnership with the BPCE group has been secured until 31 December 2030, supporting CNP Assurances' multi-partner business model;
- CNP Assurances will continue to benefit from the system protecting its technical reserves, which adequately cover the risks identified by the Company;
- a new partnership is being established in the area of individual term creditor insurance;
- the renegotiation will have only a limited overall financial impact compared to the benefits of securing the current partnership.

Agreements already approved by the Annual General Meeting

Agreements 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, remained in force during the year ended 31 December 2019.

1) New exclusive distribution agreement in Brazil through the Caixa Econômica Federal (CEF) network, for life insurance (vida), consumer credit life insurance (prestamista) and private pension plans (previdência) (agreement between companies that have common directors)

Persons concerned

Frédéric Lavenir and Jean-Paul Faugère, directors of both CNP Assurances and Caixa Seguros Holding (CSH), a 51%-owned subsidiary of CNP Assurances.

Nature and purpose

On 29 August 2018, an agreement was signed securing for the very long term (through 2041) and for revised product categories [life insurance (*vida*), consumer credit life insurance (*prestamista*) and private pension plans (*previdência*)], a significant part of the business conducted with the Caixa Econômica Federal (CEF) network.

The distribution agreement will be implemented through a joint venture ("New JV") set up for this purpose between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations, with CNP Assurances and Caixa Seguridade owning respectively 51% and 49% of the voting rights and 40% and 60% of the economic rights. On the transaction completion date, Caixa Seguros Holding (CSH) will transfer to the new insurance joint venture (which will be wholly-owned by the New JV) the In-Force insurance portfolios corresponding to the product categories included in the scope of the agreement.

In parallel, CNP Assurances has reached a separate agreement with Caixa Seguridade and the insurance brokerage group Wiz regarding the terms of the future cooperation with Wiz, including operational back office services provided by Wiz to CSH and to the new insurance joint venture to be created under the new agreement with Caixa Seguridade.

Terms and conditions

In accordance with Article L.225-38 *et seq.* of the French Commercial Code, the Board of Directors authorised the Executive Management of CNP Assurances on 15 January 2018 (authorisation reiterated on 27 July 2018) to sign:

- a binding framework agreement with CEF and Caixa Seguridade (together "Caixa"), together with the agreements listed therein and/or that resulted therefrom, including:

(i) a distribution agreement covering *vida*, *prestamista* and *previdência* products, to be entered into notably with the new insurance company (wholly owned by the New JV),

(ii) a new JV Shareholders' Agreement between CNP Assurances and Caixa Seguridade,

(iii) an addendum to the Caixa Seguros Holding (CSH) Shareholders' Agreement between CNP Assurances and Caixa Seguridade,

(iv) letters issued by CNP Assurances waiving the exclusive distribution rights granted by Caixa to the CSH group under the current partnership agreement for the insurance products not included in the scope of the new partnership,

(v) an addendum to the distribution agreement currently in force between CSH and Caixa;

- contractual documents with the Wiz brokerage group (i.e., a framework settlement agreement, a letter in which the Wiz subsidiaries sign up to this agreement and a commitment by CNP Assurances concerning operational back office services to be entered into by the new insurance company), defining the terms and conditions of future cooperation between the CSH group, Caixa Seguridade and the Wiz group, particularly for the supply of operational back office services to CSH and the new insurance company.

Benefits of the agreements remaining in force

The benefits of these agreements, which did not give rise to any payments in 2019, are as follows:

- the agreements secure the long-term future of CNP Assurances' business in Brazil;
- a significant proportion of CNP Assurances' current business via the CEF network has been secured;
- the renewed partnership will create value, unlike the various no-deal scenarios;
- Wiz has given a commitment not to challenge the interpretation according to which its exclusive rights will expire no later than 14 February 2021.

2) Agreements with Arial CNP Assurances (signed in connection with the transfer of a portfolio of company retirement savings plan contracts carried out in 2017) (agreements with companies that have common directors)

Persons concerned

The Chief Executive Officer of CNP Assurances is Chairman of the Board of Arial CNP Assurances which is 40%-owned by CNP Assurances.

Nature and purpose

AG2R La Mondiale and CNP Assurances initially signed a framework partnership agreement on 11 December 2015, covering their retirement savings plan and employee benefits plan businesses. The partnership was cemented by CNP Assurances' acquisition of 40% of the capital and voting rights of Arial CNP Assurances (ACA).

In connection with this strategic partnership to create a major player in the Company retirement savings plan market that became operational at the end of 2017 when the portfolio was transferred, various agreements were signed between 2017 and 2019 addressing the practical organisation of the partnership's implementation.

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 that were still in effect in 2019:

- agreements implementing the partnership:
  - In-Force reinsurance treaty No. RS 170003 (signed on 29 May 2017). This 100% quota-share treaty concerns the reinsurance by CNP Assurances of all the Group contracts transferred to ACA pursuant to the terms and conditions of the asset contribution agreement,
  - three senior pledge agreements (signed on 19 October 2017) guaranteeing CNP Assurances' obligations towards ACA under the In-Force reinsurance treaty. The agreements concern financial securities accounts pledged separately to three contractually defined contract categories (202, 235 and 237) (pledges presented in Appendix 2 to the reinsurance treaty),
  - addendum to the new business reinsurance treaty (signed on 29 May 2017), whose purpose is to reflect the structure adopted in the In-Force reinsurance treaty concerning pledges for category 211 contracts,
  - pledge agreement (signed on 19 October 2017) extending the pledge on financial securities accounts to include CNP Assurances' obligations towards ACA under the In-Force reinsurance treaty. The extension only concerns obligations related to contracts included in the transferred portfolio that are classified as category 211,
  - delegated financial management mandate (signed on 29 May 2017) appointing CNP Assurances to manage the unit-linked portfolios included in the scope of the agreement and the In-Force reinsurance treaty. ACA has appointed CNP Assurances to manage, in its name and on its behalf, the assets held in the account(s) opened for this purpose. The delegated financial management mandate sets the rules for managing the portfolios and describes the fee arrangements as well as the process for recording and transmitting buy and sell orders;
- the following addenda governing relations between the partners:
  - addendum to the Shareholders' Agreement (and the undertakings given in application of the agreement) (signed on 28 June 2017),
  - addendum to the exclusive distribution agreement (signed on 28 June 2017).

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 21 February 2018, the Board of Directors authorised the Company's Executive Management to sign the following documents that were still in effect in 2019:

- delegated management agreement (concerning the CNP Assurances Company retirement savings plans that have not been transferred to ACA) (delegated management agreement describing the tasks delegated to ACA for CNP Assurances Company retirement savings plans not transferred to ACA, covering contract administration and management, client relationship management, management of actuarial analyses and management of sales and marketing activities);
- delegated administrative services agreement (for the CNP Assurances portfolio transferred to ACA) (signed on 7 January 2020) (management by CNP Assurances on its information system of the portfolio of CNP Assurances Company retirement savings plans transferred to ACA, pending migration to ACA's target PTV information system);
- agreement for the use of computer applications (signed on 7 January 2020) (concerning the portfolio of CNP Assurances Company retirement savings plans transferred to ACA and the plans not transferred that are managed by ACA under a delegated management agreement) (use by ACA of the CNP Assurances computer applications needed to manage the portfolios).

Reason for the agreement remaining in force

The ongoing execution of these agreements for the implementation of the partnership maintains a contractual framework governing relations between the partners and clarifies their respective roles concerning the management of the insurance portfolios and the use of IT resources.

Inward reinsurance premiums received by CNP Assurances in 2019 totalled €1,547.3 million, including €1,361.5 million from the new business reinsurance treaty. Net expenses came to €6.9 million.

3) Agreement concerning the proposed acquisition of an office complex in Issy-les-Moulineaux, a south-western suburb of Paris, and transfer of the Company's headquarters to the new property (agreement with a shareholder)

Persons concerned

The persons concerned are Caisse des Dépôts, represented by Eric Lombard, and the directors elected on the recommendation of Caisse des Dépôts (Olivier Sichel, Olivier Mareuse, Virginie Chapron du Jeu, Annabelle Beugin Soulon, Pauline Cornu-Thenard and Laurence Giraudon).

Nature and purpose

In connection with the search for a new headquarters building, CNP Assurances identified an office complex to be built on land owned jointly by Caisse des Dépôts and another company.

Terms and conditions

At its meetings on 27 July 2018 and 19 December 2018, the Board of Directors authorised CNP Assurances' Executive Management to sign agreements concerning the acquisition of its future headquarters building in Issy-les-Moulineaux.

The agreements (one between CNP Assurances and Caisse des Dépôts, and another between CNP Assurances, Caisse des Dépôts and Altarea Cogedim) include certain conditions precedent and provide for two alternative deal structures:

i. a Share Deal, whereby CNP Assurances and Caisse des Dépôts would become joint owners of CNP Assurances' headquarters building on a 50/50 basis, and
ii. an Off-Plan Deal, whereby CNP Assurances would purchase the building alone, for future delivery once construction has been completed.

They describe the relations between the parties depending on the chosen structure and the related contractual impacts.

Finally, the Off-Plan Deal option was selected and implemented in 2019.

Reason for the agreement remaining in force

The agreements benefit the Company by enabling it to move to new offices where it can house a significant proportion of its employees in a high quality working environment. The property was found after an extensive search that took into account real estate, environmental and financial criteria.

In 2019, CNP Assurances paid a current account advance of €339 million to SCI ICV.

4) Agreement concerning the proposed sale of offices in the Montparnasse district of Paris, corresponding to the Company's current headquarters (agreements with a shareholder)

Persons concerned

The persons concerned are Caisse des Dépôts, represented by Eric Lombard, and the directors elected on the recommendation of Caisse des Dépôts (Olivier Sichel, Olivier Mareuse, Virginie Chapron du Jeu, Annabelle Beugin Soulon and Laurence Giraudon).

Nature and purpose

Caisse des Dépôts and Altarea Cogedim expressed an interest in acquiring CNP Assurances' current headquarters in the Montparnasse district of Paris and presented an indicative offer.

Terms and conditions

At its meeting on 19 December 2018, the Board of Directors authorised CNP Assurances' Executive Management to:

- complete the sale on the terms presented to the Board, which include a mechanism to increase or reduce the sale price depending on factors affecting the property's value (asbestos removal, creation of additional space) and an occupancy charge for the period between the completion date of the sale and the date when CNP Assurances' employees move to the new building;
- accept the signature of the related contractual documents.

CNP Assurances accepted the offer made by CDC and Altarea Cogedim and the related agreements were signed.

Reason for the agreement remaining in force

The benefits of the agreement are as follows:

- it is in CNP Assurances' interests to sell the offices, which require considerable work,
- the financial terms (price per sq.m., total value of the property) are attractive;
- CNP Assurances would be able to continue occupying the offices until the Issy-les-Moulineaux property is delivered;
- CNP Assurances could receive contingent consideration depending on the additional office space created by Altarea Cogedim and CDC and the rent negotiated with the new tenant(s);

- an independent expert has expressed a favourable opinion on the terms offered by Caisse des Dépôts and Altarea Cogedim.

CNP Assurances received a €52.1 million payment in 2019 and will receive a further €96.68 million in instalments once the offices have been vacated.

5) LBPAM (agreements between companies that have common directors)

Persons concerned

Sopassure, Rémy Weber, Philippe Wahl, the French State, Caisse des Dépôts and Franck Silvent (common directors or concerned persons on the transaction date).

Nature and purpose

Under the terms of agreements signed on 26 June 2017 in replacement of an asset management mandate dated 28 April 2006, CNP Assurances gave full powers to LBPAM to manage asset portfolios and cash deposited in a related account, in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 10 May 2017, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- a delegated asset management mandate covering equities and fixed income products, including the investment fund order reception and transmission services that LBPAM is licensed to provide;
- a service level agreement setting out key performance indicators (KPIs), the penalties for failing to meet the required service levels, the service governance structure (Committees) and the management processes;
- an investment advice agreement concerning purchases and sales of units in investment funds and covering due diligence reviews and analyses of investment funds and their asset managers.

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

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

Fees paid by CNP Assurances pursuant to this agreement in 2019 amounted to €17.2 million. This amount was rebilled to the subsidiaries concerned.

Reason for the agreement remaining in force

The agreement covers the continued management of part of the securities portfolio on terms that reflect the changes made necessary by Solvency II, adjust the services provided and set higher service level requirements, in exchange for fees that are aligned with very satisfactory market rates for standard services.

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

Persons concerned

Sopassure, Philippe Wahl, Rémy Weber, François Pérol and Jean-Yves Forel (common directors or concerned persons on the transaction date).

Nature and purpose

Under the terms of agreements signed on 22 December 2017 in replacement of a property portfolio management mandate signed on 11 July 2008, CNP Assurances retained the services of AEW Ciloger (previously AEW Europe) for five years from 1 January 2018 to 31 December 2022 to manage all of the property assets defined in the mandate, and to provide assistance and advice in defining and implementing the investment and asset rotation strategy.

Agreements for the management of five dedicated OPPCI property funds were included in the negotiations.

The fee arrangements are aligned with those negotiated with CNP Assurances' other property portfolio managers.

Terms and conditions

In accordance with Articles L.225-38 *et seq.* of the French Commercial Code, at its meeting on 15 November 2017, the Board of Directors authorised the Company's Executive Management to sign the following documents:

- a master property portfolio management mandate covering properties owned indirectly by CNP Assurances;
- a master property portfolio management mandate covering properties owned directly by CNP Assurances;
- five OPPCI property fund management mandates. (AEW IMCOM UN, AEW IMCOM 6, AEP 247, LBP Actifs Immo and Outlet Invest).

These agreements were signed on 22 December 2017.

AEW Ciloger received a fee determined as follows:

- portfolio rotation transactions: a percentage of the purchase and/or sale price of the properties purchased or sold with its assistance;
- property management services: a percentage of rental income, based on property type, excluding taxes and expenses;
- property leasing services: a percentage of the rent under the signed lease;
- investment vehicle administrative management services: a flat annual fee per investment vehicle based on the number of assets held by the vehicle and the number of account closing balance;
- investment vehicle account consolidation services: a flat fee based on the number of investment vehicles and the number of account closings;
- works management services: fees based on the invoiced cost of the works, excluding tax.

AEW Ciloger's costs under the agreement are paid by the investment vehicles, except for €170 thousand paid directly by CNP Assurances.

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

Reason for the agreement remaining in force

The new agreements with AEW Ciloger extend the existing relationship. Through its experience of buying, selling and managing properties, AEW Ciloger has become an expert in analysing property investments and structuring deals, enabling it to present investment opportunities that are compatible with CNP Assurances' investment strategy in France and the rest of the Eurozone, encompassing various types of assets (offices, retail units, residential units, warehouses), in exchange for fees that are comparable to those of CNP Assurances' other property portfolio management services providers.

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

Persons concerned

La Caisse des Dépôts, Delphine de Chaisemartin, Franck Silvent, Olivier Mareuse, Pauline Cornu-Thénard, Virginie Chapron du Jeu and the French State (common directors or concerned persons on the transaction date).

Nature and purpose

EDF, the sole shareholder of RTE, sold part of RTE's capital subject to the legislative requirement that its entire capital must be held by the French State, EDF and/or another public sector entity.

In July 2016, 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, Caisse des Dépôts and EDF describing the terms and conditions of the purchase of 49.9% of the capital and voting rights of CTE, a company to be set up by EDF to which it would transfer 100% of RTE's capital and voting rights;
- a memorandum of understanding concerning the signature of a Shareholders' Agreement between 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 SOCIETE C25, CNP Assurances, Caisse des Dépôts and EDF – organising their rights and obligations as indirect shareholders of RTE and describing RTE and CTE's governance rules based on the specific regulations applicable to RTE;
- a Shareholders' Agreement between CNP Assurances and Caisse des Dépôts organising their rights and obligations as shareholders of CTE and indirect shareholders of RTE, and the exercise of their collective rights under the agreement in the governance of RTE and CTE.

Reason for the agreement remaining in force

This significant investment in Europe's leading electricity transmission system operator and the sole operator in France (€1,080 million for CNP Assurances' share, representing 20% of RTE's capital) was made at a price that offers a satisfactory internal rate of return and a healthy projected average yield over the next ten years.

In addition, it qualifies as a strategic investment under Solvency II, with the result that the corresponding Solvency Capital Requirement is less than for a non-strategic infrastructure investment.

8) Renewal of the partnership with La Banque Postale

Persons concerned

Sopassure, Philippe Wahl, Rémy Weber, and the French State (common directors or concerned persons on the transaction date).

Nature and purpose

Following the authorisation given by the Board of Directors on 16 February 2016, CNP Assurances and La Banque Postale signed a framework agreement on 25 March 2016 renewing 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;
- specifies 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 set a framework for relations between the parties under the renewed partnership agreement.

In line with the terms of the master agreement, new partnership agreements were signed, along with contracts implementing their provisions in the following areas:

- in life insurance, the main components of the new agreements are as follows:
  - a ten-year partnership agreement 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,
  - an agreement whereby CNP Assurances has appointed La Banque Postale and BPE to distribute its life insurance and endowment products,
  - a marketing cost-sharing agreement, whereby CNP Assurances contributes to the sales promotion and communication costs incurred by La Banque Postale and BPE;
- personal risk/protection insurance:
  - an agreement for the sale by CNP Assurances to La Banque Postale of its 50% interest in La Banque Postale Prévoyance ("LBPP") for €306.9 million (less the amount of dividends paid prior to the completion date), with La Banque Postale Prévoyance retaining *inter alia* the Personal Risk Insurance business. The sale was completed on 28 June 2016 and was preceded by the signature on 25 March 2016 of (i) a delegated management agreement whereby CNP Assurances continues to administer current personal risk insurance products with the same fee arrangements as applied before the agreement was signed, (ii) an addendum to the advisory and financial management agreement, and (iii) an agreement organising the transfer to La Banque Postale Prévoyance by the end of 2017 of certain back-office activities previously performed by CNP Assurances,
  - a distribution agreement between CNP Assurances, La Banque Postale and BPE concerning home-buyer term creditor insurance, a financial agreement defining commissions payable to La Banque Postale and BPE and the payment by CNP Assurances to La Banque Postale and BPE of an initial commission when distribution of the new group policies begins, to be adjusted at the end of 2020 and after ten years, and a delegated management agreement setting out the service level and reporting commitments given by La Banque Postale and BPE,
  - a 5% quote-share reinsurance treaty covering new home-buyer Term Creditor Insurance business between La Banque Postale Prévoyance and CNP Assurances. The ten-year treaty will come into effect when La Banque Postale and BPE start distributing CNP Assurances' new group policies,
  - a certain number of addenda and application agreements were signed during 2016. Addenda postponing the deadlines for signing the agreements that had not been finalised were signed on 15 February 2017.

Reason for the agreement remaining in force

The benefits of the agreement are as follows:

- renewal of the life and endowment insurance partnership for a long period on satisfactory financial terms protects the value of the partnership between CNP Assurances and La Banque Postale;
- the overall agreement is balanced, with the removal from the partnership of individual Personal Risk Insurance business being offset by the extension of activities in the wealth management segment with BPE and the strengthening of the home-buyer Term Creditor Insurance business;
- the proposed agreement covers a long period and the partnership conditions are not excessively inflexible, providing CNP Assurances with improved visibility when it comes to preparing its business plan.

No payments were made or received under these agreements during 2019.

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loadings and the deductions from investment income.

Fees paid by CNP Assurances pursuant to this agreement in 2019 amounted to €658.1 million.

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

Persons concerned

François Pérol and Jean-Yves Forel (common directors on the transaction date).

Nature and purpose

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

Terms and conditions

In parallel with the gradual transfer to Natixis Assurances of all savings and pensions (i.e., life and endowment) policies distributed by the Caisses d'Epargne network during 2016, the renewed partnership includes:

- mechanisms to align the interests of policyholders with those of CNP Assurances concerning the ongoing management by CNP Assurances of contracts purchased by Caisses d'Epargne customers up until 31 October 2016, corresponding to the date when the final Caisse d'Epargne branches switched from CNP Assurances to Natixis Assurances for their new insurance business. These mechanisms consist mainly of two reinsurance treaties covering new business ("tranche 1" and "tranche 2" treaties), a mechanism concerning the Savings business that comprises an agreement guaranteeing stable In-Force business levels and an outperformance agreement, and a 10% quota-share reinsurance treaty with ABP Vie, a subsidiary of Natixis Assurances;

- an exclusive partnership with Natixis Assurances (co-insured 66% by CNP Assurances and 34% by Natixis Assurances) for term creditor insurance distributed by the Banques Populaires network (excluding BRED, Crédit Coopératif and CASDEN), the Caisses d'Epargne network, Banque Palatine and Crédit Foncier and specific partnerships in personal risk insurance and employee benefit plans, including health insurance (to address the market created by the national inter-professional agreement – *Accord National Interprofessionnel*).

Renewal of the partnership was authorised by the Board of Directors on 18 February 2015 and a master partnership agreement was signed on 23 March 2015 between CNP Assurances, BPCE (acting in its own name and in the name and on behalf of, *inter alia*, the banks in the Caisses d'Epargne and Banques Populaires networks) and Natixis. On 30 December 2015, an addendum was signed modifying the deadlines for signing certain agreements for the application of the master partnership.

The master partnership agreement:

- notes that the agreements expiring on 31 December 2015 are not being renewed;
- represents the umbrella agreement defining and organising the contractual framework created by the new partnership agreements;
- sets at seven years the duration of the new partnership agreements, commencing 1 January 2016. At the end of this seven-year period, BPCE will have the option of either renewing the agreements for a period of three years commencing 1 January 2023 or purchasing the insurance book represented by policies sold through the BPCE group at a mutually agreed price. BPCE may initiate negotiations for the purchase of the insurance book after five years, i.e., at the end of 2020, and CNP Assurances may initiate negotiations for the sale of the insurance book to BPCE at the end of the five- and seven-year periods and each three-year renewal period; and
- 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 (excluding unit-linked contracts or formulas) sold by the Caisses d'Epargne and related banks during the 2016-2019 calendar years. This treaty will remain in force until the reinsured policies expire;
- a reinsurance treaty with ABP Vie, to which BPCE and Natixis are parties, covering tranche 2 new business. Under the terms of this treaty, which would be activated by an interest rate or behavioural shock, CNP Assurances reinsures 90% of the insurance liabilities arising from payments into ABP Vie savings and pension products made by former CNP Assurances customers. Similarly, a "*Eurocroissance*" agreement provides for CNP Assurances to be indemnified for policyholder payments into an ABP Vie "*Eurocroissance*" product. "Cross-matching" agreements organise the supply by BPCE of the list of former CNP Assurances customers that have become ABP Vie customers following the occurrence of an interest rate or behavioural shock.

- In addition:
  - in the premium savings segment, partnership agreements have been signed by CNP Assurances with Banque Privée 1818 and Sélection 1818,
  - concerning Ecureuil Vie Développement (set up to drive growth in insurance sales by the Caisses d'Epargne network), an agreement for the sale of 2% of its shares was signed between CNP Assurances, BPCE and Natixis Assurances (giving Natixis Assurances 51% of Ecureuil Vie Développement's capital and voting rights as of 1 January 2016), together with a Shareholders' Agreement between the three partners, and an agreement was signed between CNP Assurances and Ecureuil Vie Développement concerning the secondment of employees,

- in the area of asset management, a master portfolio management and investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management.

With the exception of this latter agreement, all the other agreements were signed on 23 March 2015 with various addenda signed during 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, and
  - 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.

The extension agreements were signed on 19 December 2019.

Reason for the agreement remaining in force

The new partnership agreements will further the Company's business interests, particularly in light of the In-Force business protection mechanisms which adequately cover the risks identified by the Company, and the term creditor insurance and personal risk/employee benefits distribution partnerships negotiated with the partners.

No payments were made or received under these agreements during 2019.

New agreements described in section I were signed at the end of December 2019.

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 2019 amounted to €1,100.2 million.

10) Investment by CNP Assurances in GRTgaz

Persons concerned

La Caisse des Dépôts and the five Directors elected on the recommendation of Caisse des Dépôts, Stéphane Pallez and the French State (common directors or concerned persons on the transaction date).

Nature and purpose

On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts (CDC) laid the foundations for a long-term partnership with GDF Suez in natural gas transportation in France and the rest of Europe. The partnership was based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion, alongside Engie (formerly GDF Suez) which held the other 75% of the shares.

The 25% minority stake is held indirectly through two holding companies, Société d'Infrastructures Gazières (SIG), which holds the GRTgaz shares and is wholly owned by Holding d'Infrastructures Gazières, which in turn is 54.4%-owned by CNP Assurances and 45.6% by Caisse des Dépôts.

A Shareholders' Agreement relating to GRTgaz was authorised by the Board of Directors on 5 April 2011 and signed on 27 June 2011 between GDF Suez and SIG in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts. It sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. The Shareholders' Agreement was entered into for a term of 20 years and is renewable once for a term of ten years. It grants SIG the usual rights of a non-controlling shareholder.

In 2017, to support GRTgaz's plan to acquire the entire capital of Elengy, a methane terminal operator wholly owned by Engie, CNP Assurances and Caisse des Dépôts decided to underwrite a capital increase by GRTgaz through SIG in order to maintain the balance of ownership interests in GRTgaz. CNP Assurances' share of SIG's €200 million investment amounted to €110 million.

The transaction led to the signature of several agreements authorised by the Board of Directors on 10 May 2017:

- an addendum to the GRTgaz Shareholders' Agreement to be entered into between Engie and SIG, to which GRTgaz, CNP Assurances and Caisse des Dépôts are also parties, adjusting the dividend policy to include distribution of the profits generated by Elengy (the agreement currently provides for GRTgaz's IFRS profit to be distributed in full);

- an additional agreement (alongside the Shareholders' Agreement) to be entered into between Engie and SIG, to which GRTgaz, CNP Assurances, Caisse des Dépôts and Elengy are also parties;
- a call option on GRTgaz shares representing up to 0.187% of the capital, to granted by Engie to SIG. The option would be exercisable if revenues from Elengy's unregulated businesses in the period to 2022 fall short of Engie's projections;
- call option on GRTgaz shares representing up to 0.063% of the capital, to granted by SIG to Engie. The option would be exercisable if a subsidiary of Elengy receives an amount in settlement of a dispute between the subsidiary and the STS group of companies that is distributed by the subsidiary to Elengy, by Elengy to GRTgaz and by GRTgaz to its own shareholders.

The Shareholders' Agreement remained in effect in 2019 and the call options on the shares were not exercised.

Reason for the agreement remaining in force

At 31 December 2019, CNP Assurances held 54.41% of the share capital of HIG (€420.47 million) as well as bonds directly issued by SIG in the amount of €317 million.

GRTgaz constitutes a long term infrastructure investment for CNP Assurances. In this context, the Shareholders' Agreement should not be called into question.

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

Persons concerned

Sopassure, Jean-Paul Bailly and Patrick Werner (common directors or concerned persons on the transaction date).

Nature and purpose

At its meeting on 7 October 2010, the Board of Directors authorised the signing of an agreement between CNP Assurances and La Banque Postale defining the terms and conditions for giving greater autonomy to La Banque Postale Prévoyance ("LBPP").

This agreement, applicable with retroactive effect as from 1 January 2010, described the measures taken in terms of governance, operating procedures, and to adjust fees for policy administration services provided by CNP Assurances on behalf of LBPP.

Following the renewal of the partnership with La Banque Postale in March 2016, which notably included the sale of CNP Assurances' 50% interest in LBPP, a delegated management agreement giving CNP Assurances responsibility for managing existing personal risk products, and an addendum to the advisory and financial management agreement, the 2010 agreement was no longer applicable to certain support services provided by CNP Assurances on behalf of LBPP.

Terms and conditions

In 2019, 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:

- €13.9 million for support services and delegated management services.

Reason for the agreement remaining in force

The terms of the partnership between CNP Assurances and La Banque Postale, and especially the relations between CNP Assurances and LBPP, were the subject of negotiations and the new partnership sets an end date for the agreement increasing LBPP's autonomy.

12) Securities management agreement with Natixis AM

Nature and purpose

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM, formerly IXIS Asset Management, a BPCE group company. The contract signed on 30 June 2008 was amended in 2013.

Under the renewed partnership with BPCE authorised by the Board of Directors on 18 February 2015, a master portfolio management and associated investment services agreement was signed on 28 December 2015 between CNP Assurances and Natixis Asset Management. The agreement replaced the former agreement dated 2008 with effect from 1 January 2016.

Pursuant to this agreement, CNP Assurances gives full powers to Natixis AM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions

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

- a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds);
- a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances pursuant to this agreement in 2019 amounted to €20 million. This amount was rebilled to the subsidiaries concerned.

Reason for the agreement remaining in force

CNP Assurances benefits from the prolongation of this mandate for the management of part of its securities portfolio.

13) Agreement for the issue of perpetual subordinated notes between CNP Assurances and *Caisse Nationale des Caisses d'Epargne et de Prévoyance*

Nature and purpose

At its meeting on 18 April 2006, the Supervisory Board of Ecureuil Vie authorised the Company to issue perpetual subordinated notes in the amount of €108 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes: Euribor 3 months +95 bp until 20 December 2026, then Euribor 3 months +195 bp.

The interest expense recorded by CNP Assurances in 2019 amounted to €0.62 million.

Reason for the agreement remaining in force

These perpetual subordinated notes constitute regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

14) Agreement for the issue of perpetual subordinated notes between CNP Assurances and *Caisse Nationale des Caisses d'Epargne et de Prévoyance*

Nature and purpose

At its meeting on 2 April 2004, the Supervisory Board of Ecureuil Vie authorised the Company to enter into an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €183 million, divided into two tranches of €90 million and €93 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes:

- first tranche: 4.93% until 2016, then Euribor +160 bp from 15 November 2016;
- second tranche: 3-month Euribor +160 bp from 15 November 2016.

The interest expense recorded by CNP Assurances in 2019 amounted to €1.14 million for the first tranche and €1.18 million for the second tranche.

Reason for the agreement remaining in force

This perpetual subordinated loan constitutes regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

15) Agreement for the issue of fixed-term subordinated notes between CNP Assurances and *Caisse Nationale des Caisses d'Epargne et de Prévoyance*

Nature and purpose

At its meeting on 10 April 2002, the Supervisory Board of Ecureuil Vie authorised the Company to sign an agreement for the issue of fixed-term subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €200 million, due 23 June 2023.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

Terms and conditions

Interest rate on the notes is Euribor +200 bp. The interest expense recorded by CNP Assurances in 2019 amounted to €3.4 million.

Reason for the agreement remaining in force

This perpetual subordinated loan constitutes regulatory capital under Solvency II. The loan has more competitive interest rate conditions than those which could currently be obtained in the market.

Neuilly-sur-Seine and Courbevoie, 4 March 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Bénédicte Vignon	Olivier Leclerc

chapter

4

RISK FACTORS AND RISK MANAGEMENT

4.1 Risk factors

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

The main risks to which the Group is exposed are set out in this section.

This section discusses:

- **risk factors linked to the financial markets:** risk of falling interest rates and persistently low rates, risk of falling share prices, corporate credit risk, real estate risk, sovereign credit risk;
- **underwriting risk factors linked to the insurance business:** policy surrender or cancellation risk, morbidity risk;
- **operational risk factors linked to the business:** outsourcing risk, product and client interaction compliance risk, information systems and data risk;
- **strategic risk factors:** strategic partnership risk, country risk, regulatory risk.

Risks are discussed in declining order of importance within each category.

4.1.1 Risk factors linked to the financial markets

The Group is exposed to the fall in interest rates and persistently low interest rates

During a period of falling interest rates, interest and redemption proceeds are reinvested at a lower rate, leading to a gradual erosion of bond portfolio yields. A prolonged fall in interest rates makes contractual loading more difficult to apply to savings and pension products and exposes the insurer to a risk of lower margins, especially on traditional life insurance products. In more extreme scenarios, despite the relatively low proportion of contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the Group to use its own-funds portfolio to pay the guaranteed amount.

European interest rates declined significantly in 2019, exposing the Group to this risk on its portfolio of traditional savings/pensions contracts in France and Italy. Technical reserves for these contracts totalled €250 billion in 2019, representing over 95% of average technical reserves, excluding unit-linked portfolios.

The bond portfolio represents three-quarters of the Group's insurance assets (excluding unit-linked portfolios) and over €225 billion at net carrying amount. In 2019, the average yield to maturity of bond purchases in France was 0.8%, while the average guaranteed yield on savings/pensions new money for the year was 0.01%.

For several years, we have followed a policy of setting aside a portion of the investment income generated by our investments in the policyholder surplus reserve, which could be used in such a situation. If interest rates stay low in the future, we may have to use the reserve to top up policyholder dividends. Initiatives have been taken to modify new products to adapt the Group's liabilities over time to the new very low interest rate environment.

We have a lesser exposure to this risk in Brazil, where the Selic (the benchmark interest rate for the Brazilian economy) declined by 200 points in 2019 from 6.5% to 4.5%, because the vast majority of our savings/pensions portfolio in this country consists of unit-linked contracts.

All told, a 50-point decline in European interest rates would result in a 23-point reduction in our consolidated SCR coverage ratio, which stood at 227% at 31 December 2019. In addition, a 50-point decline in European interest rates would reduce the value of the Group's In-Force business, as measured for MCEV© calculation purposes, by €3.6 billion (-51%).

For these reasons, the Group's exposure to the fall in interest rates and persistently low interest rates is considered as **very significant.**

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

We invest fairly significant amounts in equities and equity funds as part of our portfolio diversification policy. Investments in this asset class amount to more than €30 billion and represent over 10% of the total asset portfolio (based on net carrying amounts excluding unit-linked portfolios). Listed equities account for more than 80% of the total, with the balance made up of private equity and infrastructure investments. In addition, over €28 billion worth of equities are held in unit-linked portfolios.

We have a long-standing hedging programme to protect against equity risk. At 31 December 2019, we held hedges on a notional amount of €12 billion.

A 25% fall in equity prices would result in a 7-point reduction in our consolidated SCR coverage ratio, which stood at 227% at 31 December 2019. In addition, a 25% fall in equity prices would reduce the value of the Group's In-Force business, as measured for MCEV© calculation purposes, by €2.3 billion (-33%). Lastly, a 10% fall in equity prices would reduce the Group's attributable net profit (IFRS) by €15 million.

For these reasons, the Group's exposure to the risk of a fall in equity prices is considered as **significant**.

Credit risk on corporate bonds

The credit risk on a bond is the risk of partial or total issuer default and, by extension, an increase in the bond portfolio's credit spread. The credit spread is the risk premium, namely the difference between the yield on a bond and that on a risk-free government bond with the same characteristics. Credit spreads vary according to investor perceptions of the credit risk represented by the issuer.

As a long-term investor, we hold in our asset portfolio over €85 billion worth of corporate bonds (based on net carrying amounts excluding unit-linked portfolios), representing over 35% of the total asset portfolio (excluding unit-linked portfolios) at 31 December 2019. We are therefore exposed to the risk of a change in credit spread on these bonds.

This risk depends on the health of the issuer's balance sheet and its credit quality. Out of the total corporate bond portfolio, 70% are rated A or higher and non-investment grade bonds (rated BBB) account for 27% (based on market values). Bonds issued by banks account for 39% of the total and the balance of the portfolio is invested in bonds issued by companies operating in a wide range of industries and sectors.

In light of the current economic environment and the narrower spreads observed in 2019, the Group's exposure to credit risk on corporate bonds is considered as **significant**.

Credit risks on government bonds and government bond-based instruments

During periods of increased government borrowing, there may be growing concern about the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, we may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

The Group holds significant portfolios of French and other European government bonds and is naturally sensitive to any widening of sovereign debt spreads in the main Eurozone countries that are considered to be relatively exposed. A wave of surrenders could oblige us to sell part of the government bond portfolio and if spreads widen, the sales could generate losses which could in turn impact the Group's own-funds.

A 50-point decline in sovereign spreads would result in a 7-point reduction in our consolidated SCR coverage ratio, which stood at 227% at 31 December 2019.

All told, the Group's exposure to credit risks on government bonds is considered as **significant**.

Risk of a fall in property values or yields

The value of properties owned directly by CNP Assurances Group or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy use, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance. 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.

At 31 December 2019, our property portfolio represented around €12 billion (net carrying amount excluding unit-linked portfolios).

In addition, €3.5 billion worth of properties were held in unit-linked portfolios. A decline in the value of these assets could trigger a high volume of surrenders for the policies concerned. The underlying properties could prove difficult to sell in the falling market, forcing us to draw on the Group's own funds to finance the surrenders.

Lastly, our subsidiary CNP Caution could experience a fall in earnings from its home loan guarantee business in the event that a steep decline in property values limits its ability to recover the guaranteed amount if the borrower goes into default.

All told, the Group's exposure to the risk of a fall in property values or yields is considered as **significant**.

4.1.2 Risk factors linked to the insurance business

Surrender or cancellation risk

Traditional savings contracts include an early surrender option for a contractually fixed amount. Surrender rates depend on how the financial markets perform, the yield offered by other competing financial products, our policyholders' behaviour and their confidence in our Group, and the tax rules applicable to investments in life insurance products.

For group pensions contracts, surrender risk corresponds to the risk of the policy being transferred by the client to another insurer. The PACTE Law that came into effect in 2019 requires insurers to include a clause in their policies allowing for this.

Technical reserves represent around €240 billion for savings contracts, including €5 billion for the wealth management business (corresponding to clients considered as representing a higher surrender risk), and over €15 billion for group pensions contracts managed by Arial CNP Assurances (based on French GAAP). The Group's exposure to surrender risk on savings and pensions contracts is considered as **significant**. Traditional savings products are exposed to surrender risk in the event of a sharp and rapid increase in interest rates.

In term creditor insurance, surrender risk includes the risk of a contract being surrendered due to the early repayment or renegotiation of the underlying loan (which is more likely in a period of falling interest rates) or the loan's cancellation. An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability. As France's leading provider of term creditor insurance, the Group has significant exposure to cancellation risk, which could have a material impact on consolidated earnings under IFRS.

More generally, surrender risk is linked to policyholder behaviour, which by definition is highly uncertain and partly dependent on external factors. The Group's exposure to surrender risk is therefore considered as **significant**.

Insureds morbidity risk

Personal risk contracts comprise various types of primary guarantees covering temporary or permanent disability, long-term care and health risks. These guarantees expose the Group to morbidity risks. The risk arises when insureds' death rates are higher than were expected when the policies were priced. The longer the Group's commitments, the greater the risk; as a result, morbidity risk is greatest for term creditor insurance and long-term care insurance.

The Group is exposed to risks associated with natural disasters which, in addition to the damage they cause and their immediate impact, may have consequences for the margin realised on certain classes of personal insurance business. The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

With 38 million insureds under personal risk/protection policies in France, Latin America and Europe, the Group's exposure to morbidity risk is considered as **significant**.

4.1.3 Risk factors linked to operations

Outsourcing risk

Our business model makes extensive use of outsourcing as defined in Solvency II. Activities delegated to partners or outsourced to service providers include:

- certain insurance transactions (delegated to our individual insurance partners in France);
- part of the policy and/or claims administration activities of CNP Santander Insurance in particular, and part of the policy administrative activities of the Brazilian subsidiary;
- asset management activities, for a significant proportion of the asset portfolios in France or in Italy (outsourced by CNP UniCredit Vita);
- information systems management, outsourced by CNP Santander Insurance in particular, but also part of the Group's information systems management activities in France;
- certain key functions of the less material subsidiaries (such as CNP Luxembourg).

The main outsourcing risks are quality and compliance of the outsourced activities and regulatory compliance (including the ban on price bargaining, dependence issues, loss of internal know-how and conflicts of interest). An internal outsourcing policy is in place to increase employee understanding, monitoring and control of the related risks.

The Group's exposure to outsourcing risk is considered as **significant**.

Product and client interaction compliance risk

Several aspects of the regulatory framework governing insurance activities have been changed. Many new regulations have been introduced to improve client protection, with the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation that came into effect on 1 January 2018, the Insurance Distribution directive (IDD) that came into effect in October 2018 and the General Data Protection Regulation (GDPR).

The new regulations expose the Group to compliance risks due to its broad range of businesses, in an environment shaped by the digitalisation of policyholder relationships and the increased focus on unit-linked sales, which are also a source of changing risks.

The life insurance section of the CNP Assurances business model (covering insurer liability) is frequently prepared by the partner networks. The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or the insurance proposal.

Combating money laundering and the financing of terrorism is a constant concern for the Company. The Group's business model, in which many transactions are performed by partners, has shaped the related controls. Nearly all transactions go through policyholders' accounts with the partner banks which are responsible for performing background checks on cash flows. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners.

CNP Assurances was ordered to pay a fine of €8 million in 2016 due to failings in its anti-money laundering systems, and was fined €40 million in 2014 after being found not to have made sufficient effort to trace the beneficiaries of unclaimed life insurance settlements. In light of these penalties, the Group's exposure to compliance risk is considered as **significant**.

Information system, data protection and cyber-security risks

The Group's sales and marketing and underwriting operations are all organised around information systems. These mission-critical systems must be capable of adapting to a constantly changing environment and increasingly frequent cyber attacks.

Information system risks include systems security risks, software malfunction risks and data protection risks (covering the disclosure, alteration or destruction of sensitive data). Instances of system downtime or failure or processing delays could lead to losses and may also damage the Group's image among customers. Granting access to the systems to certain partners and outside contractors exposes the Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data. We have deployed an information systems security management process and appointed a Chief Systems Security Officer.

As a life insurer that holds insureds' medical data, the Group is heavily exposed to the risk of personal data breaches due to the large volume of information on policies and policyholders that is processed automatically or manually. A cross-functional compliance project was carried out within the Group in preparation for the application of the new General Data Protection Regulation (GDPR).

In all, information system risks are considered as **significant** at Group level.

4.1.4 Risk factors linked to strategy

Partnership risk

We enter into various strategic partnerships, directly or through subsidiaries, to strengthen our presence in certain markets. These partnerships represent a means of sharing the business and financial risk with the partners concerned. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Integrating these partnerships or joint subsidiaries into the Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than originally expected, and this may negatively affect consolidated earnings. The constantly evolving nature of the business means that there is no guarantee that the financial performance of acquirees or partners will be aligned with the original business plans on which the investment decision was based. Underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect the Group's financial position.

It may be necessary to rethink a partnership in the event of changes to the project itself, the local political and economic situation, the partner's own financial situation, or because of a disagreement between partners.

In 2019, over three-quarters of our premium income (on an IFRS basis) was generated through our five main distribution partners (La Banque Postale for 26%, BPCE for 19%, Caixa Seguridade for 20%, Banco UniCredit for 9% and Banco Santander for 2%). Our business model depends to a considerable extent on the continuation of our existing partnerships and our ability to establish new ones. We therefore rate the Group's exposure to partnership risk as **very significant**.

Country risk

The Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

More specifically, the financial viability of certain businesses may depend on local regulations and government commitments in our host countries, especially in cases where we are called on to advance funds on behalf of the State. Regulatory changes (for example, the statutory increases in life annuities introduced in 2017) or a government decision to renege on its commitments may lead to litigation, with a significant adverse effect on the Group's earnings if the courts rule against us. For example, under the State-sponsored insurance system in Brazil administered by the various local insurers ("branch 66" insurance administered on a run-off basis since 2009), Caixa Seguradora is required to settle claims directly and then recover the amounts involved from a dedicated fund.

We have large subsidiaries in Brazil and Italy (accounting for 20% and 10% of last year's consolidated premium income, respectively), two countries that experienced political and economic upheaval in 2019 in different environments and for different reasons. In light of this, the Group's exposure to country risk is considered as **significant**.

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. Since 2018, for example, we have had to implement major projects to comply with the new General Data Protection regulation (GDPR) and the Insurance Distribution directive (IDD).

In addition, new regulations may be adopted that affect our business model. The new insurance accounting standard IFRS 17, which is due to come into effect in the near future, may have a significant impact on the IFRS earnings reported by CNP Assurances every quarter. Similarly, discussions currently in progress about the revisions to be made to Solvency II include consideration of yield curve and interest rate module issues. The Group's risk profile is heavily weighted towards financial risks and it could be faced with a significant reduction in its solvency margin as a result of these revisions. Lastly, if adopted, the proposed capping of life insurance commission rates in Germany risks having a material impact on CNP Santander Insurance's business in this country.

All told, the Group's exposure to risks related to new regulations is considered as **significant**.

4.2 Financial risks associated with the effects of climate change and measures taken by the Group to reduce them

Financial risks associated with the effects of climate change arise from the Group's:

- investment business;
- insurance business;
- internal processes.

These risks may take several different forms:

- physical risks, i.e., risks resulting from damage caused directly by climate phenomena;
- transition risks, i.e., risks resulting from the effects of deploying a low-carbon business model. This includes regulatory risk (risk of a change in government policies: ban or restrictions on certain activities, for example through the imposition of quotas; introduction of carbon taxes, fines, environmental taxes or other new tax measures), technological risk (risks resulting from the introduction of innovations or disruptive technologies that help combat climate change), market risk (changes in the balance of corporate and consumer supply and demand), liability risk (increase in claims and litigation) and reputational risk (changed perception of a company by clients and stakeholders).

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 investments.

We are nevertheless aware of the compelling need to reduce the effects of climate change and set up a Climate Risk Committee in 2019. The Committee meets each quarter to review regulatory developments and the roadmap to be deployed to manage climate risks across all aspects of the business. The members of the Committee include the Group General Secretary, the Group Chief Risk Officer, the Group Chief Investment Officer and the Chief Underwriter.

The results of the Climate Risk Committee's work were presented to the Executive Committee and the Audit and Risk Committee in November 2019.

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

Exposure to physical risks associated with the Group's investment activities

Our forestry assets are located mainly in France and their exposure to physical risk is therefore limited.

Our analysis of physical risks associated with our property portfolio, based on the two scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC), provided us with a snapshot of the assets giving rise to a high level of exposure to climate risks. For most of the risks, CNP Assurances' exposure is weak or non-existent. Only buildings located around the Mediterranean and in cities that are prone to urban heat islands have a higher risk of heatwave or increased average temperatures by 2050.

Lastly, the examination of the physical risk associated with our equity, corporate and government bond portfolios that was launched in 2018 and extended in 2019 provided us with insight into the exposure and vulnerability of certain companies' production resources (factories, offices, etc.) to various climate risks. The results of the examination were presented to the investment department and the risk department to raise their awareness of this risk.

Measures to reduce physical risks associated with the Group's investment activities

Concerning property assets, we intend to use our physical risk analysis to reduce our exposure by asking asset managers to propose solutions addressing the risks.

In the case of forestry assets, our investment strategy is designed to achieve a high level of geographic diversification throughout France, in order to limit the effects of extreme climate events such as storms and drought. Some areas subject to significant natural hazards have been avoided (south-east France, for instance, due to the fire risk). We have recently purchased woodland in Scotland, to further improve the level of geographic diversification.

Exposure to transition risks associated with the Group's investment activities

The value of our assets is potentially exposed to environmental and energy transition risks, including regulatory, technological, market, liability and reputational risks.

We use several approaches to manage transition risks:

- calculation of the carbon footprint of the portfolio of directly held equities and corporate bonds. This calculation is used to highlight the companies most exposed to transition risk, i.e., those with the most carbon-intensive businesses. In keeping with our commitment to acting as a responsible shareholder, we engage discussions with the management of the main companies concerned, to ensure that they are aware of the risks and opportunities associated with the environmental and energy transition, and to help them over the long-term in transitioning to a carbon-neutral economy;
- calculation of the carbon footprint of our portfolio of directly held properties; and the greenhouse gas emissions avoided by renovation work undertaken on these properties since 2012;
- in 2018, 2Dii performed an audit of our equities and corporate bond portfolios' alignment with the objective of limiting global warming to 2°C. The study is based on a "Beyond 2°C" Scenario (B2DS) corresponding to a 50% chance of limiting the rise in average temperature to 1.75°C. It analyses a scenario for five sectors: fossil fuels, automotive, cement & steel, aviation & maritime transport and electricity production on the basis of different energy sources (coal, gas, renewables, oil);
- aligning our equity portfolio with model portfolios made up of shares in European companies whose activities are compatible with or support energy transition targets.

  The alignment process is being conducted jointly with La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers). Our objective is for the management of directly held equities to be aligned with these model portfolios, which are heavily weighted towards companies that contribute to the energy and environmental transition.

Measures taken to reduce transition risks associated with the Group's investment activities and the 1.5°C convergence objective

In order to track the transition risk exposure of our investments, we set four key objectives:

- 47% reduction in the carbon footprint of the portfolio of directly held listed equities over the period 2014-2021 to 0.25 teqCO_2/€k invested in 2021. As of end-2019, this objective had been 110% met; the portfolio's carbon footprint at that date was 0.23 teqCO_2/€k invested, representing a 51% reduction compared with 2014;
- 40% reduction in the carbon footprint of the portfolio of directly held properties over the period 2006-2021 to 18 kgeqCO_2/sq.m. in 2021. As of end-2019, this objective had been 93% met: the portfolio's carbon footprint at that date was 19 kgeqCO_2/sq.m., representing a 37% reduction compared with 2006. The improvement was the result of an ambitious €170 million programme of work carried out over several years to make our directly held properties more energy efficient
- reduction in our exposure to the thermal coal sector. In 2015, we sold all of our €300 million worth of investments in companies that derived more than 25% of their revenue from thermal coal, and in 2019 we lowered the trigger point to 20%, leading to the sale of an additional €100 million worth of investments. In 2015, we also decided not to make any new investments in companies that derived more than 15% of their revenue from thermal coal, and in 2018 we lowered this ceiling to 10%;

  Lastly, in 2018, we decided not to make any new investments in the 120 companies that were the most heavily involved in developing new coal-fired power plants or coal mines, and in 2019, we extended the ban to all such companies, whatever their level of involvement;
- €5 billion worth of new investments in environmental and energy transition projects* in the period 2018-2021. In fact, in the last two years alone, €7 billion worth of new green investments were acquired and the objective was 139% met at end-2019. In November 2019, we announced plans

* Forests, green bonds, high energy performance buildings, green infrastructure such as renewable energy projects and low-carbon transportation systems

to double our green investment portfolio to €20 billion by end-2023. As of end-2019, the portfolio totalled €14.4 billion.

In 2019, we joined the Net-Zero Asset Owner Alliance, an initiative supported by the United Nations that aims to strengthen commitments to implement the Paris Agreement on climate change. As a member of the Alliance, we have committed to having a carbon-neutral investment portfolio by 2050. By targeting the transition of our portfolio to net zero greenhouse gas emissions over the next thirty years, we hope to help limit global warming to 1.5°C in line with the Paris Agreement.

As part of this long-term commitment, CNP Assurances and the other members of the Alliance will take into account advances in available scientific knowledge, particularly the conclusions of the IPCC, and will regularly report on the progress made by setting interim objectives every five years to 2050.

Joining the Alliance involves implementing three action levers:

- regularly measuring the investment portfolio's alignment with the Paris Agreement and publishing the progress made;
- conducting a shareholder dialogue with companies to ensure they are also targeting carbon neutrality;
- lobbying for public policies that promote the transition to a carbon-neutral economy, because the commitment of Alliance members to net-zero portfolios is based on the assumption that governments will fulfill their own commitments to meeting the objectives of the Paris Agreement.

4.2.2 Financial risks associated with the effects of climate change arising from the Group's insurance business

Exposure to physical risks associated with the Group's insurance activities

CNP Assurances' business consists mainly of writing personal insurance and the risks associated with the effects of climate change primarily concern mortality and morbidity rates. We take this aspect into account in the measurement and management of underwriting risks, especially mortality and morbidity risks covered by personal risk contracts and term creditor insurance.

The Climate Risk Committee set up in 2019 enhances our cross-functional vision of the effects of climate change on both our assets and our liabilities. We have performed an initial measurement of the potential consequences of physical risks on our insurance liabilities by simulating the effects of higher-than-expected mortality rates due to climate change on all of our businesses.

Lastly, our research teams are participating in industry studies and hold regular discussions with universities and research institutes on this topic.

Measures to reduce physical risks associated with the Group's insurance activities

To reduce the consequences of this risk on the insurance portfolio, we follow a broad-based approach to protection, including climate risks, by purchasing reinsurance cover against the risk of higher-than-expected mortality rates. We address climate risk by covering the risk of higher-than-expected mortality rates, whatever the cause (for example, flu pandemics or heatwaves).

We also participate in the *Bureau Commun des Assurances Collectives*' natural disaster pool, which enables us to protect our personal risk and term creditor insurance portfolios against catastrophe risk.

In Brazil and Cyprus, life and non-life reinsurance programmes offer protection against the occurrence of natural disasters that are likely to be more severe and occur more frequently in the coming decades due to global warming.

4.2.3 Financial risks associated with the effects of climate change arising from the Group's internal processes

Exposure to physical risks associated with the Group's internal processes

The Group's offices and employees are located in countries (70% in Europe and 30% in Latin America) which, due to their level of development, are not considered as being the most vulnerable to climate events likely to severely disrupt their operations. It will nonetheless be important to measure as accurately as possible the exposure and vulnerability of our production resources to various climate risks in the coming decades, based on different global warming scenarios.

Measures to reduce physical risks associated with the Group's internal processes

Physical risks associated with the Group's internal processes are managed by regularly updating our contingency plans, in order to ensure that staff would be able to continue working following a climate event.

Exposure to transition risks associated with the Group's internal processes

The transition risk associated with our internal processes is the risk of failing to control the main sources of greenhouse gas emissions, or to take into account technological and behavioural changes linked to climate change, with possible negative financial consequences.

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.

Measures to reduce transition risks associated with the Group's internal processes

The transition risk associated with internal processes is managed by implementing measures to reduce our greenhouse gas emissions.

Increasing use of videoconferencing facilities and conference calls has helped to reduce our employees' business travel. Teleworking, which is covered by an agreement signed in 2018, is also one of the ways that we can help reduce greenhouse gas emissions by limiting employee travel to and from work.

Furthermore, 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 has adopted energy-saving measures designed to help buildings operate more efficiently. For example, improving how heating, air-conditioning and ventilation systems are controlled requires the expert management of programmable time settings.

CNP Assurances also ensures that routine maintenance work includes a search for greater energy efficiency. The most energy-efficient option is always taken when replacing technical equipment. This ongoing aim of reining in the environmental impact is what guides CNP Assurances' work on its sites.

Lastly, action taken in recent years to reduce paper use (introduction of paperless processes, use of laptops and shared printers) has saved several million sheets of paper and avoided the related greenhouse gas emissions.

4.3 Internal control and risk management procedures

The Solvency and Financial Condition Report (SFCR) available on the CNP Assurances website, www.cnp.fr, includes a detailed description of the Group's governance (notably, section B3 – Risk management and section B5.1 – Internal control system).

Section C of the SFCR presents the Group's risk profile and includes a description of the system for managing each material risk.

The additional information provided below concerns procedures for the preparation and processing of accounting and financial information.

Assessment of underwriting results

Determination of technical reserves is coordinated by the Group Actuarial department, whose activities include calculating the Group's insurance indicators using different standards (MCEV©, French GAAP, IFRS and Solvency II).

Concerning the preparation of the separate and consolidated financial statements and the Group's financial communications, the Group Actuarial department has specific responsibility for:

- calculating policyholder dividend rates for all individual policies and pension products in France;
- determining technical reserves in France;
- coordinating the determination of technical reserves for the Group as a whole;
- checking compliance with certain accounting principles applicable to the consolidated financial statements (including the performance of liability adequacy tests and impairment tests on intangible insurance assets).

Internal controls have been established to provide assurance concerning:

- compliance with the Group's reporting deadlines for financial communication purposes;
- information consistency;
- updating of contractual and financial data underlying the reserve calculations;
- compliance of the work performed with current regulations and the Group's accounting principles and policies.

The Group Actuarial department also assesses portfolio yields and values, particularly for the purpose of justifying the recognition and measurement of intangible insurance assets and calculating the Value of In-Force business, as well as for development projects. The reason for this is that technical items in the financial statements include contractual customer relationships - corresponding to the value of the insurance books of acquired subsidiaries - and the related amortisation. At each year-end, results projections and simulations are produced to verify that the carrying amount of these intangible assets will be recovered through future profits and that no impairment loss needs to be recorded.

The department's actuarial standards 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.

Management of system and process upgrades

Application of IFRS 9 and IFRS 17 gives rise to major challenges in terms of complying with the new requirements and revising the accounts closing processes.

IFRS 9 – Financial Instruments has been applicable by most entities since 1 January 2018, but insurance undertakings have the option of deferring its application until the year when IFRS 17 – Insurance Contracts comes into effect, currently expected to be in 2021. In addition, the IASB is reportedly considering delaying application of IFRS 17 by a further one or two years. This would mean that IFRS 9 and IFRS 17 would be applicable by insurance undertakings in 2022 or 2023.

* Market Consistent Embedded Value©

CNP Assurances has chosen to take advantage of this deferred application option for the preparation of its consolidated financial statements.

In 2019, the IFRS 9 projects launched the previous year were pursued, with the delivery of the first system modifications. The objective is to achieve a stable IFRS 9 environment in 2020, allowing financial statements to be prepared in accordance with this standard for the main Group entities.

The IFRS 17 project was launched in 2017 and the initial application phases were carried out in 2018. In 2019, CNP Assurances continued to develop new tools dedicated to calculating IFRS 17 metrics and to the improved integration of the specific nature of the reinsurance business. The Company will continue to finetune this development work in 2020, enabling CNP Assurances to input data into its accounting systems and produce future financial statements.

The process of continuous improvement of accounting applications and their reliability was pursued during the year.

Unlisted investments have been migrated to a central investment management platform. This platform now manages all of the Company's listed and unlisted securities portfolios in a single application that is interfaced with the accounting system. The various internal reporting systems and reconciliations between the statutory and management accounts have been standardised.

Programmed reconciliations of insurance liabilities between the statutory and management accounts have been improved and upgraded.

Accounting and preparation of financial statements

In 2019, the Company's Accounting function was reorganised in order to be better able to respond to the major regulatory changes currently underway (IFRS 9, IFRS 17) and further strengthen its control environment.

The function is now organised around four departments:

- accounting operations: responsible for the daily recording of transactions and for the analysis of account balances, other than for reporting purposes;
- reporting: responsible for producing the accounting information included in regulatory reports and the related internal or external reports;
- cross-functional units: responsible *inter alia* for leading the accounts closing process. This department also participates in overseeing the Group Accounting department's internal control system and the accounting applications;
- Group accounting standards.

Controls over the accounts closing process include:

- a documented accounts closing process and governance procedures based 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 the day-to-day recording of accounting transactions and the teams that record period-end accounting entries for reporting purposes, including preparation of analysis notes;
- additional controls are performed by the Reporting department's statutory reporting team and multi-standard cross-functional reporting team. These controls include analytical reviews of the balance sheet and income statement, as well as analyses of period-on-period changes. Profit analyses are performed for each product and actual profits are reconciled to the corresponding forecasts;
- second-tier controls performed by the "Internal Control/Audit" unit in the cross-functional units department. This unit notably audits the headquarters accounts;
- high-level involvement by the Group Accounting department in internal control campaigns conducted by the Group Risk department. The "Internal Control/Audit" unit, which also audits the accounts, checks that controls over the processing of day-to-day transactions and the execution of period-end reporting processes are appropriate. In particular, it obtains assurance that these controls satisfactorily cover the main identified risks.

For the preparation of the consolidated financial statements, in addition to the process described above, instructions are sent to the subsidiaries before each accounts closing, the consolidation packages are checked (through a combination of programmed controls and controls performed by the Group consolidation and cross-functional multi-standard reporting department) and frequent exchanges take place between the accounting teams and local Auditors.

In 2019, there was no lessening of the challenges involved in planning and leading the closing process in a multi-standard environment, due notably to the objective of bringing forward the publication of Solvency II reports. The Monitoring Accounting and regulatory Process (MAP) system launched in September 2017 continued to be deployed by the Group Accounting department. For the 31 December 2019 closing, production of the management report and the Universal Registration Document were monitored using MAP.

Identification of publication requirements

Two departments, each with its own specific skills, are involved in identifying information to be disclosed to the markets: the Group finance department (comprising the investor and shareholder relations department, the Group Accounting department, the Group Actuarial department and the budget control department) and the corporate law department. The operational ties forged with correspondents at the French securities regulator (*Autorité des Marchés Financiers*) also help to enhance the financial communication process on an ongoing basis.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5

FINANCIAL STATEMENTS

5.1 Consolidated financial statements

5.1.1 Consolidated balance sheet

ASSETS

(In € millions)	*Notes*	31.12.2019	31.12.2018
Goodwill	*6*	229.9	253.7
Value of In-Force business	*6*	16.4	18.8
Other intangible assets	*6*	426.6	459.7
Total intangible assets		**672.9**	**732.2**
Investment property	*8*	2,315.3	2,540.0
Held-to-maturity investments	*8*	236.5	396.3
Available-for-sale financial assets	*8*	303,254.4	289,342.7
Securities held for trading	*8*	92,769.8	81,602.9
Loans and receivables	*8*	4,698.5	4,891.3
Derivative instruments	*8*	525.9	1,287.7
Insurance investments		**403,800.4**	**380,061.0**
Other investments		**5.6**	**7.5**
Investments in equity-accounted companies	*4*	**487.9**	**516.9**
Reinsurers' share of insurance and financial liabilities	*9*	**21,409.7**	**21,556.1**
Insurance or reinsurance receivables	*11*	3,123.2	2,991.4
Current tax assets	*11*	490.7	341.0
Other receivables		5,831.2	5,192.9
Owner-occupied property and other property and equipment	*7*	175.4	311.1
Other non-current assets		2,360.9	2,275.5
Deferred participation asset	*9*	0.0	0.0
Deferred tax assets	*19*	200.9	251.6
Other assets		**12,182.3**	**11,363.5**
Non-current assets held for sale and discontinued operations		**0.0**	**0.0**
Cash and cash equivalents		**1,807.6**	**1,287.1**
TOTAL ASSETS		**440,366.3**	**415,524.3**

EQUITY AND LIABILITIES

(In € millions)	*Notes*	31.12.2019	31.12.2018
Share capital	*5*	686.6	686.6
Share premium account		1,736.3	1,736.3
Revaluation reserve		3,866.2	3,015.7
Cash flow hedge reserve	*8*	8.1	(17.7)
Undated subordinated notes reclassified in equity	*5*	1,881.3	1,881.3
Retained earnings		10,383.7	9,653.0
Profit for the period		1,411.7	1,366.7
Translation reserve		(580.7)	(541.4)
Equity attribuable to owners of the parent		**19,393.3**	**17,780.6**
Non-controlling interests		1,794.7	1,740.3
Total equity		**21,188.0**	**19,520.9**
Insurance liabilities (excluding unit-linked)	*9*	170,190.6	162,500.9
Insurance liabilities (unit-linked)	*9*	56,649.0	48,223.0
Insurance liabilities		**226,839.6**	**210,723.9**
Financial liabilities - financial instruments with DPF (excluding unit-linked)	*9*	112,776.2	116,227.1
Financial liabilities - financial instruments without DPF (excluding unit-linked)	*9*	635.8	594.6
Financial liabilities - unit-linked financial instruments	*9*	8,806.5	7,945.5
Financial liabilities		**122,218.5**	**124,767.3**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	*9*	29,254.7	22,107.3
Insurance and financial liabilities		**378,312.8**	**357,598.4**
Provisions	*12*	**325.0**	**174.1**
Subordinated debt	*10*	6,380.7	5,336.7
Other financing liabilities		4.8	4.8
Financing liabilities		**6,385.5**	**5,341.6**
Operating liabilities represented by securities		12,599.1	11,409.0
Operating liabilities due to banks		192.4	182.5
Liabilities arising from insurance and reinsurance transactions	*13*	13,842.9	14,330.9
Current taxes payable		272.2	264.0
Current account advances		74.6	69.8
Liabilities towards holders of units in controlled mutual funds		699.3	613.1
Derivative instruments	*9*	1,132.0	1,193.3
Deferred tax liabilities	*19*	753.1	489.8
Miscellaneous payables	*13*	4,589.3	4,336.8
Other liabilities		**34,155.0**	**32,889.3**
Liabilities related to assets held for sale and discontinued operations		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**440,366.3**	**415,524.3**

5.1.2 Consolidated income statement

(In € millions)	*Notes*	31.12.2019	31.12.2018
Premiums written		33,671.9	32,533.7
Change in unearned premiums reserve		(235.6)	(218.8)
Earned premiums	*14*	**33,436.4**	**32,314.9**
Revenue from other activities	*14*	**147.8**	**147.9**
Other operating revenue		**0.0**	**0.5**
Net investment income		6,274.9	7,688.7
Gains and losses on disposal of investments		1,795.7	195.0
Change in fair value of financial assets at fair value through profit or loss		5,863.5	(2,957.6)
Change in impairment losses on financial instruments		1,054.5	1,131.5
Investment income before finance costs	*18*	**14,988.6**	**6,057.6**
Income from ordinary activities		**48,572.7**	**38,521.0**
Claims and benefits expenses	*15*	(40,853.8)	(31,140.3)
Reinsurance result	*17*	95.7	(13.7)
Expenses of other businesses		(4.7)	6.3
Acquisition costs	*16*	(4,017.6)	(3,954.3)
Amortisation of Value of In-Force business and distribution agreements	*6*	(23.9)	(24.8)
Contract administration expenses	*16*	(239.6)	(202.3)
Other recurring operating income and expense, net	*16*	(752.8)	(575.4)
Total other recurring operating income and expense, net		**(45,796.6)**	**(35,904.5)**
Recurring operating profit		**2,776.1**	**2,616.5**
Other non-recurring operating income and expense, net		(26.9)	(35.4)
Operating profit		**2,749.2**	**2,581.0**
Finance costs	*18*	(250.8)	(248.5)
Change in fair value of intangible assets	*6*	(23.1)	1.9
Share of profit of equity-accounted companies	*4*	44.5	128.9
Income tax expense	*19*	(784.2)	(793.3)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Net profit for the period		**1,735.7**	**1,670.0**
Non-controlling interests		(324.0)	(303.3)
Net profit attributable to owners of the parent		**1,411.7**	**1,366.7**
Basic earnings per share *(in €)*		1.99	1.92
Diluted earnings per share *(in €)*		1.99	1.92

5.1.3 Consolidated statement of income and expense recognised in equity – 2019

(In € millions)	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
Net profit for the period	**1,411.7**	**324.0**	**1,735.7**
Income and expense recognised directly in equity			
Amounts recycled through profit or loss	**837.0**	**43.0**	**880.0**
Available-for-sale financial assets			
Change in revaluation reserve during the period	9,572.8	151.8	9,724.6
Reclassification of proceeds from disposals to profit or loss	(2,630.4)	(1.6)	(2,632.1)
Reclassification of impairment losses to profit or loss	442.9	20.3	463.2
Sub-total including deferred participation and deferred taxes	*7,385.4*	*170.4*	*7,555.8*
Deferred participation including deferred taxes	(6,266.6)	(78.4)	(6,345.0)
Deferred taxes	(268.3)	(33.8)	(302.1)
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	*850.5*	*58.3*	*908.8*
Cash flow hedge reserve	25.8	0.0	25.8
Change in cash flow hedge reserve during the period	(10.3)	0.0	(10.3)
Cash flow hedge reserve recycled through profit or loss during the period	27.9	0.0	27.9
Deferred taxes	8.2	0.0	8.2
Translation differences	(39.3)	(15.2)	(54.5)
Amounts not recycled through profit or loss	**(27.2)**	**0.0**	**(27.2)**
Actuarial gains and losses	(27.2)	0.0	(27.2)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**809.8**	**43.0**	**852.8**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**2,221.5**	**367.0**	**2,588.5**

Consolidated statement of income and expense recognised in equity – 2018

(In € millions)	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
Net profit for the period	**1,366.7**	**303.3**	**1,670.0**
Income and expense recognised directly in equity			
Amounts recycled through profit or loss	**(1,267.3)**	**(87.3)**	**(1,354.6)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(8,376.5)	(90.8)	(8,467.3)
Reclassification of proceeds from disposals to profit or loss	(1,298.5)	(17.9)	(1,316.3)
Reclassification of impairment losses to profit or loss	168.3	0.6	168.9
Sub-total including deferred participation and deferred taxes	*(9,506.7)*	*(108.1)*	*(9,614.8)*
Deferred participation including deferred taxes	8,001.7	86.4	8,088.1
Deferred taxes	389.1	4.2	393.2
Of which, change in revaluation reserve for non-current assets held for sale	0.0	0.0	0.0
Sub-total net of deferred participation and deferred taxes	*(1,115.9)*	*(17.5)*	*(1,133.5)*
Cash flow hedge reserve	30.7	0.0	30.7
Change in cash flow hedge reserve during the period	90.0	0.0	90.0
Cash flow hedge reserve recycled through profit or loss during the period	(36.8)	0.0	(36.8)
Deferred taxes	(22.5)	0.0	(22.5)
Translation differences	(182.0)	(69.8)	(251.8)
Amounts not recycled through profit or loss	**(12.9)**	**0.0**	**(12.9)**
Actuarial gains and losses	(12.9)	0.0	(12.9)
Other movements	0.0	0.0	0.0
Total income and expense recognised directly in equity	**(1,280.2)**	**(87.3)**	**(1,367.4)**
TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY	**86.5**	**216.0**	**302.6**

5.1.4 Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 2019

(In € millions)	Share capital	Share premium account	Reva-luation 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 01.01.2019 - IFRS	**686.6**	**1,736.3**	**3,015.7**	**(17.7)**	**1,881.3**	**11,019.6**	**(541.4)**	**17,780.5**	**1,740.4**	**19,520.9**
Net profit and unrealised and deferred gains and losses for the period			**850.5**	**25.8**	**0.0**	**1,384.5**	**(39.3)**	**2,221.5**	**367.0**	**2,588.5**
▪ Dividends paid						(610.8)		**(610.8)**	(218.4)	**(829.1)**
▪ Changes in capital/ Merger premium								**0.0**		**0.0**
▪ Subordinated notes, net of tax						(49.6)		**(49.6)**		**(49.6)**
▪ Treasury shares, net of tax						2.3		**2.3**		**2.3**
▪ Changes in scope of consolidation						(0.8)		**(0.8)**	(94.1)	**(94.8)**
▪ Other movements*						50.0		**50.0**	(0.1)	**49.9**
EQUITY AT 31.12.2019	**686.6**	**1,736.3**	**3,866.2**	**8.1**	**1,881.3**	**11,795.3**	**(580.7)**	**19,393.2**	**1,794.8**	**21,188.0**

* Including IFRIC 23

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - 2018

(In € millions)	Share capital	Share premium account	Reva-luation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	**Equity attributable to owners of the parent**	Non-controlling interests	**Total equity**
Equity at 01.01.2018 - IFRS	**686.6**	**1,736.3**	**4,131.6**	**(48.4)**	**1,765.2**	**10,345.1**	**(359.3)**	**18,257.1**	**1,765.9**	**20,023.0**
Net profit and unrealised and deferred gains and losses for the period			**(1,115.9)**	**30.7**		**1,353.8**	**(182.0)**	**86.5**	**216.0**	**302.6**
▪ Dividends paid						(576.7)		**(576.7)**	(240.9)	**(817.6)**
▪ Changes in capital/ Merger premium								**0.0**		**0.0**
▪ Subordinated notes, net of tax					116.1	(82.3)		**33.8**		**33.8**
▪ Treasury shares, net of tax						(8.5)		**(8.5)**		**(8.5)**
▪ Changes in scope of consolidation						(19.0)		**(19.0)**	(0.6)	**(19.6)**
▪ Other movements						7.2		**7.2**		**7.2**
EQUITY AT 31.12.2018	**686.6**	**1,736.3**	**3,015.7**	**(17.7)**	**1,881.3**	**11,019.6**	**(541.4)**	**17,780.5**	**1,740.4**	**19,520.9**

5.1.5 Consolidated statement of cash flows

The consolidated statement of cash flows includes:

- cash flows of fully consolidated companies;
- cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for using the equity method.

Definition of cash and cash equivalents

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

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued jointly by the French accounting standards setter (*Autorité des Normes Comptables* – ANC) and the French financial markets authority (*Autorité des Marchés Financiers* – AMF) for the application of Regulation (EU) 2017/1131. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

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

Definition of cash flows from operating activities

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

Definition of cash flows from investing activities

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

Definition of cash flows from financing activities

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	31.12.2019	31.12.2018
Operating profit before tax	**2,749.2**	**2,581.0**
Gains and losses on disposal of investments	(1,602.6)	(115.6)
Depreciation and amortisation expense, net	137.3	108.4
Change in deferred acquisition costs	(91.8)	(86.9)
Impairment losses, net	(1,084.5)	(1,145.6)
Charges to technical reserves for insurance and financial liabilities	14,515.7	3,401.4
Charges to provisions, net	154.6	(24.0)
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(5,553.6)	2,918.2
Other adjustments	209.4	574.9
Dividends received from equity-accounted companies	58.2	68.0
Total adjustments	**6,742.7**	**5,698.8**
Change in operating receivables and payables	(732.2)	(629.5)
Change in securities sold and purchased under repurchase and resale agreements	1,190.1	1,098.9
Change in other assets and liabilities	(30.8)	(43.4)
Income taxes paid, net of reimbursements	(1,000.0)	(636.1)
Net cash provided by (used by) operating activities	**8,919.1**	**8,069.7**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	(97.5)	(14.0)
Divestments of subsidiaries and joint ventures, net of cash sold	393.0	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash provided by (used by) divestments and acquisitions	**295.5**	**(14.0)**
Proceeds from the sale of financial assets	111,224.3	89,983.8
Proceeds from the sale of investment properties	196.4	147.9
Proceeds from the sale of other investments	0.0	0.0
Net cash provided by (used by) sales and redemptions of investments	**111,420.7**	**90,131.7**
Acquisitions of financial assets	(119,402.1)	(98,597.6)
Acquisitions of investment properties	(227.1)	(110.7)
Acquisitions of other investments	0.0	0.0
Net cash provided by (used by) acquisitions of investments	**(119,629.3)**	**(98,708.3)**
Proceeds from the sale of property and equipment and intangible assets	308.0	5.5
Purchases of property and equipment and intangible assets	(108.7)	(77.0)
Net cash provided by (used by) sales and purchases of property and equipment and intangible assets	**199.3**	**(71.5)**
Net cash provided by (used by) investing activities	**(7,713.8)**	**(8,662.1)**
Issuance of equity instruments	0.0	0.0
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	2.2	(8.5)
Dividends paid	(834.5)	(812.7)
Net cash provided by (used by) transactions with owners	**(832.2)**	**(821.2)**

(In € millions)	31.12.2019	31.12.2018
New borrowings	1,500.0	496.0
Repayments of borrowings	(428.2)	(431.6)
Interest paid on borrowings	(326.5)	(321.5)
Net cash provided by (used by) other financing activities	**745.3**	**(257.1)**
Net cash provided by (used by) financing activities	**(86.9)**	**(1,078.3)**
Cash and cash equivalents at beginning of period	**17,938.1**	**19,245.8**
Net cash provided by (used by) operating activities	8,919.1	8,069.7
Net cash provided by (used by) investing activities	(7,713.8)	(8,662.1)
Net cash provided by (used by) financing activities	(86.9)	(1,078.3)
Effect of changes in exchange rates	(5.1)	(4.4)
Effect of changes in accounting policies and other changes*	185.6	367.3
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**19,237.0**	**17,938.1**

* The amount reported under "Effect of changes in accounting policies and other changes" corresponds to reclassifications of cash equivalents as "Ordinary money market funds"

Reconciliation of cash flows from financing activities to the amounts reported in the financial statements

This table reconciles cash flows from financing activities to the amounts reported in the other financial statements. Other movements correspond to changes in deferred taxes and fair value adjustments to the cash flow hedge reserve recognised directly in equity.

31 DECEMBER 2019

(In € millions)	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Subordinated debt	Other financing liabilities	Total
31.12.2018	**(17.7)**	**1,881.3**	**5,336.7**	**4.8**	**7,205.2**
Issue	0.0	0.0	1,500.0	0.0	**1,500.0**
Redemption	0.0	0.0	(428.2)	0.0	**(428.2)**
Total cash items	**0.0**	**0.0**	**1,071.8**	**0.0**	**1,071.8**
Translation adjustments	0.0	0.0	0.0	0.0	**0.0**
Fair value adjustments	24.2	0.0	(27.9)	0.0	**(3.6)**
Changes in scope of consolidation	0.0	0.0	0.0	0.0	**0.0**
Other movements	1.6	0.0	0.0	0.0	**1.6**
Total non-cash items	**25.8**	**0.0**	**(27.9)**	**0.0**	**(2.1)**
31.12.2019	**8.1**	**1,881.3**	**6,380.7**	**4.8**	**8,274.9**

31 DECEMBER 2018

(In € millions)	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Subordinated debt	Other financing liabilities	Total
31.12.2017	**(48.4)**	**1,765.2**	**5,300.0**	**0.0**	**7,016.8**
Issue	0.0	496.0	0.0	0.0	**496.0**
Redemption	0.0	(431.6)	0.0	0.0	**(431.6)**
Total cash items	**0.0**	**64.4**	**0.0**	**0.0**	**64.4**
Translation adjustments	0.0	0.0	0.0	0.0	**0.0**
Fair value adjustments	36.2	0.0	36.8	0.0	**73.0**
Changes in scope of consolidation	0.0	0.0	0.0	0.0	**0.0**
Other movements	(5.5)	51.7	0.0	4.8	**51.0**
Total non-cash items	**30.7**	**51.7**	**36.8**	**4.8**	**124.0**
31.12.2018	**(17.7)**	**1,881.3**	**5,336.7**	**4.8**	**7,205.2**

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED IN THE CONSOLIDATED BALANCE SHEET AND IN THE CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	**31.12.2019**	31.12.2018
Cash and cash equivalents (reported in the consolidated balance sheet)	1,807.6	1,287.1
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(192.4)	(182.5)
Securities held for trading	17,621.8	16,833.5
TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)	**19,237.0**	**17,938.1**

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

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

5.1.6 Notes to the consolidated financial statements

DETAILED CONTENTS

Significant events of the period and subsequent events

NOTE 1
Significant events of the period

€500 million Tier 2 subordinated notes issue

On 5 February 2019, CNP Assurances completed a €500 million Tier 2 subordinated notes issue under the EMTN programme set up in December 2018. The issue qualifies as debt based on IFRS criteria. The 2.75% notes have a 10-year life and are repayable at maturity.

The issue proceeds will be eligible for inclusion in Solvency II regulatory capital. The notes have been rated BBB+ by Standard & Poor's and A3 by Moody's.

Signature of an addendum to the framework agreement of 29 August 2018 between CNP Assurances and Caixa Seguridade

On 20 September 2019, CNP Assurances announced that it had completed its discussions with Caixa Seguridade concerning their new exclusive distribution agreement in the Caixa Econômica Federal network in Brazil and signed an addendum to the framework agreement dated 29 August 2018. The main changes introduced in the addendum are as follows:

- CNP Assurances will benefit from a five-year extension of the exclusive distribution agreement, which will now run until 13 February 2046 (versus the original expiry date of 13 February 2041);
- CNP Assurances' share of pensions, personal risk and consumer finance term creditor insurance business written under the 29 August 2018 agreement will be kept at 51.75% until December 2020 (as opposed to being reduced immediately to 40% as previously agreed);
- CNP Assurances will continue to write all the other classes of business through its subsidiary Caixa Seguros Holding until the current operating agreement expires on 14 February 2021 and none of these businesses will be discontinued ahead of that date;
- the amount to be paid by CNP Assurances has been increased from R$4.65 billion to R$7.0 billion and the payment date has been set in December 2020. The addendum also includes incentives to outperform the first five years' volume and margin objectives, in the form of additional payments, capped at R$ 0.8 billion (Group share) based on 31 December 2020 values.

The agreement is subject to various conditions precedent, including the issuance of the necessary approvals by the competent supervisory and competition authorities. Subject to these approvals being obtained, the transaction is expected to be completed between 15 and 31 December 2020.

CNP Assurances has acquired exclusive control of its subsidiary CNP Cyprus Insurance Holdings

On 7 October 2019, CNP Assurances announced that it had acquired Bank of Cyprus' 49.9% interest in CNP Cyprus Insurance Holdings, which had been a 50.1%-owned subsidiary of CNP Assurances since the end of 2008.

The additional shares were acquired for €97.5 million.

Sale of the current head office building

On 7 October 2019, CNP Assurances sold its head office building in the Montparnasse district of Paris for €299.4 million. The sale agreement includes a price adjustment clause whereby the price may be increased or reduced depending on changes in the building's situation.

CNP Assurances will continue to occupy the building under a tenant-at-will lease until the Group's new head office currently under construction at Issy-les-Moulineaux is delivered.

CNP Assurances carries out an inaugural green subordinated notes issue of €750 million

On 27 November 2019, CNP Assurances carried out an inaugural €750 million green subordinated notes issue. The notes, which are due 27 July 2050 with a first call date on 27 July 2030, qualify as Tier 2 capital under Solvency II. The interest rate is 2%.

€250 million subordinated private placement notes issue

On 10 December 2019, CNP Assurances placed €250 million worth of subordinated private placement notes with an institutional investor.

The 0.80% notes due on 15 January 2027 qualify as Tier 3 capital under Solvency II.

Extension of the distribution partnerships with the BPCE group

On 19 December 2019, the BPCE group and CNP Assurances signed agreements extending the 2015 distribution partnerships between BPCE/Natixis and CNP Assurances that were originally due to expire on 31 December 2022. Under the new agreements, which came into effect on 1 January 2020, the distribution partnerships will now continue until 31 December 2030, thereby consolidating CNP Assurances' multi-partner model.

They also provide for the co-insurance rate for group term creditor insurance policies between Natixis Assurances (BPCE Vie and BPCE Prévoyance) and CNP Assurances to be balanced at 50/50 and for 34% of individual term creditor insurance business written by BPCE Vie to be reinsured by CNP Assurances.

NOTE 2
Subsequent events

No significant changes occurred after the financial year-end.

Summary of significant accounting policies

NOTE 3
Summary of significant accounting policies

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

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

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

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

The consolidated financial statements for the year ended 31 December 2019 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 19 February 2020.

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 2019.

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

3.1.1 New accounting standards adopted since 1 January 2019

3.1.1.1 IFRS 16 – Leases

IFRS 16 – Leases was published on 13 January 2016 and adopted by the European Union on 31 October 2017; it is applicable for accounting periods beginning on or after 1 January 2019. It replaces IAS 17 – Leases and the related interpretations (IFRIC 4, SIC 15 and SIC 27). The principal aims of the new standard are to present the assets and liabilities of lessors and lessees more fairly, provide more transparent information, and improve the comparability of financial information presented by entities that lease assets and those that borrow funds to acquire assets outright. The main changes compared to IAS 17 are as follows:

- all leases will be recognised in the lessees' balance sheet, providing better visibility of their assets and liabilities;
- IFRS 16 introduces a single lease accounting model for lessees, removing the distinction between finance and operating leases. All leases are now treated as finance leases;
- lessees may elect not to apply IFRS 16 to short-term leases and leases for which the underlying asset is of low value (such as laptops);

- a new definition of leases: "A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration";
- the accounting treatment of service contracts is not modified by IFRS 16. However, the standard provides guidance on separating the "service" component of a complex contract from the "lease" component.

The Group's analyses have shown that the impact of applying IFRS 16 will not be material because of its limited use of leasing solutions.

3.1.1.2 IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 "Uncertainty over Income Tax Treatments" is applicable for accounting periods beginning on or after 1 January 2019.

IFRIC 23 specifies how to account for uncertainties in income taxes.

Application of this interpretation affects opening equity and leads to a reclassification in "Deferred tax liabilities". The impact on opening equity is not material.

3.1.1.3 Annual improvements and amendments

The amendments to IAS 28 and IAS 19 are applicable for annual reporting periods beginning on or after 1 January 2019. Their impact on the Group's consolidated financial statements is not material.

The amendments resulting from the 2015-2017 IFRS annual improvement cycles were adopted by the European Union on 15 March 2019 and are applicable for annual reporting periods beginning on or after 1 January 2019. The annual improvements do not have a material impact on the Group's consolidated financial statements.

3.1.2 Application of IFRS 9 deferred to 1 January 2021 (IFRS 4 amendment)

The final version of IFRS 9 – Financial Instruments was published on 24 July 2014 and was adopted by the European Union on 22 November 2016. It is effective for accounting periods beginning on or after 1 January 2018.

However, the Group has elected to apply the option of deferring application until 1 January 2021 (see below). On 26 June 2019, the IASB published an Exposure Draft proposing certain amendments to IFRS 17. In particular, the IASB proposed a one-year deferral of the standard's current deferred effective date.

This standard, which replaces IAS 39 – Financial Instruments, sets down accounting principles and disclosure requirements for financial assets and liabilities.

The final version consolidates the three core phases, i.e., classification and measurement, impairment and hedge accounting.

3.1.2.1 Main provisions of IFRS 9

3.1.2.1.1 Classification and measurement

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

As far as debt instruments are concerned, the assessment is based around two criteria that determine how a financial asset should be classified and measured:

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

IFRS 9 introduces two types of business model as follows:

- the financial asset is held within a business model whose objective is to hold the financial asset to collect 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 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 current accounting treatment of financial liabilities but adds guidance on certain issues, notably how to account for changes in own credit risk on financial liabilities designated under the fair value option.

3.1.2.1.2 Impairment

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

Under the new model, assets move through three stages:

- at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument;
- stage 2: if there has been a significant increase in credit risk since initial recognition, lifetime expected credit losses are recognised, and interest income is still calculated on the gross carrying amount of the asset;
- stage 3: if a credit event affects the issuer, lifetime expected credit losses are recognised and interest income is calculated on the amortised cost.

3.1.2.1.3 Hedge accounting

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

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

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

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

3.1.2.2 IFRS 9 transition arrangements under the deferral approach

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. However, the Group has deferred application as its activities are predominantly related to insurance.

The publication on 12 September 2016 by the IASB of an amendment to IFRS 4 – Insurance Contracts stipulates how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. This amendment, which was adopted by the European Commission on 3 November 2017, was issued in response to the need to align first-time adoption of IFRS 9 with that of the new insurance standard (IFRS 17), and provides an option to defer adoption of IFRS 9 (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 for Groups applying IFRS 9 by allowing associates and joint ventures accounted for using the equity method to continue to prepare their consolidation packages in accordance with IAS 39 if they are not required to adopt IFRS 9 in their separate financial statements. Application of this option by CNP Assurances enables the Group to continue accounting for financial assets in accordance with IAS 39 during the transition period.

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;
- it is accounted for using the equity method in the consolidated financial statements of its three main shareholders which are financial institutions and which apply IFRS 9 as from 2018. As a result, it will not be required to prepare its consolidation package in accordance with IFRS 9;
- the amendment to IFRS 4 requires additional disclosures in the notes during the transition period, concerning the classification of assets and the reporting entity's exposure to credit risk on assets meeting the criteria in IFRS 9 (assets for which the contractual cash flows consist solely of payments of principal and interest).

These additional disclosures are presented in Note 8.11, in accordance with the IFRS 9 transitional arrangements concerning annual financial statements.

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

The amendments to References to the Conceptual Framework in IFRS Standards (published on 29 March 2018), to IAS 1 and IAS 8 (published on 30 October 2018) and to IFRS 9, IAS 39 and IFRS 7 (published on 26 September 2019) are effective for accounting periods beginning on or after 1 January 2020.

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

3.1.4.1 IFRS 17 – Insurance contracts

IFRS 17 – Insurance Contracts was published on 18 May 2017, representing the culmination of many years' work by the IASB. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2021 (with comparative information for 2020 to be presented on the same basis).

On 26 June 2019, the IASB published an Exposure Draft proposing certain amendments to IFRS 17. In particular, the IASB proposed a one-year deferral of the standard's effective date so that certain concerns could be addressed. The IASB is currently drafting amendments to IFRS 17 taking into account the points raised in the comment letters submitted during the Exposure Draft public consultation period.

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 meet the following conditions:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value of returns from the underlying items;
- a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

In addition to the General Model (BBA), IFRS 17 also includes an optional simplified measurement approach – the Premium Allocation Approach (PAA) - which may be applied to:

- all insurance contracts other than those with direct participation features provided that the PPA produces a measurement of the liability that would not be materially different from that produced applying the BBA;
- contracts with a short duration (coverage period of one year or less).

For the purpose of applying the PPA, the initial liability corresponds to the premiums received at initial recognition and no CSM is calculated. Acquisition costs may be deferred in assets or recognised as an expense.

Under IFRS 17, insurance liabilities will be measured at a more granular level. Specifically, they will be divided into portfolios, as follows:

- each portfolio will comprise contracts subject to similar risks that are managed together. A portfolio will not contain contracts written more than one year apart;
- each portfolio will be divided into three accounting groups when the contracts are initially recognised, for the calculation and tracking of the contractual service margin (CSM). The groups are as follows:
  - contracts that are onerous at initial recognition,
  - contracts that at initial recognition have no significant possibility of becoming onerous,
  - other contracts.

Application of IFRS 17 will have a significant impact on the Group's consolidated financial statements.

- it will modify the presentation of the balance sheet and the notes;
- the consolidated income statement will be renamed the statement of financial performance and will comprise two key indicators:
  - insurance service result, corresponding to insurance revenue less amortisation of the CSM and the risk adjustment, the experience adjustment (difference between expected claims and expenses and paid claims and expenses) and expenses on onerous contracts,
  - insurance finance income or expenses;
- it will also lead to a major reorganisation of management processes, including statutory accounting, account closing, management accounting and internal and external reporting systems;
- actuarial modelling tools are also expected to be affected;
- in addition, the internal organisation of accounting processes will need to be adjusted, with the introduction of new measurement, consolidation and reporting processes.

The effects of applying IFRS 17 are currently being analysed by the Group. IFRS 9 – Financial Assets replaces IAS 39 as from the same dates and the effects of applying these two new standards are being analysed jointly.

IFRS 17 is in the process of being adopted by the European Union. The Group is contributing actively to the review of its implications by the accounting and insurance authorities in France and the European Union.

3.1.4.2 Amendments to the following standards

The amendments to IFRS 3 (published on 22 October 2018) have not yet been adopted by the European Union. The IASB currently expects these amendments to be applicable for accounting periods beginning on or after 1 January 2020.

The Group is currently studying the potential impact of the amendments not applicable from 1 January 2019.

3.2 Basis of preparation of the consolidated financial statements

The following information is incorporated by reference in the Universal 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 2018 and the related Statutory Auditors' report, as presented on pages 126 to 238, and pages 239 to 244, respectively, of the Registration Document filed with the AMF on 28 March 2019;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2017 and the related Statutory Auditors' report, as presented on pages 112 to 224, and pages 225 to 229, respectively, of the Registration Document filed with the AMF on 29 March 2018.

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

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

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

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

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

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities 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.

Scope of consolidation

NOTE 4
Scope of consolidation

4.1 Scope of consolidation and associated companies

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

Subsidiaries

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

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

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

Control 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 IFRS;
- 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 party recognises its interest in the joint venture as an investment using the equity method.

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

Associates

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

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

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

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

This exemption provided for in paragraph 18 of IAS 28 is used on a case-by-case basis when the value of an investment in a company over which the Group exercises significant influence is determined on the basis of participatory contracts (see Note 9.2).

4.2 Business combinations and other changes in scope of consolidation

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

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

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

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

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

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

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

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

4.3 Intragroup transactions

All transactions and balances between fully consolidated companies and all intragroup income and expenses are eliminated in full. Losses resulting from the impairment of an asset transferred in an intragroup transaction are not eliminated.

4.4 Foreign currency translation into the Group's presentation currency

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

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

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

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

4.5 Consolidated companies and percentage of voting rights at 31 December

Company	Consolidation method	Country/City	Business	31.12.2019 % rights	31.12.2019 % interest	31.12.2018 % rights	31.12.2018 % interest
1. Strategic subsidiaries							
CNP Assurances	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Caution	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Arial CNP Assurances	Equity method	France/ Mons-en-Baroeul	Insurance	40.00%	40.00%	40.00%	40.00%
MFPrévoyance SA	Full	France/Paris	Insurance	51.00%	65.00%	51.00%	65.00%
Assuristance	Equity method	France/Paris	Insurance	66.00%	66.00%	66.00%	66.00%
Filassistance International	Equity method	France/Paris	Insurance	66.00%	66.00%	66.00%	66.00%
CNP Assurances Compañia de Seguros	Full	Argentina/ Buenos Aires	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/fines determinados	Full	Argentina/ Buenos Aires	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil/Brasilia	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitarias Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil/Brasilia	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Vida e Previdência	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Consórcios	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil/Porto Alegre	Insurance	100.00%	51.75%	100.00%	51.75%
Wiz Soluçoes e Corretagem de Seguros S.A.	Equity method	Brazil/Brasilia	Brokerage	25.00%	12.94%	25.00%	12.94%
Odonto Empresas Convênios Dentários Ltda	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Holding Caixa Seguros Participações em Saúde 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 [1]	Full	Spain/Madrid	Insurance	-	-	100.00%	100.00%
CNP Cyprus Insurance Holdings [2]	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	50.10%	50.10%
CNP Cyprus Properties [2]	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Cyprus Tower Ltd [2]	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Zois [2]	Full	Greece/Athens	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Praktoriaki [2]	Full	Greece/Athens	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Cyprialife [2]	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Asfalistiki [2]	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	50.10%
CNP Luxembourg	Full	Luxembourg	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Santander Insurance Life Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Santander Insurance Europe Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Santander Insurance Services Ireland Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Europe Life	Full	Ireland/Dublin	Insurance	100.00%	100.00%	100.00%	100.00%

Company	Consolidation method	Country/City	Business	31.12.2019		31.12.2018	
				% rights	% interest	% rights	% interest
CNP Assurances Participações Ltda	Full	Brazil/Brasilia	Insurance	100.00%	100.00%	100.00%	100.00%
2. Mutual fund units							
Univers CNP 1 FCP	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP ACP Oblig FCP (3)	Equity method	France	Mutual fund units	-	-	54.00%	54.00%
Natixis Ionis (4)	Full	France	Mutual fund units	-	-	98.51%	98.51%
CNP ACP 10 FCP (4)	Equity method	France	Mutual fund units	-	-	43.14%	43.14%
LBPAM Court Terme	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP Assur Trésorerie Plus (5)	Full	France	Mutual fund units	98.82%	98.82%	-	-
Ecureuil Profil 90	Full	France	Mutual fund units	56.91%	56.91%	56.64%	56.64%
Vivaccio ACT 5DEC	Full	France	Mutual fund units	83.28%	83.28%	82.35%	82.35%
OPCVM Caixa Seguradora SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalização SA	Full	Brazil	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdência	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Consórcios	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Holding Caixa Seguros Holding SA	Full	Brazil	Mutual fund units	100.00%	51.75%	100.00%	51.75%
3. Property companies and others							
AEP3 SCI	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
CIMO	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
AEP4 SCI	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI AEW Imcom 6 (6)	Full	France	Real estate	-	-	100.00%	100.00%
SICAC	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
Assurimmeuble	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	Real estate	100.00%	99.59%	100.00%	98.85%
OPCI AEW Imcom 1	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI AEP247	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
SAS Alleray	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI Raspail	Full	France	Real estate	100.00%	99.81%	100.00%	99.79%
Outlet Invest	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI Renda Corporativa Angico (7)	Full	Brazil	Real estate	51.75%	51.75%	-	-
Assurbail Patrimoine	Full	France	Real estate	100.00%	100.00%	100.00%	100.00%
Ecureuil Vie Développement	Equity method	France	Brokerage	49.00%	49.00%	49.00%	49.00%
Coentreprise de Transport d'Electricité (8)	FV	France	Energy	20.00%	20.00%	20.00%	20.00%
Holding d'Infrastructures Gazières	Equity method	France	Energy	54.41%	54.41%	54.41%	54.41%

(1) CNP Partners Solutions has been liquidated following the contribution of its business to CNP Partners
(2) CNP Assurances has bought out all of the non-controlling interests
(3) The CNP ACP Oblig FCP fund has been deconsolidated because it no longer fulfils the materiality criteria defined by the Group
(4) The Natixis Ionis and CNP ACP 10 FCP funds are no longer owned by CNP Assurances
(5) The CNP Assur Trésorerie Plus investment fund owned by CNP Assurances was consolidated for the first time in 2019
(6) The AEW Imcom 6 property fund was sold on 10 October 2019
(7) The Renda Corporativa Angico property fund owned by Caixa Seguros Holding was consolidated for the first time in 2019
(8) The investment in Coentreprise de Transport d'Electricité (CTE) is mainly in representation of participatory contracts. For this reason, the Group has chosen to use the exemption from applying the equity method provided for in paragraph 18 of IAS 28 and to measure the CTE shares at fair value through profit or loss

4.6 Non-consolidated companies

Company	Country/City	31.12.2019 % interest
1. Other subsidiaries		
23-25 Marignan SAS	France/Paris	100.00%
270 Investments	France/Paris	100.00%
36 Marbeuf SAS	France/Paris	100.00%
Age d'Or Expansion	France/Troyes	100.00%
Alpinvest Feeder V C.V.	Netherlands/Amsterdam	99.98%
Avenir Santé	France/Paris	100.00%
Azimut	France/Paris	88.67%
Cartera Pbtamsi	Spain/Madrid	100.00%
CBPE CAPITAL VIII SPECIAL INVESTORS	United Kingdom/London	100.00%
CNP Formation	France/Paris	100.00%
CNP LOANS INFRA COMPARTMENT CLI 123 SOLEIL	France/Paris	100.00%
CNP LOANS INFRA COMPARTMENT CLI N°3	France/Paris	100.00%
CNP LOANS INFRA COMPARTMENT CLI N°7 SIROCO	France/Paris	100.00%
CNP Private Equity for Personal Savings	France/Paris	100.00%
CNP Technologies de l'Information	France/Paris	99.80%
CNP X	Colombia/Bogota	100.00%
Cœur Méditerranée	France/Paris	70.00%
Das Goethe	France/Paris	100.00%
DIF Infrastructure II	Netherlands/Schiphol	53.33%
DIWISE	France/Paris	100.00%
Ecureuil Vie Investment	France/Paris	100.00%
Filassistance Services	France/Paris	100.00%
Filassistance solutions	France/Saint-Cloud	100.00%
Foncière HID	France/Paris	100.00%
FSN CAPITAL IV (B) L.P.	Norway/Oslo	100.00%
GCK	France/Paris	80.00%
Geosud	France/Rueil Malmaison	98.00%
GF de la forêt de Nan	France/Paris	99.99%
Green Quartz	France/Paris	99.99%
Immaucom	France/Paris	80.00%
Infra-Invest	Luxembourg/Luxembourg	100.00%
Infra-Invest France	France/Paris	100.00%
Infrastructure Partners (Morgan Stanley)	France/Paris	64.94%
Isalud S.A.	Spain/Barcelona	60.82%
KLEber 46 HOLDING	France/Paris	100.00%
Laiki Brokers (Insurance & Consultancy Services) Ltd	Cyprus/Nicosia	100.00%
Laiki Insurance Agencies Ltd	Cyprus/Nicosia	100.00%
LBPAM European Infrastructure Debt Fund 2	France/Paris	55.19%
LBPAM European Real Estate Debt Fund 2	France/Paris	50.00%
LBPAM FCT European Debt Funds Compartiment Montparnasse Infrastructure Debt	France/Paris	100.00%

Company	Country/City	31.12.2019 % interest
LBPAM FCT European Debt Funds Compartiment Montparnasse Real Estate Debt	France/Paris	100.00%
LBPAM Private Debt SCS RAIF - LBPAM European Responsible Infrastructure Debt Fund	France/Paris	66.67%
LCYL Karpenisiou Properties Limited	Cyprus/Nicosia	100.00%
LCYL Kiti Properties Limited	Cyprus/Nicosia	100.00%
LCYL Dramas Properties Limited	Cyprus/Nicosia	100.00%
LCYL Properties Limited	Cyprus/Nicosia	100.00%
Lux Gare	France/Paris	100.00%
Lyfe	France/Paris	100.00%
Montagu IV (Scots Feeder)	United Kingdom/London	100.00%
Montparvie IV	France/Paris	100.00%
Montparvie V	France/Paris	100.00%
Montper Entreprises Limited	Cyprus/Nicosia	100.00%
Natixis FCT Montparnasse Dette Privée Compartiment Montparnasse Placement Privé	France/Paris	100.00%
Naturim	France/Levallois-Perret	100.00%
Neuilly Pilot	France/Paris	100.00%
New Side	France/Paris	100.00%
Open CNP	France/Paris	100.00%
Pantin Logistique	France/Paris	100.00%
Pays-Bas Retail 2013 BV	Netherlands/Amsterdam	100.00%
Pial 34	France/Paris	100.00%
SCHRODER COMPARTMENT IALA	France/Pantin	100.00%
SCI HOLDIHEALTH EUROPE	France/Paris	99.90%
SENIOR EUROPEAN LOAN FUND 3	France/Paris	50.00%
Silk Holding	France/Paris	100.00%
SMCA	France/Paris	50.00%
Sogestop K	France/Paris	100.00%
Sogestop L	France/Paris	50.00%
Theemim	France/Paris	100.00%
Woodland Invest	France/Paris	100.00%
Ybry Pont de Neuilly	France/Paris	100.00%
Yellowalto	France/Courbevoie	100.00%
Youse Home	France/Paris	100.00%
Youse Seguradora S.A	Brazil/Brasilia	100.00%
2. Real estate business		
5/7 Rue Scribe	France/Paris	100.00%
83 Avenue Bosquet	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%

Company	Country/City	31.12.2019 % interest
Bercy Crystal	France/Paris	100.00%
CANOPEE	France/Paris	99.98%
Cicoge	France/Paris	100.00%
Cottages du Bois aux Daims	France/Paris	100.00%
Domaine de Lancosme	France/Vendoeuvres	80.00%
EOLE RAMBOUILLET	France/Paris	100.00%
Equinox	France/Paris	99.99%
Europe Properties Investments	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%
GALAXIE 33	France/Paris	100.00%
Green Rueil	France/Paris	50.00%
Habimmo	France/Paris	99.90%
Holdipierre	France/Paris	100.00%
ICV	France/Paris	99.90%
Ireland Property Investment Fund	Ireland/Dublin	100.00%
ISSY ILOT 13	France/Paris	50.00%
Issy Vivaldi	France/Paris	100.00%
Jasmin	France/Paris	99.95%
Jesco	France/Levallois-Perret	55.00%
Kureck	France/Paris	100.00%
Lesly	France/Paris	100.00%
LIBERTE	France/Paris	50.00%
Ofelia	France/Paris	66.66%
ONE COLOGNE	France/Paris	100.00%
OREA	France/Levallois-Perret	100.00%
Paris 08	France/Paris	100.00%
Passage du Faidherbe	France/Paris	100.00%
Pierre et Labruyère	France/Paris	100.00%
Pierre Quentin Bauchard	France/Paris	99.99%
Pyramides 1	France/Paris	100.00%
Residavout	France/Paris	100.00%
Residential	France/Paris	100.00%
RSS IMMO	France/Paris	99.90%
Rue du Bac	France/Paris	50.00%
Rueil Newton	France/Paris	50.00%
Saphirimmo	France/Paris	100.00%
SAS Pyramides 2	France/Paris	100.00%
SAS Richelieu Vivienne	France/Paris	50.00%

Company	Country/City	31.12.2019 % interest
SCI Assurécureuil Pierre 8	France/Paris	100.00%
Sci De La Cnp	France/Paris	100.00%
SCI Lauriston	France/Paris	99.90%
SCI Les Chevrons	France/Paris	51.51%
SCI MAX	France/Paris	100.00%
SCI Yvoire	France/Paris	50.00%
Secrets et Boetie	France/Paris	100.00%
Sonne	France/Neuilly-sur-Seine	99.95%
Taunus	France/Paris	100.00%
Terre Neuve 4 Immo	France/Paris	100.00%
US Real Estate 270 SAS	France/Paris	100.00%
US Real Estate EVJ SAS	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 Universal Registration Document (in Note 5.4.4 to the annual financial statements).

4.7 Average number of employees of consolidated companies

(Headcount)	31.12.2019	31.12.2018
Management-grade	2,320	2,203
Non-management-grade	2,878	2,951
Average headcount	**5,198**	**5,154**

The above headcount does not include the headcount of the companies consolidated by equity method.

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

	Caixa Seguros Group		CNP UniCredit Vita		CNP Santander Insurance		CNP Cyprus Insurance Holdings*		MFPrévoyance SA	
(In € millions)	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
Earned premiums/Revenue	6,733.2	5,452.4	3,050.5	3,368.7	764.7	742.7	167.1	157.4	128.7	128.8
Net profit (100%)	**493.1**	**465.6**	**42.8**	**32.2**	**83.3**	**76.7**	**15.7**	**13.7**	**2.3**	**1.5**
Net profit – non-controlling interests	243.1	228.9	18.2	13.7	40.8	37.6	0.0	6.8	0.8	0.5
Other comprehensive income (100%)	57.9	(2.2)	33.3	14.7	11.8	(1.7)	7.7	(1.3)	12.2	8.3
Comprehensive income (100%)	**551.1**	**463.4**	**76.1**	**46.9**	**95.1**	**74.9**	**23.5**	**12.4**	**14.5**	**9.7**
Comprehensive income – non-controlling interests	273.0	227.7	32.3	19.9	46.6	36.7	0.0	6.2	5.1	3.4
Assets	22,802.1	18,683.9	16,360.5	14,830.4	2,428.8	2,328.2	736.5	705.6	685.3	658.9
Liabilities	20,759.8	16,843.8	15,450.2	13,981.4	2,029.8	1,951.0	514.0	492.5	458.7	438.6
Net assets (100%)	**2,042.3**	**1,840.1**	**910.4**	**849.0**	**399.0**	**377.2**	**222.5**	**213.1**	**226.6**	**220.4**
Net assets – non-controlling interests	1,009.5	904.8	386.9	360.8	195.5	184.8	0.0	106.4	79.3	77.1
Net cash provided by (used by) operating activities	3,579.1	2,837.9	911.4	1,090.2	196.5	207.0	24.6	24.7	6.6	(9.5)
Net cash provided by (used by) investing activities	(3,214.5)	(2,464.6)	(839.1)	(1,083.2)	(78.8)	(186.2)	(4.8)	(20.6)	18.7	19.0
Net cash provided by (used by) financing activities	(359.9)	(430.8)	(46.0)	(26.0)	(75.0)	0.0	(38.8)	(1.1)	0.3	(13.1)
Dividends paid to non-controlling interests	(15.5)	(33.1)	0.0	(10.6)	(36.8)	0.0	0.0	(5.4)	0.0	0.0

* All of the non-controlling interests were acquired by CNP Assurances in 2019

4.9 Summary financial information: material joint arrangements

4.9.1 Significant partnerships

At 31 December 2019, the Group has two material partnerships: Arial CNP Assurances and Holding d'Infrastructures Gazières.

CNP Assurances also holds 40% of the capital of Arial CNP Assurances (ACA) and controls this company jointly with AG2R-La Mondiale.

ACA's corporate purpose is the design, distribution and management of supplementary employee retirement savings plans and employee benefit plans.

It is accounted for using the equity method in CNP Assurances' consolidated financial statements.

The Group also holds 54.41% of the capital of Holding d'Infrastructures Gazières (HIG), which is controlled jointly with Caisse des Dépôts. Société d'Infrastructures Gazières (SIG), a wholly-owned subsidiary of HIG, in turn holds 25% of the capital of GRTgaz, a company specialised in transporting natural gas.

HIG is accounted for using the equity method in CNP Assurances' consolidated financial statements.

Financial information for ACA and HIG is provided in Note 4.11.1.

4.9.2 Significant associates

At 31 December 2019, the Group owns one significant associate: Coentreprise de Transport d'Electricité (CTE).

CNP Assurances holds a 20% interest in CTE, which has a 100% equity interest in Réseau de Transport d'Electricité (RTE). CNP Assurances exercises significant influence over RTE. However, as the investment'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.

The fair value of the CTE shares at 31 December 2019 was determined by an independent expert and amounted to €1,209 million.

	31.12.2018			
(In € millions)	Total assets	Equity	Premium income	Profit/(Loss)
Coentreprise de Transport d'Electricité (CTE)	8,247.2	5,298.5	0.0	171.3

The above data are extracted from the French GAAP accounts and concern 2018 as the 2019 financial statements were not yet available when these consolidated financial statements were drawn up. The amounts are presented before allocating profits and losses.

4.10 Summary financial information: non-material joint arrangements

	Partnerships		Associates	
(In € millions)	**2019**	2018	**2019**	2018
Carrying amount of investments accounted for using the equity method in CNP Assurances' balance sheet	50.9	45.8	0.0	0.0
Contribution to CNP Assurances' net profit	9.9	19.6	0.0	0.0
Contribution to CNP Assurances' other comprehensive income	1.7	0.9	0.0	0.0
Contribution to CNP Assurances' comprehensive income	**11.6**	**20.5**	**0.0**	**0.0**

The Group's non-material joint arrangements are Assuristance, Ecureuil Vie Développement, Filassistance International and Wiz Soluções e Corretagem de Seguros S.A.

4.11 Information relating to entities accounted for using the equity method

4.11.1 Summary financial information on a 100% basis

	31.12.2019			
(In € millions)	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances	23,952.8	117.4	2,149.0	2.0
Assuristance	21.8	21.4	0.0	(0.1)
Ecureuil Vie Développement	19.7	0.4	0.0	0.0
Filassistance International	67.4	32.8	47.7	5.2
Holding d'Infrastructures Gazières	1,310.6	716.7	0.0	61.2
Wiz Soluçoes e Corretagem de Seguros S.A.	145.9	65.8	125.6	50.2
CNP ACP OBLIG FCP*	-	-	-	-
CNP ACP 10 FCP*	-	-	-	-

* The CNP ACP Oblig FCP fund has been deconsolidated because it no longer fulfils the materiality criteria defined by the Group. The CNP ACP 10 FCP fund is no longer owned by CNP Assurances

	31.12.2018			
(In € millions)	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances	19,978.9	112.4	973.0	2.1
Assuristance	22.0	21.4	0.0	0.0
Ecureuil Vie Développement	15.2	0.3	0.0	0.0
Filassistance International	61.0	26.4	46.5	4.7
Holding d'Infrastructures Gazières	1,377.1	783.3	0.0	73.7
Wiz Soluçoes e Corretagem de Seguros S.A.	125.8	57.1	126.7	37.3
CNP ACP OBLIG FCP	1,012.2	1,012.2	0.0	0.0
CNP ACP 10 FCP*	953.7	953.7	0.0	0.0

* Data for CNP ACP 10 FCP correspond to final data at 31 December 2017

4.11.2 Investments accounted for using the equity method

(In € millions)	31.12.2019	31.12.2018
At 1 January	**516.9**	**65.9**
Increase in investment	0.0	0.0
Change in accounting method	0.0	0.0
Newly-consolidated companies*	0.0	393.7
Increase in capital	0.0	0.0
Share of profit of equity-accounted companies	44.5	128.9
Share in identifiable net assets	(15.4)	(3.6)
Other movements	0.0	0.0
Dividends received	(58.2)	(68.0)
At 31 December	**487.8**	**516.9**

* Holding d'Infrastructures Gazières, Assuristance and Filassistance International were included in the scope of consolidation for the first time in 2018

Analysis of the main components of the balance sheet

NOTE 5
Equity

Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, adjustments to the capitalisation reserve and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (see Note 5.5).

Capital management

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

At 31 December 2019, the insurance subsidiaries and the Group as a whole complied with these minimum Solvency Capital Requirements.

Compliance with these requirements is regularly monitored, primarily through the Own Risk and Solvency Assessments (ORSA) conducted at Group level and at the level of the insurance subsidiaries in accordance with Solvency II. This information and the solvency capital calculations are reported to France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution* – ACPR).

Treasury shares

The Group may acquire treasury shares via the liquidity contract set up for the purpose of stabilising the CNP Assurances share price or shares under employee share grant plans (see Note 13.3.2). Treasury shares are recorded as a deduction from equity in the IFRS accounts.

5.1 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	280,615,140	40.87%
Sopassure *(La Banque Postale and BPCE holding company)*	248,926,986	36.25%
French State	7,645,754	1.11%
Total shares held in concert	**537,187,880**	**78.24%**
Private investors	149,430,597	21.76%
of which: CNP Assurances (treasury shares)*	505,717	0.07%
TOTAL	**686,618,477**	**100.00%**

* The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the resolution submitted to the 2017 Annual General Meeting included in the 2016 Registration Document

5.2 Number of shares

	Ordinary shares	
Issued capital	31.12.2019	31.12.2018
Number of shares outstanding at the beginning of the period	686,618,477	686,618,477
Shares issued during the period	0	0
Number of shares outstanding at the end of the period	**686,618,477**	**686,618,477**

5.3 2019 dividends

The recommended 2019 dividend amounts to €0.94 per share, representing a total payout of €645.4 million.

The 2018 dividend approved by the Annual General Meeting amounted to €0.89 per share, representing a total payout of €611.1 million. It was paid in 2019.

5.4 Basic and diluted earnings per share

(In € millions)	31.12.2019	31.12.2018
Profit attributable to owners of the parent	1,411.7	1,366.7
Charge on deeply-subordinated notes, net of tax	(49.6)	(49.7)
Profit attributable to ordinary shares	**1,362.1**	**1,317.0**
Number of ordinary shares at 1 January	686,618,477.0	686,618,477.0
New shares (weighted number)	0.0	0.0
Weighted average number of shares at end of reporting period	**686,618,477.0**	**686,618,477.0**
Treasury shares	(453,391.2)	(263,983.6)
Weighted average number of shares at end of reporting period	**686,165,085.8**	**686,354,493.4**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shares *(in euros per share)*	**1.99**	**1.92**

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

5.5 Undated subordinated notes reclassified in equity

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

(In € millions)	Issuance date	31.12.2019		
		Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,881.3**
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including 100 bp step-up at call date)	EUR	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	EUR	108.0
	November 2014	4% until November 2024, then reset at the 5-year fixed swap rate +410 bp	EUR	493.6
	June 2018	4% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	EUR	496.0
TOTAL				**1,881.3**

(In € millions)		31.12.2018		
	Issuance date	Interest rate	Currency	Amount
Subordinated notes (attributable to owners of the parent)				**1,881.3**
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	EUR	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including 100 bp step-up at call date)	EUR	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	EUR	108.0
	October 2012	Redeemed	USD	0.0
	November 2014	4% until November 2024, then reset at the 5-year fixed swap rate +410 bp	EUR	493.6
	June 2018	4% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	EUR	496.0
TOTAL				**1,881.3**

NOTE 6
Intangible assets

6.1 Intangible assets by category

(In € millions)	31.12.2019				
	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	644.3	0.0	(414.4)	0.0	229.9
Value of In-Force business	345.3	(170.1)	(158.8)	0.0	16.4
Distribution agreements	389.8	(99.2)	0.0	0.0	290.6
Software	430.5	(300.9)	0.0	0.0	129.6
Internally-developed software	176.8	(124.8)	0.0	0.0	52.0
Other software	253.8	(176.1)	0.0	0.0	77.7
Other	19.1	(12.6)	(0.1)	0.0	6.4
TOTAL	**1,829.0**	**(582.8)**	**(573.3)**	**0.0**	**672.9**

	31.12.2018				
(In € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	646.9	0.0	(393.2)	0.0	253.7
Value of In-Force business	344.6	(167.0)	(158.8)	0.0	18.8
Distribution agreements	389.9	(79.5)	0.0	0.0	310.3
Software	444.7	(304.3)	0.0	0.0	140.5
Internally-developed software	209.3	(149.5)	0.0	0.0	59.9
Other software	235.4	(154.8)	0.0	0.0	80.6
Other	28.0	(15.6)	(3.6)	0.0	8.8
TOTAL	**1,854.2**	**(566.4)**	**(555.6)**	**0.0**	**732.2**

6.2 Goodwill

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

Positive goodwill is:

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

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

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

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

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

The Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future revenues from existing portfolios and new business. Projected future revenues are estimated by taking the embedded Value of In-Force insurance policies and financial instruments, and the Value of New Business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current agreements, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the weighted average cost of capital. The terminal values of subsidiaries do not assume growth to infinity.

6.2.1 Goodwill by company

(In € millions)	Original goodwill	Net goodwill at 31.12.2019	Net goodwill at 31.12.2018
Caixa Seguros Group	389.9	140.7	164.6
CNP UniCredit Vita	366.5	0.0	0.0
CNP Partners	7.2	0.0	0.0
CNP Cyprus Insurance holdings	81.6	34.8	34.8
CNP Santander Insurance	54.4	54.4	54.4
TOTAL	**899.6**	**229.9**	**253.7**

Caixa Seguros Group

Expected future cash flows were calculated at 31 December 2019 based on projections in the 2020-2029 business plan approved by management, reduced to zero beyond 31 December 2020 for discontinued operations in light of the uncertainty concerning the agreements and in order to be consistent with the carrying amount, which does not include the payment to be made in exchange for the renewal of the agreements. The discount rate was calculated based on the local 10-year government bond rate net of tax plus a risk premium of 6.5%. The 2019 discount rate was below that applied in 2018.

At 31 December 2019, the recoverable amount of goodwill, as determined using the above assumptions, was greater than its carrying amount and no impairment loss was recognised.

CNP Cyprus Insurance Holdings

Expected future cash flows from the Life business were calculated at 31 December 2019 based on projections in the 2020-2024 business plan approved by management, extrapolated over the period to 2029 using a 3% growth rate for individual life insurance, 2% for group life insurance and 0% for accident/health and term creditor insurance. For the non-life business, expected future cash flows were estimated directly for the period until 2029 using a stable growth rate averaging 4%.

The discount rate was calculated based on the local 10-year government bond rate net of tax plus a risk premium of 5%. The 2019 discount rate was below that applied in 2018. Goodwill on the Greek subsidiary (Zois) has not been valued since June 2013.

At 31 December 2019, the recoverable amount of goodwill, as determined using the above assumptions, was greater than its carrying amount and no impairment loss was recognised.

CNP Santander Insurance

Expected future cash flows were calculated at 31 December 2019 based on projections in the 2020-2024 business plan approved by management, extrapolated over the period to the end of the shareholder agreement (2034) using a constant growth rate. A discount rate of 3.91% was applied, down 1.14 points compared to the rate used in 2018.

At 31 December 2019, the recoverable amount of goodwill, as determined using the above assumptions, 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. The potential effect of applying this clause was not taken into account during the initial purchase price allocation. In 2019, an earn-out payment of €27 million was recorded by CNP Assurances.

6.2.2 Changes in goodwill for the period

(In € millions)	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**253.7**	**273.2**
Goodwill recognised during the period	0.0	0.0
Adjustments to provisional accounting	0.0	0.0
Translation adjustment on gross goodwill*	(2.1)	(19.5)
Other movements	0.0	0.0
Impairment losses recognised during the period	(21.7)	0.0
Translation adjustment on movements during the period	0.0	0.0
Increase in interest rates	0.0	0.0
Carrying amount at the end of the period	**229.9**	**253.7**

* Translation adjustments on gross goodwill concern the Brazilian companies Caixa Seguradora, Previsul and Odonto Empresas Convenios Dentarios Ltda

6.3 Value of In-Force business and distribution agreements

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

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

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

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

6.3.1 Value of In-Force business

(In € millions)	Original value	Carrying amount at 31.12.2019	Carrying amount at 31.12.2018
Caixa Seguros Group	123.5	2.1	2.7
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	4.0	3.9
CNP Seguros de Vida	0.9	0.0	0.0
CNP Cyprus Insurance holdings	44.4	8.8	9.8
MFPrévoyance SA	8.3	0.0	0.0
CNP Santander Insurance	14.7	1.5	2.5
TOTAL	**391.0**	**16.4**	**18.8**

6.3.2 Changes in the Value of In-Force business

(In € millions)	31.12.2019	31.12.2018
Gross amount at the beginning of the period	**344.6**	**352.8**
Newly-consolidated companies	0.0	0.0
Translation adjustments	(1.1)	(8.2)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	1.8	0.0
Gross amount at the end of the period	**345.3**	**344.6**
Accumulated amortisation and impairment at the beginning of the period	(325.8)	(328.7)
Translation adjustments	1.1	7.8
Amortisation for the period	(4.2)	(4.9)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	0.0	0.0
Accumulated amortisation and impairment at the end of the period	**(328.9)**	**(325.8)**
CARRYING AMOUNT AT THE END OF THE PERIOD	**16.4**	**18.8**

6.3.3 Distribution agreements

(In € millions)	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**310.3**	**330.4**
Acquisitions for the period	0.0	0.0
Amortisation for the period	(19.7)	(19.9)
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	0.0	(0.1)
Other movements	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**290.6**	**310.3**

6.4 Software and other intangible assets

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

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

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

6.4.1 Internally-developed software

(In € millions)	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**59.9**	**63.2**
Acquisitions for the period	24.7	13.9
Amortisation for the period	(14.4)	(17.2)
Disposals for the period*	(18.2)	0.0
Translation adjustments	0.0	0.0
Other movements	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**52.0**	**59.9**

* Disposals also include assets scrapped during the year

6.4.2 Other software and other intangible assets

(In € millions)	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**89.5**	**108.2**
Newly-consolidated companies	0.0	(0.2)
Acquisitions for the period	30.1	32.0
Amortisation for the period	(40.9)	(20.1)
Disposals for the period *	9.0	(21.3)
Translation adjustments	(1.3)	(9.3)
Other movements	(2.4)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**84.0**	**89.5**

* Disposals also include assets scrapped during the year

NOTE 7
Owner-occupied property and other property and equipment

The Group has elected to measure owner-occupied property using the cost model, as allowed by IAS 16.

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

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

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

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

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

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

Depreciation

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

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

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

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

Impairment

In accordance with IAS 36, owner-occupied properties are tested for impairment at the level of the cash generating unit to which they belong and are therefore excluded from the scope of impairment tests on investment property.

Equipment

Equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

Owner-occupied property *(In € millions)*	**31.12.2019**	31.12.2018
Carrying amount at the beginning of the period	**263.4**	**250.3**
Acquisitions	4.7	7.4
Post-acquisition costs included in the carrying amount of property	0.0	0.4
Properties acquired through business combinations	0.0	0.0
Disposals*	(149.0)	0.0
Depreciation for the period	(4.5)	(7.4)
Impairment losses recognised during the period	(0.4)	0.0
Impairment losses reversed during the period	0.2	0.6
Translation adjustments	(0.8)	(5.2)
Other movements	5.0	17.4
CARRYING AMOUNT AT THE END OF THE PERIOD	**118.6**	**263.4**

* In 2019, disposals for the period included the sale of the headquarters building

Other property and equipment *(In € millions)*	**31.12.2019**	31.12.2018
Carrying amount at the beginning of the period	**47.6**	**41.2**
Acquisitions for the period	49.1	22.5
Depreciation for the period	(26.5)	(9.6)
Disposals for the period	(13.7)	(5.0)
Translation adjustments	(0.2)	(1.4)
Other movements	0.5	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**56.8**	**47.6**

NOTE 8
Insurance investments

Classification

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

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

Recognition

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

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

Derecognition

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

Valuation method

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

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with a discretionary participation feature (DPF) (in accordance with the shadow accounting principle, see Note 9.2) and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit or loss are recognised directly in profit or loss, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, see Note 9.2) and the deferred tax effect.

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

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for using the equity method (in accordance with IAS 28). The level of control of mutual funds is assessed separately for each fund based on the following criteria:

- the relationship between the principal and the agent;
- the Group's power over the fund manager;
- the Group's exposure to variable returns, as assessed by applying a specific threshold.

Non-controlling interests in fully consolidated mutual funds are reported on a separate line of the consolidated balance sheet, "Liabilities towards holders of units in controlled mutual funds". Units in mutual funds are measured using the fund's most recently published net asset value. The underlying financial assets are reported in the consolidated balance sheet under "Insurance investments" based on their contribution to the fund's net asset value.

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

Impairment

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

Assets measured at amortised cost and debt instruments available for sale

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

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

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

Available-for-sale equity instruments

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

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

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

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

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

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

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

Reversals of impairment losses

Available-for-sale financial assets

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

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

Loans and receivables, held-to-maturity investments

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

Structured entities

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

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

Details of CNP Assurances' investments in non-consolidated structured entities are disclosed in Note 8.2.4 of the annual financial statements, in compliance with paragraph 26 of IFRS 12 ("*An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed.*")

8.1 Investment property

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

The Group has elected to measure investment property using the cost model (see Note 7 for details), as allowed by IAS 40, except for properties held in unit-linked portfolios which are measured at fair value.

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

Impairment

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

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

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

It presents:

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

Carrying amount of investment property *(In € millions)*	31.12.2019	31.12.2018
Investment property measured by the cost model		
Gross value	982.2	1,295.7
Accumulated depreciation	(243.2)	(261.8)
Accumulated impairment losses	(4.6)	(4.1)
Carrying amount	**734.4**	**1,029.8**
Investment property measured by the fair value model		
Gross value	1,580.8	1,510.2
TOTAL INVESTMENT PROPERTY	**2,315.3**	**2,540.0**

Investment property at amortised cost *(In € millions)*	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**1,029.8**	**1,082.7**
Acquisitions	38.6	14.1
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(27.2)	(25.5)
Depreciation for the period	(26.7)	(24.5)
Impairment losses recognised during the period	(1.2)	(0.9)
Impairment losses reversed during the period	0.8	1.8
Translation adjustments	(0.6)	(0.9)
Other movements	(279.0)	(17.1)
CARRYING AMOUNT AT THE END OF THE PERIOD	**734.4**	**1,029.8**

Investment property measured by the fair value model *(In € millions)*	31.12.2019	31.12.2018
Carrying amount at the beginning of the period	**1,510.2**	**1,485.4**
Acquisitions	188.5	93.6
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(56.6)	(49.9)
Net gains arising from remeasurement at fair value	(21.7)	(15.9)
Translation adjustments	0.2	(2.8)
Other movements	(39.8)	(0.2)
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,580.8**	**1,510.2**

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

8.2 Investments by category

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

8.2.1 Investments at 31 December 2019

(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					14,853.9	
	Variable-rate bonds					23,278.7	
	TCNs (money market securities)					667.7	
	Equities					5,432.7	
	Investment funds					43,653.9	
	Shares in non-trading property companies					1,515.2	
	Other (including lent securities and repos)					3,367.7	
	Total					**92,769.8**	
Derivative instruments	Derivative instruments (positive fair value)					525.9	
	Derivative instruments (negative fair value)					(1,132.0)	
	Total					**(606.1)**	
Available-for-sale financial assets	Fixed-rate bonds	162,306.9	2,214.5	(5.4)	13,536.3	178,052.2	
	Variable-rate bonds	16,988.3	733.9	(17.0)	1,940.4	19,645.5	
	TCNs (money market securities)	3,680.8	0.0	0.0	(3.1)	3,677.7	
	Equities	12,692.7	0.0	(2,105.7)	7,803.2	18,390.2	
	Investment funds	45,154.9	0.0	(331.6)	3,650.3	48,473.6	
	Shares in non-trading property companies	7,496.2	0.0	(358.7)	3,191.8	10,329.4	
	Non-voting loan stock	42.3	0.0	(5.1)	23.3	60.5	
	Other (including lent securities and repos)	23,099.1	(572.2)	(23.3)	2,121.8	24,625.3	
	Total	**271,461.2**	**2,376.1**	**(2,846.7)**	**32,263.9**	**303,254.4**	
Held-to-maturity investments	Fixed-rate bonds	29.4				29.4	2.3
	Variable-rate bonds	183.5				183.5	34.8
	Other (including lent securities and repos)	23.6				23.6	0.6
	Total	**236.5**				**236.5**	**37.7**
Loans and receivables	Loans and receivables	4,715.7		(17.1)		4,698.5	0.0
	Total	**4,715.7**		**(17.1)**		**4,698.5**	**0.0**
Investment property	Investment property at amortised cost	982.2	(243.2)	(4.6)	0.0	734.4	1,034.2
	Investment property measured by the fair value model	1,580.8	0.0			1,580.8	0.0
	Total	**2,563.0**	**(243.2)**	**(4.6)**	**0.0**	**2,315.3**	**1,034.2**
TOTAL				(2,868.4)	32,263.9	402,668.4	1,071.9

TRADITIONAL SAVINGS AND UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2019

(In € millions)	Carrying amount		Total
	Unit-linked	Traditional savings	
Fixed-rate bonds	9,050.7	5,803.2	14,853.9
Variable-rate bonds	14,897.0	8,381.7	23,278.7
TCNs (money market securities)	30.6	637.1	667.7
Equities	842.6	4,590.0	5,432.7
Investment funds	35,010.4	8,643.5	43,653.9
Shares in non-trading property companies and investment property*	3,054.6	41.4	3,096.1
Other	3,048.9	318.8	3,367.7
TOTAL	**65,934.8**	**28,415.8**	**94,350.6**

* Investment properties and shares in non-trading property companies are reported together in an amount of €1,580.8 million

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

8.2.2 Investments at 31 December 2018

(In € millions)		Cost	Amorti-sation	Impair-ment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					11,951.4	
	Variable-rate bonds					20,824.4	
	TCNs (money market securities)					443.7	
	Equities					4,492.0	
	Investment funds					39,920.0	
	Shares in non-trading property companies					1,206.2	
	Other (including lent securities and repos)					2,765.2	
	Total					**81,602.9**	
Derivative instruments	Derivative instruments (positive fair value)					1,287.6	
	Derivative instruments (negative fair value)					(1,193.3)	
	Total					**94.4**	
Available-for-sale financial assets	Fixed-rate bonds	157,488.1	2,485.8	(0.5)	11,712.6	171,685.9	
	Variable-rate bonds	20,770.8	731.6	(25.6)	1,709.7	23,186.4	
	TCNs (money market securities)	2,808.8	0.0	0.0	(0.3)	2,808.4	
	Equities	13,730.8	0.0	(3,223.0)	4,893.1	15,400.9	
	Investment funds	45,378.4	0.0	(412.8)	2,189.2	47,154.7	
	Shares in non-trading property companies	7,042.1	0.0	(234.1)	2,686.1	9,494.1	
	Non-voting loan stock	42.3	0.0	(5.1)	24.1	61.3	
	Other (including lent securities and repos)	18,425.6	(367.7)	(1.0)	1,494.0	19,550.9	
	Total	**265,686.8**	**2,849.7**	**(3,902.1)**	**24,708.4**	**289,342.7**	

(In € millions)		Cost	Amorti-sation	Impair-ment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Held-to-maturity investments	Fixed-rate bonds	94.0				94.0	4.5
	Variable-rate bonds	176.2				176.2	27.9
	Other (including lent securities and repos)	126.1				126.1	4.5
	Total	**396.3**				**396.3**	**36.9**
Loans and receivables	Loans and receivables	4,908.4		(17.1)		4,891.3	0.0
	Total	**4,908.4**		**(17.1)**		**4,891.3**	**0.0**
Investment property	Investment property at amortised cost	1,295.7	(261.8)	(4.1)	0.0	1,029.8	907.7
	Investment property measured by the fair value model	1,510.2	0.0	0.0		1,510.2	0.0
	Total	**2,806.0**	**(261.8)**	**(4.1)**	**0.0**	**2,540.0**	**907.7**
TOTAL				**(3,923.4)**	**24,708.4**	**378,867.7**	**944.6**

TRADITIONAL SAVINGS AND UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2018

	Carrying amount		
(In € millions)	Unit-linked	Traditional savings	Total
Fixed-rate bonds	6,850.5	5,100.9	11,951.4
Variable-rate bonds	12,502.2	8,322.2	20,824.4
TCNs (money market securities)	42.9	400.8	443.7
Equities	643.8	3,848.3	4,492.0
Investment funds	31,884.3	8,035.7	39,920.0
Shares in non-trading property companies	1,206.2	0.0	1,206.2
Other	1,613.8	1,151.4	2,765.2
TOTAL	**54,743.7**	**26,859.3**	**81,602.9**

8.2.3 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 8.2.1 and 8.2.2

(In € millions)	**31.12.2019**	31.12.2018
Analysis of investments	402,668.4	378,867.7
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,132.0)	(1,193.3)
Balance sheet – Assets – Insurance investments	403,800.4	380,061.0
VARIANCE	**0.0**	**0.0**

8.2.4 Non-consolidated structured entities

8.2.4.1 Non-consolidated structured entities at 31 December 2019

(In € millions)	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period
Securities held for trading	14,748.1	187.7	340.3	1.0	0.0	0.0
Financial assets designated on initial recognition as being at fair value through profit or loss	9.9	(0.5)	2.2	(0.1)	32,575.8	3,550.1
Available-for-sale financial assets	44,580.9	913.0	4,047.2	80.5	0.0	0.0
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0
Investment property	0.0	0.0	0.0	0.0	0.0	0.0
Held-to-maturity investments	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	**59,338.9**	**1,100.1**	**4,389.7**	**81.4**	**32,575.8**	**3,550.1**

8.2.4.2 Non-consolidated structured entities at 31 December 2018

(In € millions)	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period
Securities held for trading	14,110.8	82.7	390.2	4.5	0.0	0.0
Financial assets designated on initial recognition as being at fair value through profit or loss	12.5	(1.9)	4.1	(0.1)	29,056.8	(2,208.9)
Available-for-sale financial assets	45,232.6	816.5	3,977.4	49.0	0.0	0.0
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0
Investment property	0.0	0.0	0.0	0.0	0.0	0.0
Held-to-maturity investments	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ASSETS	**59,355.9**	**897.3**	**4,371.7**	**53.3**	**29,056.8**	**(2,208.9)**

8.3 Measurement of assets recognised at fair value

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

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

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

Structured product valuation principles

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices 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.

The prices established by the counterparties are obtained in principle every month, in particular following the signature of a liquidity letter. The valuations communicated by the counterparties correspond to an economic value of the securities.

The CNP Assurances Group verifies the reliability of these data from an evaluation whenever possible (estimated future cash flows for example) or questions counterparties as to the methodologies used if necessary. The values of the counterparties examined so far have been confirmed by the CNP Assurances Group, which ensures both the quality of the counterparty valuation methods and the quality of the ratings of the issues and the absence of a credit incident.

Fair value hierarchies

Financial instruments are classified in three categories based on the fair value hierarchy, as follows:

Level 1: financial instruments measured using quoted prices in active markets.

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

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

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

These include:

- certain structured products measured using an internal model and mainly market parameters;
- derivative instruments purchased over-the-counter that are measured using an internal model and mainly market parameters;
- TCN money-market securities other than BTANs that are no longer listed and are 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 over-the-counter financial instruments.

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

The Group uses valuations of its complex products prepared internally, or by an external valuer, acting as a delegate. They include structured products and derivative instruments used for hedging purposes. Due to their complexity, the valuation process involves using sophisticated models and methods, generally based on a probabilistic approach.

Overall, these two product categories are valued using market models and the market data required for each model at the calculation date (see table below).

Structured products	Models/Methods
Interest-rate linked structured notes	4-Factor Libor Market Model (LMM)
	Hybrid Equity Black-FX Model
	Hull-White 1-Factor Model
Equity linked structured notes	Dupire model
	Heston model
	Dupire hybrid equation - Hull-White 1-Factor Model
Inflation-indexed complex structured products	Jarrow-Yildirim model

Asset class	Financial instruments	Models/Methods
Inflation derivatives	**Inflation swaps**	Future cash flows discounted using bi-curve model
	Swaps with an embedded option	Black model
	Caps/floors	SABR smile model
		Hull-White One-Factor Model (stochastic volatility)
		CMS replication
Inflation derivatives	**Swap inflation**	Black model
		SABR smile model
Credit derivatives	**CDS options**	Black-Scholes formula (Markit volatilities)
Equity derivatives	**Floors**	Heston model calibrated across the SX5E's entire implicit volatility surface and Black-Scholes using historical volatility for the EMTXGC and QW1M funds
	CAC and SX5E puts	Black-Scholes model with volatility surface developed based on option prices quoted on Bloomberg
JPY swaps (with currency option at each swaplet)	**JPY swaps (with currency option at each swaplet)**	FX Basket (FXBA) model with Black-Scholes (Reuters volatilities)
Funds	**Fund options (Quattro)**	Black Basket model with historical volatility

Level 3: financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.

This category includes CNP Assurances' investments in unlisted companies and certain asset-backed securities. Unlisted securities are measured using information not available on an active market. The main valuation techniques are the market multiples method, comparisons with recent market transactions and the discounted dividends method, corresponding to the techniques commonly used to manage these instruments.

In addition, some complex structured securities and for which valuation is obtained through the counterparty are classified in this category.

8.3.1 Valuation methods at 31 December 2019

(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*	80,705.6	10,274.7	2,315.4	93,295.7
Available-for-sale financial assets	276,742.3	17,129.4	9,382.6	303,254.4
TOTAL FINANCIAL ASSETS	**357,447.9**	**27,404.1**	**11,698.0**	**396,550.1**
Investment property at amortised cost	0.0	1,768.6	0.0	1,768.6
Investment property measured by the fair value model	0.0	1,580.8	0.0	1,580.8
TOTAL INVESTMENT PROPERTY	**0.0**	**3,349.4**	**0.0**	**3,349.4**
Financial liabilities at fair value through profit or loss				0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	635.8	0.0	0.0	635.8
Financial liabilities (linked liabilities) – financial instruments without DPF	3,643.7	0.0	0.0	3,643.7
Derivative financial instruments (liabilities)	0.0	1,132.0	0.0	1,132.0
TOTAL FINANCIAL LIABILITIES	**4,279.4**	**1,132.0**	**0.0**	**5,411.4**

* 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)	31.12.2019
Debt securities	10,857.8
O/w Structured bonds	*80.1*
Shares in non-trading property companies	9,697.9
Investment funds	468.6
Unit-linked portfolios	5,792.5
Other (including derivative instruments)	587.4
TOTAL "LEVEL 2" FINANCIAL ASSETS	**27,404.1**

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2019
Debt securities	2,369.6
O/w Structured bonds	*312.6*
Shares in non-trading property companies	0.0
Investment funds	7,705.4
Unit-linked portfolios	92.9
Other (including derivative instruments)	1,530.1
TOTAL "LEVEL 3" FINANCIAL ASSETS	**11,698.0**

8.3.2 Valuation methods at 31 December 2018

(In € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss*	73,816.4	7,375.6	1,698.5	82,890.5
Available-for-sale financial assets	263,105.5	18,616.8	7,620.5	289,342.7
TOTAL FINANCIAL ASSETS	**336,921.9**	**25,992.4**	**9,319.0**	**372,233.2**
Investment property at amortised cost	0.0	1,924.1	13.4	1,937.5
Investment property measured by the fair value model	0.0	1,483.2	27.1	1,510.2
TOTAL INVESTMENT PROPERTY	**0.0**	**3,407.2**	**40.5**	**3,447.7**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	594.6	0.0	0.0	594.6
Financial liabilities (linked liabilities) – financial instruments without DPF	3,578.9	0.0	0.0	3,578.9
Derivative financial instruments (liabilities)	0.0	1,193.3	0.0	1,193.3
TOTAL FINANCIAL LIABILITIES	**4,173.5**	**1,193.3**	**0.0**	**5,366.8**

* Includes derivative financial instruments (assets)

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2018
Debt securities	12,136.6
O/w Structured bonds	89.1
Shares in non-trading property companies	10,700.2
Investment funds	228.0
Unit-linked portfolios	1,579.4
Other (including derivative instruments)	1,348.2
TOTAL "LEVEL 2" FINANCIAL ASSETS	**25,992.4**

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(In € millions)	31.12.2018
Debt securities	2,434.8
O/w Structured bonds	332.9
Shares in non-trading property companies	0.0
Investment funds	4,592.9
Unit-linked portfolios	2.1
Other (including derivative instruments)	2,289.2
TOTAL "LEVEL 3" FINANCIAL ASSETS	**9,319.0**

The Group's derivative instruments are collateralised and the counterparty risk is therefore limited. In addition, the credit value adjustment ("CVA") is not material, due to the nature of the Group's forward financial instruments and the calculation base.

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

	31.12.2019											
(In € millions)	Opening carrying amount	Acqui-sition	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	Remeasure-ment at fair value through equity	Remeasure-ment at fair value through profit or loss	Impair-ment	Translation adjust-ments	Closing carrying amount
Financial assets at fair value through profit or loss	1,698.5	176.2	(56.8)	467.4	(0.2)	(129.1)	0.0	0.0	159.3	0.0	0.0	2,315.4
Available-for-sale financial assets	7,620.5	1,603.6	(376.4)	1,255.2	(87.7)	0.0	(793.8)	118.7	0.0	42.7	(0.3)	9,382.6
TOTAL FINANCIAL ASSETS	**9,319.0**	**1,779.9**	**(433.2)**	**1,722.6**	**(87.9)**	**(129.1)**	**(793.8)**	**118.7**	**159.3**	**42.7**	**(0.3)**	**11,698.0**
Investment property at fair value	27.1	0.0	0.0	0.0	(27.2)	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Investment property at amortised cost	13.4	0.0	0.0	0.0	(13.5)	0.0	0.0	0.0	0.0	0.0	0.1	0.0
TOTAL INVESTMENT PROPERTY	**40.5**	**0.0**	**0.0**	**0.0**	**(40.8)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.3**	**0.0**
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**

	31.12.2018											
(In € millions)	Opening carrying amount	Acqui-sition	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	Remeasure-ment at fair value through equity	Remeasure-ment at fair value through profit or loss	Impair-ment	Translation adjust-ments	Closing carrying amount
Financial assets at fair value through profit or loss	11.8	1.0	0.0	1,625.1	0.0	(0.5)	0.0	0.0	61.1	0.0	0.0	1,698.5
Available-for-sale financial assets	115.7	1,415.8	0.0	7,626.6	0.0	0.0	(1,476.0)	(67.0)	0.0	5.8	(0.2)	7,620.6
TOTAL FINANCIAL ASSETS	**127.5**	**1,416.8**	**0.0**	**9,251.7**	**0.0**	**(0.5)**	**(1,476.0)**	**(67.0)**	**61.1**	**5.8**	**(0.2)**	**9,319.1**
Investment property at fair value	25.0	10.6	(5.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	27.1
Investment property at amortised cost	17.5	13.9	(16.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.8)	13.4
TOTAL INVESTMENT PROPERTY	**42.6**	**24.5**	**(21.9)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(4.6)**	**40.5**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

8.4 Repurchase agreements/Lent securities

Repurchase and securities lending transactions are part of the Group's portfolio optimisation strategy.

The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership.

They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in "Operating liabilities represented by securities".

The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

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

(In € millions)		Carrying amount 31.12.2019	Carrying amount 31.12.2018
Available-for-sale financial assets	Fixed-rate bonds	12,695.9	11,594.3
	Equities	0.0	0.0
TOTAL		**12,695.9**	**11,594.3**

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

(In € millions)		Carrying amount 31.12.2019	Carrying amount 31.12.2018
Available-for-sale financial assets	Fixed-rate bonds	11,675.0	7,947.8
	Equities (quoted)	0.0	0.0
TOTAL		**11,675.0**	**7,947.8**

8.5 Movements for the period

8.5.1 2019

(In € millions)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment*	Reversals of provisions for impairment*	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	81,602.9	51,215.2	(47,452.8)	6,401.8	0.0	0.0	188.9	813.7	92,769.8
Derivative instruments	94.4	11.0	(170.4)	(541.0)	0.0	0.0	0.0	0.0	(606.1)
Available-for-sale financial assets	289,342.7	140,714.2	(133,274.8)	7,558.6	(463.6)	1,518.6	0.0	(2,141.2)	303,254.4
Held-to-maturity investments	396.3	26.8	(184.3)	0.0	0.0	0.0	0.0	(2.4)	236.5
Loans and receivables	4,891.3	1,533.0	(1,179.1)	0.0	0.0	0.0	0.0	(546.7)	4,698.5
Investment property	2,540.0	200.2	(99.5)	(17.8)	(1.0)	0.0	(307.4)	0.8	2,315.3
TOTAL	**378,867.7**	**193,700.3**	**(182,360.9)**	**13,401.6**	**(464.7)**	**1,518.6**	**(118.5)**	**(1,875.8)**	**402,668.4**

* See Note 18.3

8.5.2 2018

(In € millions)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment*	Reversals of provisions for impairment*	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	81,721.8	43,186.2	(37,907.3)	(3,351.3)	0.0	0.0	(653.5)	(1,392.8)	81,602.9
Derivative instruments	(312.5)	645.3	(530.2)	291.8	0.0	0.0	0.0	0.0	94.4
Available-for-sale financial assets	296,481.3	109,279.3	(107,758.5)	(9,616.8)	(168.9)	1,299.5	0.0	(173.2)	289,342.7
Held-to-maturity investments	548.7	34.2	(153.3)	0.0	0.0	0.0	0.0	(33.3)	396.3
Loans and receivables	4,970.5	493.6	(558.7)	0.0	0.0	0.0	0.0	(14.1)	4,891.3
Investment property	2,568.1	85.8	(77.6)	(16.0)	(0.9)	1.6	0.0	(21.0)	2,540.0
TOTAL	**385,978.0**	**153,724.3**	**(146,985.7)**	**(12,692.3)**	**(169.7)**	**1,301.1**	**(653.5)**	**(1,634.4)**	**378,867.7**

* See Note 18.3

8.6 Derivative instruments

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

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

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

c) it is settled at a future date.

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

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

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

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

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

	31.12.2019											
	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	7.1	(206.3)	18.5	(365.6)	5.9	(286.8)	0.0	(85.9)	45.9	(138.3)	77.4	(1,082.9)
Cap/floor	0.0	0.0	14.4	0.0	74.6	0.0	3.7	0.0	0.0	0.0	92.7	0.0
Equity	11.1	(12.2)	336.9	(36.9)	7.8	0.0	0.0	0.0	0.0	0.0	355.8	(49.1)
TOTAL	**18.2**	**(218.5)**	**369.8**	**(402.5)**	**88.3**	**(286.8)**	**3.7**	**(85.9)**	**45.9**	**(138.3)**	**525.9**	**(1,132.0)**

	31.12.2018											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
(In € millions)	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	58.0	(44.5)	36.4	(476.9)	0.1	(298.4)	4.2	(86.4)	39.0	(114.9)	137.7	(1,021.1)
Cap/floor	4.5	0.0	63.9	0.0	99.6	(0.1)	9.2	0.0	0.0	0.0	177.3	(0.1)
Equity	10.4	(1.0)	958.2	(171.1)	4.1	0.0	0.0	0.0	0.0	0.0	972.7	(172.2)
TOTAL	**72.9**	**(45.6)**	**1,058.5**	**(648.0)**	**103.8**	**(298.4)**	**13.4**	**(86.4)**	**39.0**	**(114.9)**	**1,287.6**	**(1,193.3)**

8.7 Derivative instruments qualifying for hedge accounting

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

For all hedging instruments, the Group (i) documents the hedging relationship and the risk management objective and strategy for undertaking the hedge, and (ii) assesses the effectiveness of the hedge at inception and over the life of the hedge by demonstrating the effectiveness of the hedging relationship both retrospectively and prospectively.

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

The fair values of derivatives designated as hedging instruments are as follows:

	Currency derivatives	
(In € millions)	**31.12.2019**	31.12.2018
Notional amount*	**1,452.7**	**1,208.7**
Cash flow hedge reserve	**25.8**	**30.7**
Change in cash flow hedge reserve during the period	(10.3)	90.0
Cash flow hedge reserve recycled through profit or loss during the period	27.9	(36.8)
Deferred taxes	8.2	(22.5)

* The notional amount at 31 December 2019 includes the notional amount of hedging instruments purchased in 2018 in connection with the renewal of the agreements in Brazil

CNP Assurances has set up two currency swaps to hedge changes in the euro amount of interest and principal due on two subordinated notes issues denominated in foreign currencies:

- the first on sterling-denominated subordinated notes issued in 2011 hedges payments on the notes through to 30 September 2021 against fluctuations in the sterling-euro exchange rate;
- the second concerns subordinated notes issued in US dollars in January 2016 and hedges payments on the notes through to 22 January 2029.

These derivatives are eligible for cash flow hedge accounting, as described above. At 31 December 2019, no amount had been recognised in profit or loss for the ineffective portion of the hedges.

In 2018, the Group purchased currency options to hedge the impact of a possible increase in the exchange rate for the Brazilian real against the euro on cash flows related to the renewal of the agreements with Caixa Econômica Federal in Brazil. These options qualify for hedge accounting as cash flow hedges. The hedge covers part of the payment to be made on the closing date for the distribution agreements with the Group's local partner, Caixa Seguridade.

During 2019, the option's notional amount, expiry date and exchange rate were adjusted to take account of ongoing negotiations. The accounting impact of these adjustments was recognized:

- in the cash flow hedge reserve for the amount corresponding to the gain realised on the original derivative (approximately €30 million), and
- in assets for the amount of the new premium paid on the adjusted derivative (approximately €24 million).

8.8 Credit risk

8.8.1 Analysis of the bond portfolio at 31 December 2019 by issuer rating

Rating *(In € millions)*	Bond portfolio at fair value	%
AAA	17,707.1	6.7%
AA	124,372.9	46.9%
A	49,894.4	18.8%
BBB	48,739.0	18.4%
< BBB	21,911.5	8.3%
NR	2,489.5	0.9%
TOTAL	**265,114.4**	**100.0%**

8.8.2 Analysis of the bond portfolio at 31 December 2018 by issuer rating

Rating *(In € millions)*	Bond portfolio at fair value	%
AAA	19,041.3	7.5%
AA	118,192.0	46.8%
A	45,580.9	18.0%
BBB	48,901.7	19.4%
< BBB	18,318.1	7.2%
NR	2,657.9	1.1%
TOTAL	**252,692.1**	**100.0%**

8.9 Classification of investments by category and by geographic region

8.9.1 Classification of investments by geographic region at 31 December 2019

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	94,794.1	10,510.7	13,812.9	44,723.3	15,990.5	3,017.1	18,525.8	201,374.4
	Investment funds	39,203.2	348.3	51.6	8,137.3	667.4	0.0	65.7	48,473.6
	Equities	11,293.9	3,440.5	438.6	2,576.2	0.0	0.0	641.0	18,390.2
	Other	31,386.1	54.4	51.3	3,237.1	10.7	10.9	265.7	35,016.2
Held-for-trading and FVO	Debt securities	13,208.4	782.2	1,435.4	3,476.0	1,289.3	17,090.6	1,518.5	38,800.3
	Investment funds	32,625.6	54.5	64.2	9,805.9	192.8	846.0	65.0	43,653.9
	Equities	2,292.0	428.5	426.9	904.9	778.5	218.2	383.6	5,432.7
	Other	1,366.5	152.0	158.4	54.1	0.2	311.8	2,840.0	4,882.9
Held-to-maturity investments	Debt securities	23.6	0.0	41.8	0.0	0.0	171.1	0.0	236.5
Loans and receivables		4,400.7	0.0	0.0	106.9	0.0	178.2	12.8	4,698.5
Derivative instruments		(598.4)	0.0	0.0	(7.7)	0.0	0.0	0.0	(606.1)
Investment property		2,225.6	0.0	0.0	61.4	0.0	28.2	0.0	2,315.3
TOTAL		**232,221.2**	**15,771.1**	**16,481.1**	**73,075.3**	**18,929.3**	**21,872.1**	**24,318.2**	**402,668.4**

List of countries (for information)	31.12.2019			31.12.2018		
	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	79,165.8	89,245.0	6,490.3	76,105.7	85,045.6	6,314.9
Brazil	16,918.5	17,097.6	2,023.4	13,482.3	13,528.7	1,088.8
Spain	10,089.5	11,162.1	1,041.2	9,681.1	10,282.9	959.7
Italy	8,861.8	9,851.4	669.8	9,411.2	10,043.3	804.2
Belgium	8,052.9	8,818.2	517.2	6,900.2	7,543.7	477.2
Germany	3,889.6	4,264.9	214.1	3,640.7	4,018.6	144.2
Austria	3,713.0	3,948.1	139.0	3,254.8	3,565.6	161.7
Ireland	887.4	915.7	49.7	980.2	1,014.0	115.7
Canada	707.7	741.9	88.9	873.1	937.6	56.3
Portugal	415.5	455.6	50.2	466.1	500.1	51.2
Netherlands	365.2	398.0	26.4	346.6	373.7	26.1
Poland	358.5	387.4	78.1	328.7	351.4	76.9
Finland	131.6	137.1	5.9	88.3	90.0	3.7
Cyprus	82.4	96.3	43.8	80.3	86.7	43.2
Slovenia	78.6	81.5	2.6	78.5	84.9	2.8
Luxembourg	36.7	37.7	16.7	32.8	34.5	16.1
Greece	6.6	10.3	0.0	10.5	9.6	0.1
Sweden	1.2	2.0	0.4	1.2	2.1	0.4
United Kingdom	0.9	1.5	0.0	0.5	0.7	0.0
Other	7,857.7	8,458.7	846.8	7,084.9	7,664.9	742.3
TOTAL	**141,621.1**	**156,111.0**	**12,304.4**	**132,847.6**	**145,178.4**	**11,085.6**

* Cost net of amortisation and impairment, including accrued interest

At 31 December 2019, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €156.1 billion, or an estimated exposure net of deferred participation and deferred taxes of €12.3 billion. Virtually all of the securities concerned are classified as available-for-sale financial assets. The Group's exposure is calculated based on asset values and before non-controlling interests.

The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles. In accordance with these principles, a change in the deferred participation reserve is recorded to offset unrealised gains or losses on financial assets taking into account contractual participation obligations and the Group's policyholder bonus policy (see Note 9.2). The relatively low weighting of contracts with a guaranteed yield and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 7.9% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 65.2% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (a 12.1% factor, supplementing the effective participation rate taking into account the exclusion of assets held in unit-linked funds, 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 7.9% (65.2% multiplied by 12.1%)

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 Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.23% for a projected DPF rate of around 1.14% at end-2019;
- unrealised gains, especially on property (€4.8 billion) and on equities (€12.9 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

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

8.9.2 Classification of investments by geographic region at 31 December 2018

(In € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	95,272.7	9,255.5	14,838.4	43,143.1	14,309.5	1,348.3	19,513.3	197,680.8
	Investment funds	35,604.8	237.3	54.9	9,758.8	367.0	0.0	1,131.9	47,154.7
	Equities	9,183.3	3,072.3	515.9	2,146.8	0.0	0.0	482.6	15,400.9
	Other	26,602.9	85.8	2.3	2,379.6	11.9	2.0	21.8	29,106.3
Held-for-trading and FVO	Debt securities	12,805.7	1,009.7	864.5	1,804.9	415.8	13,646.6	2,672.4	33,219.5
	Investment funds	29,148.9	32.8	16.6	8,930.7	83.0	1,128.4	579.5	39,920.0
	Equities	1,799.7	452.8	336.7	801.0	636.5	159.8	305.4	4,492.0
	Other	2,615.1	0.0	158.7	46.6	0.0	1,151.0	0.0	3,971.4
Held-to-maturity investments	Debt securities	126.1	0.0	41.8	0.0	0.0	228.5	0.0	396.3
Loans and receivables		3,593.4	0.0	0.1	703.1	0.0	0.0	594.6	4,891.3
Derivative instruments		102.0	0.0	0.0	(7.6)	0.0	0.0	0.0	94.4
Investment property		2,448.7	0.0	0.0	56.6	0.0	34.7	0.0	2,540.0
TOTAL		**219,303.2**	**14,146.1**	**16,829.9**	**69,763.7**	**15,823.7**	**17,699.4**	**25,301.6**	**378,867.7**

8.10 Foreign currency balances

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

At each reporting date, monetary balance sheet items (excluding available-for-sale financial assets) are translated using the closing rate, and the resulting exchange differences are recognised in profit or loss unless hedge accounting is used as described in Note 8.6 above.

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

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) and which are not covered by foreign exchange derivatives represented less than 0.5% of consolidated assets and liabilities in 2017, 2018 and 2019.

In preparation for the United Kingdom's forthcoming exit from the European Union, the Group has identified all of its exposures to sterling-denominated assets held directly or through funds. The review showed that less than 1% of total assets (€403.3 billion) were exposed to a risk of changes in the euro/sterling exchange rate.

8.11 Temporary exemption from applying IFRS 9

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. On 03 November 2017, the European Commission also adopted an amendment to IFRS 4 – Insurance Contracts that was published by the IASB on 12 September 2016 and describes how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. The amendment provides for two approaches to applying IFRS 9:

- an "overlay approach", to be applied by insurance companies that choose to apply IFRS 9 as from 1 January 2018;
- a "deferral approach" whereby adoption of IFRS 9 is deferred.

The Group qualifies to apply the deferral approach and has elected to defer application of IFRS 9.

It will be required to publish certain additional information during the transition period, concerning the classification of assets and the Group's exposure to credit risk on the assets that fulfil the criteria set out in IFRS 9 (financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding).

8.11.1 Fair value of financial assets by class of asset

(In € millions)		Fair value 31.12.2019	Fair value 31.12.2018
Financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding	Fixed-rate bonds	179,301.4	173,492.0
	Variable-rate bonds	19,633.7	19,344.0
	TCNs (money market securities)	3,677.7	2,838.4
	Other	24,684.5	20,819.3
	Total	**227,297.2**	**216,493.7**
Other financial assets	Equities	23,822.9	19,893.0
	Shares in non-trading property companies	11,844.6	10,700.3
	Investment funds	92,127.5	87,074.7
	Fixed-rate bonds	13,635.4	10,242.1
	Variable-rate bonds	23,508.8	24,871.4
	TCNs (money market securities)	667.7	414.0
	Other	3,394.3	1,689.5
	Derivative financial instruments (assets)	525.9	1,287.7
	Derivative financial instruments (liabilities)	(1,132.0)	(1,193.3)
	Total	**168,395.1**	**154,979.5**
Loans and receivables	Loans and receivables	4,698.5	4,891.3
Investment property	Investment property at amortised cost	1,768.6	1,937.5
	Investment property measured by the fair value model	1,580.8	1,510.2
	Total	**8,048.0**	**8,339.1**
TOTAL		**403,740.3**	**379,812.3**

IFRS 9/IAS 39 do not apply to investment property which is accounted for in accordance with different standards.

8.11.2 Breakdown by credit risk of debt instruments that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding

(In € millions)		31.12.2019		31.12.2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets for which the credit risk is low	AAA	15,678.8	17,026.2	15,482.0	16,968.7
	AAA	109,573.1	121,974.5	103,342.8	114,504.9
	AAA	37,801.1	39,603.1	34,362.6	35,659.5
	BBB	33,686.7	35,659.3	41,905.3	43,518.0
	Total	**196,739.7**	**214,263.1**	**195,092.7**	**210,651.1**
Assets for which the credit risk is not low	<BBB	11,265.6	11,934.5	4,739.1	4,836.6
	NR	1,049.7	1,099.6	988.4	1,006.0
	Total	**12,315.4**	**13,034.2**	**5,727.5**	**5,842.6**
TOTAL		**209,055.1**	**227,297.2**	**200,820.1**	**216,493.7**

None of the Group entities applied IFRS 9 as of the date of publication of the consolidated financial statements.

NOTE 9
Insurance and financial liabilities

9.1 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

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

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

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

- IFRS 15, when they correspond to the provision of services; or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

9.2 Insurance contracts and financial instruments with DPF

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

Insurance contracts

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

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

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

Financial instruments with DPF

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

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

Hybrid contracts

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

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

Life insurance and savings contracts

Premiums

Premiums on contracts in force during the period are recognised in revenue. In the case of group policies that include death insurance, the recognised amount is adjusted to include the estimated earned portion of premiums not yet written.

Technical and mathematical reserves

Reserves for contracts with death cover include the portion of premiums written but not earned during the reporting period.

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

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

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

The general contract administration expense reserve mentioned in Article R.343-3.4 of the French Insurance Code is designed to cover the insurer's commitment to administer its policies for as long as they remain in force. It is determined by the method and using the assumptions specified in Article 142-6 of ANC Regulation 2015-11.

The reserve corresponds to a prospective estimate of contract administration expenses that will not be covered by the premium and investment income loading. It is calculated by group of contracts with similar characteristics, based mainly on policyholder profiles, contract terms and experience-based assumptions concerning, for example, costs, surrenders and investment income. The estimation process includes a financial assessment of the options affecting administration expenses for certain contracts.

At 31 December 2019, the general administration expense reserve for savings and pensions contracts amounted to €267 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 €235 million at 31 December 2019. 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 €402 million at 31 December 2019. This reserve also covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation takes into account experience-based biometric risk assumptions (incidence of long-term care risk and persistency risk) based on historical data for the portfolio concerned, regulatory mortality tables and a discount rate determined by reference to the structure of the asset portfolio held to cover these commitments.

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

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

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

A reserve is also recorded for claims handling expenses.

Liability adequacy test

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

Shadow accounting

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

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

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

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

Testing deferred participation assets for recoverability

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

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

Reinsurance

Outward reinsurance

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

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

Inward reinsurance

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

9.3 Financial instruments without DPF (IAS 39)

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

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

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

9.4 Deferred participation asset/reserve

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

There are two types of deferred participation.

9.4.1 Unconditional participation

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

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

9.4.2 Conditional participation

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

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 9.2.

9.5 Analysis of insurance and financial liabilities

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

9.5.1 Analysis of insurance and financial liabilities at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**8,014.7**	**7,568.0**	**446.7**
Unearned premium reserves	1,004.5	975.7	28.8
Outstanding claims reserves	5,236.8	4,881.4	355.4
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	32.1	25.5	6.7
Other technical reserves	1,741.3	1,685.5	55.8
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**218,824.9**	**201,615.8**	**17,209.1**
Unearned premium reserves	1,998.8	1,986.0	12.8
Life premium reserves	207,072.1	190,174.7	16,897.4
Outstanding claims reserves	2,893.6	2,712.7	180.9
Policyholder surplus reserves	6,746.5	6,638.0	108.5
Other technical reserves	113.8	104.4	9.4
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**117,939.1**	**114,441.6**	**3,497.5**
Life premium reserves	109,069.9	105,887.2	3,182.8
Outstanding claims reserves	2,061.2	1,973.0	88.2
Policyholder surplus reserves	6,808.0	6,581.4	226.6
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,279.4**	**4,023.0**	**256.4**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**29,254.7**	**29,254.7**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**378,312.8**	**356,903.1**	**21,409.7**
Deferred participation asset	**0.0**	**0.0**	**0.0**

9.5.2 Analysis of insurance and financial liabilities at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**7,996.2**	**7,460.3**	**535.8**
Unearned premium reserves	976.1	934.1	42.0
Outstanding claims reserves	5,172.6	4,738.6	433.9
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	62.0	58.4	3.6
Other technical reserves	1,785.5	1,729.2	56.3
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**202,727.7**	**185,751.3**	**16,976.4**
Unearned premium reserves	1,807.7	1,768.5	39.2
Life premium reserves	192,640.7	175,998.7	16,641.9
Outstanding claims reserves	2,801.2	2,593.4	207.7
Policyholder surplus reserves	5,013.1	4,938.4	74.7
Other technical reserves	465.0	452.2	12.8
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**120,593.8**	**116,863.7**	**3,730.1**
Life premium reserves	111,994.6	108,566.5	3,428.1
Outstanding claims reserves	2,286.4	2,191.5	94.9
Policyholder surplus reserves	6,312.8	6,105.7	207.1
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,173.4**	**3,859.6**	**313.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**22,107.3**	**22,107.3**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**357,598.4**	**336,042.3**	**21,556.1**
Deferred participation asset	**0.0**	**0.0**	**0.0**

9.6 Change in technical reserves

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

9.6.1 Changes in mathematical reserves – life insurance

9.6.1.1 Changes in mathematical reserves – life insurance – at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**304,559.7**	**284,489.6**	**20,070.0**
Premiums	29,008.6	28,338.7	669.8
Extinguished liabilities (benefit payments)	(25,516.3)	(24,350.8)	(1,165.5)
Locked-in gains	5,967.9	5,541.5	426.5
Change in value of linked liabilities	4,335.8	4,336.1	(0.3)
Changes in scope (acquisitions/divestments)	18.9	19.9	(1.0)
Outstanding fees	(1,974.4)	(1,895.5)	(78.9)
Surpluses/deficits	(4.1)	(4.1)	0.0
Currency effect	(309.6)	(309.6)	0.0
Changes in assumptions	9.6	1.7	7.9
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	(178.0)	(329.6)	151.7
Mathematical reserves at the end of the period	**315,918.1**	**295,837.9**	**20,080.2**

9.6.1.2 Changes in mathematical reserves – life insurance – at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**303,586.9**	**283,195.9**	**20,390.9**
Premiums	27,855.9	27,087.3	768.6
Extinguished liabilities (benefit payments)	(27,011.6)	(25,755.9)	(1,255.7)
Locked-in gains	6,318.3	5,888.8	429.5
Change in value of linked liabilities	(2,625.5)	(2,625.4)	(0.1)
Changes in scope (acquisitions/divestments)	36.1	36.9	(0.8)
Outstanding fees	(1,827.1)	(1,752.1)	(75.0)
Surpluses/deficits	(4.3)	(4.3)	0.0
Currency effect	(1,372.0)	(1,372.0)	0.0
Changes in assumptions	(3.2)	1.4	(4.6)
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(393.7)	(210.9)	(182.8)
Mathematical reserves at the end of the period	**304,559.7**	**284,489.6**	**20,070.0**

9.6.2 Changes in technical reserves – non-life insurance

9.6.2.1 Changes in technical reserves – non-life insurance – at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,165.1**	**4,731.2**	**433.9**
Claims expenses for the period	1,526.8	1,511.0	15.8
Prior period surpluses/deficits	0.0	0.0	0.0
Total claims expenses	**1,526.8**	**1,511.0**	**15.8**
Current period claims settled during the period	(1,445.4)	(1,354.2)	(91.2)
Prior period claims settled during the period	(15.6)	(13.0)	(2.6)
Total paid claims	**(1,461.0)**	**(1,367.2)**	**(93.8)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(2.3)	(1.7)	(0.5)
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	**5,228.7**	**4,873.3**	**355.4**

9.6.2.2 Changes in technical reserves – non-life insurance – at 31 December 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**5,866.1**	**4,771.6**	**1,094.5**
Claims expenses for the period	1,696.8	1,497.4	199.4
Prior period surpluses/deficits	0.0	0.0	0.0
Total claims expenses	**1,696.8**	**1,497.3**	**199.4**
Current period claims settled during the period	(1,671.2)	(1,509.7)	(161.5)
Prior period claims settled during the period	(18.8)	(12.5)	(6.3)
Total paid claims	**(1,690.0)**	**(1,522.2)**	**(167.8)**
Changes in scope (acquisitions/divestments)	(688.7)	0.0	(688.7)
Currency effect	(18.9)	(15.5)	(3.4)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**5,165.1**	**4,731.2**	**433.9**

9.6.3 Changes in mathematical reserves – financial instruments with DPF

(In € millions)	31.12.2019		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**4,173.4**	**3,859.6**	**313.9**
Premiums	1,641.1	1,640.2	0.9
Extinguished liabilities (benefit payments)	(2,000.3)	(1,997.9)	(2.4)
Locked-in gains	11.0	11.0	0.0
Change in value of linked liabilities	540.2	616.0	(75.8)
Changes in scope (acquisitions/divestments)	(46.5)	(46.5)	0.0
Currency effect	(10.6)	(10.6)	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	(29.1)	(48.8)	19.8
Mathematical reserves at the end of the period	**4,279.4**	**4,023.0**	**256.4**

(In € millions)	31.12.2018		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**4,578.3**	**4,244.5**	**333.8**
Premiums	341.3	337.3	4.0
Extinguished liabilities (benefit payments)	(476.9)	(467.2)	(9.7)
Locked-in gains	22.2	22.2	0.0
Change in value of linked liabilities	(130.2)	(126.3)	(3.9)
Changes in scope (acquisitions/divestments)	(113.2)	(113.2)	0.0
Currency effect	(67.1)	(67.1)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	19.1	29.5	(10.4)
Mathematical reserves at the end of the period	**4,173.4**	**3,859.6**	**313.9**

9.7 Deferred participation (shadow accounting adjustments)

This note breaks down the sources of deferred participation arising from the use of shadow accounting. The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset (see Note 9.2).

Deferred participation asset/reserve *(In € millions)*	31.12.2019			31.12.2018		
	DPA	DPR	TOTAL	DPA	DPR	TOTAL
Deferred participation on remeasurement of assets at fair value through profit or loss	0.0	2,077.5	(2,077.5)	0.0	1,275.1	(1,275.1)
Deferred participation on remeasurement of assets at fair value through equity	0.0	27,177.2	(27,177.2)	0.0	20,832.2	(20,832.2)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**29,254.7**	**(29,254.7)**	**0.0**	**22,107.3**	**(22,107.3)**

The following table analyses year-on-year changes:

(In € millions)	31.12.2019		31.12.2018	
	DPA	DPR	DPA	DPR
Deferred participation at the beginning of the period	**0.0**	**22,107.3**	**0.0**	**30,335.5**
Deferred participation on remeasurement of securities at fair value through profit or loss	0.0	802.5	0.0	(140.2)
Deferred participation on remeasurement of securities at fair value through equity	0.0	6,345.0	0.1	(8,088.1)
Other movements	0.0	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0	0.0	0.0
Deferred participation at the end of the period	**0.0**	**29,254.7**	**0.1**	**22,107.3**

9.8 Changes in financial liabilities – linked liabilities

9.8.1 Changes in 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**52,589.7**	**50,564.7**	**2,025.0**
Entries (new contracts, transfers between contracts, replacements)	11,235.3	11,147.6	87.7
Revaluation (fair value adjustments, incorporation of policyholder surplus)	5,436.6	5,511.6	(75.0)
Exits (paid benefits and expenses)	(4,936.2)	(4,859.2)	(77.0)
Entries/exits related to portfolio transfers	(2,037.9)	(1,940.8)	(97.1)
Outstanding fees deducted	(415.1)	(402.4)	(12.6)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	0.0	0.0	0.0
Translation adjustment	(298.3)	(298.3)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	237.7	28.8	208.8
Linked liabilities at the end of the period*	**61,811.9**	**59,752.0**	**2,059.8**

* Refer to reconciliation table in Note 9.8.3

9.8.2 Changes in 2018

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Linked liabilities at the beginning of the period	**50,057.1**	**47,978.8**	**2,078.3**
Entries (new contracts, transfers between contracts, replacements)	10,669.4	10,522.4	146.9
Revaluation (fair value adjustments, incorporation of policyholder surplus)	(1,956.0)	(1,952.5)	(3.5)
Exits (paid benefits and expenses)	(4,396.6)	(4,318.4)	(78.2)
Entries/exits related to portfolio transfers	(119.1)	(134.5)	15.4
Outstanding fees deducted	(390.8)	(378.2)	(12.6)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	(0.1)	(0.1)	0.0
Translation adjustment	(1,340.2)	(1,340.2)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	66.0	187.3	(121.2)
Linked liabilities at the end of the period*	**52,589.7**	**50,564.7**	**2,025.0**

* Refer to reconciliation table in Note 9.8.3

9.8.3 Balance sheet reconciliation

(In € millions)	31.12.2019	31.12.2018
Financial liabilities – linked liabilities – balance sheet	**65,455.5**	**56,168.5**
Changes in financial liabilities – linked liabilities other than IAS 39	61,811.9	52,589.7
Changes in financial liabilities – linked liabilities – IAS 39	3,643.7	3,578.9
VARIANCE	**0.0**	**0.0**

9.9 Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer:

- Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+.
- For quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows:

9.9.1 Credit risk on reinsured business at 31 December 2019

CEDED TECHNICAL RESERVES

Credit rating	Amount *(in € millions)*	%
AAA	2.6	0.01%
AA+	2.1	0.01%
AA	1.0	0.00%
AA-	1,499.0	7.00%
A+	39.5	0.18%
A	19,748.8	92.24%
A-	2.8	0.01%
BBB	0.4	0.00%
-	113.4	0.53%
Total ceded technical reserves	**21,409.7**	**100.00%**

9.9.2 Credit risk on reinsured business at 31 December 2018

CEDED TECHNICAL RESERVES

Credit rating	Amount *(in € millions)*	%
AA-	1.5	0.01%
A+	1,507.4	6.99%
A	16,954.5	78.65%
A-	2,757.7	12.79%
BBB+	2.7	0.01%
-	332.4	1.54%
Total ceded technical reserves	**21,556.1**	**100.00%**

The credit ratings of the reinsurers were reclassified from AA- to A+ for €1,423.9 million and from "Without rating" to A for €721.1 million.

NOTE 10
Subordinated debt

10.1 Subordinated debt at 31 December 2019

(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 debt					**6,197.7**	**0.0**	**1,200.0**	**750.0**	**0.0**	**4,247.7**	**0.0**	**6,775.1**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		783.3
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300.0	GBP	352.6					352.6		389.2
CNP Assurances	Sept. 2010	6% until Sept. 2020, then 3-month Euribor +447.2 bp		EUR	750.0					750.0		783.0
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0		200.0					210.3
CNP Assurances	June 2014	4.25% until June 2025 then reset at the 5-year fixed swap rate +360 bp		EUR	500.0					500.0		584.3
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		909.8
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	445.1					445.1		495.0
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,047.0
CNP Assurances	Feb. 2019	2.75% until 2029		EUR	500.0			500.0				562.3
CNP Assurances	Nov. 2019	2.00% until June 2030 then 3-month Euribor +300 bp		EUR	750.0					750.0		759.1
CNP Assurances	Dec. 2019	0.80% until 2027		EUR	250.0			250.0				251.9
Undated (perpetual) subordinated debt					**183.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**183.0**	**184.6**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bp		EUR	0.0							0.0
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	90.8
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	93.8
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500 bp	0.0	USD	0.0							
TOTAL					**6,380.7**	**0.0**	**1,200.0**	**750.0**	**0.0**	**4,247.7**	**183.0**	**6,959.7**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been €301.0 million before tax at 31 December 2019
The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 9.5) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 17 regarding the fair value of these instruments

None of the Group's subordinated debt issues are subject to financial covenants.

The Group has contracted two cash flow hedges on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2016.

10.2 Subordinated debt at 31 December 2018

(In € millions)	Issuance date	Interest rate	Amount in currency	Cur-rency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Un-dated	Fair value*
Dated subordinated debt					**4,672.1**	**0.0**	**1,200.0**	**0.0**	**0.0**	**3,472.1**	**0.0**	**4,966.6**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		802.5
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300.0	GBP	335.4					335.4		366.7
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bp		EUR	750.0					750.0		811.4
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0		200.0					204.8
CNP Assurances	June 2014	4.25% fixed, revisable every 5 years after the first 11 years – Annual (Actual/365)		EUR	500.0					500.0		525.4
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		786.7
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	436.7					436.7		452.0
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,017.1
Undated (perpetual) subordinated debt					**664.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**664.7**	**648.1**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bp		EUR	45.0						45.0	42.6
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	80.2
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	82.9
CNP Assurances	July 2013	6.875% until July 2019, then reset at the 6-year fixed swap rate +500.0 bp	500.0	USD	436.7						436.7	442.3
TOTAL					**5,336.7**	**0.0**	**1,200.0**	**0.0**	**0.0**	**3,472.1**	**664.7**	**5,614.7**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been €472.1 million before tax at 31 December 2018

The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 9.5) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 17 regarding the fair value of these instruments.

None of the Group's subordinated debt issues are subject to financial covenants.

The Group has contracted three cash flow hedges, on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2013 and 2016.

NOTE 11
Insurance and reinsurance receivables

11.1 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2019 and 31 December 2018.

(In € millions)	**31.12.2019**	31.12.2018
Earned premiums not yet written	1,992.7	1,809.6
Other insurance receivables	958.4	697.5
Reinsurance receivables	172.1	484.4
TOTAL	**3,123.2**	**2,991.4**
Of which, doubtful receivables	5.4	5.0

ANALYSIS BY MATURITY

	31.12.2019		
(In € millions)	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**
Earned premiums not yet written	1,992.7	0.0	0.0
Other insurance receivables	945.5	12.3	0.6
Reinsurance receivables	172.1	0.0	0.0
TOTAL	**3,110.4**	**12.3**	**0.6**

	31.12.2018		
(In € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,809.6	0.0	0.0
Other insurance receivables	686.4	10.3	0.8
Reinsurance receivables	484.4	0.0	0.0
TOTAL	**2,980.4**	**10.3**	**0.8**

11.2 Other receivables

(In € millions)	**31.12.2019**	31.12.2018
Receivables from employees	1.5	0.9
Prepaid payroll charges and other taxes	562.9	107.4
Sundry receivables	5,266.8	5,084.6
TOTAL	**5,831.2**	**5,192.9**

NOTE 12
Provisions for liabilities and charges

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

12.1 Provisions for liabilities and charges – 2019

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2019	**100.5**	**73.4**	**173.9**
New provisions set up during the period and increases in existing provisions	147.6	100.2	247.8
Amounts utilised during the year	(1.1)	(6.8)	(7.9)
Surplus provisions released during the period	(82.6)	(2.7)	(85.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(2.9)	(0.1)	(3.0)
Changes in scope of consolidation	0.0	(0.7)	(0.7)
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 2019	**161.6**	**163.2**	**324.8**

12.2 Provisions for liabilities and charges – 2018

(In € millions)	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2018	**71.9**	**138.5**	**210.5**
New provisions set up during the period and increases in existing provisions	91.4	17.9	109.2
Amounts utilised during the year	(3.6)	(79.5)	(83.0)
Surplus provisions released during the period	(52.5)	(2.7)	(55.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(7.2)	(0.4)	(7.5)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.5	(0.5)	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
CARRYING AMOUNT AT 31 DECEMBER 2018	**100.5**	**73.4**	**173.9**

NOTE 13
Liabilities arising from insurance and reinsurance transactions

13.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of insurance and reinsurance liabilities at 31 December 2019 and at 31 December 2018.

(In € millions)	**31.12.2019**	31.12.2018
Cash deposits received from reinsurers	11,770.4	11,919.6
Liabilities arising from insurance transactions	1,483.0	1,536.2
Liabilities arising from reinsurance transactions	569.3	835.8
Deferred acquisition costs	20.2	39.3
TOTAL	**13,842.9**	**14,330.9**

ANALYSIS BY MATURITY

	31.12.2019			31.12.2018		
(In € millions)	**Due within 1 year**	**Due in 1 to5 years**	**Due beyond 5 years**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	11,743.2	27.3	0.0	11,814.8	104.8	0.0
Liabilities arising from insurance transactions	1,483.0	0.0	0.0	1,535.9	0.2	0.0
Liabilities arising from reinsurance transactions	569.3	0.0	0.0	835.8	0.0	0.0
Deferred acquisition costs	4.2	14.7	1.3	23.0	14.1	2.2
TOTAL	**13,799.6**	**42.0**	**1.3**	**14,209.6**	**119.1**	**2.2**

13.2 Miscellaneous payables

(In € millions)	**31.12.2019**	31.12.2018
Wages, salaries and bonuses payable	414.1	387.1
Accrued payroll charges and other taxes	1,147.4	1,276.2
Sundry payables	3,027.9	2,673.6
TOTAL	**4,589.3**	**4,336.8**

13.3 Employee benefits – IAS 19

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

Short-term benefits are benefits that are expected to be settled in full within 12 months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

13.3.1 Employee benefit plans

Time-savings accounts and employee retirement savings plans

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

In addition, employees whose working time is calculated based on a number of hours worked per week, month or year may have built up a "time credit". This credit is used in the form of paid time off.

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.

Discount rate

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

Accounting treatment

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

Liabilities under unfunded plans are recognised in the balance sheet.

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

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

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

13.3.2 Share-based payment

Accounting treatment of employee share grants

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

13.3.3 Main assumptions

Discount rate

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

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	11.56	0.58%	2.00%	Included in salary increases	n/a
Jubilees	7.98	0.31%	2.00%	Included in salary increases	n/a
Article 39 of the French Tax Code	4.44	0.02%	2.00%	Included in salary increases	0.02%
Time-savings account system	6.15	0.14%	2.00%	Included in salary increases	n/a
Other plans: Italy	25	1.40%	1.50%	1.25%	n/a

The short-term measure introduced by the French government to help employees ease into retirement was applicable until 30 November 2019 – see GPEC agreement.

Eligible employees are given the opportunity to take part of the 12 or 24 months preceding their retirement date (depending on the chosen option) as paid leave, in exchange for a reduction in their salary for the period to 80%, as follows:

- full-time working during the first six or 12 months, depending on the chosen option;
- paid leave during the next six or 12 months, depending on the chosen option.

Mortality tables

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

13.3.4 Recognised benefit obligations

(In € millions)	Post-employment benefit plans 31.12.2019	Post-employment benefit plans 31.12.2018
Projected benefit obligation	198.7	208.8
Fair value of plan assets	0.3	0.3
Projected benefit obligation net of plan assets	**199.0**	**209.1**
Unrecognised past service cost	0.0	0.0
Liability recognised in the balance sheet – defined benefit plans	**199.0**	**209.1**
Liability recognised in the balance sheet – defined contribution plans	50.9	53.1
Total liability recognised in the balance sheet for post-employment benefit plans	**249.9**	**262.2**
Other long-term benefit obligations	55.4	17.9
Of which length-of-service and jubilee awards	*23.9*	*17.9*
Total liability recognised in the balance sheet for long-term benefit obligations*	**305.3**	**280.1**

* Benefit obligations are mainly carried in the books of the French and Italian entities (€302.0 million and €1.3 million, respectively)

13.3.5 Analysis of long-term benefit costs

(In € millions)	Post-employment benefit plans 31.12.2019	Post-employment benefit plans 31.12.2018
Current service cost (net of employee contributions)	**8.0**	**9.9**
Interest cost	1.7	1.5
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	**9.7**	**11.4**
Post-employment benefit expense – defined contribution plans	12.9	2.8
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**22.6**	**14.2**

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

(In € millions)	Post-employment benefit plans 31.12.2019	Post-employment benefit plans 31.12.2018
At 1 January (1)	**209.1**	**228.0**
Effect of changes in exchange rates (2)	0.0	0.0
Post-employment benefit expense	9.7	11.4
Employer's contributions (3)	(2.7)	(7.3)
Benefits paid (4)	(8.3)	(9.7)
Actuarial gains and losses recognised directly in equity (5)	15.8	(17.2)
Actuarial gains and losses recognised through profit or loss	1.4	3.9
Reclassifications	(26.0)	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0
AT 31 DECEMBER	**199.0**	**209.1**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans
(2) Defined benefit plan (costs)/income
(3) Management fees paid on plan assets
(4) Fees paid by the Group (or rebilled by Caisse des Dépôts)
(5) Actuarial gains and losses recognised immediately in equity

13.3.7 Change in actuarial gains

	Post-employment benefit plans	
(In € millions)	**31.12.2019**	31.12.2018
Actuarial gains and losses recognised in equity at the beginning of the period	**157.1**	**140.0**
Actuarial gains and losses related to changes in discount rates	34.1	(3.5)
Actuarial gains and losses related to changes in retirement age assumptions	(1.0)	0.0
Actuarial gains and losses related to changes in technical rates	2.2	0.0
Actuarial gains and losses related to annuity contributions	0.0	0.0
Actuarial gains and losses related to changes in staff turnover rate assumptions	(1.1)	(2.0)
Actuarial gains and losses related to changes in payroll tax assumptions	0.0	0.9
Actuarial gains and losses related to historical loss adjustments	3.8	21.7
Actuarial gains and losses recognised in equity at the end of the period	**195.3**	**157.1**

13.3.8 Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its employee benefit obligations in relation to changes in discount rates, employee turnover rates, rate of salary increases, valuation rates of interest and mortality tables. Employee benefit obligations are most sensitive to a change in the discount rate: a 25-bp change in this rate, for the French entities, would result in a 2% increase or decrease in employee benefit obligations.

Analysis of the main components of the income statement

NOTE 14
Premium income

Premium income comprises:

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

Service contracts

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IFRS 15, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided that the transaction's outcome can be estimated reliably.

14.1 Earned premiums and revenue from other activities

Business segment and contract type *(In € millions)*	31.12.2019	31.12.2018
Insurance contracts	**28,563.8**	**27,692.4**
▪ Life	25,858.6	24,938.1
Pure premiums	23,965.0	23,110.7
Loading	1,893.6	1,827.4
▪ Non-life	2,705.2	2,754.3
Pure premiums	1,816.9	1,888.2
Loading	888.3	866.0
Financial instruments with DPF	**4,872.6**	**4,622.5**
Pure premiums	4,838.3	4,584.5
Loading	34.3	38.0
Earned premiums	**33,436.4**	**32,314.9**

Revenue from other activities *(In € millions)*	31.12.2019	31.12.2018
Financial instruments without DPF	**69.0**	**62.3**
Premium loading on financial instruments without DPF (IAS 39)	60.0	51.7
Loading on technical reserves for financial instruments without DPF	9.0	10.6
IFRS 15	**76.9**	**85.4**
Other activities	**1.9**	**0.2**
TOTAL	**147.8**	**147.9**

14.2 Reconciliation to reported premium income

(In € millions)	31.12.2019	31.12.2018
Earned premiums	33,436.4	32,314.9
Premium loading on financial instruments without DPF (IAS 39)	60.0	51.7
TOTAL	**33,496.4**	**32,366.6**

14.3 Premium income by partner

(In € millions)	31.12.2019	31.12.2018
La Banque Postale	8,542.9	8,529.7
BPCE	6,444.0	7,129.4
Amétis	250.9	270.3
CNP Patrimoine	3,059.5	2,157.7
Financial institutions	1,197.4	1,256.5
Companies and local authorities	1,601.3	1,709.4
Mutual insurers	493.1	484.7
International subsidiaries	11,866.3	10,795.4
Other	40.9	33.7
TOTAL PREMIUM INCOME	**33,496.4**	**32,366.6**

14.4 Premium income by business segment

(In € millions)	31.12.2019	31.12.2018
Savings	**20,487.9**	**20,641.8**
Pensions	**6,272.7**	**5,089.3**
Personal Risk	1,617.6	1,737.7
Term creditor insurance	4,304.7	4,074.9
Health insurance	420.4	448.8
Property & Casualty	392.9	374.0
Sub-total Personal Risk and other	**6,272.7**	**6,635.5**
Other business segments	**0.0**	**0.0**
TOTAL PREMIUM INCOME	**33,496.4**	**32,366.6**

14.5 Premium income by company

(In € millions)	31.12.2019	31.12.2018
CNP Assurances	21,478.2	21,401.9
Caixa Seguros Group	6,733.2	5,452.4
CNP UniCredit Vita	3,050.5	3,368.7
CNP Santander Insurance	764.7	742.8
CNP Luxembourg	792.9	615.9
CNP Partners	272.4	378.3
CNP Cyprus Insurance Holdings	167.1	157.4
MFPrévoyance SA	128.7	128.8
CNP Caution	87.4	92.9
CNP Assurances Compañia de Seguros	21.2	27.5
TOTAL PREMIUM INCOME	**33,496.4**	**32,366.6**

14.6 Premium income by country

	Under IFRS		Under French GAAP	
(in € millions)	31.12.2019	31.12.2018	31.12.2019	31.12.2018
France	21,630.2	21,571.2	22,927.9	21,604.6
Brazil	6,733.2	5,452.4	7,031.5	5,722.5
Italy	3,260.7	3,638.3	3,284.9	3,671.2
Luxembourg	792.9	615.9	792.9	615.9
Germany	472.4	482.9	472.4	482.9
Spain	241.7	263.0	241.7	263.0
Cyprus	163.4	153.4	167.8	156.6
Poland	92.4	83.1	92.4	83.1
Argentina	21.2	27.5	21.2	27.5
Denmark	20.2	22.2	20.2	22.2
Norway	21.1	21.4	21.1	21.4
Austria	21.1	13.4	21.1	13.4
Portugal	5.3	5.0	5.3	5.0
Ireland	0.0	0.0	0.0	0.0
Other	20.5	16.9	21.3	17.5
TOTAL PREMIUM INCOME	**33,496.4**	**32,366.6**	**35,121.8**	**32,706.8**

14.7 Direct and inward reinsurance premiums

(In € millions)	31.12.2019	31.12.2018
Direct business premiums	30,917.9	30,043.4
Inward reinsurance premiums	2,578.4	2,323.2
TOTAL PREMIUM INCOME	**33,496.4**	**32,366.6**

14.8 Reconciliation of net new money (French GAAP) to premium income (IFRS)

(In € millions)	31.12.2019	31.12.2018
Net new money (French GAAP)	**35,121.8**	**32,706.8**
Restatement of net new money (French GAAP) from financial instruments without DPF (IAS 39)	(1,685.4)	(391.9)
IFRS premium loading on financial instruments without DPF (IAS 39)	60.0	51.7
IFRS PREMIUM INCOME	**33,496.4**	**32,366.6**

French GAAP net new money includes the total deposit component of financial instruments without DPF (IAS 39) while IFRS premium income includes only the premium loading on these instruments. The Group's performance and new business for the period is measured using a French GAAP indicator that does not make any distinction between the different types of contract and their respective measurement methods under IFRS based on their separate components.

NOTE 15
Claims and benefits expenses

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

IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF *(In € millions)*	31.12.2019	31.12.2018
Incurred claims	11,269.4	11,806.4
Endowments due	118.2	148.6
Benefits due	1,042.9	1,037.2
Surrenders	13,941.3	15,331.8
Credited interest and policyholder dividends included in paid benefits	(158.1)	(106.5)
Benefit and claim handling expenses	151.7	158.7
Claims and benefits	**26,365.3**	**28,376.3**
Change in technical reserves – insurance contracts	11,254.6	4,240.2
Change in technical reserves – financial instruments with DPF	(4,675.4)	(7,764.9)
Change in other technical reserves	(106.2)	(365.6)
Change in technical reserves	**6,473.0**	**(3,890.3)**
Credited interest	806.5	848.0
Policyholder dividends	7,209.0	5,806.3
Credited interest and policyholder dividends	**8,015.5**	**6,654.3**
Claims and benefits expenses	**40,853.8**	**31,140.3**

NOTE 16
Administrative expenses and business acquisition costs

Acquisition costs and operating expenses

Underwriting expenses are presented by function:

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

Cost recognition and allocation:

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

Other costs are analysed between:

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

16.1 Expenses analysed by function

(In € millions)	31.12.2019	31.12.2018
Commissions	(3,911.6)	(3,802.3)
Expenses analysed by function	(106.0)	(152.0)
Acquisition costs	**(4,017.6)**	**(3,954.3)**
Contract administration expenses	**(239.6)**	**(202.3)**
Other underwriting income and expenses	(398.1)	(374.4)
Other income and expenses	(319.6)	(168.7)
Employee profit-sharing	(35.2)	(32.3)
Other recurring operating income and expense, net	**(752.8)**	**(575.4)**
TOTAL	**(5,010.0)**	**(4,732.0)**

16.2 Expenses analysed by nature

(In € millions)	31.12.2019	31.12.2018
Depreciation and amortisation expense and impairment losses	(58.8)	(60.3)
Employee benefits expense	(474.6)	(474.6)
Taxes other than on income	(56.2)	(55.0)
Other*	(359.1)	(357.2)
TOTAL	**(948.7)**	**(947.1)**

* Details of fees paid to the Statutory Auditors are presented in Note 16.5

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

16.3 Administrative expenses, net

(In € millions)	31.12.2019	31.12.2018
Administrative expenses*		
▪ Excluding international subsidiaries and other businesses	611.1	611.1
▪ Including international subsidiaries and other businesses	925.9	922.5

* Excluding Amétis network expenses

16.4 Analysis of commission expense

(In € millions)	31.12.2019	31.12.2018
BPCE	1,100.2	1,033.0
La Banque Postale	658.1	607.3
Other	2,153.3	2,162.0
TOTAL	**3,911.6**	**3,802.3**

16.5 Fees paid to the Statutory Auditors

31 DECEMBER 2019

(In € thousands)	MAZARS		PWC	
	Amount [2]	%	Amount [2]	%
Audit				
Audit of the financial statements of the Company and the Group	1,911	77%	2,626	82%
Issuer	*1,244*	*50%*	*1,251*	*39%*
Fully consolidated companies	*667*	*27%*	*1,375*	*43%*
Other audit and special engagements [1]	557	23%	583	18%
Issuer	*452*	*18%*	*512*	*16%*
Fully consolidated companies	*105*	*4%*	*71*	*2%*
TOTAL	**2,467**	**100%**	**3,209**	**100%**

(1) "Other duties and services directly related to the assignment carried out by the Statutory Auditors" include services relating to the issue of debt securities, review of MCEV© calculations, review of Solvency II disclosures, review of the English translation of the Universal Registration Document and other reports, and review of the Non-Financial Performance Statement

(2) Excluding recoverable taxes

31 DECEMBER 2018

(In € thousands)	MAZARS		PWC	
	Amount [2]	%	Amount [2]	%
Audit				
Audit of the financial statements of the Company and the Group	1,914	80%	2,414	79%
Issuer	*1,161*	*48%*	*1,189*	*39%*
Fully consolidated companies	*753*	*31%*	*1,225*	*40%*
Other audit and special engagements [1]	488	20%	641	21%
Issuer	*424*	*18%*	*521*	*17%*
Fully consolidated companies	*64*	*3%*	*120*	*4%*
Sub-total	**2,401**	**100%**	**3,054**	**100%**
Other services rendered by the Auditors to the fully consolidated companies				
Legal, tax and labour-law advisory services	*39*	*2%*	*30*	*1%*
Other				
Sub-total	**39**	**0%**	**30**	**0%**
TOTAL	**2,440**	**100%**	**3,084**	**100%**

(1) "Other audit and special engagements" mainly concern the issue of subordinated notes, the review of MCEV©, the review of the English translation of the Registration Document, the review of sustainable development indicators and the review of internal control processes linked to the processing of unclaimed life insurance settlements

(2) Excluding recoverable taxes

NOTE 17
Reinsurance result

(In € millions)	**31.12.2019**	31.12.2018
Ceded premiums	(1,074.8)	(1,096.7)
Change in ceded technical reserves	1,430.9	1,061.9
Reinsurance commissions received	167.7	177.0
Investment income	(428.1)	(155.9)
TOTAL	**95.7**	**(13.7)**

NOTE 18
Investment income

18.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or loss or directly in equity for 2019 and 2018.

(In € millions)		31.12.2019	31.12.2018
Available-for-sale financial assets	Income from debt securities	(484.5)	259.0
	Interest income	4,874.1	5,290.5
	Income from other financial assets	1,743.8	1,838.1
	Capital gains and losses on disposals	1,368.7	19.4
	Impairment	1,055.0	1,024.6
	Net income from available-for-sale financial assets	**8,557.1**	**8,431.5**
Held-to-maturity investments	Income from debt securities	0.0	0.0
	Interest income	32.4	41.7
	Other income & charges	0.0	0.0
	Impairment	0.0	0.0
	Net income from held-to-maturity investments	**32.4**	**41.7**
Loans and receivables	Interest income	96.0	(0.9)
	Other income	(0.3)	(95.4)
	Impairment	0.0	106.0
	Net income from loans and receivables	**95.7**	**9.7**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	6,979.9	(2,458.3)
	Profit (loss) on derivative instruments held for trading and hedging	(952.8)	(81.2)
	Capital gains and losses on disposals	207.0	198.9
	Net income (expense) from financial assets at fair value through profit or loss	**6,234.1**	**(2,340.6)**
Investment property	Rent and other revenue	85.2	91.8
	Fair value adjustments	16.9	14.5
	Capital gains and losses on disposals	221.4	72.2
	Net income from investment property	**323.5**	**178.4**
Other investment expenses		**(253.1)**	**(263.1)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**14,989.7**	**6,057.6**
Interest on subordinated debt at amortised cost		(263.6)	(262.8)
Interest on subordinated debt at fair value		0.0	0.0
Finance costs - Cash flow hedges		12.7	14.3
Total finance costs		**(250.9)**	**(248.5)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**14,738.8**	**5,809.2**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(in € millions)	31.12.2019	31.12.2018
Investment income before finance costs	14,989.7	6,057.6
Finance costs	(250.9)	(248.5)
TOTAL	**14,738.8**	**5,809.2**

18.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2019 and 2018.

18.2.1 Fair value adjustments to assets – 2019

(In € millions)		Investments held at 31.12.2019	Investments held at 31.12.2018	Movements in 2018
Assets at fair value through profit or loss	Fixed-rate bonds	14,853.9	11,951.4	2,902.5
	Variable-rate bonds	23,278.7	20,824.4	2,454.3
	TCNs (money market securities)	667.7	443.7	224.0
	Equities	5,432.7	4,492.0	940.6
	Investment funds	43,653.9	39,920.0	3,733.9
	Shares in non-trading property companies	1,515.2	1,206.2	309.0
	Other (including lent securities and repos)	3,367.7	2,765.2	602.5
	Total	**92,769.8**	**81,602.9**	**11,166.8**
Derivative instruments	Derivative instruments (positive fair value)	525.9	1,287.7	(761.8)
	Derivative instruments (negative fair value)	(1,132.0)	(1,193.3)	61.3
	Total	**(606.1)**	**94.4**	**(700.4)**
Available-for-sale financial assets	Fixed-rate bonds	178,052.2	171,685.9	6,366.3
	Variable-rate bonds	19,645.5	23,186.4	(3,540.9)
	TCNs (money market securities)	3,677.7	2,808.4	869.2
	Equities	18,390.2	15,400.9	2,989.3
	Investment funds	48,473.6	47,154.8	1,318.8
	Shares in non-trading property companies	10,329.4	9,494.1	835.3
	Non-voting loan stock	60.5	61.3	(0.8)
	Other (including lent securities and repos)	24,625.3	19,550.9	5,074.5
	Total	**303,254.4**	**289,342.7**	**13,911.7**
Held-to-maturity investments	Fixed-rate bonds	31.7	98.6	(67.0)
	Variable-rate bonds	218.3	204.1	14.2
	Other (including lent securities and repos)	24.2	130.6	(106.4)
	Total	**274.2**	**433.2**	**(159.0)**
Loans and receivables	Loans and receivables	4,698.5	4,891.3	(192.8)
	Total	**4,698.5**	**4,891.3**	**(192.8)**
Investment property	Investment property at amortised cost	1,768.6	1,937.5	(168.9)
	Investment property measured by the fair value model	1,580.8	1,510.2	70.6
	Total	**3,349.4**	**3,447.8**	**(98.4)**
TOTAL		**403,740.3**	**379,812.3**	**23,928.0**

18.2.2 Fair value adjustments to assets – 2018

(In € millions)		Investments held at 31.12.2018	Investments held at 31.12.2017	Movements in 2017
Assets at fair value through profit or loss	Fixed-rate bonds	11,951.4	12,805.8	(854.4)
	Variable-rate bonds	20,824.4	19,481.5	1,343.0
	TCNs (money market securities)	443.7	161.6	282.2
	Equities	4,492.0	5,265.3	(773.3)
	Investment funds	39,920.0	41,059.1	(1,139.1)
	Shares in non-trading property companies	1,206.2	1,173.5	32.7
	Other (including lent securities and repos)	2,765.2	1,775.0	990.2
	Total	**81,602.9**	**81,721.8**	**(118.8)**
Derivative instruments	Derivative instruments (positive fair value)	1,287.7	797.5	490.1
	Derivative instruments (negative fair value)	(1,193.3)	(1,110.1)	(83.2)
	Total	**94.4**	**(312.5)**	**406.9**
Available-for-sale financial assets	Fixed-rate bonds	171,685.9	171,449.1	236.8
	Variable-rate bonds	23,186.4	26,161.7	(2,975.3)
	TCNs (money market securities)	2,808.4	2,009.9	798.6
	Equities	15,400.9	19,313.4	(3,912.5)
	Investment funds	47,154.8	50,309.2	(3,154.4)
	Shares in non-trading property companies	9,494.1	8,369.8	1,124.3
	Non-voting loan stock	61.3	64.1	(2.8)
	Other (including lent securities and repos)	19,550.9	18,804.2	746.7
	Total	**289,342.7**	**296,481.3**	**(7,138.6)**
Held-to-maturity investments	Fixed-rate bonds	98.6	168.0	(69.5)
	Variable-rate bonds	204.1	246.2	(42.1)
	Other (including lent securities and repos)	130.6	180.7	(50.1)
	Total	**433.2**	**594.9**	**(161.7)**
Loans and receivables	Loans and receivables	4,891.3	4,970.6	(79.2)
	Total	**4,891.3**	**4,970.6**	**(79.2)**
Investment property	Investment property at amortised cost	1,937.5	1,992.5	(55.0)
	Investment property measured by the fair value model	1,510.2	1,485.4	24.8
	Total	**3,447.8**	**3,477.9**	**(30.1)**
TOTAL		**379,812.3**	**386,934.0**	**(7,121.6)**

18.2.3 Reconciliation of fair value adjustments to the amounts reported in the “Investments” note

(In € millions)	31.12.2019	31.12.2018
Fair value of investments	403,740.3	379,812.3
Unrealised gains and losses, net	(1,071.9)	(944.6)
Carrying amount of investments	**402,668.4**	**378,867.7**

18.3 Impairment

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

(In € millions)	31.12.2019	31.12.2018
Available-for-sale financial assets	**(463.6)**	**(168.9)**
Fixed-rate bonds	0.0	0.0
Variable-rate bonds	(1.2)	0.0
TCNs (money market securities)	0.0	0.0
Equities	(24.0)	(33.3)
Equity investment funds	(64.8)	(0.4)
Non-voting loan stock	0.0	(1.2)
Other (including mutual fund units)	(373.6)	(134.0)
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(463.6)**	**(168.9)**
Available-for-sale financial assets	**1,518.6**	**1,299.5**
Fixed-rate bonds	0.0	0.0
Variable-rate bonds	4.8	14.8
TCNs (money market securities)	0.0	0.0
Equities	1,151.0	1,016.5
Equity investment funds	50.0	6.7
Non-voting loan stock	0.0	0.1
Other (including mutual fund units)	312.9	261.4
Held-to-maturity investments	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**1,518.6**	**1,299.5**
NET CHANGE IN IMPAIRMENT PROVISIONS	**1,055.0**	**1,130.6**

NOTE 19
Income tax expense

French tax group

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 CNP Caution, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ, US Real Estate 270, Pial 34, Passage du Faidherbe, Alleray, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, 41 rue Ybry Holding, Ybry Pont Neuilly, Geosud, Friedensallee, Montparvie IV, Montparvie V, QIS Group, QIS France and Youse Home.

Current and deferred taxes

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

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. In accordance with IAS 12, a deferred tax liability is recognised for all taxable temporary differences between the carrying amount and tax base of investments in subsidiaries, associates and branches and interests in joint arrangements, except where the following conditions are met:

- CNP Assurances, as the parent, investor, joint operator is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

The following table discloses the main components of income tax expense.

(In € millions)	**31.12.2019**	31.12.2018
Current tax	859.9	803.3
Deferred tax	(75.6)	(10.0)
INCOME TAX EXPENSE	**784.2**	**793.3**
Profit for the period	1,735.7	1,670.0
Tax rate	31.12%	32.20%
INCOME TAX EXPENSE	**784.2**	**793.3**

Tax proof *(In € millions)*	31.12.2019		31.12.2018	
	Rate	Amount	Rate	Amount
Profit before tax		2,519.9		2,463.3
Income tax at the standard French tax rate (1)	34.43%	(867.6)	34.43%	(848.1)
Permanent differences (2)	-3.77%	94.9	-0.52%	12.9
Effects of changeover to the equity method (3)	-0.61%	15.3	-1.80%	44.4
Capital gains and losses taxed at reduced rate	-0.81%	20.4	-0.92%	22.7
Effects of changes in tax rates (4)	1.91%	(48.1)	1.86%	(45.7)
Tax credits and tax loss carryforwards used	-1.07%	27.0	-1.28%	31.6
Other	1.04%	(26.2)	0.45%	(11.0)
TOTAL	**31.12%**	**(784.2)**	**32.20%**	**(793.3)**

(1) The 24 January 2019 Act maintained the corporate tax rate payable by "major corporations" on 2019 profits at 33.33%. Including the current additional contribution of 3.3%, the theoretical tax rate for 2019 is therefore 34.43%
Going forward, under the 2020 Finance Act, the cuts in the corporate tax rate payable by companies with revenues in excess of €250 million will be implemented more slowly than originally planned, to 31% in 2020 (32.02% including the 3.3% contribution), 27.5% in 2021 (28.41% including the 3.3% contribution) and 25% in 2022 (25.82% including the 3.3% contribution)

(2) The increase in permanent differences is mainly due to the reclassification in 2019 of certain items treated as permanent differences in 2018

(3) Application of the equity method to account for HIG had a positive effect on income tax expense, with:
- i) on the one hand, revenue that had already been taxed and was therefore recognised on a net-of-tax basis; and
- ii) on the other hand, tax-deductible policyholder rights generated by this revenue, recorded on a before-tax basis

(4) This item is affected by:
- i) differences between the statutory tax rate in France and the tax rates applicable to foreign subsidiaries. The tax rate in Brazil was reduced from 45% in 2018 to 40% in 2019
- ii) changes in statutory tax rates. The effects of the changes in the French tax rate introduced in successive Finance Acts are taken into account in the consolidated financial statements and are therefore also included under this caption

Deferred taxes on: *(In € millions)*	31.12.2019	31.12.2018
Fair value adjustments to financial assets held for trading	121.6	(237.1)
Deferred participation asset/reserve	(144.1)	184.7
Fair value adjustments to other financial assets	(22.3)	31.0
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	(30.9)	11.4
TOTAL	**(75.6)**	**(10.0)**

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

Sources of temporary differences *(In € millions)*	31.12.2019		
	Assets	Liabilities	Net
Goodwill	0.0	(40.3)	(40.3)
Value of In-Force business	0.0	0.0	0.0
Distribution agreements	0.0	(32.6)	(32.6)
Other intangible assets	(2.7)	(51.3)	(54.0)
Investment property	31.0	(8,641.6)	(8,610.6)
Financial assets	0.0	(157.1)	(157.1)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property and other property and equipment	0.0	0.0	0.0
Deferred acquisition costs	46.7	(55.3)	(8.5)
Other assets	114.5	(4.3)	110.2
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	6.7	0.0	6.7
Provisions for liabilities and charges	229.8	0.0	229.8
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	144.7	(7.1)	137.6
Deferred participation asset/reserve	7,572.3	163.7	7,735.9
Other liabilities	197.6	(22.1)	175.6
Credit from tax loss carryforwards	(44.9)	0.0	(44.9)
Asset-liability netting	(8,094.8)	8,094.8	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**200.9**	**(753.1)**	**(552.2)**

Sources of temporary differences *(In € millions)*	31.12.2018		
	Assets	Liabilities	Net
Goodwill	10.0	(1.0)	9.0
Value of In-Force business	0.0	(1.6)	(1.6)
Distribution agreements	0.0	(38.7)	(38.7)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(73.6)	(73.6)
Financial assets	0.2	(6,628.4)	(6,628.2)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	163.5	0.0	163.5
Owner-occupied property and other property and equipment	0.0	(0.8)	(0.8)
Deferred acquisition costs	0.0	(7.5)	(7.5)
Other assets	163.9	0.0	163.9
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	9.0	0.0	9.0
Provisions for liabilities and charges	227.6	0.0	227.6
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(2.7)	(2.7)
Deferred participation asset/reserve	5,931.2	0.0	5,931.2
Other liabilities	0.0	(1.6)	(1.6)
Credit from tax loss carryforwards	31.1	(18.8)	12.3
Asset-liability netting	(6,285.0)	6,285.0	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**251.6**	**(489.8)**	**(238.2)**

NOTE 20
Segment information

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

The choice of geographical segmentation is based on a multi-criteria organisation linked to the Group's strategic priorities (geography, activities, networks) and the allocation of goodwill to mainly geographical cash-generating units. It has been adopted in order to present geographic segments as the Group's operating segments based on the definitions in IFRS 8 paragraphs 8.8 and 8.10.

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;
- administrative costs: costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. This indicator includes non-controlling interests;
- earnings before interest and taxes (EBIT): 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. It is the margin generated by the insurance business after deducting administrative expenses;
- underlying attributable profit: attributable net profit before income tax expense, non-recurring items, fair value adjustments and net gains (losses). This indicator is calculated net of non-controlling interests and is gross of income tax expense. It is the margin after finance costs and non-controlling and equity-accounted interests.

20.1 Income statement by business segment at 31 December 2019

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income*	21,630.2	6,754.4	5,111.8	33,496.4
Total revenue	**2,518.9**	**1,168.7**	**279.3**	**3,966.9**
Administrative expenses	(611.1)	(185.9)	(128.8)	(925.9)
EBIT	**1,907.8**	**982.8**	**150.5**	**3,041.1**
Finance costs				(250.8)
Share of profits and losses of equity-accounted companies				12.8
Non-controlling interests				(559.1)
Recurring profit attributable to owners of the parent				**2,244.1**
Income tax expense				(693.8)
Fair value adjustments and net gains *(losses)*				481.8
Non-recurring items				(620.4)
Profit attributable to owners of the parent				**1,411.7**

* A reconciliation of earned premiums to premium income is presented in Note 14

RECONCILIATION OF EBIT TO OPERATING PROFIT

(In € millions)	31.12.2019
EBIT	**3,041.1**
Net fair value adjustments	(19.3)
Net gains/(losses) on equities and property	729.9
Non-recurring items	(970.7)
Transactions with equity-accounted entities	(31.7)
Operating profit	**2,749.2**

RECONCILIATION OF DESENSITISED INCOME TAX EXPENSE TO REPORTED INCOME TAX EXPENSE

(In € millions)	31.12.2019
Income tax expense (desensitised income statement)	**(693.8)**
Tax on the following items:	
Net fair value adjustments	21.6
Net gains/(losses) on equities and property	(236.0)
Non-recurring items	327.9
Associates	(203.9)
Income tax expense (reported)	**(784.2)**

RECONCILIATION OF DESENSITISED NON-CONTROLLING INTERESTS TO REPORTED NON-CONTROLLING INTERESTS

(In € millions)	31.12.2019
Non-controlling interests (desensitised income statement)	**(559.1)**
Impact of non-controlling interests on the following items:	
Net fair value adjustments	(2.3)
Net gains/(losses) on equities and property	11.0
Non-recurring items	22.6
Income tax expense	203.9
Non-controlling interests (reported)	**(324.0)**

20.2 Income statement by business segment at 31 December 2018

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income*	21,571.2	5,479.8	5,315.5	32,366.6
Total revenue	**2,514.3**	**1,099.5**	**232.2**	**3,846.0**
Administrative expenses	(611.1)	(186.6)	(124.8)	(922.5)
EBIT	**1,903.2**	**913.0**	**107.4**	**2,923.5**
Finance costs				(248.5)
Share of profits and losses of equity-accounted companies				23.3
Income tax expense				(900.7)
Non-controlling interests				(304.1)
Fair value adjustments and net gains (losses)				89.0
Non-recurring items				(215.8)
Profit attributable to owners of the parent				**1,366.7**

* A reconciliation of earned premiums to premium income is presented in Note 14

RECONCILIATION OF EBIT TO OPERATING PROFIT

(In € millions)	31.12.2018
EBIT	**2,923.5**
Net fair value adjustments	(113.9)
Net gains/(losses) on equities and property	213.7
Non-recurring items	(324.5)
Transactions with equity-accounted entities	(117.8)
Operating profit	**2,581.0**

RECONCILIATION OF DESENSITISED INCOME TAX EXPENSE TO REPORTED INCOME TAX EXPENSE

(In € millions)	31.12.2018
Income tax expense (desensitised income statement)	**(900.7)**
Tax on the following items:	
Net fair value adjustments	61.1
Net gains/(losses) on equities and property	(73.9)
Non-recurring items	108.0
Associates	12.2
Income tax expense (reported)	**(793.3)**

RECONCILIATION OF DESENSITISED NON-CONTROLLING INTERESTS TO REPORTED NON-CONTROLLING INTERESTS

(In € millions)	31.12.2018
Non-controlling interests (desensitised income statement)	**(304.1)**
Impact of non-controlling interests on the following items:	
Net fair value adjustments	1.4
Net gains/(losses) on equities and property	(1.4)
Non-recurring items	0.7
Non-controlling interests (reported)	**(303.3)**

Other analyses

NOTE 21
Application of IAS 29

Argentina has been qualified as a hyperinflationary economy since 1 July 2018.

As a result, IAS 29 – Financial Reporting in Hyperinflationary Economies requires the financial statements of entities whose functional currency is the Argentine peso to be restated.

CNP Assurances has two subsidiaries in Argentina, CNP Assurances Compañia de Seguros et CNP SA de Capitalización, whose functional currency is the Argentine peso.

The analysis of the impacts related to the application of this standard enables the Group to ensure that its accounting policies do not need to be modified.

NOTE 22
Contingent liabilities

A contingent liability is:

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

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

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

NOTE 23
Related party information

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

Related parties are determined based on their relationship with CNP Assurances, the parent company of the Group, and mainly consist of its shareholders and entities controlled by these shareholders or by CNP Assurances (including the entities accounted for using the equity method) and members of senior management (see Note 23.5).

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

For information, CNP Assurances received a total of €421.2 million in dividends from subsidiaries during the period, comprising €181.1 million from its French subsidiaries, €177.8 million from its Brazilian subsidiaries, €38.2 million from CNP Santander Insurance Life Ltd and €15.0 million from CNP Cyprus Insurance Holdings.

The list of subsidiaries, associates and joint ventures is provided in Note 4.

23.1 Transactions with shareholders and their subsidiaries

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	1,815.6	0.0	4,946.2
Outward reinsurance – Claims and benefits, technical reserves	788.9	0.0	11,902.4	0.0
Commissions	0.0	1,758.3	0.0	691.1
Service fees	13.9	1.8	4.7	1.3
Employee benefits expense	0.0	8.0	0.0	1.4
Rent	0.0	2.8	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	132.1	1.0	8.0	0.9
Financial expenses and borrowings	0.0	287.8	0.0	7.1
Dividends	62.5	471.3	0.0	0.0

Based on the IAS 24 definition, the Group's shareholders (Caisse des Dépôts, BPCE and La Banque Postale), their subsidiaries and joint ventures and the companies over which they exercise significant influence are all related parties.

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

Claims and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances and the costs of managing service contracts reinvoiced to La Banque Postale Prévoyance in accordance with IFRS 15.

2018 dividends paid to the Group's shareholders in 2019 amounted to €610.8 million, comprising amounts of €249.7 million, €110.6 million and €111.0 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

23.2 Transactions with equity-accounted entities

The insurance undertakings accounted for using the equity method are Arial CNP Assurances, Assuristance, Filassistance International and Wiz Soluções e Corretagem de Seguros SA.

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	1,841.7	0.0	6,253.6
Outward reinsurance – Claims and benefits, technical reserves	0.0	0.0	0.0	0.0
Commissions	0.0	18.5	0.0	18.5
Service fees	9.5	0.0	17.7	0.0
Employee benefits expense	7.2	1.1	1.8	2.5
Rent	0.0	0.0	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	0.0	0.0	0.0	0.0
Financial expenses and borrowings	0.0	0.0	0.0	0.0
Dividends	52.9	0.0	0.0	0.0

23.3 Transactions with associates

The Group received €62.52 million in dividends from the Coentreprise de Transport d'Electricité (CTE) joint venture, which is accounted for as an associate.

23.4 Terms and conditions of guarantees given and received

Guarantees given to related and equity-accounted companies mainly concern reinsurance transactions (cash deposits) and pledges:

- Arial CNP Assurances :
  - cash deposits received: €2,840.0 million,
  - pledges given: €3,975.5 million;
- BPCE :
  - cash deposits paid: €11,677.1 million,
  - cash deposits received: €47.7 million,
  - pledges given: €4,440.7 million;
- LBP:
  - pledges received: €124.7 million,
  - pledges given: €4.9 million.

23.5 Management remuneration

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

In 2019

- 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 €2,380,095.69.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €10,924,548. No amounts were provided for or recognised in respect of pension or other retirement benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €1,377,171. No amounts were provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Share-based payment: no share-based payments were made in 2019 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2018

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the two Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,713,426.98.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €10,391,036. No amounts were provided for or recognised in respect of pension or other retirement benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €1,402,662. No amounts were provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Share-based payments: no share-based payments were made in 2018 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

NOTE 24
Financial risks

24.1 Credit risk

The Group's credit risk policies are presented in section 3 of this Universal Registration Document on Corporate Governance.

Note 8.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

24.2 Currency risk

Most portfolios covering insured liabilities are invested in assets denominated in the insurance company's functional currency. As a result, portfolio exposure to currency risks is limited (e.g., net-of-hedging exposure to a currency other than the euro represents less than 5% of the investments of French companies of the CNP Assurances group).

In addition, the Group performs currency stress tests to assess the impact on profit and equity of a 10% increase in the euro-dollar and euro-sterling exchange rates as it is marginally exposed on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 2% of recurring operating profit.

The impact of the euro's appreciation against the dollar and sterling is analysed at half-yearly intervals and commented on when the amounts involved are material.

The Group is also exposed to currency risk on its operations in Brazil and on the translation of the financial statements of its local subsidiaries.

Simulations are performed of the impact of a 20% decline in the Real exchange rate. In the absence of hedging, this scenario would have a negative impact of less than 5% on profit attributable to owners of the parent. The hedging policy consists of purchasing currency options as protection against the risk of a fall in the Brazilian currency. The impact of a 20% decline in the Real exchange rate after hedging would be less than 2% of profit attributable to owners of the parent.

Lastly, exchange differences on translating the financial statements of the Brazilian subsidiaries may have an impact on equity.

24.3 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.

24.3.1 Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2019 and 31 December 2018.

24.3.1.1 Caps and floors at 31 December 2019

(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%	1,560.9	406.7	8.9	14.3	19.3	33.2	2.7	2.3	5.8	9.8	2,063.9
≥ 1% and < 2%	1.2	0.0	0.0	1.0	2.0	9.1	3.0	1.2	0.0	18.6	36.1
≥ 2% and < 3%	0.7	8,770.0	6,851.0	6,000.0	54.0	1,271.0	10,326.5	124.0	0.0	0.0	33,397.2
≥ 3% and < 4%	4,900.1	0.0	0.0	1,594.0	10,176.0	23,069.0	2,375.8	0.0	59.0	808.0	42,982.0
≥ 4% and < 5%	600.0	2,260.0	3,820.0	0.0	5,724.0	5,565.9	0.0	0.0	81.0	804.0	18,854.9
≥ 5% and < 6%	602.5	0.0	1,850.0	1,910.0	0.0	0.0	0.0	0.0	0.0	19.5	4,382.1
≥ 6% and < 7%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**7,665.5**	**11,436.7**	**12,530.0**	**9,519.3**	**15,975.3**	**29,948.2**	**12,708.1**	**127.5**	**145.8**	**1,659.9**	**101,716.2**

24.3.1.2 Caps and floors at 31 December 2018

(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%	2,864.0	1,095.5	404.4	7.3	11.2	4.7	2.1	1.0	0.0	0.0	4,390.3
≥ 1% and < 2%	18.6	1.5	2.5	0.5	12.6	0.0	25.3	1.0	0.0	0.0	62.1
≥ 2% and < 3%	306.1	0.5	8,770.0	6,850.0	6,000.0	56.9	72.3	108.5	3.0	2.0	22,169.3
≥ 3% and < 4%	200.2	4,900.0	0.0	0.0	1,597.0	10,176.0	2,544.5	0.0	0.0	555.0	19,972.7
≥ 4% and < 5%	940.0	502.2	2,261.7	3,820.0	2.3	5,732.2	5,568.9	0.0	20.1	430.0	19,277.4
≥ 5% and < 6%	1,184.2	301.3	0.0	1,850.0	1,910.0	0.0	0.0	0.0	0.0	0.0	5,245.5
≥ 6% and < 7%	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	2.0
TOTAL	**5,513.2**	**6,802.1**	**11,438.7**	**12,527.9**	**9,533.1**	**15,969.8**	**8,213.1**	**111.4**	**23.1**	**987.0**	**71,119.3**

24.3.2 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.

24.3.2.1 Effective interest rates at purchase

	31.12.2019		31.12.2018	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	2.35%	EUR	2.69%
Italy	EUR	2.50%	EUR	2.69%
Brazil	BRL	7.87%	BRL	8.99%
Spain	EUR	2.18%	EUR	2.35%

24.3.2.2 Effective interest rates at balance sheet date

	31.12.2019		31.12.2018	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	-0.03%	EUR	0.28%
Italy	EUR	2.45%	EUR	2.56%
Brazil	BRL	5.30%	BRL	7.33%
Spain	EUR	0.31%	EUR	0.94%

24.3.3 Carrying amounts by maturity

24.3.3.1 Carrying amounts by maturity at 31 December 2019

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	29,812.9	23,879.2	21,497.9	24,389.0	9,692.9	83,137.4	192,409.4
Zero coupon bonds	685.2	720.2	746.0	2,242.3	759.4	13,333.5	18,486.5
Adjustable-rate bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variable-rate bonds	1,796.0	2,534.6	1,499.9	1,613.2	1,631.7	3,642.1	12,717.6
Fixed-rate inflation-indexed bonds	1,446.9	939.6	208.4	3,140.6	690.8	4,639.1	11,065.4
Other bonds	2,645.2	1,092.9	1,702.7	1,003.7	1,075.6	11,011.4	18,531.4
TOTAL	**36,386.1**	**29,166.5**	**25,654.9**	**32,388.8**	**13,850.4**	**115,763.5**	**253,210.3**

24.3.3.2 Carrying amounts by maturity at 31 December 2018

Type of instrument *(In € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	26,387.2	21,468.8	23,839.5	21,234.4	24,348.2	63,996.8	181,274.7
Zero coupon bonds	2,091.9	648.8	665.3	740.2	2,188.2	12,522.9	18,857.2
Adjustable-rate bonds	2.6	4.8	0.0	0.0	108.1	1,597.2	1,712.7
Variable-rate bonds	2,883.7	1,337.6	2,327.1	1,522.5	1,543.1	2,441.6	12,055.6
Fixed-rate inflation-indexed bonds	668.7	1,482.5	928.2	209.6	3,131.8	5,118.0	11,538.7
Other bonds	1,768.9	2,553.0	1,162.3	1,741.3	1,125.0	6,982.8	15,333.3
TOTAL	**33,803.1**	**27,495.4**	**28,922.2**	**25,447.9**	**32,444.5**	**92,659.1**	**240,772.2**

24.3.4 Carrying amounts by maturity – held-to-maturity investments

24.3.4.1 Carrying amount at 31 December 2019

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	41.8	96.7	0.0	0.0	0.0	74.5	212.9
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**41.8**	**96.7**	**0.0**	**0.0**	**0.0**	**74.5**	**212.9**

24.3.4.2 Carrying amount at 31 December 2018

Carrying amount of financial instruments measured at amortised cost *(In € millions)*	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	65.1	41.8	91.8	0.0	0.0	71.6	270.3
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**65.1**	**41.8**	**91.8**	**0.0**	**0.0**	**71.6**	**270.3**

24.3.5 Average life of securities

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

24.3.5.1 Average life of securities – 31 December 2019

Average life of securities (Period N)			
France	**Italy**	**Brazil**	**Spain**
6.26	4.04	2.05	4.38

24.3.5.2 Average life of securities – 31 December 2018

Average life of securities (Period N-1)			
France	**Italy**	**Brazil**	**Spain**
5.38	3.22	2.62	4.16

24.4 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 2019.

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©[1] is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business. Adjusted net asset value is determined on the valuation date at consolidated level excluding non-controlling interests and breaks down into required capital and free surplus;
- the value of In-Force business, corresponding to the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. MCEV© principles state that the reference yield curve may be determined based on the swap curve, as adjusted if appropriate to achieve alignment with Solvency II requirements. For the Eurozone, the yield curve is extrapolated using the Smith-Wilson method from a last liquid point at 20 years with convergence on the ultimate forward rate of 3.90% at 40 years. For Brazil, the last liquid point is at 10 years with convergence on the ultimate forward rate of 5.50% at 50 years. For the determination of the reference yield curve, the Group has chosen to align its approach with Solvency II requirements, by applying a credit risk adjustment and a volatility adjustment to the swap curve where permitted. No matching adjustment is applied for Group entities.

The market risk sensitivity of MCEV© is tested to measure the impact of interest rate and equity volatilities. MCEV© principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the rest of Europe and Latin America. The sensitivities analysed in 2018 were aligned with Solvency II requirements and were as follows:

- the impact of an immediate positive or negative 50-basis point change in the swap curve. This would result in:
  - a revaluation of bond prices,
  - a 50-basis point adjustment to the reinvestment rate for all categories of assets, and
  - a change in discount rates.

  The impact on mathematical reserves for unit-linked portfolios is not measured;
- the impact of an immediate 25% fall in equity and property prices. This shock implies a 25% fall in the market value of equities and property assets, as well as a decrease in the mathematical provisions of unit-linked business for the proportion invested in equity and property.

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

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2019

(In € millions)	50 bp increase in interest rates	50 bp decrease in interest rates	25% decrease in equity prices
Impact on MCEV©*	2,960.6	(3,272.1)	(3,056.1)

* The calculation of the impact on MCEV© is based on estimated data

SENSITIVITY OF MCEV© TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2018

(In € millions)	50 bp increase in interest rates	50 bp decrease in interest rates	25% decrease in equity prices
Impact on MCEV©*	1,337.8	(1,871.7)	(2,644.2)

* The calculation of the impact on MCEV© is based on estimated data

Sensitivity to insurance risks is presented in Note 26.

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NOTE 25
Liquidity risk and asset/liability management

25.1 Liquidity risk

25.1.1 Future cash flows from assets

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

25.1.1.1 Future cash flows from assets at 31 December 2019

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	33,184	95,547	57,797	41,606
Assets held for trading and assets measured at FV	3,136	5,609	1,920	1,309
Held-to-maturity investments	65	97	0	74
Loans and receivables	0	0	0	0

25.1.1.2 Future cash flows from assets at 31 December 2018

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	31,410	108,598	52,877	31,976
Assets held for trading and assets measured at FV	3,233	6,781	1,899	1,517
Held-to-maturity investments	172	158	0	72
Loans and receivables	0	0	0	0

25.1.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and property and 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.

25.1.2.1 Payment projections by maturity at 31 December 2019

(In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Due in 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	23,690.6	70,018.7	63,275.8	44,834.2	123,077.6

25.1.2.2 Payment projections by maturity at 31 December 2018

(In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Due in 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	19,429.2	64,725.2	64,517.8	45,473.8	137,383.6

25.1.3 Contracts with immediate surrender option

(In € millions)	31.12.2019	31.12.2018
Contracts with immediate surrender option	278,814.8	268,834.4
Contracts with no immediate surrender option	70,243.3	66,656.8

Contracts with an immediate surrender option represented a total liability of €278.8 billion at 31 December 2019 (€268.8 billion at 31 December 2018). 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 25.1.2.

25.2 Asset/Liability management

The Group's ALM policy is presented in section 3 of this Universal Registration Document on Corporate Governance.

25.3 Reconciliation of unit-linked assets and liabilities

(In € millions)	31.12.2019	31.12.2018
Investment properties held to cover linked liabilities	1,543.5	1,231.6
Financial assets held to cover linked liabilities	64,391.3	54,743.7
Investments accounted for using the equity method held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by consolidated non-trading property companies)	0.0	0.0
TOTAL ASSETS HELD TO COVER LINKED LIABILITIES – CARRYING AMOUNT	**65,934.8**	**55,975.2**
Linked liabilities – financial instruments without DPF	8,806.5	7,945.5
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	56,649.0	48,223.0
TOTAL LINKED LIABILITIES	**65,455.5**	**56,168.5**
Guaranteed capital reserves	2.5	1.4
TOTAL LINKED LIABILITIES	**65,458.0**	**56,169.9**

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 26
Risks related to insurance and financial liabilities

26.1 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;
- analyse changes in risk exposures;
- 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 3 of this Universal Registration Document on Corporate Governance.

26.2 Contract terms and conditions

26.2.1 Types of insured risk by class of business

The Group offers a full range of insurance products in France, in several other European countries and in Latin America.

The main individual insurance products are savings products, deferred annuity contracts paying a regular income, with or without the option of receiving a lump sum, and return-of-premium life insurance policies. Premiums on these products may be invested in traditional and/or unit-linked funds.

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.

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 capital guarantee offered with savings contracts exposes the insurer to a risk in a low interest rate environment. 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 4.1.1 - Risk factors linked to the financial markets and Note 26.4 - Risk associated with guaranteed yields on insurance and financial liabilities). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (e.g., a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp and rapid increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both earnings and solvency (see section 4.1.1 – 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 non-compliance risk (see section 4.1.3 – Non-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 returns 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 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) and to cancellation risk. 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 above, 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.

26.2.2 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;
- individual and unit-linked pay-as-you-go pension plans distributed in Brazil, offering the option of receiving either a lump sum or a regular income;
- 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. In France, death cover is compulsory and the loan will not be paid out until evidence of cover is provided;
- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured;
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property and 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.

26.2.3 Participation clauses

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

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

Participation rates are determined based on the local accounts.

26.3 Valuation of insurance liabilities (assumptions and sensitivities)

26.3.1 Technical reserve models

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured;
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
- general administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered;
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts;
- unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts;

- premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve;
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

26.3.2 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.

26.3.3 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.

26.3.4 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.

26.3.5 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.

26.3.6 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.

26.3.7 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 2019, a 10% fall in surrender rates would have a positive impact of €107 million on MCEV©. A 5% fall in observed losses would have a positive impact of €131 million on MCEV© for mortality and disability risks, and a negative impact of €103 million for longevity risks.

26.4 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)*	31.12.2019	
	Technical reserves	**%**
0% [(1)]	200,691.7	57.5%
]0%-2%]	10,819.4	3.1%
]2%-3%]	1,650.5	0.5%
]3%-4%]	2,088.1	0.6%
]4%-4.5%]	5,045.4	1.4%
> 4.5% [(2)]	1,288.0	0.4%
Unit-linked	65,455.5	18.8%
Other [(3)]	62,019.4	17.8%
TOTAL	**349,058.1**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 7% (see Note 24.3)
(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)*	31.12.2018	
	Technical reserves	%
0% [(1)]	192,420.7	57.4%
]0% - 2%]	12,527.9	3.7%
]2% - 3%]	6,335.0	1.9%
]3% - 4%]	2,131.1	0.6%
]4% - 4.5%]	5,085.9	1.5%
> 4.5% [(2)]	1,276.0	0.4%
UC	56,168.5	16.7%
Autres [(3)]	59,546.1	17.7%
TOTAL	**335,491.1**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguradora in Brazil, where bond rates are above 7% (see Note 24.3)
(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

26.5 Concentration of insurance risk

26.5.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the Group and provide excess-of-loss cover per occurrence (catastrophe risk) and excess-of-loss per insured and excess mortality cover (pandemic risk);
- to share risks on large-scale new business.

26.5.2 Loss exposure per catastrophe and per occurrence

All portfolios are covered by catastrophe/accident excess-of-loss reinsurance obtained from professional reinsurers.

- Individual policies: accidental death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its CNP UniCredit Vita and CNP Partners subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least three victims – the Group retains €400 thousand per event and the reinsurers cover €10 million per event and €20 million per year.
- Group policies:

a) accidental death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by employee benefits institutions and mutual insurers) are covered through the Bureau Commun des Assurances Collectives pool (*Décès*IPA3 policy). The system provides successively for the retention of the two largest claims per insurer, €600 million in co-insurance cover (of which CNP Assurances' share is 30%) and reinsurance cover purchased by the pool from external reinsurers. This external reinsurance cover exists in six layers (of which CNP Assurances has only underwritten mandatory layers 2, 3 and 4): layer 1: 20 XS €30 million; layer 2: 150 XS €50 million; layer 3: 200 XS €200 million; layer 4: 200 XS €400 million; level 5: 100 XS €600 million; level 6: 300 XS €700 million. A loss event is defined as involving three or more victims;

b) risks insured by CNP Assurances for employee benefits institutions and mutual insurers are fully reinsured on the market. This concerns stop-loss cover provided under the relevant partnership agreements (90% XS 110% or 30% XS 110%).

All term creditor insurance and employee benefits portfolios are also covered beyond €2 million for high capital payouts in the case of IPA3 accidental death of an insured.

Reinsured portfolios are analysed each year, covering:

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

All term creditor insurance portfolios have been reinsured against partial losses from pandemic risks since 2016 under a treaty arranged through the Bureau Commun des Assurances Collectives. In 2018, the original treaty was replaced by a new treaty with a reinsurance pool offering enhanced cover. The treaty covers a 0.05% increase in the mortality rate beyond an average rate of 0.15% (based on number of deaths), subject to a 0.05% deductible and a maximum reinsurance payout of €50 million. The reinsurers' commitment amounts to €155 million. The treaty covers the pandemic risk excluded from the coverage of accidental death/disability resulting from catastrophic events.

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

26.5.3 Counterparty risk on reinsurance balances

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating. In addition, reinsurers must be domiciled in a country approved by the Compliance department.

Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+ (see Note 9.9).

26.5.4 Insurance-related legal risks

The Group's insurance-related legal risks and its risk management policy are presented in section 3 of this Universal Registration Document on Corporate Governance.

NOTE 27
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)	**31.12.2019**	31.12.2018
Financing commitments	1,579.6	1,718.1
Guarantees	2,261.1	1,492.8
Securities commitments	11,296.8	8,813.4

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

The Group is committed to paying R$7.0 billion pursuant to the binding memorandum of understanding with Caixa Seguridade (see Note 1) on the closing date, i.e., €1.53 billion converted at the exchange rate on the day the renegotiated amount was announced on 19 September 2019.

This future payment has been recorded as a financing commitment. At the exchange rate as of 31 December 2019, the commitment amounted to €1.56 billion.

The currency risk associated with the upfront payment has been hedged (Note 8.7).

COMMITMENTS RECEIVED

(In € millions)	**31.12.2019**	31.12.2018
Financing commitments	0.0	0.0
Guarantees	16,632.7	12,582.2
Securities commitments	11,003.4	10,635.1

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

5.2 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended 31 December 2019

Opinion

In accordance with the terms of our appointment at the Annual General Meeting, we have audited the accompanying consolidated financial statements of CNP Assurances and its subsidiaries for the year ended 31 December 2019.

In our opinion, the consolidated financial statements give a true and fair view of the results of its operations for the year then ended, as well as of the financial position and the assets and liabilities of the Group at 31 December 2019 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 2019 to the date of our report and in particular we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF THE ESCALATING RISKS RESERVE FOR LONG-TERM CARE AND TERM CREDITOR POLICIES

(See Note 9.2 to the consolidated financial statements)

Description of risk	How our audit addressed this risk
A reserve for escalating risks is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums. This reserve is constituted prospectively by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve. At 31 December 2019, the escalating risks reserve for long-term care policies amounted to €402 million, while the escalating risks reserve for the Term Creditor Insurance business amounted to €235 million before reinsurance. We deemed this risk to be a key audit matter in view of the sensitivity of the calculation of the escalating risks reserve for long-term care and Term Creditor policies to the choice of the following key assumptions, which require a significant degree of judgement from management: ▪ the discount rate used on the long-term care risk; ▪ the experience-based tables prepared according to observations and analyses established on the basis of portfolio data; ▪ the surrender behaviour of policyholders, in particular given the uncertainty in relation to surrender behaviour caused by the Bourquin amendment to the Sapin II law.	We examined the procedures by which the methodology for determining the escalating risks reserve is implemented. In particular, we carried out the following procedures with the guidance of our internal experts in risks and models: ● we examined the mathematical design of the actuarial model to verify that it did not contain any material misstatement that could distort the calculation result, in particular by recalculating the reserves; ● we assessed the consistency of the key assumptions used to determine the reserve, which included in particular: – determining homogeneous risk classes (within which the offsetting of positive and negative escalating risks reserves calculated on a case-by-case basis is possible) linked to the segmentation used for pricing, – the principles and methodologies for determining the discount rate, – the principles and methodologies for determining the surrender rate and the related sensitivity tests, – the principles and methodologies for determining the experience-based tables, – the principles for determining escalating risk reserve coefficients and their proper application for case-by-case calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 9.2. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
General administrative expense reserves are intended to cover future administrative costs of individual savings and pensions policies and Group pensions policies, which are not covered by the loading on premiums or the fees levied on financial products provided for by these policies. At 31 December 2019, the general administration expense reserve amounted to €267 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves with regard to: ▪ a situation of persistently low yields; ▪ the quality of the underlying data; ▪ the assumptions used to model future results. The main inputs used are as follows: ▪ policy data; ▪ the historical actual costs linked to the management of the activity. The main assumptions concerned: ▪ the level of aggregation at which positive future results are offset against negative future results for homogeneous categories of contracts; ▪ the estimated future contractual fees that may be levied, subject to compliance with the guarantees given to policyholders; ▪ the future investment yield; ▪ administrative costs and in particular the types of costs to be taken into account, which depend on the procedure for allocating costs by function; ▪ future surrender and coverage reduction rates.	We examined the procedures by which the methodology for determining general administrative expense reserves is implemented. We carried out the following procedures with the guidance of our internal experts in risks and models: ▪ assessing compliance with the requirements of the applicable regulations; ▪ analysing the application scope of the reserves and the assumptions for grouping policies together in order to verify their homogeneity; ▪ verifying the consistency of the assumptions used with the past data and/or data used to project future results (administrative expenses, surrender rates, etc.); ▪ verifying on a sample basis the consistency of the underlying data used for the calculation with the contractual provisions pertaining to fees levied on policies; ▪ analysing the procedures for determining the yield curve applied to mathematical reserves in order to determine forecast investment income; ▪ carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 8.3. to the consolidated financial statements)

Description of risk	How our audit addressed this risk
The financial investments included in the balance sheet of CNP Assurances at 31 December 2019 for a net amount of €404,294 million, represented 92% of the total balance sheet. Financial investments are measured at fair value at the end of the reporting period. For most of the asset portfolio, determining this value 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 Note 8.3 to the consolidated financial statements, such as structured debt securities, venture-capital funds, loan funds and unlisted securities and derivatives. Some of these investments are valued on the basis of models and assumptions. The techniques adopted by management for their measurement therefore involve significant judgements as regards the methods, assumptions and data to be used. In light of the materiality of outstandings and the sensitivity of the valuation of these unlisted financial assets to management's choices in terms of calculation methodologies and inputs, we deemed the correct measurement of unlisted financial assets to be a key audit matter.	We performed the following procedures: ▪ assessing the control system associated with the valuation process, particularly by verifying that controls put in place by management exist and effectively implemented; ▪ verifying that the estimates of these values determined by management are based on an appropriate justification of the measurement method and of the figures used; ▪ obtaining the most recent valuations available prepared by experts and fund managers; ▪ analysing the appropriateness of the assumptions and inputs used in the valuation models for the Co-entreprise de Transport d'Electricité (CTE); ▪ working with our internal experts in risks and models to perform an independent calculation and a sensitivity analysis on a sample of structured securities.

Specific verifications

As required by law and regulations, and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements, it being specified that it is not our responsibility give an opinion on the fair presentation and the consistency with consolidated financial statements of the supervisory information (SCR coverage ratio) given in the management report in accordance with Article L.356-23 of the French Insurance Code (*Code des assurances*).

We attest that the Board of Directors' management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of CNP Assurances by the Annual General Meetings held on 18 May 1998 for Mazars and on 25 May 2010 for PricewaterhouseCoopers Audit.

At 31 December 2019, Mazars and PricewaterhouseCoopers Audit were in the twenty-second year and the tenth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to the preparation and processing of accounting and financial information.

These consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users 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, 4 March 2020

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 in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the internal control procedures 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 management, 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 2019

5.3.1.1 Assets

(In € thousands)	*Notes*	**31.12.2019**	31.12.2018	Year-on-year change
Intangible assets	*5.1*	**58,931**	**67,090**	**-12.2%**
Investments		**302,104,522**	**291,960,755**	**+3.5%**
Land and buildings	*5.1*	12,356,794	12,141,460	+1.8%
Investments in subsidiaries and affiliates	*5.1 and 5.4.1*	10,349,911	9,305,586	+11.2%
Other investments		279,165,806	270,285,215	+3.3%
Cash deposits with ceding insurers	*5.2.1*	232,011	228,494	+1.5%
Assets held to cover linked liabilities	*5.2.1*	**37,952,918**	**33,996,013**	**+11.6%**
Reinsurers' share of technical reserves		**21,197,432**	**21,224,185**	**-0.1%**
Unearned premium and unexpired risks reserves		0	0	0.0%
Life premium reserves		18,441,798	18,511,152	-0.4%
Outstanding life claims reserves		261,004	284,719	-8.3%
Outstanding non-life claims reserves		290,598	371,849	-21.9%
Policyholder surplus reserve – life		334,321	281,748	+18.7%
Bonus and rebate reserve – non-life		6,687	3,557	+88.0%
Claims equalisation reserve		10,232	15,880	-35.6%
Other life technical reserves		0	0	0.0%
Other non-life technical reserves		45,565	40,411	+12.8%
Linked liabilities		1,807,225	1,714,869	+5.4%
Receivables	*5.3*	**7,842,016**	**7,161,114**	**+9.5%**
Insurance receivables	*5.3*	**2,486,504**	**2,124,468**	**+17.0%**
Earned premiums not yet written	*5.3*	*1,892,760*	*1,711,427*	*+10.6%*
Other insurance receivables	*5.3*	*593,745*	*413,041*	*+43.7%*
Reinsurance receivables	*5.3*	**151,689**	**456,763**	**-66.8%**
Other receivables	*5.3*	**5,203,822**	**4,579,882**	**+13.6%**
Prepaid payroll costs	*5.3*	*198*	*152*	*+30.3%*
Prepaid and recoverable taxes	*5.3*	*691,393*	*564,679*	*+22.4%*
Other	*5.3*	*4,512,231*	*4,015,051*	*+12.4%*
Other assets		**830,174**	**724,973**	**+14.5%**
Property and equipment		169,088	171,830	-1.6%
Current accounts and cash on hand		652,097	541,801	+20.4%
Treasury shares	*5.5.2*	8,989	11,342	-20.7%
Accrued income and prepaid expenses	*5.7.1 and 5.7.2*	**7,482,381**	**9,469,135**	**-21.0%**
Prepaid interest and rental revenue	*5.7.1 and 5.7.2*	2,357,117	2,571,352	-8.3%
Deferred acquisition costs	*5.7.1 and 5.7.2*	78	155	-49.7%
Other accrued income and prepaid expenses	*5.7.1 and 5.7.2*	5,125,185	6,897,628	-25.7%
TOTAL ASSETS		**377,468,373**	**364,603,265**	**+3.5%**

5.3.1.2 Equity and liabilities

(In € thousands)	*Notes*	**31.12.2019**	31.12.2018	Year-on-year change
Equity	*5.6*	**12,798,823**	**12,070,405**	**+6.0%**
Share capital	*5.5.1 and 5.6*	686,618	686,618	0.0%
Additional paid-in capital	*5.6*	1,736,332	1,736,332	0.0%
Revaluation reserve	*5.6*	38,983	38,983	0.0%
Other reserves	*5.6*	6,310,950	6,315,155	-0.1%
Retained earnings	*5.6*	2,682,552	2,127,957	+26.1%
Net profit for the year	*5.6*	1,343,388	1,165,360	+15.3%
Subordinated debt	*8*	**8,272,437**	**7,183,484**	**+15.2%**
Technical reserves		**272,586,571**	**268,507,242**	**+1.5%**
Unearned premium and unexpired risks reserves		58,732	58,226	+0.9%
Life premium reserves	*5.8*	247,205,594	244,995,930	+0.9%
Outstanding life claims reserves		4,285,757	4,357,072	-1.6%
Outstanding non-life claims reserves		4,748,310	4,708,243	+0.9%
Policyholder surplus reserve – life		14,173,138	12,217,856	+16.0%
Bonus and rebate reserve – non-life		21,615	54,248	-60.2%
Claims equalisation reserves		360,388	380,351	-5.2%
Other life technical reserves		326,435	307,223	+6.3%
Other non-life technical reserves		1,406,603	1,428,092	-1.5%
Linked liabilities		**38,171,477**	**34,128,965**	**+11.8%**
Provisions for liabilities and charges	*5.7.3*	**142,004**	**57,034**	**+149.0%**
Cash deposits received from reinsurers	*5.3*	**11,743,151**	**11,814,847**	**-0.6%**
Miscellaneous payables	*5.3*	**31,204,506**	**27,164,416**	**+14.9%**
Liabilities arising from insurance transactions	*5.3*	962,461	1,094,572	-12.1%
Liabilities arising from reinsurance transactions	*5.3*	543,722	798,647	-31.9%
Bank borrowings	*5.3*	188,033	181,660	+3.5%
Miscellaneous payables	*5.3*	29,510,290	25,089,537	+17.6%
Other borrowings, deposits and guarantees received	*5.3*	*11,997,428*	*8,779,057*	*+36.7%*
Prepaid payroll costs	*5.3*	*388,527*	*365,774*	*+6.2%*
Accrued payroll and other taxes	*5.3*	*484,359*	*667,815*	*-27.5%*
Other payables	*5.3*	*16,639,975*	*15,276,891*	*+8.9%*
Deferred income and accrued expenses	*5.7.1 and 5.7.2*	**2,549,405**	**3,676,872**	**-30.7%**
TOTAL EQUITY AND LIABILITIES		**377,468,373**	**364,603,265**	**+3.5%**

5.3.2 Income Statement for the year ended 31 December 2019

5.3.2.1 Non-life technical account

Non-life technical account *(In € thousands)*	Notes	31.12.2019 Gross	31.12.2019 Reinsurance	31.12.2019 Net	31.12.2018 Net	Year-on-year change
Earned premiums	*6.11*	**1,763,311**	**(77,213)**	**1,686,098**	**1,725,604**	**-2.3%**
Premiums		1,763,817	(77,213)	1,686,603	1,723,969	-2.2%
Change in unearned premiums reserve and unexpired risks reserve		(506)	0	(506)	1,636	-130.9%
Allocated investment income		**162,426**	**0**	**162,426**	**153,884**	**+5.6%**
Other underwriting income		**4,247**	**0**	**4,247**	**3,318**	**+28.0%**
Paid claims and benefits and change in claims reserves		**(1,259,455)**	**(9,236)**	**(1,268,691)**	**(1,356,129)**	**-6.4%**
Paid claims and expenses		(1,234,588)	72,015	(1,162,573)	(1,407,368)	-17.4%
Change in outstanding claims reserves		(24,867)	(81,251)	(106,118)	51,239	-307.1%
Change in other technical reserves		**28,247**	**5,154**	**33,401**	**(66,551)**	**-150.2%**
Policyholder rebates	*6.8*	**(36,757)**	**3,130**	**(33,627)**	**(38,802)**	**-13.3%**
Acquisition costs and administrative expenses		**(525,134)**	**19,811**	**(505,323)**	**(484,507)**	**+4.3%**
Acquisition costs		(455,490)	0	(455,490)	(430,988)	+5.7%
Contract administration expenses		(69,644)	0	(69,644)	(85,664)	-18.7%
Reinsurance commissions received		0	19,811	19,811	32,145	-38.4%
Other underwriting expenses		**(2,302)**	**0**	**(2,302)**	**(16,990)**	**-86.5%**
Change in claims equalisation reserve		**(7,724)**	**(5,648)**	**(13,372)**	**8,246**	**-262.2%**
NON-LIFE UNDERWRITING RESULT	*6.2*	**126,859**	**(64,003)**	**62,857**	**(71,928)**	**-187.4%**

5.3.2.2 Life technical account

Life technical account *(In € thousands)*	Notes	31.12.2019 Gross	31.12.2019 Reinsurance	31.12.2019 Net	31.12.2018 Net	Year-on-year change
Premiums	6.11	**21,343,001**	**(712,804)**	**20,630,197**	**19,347,505**	**+6.6%**
Investment income	6.1	**11,315,435**	**(247,067)**	**11,068,369**	**10,629,213**	**+4.1%**
Investment revenues	6.1	7,130,747	(247,067)	6,883,681	7,378,676	-6.7%
Other investment income	6.1	689,424	0	689,424	1,253,359	-45.0%
Profits on disposal of investments	6.1	3,495,264	0	3,495,264	1,997,178	+75.0%
Mark-to-market gains on assets held to cover linked liabilities		**5,923,329**	**(223,840)**	**5,699,489**	**1,916,939**	**+197.3%**
Other underwriting income		**80,954**	**(338)**	**80,616**	**85,240**	**-5.4%**
Paid claims and benefits and change in claims reserves		**(21,224,469)**	**1,131,086**	**(20,093,383)**	**(20,817,769)**	**-3.5%**
Paid claims and expenses		(21,295,807)	1,154,801	(20,141,006)	(20,830,202)	-3.3%
Change in outstanding claims reserves		71,338	(23,715)	47,623	12,433	+283.0%
Change in life premium reserves and other technical reserves		**(1,388,986)**	**20,845**	**(1,368,141)**	**7,003,376**	**-119.5%**
Life premium reserves	5.8	2,548,614	(67,794)	2,480,820	6,821,958	-63.6%
Linked liabilities		(3,947,169)	92,357	(3,854,812)	189,117	-2,138.3%
Other technical reserves		9,570	(3,718)	5,851	(7,698)	-176.0%
Policyholder dividends	6.8	**(6,913,024)**	**59,905**	**(6,853,120)**	**(6,519,220)**	**+5.1%**
Acquisition costs and administrative expenses		**(2,366,629)**	**122,670**	**(2,243,960)**	**(2,212,841)**	**+1.4%**
Business acquisition costs		(1,005,897)	0	(1,005,897)	(1,077,598)	-6.7%
Policy administration expenses		(1,360,732)	0	(1,360,732)	(1,259,870)	+8.0%
Reinsurance commissions received		0	122,670	122,670	124,627	-1.6%
Investment expenses	6.1	**(3,515,901)**	**6,226**	**(3,509,675)**	**(3,587,900)**	**-2.2%**
Internal and external investment management expenses and interest	6.1	(546,648)	0	(546,648)	(567,301)	-3.6%
Other investment expenses	6.1	(986,932)	6,226	(980,706)	(1,176,957)	-16.7%
Losses on disposal of investments	6.1	(1,982,320)	0	(1,982,320)	(1,843,642)	+7.5%
Mark-to-market losses on assets held to cover linked liabilities		**(1,542,065)**	**8,802**	**(1,533,263)**	**(4,334,188)**	**-64.6%**
Other underwriting expenses		**(298,123)**	**97**	**(298,026)**	**(245,681)**	**+21.3%**
Investment income transferred to the non-technical account		**0**	**0**	**0**	**0**	**0.0%**
LIFE UNDERWRITING RESULT	6.2	**1,413,522**	**165,581**	**1,579,104**	**1,264,674**	**+24.9%**

5.3.2.3 Non-technical account

Non-technical account *(In € thousands)*	*Notes*	31.12.2019	31.12.2018	Year-on-year change
Non-life underwriting result	*6.2*	**62,857**	**(71,928)**	**-187.4%**
Life underwriting result	*6.2*	**1,579,104**	**1,264,674**	**+24.9%**
Investment income	*6.1*	**652,810**	**611,079**	**+6.8%**
Investment revenues	*6.1*	405,998	424,204	-4.3%
Other investment income	*6.1*	40,662	72,056	-43.6%
Profits on disposal of investments	*6.1*	206,150	114,819	+79.5%
Allocated investment income		**0**	**0**	**0.0%**
Investment expenses	*6.1*	**(207,000)**	**(206,270)**	**+0.4%**
Internal and external investment management expenses and interest	*6.1*	(32,241)	(32,614)	-1.1%
Other investment expenses	*6.1*	(57,842)	(67,664)	-14.5%
Losses on disposal of investments	*6.1*	(116,917)	(105,992)	+10.3%
Investment income transferred to the technical account		**(162,426)**	**(153,884)**	**+5.6%**
Other non-technical income	*6.6*	**11,291**	**47,809**	**-76.4%**
Other non-technical expenses	*6.6*	**(96,628)**	**(13,730)**	**+603.8%**
Non-recurring items	*6.6*	**(78,404)**	**58,687**	**-233.6%**
Non-recurring income	*6.6*	5,976	82,926	-92.8%
Non-recurring expenses	*6.6*	(84,380)	(24,239)	+248.1%
Employee profit-sharing		**(24,028)**	**(21,938)**	**+9.5%**
Income tax expense	*6.7*	**(394,189)**	**(349,139)**	**+12.9%**
NET PROFIT FOR THE YEAR		**1,343,388**	**1,165,360**	**+15.3%**

5.3.3 Commitments received and given

(In € thousands)	*Notes*	31.12.2019	31.12.2018
1. Commitments received		**103,321,034**	**77,221,525**
1a. Commitments related to securities, other assets or revenue [(1)]	*7*	100,065,115	73,405,281
1b. Other commitments received		3,255,919	3,816,243
2. Commitments given		**56,481,092**	**57,058,513**
2a. Sureties, bonds and guarantees provided		11,263,824	11,252,713
2b. Securities and other assets purchased under resale agreements		4,896	4,803
2c. Other commitments related to securities, other assets or revenue [(1)]	*7*	30,805,573	34,438,384
2d. Other commitments given [(2)]		14,406,799	11,362,612
3. Securities lodged as collateral by reinsurers		**11,003,378**	**10,618,075**

(1) Commitments related to forward financial instruments are presented in Note 7
(2) Other commitments given relate mainly to assets pledged under inward reinsurance treaties as well as the commitment given under the agreement with Caixa Seguridade for R$7.00 billion to be paid on the closing date. At the exchange rate as of 31 December 2019, this commitment amounted to €1.55 billion

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:

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

For this purpose, it may:

- hold interests in undertakings whose business contributes to fulfilling the Company's corporate purpose; and generally;
- carry out any and all directly or indirectly related operations that facilitate development of the business or fulfilment of the corporate purpose.

NOTE 1
Significant events of the year

1.1 €500 million Tier 2 subordinated notes issue

On 5 February 2019, CNP Assurances completed a €500 million Tier 2 subordinated notes issue under the EMTN programme set up in December 2018. The 2.75% notes have a 10-year life and are repayable at maturity. The notes have been rated BBB+ by Standard & Poor's and A3 by Moody's.

1.2 Signature of an addendum to the framework agreement of 29 August 2018 between CNP Assurances and Caixa Seguridade

On 20 September 2019, CNP Assurances announced that it had completed its discussions with Caixa Seguridade concerning their new exclusive distribution agreement in the Caixa Econômica Federal network in Brazil and signed an addendum to the framework agreement dated 29 August 2018. The main changes introduced in the addendum are as follows:

- CNP Assurances will benefit from a five-year extension of the exclusive distribution agreement, which will now run until 13 February 2046 (versus the original expiry date of 13 February 2041);
- CNP Assurances' share of pensions, personal risk and consumer finance Term Creditor Insurance business written under the 29 August 2018 agreement will be kept at 51.75% until December 2020 (as opposed to being reduced immediately to 40% as previously agreed);
- CNP Assurances will continue to write all the other classes of business through its subsidiary Caixa Seguros Holding until the current operating agreement expires on 14 February 2021 and none of these businesses will be discontinued ahead of that date;
- the amount to be paid by CNP Assurances has been increased from R$4.65 billion to R$7.0 billion and the payment date has been set in December 2020. The addendum also includes incentives to outperform the first five years' volume and margin objectives, in the form of additional payments, capped at R$0.8 billion (Group share) based on 31 December 2020 values.

The agreement is subject to various conditions precedent, including its approval by the relevant supervisory and competition authorities. Subject to these approvals being obtained, the transaction is expected to be completed between 15 and 31 December 2020.

1.3 Increase in CNP Assurances' ownership in its subsidiary CNP Cyprus Insurance Holdings to 100%

On 7 October 2019, CNP Assurances acquired Bank of Cyprus' 49.9% interest in CNP Cyprus Insurance Holdings, which had been a 50.1%-owned subsidiary of CNP Assurances since the end of 2008. The additional shares were acquired for €97.5 million.

1.4 Sale of the Company's head office building

The Company's head office in Paris Montparnasse was sold on 7 October 2019 for €148.8 million. The sale agreement includes a price adjustment clause whereby the price may be increased or reduced depending on changes in the building's situation.

CNP Assurances will continue to occupy the building under a tenant-at-will lease until the Group's new head office currently under construction at Issy-les-Moulineaux is delivered.

1.5 €750 million inaugural green subordinated bonds issue

On 27 November 2019, CNP Assurances carried out an inaugural €750 million Tier 2 green subordinated bonds issue. The bonds mature on 27 July 2050 with a first call date on 27 July 2030. The interest rate is 2%.

1.6 €250 million subordinated private placement notes issue

On 10 December 2019, CNP Assurances placed €250 million worth of Tier 3 subordinated notes with an institutional investor. The notes pay interest at an annual rate of 0.80%. They mature on 15 January 2027.

1.7 Extension of the distribution partnerships with the BPCE group

On 19 December 2019, the BPCE group and CNP Assurances signed agreements extending the 2015 distribution partnerships between BPCE/Natixis and CNP Assurances that were originally due to expire on 31 December 2022. Under the new agreements, which came into effect on 1 January 2020, the distribution partnerships will now continue until 31 December 2030, thereby consolidating CNP Assurances' multi-partner model.

They also provide for the co-insurance rate for group term creditor insurance policies between Natixis Assurances (BPCE Vie and BPCE Prévoyance) and CNP Assurances to be balanced at 50/50 and for 34% of individual Term Creditor Insurance business written by BPCE Vie to be reinsured by CNP Assurances.

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 2018-08 dated 11 December 2018) 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.

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 Equity

4.1.1 Capital and reserves

Share issuance costs are deducted from the related premiums.

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 the building's 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 2019.

The following securities must also be tested for impairment:

- securities for which a provision has already been recognised;
- securities for which there is objective evidence that the Company may not be able to recover all or part of the carrying amount of the investment;
- securities that have been trading consistently over the past six months at a discount of at least 30% in a highly volatile market;
- securities that have (i) lost more than 50% of their carrying amount at the reporting date, (ii) behaved abnormally since the reporting date, or (iii) been subject to an unfavourable assessment by CNP Assurances.

Amortisable securities classified under Article R.343-10

In accordance with Article 123-7-1, amortisable securities classified under Article R.343-10 that CNP Assurances has the positive intention and ability to hold to maturity are only written down if there is a recognised credit risk.

In accordance with Article 123-7-2, amortisable securities classified under Article R.343-10 that CNP Assurances does not have the positive intention or the ability to hold to maturity are tested for impairment taking into account all the identified risks and the intended holding period.

b) Amount of the provision

The amount of the provision always corresponds to the difference between the carrying amount and the recoverable amount.

Therefore, if the asset is intended to be sold in the short-term, the recoverable amount is the market price.

If the Company has the positive intention and ability to hold onto the assets, given the stability of its insurance liabilities and its asset rotation policy, the recoverable amount takes account of the intended holding period.

The recoverable amount of investments in subsidiaries and affiliates takes account of the investees' earnings outlook and business plan projections. It is based on the value in use of the securities determined using a multi-criteria approach and a long-term perspective.

The recoverable amount of other equities and mutual fund units is based on their fair value as determined using a multi-criteria approach, capitalised over the probable holding period for the corresponding assets at the risk-free rate plus a conservatively estimated risk premium (capitalisation rate corresponding to the TME rate +500 bp), or at the average market rate for the last month of the period. The probable holding period reflects the Company's ability and intention to hold these financial assets.

A provision of €1,188 million for other-than-temporary impairment was recorded on equities and mutual fund units.

4.3.4 General provisions for impairment of property, equities and other securities

The Company has set up a liquidity risk reserve.

In accordance with Article R.343-5 of the French Insurance Code amending certain rules applicable to investor insurance companies, this reserve is used to record any overall decline in the aggregate carrying amount of (i) amortisable assets classified under Article R.343-10 that CNP Assurances does not have the positive intention or the ability to hold to maturity, and (ii) non-amortisable assets classified under Article R.343-10, when the impairment is covered by Article R.343-5 of the Code.

The Company elected to defer recognition of the liquidity risk reserve, as allowed by Article R.343-6 of the French Insurance Code.

Article A.343-1-2 of the French Insurance Code stipulates that the duration of liabilities should be measured based on year-by-year projections of cash outflows (total and partial surrenders and death benefit) over a 50-year period. The timing of cash outflows may vary for a number of different reasons, notably due to policyholders' surrender options, and the cash flows are not discounted. The duration has been limited to eight years in order to obtain a whole number.

Based on this duration, the liquidity risk reserve is deferred over an eight-year period. The deferred expense is recorded in the non-technical account, by crediting account 753 "Increase in the deferred liquidity risk reserve" and debiting account 379 "Deferred liquidity risk reserve". For more information, refer to Note 5.10.

In accordance with Article R.322-6 of the French Insurance Code, the expense deferred pursuant to Article R.343-6 is deducted from distributable profit as defined in Article L.232-11 of the French Commercial Code from the profit defined in Article L. 232-12, paragraph 2, of said Code.

Realisable value

Realisable value is defined as follows for the purposes of calculating the liquidity risk reserve:

- the realisable value of marketable securities and listed shares is the average of the prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price;
- the realisable value of mutual fund units is the average of the bid prices quoted over the 30 days preceding the reporting date, or the most recent available quoted price;
- the realisable value of property and shares in unlisted property companies is determined on the basis of five-yearly valuations performed by an independent expert recognised by the insurance supervisor. In the period between two five-yearly valuations, realisable value is estimated at each year-end and the amounts obtained are certified by an independent expert. The recoverable amount of a property is the higher of its value in use and its net market price, as determined by annual valuations of the Company's entire property portfolio;
- the sale value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction, taking into account their value in use for the Company.

In accordance with Article R.343-5 of the French Insurance Code, the liquidity risk reserve is calculated based on average prices for the month of December.

The basis used to calculate the reserve includes "unrealised losses on forward financial instruments provided for in Articles R.332-45 to R.332-47 of the French Insurance Code that have as their underlying the assets referred to in Article R.343-10".

These unrealised losses are included for the portion that exceeds the value of the securities or cash put up as collateral. Unrealised gains are only included if they are guaranteed as provided for in Article R.332-56, i.e., there is a master agreement between issuer and holder whereby unrealised gains and losses are secured by collateral.

Forward financial instruments not secured by collateral are excluded from the calculation of unrealised gains and losses not covered by provisions.

4.3.5 Disposals and exchanges

Gains and losses on disposals of investments are calculated using the FIFO method as if they were held in a single portfolio in accordance with the applicable regulations.

They are recognised in profit or loss on the actual date of sale.

Gains or losses realised on shares tendered to a public exchange offer are calculated based on the best estimate of the offerer's share price which may correspond to:

- the average share price over the offer period; or
- the closing share price on the date the results of the offer are published by the competent regulatory body.

4.3.6 Allocation of financial income

Net investment income (excluding adjustments to assets held in unit-linked portfolios) is split between: (i) income generated by the investment of funds corresponding to technical reserves (including the capitalisation reserve) which is recorded in the technical account, and (ii) income generated by own-funds portfolios (excluding the capitalisation reserve), recorded in the non-technical account.

4.3.7 Translation of foreign currency transactions

CNP Assurances applies ANC Regulation 2015-11 (book II, title IV) concerning the translation of foreign currency transactions by insurance undertakings.

Foreign currency transactions include:

- expenses billed or contractually denominated in foreign currencies;
- income billed or contractually denominated in foreign currencies;
- technical reserves denominated in foreign currencies in application of Article R.343-2 of the French Insurance Code;
- debts and other payables denominated in foreign currencies;
- loans and other receivables denominated in foreign currencies;
- acquisitions, disposals and other transactions involving i) properties located in countries where transactions are normally denominated in a currency other than the euro, and ii) shares in unlisted property companies whose assets include such properties, for the portion of the transaction amount corresponding to the properties' value;
- transactions involving non-amortisable debt securities and property rights other than those involving the properties referred to above, where the transaction currency is not the euro;
- commitments given and received, where settlement of the commitment will involve a foreign currency transaction within the meaning of this article;
- amortisation, depreciation, impairment losses, provisions and repayments related to foreign currency transactions within the meaning of this article.

They are recognised in the transaction or settlement currency in the foreign currency accounts (use of multi-currency accounting system) in accordance with Article 241-2 of ANC Regulation 2015-11.

In application of Article 241-5 of this Regulation, a distinction is made between:

- asset and liability transactions that generate a "structural" position. For insurers, these mainly consist of net investments in strategic foreign operations, the dotation capital provided to foreign branches and the financing of both in foreign currency. These assets are unlikely to be sold and their measurement should not be affected by fluctuations in exchange rates;
- other transactions denominated in foreign currency that generate an "operational" position. These operational positions represent the insurance undertaking's short- or medium-term foreign exchange exposure arising in the normal course of business that is affected by fluctuations in exchange rates.

Separate accounts are also used to record both structural and operational positions in each currency both on- and off-balance sheet.

In the balance sheet, the foreign currency accounts are translated into euros at the spot rate on the reporting date or the most recent available spot rate.

Translation differences on structural positions, measured based on the difference between the rate on the transaction date (historical rate) and the closing rate, are recognised both on and off-balance sheet.

Translation differences on operational positions are recorded in account 665 "Exchange losses" or account 765 "Exchange gains".

In accordance with Article 241-6, unrealised gains and losses on operational positions at 31 December 2019 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 2002-9 relating to forward financial instruments.

Hedges have been set up to manage exposure to:

- interest rate risk on the bond portfolio and the portfolio of insurance policies with a yield guarantee;
- the risk of a fall in equity prices;
- currency risk.

Interest rate risk

Interest rate hedges comprise:

- floors which increase in value as interest rates fall and caps which gain in value as interest rates rise;
- put options on bonds whose value increases as bond prices rise.

Credit spread risk

Part of the Company's exposure to a significant deterioration of credit spreads is hedged by CDS index options.

These instruments offset a fall in value of fixed rate bonds held in the Company's portfolios.

Equity risk

Part of the Company's equities portfolio is hedged by options that increase in value as stock prices fall.

In light of the volumes and the resulting financial impact, partial hedging of the equities portfolio is based around a dynamic hedging strategy designed to optimise gains from market opportunities as well as the overall cost of the hedging strategy.

Currency risk

Currency hedging strategies were set up:

- for the Brazilian real to hedge the currency risk on Caixa Seguros Holding's profit for the year;
- for the Brazilian real to hedge the assets of CNP Assurances Participações Ltda, which is owned by CNP Assurances;
- following the renewal of the distribution agreements with Caixa Econômica Federal, currency hedges in the form of currency options were set up to protect against a rise in the Brazilian real against the euro. The hedge covers part of the payment to be made on the closing date for the new agreements with its local partner, Caixa Seguridade;
- for the pound sterling when sterling-denominated subordinated notes were issued in 2011;
- for the US dollar, when dollar-denominated perpetual subordinated notes were issued in 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 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.

The general contract administration expense reserve mentioned in Article R 343-3.4 of the French Insurance Code is designed to cover the insurer's commitment to administer its policies for as long as they remain in force. It is determined by the method and using the assumptions specified in Article 142-6 of ANC Regulation 2015-11.

The reserve corresponds to a prospective estimate of contract administration expenses that will not be covered by the premium and investment income loading. It is calculated by group of contracts with similar characteristics, based mainly on policyholder profiles, contract terms and experience-based assumptions concerning, for example, costs, surrenders and investment income.

At 31 December 2019, the general administration expense reserve for savings and pensions contracts amounted to €267 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 the Term Creditor Insurance business amounted to €228 million at 31 December 2019. 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 €395 million at 31 December 2019. 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 12 months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, salaries and social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

4.9.1 Time-savings accounts and employee retirement savings plans

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

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

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

4.9.3 Discount rate

The discount rate corresponds to the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

4.9.4 Accounting treatment

Actuarial gains and losses on long-term benefit obligations are recognised directly in profit or loss.

The cost recognised in profit for defined-benefit plans comprises two elements:

- current service cost, past service cost and actuarial gains and losses, included in operating expenses;
- interest cost less the expected return on plan assets, included in financial expenses.

4.10 Acquisition costs and administration expenses

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing In-Force business;
- investment costs include all internal and external costs of managing asset portfolios together with financial expenses;
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.

Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

They are recorded and allocated as follows:

- operating expenses are initially recognised by nature and cost centre and are then reallocated by function;
- the allocation is based on rules that depend on the activity performed by the cost centre.

Costs are analysed by function:

- either directly based on the nature of the activity (new business acquisition costs, claims management, etc.); or
- indirectly using statistical cost allocation keys or actual business data.

4.11 Plan Épargne Retraite Populaire (PERP) and Plan Épargne 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" plan)

CNP Assurances markets a number of points-based pay-as-you-go Group pension plans ("Article L.441-1"). Pursuant to Article R.441-21 of the French Insurance Code, the theoretical mathematical reserve ("PMT") required to meet annuity payments is calculated based on the number of points earned at the reporting date.

In accordance with Article R.441-7 of the French Insurance Code, the special technical reserve ("PTS") is determined:

- by adding to the opening special technical reserve:
  - the premiums received, net of the premium loading and taxes,
  - the total investment income and expense generated by the assets representing the special technical reserve;
- by deducting:
  - paid benefits,
  - the administrative expense loading.

The ratio used to determine whether it is necessary to record a supplementary special technical reserve ("PTSC") now includes in the numerator net unrealised gains and losses on the assets representing the PTS.

A new special technical reserve must now also be set up, the special standby technical reserve (PTSR). According to the French Insurance Code, the value of the pension point may now be reduced, provided that the basis for applying the reduction is explained in the plan's documentation. Details of how the PTSR and the PTSC are to be used to cover the PMT are provided in Decrees 2017-1173 and 2017-1172, and in Articles R.441-7, R.441-7-1 and R.441-21 of the French Insurance Code. CNP Assurances' current points-based pension plans do not allow for any reduction in the value of the point.

These reserves are recorded in the plans' subsidiary accounts in accordance with Article R.441-12 of the French Insurance Code.

4.13 Pooled deferred diversification reserve

CNP Assurances has decided to use the mechanism for temporarily transferring assets that are a source of unrealised gains from general reserves to the *Eurocroissance* reserve, as allowed by Decree 2016-959 dated 13 July 2016 and the government order of the same date concerning the option of temporarily transferring assets to commitments that give rise to the recognition of a diversification reserve. An asset is a source of an unrealised gain if its immediate sale under current market conditions would generate a profit compared to its value in the balance sheet. This mechanism 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. In accordance with Decree 2018-1203 dated 28 December 2018, these provisions apply until the close of business on 31 December 2021.

Decree 2019-1437 dated 23 December 2019 (Government order of 26 December 2019) is applicable from 1 January 2020. This Decree implements the changes to *Eurocroissance* life insurance contracts provided for in Article 72 of the PACTE Law of 22 May 2019. The main changes concern the methods of calculating the guaranteed exit value and policyholder dividends. Contracts in force on the Decree's effective date continue to be governed by the previous regulations.

4.14 Provisions for liabilities and charges

In accordance with the applicable accounting standards, a liability is recognised when the Group has an obligation towards a third party, and it is probable or certain that an outflow of economic resources will be necessary to settle the obligation without any benefit of at least equal value expected from the third party. The liability is recorded for an amount corresponding to the reporting date best estimate of the outflow of economic resources necessary to settle the obligation.

4.15 Taxation

4.15.1 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 CNP Caution, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investments, US Real Estate EVJ, US Real Estate 270, Pial 34, Passage du Faidherbe, Alleray, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, Ybry pont Neuilly, Geosud and Friedensallee, Montparvie, IV, Montparvie V, QIS France, QIS groupe, YOUSE HOME.

The companies in the tax group have signed agreements with CNP Assurances, which is liable towards the French Treasury for the payment of the tax due by the tax group. These agreements specify how the total tax liability is allocated among the tax group members, and stipulated that any unallocated balance will be borne by CNP Assurances.

4.15.2 Tax credit to aid competitiveness and promote employment (*Crédit impôt compétitivité emploi* – CICE)

On 1 January 2019, the CICE was replaced by a lasting reduction in payroll taxes with immediate effect. Companies that had unused CICE credits may set off the credits against the tax due for the years 2019 to 2021.

4.15.3 Deferred taxes

No provisions for deferred taxes are recorded in the Company's accounts.

4.16 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 01.01.2019	Additions	Disposals	Transfers	Gross at 31.12.2019
Intangible assets	**335,950**	**29,500**	**57,107**	**0**	**308,343**
Software	**335,950**	**29,500**	**57,107**	**0**	**308,343**
Land and buildings	**12,424,880**	**1,320,828**	**1,067,301**	**1,025**	**12,679,432**
Forests	103,214	1,117	198	0	104,133
Developed property	240,449	255	79,676	1,086	162,114
Shares in unlisted property companies	12,068,736	1,309,716	985,651	1,025	12,393,826
Property investments in progress	12,480	9,740	1,777	(1,086)	19,358
Investments in subsidiaries and affiliates	**9,833,184**	**1,081,719**	**585,966**	**453,062**	**10,782,000**
Investments in subsidiaries	6,855,724	795,998	329,361	112,458	7,434,820
Investments in affiliates	2,977,460	285,721	256,605	340,604	3,347,180
TOTAL	**22,594,014**	**2,432,048**	**1,710,374**	**454,087**	**23,769,775**

Depreciation, amortisation and provisions *(In € thousands)*	Gross at 01.01.2019	Increases	Decreases	Transfers	Gross at 31.12.2019
Amortisation of software	268,861	15,439	34,888	0	249,412
Depreciation of buildings	110,914	5,561	63,871	0	52,604
Provisions for impairment of land	2,138	155	706	0	1,587
Provisions for impairment of buildings	0	0	0	0	0
Provisions for impairment of shares in property companies	170,368	104,487	6,413	5	268,447
Provisions for impairment of investments in subsidiaries	476,740	13,076	107,789	(367)	381,661
Provisions for impairment of other investments	50,858	12,989	14,029	610	50,428
TOTAL	**1,079,878**	**151,707**	**227,695**	**248**	**1,004,138**

Carrying amount (gross amount less depreciation, amortisation and provisions) *(In € thousands)*	Net at 01.01.2019	Increases	Decreases	Transfers	Net at 31.12.2019
Intangible assets	**67,090**	**14,061**	**22,219**	**0**	**58,931**
Software	67,090	14,061	22,219	0	58,931
Land and buildings	**12,141,460**	**1,210,626**	**996,312**	**1,020**	**12,356,794**
Forests	101,076	962	(509)	0	102,546
Developed property	129,536	(5,305)	15,805	1,086	109,511
Shares in unlisted property companies	11,898,369	1,205,229	979,238	1,020	12,125,380
Property investments in progress	12,480	9,740	1,777	(1,086)	19,358
Investments in subsidiaries and affiliates	**9,305,586**	**1,055,654**	**464,148**	**452,819**	**10,349,911**
Investments in subsidiaries	6,378,984	782,922	221,572	112,825	7,053,159
Investments in affiliates	2,926,602	272,732	242,576	339,994	3,296,752
TOTAL	**21,514,136**	**2,280,341**	**1,482,679**	**453,839**	**22,765,637**

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	**12,673,948**	**12,356,148**	**16,551,439**
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	**33,707,588**	**32,149,933**	**40,448,190**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	938,848	462,243	306,674
3) Mutual fund units (other than those in 4)	**23,761,375**	**23,681,199**	**28,488,661**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
4) Units of mutual funds invested exclusively in fixed-income securities	**29,410,921**	**29,410,921**	**29,735,737**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0

(In € thousands)	Gross amount	Carrying amount *	Realisable value
5) Bonds and other fixed income securities	**202,289,755**	**203,970,171**	**222,461,245**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,064,561	514,182	(891,168)
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	**23,000**	**23,000**	**23,639**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
8) Deposits with ceding insurers	**232,011**	**232,011**	**232,011**
9) Cash deposits (other than those in 8) and guarantees and other investments	**306,231**	**306,231**	**306,231**
10) Assets backing unit-linked contracts	**37,952,918**	**37,952,918**	**37,952,918**
Investment property	0	0	0
Variable income securities other than mutual fund units	0	0	0
Mutual funds invested exclusively in fixed-income securities	0	0	0
Other mutual fund units	0	0	0
Bonds and other fixed income securities	0	0	0
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
11) Other forward financial instruments	**0**	**0**	**0**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
Forward financial instruments: other	0	0	0
12) Total of lines 1 to 11	**342,361,156**	**341,058,956**	**375,615,576**
a) of which:			
Investments measured in accordance with Article R.343-9	201,182,291	202,346,883	219,170,088
Investments measured in accordance with Article R.343-10	102,872,320	100,405,527	118,138,944
Investments measured in accordance with Article R.343-13	37,952,916	37,952,916	37,952,916
Investments measured in accordance with Article R.343-11	353,629	353,629	353,629
b) of which:			
securities representing technical reserves other than those listed below	298,817,641	297,548,840	327,480,293
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)	11,296,789	11,296,789	11,296,789
securities allocated to special technical reserves for other business in France	9,124,527	9,734,427	12,289,987
other allocated or unallocated investments	23,122,198	22,478,899	24,548,507
c) of which:			
investments and forward financial instruments in OECD member countries	341,369,155	340,176,037	375,536,054
investments and forward financial instruments in countries that are not members of the OECD	992,001	882,918	79,522

(In € thousands)	Gross amount	Carrying amount *	Realisable value
II- Assets representing technical reserves (other than investments and reinsurers' share of technical reserves)			
Accrued interest	2,359,681	2,359,681	2,359,681
Cash at bank	464,065	464,065	464,065
Other	2,688,531	2,688,531	2,688,531
Total assets representing technical reserves	**5,512,277**	**5,512,277**	**5,512,277**
TOTAL	**347,873,433**	**346,571,233**	**381,127,853**

* Including €1,188 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	78,779	5,724
Italy	5,565	433
Belgium	7,881	445
Spain	9,452	834
Austria	3,691	127
Brazil	0	0
Portugal	336	25
Netherlands	348	21
Ireland	869	47
Germany	3,797	172
Greece	7	0
Finland	131	5
Poland	309	34
Luxembourg	33	15
Sweden	0	0
Slovenia	79	3
Canada	702	82
Supranational issuers	7,236	652
Other	372	36
TOTAL	**119,585**	**8,655**

(1) Cost net of amortisation and impairment, including accrued interest
(2) The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles under IFRS

5.3 Receivables and payables by maturity

Receivables *(In € thousands)*	Total	Within 1 year	1 to 5 years	More than 5 years
Insurance receivables	**2,486,504**	**2,479,032**	**7,472**	
Earned premiums not yet written	1,892,760	1,892,760		
Other insurance receivables	593,745	586,273	7,472	
Reinsurance receivables	**151,689**	**151,689**		
Other receivables	**5,203,822**	**5,203,822**		
Prepaid payroll costs	198	198		
Prepaid and recoverable taxes	691,393	691,393		
Other	4,512,231	4,512,231		
Called and unpaid capital	**0**	**0**		
TOTAL	**7,842,016**	**7,834,544**	**7,472**	

Payables *(In € thousands)*	Gross amount	Within 1 year	1 to 5 years	More than 5 years
Cash deposits received from reinsurers	**11,743,151**	**11,743,151**		
Other liabilities	**31,204,506**	**31,133,916**	**70,590**	
Liabilities arising from insurance transactions	962,461	962,461		
Liabilities arising from reinsurance transactions	543,722	543,722		
Bank borrowings	188,033	188,033		
Other liabilities	29,510,290	29,439,700	70,590	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	11,997,428	11,926,839	70,590	
Accrued payroll costs	388,527	388,527		
Accrued payroll and other taxes	484,359	484,359		
Other payables	16,639,975	16,639,975		
TOTAL	**42,947,657**	**42,877,067**	**70,590**	

5.4 Subsidiaries and affiliates

5.4.1 Investments in subsidiaries and affiliates

	Total at 31.12.2019				Affiliates				Subsidiaries			
(In € thousands)	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
Insurance companies												
ARIAL CNP ASSURANCES	43,380	0	0	43,380	43,380	0	0	43,380	0	0	0	0
AVENIR SANTÉ	1,099	401	0	1,500	0	0	0	0	1,099	401	0	1,500
CAIXA SEGUROS HOLDING	435,527	0	0	435,527	0	0	0	0	435,527	0	0	435,527
CNP ASSURANCES BRASIL HOLDING LTDA	8,128	0	0	8,128	0	0	0	0	8,128	0	0	8,128
CNP ASSURANCES COMPAÑÍA DE SEGUROS	20,788	0	7,981	12,807	0	0	0	0	20,788	0	7,981	12,807
CNP CAUTION	464,917	0	0	464,917	0	0	0	0	464,917	0	0	464,917

(In € thousands)	Total at 31.12.2019				Affiliates				Subsidiaries			
	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
CNP CYPRUS INSURANCE HOLDINGS LIMITED	243,415	0	22,605	220,810	0	0	0	0	243,415	0	22,605	220,810
CNP EUROPE LIFE LIMITED	13,526	0	0	13,526	0	0	0	0	13,526	0	0	13,526
CNP LUXEMBOURG	32,000	0	0	32,000	0	0	0	0	32,000	0	0	32,000
CNP PARTNERS	173,929	0	0	173,929	0	0	0	0	173,929	0	0	173,929
CNP SANTANDER INSURANCE EUROPE DAC	111,670	0	0	111,670	0	0	0	0	111,670	0	0	111,670
CNP SANTANDER INSURANCE LIFE DAC	199,926	0	0	199,926	0	0	0	0	199,926	0	0	199,926
CNP SANTANDER INSURANCE SERVICES IRELAND LIMITED	2,400	0	0	2,400	0	0	0	0	2,400	0	0	2,400
CNP UNICREDIT VITA	726,775	0	281,496	445,279	0	0	0	0	726,775	0	281,496	445,279
MFPRÉVOYANCE	67,853	0	0	67,853	0	0	0	0	67,853	0	0	67,853
SINO-FRENCH LIFE INSURANCE COMPANY LIMITED	6,125	0	6,125	0	6,125	0	6,125	0	0	0	0	0
Sub-total	**2,551,458**	**401**	**318,208**	**2,233,651**	**49,505**	**0**	**6,125**	**43,380**	**2,501,953**	**401**	**312,083**	**2,190,271**
Other companies												
270 INVESTMENTS	125,573	484,050	0	609,623	0	0	0	0	125,573	484,050	0	609,623
ÂGE D'OR EXPANSION	5,375	0	462	4,913	0	0	0	0	5,375	0	462	4,913
ALPINVEST FEEDER (EURO) V C.V.	31,017	0	0	31,017	0	0	0	0	31,017	0	0	31,017
ASSURISTANCE	13,427	0	0	13,427	0	0	0	0	13,427	0	0	13,427
AXA INFRASTRUCTURE PARTNERS	20,897	0	0	20,897	20,897	0	0	20,897	0	0	0	0
AZIMUT	9,897	0	9,897	0	0	0	0	0	9,897	0	9,897	0
BABYLON INVESTMENTS BV	48,441	0	0	48,441	48,441	0	0	48,441	0	0	0	0
CANTIS	0	62	0	62	0	62	0	62	0	0	0	0
CARTERA PBTAMSI	15,000	0	0	15,000	0	0	0	0	15,000	0	0	15,000
CBPE CAPITAL VIII SPECIAL INVESTORS	10,108	0	2,900	7,208	0	0	0	0	10,108	0	2,900	7,208
CLEANTECH EUROPE II SPECIAL INVESTORS	119	0	0	119	0	0	0	0	119	0	0	119
CNP ASSURANCES PARTICIPAÇÕES LTDA	729,958	0	47,752	682,206	0	0	0	0	729,958	0	47,752	682,206
CNP FORMATION	37	0	34	3	0	0	0	0	37	0	34	3
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	50,631	0	0	50,631	0	0	0	0	50,631	0	0	50,631
CNP TECHNOLOGIES DE L'INFORMATION	914	4,000	0	4,914	0	0	0	0	914	4,000	0	4,914
CREDICOOP AFAVyDC	7,460	0	7,460	0	7,460	0	7,460	0	0	0	0	0
CTE	1,084,046	0	0	1,084,046	1,084,046	0	0	1,084,046	0	0	0	0
DIWISE	50	0	0	50	0	0	0	0	50	0	0	50
ECUREUIL VIE DÉVELOPPEMENT	18	1,000	0	1,018	18	1,000	0	1,018	0	0	0	0
ECUREUIL VIE INVESTMENT	328,338	50,000	0	378,338	0	0	0	0	328,338	50,000	0	378,338
EPSENS	6,062	0	0	6,062	6,062	0	0	6,062	0	0	0	0

(In € thousands)	Total at 31.12.2019				Affiliates				Subsidiaries			
	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
FILASSISTANCE SERVICES	228	0	0	228	0	0	0	0	228	0	0	228
FORESTIÈRE CDC	2,567	2,620	0	5,187	2,567	2,620	0	5,187	0	0	0	0
FSN CAPITAL IV (B) L.P.	9,489	0	0	9,489	0	0	0	0	9,489	0	0	9,489
GEOSUD	139,488	0	0	139,488	0	0	0	0	139,488	0	0	139,488
HOLDING D'INFRASTRUCTURES GAZIÈRES	420,471	0	0	420,471	0	0	0	0	420,471	0	0	420,471
INFRA VIA	1,607	0	1,607	0	1,607	0	1,607	0	0	0	0	0
INFRA-INVEST	10,755	393,189	0	403,945	0	0	0	0	10,755	393,189	0	403,945
INFRA-INVEST FRANCE	102,001	136,803	0	238,804	0	0	0	0	102,001	136,803	0	238,804
INFRASTRUCTURE PARTNERS (MORGAN STANLEY)	44,174	0	7,264	36,910	0	0	0	0	44,174	0	7,264	36,910
DOMAINE DE LANCOSME	61	0	0	61	0	0	0	0	61	0	0	61
LYFE	100	150	97	153	0	0	0	0	100	150	97	153
MERIDIAM INFRASTRUCTURE	103,584	0	0	103,584	103,584	0	0	103,584	0	0	0	0
MERIDIAM TRANSITION	149,989	0	0	149,989	149,989	0	0	149,989	0	0	0	0
MONTAGU IV (SCOTS FEEDER)	10,032	0	1,050	8,982	0	0	0	0	10,032	0	1,050	8,982
MONTPARVIE IV	5	13,523	0	13,528	0	0	0	0	5	13,523	0	13,528
MONTPARVIE V	5	0	0	5	0	0	0	0	5	0	0	5
OPEN CNP	35,000	0	0	35,000	0	0	0	0	35,000	0	0	35,000
SMCA	2,000	0	1,250	750	2,000	0	1,250	750	0	0	0	0
SOGESTOP K	156	0	89	66	0	0	0	0	156	0	89	66
SOGESTOP L	18,626	0	0	18,626	18,626	0	0	18,626	0	0	0	0
YOUSE HOME	100	710	34	776	0	0	0	0	100	710	34	776
AVIVA INVESTORS ALTERNATIVES FCP RAIF - AVIVA INVESTORS EUROPEAN INFRASTRUCTURE DEBT STRATEGY	20,986	0	0	20,986	20,986	0	0	20,986	0	0	0	0
AVIVA INVESTORS EUROPEAN SECONDARY INFRASTRUCTURE CREDIT	50,966	0	0	50,966	50,966	0	0	50,966	0	0	0	0
BLUE LIKE AN ORANGE SUSTAINABLE CAPITAL LATIN AMERICA FUND I	8,767	0	0	8,767	8,767	0	0	8,767	0	0	0	0
BNP PARIBAS EUROPEAN SME DEBT FUND	63,521	0	0	63,521	63,521	0	0	63,521	0	0	0	0
BNP PARIBAS GLOBAL SENIOR CORPORATE LOANS	260,215	0	0	260,215	260,215	0	0	260,215	0	0	0	0
BNP PARIBAS NOVO 2018	12,752	0	0	12,752	12,752	0	0	12,752	0	0	0	0
CM-CIC DEBT FUND 3	22,838	0	0	22,838	22,838	0	0	22,838	0	0	0	0
CNP LOANS INFRA COMPARTMENT CLI N°3	150	0	0	150	0	0	0	0	150	0	0	150

(In € thousands)	Total at 31.12.2019				Affiliates				Subsidiaries			
	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
CNP LOANS INFRA COMPARTMENT CLI 123 SOLEIL	150	0	0	150	0	0	0	0	150	0	0	150
IDINVEST SENIOR DEBT	9,018	0	0	9,018	9,018	0	0	9,018	0	0	0	0
INFRASTRUCTURE FINANCE SCS SIF - EUROPEAN INFRA SENIOR 1 COMPARTMENT	108,035	0	0	108,035	108,035	0	0	108,035	0	0	0	0
LBPAM EUROPEAN DEBT FUNDS REAL ESTATE COMPARTMENT FCT 1	27,958	0	0	27,958	27,958	0	0	27,958	0	0	0	0
LBPAM EUROPEAN INFRASTRUCTURE DEBT FUND 2	220,350	0	0	220,350	0	0	0	0	220,350	0	0	220,350
LBPAM EUROPEAN REAL ESTATE DEBT FUND 2	173,850	0	0	173,850	173,850	0	0	173,850	0	0	0	0
LBPAM FCT EUROPEAN DEBT FUNDS INFRASTRUCTURE COMPARTMENT FCT 1	94,140	0	0	94,140	94,140	0	0	94,140	0	0	0	0
PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	370,214	0	0	370,214	0	0	0	0	370,214	0	0	370,214
LBPAM FCT EUROPEAN DEBT FUNDS MONTPARNASSE REAL ESTATE DEBT COMPARTMENT	740,887	0	0	740,887	0	0	0	0	740,887	0	0	740,887
LBPAM PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	79,450	0	0	79,450	0	0	0	0	79,450	0	0	79,450
LYXOR DETTE MIDCAP	28,219	0	0	28,219	28,219	0	0	28,219	0	0	0	0
LYXOR DETTE MIDCAP II	17,175	0	0	17,175	17,175	0	0	17,175	0	0	0	0
LYXOR EUROPEAN SENIOR DEBT	76	0	0	76	76	0	0	76	0	0	0	0
NATIXIS FCT MONTPARNASSE DETTE PRIVEE, MONTPARNASSE PRIVATE PLACEMENT COMPARTMENT	187,900	0	0	187,900	0	0	0	0	187,900	0	0	187,900
OSTRUM DEBT SCS RAIF - ESSENTIAL INFRA DEBT FUND	21,714	0	0	21,714	21,714	0	0	21,714	0	0	0	0
PREDIREC IMMO 2019	6,182	0	0	6,182	6,182	0	0	6,182	0	0	0	0
SCHRODER, IALA COMPARTMENT	158,432	0	0	158,432	0	0	0	0	158,432	0	0	158,432
SENIOR EUROPEAN LOAN FUND 1	26,353	0	0	26,353	26,353	0	0	26,353	0	0	0	0
SENIOR EUROPEAN LOAN FUND 2	174,125	0	0	174,125	174,125	0	0	174,125	0	0	0	0

(In € thousands)	Total at 31.12.2019				Affiliates				Subsidiaries			
	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount	Shares	Other	Impair-ment	Carrying amount
SENIOR EUROPEAN LOAN FUND 3	30,100	0	0	30,100	30,100	0	0	30,100	0	0	0	0
SOFIPROTEOL DETTE PRIVEE	21,922	0	0	21,922	21,922	0	0	21,922	0	0	0	0
TIKEHAU CORPORATE LEVERAGED LOAN FUND	7,216	0	0	7,216	7,216	0	0	7,216	0	0	0	0
TIKEHAU NOVO 2018	18,628	0	0	18,628	18,628	0	0	18,628	0	0	0	0
Other companies*	**643,940**	**0**	**33,987**	**609,953**	**643,940**	**0**	**33,987**	**609,953**	**0**	**0**	**0**	**0**
Sub-total	**7,144,034**	**1,086,107**	**113,881**	**8,116,260**	**3,293,993**	**3,682**	**44,303**	**3,253,372**	**3,850,040**	**1,082,425**	**69,578**	**4,862,888**
Total by type	9,695,492	1,086,508	432,089	10,349,911	3,343,498	3,682	50,428	3,296,752	6,351,994	1,082,826	381,661	7,053,159
TOTAL		10,782,000	432,089	10,349,911		3,347,180	50,428	3,296,752		7,434,820	381,661	7,053,159

* Corresponds to venture-capital investment funds in which CNP Assurances owns less than 50% of the capital
This note does not include shares in property companies which are reported in the balance sheet under “Land and buildings” and on the line “Shares in unlisted property companies” in Note 5.1 “Changes in intangible assets, buildings, and investments in subsidiaries and affiliates”

5.4.2 Financial income and expenses received from and paid to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	31.12.2019	31.12.2018
Financial expenses	12,935	9,474	22,409	88,019
Financial income	503,660	213,590	717,250	657,791

5.4.3 Receivables from and payables to subsidiaries and affiliates

(In € thousands)	Subsidiaries	Affiliates	31.12.2019	31.12.2018
Receivables	**14,179**	**(9,460)**	**4,720**	**14,478**
Other receivables	14,179	(9,460)	4,720	14,478
Prepaid and recoverable taxes	*14,400*	*0*	*14,400*	*14,400*
Other	*(221)*	*(9,460)*	*(9,680)*	*78*
Other liabilities	**40,886**	**298,956**	**339,843**	**701,394**
Other payables	*40,886*	*298,956*	*339,843*	*701,394*

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	Premium income	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 [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	31,291	1,018	102,147	85,726	85,726	100.00%	56,352	7,178	2,685	2,347	Property company
270 INVESTMENTS [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	101,504	42,048	582,712	125,573	125,573	100.00%	484,050	0	47,984	35,342	Private equity
36 MARBŒUF SAS [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	28,317	201	51,532	55,694	55,694	100.00%	19,745	2,912	1,426	1,671	Property company
AEP 247 [6]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	179,775	10	189,384	161,102	161,102	100.00%	0	2,389	5,620	224	Property company
AEW IMCOM 1 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	154,783	2	181,231	102,119	102,119	100.00%	18,889	4,520	5,995	2,299	Property company
ALPINVEST FEEDER (EURO) V C.V.	Jachthavenweg 118 - 1081 KJ Amsterdam - The Netherlands	EUR	n/a	n/a	n/a	31,017	25,485	99.98%	0	n/a	n/a	0	Private equity
ASSURBAIL PATRIMOINE [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	183,233	119,046	330,484	215,104	215,104	100.00%	0	7,667	15,668	57,973	Property company
ASSURECUREUIL PIERRE [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	19,312	16,433	51,580	58,382	58,382	85.83%	0	5,895	12,055	1,626	Property company
ASSURECUREUIL PIERRE 3 [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	199,624	185,701	559,717	252,165	252,165	77.98%	150,046	6,369	(24,831)	0	Property company
ASSURECUREUIL PIERRE 4 [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	101,740	69,241	194,924	168,599	168,599	100.00%	0	0	17,042	7,325	Property company
ASSURECUREUIL PIERRE 5 [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,362	1,679	5,844	8,225	8,225	100.00%	519	1,905	1,564	1,730	Property company
ASSURIMMEUBLE [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	713,000	856,905	1,584,409	1,723,823	1,723,823	100.00%	0	11,405	4,676	15,190	Property company
ASSURISTANCE [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	20,344	1,099	21,991	13,427	13,427	66.00%	0	5	3	0	Diversifi–cation
AZIMUT [7]	129, rue de Turenne - 75003 Paris - France	EUR	482	3,210	2,830	9,897	0	88.67%	0	1,145	(2,074)	0	Diversifi–cation
BAUDRY PONTHIEU [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,460	36,542	92,500	44,559	44,559	99.91%	46,270	5,762	1,740	2,259	Property company
BERCY CRYSTAL [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	5,000	45,042	120,915	50,000	50,000	100.00%	66,486	6,263	818	2,850	Property company
CAIXA SEGUROS HOLDING [3]	SCN Quadra 01 Lote A Ed. N°1 - 15°, 16° e 17° Andares Brasilia - Brazil	EUR	746,285	(163,191)	945,571	435,527	435,527	50.75%	0	0	351,004	175,963	Insu-rance
CANOPÉE [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	47,210	4	49,901	47,200	47,200	99.98%	0	3,820	2,165	20,914	Property company
CARTERA PBTAMSI	Almagro, 36, 2ª planta - 28010 Madrid - Spain	EUR	n/a	n/a	n/a	15,000	14,110	100.00%	0	n/a	n/a	0	Private equity
CBPE CAPITAL VIII SPECIAL INVESTORS	2, George Yard - London EC3V 9DH - United Kingdom	GBP	n/a	n/a	n/a	10,108	6,598	100.00%	0	n/a	n/a	0	Private equity
CICOGE [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	37,320	64,017	109,751	198,786	198,786	100.00%	0	6,321	4,353	11,470	Property company
CIMO [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	178,759	107,426	387,526	526,766	526,766	100.00%	0	14,459	90,351	26,099	Property company
CNP ASSURANCES BRASIL HOLDING LTDA [3]	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710-900 Brasilia - Brazil	EUR	5,359	23,824	34,122	8,128	8,128	100.00%	0	0	4,665	1,839	Insu-rance
CNP ASSURANCES COMPAÑIA DE SEGUROS [3]	M.T. de Alvear 1541 (C1060AAC) - 1001 Buenos Aires - Argentina	EUR	2,528	10,053	41,799	20,788	12,807	76.47%	0	21,211	5,433	0	Insu-rance

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Cur-rency	Share capital	Reserves and retained earnings	Total assets	Cost of invest-ment	Carrying amount of investment (o/w unpaid)	Interest	Loans and recei-vables	Premium income	Profit or loss	Dividends	Sector
CNP ASSURANCES PARTICIPAÇÕES LTDA [3]	na Alameda Santos 1293 conj. 63 CEP 01419-904 São Paulo - Brazil	EUR	629,672	32,255	684,398	729,958	682,206	100.00%	0	0	21,574	0	Diversifi-cation
CNP CAUTION [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	258,735	222,890	774,102	464,917	464,917	100.00%	0	81,830	28,729	0	Insu-rance
CNP CYPRUS INSURANCE HOLDINGS LIMITED [3]	64 Arch. Makarios III ave. & 1 Karpenisiou Str. - 1077 Nicosia - Cyprus	EUR	90	139,206	144,613	243,415	220,810	100.00%	0	0	4,829	20,384	Insu-rance
CNP EUROPE LIFE LIMITED [3]	Embassy House, Herbert Park Lane, Ballsbridge - Dublin 4 - Ireland	EUR	3,809	15,834	97,170	13,526	13,526	100.00%	0	0	(3,099)	0	Insu-rance
CNP LUXEMBOURG [7]	10, rue de Reims L-2417 Luxembourg - Luxembourg	EUR	32,000	(5,714)	936,638	32,000	32,000	100.00%	0	123,226	(2,623)	0	Insu-rance
CNP PARTNERS [3]	El Plantio Calle Ochandiano nº10 Planta 2a-28023 Madrid - Spain	EUR	138,287	74,069	2,637,641	173,929	173,929	99.50%	0	272,424	974	0	Insu-rance
CNP PRIVATE EQUITY FOR PERSONAL SAVINGS	20, place Vendôme - 75001 Paris - France	EUR	n/a	n/a	n/a	54,955	54,955	100.00%	0	n/a	n/a	0	Private equity
CNP SANTANDER INSURANCE EUROPE DAC [3]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	53,000	78,743	957,711	111,670	111,670	51.00%	0	275,067	32,551	0	Insu-rance
CNP SANTANDER INSURANCE LIFE DAC [3]	Block 8 Harcourt Centre - Charlotte Way - Dublin 2 - Ireland	EUR	103,600	77,775	1,460,655	199,926	199,926	51.00%	0	489,632	49,909	38,250	Insu-rance
CNP UNICREDIT VITA [3]	Piazza Durante 11 - 20131 Milan - Italy	EUR	381,699	485,901	16,360,528	726,775	445,279	57.50%	0	3,050,547	42,766	0	Insu-rance
CŒUR MÉDITERRANÉE [5]	128, Boulevard Raspail - 75006 Paris - France	EUR	40,885	1,343	59,576	28,619	28,619	70.00%	12,933	0	1,554	1,062	Property company
COTTAGES DU BOIS AUX DAIMS [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	1,131	9,731	23,317	11,301	11,301	100.00%	12,100	1,862	55	0	Property company
ECUREUIL VIE INVESTMENT [7]	4, place Raoul Dautry - 75015 Paris - France	EUR	328,338	49,821	475,768	328,338	328,338	100.00%	50,000	0	46,493	35,211	Private equity
ÉQUINOX [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	41,404	(30,004)	63,426	41,400	9,276	99.99%	50,287	1,617	(685)	0	Property company
FARMORIC [1]	Tour Majunga, La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France	EUR	162,051	203,420	460,801	176,605	176,605	100.00%	89,840	0	4,377	5,445	Property company
FONCIÈRE CNP [2]	11, avenue Delcassé - 75008 Paris - France	EUR	3,139	72,943	139,181	69,492	69,492	100.00%	62,608	5,004	18,859	25,000	Property company
FONCIÈRE ELBP [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	17,814	156,988	399,243	178,131	178,131	100.00%	207,312	16,849	2,680	0	Property company
FONCIÈRE HID [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,370	7,048	48,815	11,300	11,300	100.00%	35,900	4,092	749	656	Property company
FSN CAPITAL IV (B) L.P.	Akersgaten 20 NO-0158 - Oslo - Norway	SEK	n/a	n/a	n/a	9,489	7,054	100.00%	0	n/a	n/a	0	Private equity
GALAXIE 33 [1]	11-13, avenue de Friedland - 75008 Paris - France	EUR	10,000	89,994	234,541	99,991	99,991	100.00%	126,609	11,625	3,171	2,090	Property company
GCK [2]	15, Boulevard F.W. Raiffeisen - L-2411 Luxembourg - Luxembourg	EUR	10,529	2,407	22,795	100,994	100,994	80.00%	0	13,688	7,277	5,153	Property company
GEOSUD [7]	2, rue des Martinets - 92569 Rueil Malmaison - France	EUR	122,140	169,617	175,903	139,488	139,488	98.00%	0	0	4,090	3,890	Infras-tructure
GREEN QUARTZ [2]	11, avenue Delcassé - 75008 Paris - France	EUR	14	43,681	98,315	43,522	43,522	99.99%	53,392	3,906	159	1,124	Property company
HOLDING D'INFRASTRUCTURES GAZIÈRES [4]	4 place Raoul Dautry - 75015 Paris - France	EUR	603,907	169,775	874,522	420,471	420,471	54.41%	0	0	100,802	52,900	Infras-tructure
HOLDIPIERRE [5]	128, Boulevard Raspail - 75006 Paris - France	EUR	87,129	52,273	159,659	95,030	95,030	100.00%	12,175	0	7,966	7,775	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	Premium income	Profit or loss	Dividends	Sector
IMMAUCOM (5)	11, avenue Delcassé - 75008 Paris - France	EUR	194,588	2	197,324	132,776	132,776	80.00%	0	0	2,541	2,141	Property company
INFRA-INVEST (7)	1, rue Hildegard von Bingen - L-1282 Luxembourg - Luxembourg	EUR	6,265	(13,624)	394,852	403,945	403,945	100.00%	0	0	15,848	0	Infrastructure
INFRA-INVEST FRANCE (6)	4 place Raoul Dautry - 75015 Paris - France	EUR	10,201	52,701	168,854	102,001	102,001	100.00%	136,803	0	4,645	5,667	Infrastructure
INFRASTRUCTURE PARTNERS (MORGAN STANLEY) (6)	6, place de la République Dominicaine, 75017 Paris - France	USD	18,076	0	18,076	44,174	8,875	64.94%	0	0	(42)	0	Infrastructure
IRELAND PROPERTY INVESTMENT FUND (5)	George's Court, 54-62 Townsend Street Dublin 2 - Ireland	EUR	303,809	20,224	324,792	314,450	314,450	100.00%	0	9,451	(808)	8,350	Property company
ISSY VIVALDI (2)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	3,310	29,517	68,930	33,010	33,010	100.00%	31,862	4,671	1,706	0	Property company
JASMIN (2)	11-13, avenue de Friedland - 75008 Paris - France	EUR	19,010	0	43,998	19,000	19,000	99.95%	21,845	3,386	2,069	1,917	Property company
JESCO (2)	11, avenue Delcassé - 75008 Paris - France	EUR	40,801	25,985	67,069	28,051	13,913	55.00%	21,387	5,305	(16,738)	0	Property company
KLEber 46 (2)	11, avenue Delcassé - 75008 Paris - France	EUR	936	2,502	4,579	45,858	45,858	100.00%	22,404	2,447	1,385	1,579	Property company
LBPAM PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	79,450	79,450	66.67%	0	n/a	n/a	193	Investment fund
LBP ACTIFS IMMO (2)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	525,072	1,520	555,025	384,251	384,251	100.00%	8,720	22,163	11,205	8,898	Property company
LESLY (2)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,071	(911)	102,582	45,071	45,071	100.00%	53,596	5,973	842	0	Property company
LUX GARE (2)	11-13, avenue de Friedland - 75008 Paris - France	EUR	435	4,536	22,055	12,219	12,219	100.00%	14,798	1,768	76	271	Property company
MFPRÉVOYANCE (7)	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	81,774	109,146	618,851	67,853	67,853	51.00%	0	120,450	3,041	0	Insurance
MONTAGU IV (SCOTS FEEDER)	2 More London Riverside - London SE1 2AP - United Kingdom	EUR	n/a	n/a	n/a	10,032	6,654	100.00%	0	n/a	n/a	0	Private equity
MTP INVEST (2)	11-13, avenue de Friedland - 75008 Paris - France	EUR	566,105	(14,425)	881,608	430,943	430,943	97.45%	279,374	20,356	16,270	15,188	Property company
NEUILLY PILOT (2)	11-13, avenue de Friedland - 75008 Paris - France	EUR	950	6,140	17,362	15,907	15,907	100.00%	9,548	879	165	0	Property company
NEW SIDE (2)	11, avenue Delcassé - 75008 Paris - France	EUR	1,947	40,492	92,449	38,939	38,939	100.00%	50,899	5,683	1,538	1,850	Property company
OPCI RASPAIL (1)	128, Boulevard Raspail - 75006 Paris - France	EUR	685,938	371,654	1,836,450	918,574	918,574	82.62%	728,320	20,858	12,173	11,618	Property company
OPEN CNP (7)	4 place Raoul Dautry - 75015 Paris - France	EUR	30,000	(1,073)	50,952	35,000	35,000	100.00%	0	0	(2,707)	0	Diversification
OREA (2)	11-13, avenue de Friedland - 75008 Paris - France	EUR	43,325	2,663	55,858	86,829	47,014	100.00%	5,574	5,925	981	475	Property company
PANTIN LOGISTIQUE (2)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	5,810	32,709	111,520	71,508	71,508	100.00%	58,215	7,641	1,575	755	Property company
PARIS 08 (2)	11, avenue Delcassé - 75008 Paris - France	EUR	42,091	43,138	53,987	42,091	42,091	100.00%	4,560	2,337	1,019	1,684	Property company
PAYS-BAS RETAIL 2013 BV (5)	Naritaweg 165, Telestone 8 - 1043 BV Amsterdam - The Netherlands	EUR	17,500	2,321	49,603	17,500	17,500	100.00%	28,500	0	507	1,200	Property company
PIAL 34 (2)	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	15,001	87,359	252,699	141,001	78,231	100.00%	173,039	0	(25,110)	0	Property company
RESIDENTIAL (2)	11, avenue Delcassé - 75008 Paris - France	EUR	33,801	31,750	33,651	33,801	33,801	100.00%	205	2,001	(431)	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	Premium income	Profit or loss	Dividends	Sector
SAPHIRIMMO [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	6,767	102,445	216,871	109,205	109,205	99.99%	101,596	9,687	716	4,385	Property company
SAS ALLERAY - SQUARE 15 [1]	128, boulevard Raspail - 75006 Paris - France	EUR	10,000	107,196	237,208	118,592	118,592	100.00%	116,947	0	1,395	3,100	Property company
SCI DE LA CNP [7]	4 place Raoul Dautry - 75015 Paris - France	EUR	59,711	35,660	103,605	146,370	146,370	100.00%	5,000	6,557	2,557	2,553	Property company
SECRETS ET BOÉTIE [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,201	28,594	79,384	42,001	42,001	100.00%	42,205	3,970	1,664	1,470	Property company
SILK HOLDING [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	27,592	7,906	86,759	54,437	54,437	100.00%	47,564	0	1,314	1,214	Property company
SONNE [2]	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France	EUR	2	12,445	54,529	14,127	14,127	99.95%	40,504	2,274	(552)	0	Property company
TERRE NEUVE 4 IMMO [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	6,601	59,423	138,818	66,001	66,001	100.00%	66,360	10,371	4,541	4,225	Property company
THEEMIM [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	26,636	60,017	103,388	84,646	84,646	100.00%	10,730	0	5,618	7,298	Property company
US REAL ESTATE 270 SAS [7]	4 place Raoul Dautry - 75015 Paris - France	EUR	120,012	1,649	245,419	120,012	120,012	100.00%	183,206	0	7,010	5,631	Property company
US REAL ESTATE EVJ SAS [7]	4 place Raoul Dautry - 75015 Paris - France	EUR	120,063	1,665	245,416	120,063	120,063	100.00%	171,966	0	7,011	5,625	Property company
AMP Capital Wagram 92 Property Investment (WAGRAM 92) [2]	11, avenue Delcassé - 75008 Paris - France	EUR	9,023	9,511	22,609	20,377	20,377	100.00%	12,248	1,715	497	0	Property company
WOODLAND INVEST [2]	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	8,000	(1,371)	18,647	8,000	8,000	100.00%	9,600	874	(208)	0	Property company
YBRY PONT DE NEUILLY [1]	128, Boulevard Raspail - 75006 Paris - France	EUR	10,501	95,550	228,248	106,493	106,493	100.00%	119,832	0	(211)	3,335	Property company
YELLOWALTO [2]	Tour Majunga, La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France	EUR	9,973	92,079	288,826	101,273	101,273	100.00%	177,126	0	7,717	6,881	Property company
RESIDAVOUT [1]	128, Boulevard Raspail - 75006 Paris - France	EUR	2,834	25,497	48,721	28,331	28,331	100.00%	18,889	1,875	369	161	Property company
EUROPE PROPERTIES INVESTMENTS [2]	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France	EUR	1,037	9,104	191,960	10,037	10,037	100.00%	179,921	0	1,899	1,525	Property company
GF DE LA FORÊT DE NAN [2]	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	1,934	806	2,754	11,653	11,653	99.99%	0	55	(101)	0	Forests
SCHRODER, IALA COMPARTMENT	8-10, rue Lamennais - 75008 Paris - France	EUR	n/a	n/a	n/a	158,432	158,432	100.00%	0	n/a	n/a	7,775	Investment fund
LBPAM FCT EUROPEAN DEBT FUNDS MONTPARNASSE INFRASTRUCTURE DEBT COMPARTMENT	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	370,214	370,214	100.00%	0	n/a	n/a	3,164	Investment fund
LBPAM FCT EUROPEAN DEBT FUNDS MONTPARNASSE REAL ESTATE DEBT COMPARTMENT	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	740,887	740,887	100.00%	0	n/a	n/a	5,849	Investment fund
NATIXIS FCT MONTPARNASSE DETTE PRIVEE, MONTPARNASSE PRIVATE PLACEMENT COMPARTMENT	21, quai d'Austerlitz - 75634 Paris Cedex 13 - France	EUR	n/a	n/a	n/a	187,900	187,900	100.00%	0	n/a	n/a	5,920	Investment fund
LBPAM EUROPEAN INFRASTRUCTURE DEBT FUND 2	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	220,350	220,350	55.19%	0	n/a	n/a	4,013	Investment fund

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Premium income	Profit or loss	Dividends	Sector
II – Affiliates (10% to 50%-owned)													
17 CAPITAL FUND 3	32, Grosvenor Gardens - London SW1W 0DH - United Kingdom	EUR	n/a	n/a	n/a	30,781	17,181	10.04%	0	n/a	n/a	0	Private equity
5/7 RUE SCRIBE [(2)]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	479	33,005	82,589	7,302	7,302	15.00%	6,414	4,663	2,883	344	Property company
ALPINVEST SECONDARIES FUND LUX EURO MASTER VI	Jachthavenweg 118 - 1081 KJ Amsterdam - The Netherlands	EUR	n/a	n/a	n/a	76,589	42,538	22.47%	0	n/a	n/a	0	Private equity
ARIAL CNP ASSURANCES [(7)]	32, avenue Emile Zola - 59370 Mons-en-Baroeul - France	EUR	10,848	94,208	19,963,977	43,380	43,380	40.00%	0	0	2,173	0	Insurance
AUGUST EQUITY PARTNERS III A	10 Slingsby Place - St Martin's Courtyard Covent Garden - WC2E 9AB - London - United Kingdom	GBP	n/a	n/a	n/a	9,852	7,946	10.00%	0	n/a	n/a	0	Private equity
AVIVA INVESTORS EUROPEAN SECONDARY INFRASTRUCTURE CREDIT	23-25 Avenue Franklin Delano Roosevelt - 75008 Paris - France	EUR	n/a	n/a	n/a	50,966	50,966	16.67%	0	n/a	n/a	480	Investment fund
AXA INFRASTRUCTURE PARTNERS [(7)]	20, place Vendôme - 75001 Paris - France	EUR	(212,276)	217,877	7,748	20,897	973	12.91%	0	0	2,087	0	Infra–structure
AXE FRANCE [(2)]	11-13, avenue de Friedland - 75008 Paris - France	EUR	2,501	56,490	125,717	43,085	43,085	50.00%	27,618	10,091	4,145	1,734	Property company
BABYLON INVESTMENTS BV [(7)]	Amstelveenseweg 760, (1081JK) Amsterdam - The Netherlands	EUR	0	108,195	288,826	48,441	48,441	44.44%	0	772	23,211	0	Infra–structure
BLUE LIKE AN ORANGE SUSTAINABLE CAPITAL LATIN AMERICA FUND I	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	USD	n/a	n/a	n/a	8,767	8,767	12.21%	0	n/a	n/a	0	Investment fund
BNP PARIBAS NOVO 2018	1 boulevard Haussmann - 75009 Paris - France	EUR	n/a	n/a	n/a	12,752	12,752	15.15%	0	n/a	n/a	120	Investment fund
CDC CAPITAL III	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	17,840	13,217	37.43%	0	n/a	n/a	0	Private equity
CDC CAPITAL III B	41, avenue de Friedland - 75008 Paris - France	EUR	n/a	n/a	n/a	8,066	675	47.25%	0	n/a	n/a	0	Private equity
CERTIVIA SICAV [(5)]	128, Boulevard Raspail - 75006 Paris - France	EUR	82,500	5,010	138,574	10,945	10,945	13.30%	0	0	(1,197)	99	Property company
CLEARSIGHT TURNAROUND FUND II	Carinthia House, 9-12, The Grange - GY1 4BF - St Peter Port - Guernsey - Channel Islands - United Kingdom	EUR	n/a	n/a	n/a	15,621	14,762	15.63%	0	n/a	n/a	0	Private equity
CLEARSIGHT TURNAROUND FUND III	Churerstrasse 23 - CH-8808 Pfäffikon - Switzerland	EUR	n/a	n/a	n/a	22,744	18,162	11.01%	0	n/a	n/a	262	Private equity
CLEARSIGHT TURNAROUND FUND IV	Churerstrasse 23 - CH-8808 Pfäffikon - Switzerland	EUR	n/a	n/a	n/a	24,704	8,472	10.00%	0	n/a	n/a	175	Private equity
CM-CIC DEBT FUND 3	60, rue de La Baume - 75009 Paris - France	EUR	n/a	n/a	n/a	22,838	22,838	12.22%	0	n/a	n/a	739	Investment fund
CREDICOOP AFAVyDC [(8)]	Adolfo Alsina N°633 Piso 3 - Ciudad Autónoma de Buenos Aires - Argentina	EUR	730	(18)	1,015	7,460	0	29.84%	0	0	150	0	Diversification
CTE [(7)]	69-17, rue de Miromesnil - 75008 Paris - France	EUR	2,700,009	2,516,399	8,247,155	1,084,046	1,084,046	20.00%	0	0	171,299	62,524	Infrastructure
D&P PME IV	152, avenue de Malakoff - 75116 Paris - France	EUR	n/a	n/a	n/a	11,259	288	28.71%	0	n/a	n/a	0	Private equity

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	Premium income	Profit or loss	Dividends	Sector
DBAG FUND VI FEEDER GmbH & CO KG	Boersenstrasse 1 - D-60313 Frankfurt-am-Main - Germany	EUR	n/a	n/a	n/a	11,999	10,520	26.56%	0	n/a	n/a	0	Private equity
DÉFENSE CB3 [1]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	13,100	102,341	120,713	52,828	25,065	25.00%	4,039	21	(15,192)	0	Property company
EMZ 7-I	11, rue Scribe - 75009 Paris - France	EUR	n/a	n/a	n/a	12,510	4,057	11.90%	0	n/a	n/a	0	Private equity
EUROFFICE [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	82,589	0	81,575	24,119	15,261	18.48%	0	0	(4,947)	0	Property company
FARMAN [1]	11, avenue Delcassé - 75008 Paris - France	EUR	25,000	171,366	224,247	80,872	80,872	50.00%	25,414	16,627	9,637	4,513	Property company
FLI [7]	33, avenue Pierre Mendès France - 75013 Paris - France	EUR	104,500	930,837	1,429,293	71,749	71,749	11.48%	0	15,479	436	1,321	Property company
FONCIÈRE ECUREUIL II [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	45,188	1,032	52,288	13,729	11,526	21.77%	0	0	5,054	934	Property company
FONDS DE CONSOLIDATION ET DE DEVELOPPEMENT DES ENTREPRISES II	59, rue de la Boétie CS 10017 - 75008 Paris - France	EUR	n/a	n/a	n/a	12,249	6,421	10.00%	0	n/a	n/a	0	Private equity
GF FRANCE EST [7]	8 bis, rue de Chateaudun - 75009 Paris - France	EUR	24,479	4,516	29,645	7,092	7,092	28.97%	0	2,473	361	163	Forests
GREEN RUEIL [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	4,555	77,887	198,932	45,546	45,546	50.00%	50,525	16,161	5,107	2,296	Property company
HEMISPHERE HOLDING [7]	33, avenue Pierre Mendès France - 75013 Paris - France	EUR	6,715	52,603	62,145	12,265	12,265	20.00%	0	0	2,722	605	Property company
ISSY ÎLOT 13 [2]	91-93, boulevard Pasteur - 75710 Paris Cedex 15 - France	EUR	45,000	0	82,515	22,500	22,500	50.00%	16,089	8,444	3,170	2,370	Property company
INITIATIVE & FINANCE II	96, avenue d'Iéna - 75783 Paris - France	EUR	n/a	n/a	n/a	13,377	12,385	11.43%	0	n/a	n/a	0	Private equity
INVISION V FEEDER	Grafenaustrasse 7 - 6300 Zug - Switzerland	EUR	n/a	n/a	n/a	15,674	9,905	23.38%	0	n/a	n/a	0	Private equity
LBPAM FCT EUROPEAN DEBT FUNDS INFRASTRUCTURE COMPARTMENT FCT 1	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	94,140	94,140	48.70%	0	n/a	n/a	308	Investment fund
LIBERTÉ [2]	11, avenue Delcassé - 75008 Paris - France	EUR	25,350	106,334	224,954	51,003	51,003	50.00%	58,198	19,789	10,365	5,914	Property company
LYXOR DETTE MIDCAP II	17, Cours Valmy - 92987 Paris La Défense - France	EUR	n/a	n/a	n/a	17,175	17,175	33.33%	0	n/a	n/a	76	Investment fund
MERIDIAM INFRASTRUCTURE [7]	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	543,760	1,427	1,428,475	103,584	103,584	19.02%	0	29	403,920	3,771	Infrastructure
MERIDIAM TRANSITION [7]	4, Place de l'Opéra - 75002 Paris - France	EUR	240,371	0	258,609	149,989	104,889	42.86%	0	0	(4,778)	0	Infra-structure
OFELIA [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	12,609	20,903	36,965	11,916	11,916	33.33%	45,731	0	3,443	1,183	Property company
OFFICE CB 21 [7]	10 avenue Kleber - 75016 Paris - France	EUR	366,123	(12,448)	375,684	82,553	82,553	25.00%	0	0	21,962	5,468	Property company
OPC 1 [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	33,164	1,540	37,084	6,946	6,946	19.67%	0	1,851	1,778	699	Property company
OPC 2 [7]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	71,984	41	98,652	27,505	27,505	42.15%	0	2,681	975	3,575	Property company
OSTRUM DEBT SCS RAIF - ESSENTIAL INFRA DEBT FUND	43, avenue Pierre Mendès France - 75013 Paris - France	EUR	n/a	n/a	n/a	21,714	21,714	37.50%	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	37,592	14.40%	0	n/a	n/a	0	Private equity
PARTECH INTERNATIONAL VI	12 rue de Penthièvre - 75008 Paris - France	EUR	n/a	n/a	n/a	7,706	7,636	10.00%	0	n/a	n/a	0	Private equity

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	Premium income	Profit or loss	Dividends	Sector
PARTECH VENTURES V	12 rue de Penthièvre - 75008 Paris - France	EUR	n/a	n/a	n/a	7,605	534	13.93%	0	n/a	n/a	0	Private equity
PBW II REAL ESTATE FUND [5]	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	31	42,244	82,284	51,946	1,721	14.57%	0	0	3,188	5,400	Property company
POLARIS PRIVATE EQUITY IV	Malmøgade 3 - DK-2100 Copenhagen - Denmark	DKK	n/a	n/a	n/a	40,153	23,837	10.00%	0	n/a	n/a	0	Private equity
PYRAMIDES 1 [2]	22, rue du Docteur Lancereaux - 75008 Paris - France	EUR	19,603	3,926	43,654,859	9,706	9,706	45.00%	8,174	0	1,207,804	6,002	Property company
QUADRILLE TECHNOLOGIES III	16 place de la Madeleine - 75008 Paris - France	EUR	n/a	n/a	n/a	15,000	13,688	11.11%	0	n/a	n/a	0	Private equity
RUE DU BAC [2]	11, avenue Delcassé - 75008 Paris - France	EUR	25,240	176,161	230,267	86,192	86,192	50.00%	24,578	14,896	7,810	3,671	Property company
RUEIL NEWTON [2]	11-13, avenue de Friedland - 75008 Paris - France	EUR	1,558	28,002	61,241	15,508	15,508	50.00%	14,810	420	(955)	0	Property company
SENIOR EUROPEAN LOAN FUND 3	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	30,100	30,100	50.00%	0	n/a	n/a	0	Investment fund
SILVERSTONE [5]	128, Boulevard Raspail - 75006 Paris - France	EUR	84,319	5,357	94,740	16,422	16,422	19.61%	980	0	(170)	127	Property company
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE [2]	7, place du Chancelier-Adenauer - 75016 Paris - France	EUR	3,048	1	427,491	27,567	27,567	22.00%	52,005	97,183	77,382	14,321	Property company
SOFINNOVA CAPITAL VII	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	20,500	19,250	10.42%	0	n/a	n/a	0	Private equity
SOFINNOVA CAPITAL VIII	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	17,500	9,375	10.00%	0	n/a	n/a	0	Private equity
SOGESTOP L [7]	62, rue Jeanne d'Arc - 75640 Paris Cedex 13 - France	EUR	22,897	19,707	42,724	18,626	18,626	50.00%	0	0	(24)	0	Diversification
SUNLIGHT [5]	128, Boulevard Raspail - 75006 Paris - France	EUR	73,861	23,180	101,374	38,269	38,269	46.99%	0	0	4,267	2,558	Property company
TRILANTIC CAPITAL PARTNERS V (EUROPE)	375, Park Avenue 30th Floor - New York - NY 10152 - United States	EUR	n/a	n/a	n/a	49,737	32,544	12.77%	0	n/a	n/a	0	Private equity
OCTOBER SME III	41, rue Delizy - 93500 Pantin - France	EUR	n/a	n/a	n/a	20,052	18,000	10.00%	0	n/a	n/a	0	Private equity
SOFINNOVA CROSSOVER I S.L.P.	17, rue de Surène - 75008 Paris - France	EUR	n/a	n/a	n/a	80,000	7,342	20.00%	0	n/a	n/a	0	Private equity
ALVEN CAPITAL IV OPPORTUNITY F	1, pl. André Malraux - 75001 Paris - France	EUR	n/a	n/a	n/a	7,000	5,460	12.99%	0	n/a	n/a	0	Private equity
LATOUR CO-INVEST HYGEE	2, rue Washington - 75008 Paris - France	EUR	n/a	n/a	n/a	11,558	11,558	26.27%	0	n/a	n/a	0	Private equity
LBPAM EUROPEAN DEBT FUNDS REAL ESTATE COMPARTMENT FCT 1	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	27,958	27,958	48.33%	0	n/a	n/a	935	Investment fund
LBPAM EUROPEAN REAL ESTATE DEBT FUND 2	34, rue de la Fédération - 75737 Paris Cedex 15 - France	EUR	n/a	n/a	n/a	173,850	173,850	50.00%	0	n/a	n/a	2,410	Investment fund
SENIOR EUROPEAN LOAN FUND 1	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	26,353	26,353	46.40%	0	n/a	n/a	0	Investment fund
BNP PARIBAS GLOBAL SENIOR CORPORATE LOANS	14, rue Bergère - 75009 Paris - France	EUR	n/a	n/a	n/a	260,215	260,215	33.79%	0	n/a	n/a	8,545	Investment fund
SENIOR EUROPEAN LOAN FUND 2	5 allée Scheffer - L-2520 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	174,125	174,125	31.88%	0	n/a	n/a	2,589	Investment fund
LYXOR DETTE MIDCAP	17, Cours Valmy - 92987 Paris La Défense - France	EUR	n/a	n/a	n/a	28,219	28,219	24.15%	0	n/a	n/a	1,276	Investment fund

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Cost of investment	Carrying amount of investment (o/w unpaid)	Interest	Loans and receivables	Premium income	Profit or loss	Dividends	Sector
IDINVEST SENIOR DEBT	117, avenue des Champs Elysées - 75008 Paris - France	EUR	n/a	n/a	n/a	9,018	9,018	17.79%	0	n/a	n/a	104	Investment fund
BNP PARIBAS EUROPEAN SME DEBT FUND	14, rue Bergère - 75009 Paris - France	EUR	n/a	n/a	n/a	63,521	63,521	15.00%	0	n/a	n/a	2,460	Investment fund
AVIVA INVESTORS ALTERNATIVES FCP RAIF - AVIVA INVESTORS EUROPEAN INFRASTRUCTURE DEBT STRATEGY	2, rue du Fort Bourbon - L-1249 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	20,986	20,986	11.90%	0	n/a	n/a	214	Investment fund
SOFIPROTEOL DETTE PRIVEE	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	21,922	21,922	14.63%	0	n/a	n/a	473	Investment fund
TIKEHAU NOVO 2018	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	18,628	18,628	14.16%	0	n/a	n/a	283	Investment fund
TIKEHAU CORPORATE LEVERAGED LOAN FUND	32, rue de Monceau - 75008 Paris - France	EUR	n/a	n/a	n/a	7,216	7,216	13.04%	0	n/a	n/a	181	Investment fund
INFRASTRUCTURE FINANCE SCS SIF - EUROPEAN INFRA SENIOR 1 COMPARTMENT	2-4, rue Eugène Ruppert - L-2453 Luxembourg - Luxembourg	EUR	n/a	n/a	n/a	108,035	108,035	10.58%	0	n/a	n/a	1,913	Investment fund
B – Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries			---	---	---	21,811	21,096	---	595,259	---	---	3,839	
International subsidiaries			---	---	---	2,519	2,400	---	0	---	---	0	
French affiliates			---	---	---	80,682	55,901	---	41,078	---	---	9,588	
Foreign affiliates			---	---	---	21,542	8,014	---	0	---	---	0	
C - Aggregate information (A+B)													
French subsidiaries			---	---	---	11,982,456	11,787,698	---	5,060,815	---	---	462,748	---
International subsidiaries			---	---	---	3,308,466	2,932,767	---	43,298	---	---	243,060	---
French affiliates			---	---	---	3,786,229	3,522,854	---	375,654	---	---	156,670	---
Foreign affiliates			---	---	---	408,555	225,355	---	0	---	---	6,051	---

(1) Final data at 31 December 2019
(2) Provisional data at 31 December 2019
(3) Data at 31 December 2019 (IFRS)
(4) Data at 15 November 2019
(5) Data at 30 September 2019
(6) Data at 30 June 2019
(7) Data at 31 December 2018
(8) Data at 30 September 2018

5.4.5 Entities of which CNP Assurances is a general partner

Company	Legal form	Headquarters
SCI HOLDIHEALTH EUROPE	Non-trading property company	128, boulevard Raspail - 75006 Paris - France
13/15 Ville l'Evêque	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
5/7 RUE SCRIBE	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
27 PROVENCE	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
85 RICHELIEU	Non-trading property company	128, boulevard Raspail - 75006 Paris - France
GALAXIE 33	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	11, avenue Delcassé - 75008 Paris
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	11-13, avenue de Friedland - 75008 Paris - France
CANTIS	Intercompany partnership	16-18, place du Général Catroux - 75017 Paris - France
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
CŒUR PASSY	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
CRYSTAL DÉFENSE	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
DALLE 3	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
DAS GOETHE	Non-trading property company	66, avenue Charles de Gaulle - 92200 Neuilly-sur-Seine - France
DISTRIPOLE PORTE DE FRANCE	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
EdR REAL ESTATE	Partnership limited by shares	20, boulevard Emmanuel Servais - L-2535 Luxembourg - Luxembourg
ÉOLE RAMBOUILLET	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
ÉQUINOX	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
FARMAN	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
FLI	Non-trading property company	33, avenue Pierre Mendès France - 75013 Paris - France
FONCIÈRE CNP	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
FONCIÈRE ELBP	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
GF BAUFFREMONT	Non-trading company	8 bis, rue de Chateaudun - 75009 Paris - France
GF DE LA FORÊT DE NAN	Non-trading company	8 bis, rue de Chateaudun - 75009 Paris - France

Company	Legal form	Headquarters
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, avenue Gambetta - 92928 Paris La Défense - 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, avenue Gambetta - 92928 Paris La Défense - France
GF SELLIÈRES VAUCHASSIS	Non-trading company	8 bis, rue de Chateaudun - 75009 Paris - France
GREEN QUARTZ	Non-trading property company	11, avenue Delcassé - 75008 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	11, avenue Delcassé - 75008 Paris - France
HEMISPHERE HOLDING	Non-trading company	33, avenue Pierre Mendès France - 75013 Paris - France
ISSY DESMOULINS	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
ISSY ÎLOT 13	Non-trading property company	91-93, Boulevard Pasteur - 75710 Paris Cedex 15 - France
ISSY VIVALDI	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
JASMIN	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
JESCO	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
JULIE	Non-trading property company	91-93, Boulevard Pasteur - 75710 Paris Cedex 15 - France
L'AMIRAL	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
DOMAINE DE LANCOSME	Partnership	Château Robert - 36500 Vandoeuvre - France
LESLY	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
LIBERTÉ	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
MASSENA NICE	Non-trading property company	6, place de la Pyramide - Tour Majunga - 92908 La Défense - France
MAX	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
MONTAGNE DE LA FAGE	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
MTP ERLON	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
NATURE ÉQUIPEMENTS 1	Non-trading property company	28, avenue Victor Hugo - 75116 Paris - France
NATURIM	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
NEW SIDE	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
NEXT ESTATE INCOME FUND	Partnership limited by shares	167 quai de la bataille Stalingrad - 92867 Issy les Moulineaux - France
PANTIN LOGISTIQUE	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
PARIS 08	Non-trading property company	11, avenue Delcassé - 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	11, avenue Delcassé - 75008 Paris - France
RESIDAVOUT	Non-trading property company	128, boulevard Raspail - 75006 Paris - France
RESIDENTIAL	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
RSS IMMO	Non-trading property company	11, avenue Delcassé - 75008 Paris - France
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	11, avenue Delcassé - 75008 Paris - France
RUEIL NEWTON	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
SAPHIRIMMO	Non-trading property company	22, rue du Docteur Lancereaux - 75008 Paris - France
SCI ALLERAY	Non-trading property company	128, boulevard Raspail - 75006 Paris - France

Company	Legal form	Headquarters
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	11, avenue Delcassé - 75008 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 du Fosse - L-1536 Luxembourg - Luxembourg
90 TERNES	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France
EUROPARALLELE	Non-trading property company	128, boulevard Raspail - 75006 Paris - France
ICV	Non-trading property company	128, boulevard Raspail - 75006 Paris - France
ISSY AQUAREL	Non-trading property company	11-13, avenue de Friedland - 75008 Paris - France

5.5 Ownership structure

5.5.1 Composition of share capital

Number of shares	31.12.2019	31.12.2018
Number of ordinary shares outstanding	686,618,477	686,618,477
Number of shares held in treasury	(505,717)	(598,643)
Number of ordinary shares with dividend rights	686,112,760	686,019,834

5.5.2 Treasury shares

MOVEMENTS OVER THE REPORTING PERIOD

Movements	Number of shares
Purchases	2,235,611
Sales	2,328,537

NUMBER OF TREASURY SHARES AND VALUE AT PERIOD END

Movements	31.12.2019	31.12.2018
Number of treasury shares	505,717	598,643
Carrying amount of treasury shares in euros	8,988,500	11,341,844

5.6 Reserves, equity, revaluation reserve

(In € thousands)	Type of reserve	31.12.2018	Appropriation of 2018 profit	2019 profit	Change for the period	31.12.2019
Share capital	Statutory	686,618				686,618
Additional paid-in capital	Statutory	1,736,332				1,736,332
Forest revaluation reserve	Tax-driven	38,983				38,983
Long-term capital gains reserve	Tax-driven	1,396,309				1,396,309
Capitalisation reserve	Tax-driven	2,235,522			(4,204)	2,231,318
Guarantee fund reserve	Tax-driven	69,334	774			70,109
Optional reserves	Other	2,275,139	(774)			2,274,364
Contingency reserve	Other	338,850				338,850
Retained earnings		2,127,957	554,595			2,682,552
Net profit for the year		1,165,360	(1,165,360)	1,343,388		1,343,388
TOTAL		**12,070,405**	**(610,765)**	**1,343,388**	**(4,204)**	**12,798,823**

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)*	31.12.2019		31.12.2018	
	Assets	Liabilities	Assets	Liabilities
Accrued interest	2,357,117		2,571,352	
Deferred acquisition costs	78		155	
Deferred expenses	0		0	
Prepaid expenses	24,939		19,545	
Accrued income	51,944		59,725	
Amortisation by the effective interest method (income)	3,849,924		5,409,072	
Accrued income and prepaid expenses related to forward financial instruments	1,198,379		1,409,285	
Deferred income		47,943		47,680
Amortisation by the effective interest method (expense)		2,085,396		3,215,095
Unearned interest income		(4,088)		(4,304)
Accrued expenses and deferred income related to forward financial instruments		420,154		418,401
TOTAL	**7,482,381**	**2,549,405**	**9,469,135**	**3,676,872**

5.7.2 Accrued receivables and payables

Balance sheet items *(In € thousands)*	Accrued income		Accrued expenses	
	31.12.2019	31.12.2018	**31.12.2019**	31.12.2018
Other receivables	**281,860**	**300,775**	**303,911**	**248,064**
▪ Prepaid payroll costs				
▪ Other	281,860	300,775	303,911	248,064
Accrued income and prepaid expenses	**2,409,061**	**2,631,077**		
▪ Accrued interest and rental revenue	2,357,117	2,571,352		
▪ Deferred acquisition costs				
▪ Other accrued income and prepaid expenses	51,944	59,725		
Other liabilities			**2,109,173**	**1,938,198**
▪ Prepaid payroll costs			387,191	363,238
▪ Other payables			1,721,981	1,574,960
TOTAL	**2,690,921**	**2,931,852**	**2,413,084**	**2,186,262**

Balance sheet items *(In € thousands)*	Deferred income		Prepaid expenses	
	31.12.2019	31.12.2018	**31.12.2019**	31.12.2018
Accrued income and prepaid expenses			**5,073,320**	**6,838,058**
▪ Deferred acquisition costs			78	155
▪ Amortisation by the effective interest method			3,849,924	5,409,072
▪ Other accrued income and prepaid expenses			24,939	19,545
▪ Accrued income and prepaid expenses related to forward financial instruments			1,198,379	1,409,285
Deferred income and accrued expenses	**2,549,405**	**3,676,872**		
▪ Deferred income	47,943	47,680		
▪ Amortisation by the effective interest method	2,085,396	3,215,095		
▪ Unearned interest income	(4,088)	(4,304)		
▪ Accrued expenses and deferred income related to forward financial instruments	420,154	418,401		
TOTAL	**2,549,405**	**3,676,872**	**5,073,320**	**6,838,058**

5.7.3 Provisions for liabilities and charges

Type of provision *(In € thousands)*	Purpose	**31.12.2019**	31.12.2018
Revaluation provision	Revaluation of the property portfolio	1,678	2,400
Other provisions	Provision for litigation and miscellaneous risks	140,326	54,634
TOTAL		**142,004**	**57,034**

5.7.4 Assets denominated in foreign currency

Balance sheet item	Currency	Foreign currency amount *(in thousands)*	Amount in euros *(In € thousands)*
Other investments			**3,184,241**
	US dollar	914,477	814,026
	Swedish krona	804,024	76,964
	Swiss franc	367,271	338,374
	Canadian dollar	55,781	38,211
	Pound sterling	1,416,370	1,664,750
	Japanese yen	30,718,600	251,916

5.8 Change in life premium reserves before reinsurance

(In € thousands)	31.12.2019	31.12.2018
In the income statement		
1. Change in life premium reserves	**(2,548,614)**	**(7,117,888)**
2. Effect of changes in exchange rates	**(169)**	**(1,004)**
3. Credited interest and policyholder dividends paid directly out of investment income for the year	**2,687,134**	**4,014,702**
Credited interest	617,477	695,650
Policyholder dividends	2,069,657	3,319,052
4. Use of policyholder surplus reserve	**2,070,564**	**1,576,515**
TOTAL	**2,208,916**	**(1,527,675)**
In the balance sheet		
Change in mathematical reserves		
1. Life premium reserves – end of period	**247,205,594**	**244,995,930**
2. Life premium reserves – start of period	**(244,995,930)**	**(246,522,997)**
TOTAL	**2,209,664**	**(1,527,068)**

5.9 Mathematical reserves for PERP plans

(In € thousands)	31.12.2019	31.12.2018
Insurance liabilities (excluding linked liabilities) – mathematical annuity reserves for annuity payments	1,114,022	1,092,794
Linked liabilities	167,048	146,585
Special mathematical reserves for points-based pension liabilities	439,160	412,108
TOTAL	**1,720,231**	**1,651,487**

5.10 Liquidity risk reserve

(In € thousands)	31.12.2019	31.12.2018
Total net unrealised gain or loss – Article R.343-5 assets	17,733,416	11,604,369
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	1,343,388	1,165,360

NOTE 6

Notes to the income statement

6.1 Investment income and expenses

	31.12.2019			31.12.2018
(In € thousands)	Income and expenses from investments in subsidiaries and affiliates	Other financial income and expenses	2019 total	
Investment income				
Revenues from investments in subsidiaries and affiliates	460,776	(222,104)	238,672	129,827
Revenues from property investments	(1,260)	539,261	538,001	491,283
Revenues from other investments	49,718	5,602,825	5,652,543	6,187,713
Other financial revenues (commissions, fees)	130,632	729,831	860,463	994,057
Investment revenues	**639,866**	**6,649,813**	**7,289,679**	**7,802,880**
Other investment income	**71,907**	**658,179**	**730,086**	**1,325,415**
Profits on disposal of investments	**5,476**	**3,695,937**	**3,701,414**	**2,111,997**
Total investment income	**717,250**	**11,003,929**	**11,721,179**	**11,240,292**
Investment expenses				
Financial expenses (commissions, fees, interest, bank charges, etc.)	0	578,889	578,889	599,915
Other investment expenses	22,252	1,016,296	1,038,548	1,244,621
Losses on disposal of investments	157	2,099,081	2,099,237	1,949,634
Total investment expenses	**22,408**	**3,694,266**	**3,716,675**	**3,794,170**
NET INVESTMENT INCOME	**694,841**	**7,309,663**	**8,004,504**	**7,446,122**

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
Premiums	1,329,337	82,828	10,242,550	56,505	1,989,144
Claims and benefits	287,407	27,946	15,904,034	53,172	803,673
Change in life premium reserves and other technical reserves	1,003,516	368	(7,150,648)	(8,917)	(50,904)
Mark-to-market gains and losses on assets held to cover linked liabilities	0	0	0	0	0
Underwriting profit (loss)	**38,414**	**54,514**	**1,489,164**	**12,250**	**1,236,375**
Business acquisition costs	4,461	9,950	127,516	4,872	737,733
Other contract administration costs, net	29,388	5,026	1,088,844	3,505	176,210
Acquisition and contract administration costs, net	**33,849**	**14,975**	**1,216,360**	**8,376**	**913,944**
Net investment income	180,660	966	6,283,599	18,364	21,021
Credited interest and policyholder dividends	174,328	726	5,794,356	15,280	4,167
Net	**6,332**	**239**	**489,243**	**3,084**	**16,854**
Ceded premiums	3,155	69	270,134	57	127,788
Reinsurers' share of claims and benefits	6,797	0	662,302	898	57,729
Reinsurers' share of change in life premium reserves and other technical reserves	(1,804)	0	(315,074)	(880)	(23,209)
Reinsurers' share of policyholder surplus	(2,261)	0	56,798	2	(627)
Reinsurance commissions received	316	0	49,518	9	53,641
Reinsurance result	**(106)**	**(69)**	**183,409**	**(27)**	**(40,254)**
UNDERWRITING RESULT	**10,790**	**39,709**	**945,456**	**6,930**	**299,031**
Other information					
Policy surrenders	283,941	325	8,105,202	14,522	0
Gross credited interest	2,523	387	484,167	9,898	0
Technical reserves – end of period	7,171,230	46,757	224,525,639	689,320	1,382,363
Technical reserves – beginning of period*	5,540,061	48,292	224,682,566	682,798	1,285,006

* Technical reserves at the beginning of the period take into account reclassifications from "Other individual regular premium life policies" of an amount of €182.5 million, mainly to "Single premium endowment policies" for €152.5 million and to "Single or flexible premium unit-linked life or endowment policies" for €25.8 million

	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
	48,235	3,457,328	2,427	315,897	88,239	1,501	3,729,011	21,343,001
	209,001	3,036,069	30,989	560,849	65,775	3,459	242,093	21,224,469
	(209,564)	4,181,633	7,668	(251,285)	38,609	9,152	3,819,358	1,388,986
	0	3,934,973	58,199	0	26,823	0	146,230	4,166,226
	48,798	**174,600**	**21,969**	**6,333**	**10,678**	**(11,110)**	**(186,211)**	**2,895,773**
	(5,293)	48,714	44	12,745	1	14	65,140	1,005,897
	22,618	218,400	850	(65)	11,234	0	22,133	1,578,143
	17,326	**267,114**	**894**	**12,680**	**11,235**	**14**	**87,273**	**2,584,040**
	139,039	244,287	21,767	255,939	45,355	25,621	322,077	7,558,694
	142,254	230,732	16,730	471,623	44,798	14,498	3,532	6,913,024
	(3,215)	**13,555**	**5,037**	**(215,684)**	**557**	**11,123**	**318,545**	**645,670**
	40,097	87,664	0	177,708	0	0	6,133	712,804
	28,930	75,392	0	310,896	0	0	11,856	1,154,801
	49,229	183,632	0	88,843	0	0	16,392	(2,870)
	3,596	2,398	0	0	0	0	0	59,905
	673	17,599	0	0	0	0	914	122,670
	42,331	**191,357**	**0**	**222,032**	**0**	**0**	**23,029**	**621,701**
	70,588	**112,398**	**26,112**		**()**	**()**	**68,090**	**1,579,104**
	23,166	970,595	13,219	41,851	40,663	2,344	277,592	9,773,421
	98,683	36	7,285	0	0	14,498	0	617,477
	4,008,574	34,758,864	518,708	15,990,710	1,808,797	356,695	13,052,401	304,310,058
	4,032,569	32,218,130	495,167	15,769,696	1,713,877	275,809	9,440,115	296,184,087

NON-LIFE

Classes 20-39 *(In € thousands)*	Individual bodily injury policies	Group bodily injury policies	Inward reinsurance	Total
Earned premiums	**13,146**	**1,342,443**	**407,722**	**1,763,311**
1a. Earned premiums	13,147	1,348,627	402,043	1,763,817
1b. Change in earned premium and unexpired risks reserve	1	6,184	(5,679)	506
Claims and benefits	**(35,054)**	**987,802**	**286,184**	**1,238,932**
2a. Paid claims and expenses	1,981	915,352	317,255	1,234,588
2b. Change in outstanding claims reserves	(37,035)	72,450	(31,071)	4,344
Underwriting profit (loss)	**48,200**	**354,641**	**121,538**	**524,379**
Business acquisition costs	173	455,312	5	455,490
Other contract administration costs, net	2,295	45,101	20,303	67,699
Acquisition and contract administration costs, net	**2,467**	**500,413**	**20,309**	**523,189**
Investment income	296	109,843	52,286	162,426
Policyholder bonuses and rebates	2,606	18,383	15,767	36,757
Net	**(2,310)**	**91,460**	**36,519**	**125,669**
Reinsurers' share of earned premiums	4	77,209	-	77,213
Reinsurers' share of paid claims	0	72,015	-	72,015
Reinsurers' share of outstanding claims reserves	2	(81,747)	-	(81,745)
Reinsurers' share of policyholder dividends	0	3,130	-	3,130
Reinsurance commissions received	2	19,809	-	19,811
Reinsurance result	**0**	**(64,003)**	**-**	**(64,003)**
UNDERWRITING RESULT	**43,423**	**(118,315)**	**137,748**	**62,857**
Other information				
Provisions for unearned premiums and unsettled claims (closing balance)	25	28,329	30,378	58,732
Provisions for unearned premiums and unsettled claims (opening balance)	24	22,144	36,057	58,226
Outstanding claims reserve (closing balance)	9,183	3,211,525	1,527,601	4,748,310
Outstanding claims reserve (opening balance)	8,026	3,133,728	1,566,514	4,708,268
Other technical reserves (closing balance)	105,313	1,089,268	212,021	1,406,603
Other technical reserves – start of period*	140,899	1,070,429	216,764	1,428,092

* 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 2019, net new money corresponding to transfers to *Eurocroissance* contracts totalled €61,803,389.35.

In accordance with the government order dated 13 July 2016 (paragraph 1), unrealised capital gains representing 0.017193% were transferred from the general reserve to the *Eurocroissance* reserve.

Unrealised capital gains before the transfer represented 10.974722% (information disclosed in accordance with paragraph 2 of the above order).

Unrealised capital gains after the transfer represented 10.973235% (information disclosed in accordance with paragraph 3 of the above order).

6.4 Payroll costs

Payroll costs break down as follows:

(In € thousands)	31.12.2019	31.12.2018	Year-on-year change
Wages and salaries	167,705	177,869	-5.7%
Payroll taxes	105,672	63,206	+67.2%
Other	9,148	9,340	-2.1%
TOTAL	**282,524**	**250,416**	**+12.8%**

6.5 Commissions

Direct insurance and inward reinsurance commissions for the year amounted to €2,618,534 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)*	31.12.2019	31.12.2018
Other (non-technical) income	**11,291**	**47,809**
Interest income from miscellaneous loans	379	40
Other income	0	465
Reversals from the capitalisation reserve credited to the non-technical account	10,913	47,303
Other (non-technical) expenses	**96,628**	**13,730**
Transfers to the capitalisation reserve from the non-technical account	12,923	1,986
Other non-technical expenses	83,705	11,744
Non-recurring income	**5,976**	**82,926**
Income relating to prior years	0	0
Other non-recurring income	719	5,967
Reversals of provisions for contingencies	5,257	76,959
Gains on disposal of owner-occupied property	0	0
Non-recurring expenses	**84,380**	**24,239**
Losses relating to prior years	0	0
Other non-recurring expenses	3,456	12,047
Impairment expense	22,598	1,196
Additions to provisions for contingencies	58,326	10,996

6.7 Income tax expense

Income tax expense *(In € thousands)*	31.12.2019	31.12.2018	Change
Tax expense on recurring profit	394,189	349,139	
Tax (benefit) expense on non-recurring operations	0	0	
Income tax expense	**394,189**	**349,139**	**+12.9%**

6.8 Policyholder participation in underwriting profit and investment income

Description *(In € thousands)*	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
A. Policyholder participation [(3)]	**6,949,781**	**6,604,000**	**7,341,421**	**7,586,075**	**7,889,060**
A1. Policyholder dividends and credited interest	5,027,132	5,653,564	5,558,439	5,630,283	6,397,087
A2. Change in the policyholder surplus reserve	1,922,648	950,435	1,782,982	1,955,793	1,491,973
B. Policyholder participation – "Article A.132-10" policies					
B1. Average mathematical reserves [(1)]	236,015,240	236,786,781	240,717,692	240,486,098	237,085,421
B2. Minimum policyholder participation	3,517,038	3,361,261	3,691,567	4,218,763	4,569,340
B3. Actual policyholder participation [(2)]	4,469,316	4,305,144	5,047,472	5,410,830	5,711,896
B3a. Policyholder dividends and credited interest	2,393,384	3,465,973	3,345,328	3,471,829	4,299,236
B3b. Change in the policyholder surplus reserve	2,075,932	839,171	1,702,144	1,939,000	1,412,659

(1) Half of the sum of opening and closing mathematical reserves for contracts (Article A.132-10)
(2) Actual participation (expense for the period, including credited interest) for contracts (Article A.132-10)
(3) Including €100 million in policyholder participation to be allocated to unit-linked contracts

6.9 Employee information

The number of employees by category as of 31 December 2019 was as follows:

Status *(number of employees)*	31.12.2019	31.12.2018	Year-on-year change
Management-grade	1,816	1,776	+2.3%
Non-management-grade	948	981	-3.4%
TOTAL	**2,764**	**2,757**	**+0.3%**

The above figures do not include employees of the CNP TI intercompany partnership.

6.10 Management remuneration

The following disclosures present the cumulative remuneration and the remuneration by category of the Chief Executive Officer and the members of the Board of Directors, including the Chairman.

2019

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer, in 2018 amounted to €1,494,947.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0. No provision was recorded because the Chief Executive Officer and the Chairman of the Board of Directors are not entitled to any long-term benefits.

  A provision of €4,434,657 was recorded for the current Chief Executive Officer's vested termination benefit entitlement earned during his period as an employee prior to his appointment.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer, the Chairman of the Board of Directors or the members of the Board in 2019. No provision was recorded because the Chief Executive Officer, the Chairman of the Board of Directors and members of the Board are not entitled to any termination benefits.

A provision of €669,801 was recorded for the current Chief Executive Officer's vested termination benefit entitlement earned during his period as an employee prior to his appointment.

- Share-based payments: no share-based payments were made by the Company in 2019. No stock options or performance shares were granted to any senior executives or members of the Board in 2018.

2018

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer, in 2018 amounted to €1,370,832.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0. No provision was recorded because the Chief Executive Officer and the Chairman of the Board of Directors are not entitled to any long-term benefits.

  A provision of €4,194,612 was recorded for the current Chief Executive Officer's vested termination benefit entitlement earned during his period as an employee prior to his appointment.
- Termination benefits: no termination benefits were paid to the Chief Executive Officer or to the Chairman or members of the Board of Directors in 2018. No provision was recorded because the Chief Executive Officer, the Chairman of the Board of Directors and members of the Board are not entitled to any termination benefits.

  A provision of €707,151 was recorded for the current Chief Executive Officer's vested termination benefit entitlement earned during his period as an employee prior to his appointment.
- Share-based payments: no share-based payments were made by the Company in 2018. No stock options or performance shares were granted to any senior executives or members of the Board in 2018.

6.11 Premium income by geographic segment

Gross premiums Premium income by geographical segment *(In € thousands)*	31.12.2019	31.12.2018	Change
France	22,729,436	21,411,500	+6.2%
International	376,876	576,692	-34.6%
Italian branch	96,042	81,741	+17.5%
Spanish branch	409	688	-40.5%
Germany (premiums written under EU freedom of services directive)	(80)	100	-179.7%
Luxembourg subsidiary	280,504	494,163	-43.2%
TOTAL	**23,106,312**	**21,988,192**	**+5.1%**

6.12 Fees paid to the Auditors

Fees paid to the Auditors in 2019 *(In € thousands)*				
Audit	**Mazars**	**%**	**Price Waterhouse Coopers**	**%**
Audit of the financial statements of the Company and the Group (1)	**1,244**	**73%**	**1,251**	**71%**
CNP Assurances	1,244		1,251	
Other audit and special engagements (2)	**452**	**27%**	**512**	**29%**
TOTAL	**1,696**	**100%**	**1,763**	**100%**

(1) Including the audit of the IFRS 9 appendices and information systems migrations

(2) "Other duties and services directly related to the assignment carried out by the Statutory Auditors" include services relating to the issue of debt securities, review of MCEV© calculations, review of Solvency II disclosures, review of the English translation of the Universal Registration Document and other reports, and review of the Non-Financial Performance Statement

NOTE 7
Off-balance sheet commitments

Strategy by type of forward financial instrument *(In € thousands)*	Amounts at 31.12.2019		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	(8,493,514)		693,155	(9,082,748)	(103,921)
Sales of calls and puts		(5,127,956)	(466,660)	(4,661,296)	0
Interest rate instruments					
Purchases of caps	101,485,500		1,665,000	39,384,000	60,436,500
Sales of caps		28,631,500	700,000	26,604,000	1,327,500
Swaps					
Receive positions	7,073,129		1,223,670	3,588,600	2,260,859
Pay positions		7,302,029	1,232,705	3,615,117	2,454,207
TOTAL RECEIVED	**100,065,115**		**3,581,825**	**33,889,852**	**62,593,438**
TOTAL GIVEN		**30,805,573**	**1,466,045**	**25,557,821**	**3,781,707**
NET COMMITMENT		**69,259,542**	**2,115,780**	**8,332,031**	**58,811,731**

NOTE 8
Disclosures related to subordinated debt

REDEEMABLE SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue *(In millions of issue currency)*	Total issue *(In € millions)*	Interest rate	First call date	Tiering	Maturity
24.06.2003	Subordinated notes Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	200	200	4.7825% until 24 June 2013, then Euribor +200 bp	Passed	Tier 2	23.06.2023
15.11.2004	Subordinated notes Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	90	90	4.93% until 15 Nov. 2016, then Euribor +160 bp	15.11.2016	Tier 1	Undated
15.11.2004	Subordinated notes Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	93	93	3-month Euribor +70 bp until 15 Nov. 2016, then 3-month Euribor +160 bp	15.11.2016	Tier 1	Undated
14.09.2010	Subordinated notes Fixed/ variable rate	FR0010941484	EUR	750	750	6% until Sept. 2020, then 3-month Euribor +447.2 bp	14.09.2020	Tier 2	14.09.2040
07.04.2011	Subordinated notes Fixed/ variable rate	FR0011034065	GBP	300	353	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	30.09.2021	Tier 2	30.09.2041
07.04.2011	Subordinated notes Fixed/ variable rate	FR0011033851	EUR	700	700	6.875% until Sept. 2021, then 12-month Euribor +440 bp	30.09.2021	Tier 2	30.09.2041
05.06.2014	Subordinated notes Fixed/ variable rate	FR0011949403	EUR	500	500	4.25% until June 2025, then reset at the 5-year fixed swap rate +360 bp	05.06.2025	Tier 2	05.06.2045
10.12.2015	Subordinated notes Fixed/ variable rate	FR0013066388	EUR	750	750	4.5% until June 2027, then 3-month Euribor +460 bp	10.06.2027	Tier 2	10.06.2047
22.01.2016	Subordinated notes Fixed/ variable rate	FR0013101599	USD	500	445	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
05.02.2019	Subordinated notes Fixed/ variable rate	FR0013399680	EUR	500	500	2.75% until 2029		Tier 2	05.02.2029
27.11.2019	Subordinated notes Fixed/ variable rate	FR0013463775	EUR	750	750	2.00% until June 2030, then 3-month Euribor +300 bp	27.07.2030	Tier 2	27.07.2050
10.12.2019	Subordinated notes Fixed/ variable rate	FR0013466281	EUR	250	250	0.80% until 2027		Tier 3	15.01.2027
TOTAL REDEEMABLE SUBORDINATED NOTES				**6,383**	**6,381**				

SUBORDINATED NOTES

Issuance date	Legal form	ISIN	Currency	Total issue *(In millions of issue currency)*	Total issue *(In € millions)*	Interest rate	First call date	Tiering	Maturity
21.06.2004	Subordinated notes Variable rate	FR0010093328	EUR	250	250	Tec 10 +10 bp, capped at 9%	Passed	Tier 1	Undated
24.09.2004	Subordinated notes Variable rate	FR0010093328	EUR	50	50	Tec 10 +10 bp, capped at 9%	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167296	EUR	24	24	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	Passed	Tier 1	Undated
11.03.2005	Subordinated notes Variable rate	FR0010167247	EUR	225	225	6.5% until Mar. 2008, then 3% + (10-year CMS* 22.5%)	Passed	Tier 1	Undated
27.06.2005	Subordinated notes Variable rate	FR0010203026	EUR	75	75	7% until June 2010, then 10-year CMS +30 bp	Passed	Tier 1	Undated
16.05.2006	Subordinated notes Variable rate	FR0010318386	EUR	160	160	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including 100 bp step-up at call date)	16.05.2036	Tier 1	Undated
20.12.2006	Subordinated notes Variable rate	FR0010406082	EUR	108	108	3-month Euribor +95 bp until 20 Dec. 2026, then 3-month Euribor +195 bp	20.12.2026	Tier 1	Undated
18.11.2014	Subordinated notes Fixed rate	FR0012317758	EUR	500	500	4% until November 2024 then reset at the 5-year fixed swap rate +410 bp	18.11.2024	Tier 1	Undated
27.06.2018	Subordinated notes Fixed rate	FR0013336534	EUR	500	500	4.75% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	27.06.2028	Tier 1	Undated
TOTAL SUBORDINATED DEBT				**1,892**	**1,892**				
TOTAL SUBORDINATED LIABILITIES				**8,275**	**8,272**				

5.4 Other information

5.4.1 Proposed appropriation of 2019 profit

Net profit for the year ended 31 December 2019 totalled €1,343,387,607.28 and retained earnings brought forward from the prior year amounted to €2,682,551,922.82, resulting in distributable profit of €4,025,939,530.10.

The General Meeting therefore resolves:

- to pay a total dividend of €645,421,368.38, shared between all shareholders;
- to transfer of the balance of €3,380,518,161.72 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 €0.94.

The dividend will be paid as from 27 April 2020 and the shares will trade ex-dividend on NYSE Euronext Paris from 23 April 2020.

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

	31.12.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Share capital *(in € thousands)*	686,618	686,618	686,618	686,618	686,618
Number of ordinary shares outstanding	686,618,477	686,618,477	686,618,477	686,618,477	686,618,477
Results of operations *(in € thousands)*					
Premium income excluding tax	23,106,312	21,988,192	22,948,315	24,044,660	24,344,274
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	1,737,577	1,514,500	1,547,557	1,343,167	1,508,238
Income tax expense	394,189	349,139	405,031	248,283	233,421
Net profit	1,343,388	1,165,360	1,142,526	1,094,883	1,274,817
Earnings per share *(in €)*					
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	2.53	2.21	2.25	1.96	2.20
Net profit	1.96	1.70	1.66	1.59	1.86
Dividend per share*	0.94	0.89	0.84	0.80	0.77
Prepaid payroll costs					
Average number of employees	2,764	2,757	2,803	2,883	2,897
Total payroll and benefits *(in € thousands)*	282,524	250,416	277,604	273,079	271,750

* Recommended 2018 dividend subject to shareholder approval at the Annual General Meeting on 17 April 2020

5.5 Statutory Auditors' report on the company financial statements

For the year ended 31 December 2019

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2019 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 2019 to the date of our report and in particular we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

MEASUREMENT OF THE ESCALATING RISKS RESERVE FOR LONG-TERM CARE AND TERM CREDITOR POLICIES

(See Note 4.6 to the financial statements)

Description of risk	How our audit addressed this risk
A reserve for escalating risks is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums. This reserve is constituted prospectively by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve. At 31 December 2019, the escalating risks reserve for long-term care policies amounted to €395 million, while the escalating risks reserve for term creditor insurance amounted to €228 million before reinsurance. We deemed this risk to be a key audit matter in view of the sensitivity of the calculation of the escalating risks reserve for long-term care and term creditor policies to the choice of the following key assumptions, which require a significant degree of judgement from management: • the discount rate used on the long-term care risk; • the experience-based tables prepared according to observations and analyses established on the basis of portfolio data; • the surrender behaviour of policyholders, in particular given the uncertainty in relation to surrender behaviour caused by the Bourquin amendment to the Sapin II law.	We examined the procedures by which the methodology for determining the escalating risks reserve is implemented. In particular, we carried out the following procedures with the guidance of our internal experts in risks and models: • examining the mathematical design of the actuarial model to verify that it did not contain any material misstatement that could distort the calculation result, in particular by recalculating the reserves; • assessing the consistency of the key assumptions used to determine the reserve, which included in particular: – determining homogeneous risk classes (within which the offsetting of positive and negative escalating risks reserves calculated on a case-by-case basis is possible) linked to the segmentation used for pricing, – the principles and methodologies for determining the discount rate, – the principles and methodologies for determining the surrender rate and the related sensitivity tests, – the principles and methodologies for determining the experience-based tables, – the principles for determining escalating risk reserve coefficients and their proper application for case-by-case calculations.

MEASUREMENT OF GENERAL ADMINISTRATIVE EXPENSE RESERVES

(See Note 4.5.2 to the financial statements)

Description of risk	How our audit addressed this risk
General administrative expense reserves are intended to cover future administrative costs of individual savings and pensions policies and Group pensions policies, which are not covered by the loading on premiums or the fees levied on financial products provided for by these policies. At 31 December 2019, the general administration expense reserve amounted to €267 million. We deemed this risk to be a key audit matter due to the sensitivity of these reserves to: • a situation of persistently low yields; • the quality of the underlying data; • the assumptions used to model future results. The main inputs used are as follows: • policy data; • the historical actual costs linked to the management of the activity. The main assumptions concerned: • the level of aggregation at which positive future results are offset against negative future results for homogeneous categories of contracts; • the estimated future contractual fees that may be levied, subject to compliance with the guarantees given to policyholders; • the future investment yield; • administrative costs and in particular the types of costs to be taken into account, which depend on the procedure for allocating costs by function; • future surrender and reduction rates.	We examined the procedures by which the methodology for determining general administrative expense reserves is implemented. We carried out the following procedures with the guidance of our internal experts in risks and models: • assessing compliance with the requirements of the applicable regulations; • analysing the application scope of the reserves and the assumptions for grouping policies together in order to verify their homogeneity; • verifying the consistency of the assumptions used with the past data and/or data used to project future results (administrative expenses, surrender rates, etc.); • verifying on a sample basis the consistency of the underlying data used for the calculation with the contractual provisions pertaining to fees levied on policies; • analysing the procedures for determining the yield curve applied to mathematical reserves in order to determine forecast investment income; • carrying out, on a sample basis, an independent measurement, for the purpose of assessing the accuracy of the calculations.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and the other documents concerning the Company's financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the shareholders with respect to the financial position and the financial statements, except as explained below, it being specified that it is not our responsibility to give an opinion on the fair presentation and the consistency with the financial statements of the prudential information (SCR coverage ratio) taken from the report provided for in Article L.355-5 of the French Insurance Code (*Code des assurances*).

Concerning the fair presentation and the consistency with the financial statements of the information on supplier payment terms referred to in Article D.441-4 of the French Commercial Code, we have the following matter to report: as explained in the management report, the information does not include insurance and reinsurance transactions because the Company considers that they do not fall within the scope of the disclosure requirement in accordance with the circular issued by the Fédération Française de l'Assurance dated 22 May 2017.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remuneration and benefits paid or awarded to 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 controlled companies that are included in the scope of consolidation. 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 those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of CNP Assurances by the Annual General Meetings held on 18 May 1998 for Mazars and on 25 May 2010 for PricewaterhouseCoopers Audit.

At 31 December 2019, Mazars and PricewaterhouseCoopers Audit were in the twenty-second year and the tenth year of total uninterrupted engagement, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to the preparation and processing of accounting and financial information.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users 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 the Company's management.

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, 4 March 2020

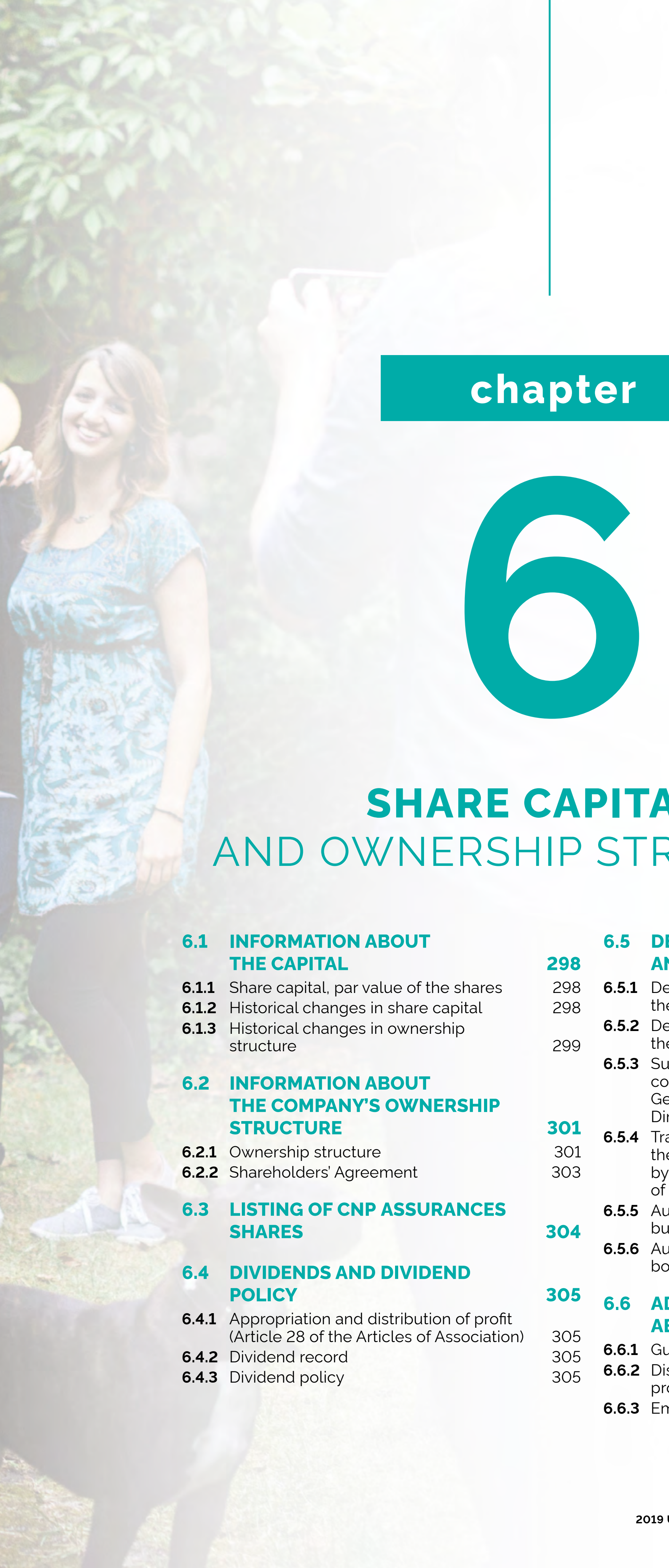
The Statutory Auditors

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 in the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the internal control procedures 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.



chapter

6

SHARE CAPITAL AND OWNERSHIP STRUCTURE

6.1 Information about the capital

6.1.1 Share capital, par value of the shares

Amount of fully subscribed and paid-up share capital at 31 December 2019: €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%
31.12.2007	Approximately 0.58%
31.12.2008	0.6%
31.12.2009	0.37%
31.12.2010	0.36%
31.12.2011	0.35%
31.12.2012	0.33%
31.12.2013	0.29%
31.12.2014	0.23%
31.12.2015	0.27%
31.12.2016	0.21%
31.12.2017	0.20%
31.12.2018	0.20%
31.12.2019	0.21%

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%

Date		Percentage of CNP Assurances' capital held directly or indirectly by the signatories of the Shareholders' Agreement dated 20 December 2019
Since 03.01.2020	French State	1.11%
	Caisse des Dépôts	40.87%
	Sopassure (LBP)	18.13%
	SF 2 (LBP)	2.01%
	Holassure (BPCE)	16.11%

Date		Percentage of capital held by LBP and BPCE
Since 04.03.2020	LBP (directly and indirectly)	62.13%
	BPCE (indirectly)	16.11%

6.2 Information about the Company's ownership structure

6.2.1 Ownership structure

2017 financial year

Number of shares: 686,618,477

Number of voting rights: 1,224,983,856

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,540	40.87%	45.82%
Sopassure (*La Banque Postale* and BPCE holding company)	248,926,986	36.25%	40.64%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,188,280**	**78.24%**	**87.71%**
Public, Company employees and other	149,430,197	21.76%	12.29%
of which:			
CNP Assurances (treasury shares)	143,695	0.02%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to double voting rights

(2) The concert shares are the result of the Shareholders' Agreement, the main terms of which are outlined in section 6.2.2 of this Universal 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 report on related-party agreements and commitments on 12 March 2018 (see section 3.6 of the 2017 Registration Document)

2018 financial year

Number of shares: 686,618,477

Number of voting rights: 1,224,235,192

Shareholders	Number of shares	% share capital	% voting rights (1)
Caisse des Dépôts	280,615,140	40.87%	45.84%
Sopassure (*La Banque Postale* and BPCE holding company)	248,926,986	36.25%	40.67%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT (2) (3)	**537,187,880**	**78.24%**	**87.76%**
Public, Company employees and other	149,430,597	21.76%	12.24%
of which:			
CNP Assurances (treasury shares)	598,643	0.09%	-
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

(1) The difference between the percentage share capital and percentage voting rights corresponds to treasury shares that are stripped of voting rights and to double voting rights

(2) The concert shares are the result of the Shareholders' Agreement, the main terms of which are outlined in section 6.2.2 of this Universal 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 report on related-party agreements and commitments on 4 March 2019 (see section 3.6 of the 2018 Registration Document)

2019 financial year

Number of shares: 686,618,477

Number of voting rights: 1,224,278,213

Shareholders	Number of shares	% share capital	% voting rights [(1)]
Caisse des Dépôts	280,615,140	40.87%	45.84%
Sopassure (*La Banque Postale* and BPCE holding company)	248,926,986	36.25%	40.67%
French State	7,645,754	1.11%	1.25%
TOTAL SHARES HELD IN CONCERT [(2)]	**537,187,880**	**78.24%**	**87.76%**
Public, Company employees and other	149,430,597	21.76%	12.24%
of which:			
CNP Assurances (treasury shares)	505,717	0.07%	-
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 Universal 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

On 25 June 2019, the AMF granted Caisse des Dépôts, La Poste and La Banque Postale an exemption from a mandatory takeover bid on the shares of CNP Assurances in their project to create a public financial group. The resulting shareholder structure below is as presented on page four of AMF ruling no. 219C1022:

Shareholders	Number of shares	% share capital	Voting rights	% voting rights
CDC (directly)	0	0	0	0
La Poste	0	0	0	0
LBP (directly and via Sopassure)	426,597,295	62.13	551,100,362	67.89
TOTAL CDC	**426,597,295**	**62.13**	**551,100,362**	**67.89**
BPCE	110,590,585	16.11	110,590,585	13.62
Public	149,430,597	21.76	150,049,808	18.48

The disclosure thresholds were published by the AMF on 9 January 2020.

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: 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% ▪ Sopassure: ▪ (La Banque Postale and BPCE): 35.48% ▪ French State: 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 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" 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.

The Shareholders' Agreement expired on 31 December 2019.

A Shareholders' Agreement covering the transition period was signed on 20 December 2019, came into effect on 1 January 2020 and expired on 4 March 2020.

Certain agreements entered into by CNP Assurances include a change of control clause which, if triggered, could lead to the agreements being terminated immediately or their terms being amended.

6.3 Listing of CNP Assurances shares

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998.

The shares admitted to trading on NYSE Euronext Paris, in compartment A (ISIN FR0000120222).

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

		Trading volume (1) *(In number of traded shares)*	Low (2) *(In €/share)*	High (2) *(In €/share)*
2018	January	7,871,127	19.020	20.860
	February	9,487,587	19.540	21.400
	March	10,510,583	19.350	21.040
	April	7,834,977	20.300	21.620
	May	9,289,042	19.690	21.400
	June	10,951,471	19.120	20.440
	July	7,024,887	18.410	20.060
	August	7,724,140	19.720	20.440
	September	8,314,332	19.220	21.100
	October	8,593,981	18.800	20.820
	November	8,079,848	19.490	20.700
	December	7,871,095	17.980	20.420
2019	January	5,617,304	17.920	20.400
	February	5,388,655	19.750	20.580
	March	9,040,564	19.400	20.920
	April	6,892,107	19.640	21.720
	May	6,917,836	19.000	21.080
	June	8,316,737	18.960	20.220
	July	7,132,039	18.550	20.820
	August	9,498,717	16.140	18.800
	September	10,360,257	16.340	18.360
	October	7,896,597	16.910	18.450
	November	8,903,701	17.300	18.650
	December	11,374,581	17.040	18.260

(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 2016, 2017, 2018 and 2019 were as follows:

Year of distribution	2016	2017	2018	2019
Consolidated earnings per share	€1.64	€1.80	€1.92	€1.99
Dividend per share	€0.80	€0.84	€0.89	€0.94*
Number of shares with dividend rights	686,618,477	686,618,477	686,618,477	686,618,477

* Subject to the decision of the General Meeting of 17 April 2020

Dividends not claimed within five years are statute-barred and are paid over to the French State.

6.4.3 Dividend policy

At its meeting on 20 February 2019, the Board of Directors approved the following dividend policy:

"The Company's dividend policy is determined by the Board of Directors after reviewing the Group's results, financial position and solvency ratios, the economic environment and any other factors that are considered relevant. When determining its dividend recommendation, the Board of Directors takes into consideration the need to prudently manage the Group's capital, the investments required to develop the business, and the recommended dividend's attractiveness for shareholders.

The Company's priority aim is to match or increase the dividend per share from year to year. CNP Assurances also aims to maintain a payout ratio – defined as the ratio between the dividend per share and earnings per share – of between 40% and 50%."

This dividend policy may change in the future. Dividends are decided by the Board of Directors and by the shareholders in General Meeting.

6.5 Delegations of competence and financial authorisations

6.5.1 Delegation of competence given to the Board of Directors to issue shares

21st, 22nd and 23rd resolutions adopted by the Annual General Meeting of 27 April 2018. Expires: 27 June 2020.

6.5.2 Delegation of competence given to the Board of Directors to grant shares

24th resolution of the Annual General Meeting of 27 April 2018. Expires: 27 June 2021.

6.5.3 Summary table of the delegations of competence granted by the Annual General Meeting to the Board of Directors of CNP Assurances

PERIOD OF VALIDITY AND USE IN 2018 AND 2019

Type of authorisation	Purpose	Duration	Ceiling	Use in 2018 and 2019
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted by the AGM of 27 April 2018 21st resolution Duration: 26 months Expires: 27 June 2020	€137.324 million (par value) Included in the blanket ceiling for share issues of €137.324 million (par value)	None
	Issue of deeply-subordinated contingent convertible bonds without pre-emptive subscription rights	Granted by the AGM of 27 April 2018 22nd resolution Duration: 26 months Expires: 27 June 2020	Annual ceiling of 10% of share capital (as determined when the authorisation is used) Included in the blanket ceiling for share issues of €137.324 million (par value)	None
Share buyback programme	Buy and sell CNP Assurances shares	Granted by the AGM of 27 April 2018 (20th resolution) Expires: AGM called to approve the 2018 financial statements Duration: 18 months Expires: 27 October 2019 Granted by the AGO of 18 April 2019 (22nd resolution) Expires: AGM called to approve the 2019 financial statements Duration: 18 months Expires: 18 October 2020	10% of share capital outstanding at the date of the AGM	At 31 December 2019, 505,717 shares were held in treasury (0.07% of share capital)

Type of authorisation	Purpose	Duration	Ceiling	Use in 2018 and 2019
Employee rights issues, stock options, share grants*	Issue of shares to members of a Company or Group employee share ownership plan without pre-emptive subscription rights for existing shareholders	Granted by the AGM of 27 April 2018 23rd resolution Duration: 26 months Expires: 27 June 2020	3% of share capital outstanding at the date of the AGM included in the blanket ceiling for share issues of €137.324 million (par value)	None
	Employee share grants	Granted by the AGM of 6 May 2015 (11th resolution) Duration: 38 months Expires: 6 July 2018	Annual ceiling of 0.5% of share capital (as determined when the authorisation is used)	None
		Granted by the AGM of 27 April 2018 24th resolution Duration: 38 months Expires: 27 June 2021		None

* As of 31 December 2019, employees held 0.21% of the Company's capital, directly and indirectly

FOR THE 2020 FINANCIAL YEAR: PROPOSAL SUBMITTED FOR APPROVAL AT THE ANNUAL GENERAL MEETING OF 17 APRIL 2020

Type of authorisation	Purpose	Duration	Ceiling
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Duration: 26 months Expires: 17 June 2022	€137.324 million (par value) Included in the blanket ceiling for share issues of €137.324 million (par value)
	Issue of deeply subordinated contingent convertible bonds without pre-emptive subscription rights	Duration: 26 months Expires: 17 June 2022	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)
Share buyback programme	Buy and sell CNP Assurances shares	Expires at the AGM called to approve the 2020 financial statements Duration: 18 months Expires:18 October 2021	10% of share capital outstanding at the date of the AGM
Employee rights issues, stock options, share grants*	Issue of shares to members of a Company or Group employee share ownership plan without pre-emptive subscription rights for existing shareholders	Duration: 26 months Expires: 17 June 2022	3% of share capital outstanding at the date of the AGM included in the blanket ceiling for share issues of €137.324 million (par value)

* As of 31 December 2019, employees held 0.21% of the Company's capital, directly and indirectly

6.5.4 Transactions carried out in 2019 under the share buyback programme authorised by the General Shareholders' Meeting of 18 April 2019

The Annual General Meeting held on 18 April 2019 renewed the share buyback programme in place since the IPO.

6.5.4.1 Share purchases and sales

The Company purchased (between 1 January 2019 and 31 December 2019) 2,235,611 of its own shares at an average price of €18.26, and sold 2,328,537 treasury shares for an average price of €18.50.

FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

	Aggregate gross amounts		Open positions on the day the prospectus was filed					
	Purchases	Sales	Open buy positions			Open sell positions		
Number of shares	2,235,611	2,328,537	Call options purchased	Put options sold	Futures	Call options purchased	Put options sold	Futures
Maximum average maturity	None	None	None	None	None	None	None	None
Average transaction price *(in €)*	18.26	18.50						
Average exercise price	None	None	None	None	None	None	None	None
Total *(in €)*	40,826,475	43,074,574						

SUMMARY

Treasury share transactions in the period from 1 January 2019 to 31 December 2019	
Percentage of issued capital held by the Company, directly and indirectly	0.07%
Number of shares cancelled in the past 24 months	None
Number of shares held in treasury as of 31 December 2019	505,717
Carrying amount (fair value*)	€8,988,500
Market value*	€8,966,362

* At closing price on 31 December 2019: €17.73

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 2019 share buyback programme. All of the shares held as of 31 December 2019 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 resolution presented at the Annual General Meeting of 17 April 2020 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 22nd resolution of the Annual General Meeting of 18 April 2019;
2. to adopt the programme described below and, for this purpose, resolves:
   - to authorise the Board of Directors (which may delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code) to buy back CNP Assurances shares representing up to 10% of the capital, or up to 5% of the capital for shares bought back for the purpose of being held and delivered at a future date in payment or exchange for shares of another company in a merger, demerger or asset contribution;
   - that the shares may be bought back for the following purposes:
     - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm, in accordance with the AMF decision 2018-01 dated 2 July 2018 "AMF establishes liquidity contracts on shares as an accepted market practice",
     - to hold shares for subsequent delivery in payment or exchange in connection with an acquisition, merger, demerger or asset contribution initiated by the Company,
     - to grant or sell shares to eligible employees of the Company or related companies in the CNP Assurances group, on the basis and by the method provided for by law, including under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing, employee share ownership or employee savings plan,
     - to allocate shares upon exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for CNP Assurances shares,
     - for cancellation in accordance with the law, provided that an authorisation to reduce the capital is given by the Extraordinary General Meeting;
   - that the maximum purchase price per share shall not exceed €25, excluding transaction costs;
   - that the Board of Directors may adjust the above maximum purchase price in the case of a change in the shares' par value, a bonus share issue paid up by capitalising additional paid-in capital, profits or reserves, a share split or reverse share split, a capital reduction, a distribution of reserves or other assets or any other corporate action, to take into account the effect of said action on the value of the shares;
   - that the maximum amount invested in the share buyback programme shall not exceed €1.717 billion;
   - that the shares may be bought back on one or several occasions by any method, subject to compliance with the rules set out in the AMF's position/recommendation DOC-2017-04. The buyback programme may be carried out in whole or in part through on-market transactions or block trades and, where applicable, through off-market transactions or the use of options or derivatives other than written puts, in the periods that the Board of Directors considers appropriate subject to the limits set in the applicable securities regulations. The shares bought back pursuant to this authorisation may be retained, sold or transferred in accordance with the applicable regulations, by all methods including through block trades, at any time;
   - to give full powers to the Board of Directors (which may delegate such powers) to complete these transactions, to set their terms and conditions, and in particular to:
     - enter into, amend and/or prolong a liquidity contract,
     - place buy and sell orders on or off market,
     - adjust the buyback price of the shares in order to take into account the impact of the above-mentioned transactions on the share price,
     - enter into any and all agreements, in particular with a view to keeping registers of share purchases and sales,
     - prepare all documents and make all disclosures and filings with the AMF and any other organisation,
     - carry out any and all publication and other formalities,
     - 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 2020 or for 18 months, whichever is shorter;
- that this authorisation will be suspended as from the date on which a third party files a proposed public tender offer for CNP Assurances, until the end of the offer period.

In accordance with Article L.225-211, paragraph 2 of the French Commercial Code, the Board of Directors will report to the Annual General Meeting on transactions carried out pursuant to this authorisation.

6.5.6 Authorisation to issue and buy back bonds, notes or other debt securities

The Board of Directors' decision made at the meeting of 19 February 2020 is reproduced below:

According to Article L.228-40 of the French Commercial Code, the Board of Directors has the authority to decide or authorise the issue of bonds, unless the Articles of Association reserve this power for the General Meeting or unless the General Meeting decides to exercise it.

As none of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting, the Board of Directors may, pursuant to the above Article of the Commercial Code, delegate to any person of its choice the necessary powers to issue bonds, within one year, and set the terms and conditions thereof.

The Board of Directors authorises the Chief Executive Officer and the second executive in effective command, under the conditions provided for by law, to issue, on one or more occasions, bonds or similar securities (where applicable within the scope of an EMTN programme), either in France or another country. The securities may be subordinated or unsubordinated, dated or undated, and may pay interest at a fixed or variable rate (or any other form of remuneration, including an indexed rate), or any other notes and/or debt securities.

The maximum nominal amount of the bonds or other debt securities issued under this authorisation may not exceed one billion, five hundred million euros (€1,500,000,000) or the equivalent of this amount in foreign currency or in any other unit of account established by reference to a basket of currencies.

Full powers are given to the Chief Executive Officer and to the second executive in effective command, under the conditions provided for by law and for the maximum amount of the authorisation set above, to act singly or jointly, in order to:

- decide, without the possibility to sub-delegate, on the nature, forms, terms and conditions of the issues; and
- with the possibility to sub-delegate, generally do whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

This authorisation is given for a period of one year.

The Board also authorises, as necessary, the Chief Executive Officer and the second executive in effective command, acting singly or jointly, to buy back, on one or more occasions, at the prices and according to terms and conditions that they shall determine, without the possibility to sub-delegate, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations, and, with the possibility to sub-delegate, generally do whatever is useful or necessary, including signing any agreements and fulfilling all formalities required to finalise the issues.

The maximum nominal amount of securities bought back pursuant to this authorisation may not exceed one billion euros (€1,000,000,000) or the equivalent of this amount in foreign currency or any other unit of account determined by reference to a basket of currencies.

This authorisation is given for a period of one year.

The Board also authorises, as necessary, the Chief Executive Officer the second executive in effective command, acting singly or jointly, to establish or unwind, on one or several occasions, hedging positions on bonds or notes issued or to be issued by CNP Assurances, in the form of swaps, including but not limited to currency swaps that convert the interest and principal into euros (currency swaps) and interest rate swaps involving the exchange of interest streams (interest rate swaps). The aggregate notional amount of the positions may not exceed one billion, five hundred million euros (€1,500,000,000) or the equivalent in foreign currencies.

This authorisation is given for a period of one year.

6.6 Additional information about the Company's capital

6.6.1 Guarantees and endorsements

See Note 26 "Commitments given and received" of Chapter 5 "Consolidated financial statements".

6.6.2 Discretionary and statutory profit-sharing plans

Discretionary profit-sharing plans

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. The Company does not make any matching payment under these plans.

AMOUNTS AWARDED TO EMPLOYEES OF CNP ASSURANCES UNDER DISCRETIONARY PROFIT-SHARING PLANS OVER THE LAST FIVE YEARS:

Year	Total discretionary profit-sharing	Number of recipients
2015	€6,494,775.25	3,129
2016	€7,768,293.58 *	3,144
2017	€7,033,436.17	3,092
2018	€8,065,163.81 *	2,999
2019	€7,104,015.13	2,999

* Data adjusted to include the additional profit share

Statutory profit-sharing plan

The CNP Assurances Group statutory profit-sharing agreement was signed on 17 May 2000 and was implemented retroactively from 1 January 1999. The amount recorded in the special profit-sharing reserve is allocated among eligible employees (i.e., employees with at least three months' service at 31 December of the reference year) based on the period worked during the reference year and their gross salaries.

If it is not paid out immediately, the net profit share attributable to each eligible employee is either held in a blocked current account generating interest at 5% per year (from 1 June of the payment year) or in an employee share ownership plan (PEG) or pension savings plan (PERCO), both of which are managed by Epsens. 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
2015	€17,960,483.00	2,994
2016	€19,541,409.00	3,011
2017	€20,946,469.00	2,967
2018	€22,683,460.00	2,892
2019	€23,969,282.00	2,908

6.6.3 Employee stock options

Not applicable.

chapter

7

CORPORATE SOCIAL RESPONSIBILITY

including the Non-Financial Performance Statement NFPS

7.1 Business model NFPS

This section is also presented in Chapter 1 of this Universal Registration Document.

7.2 Corporate Social Responsibility approach

7.2.1 A history of CSR commitment

Since its creation, CNP Assurances has been committed to upholding human rights and citizens' rights as defined in the Universal Declaration of Human Rights. More specifically, it has consistently complied with the principles of the International Labour Organization (ILO) and the national labour laws of each of its host countries. In pledging to uphold the United Nations Global Compact in 2003, we reaffirmed our commitment to respecting these fundamental principles, and to combatting corruption and protecting the environment. Caixa Seguradora in Brazil, CNP Assurances Compañía de Seguros in Argentina, CNP UniCredit Vita in Italy and CNP Partners in Spain have also pledged to uphold the Global Compact.

As a responsible insurer and investor, CNP Assurances also joined the United Nations Principles for Responsible Investment (PRI) in 2011. Caixa Seguradora also signed the United Nations Principles for Sustainable Insurance (PSI) in 2015.

Over the last five years, CNP Assurances has made compelling commitments in favour of the energy and environmental transition and the fight against global warming. A signatory of the Montreal Carbon Pledge, it published the carbon footprint of its portfolio of directly held listed equities in December 2015, and undertook to reduce it. On joining the Net-Zero Asset Owner Alliance in 2019, CNP Assurances pledged to achieve carbon neutrality in its investment portfolio by 2050.

The CNP Assurances Group's Corporate Social Responsibility approach is based on four pillars:

- commitments in line with the UN Sustainable Development Goals (SDGs);
- governance structures;
- stakeholder dialogue;
- promotion, awareness and training initiatives for employees and policyholders.

7.2.2 Commitments in line with the UN Sustainable Development Goals

To respond effectively to environmental and social challenges, CNP Assurances seeks to align its interests with those of society by contributing to the transition to a carbon-free and inclusive economy. Its investment policy aims to foster sustainable economic growth, particularly through its commitment to the energy and environmental transition (EET), while its insurance guarantees contribute to the fight against financial exclusion. This is how CNP Assurances contributes to achieving the Sustainable Development Goals set by the UN for 2015-2030, and more specifically six of them:

- good health and well-being (No. 3);
- decent work and economic growth (No. 8);
- reduced inequalities (No. 10);
- responsible consumption and production (No. 12);
- climate action (No. 13);
- peace, justice and strong institutions (No. 16).

This active involvement has been an integral part of the Group's CSR approach for several years now. It is built around four compelling commitments in line with the Company's strategy:

- be a responsible insurer;
- be a responsible purchaser;
- have a positive impact on society;
- control our environmental footprint.

7.2.3 CSR governance structures

CNP Assurances' Corporate Social Responsibility (CSR) department reports directly to the Group General Secretary, a member of the Executive Committee, who in turn reports to the Chief Executive Officer and the Board of Directors on the main Environmental, Social and Governance (ESG) challenges and risks, as well as the implementation of the Group's CSR approach.

Liaison officers are appointed in the departments most involved in the process: Human Resources, Strategic Marketing, Communications and Sponsorship, Investment and Working Environment.

The subsidiaries develop CSR policies in line with Group principles:

- in Italy, CSR governance was created in 2015 at CNP UniCredit Vita and has been included in Human Resources management within the HR & CSR department since 2019. Sustainable development indicators are included in the quarterly indicators reviewed by the Management Committee;
- in Brazil, the Caixa Seguradora group set up a Sustainable Development Committee in 2007 to address environmental issues. Made up of 14 representatives from various sectors within the Company, it is coordinated by Caixa Seguradora's Corporate Secretary. The initiatives in the environmental programme help to instil a culture of sustainable development within the Group. Since 2013, the Caixa Seguradora Institute has been strengthening its strategic social, environmental and cultural programmes:
- in Argentina, CNP Assurances Compañía de Seguros has a CSR team in charge of the CSR programme known as "Multiplicar" and has created a sustainability committee. Sustainability issues are reviewed regularly by the Executive Committee.

7.2.4 Stakeholder dialogue

CNP Assurances maintains regular dialogue with its main stakeholders, and conducts periodic surveys.

Participation in market bodies

CNP Assurances plays an active role in the work of the French Insurance Federation (FFA) in the field of CSR, notably through its participation in preparing the recommendations on the definition of a coal strategy published in 2019, and as a member of the ESG-Climate working group. We are a member of ORSE, a French CSR think-tank, and its Finance Club, which brings together companies and stakeholders (NGOs and unions). CNP Assurances is also a member of the Institutional Circle of Novethic, a French media and research centre specialising in responsible investment.

CNP Assurances launched *La Fabrique d'Assurance* in 2015. Inspired by Fab Labs, *La Fabrique d'Assurance* aims to be a crossroads and a forum for multidisciplinary dialogue to address changes in the insurance sector. It aims to spur a collaborative and innovative process geared towards anticipating the future uses of and meeting peoples' real needs. Based on the dual principle of collaboration and cross-functionality of professions*La Fabrique d'Assurance* is a think-tank bringing together experts from the world of insurance and the social and solidarity economy (mutual insurers, other insurers, associations, researchers, academics, institutions, etc.). *La Fabrique d'Assurance* has set itself the task of formulating innovative recommendations on the insurance sector, integrating the challenges of the social and solidarity economy. These recommendations are issued above all to industry players, the professional press and public authorities in order to get the ball rolling. In 2019, *La Fabrique d'Assurance* issued a white paper on artificial intelligence and ethics in the insurance sector. It advocates establishing an ethical framework for artificial intelligence algorithms, so that transparency, explicability, auditability and neutrality requirements serve to maintain a relationship of trust between insurers and policyholders.

The international subsidiaries also participate in local professional bodies.

Dialogue with partners and clients

This point is described in the Challenge: "Commit to customer satisfaction – Inability to maintain and improve customer satisfaction" of the Non-Financial Performance Statement.

The www.cnp.fr website, which is accessible to all, had close to 700,000 unique visitors in 2019, 56% of which on pages aimed at individuals. CNP Assurances also promotes interaction with stakeholders on social networks (Twitter, LinkedIn, Facebook).

Dialogue with employees

This point is described in the Challenge: "Undertake to offer favourable working conditions - Non-compliance with regulations and commitments in relation to the well-being and health of employees" of the Non-Financial Performance Statement.

Dialogue with associations and NGOs

CNP Assurances is engaged in dialogue with various associations and NGOs. Dialogue serves to better grasp the expectations of stakeholders, and in turn to make stakeholders aware of our social and environmental responsibility initiatives. This diverse range of associations and NGOs include:

- associations representing sick people for our creditor insurance activity;
- environmental associations and NGOs for our climate policy;
- associations working to reduce social inequalities in terms of access to healthcare as part of the CNP Assurances Corporate Foundation;
- associations helping entrepreneurs and vulnerable people as part of our open access policy to insurance cover.

Several subsidiaries have partnerships with associations involved in recycling waste, protecting the environment, supporting people with AIDS, training young entrepreneurs or helping disadvantaged communities.

And the Caixa Seguradora Institute, which oversees the private social investment and corporate sponsorship activities of our Brazilian subsidiary, has cooperation agreements with UNODC (United Nations Office on Drugs and Crime) and a service contract with NGO Iniciativa Verde. In 2016, the Caixa Seguradora group joined Forum Aliança Cerrado, which brings together NGOs, government representatives and stakeholders to discuss environmental issues.

7.2.5 Promotion, awareness and training initiatives for employees and policyholders

Sustainable development challenges are the subject of awareness and training initiatives to embed them in the corporate culture and everyday practices.

Awareness-raising and employee training

Several Group entities have a section on their Intranet dedicated to sustainable development. Regular events and activities are organised in each entity to raise employee awareness about sustainable development challenges:

- in France:
  - in June 2019, CNP Assurances signed a new incentive bonus agreement with three representative union organisations covering the 2019-2021 period. Incentive bonuses are a long-standing dimension of CNP Assurances' HR policy. They make a link between the Company's performance and each employee's individual contribution. The Company has always used initiatives aligned with its strategic objectives as indicators to define the calculation of bonuses. The new agreement includes Corporate Social Responsibility indicators. One of the indicators used is linked to the responsible investment strategy: the 2019 objective will be reached if the share of CNP Assurances' managed financial assets that are subject to environmental, social and governance (ESG) filters is equal to or greater than 80% over the scope of the euro and ULP portfolios,
  - in 2019, CNP Assurances' organised a citizens' day dubbed Clean my Planet with Ahtarame, an NGO, as part of its sponsorship activities. Open to volunteer employees wishing to make a gesture for the planet, it was devoted to collecting and recycling waste of all kinds near the Seine. CNP Assurances intends to commit to further environmental initiatives of this nature in the coming years, providing further proof of its societal commitment,
  - in 2019 a new edition of *Together, let's all get involved in our quality of life at work!* was offered to employees during the quality of life at work week. The week's programme featured entertainment on the themes of health and the fight against sedentary lifestyles, personal development and responsible consumption. Workshops on eco-responsible initiatives were organised at CNP Assurances' three sites; employees were challenged to invent new eco-gestures and develop innovative solutions to bring them into practice in everyday life. One of the practical results of this work in 2020 will be to draw up an action programme for the whole company,
  - invisible disability was one of the themes highlighted at the 2019 European Disability Employment Week. To mark the occasion, the disability programme offered employees a range of thematic e-stays on disability, via a user-friendly and interactive hand-e passport platform combining quizzes, self-diagnostics and advice,
  - for 2019 Responsible Finance Week, an internal awareness campaign was conducted on CNP Assurances' goals in this area. Quizzes and posters were distributed within the Company and placed on the Intranet and the corporate social network,
  - a CSR information campaign was rolled out on the Company's Intranet between January and August 2019;

- several initiatives were implemented in the Group's subsidiaries to raise employee awareness about CSR issues:
  - in Brazil, Caixa Seguradora group raises employee awareness on sorting via an annual campaign of donations for electronic waste,
  - in Argentina, the "Multiplicar" programme, established in 2015, aims to reinforce responsible employee behaviour through awareness raising and training. In 2019, the reduction of inequalities (SDG 10) in the insurance and finance businesses was introduced into the programme. The subsidiary also continues to support sustainable mobility, training on recycling and reducing the consumption of single-use plastics,
  - in Italy, CNP UniCredit Vita regularly sends messages on CSR topics to its employees via a dedicated newsletter. It also introduced CSR training in 2018 and continues to offer training on diversity and well-being at work. 94% of its employees participated. Employees had the chance to take part in the Bike to Work challenge in 2019, combined with information on the impact of travel. 94% of CNP UniCredit Vita employees received CSR training in 2018. In 2019, the company continued to offer training on diversity, but also on inclusion and CSR.

Building policyholder and partner awareness

- each year, CNP Assurances expresses its commitment to upholding the United Nations Global Compact and promoting its responsible investing strategy through more than 11 million letters sent to policyholders (by post or online). 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 Brazil, 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 through its different social networks;
- CNP Assurances Compañía de Seguros also uses social networks and commercial events to raise the awareness of policyholders and brokers on the issues of prevention and health, as well as sustainable mobility and protection of the environment;
- in Italy, CNP UniCredit Vita is pursuing its commitment to plant a tree for each new contract signed online. A page dedicated to SRI has been added to the company's website.

7.3 Non-financial risks and challenges NFPS

CNP Assurances' CSR strategy and practices are regularly informed by changes in regulatory, social and societal contexts.

Pursuant to the European directive on non-financial reporting, CNP Assurances is publishing this Non-Financial Performance Statement, in which it sets out its non-financial challenges and risks.

The policies and action plans associated with each of these risks and challenges dovetail with regulations implemented in recent years, including Article 173 of France's law on Energy Transition for Green Growth, the French Transparency, Anti-corruption and Economic modernisation bill (Sapin II), and the EU's General Data Protection Regulation (GDPR) and Packaged Retail and Insurance-based Investment Products Regulation (PRIIPS).

The analysis also incorporates a dynamic dimension to anticipate risks and challenges that may be material in the short, medium or long term. Digitisation, increasing life expectancy, new consumption patterns and climate change are changing the profession of personal insurer. That is why CNP Assurances strives for agility to preserve the lasting success of its business model.

The risk analysis methodology was based on three defining steps to which CNP Assurances' internal stakeholders contributed and on which they were consulted:

1. starting from a generic universe of non-financial risks built around international standards and benchmarks, a limited risk universe was defined, consistent with the Group's business sector, geographical location and challenges. This involved interviews with several departments (Risk, Human Resources, Compliance, Investments, etc.) and subsidiaries;
2. each non-financial risk was then rated based on two criteria: the level of severity (for CNP Assurances' activities, employees or policyholders), and the probability of occurrence;
3. CNP Assurances' non-financial risks were subsequently prioritised on the basis of the various "severity-probability of occurrence" pairs.

This analysis resulted in the identification of **11 main risks in eight challenges** as priorities for the Group, its business, its employees, its customers and, more generally, its stakeholders:

Our commitments	Priority and other challenges	Main risks identified	SDG
BE A RESPONSIBLE INSURER	NFPS **Keep pace with social and societal developments**	**Risk #1: Failure to match insurance products and services with the consequences of longer life expectancy and to provide support for policyholders with health problems** The personal insurance business involves taking social and societal developments into account and monitoring them. Longer life expectancy and the increasing prevalence of chronic diseases have repercussions on the daily lives of policyholders and their relatives, such as dependence. Our inability to match insurance products and support services with these changes would represent a risk in terms of both market positioning and policyholder satisfaction.	3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES
	NFPS **Transform services rendered to policyholders via digital technology**	**Risk #2: Non-optimal use of digital technology in services provided to policyholders** Non-optimal use of this growth driver in services provided to policyholders would constitute a risk, in terms of both market positioning and policyholder satisfaction.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	NFPS **Commit to customer satisfaction**	**Risk #3: Inability to maintain and improve customer satisfaction** Failure to place a central focus on customer satisfaction and to maintain a relationship of trust and proximity could undermine the Group's value creation. **Risk #4: Lack of product transparency with customers** The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or insurance proposal. Moreover, it is particularly important to provide customers with the best, most clear and transparent information at a time of increasing digitisation. Lack of transparency with customers in relation to products could result in regulatory risk, and may also hamper the proper implementation of the Group's strategy.	10 REDUCED INEQUALITIES
	NFPS **Ensure good business ethics**	**Risk #5: Corruption and conflicts of interest in relationships with third parties** **Risk #6: Fraud, money laundering and terrorist financing** Regulatory changes mean that the risks associated with the themes of corruption, conflicts of interest, fraud, money laundering and the terrorist financing could result in significant fines and criminal prosecution (regulatory risk). They could also have a negative impact on the Group's image or reputation.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	NFPS **Protect personal data**	**Risk #7: Failure to protect personal data** In view of recent regulatory developments, particularly within the European Union, regulatory risk resulting from a lack of protection of policyholders' or employees' personal data could result in significant fines and undermine the Group's brand image and reputation.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our commitments	Priority and other challenges	Main risks identified	SDG
BE A RESPONSIBLE INSURER	**Offer products that are affordable for all**		10 REDUCED INEQUALITIES
	Respect human rights		16 PEACE, JUSTICE AND STRONG INSTITUTIONS
BE AN ATTRACTIVE EMPLOYER	NFPS **Attract and develop talent, develop skills**	**Risk #8: Lack of attractiveness and inability to retain talent, unsuitability of employees' skills with the needs of the various business lines as they transform and develop** Inability to attract and retain talent and develop the skills of employees would threaten the continuation of the Group's activity at a time when the profession of personal insurer is in the throes of profound change.	8 DECENT WORK AND ECONOMIC GROWTH
	NFPS **Undertake to offer favourable working conditions**	**Risk #9: Non-compliance with regulatory requirements and commitments regarding equal opportunity and discrimination** **Risk #10: Non-compliance with regulations and commitments in relation to the well-being and health of employees** The risk of workplace harassment, discrimination, non-compliance with regulations on working hours and the protection of employee health and safety could result in significant fines or criminal prosecution. It could also have a negative impact on the Group's image or reputation as an employer.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
HAVE A POSITIVE IMPACT ON SOCIETY	NFPS **Make ESG and climate challenges part of the investment processes**	**Risk #11: Risk of non-existent or inadequate integration of ESG and climate challenges in investment decisions** The non-existent or inadequate integration of ESG and climate challenges in investment processes would pose a risk to the long-term valuation of assets, and more specifically those exposed to climate risks (physical and transition risks).	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Be a responsible purchaser		8 DECENT WORK AND ECONOMIC GROWTH
	Develop social initiatives in the field		3 GOOD HEALTH AND WELL-BEING 10 REDUCED INEQUALITIES
CONTROL OUR ENVIRONMENTAL FOOTPRINT	**Measure our environmental footprint**		13 CLIMATE ACTION
	Reduce our environmental footprint		13 CLIMATE ACTION

7.3.1 Be a responsible insurer

Since its origins in 1850, CNP Assurances has consistently developed the innovative risk management and insurance solutions needed to guarantee the resilience of the Company and people in the face of challenges such as greater life expectancy and the mounting prevalence of chronic illnesses, protection against illness and accidents, preparation for retirement and change in social protection schemes.

CNP Assurances regularly adapts its products and services to the ever-expanding expectations of a rapidly changing world, and strives to make them accessible to as many people as possible by pooling risks.

The integration of Corporate Social Responsibility challenges into our insurance operations is based on:

- support for social and societal change;
- commitment to customer satisfaction;
- offer transparency with customers;
- good business ethics and respect for the principles of the United Nations Global Compact;
- protection of personal data.

7.3.1.1 Keep pace with social and societal developments NFPS

Risk #1: Failure to match insurance products and services with the consequences of longer life expectancy and to provide support for policyholders with health problems

At CNP Assurances, we are stepping up our strategic diversification, in terms of partnerships and product mix, and also in terms of geographic reach in Europe and Latin America.

CNP Assurances has been a benchmark in the personal protection market in France for many years and has established solid relations with many of the market players. To respond more effectively to the challenges created by increasing life expectancy, the greater prevalence of chronic diseases, changes in the pension system, the introduction of new rules governing supplementary social protection insurance and the impact of the current economic environment on public finances, not to mention the finances of employers and employees, the Group has set up a dedicated Social Protection and Services business unit.

It offers a wide range of personal insurance, customer relationship management, service, assistance and support solutions through companies, local authorities, employee benefits institutions and mutual insurers (covering the public sector, multiple industries, self-employed people and veterans).

Because the challenges related to increasing life expectancy and care for people with health problems, such as dependence or loss of autonomy, have major repercussions on the daily lives of policyholders and their families, CNP Assurances' goal is to continually improve its offerings.

France's PACTE Law, promulgated in May 2019, aims to develop the French market for personal retirement savings by harmonising and simplifying the products offered to individuals and businesses. CNP Assurances is playing a driving role in the implementation of the PACTE Law, in partnership with its various distributors. New Retirement Savings Plans (PER) were unveiled at the end of 2019 and went live at the end of February 2020 to help policyholders prepare for their retirement. CNP Assurances PERs offer financial management on a time-based horizon, transferability of rights and the possibility of choosing to convert savings into a life annuity or to take the accumulated capital on retirement.

From 1 January 2020, new rules guaranteeing full refund of all medical expenses will facilitate access to healthcare and services for our French policyholders. To this end, CNP Assurances has already adapted its insurance offers and contracts to the new system.

It seeks to properly understand the current and future needs of its customers, and to develop insurance products, support services and prevention initiatives that take these challenges into account.

Indicators	2018	2019	Scope
Number of people covered by personal risk/protection insurance *	37 million	38 million	Group
Assets in retirement plans ✓	€37.1 billion	€37.8 billion	CNP Assurances
Creditor insurance rejection rate	0.2%	0.2%	CNP Assurances
Number of customers receiving services from the Âge d'Or network	41,000	40,000	Âge d'Or
Number of Lyfe distributors ✓	13	17	CNP Assurances
Number of beneficiaries to whom Filassistance services are offered	Over 8 million	Over 8 million	CNP Assurances

* Personal, health, creditor and property and casualty insurance, estimates based partly on the number of contracts under management

STUDY OF POLICYHOLDERS' CURRENT AND FUTURE NEEDS

To remain attuned to its stakeholders, and above all its policyholders, CNP Assurances and its main subsidiaries regularly conduct qualitative and quantitative studies to anticipate the consequences of social and demographic developments for its personal insurance business.

CNP Assurances has had a digital platform since 2017. Known as the "You and Us" community, it allows exchanges with 300 active members on the uses and expectations of different generations (Y, X, and baby boomers). It is a forum for listening and co-creation in order to identify emerging trends that reflect societal development.

In 2019, CNP Assurances organised a co-construction day bringing together customers, employees and partners. Its purpose was to identify what information customers need to know a few years before retirement and trial ideas for support services to help them prepare their finances for retirement.

Examples

Dependence and the extension of life expectancy, two themes central to our thinking

CNP Assurances was among the first insurers to create cover against the loss of autonomy. The emergence of this risk, which is a major challenge, is the subject of discussions and consultation workshops with our customers and partners.

Long-term care is an integral part of the issues employers have to deal with in the social protection provided to their employees. CNP Assurances is regularly solicited on this subject; it has a comprehensive offer combining a basic group insurance policy and services, plus individual guarantees to suit everyone's situation.

Lastly, as part of the October 2018 launch of the national "old age and autonomy" debate and shared input process launched by the Ministry of Solidarity and Health, CNP Assurances is taking part in work alongside the French Federation of Mutual Insurance Companies (FNMF), the French Insurance Federation (FFA) and Caisse des Dépôts. A working group was also created in the Social Protection and Services business unit, calling on all of the Group's departments and bodies to reflect on an offer adapted to as many people as possible.

Targeted assistance and prevention services offering genuine support for policyholders

Making life-long support for policyholders its mission, in 2003 CNP Assurances pioneered the integration of targeted assistance and prevention services in life insurance and long-term care insurance contracts. Three examples illustrate this approach:

- 66% owned by CNP Assurances, Filassistance International is also continuing to develop its range of local personal assistance services. More than eight million people currently enjoy this offering, which includes an extensive range of assistance, from the most mainstream to the most innovative, combining new information and communication technologies with Filassistance International's expertise and strategic focus on human relations. This is a practical example of Filassistance International's role as a "life facilitator", harnessing a network of 10,000 service providers selected for their efficiency, skills and sense of welcome. An in-house medico-psycho-social team comprising psychologists, social workers and doctors provides comprehensive care to members calling on their services. Filassistance also offers insurance against cardiovascular risks and the loss of autonomy, not to mention listening and support services for carers and for people with long-term illnesses or cancer. To support initiatives that encourage the integration of people with disabilities, Filassistance International has for several years been committed to Mutuelle Intégrance's *Handicap & Société* Fund. The *Handicap & Société* endowment fund aims to foster and develop dialogue between disability associations and all social, economic and political partners. It is a benchmark in terms of thinking and proposals on disability, dependence, autonomy and long-term illnesses, etc.

  Lastly, Filassistance International continued to digitise its offerings by creating, developing and promoting digital sites for its partners. These sites use simple and clear language that enable policyholders to discover the services they are entitled to in just a few clicks, bringing them greater transparency and clearer information on their contracts;
- the Age d'Or brand has been CNP Assurances' personal services subsidiary since 2001. This network, which has existed for nearly 30 years, comprises roughly one hundred regional franchises offering a range of services suited to the needs of 40,000 seniors keen to age in the comfort of their own homes, with all the confidence and safety that support of this nature brings.

  In 2019, the subsidiary reaffirmed its position in support for seniors and extended it to caregivers, whether they are close or distant. At the same time, it joined forces with nearly a quarter of franchisees for a vast plan designed to revitalise and refresh its brand (with the Age d'Or Family offer dedicated to caregivers), its offer, with the creation of two new services (coordination and prevention), and its practical dimension, with the implementation of a new more modern website suited to the recruitment of new franchisees;
- the Lyfe digital platform offers health and well-being and ageing services geared towards facilitating access to healthcare (access to information, geographical and economic access). Designed for participants in benefits schemes set up by partner mutual insurers, employee benefits institutions and companies, Lyfe proposes an innovative set of complementary services for health

insurance and death/disability insurance products, and also adds to the assistance services offering.

CNP Assurances Compañia de Seguros sees longer life expectancy as a key driver of product development and updating. It is a variable that is always present in the concerns of business partners, explaining why CNP Assurances Compañia de Seguros consistently strives to meet their needs. In 2019, the company started work to extend product maturity from 75 to 90 years. Products intended for the elderly have been extended, especially in the personal accident segment. All the main distribution channels have an offer for seniors.

A service offering that can be adapted to individual health risks

CNP Assurances draws on its exceptional understanding of risks, acquired over its many years of experience in personal insurance, to regularly update and refine its risk selection policy. A key aim of this policy, which takes into account the state of health of individual policyholders, is to accept and pool invalidity and disability cover wherever possible. In addition, since 2012, the conditions of eligibility for the premium cap applicable to low-income borrowers have been relaxed. Our creditor insurance rejection rate has been stable at 0.2% for the past ten years.

CNP Assurances is fully committed to ensuring that anyone representing an aggravated risk in France has access to credit and insurance in line with the provisions of the AERAS Convention. Disability cover is being offered on the terms laid down in the convention to customers denied incapacity or disability cover under standard policies. In addition to these regulatory obligations, we offer disability cover to civil servants and self-employed workers.

CNP Assurances has also been involved in the implementation of the revised AERAS Convention to incorporate the provisions of the January 2016 French Health Act on the right to be forgotten. 2016 marked a decisive turning point for cancer patients, with the legal recognition of the "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 them having to declare in the future a previous 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 subject to 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 modified in June 2019 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 broaden its scope.

The Caixa Seguradora group offers a product including a regular health check-up, with a free of charge annual preventive visit to a gynaecologist belonging to an accredited network present in the major capitals of the Brazilian states.

7.3.1.2 Transform services rendered to policyholders via digital technology NFPS

Risk #2: Non-optimal use of digital technology in services provided to policyholders

The digital transformation represents both a challenge and an opportunity for CNP Assurances to transform the services provided to policyholders by offering them solutions that better match their expectations. It has more impact in terms of customer experience, making it easier than ever to customise protection.

The ramp-up of digitisation is having a clear impact on 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.

The digitisation of the policyholder experience, the diversification of distribution channels and the development of a customer-centric approach are the three cornerstones of the business units' action plans. This approach is helping to drive the Group's transformation and is itself being driven by numerous participative innovation initiatives designed to create value for policyholders and employees alike. It also goes hand-in-hand with the energy efficiency efforts of the infrastructure created to support the Group's digital strategy.

Indicators	2018	2019	Scope
Number of customers using @dèle (handling of creditor insurance claims)	6,000	5,500	CNP Assurances
Number of customers using Youse (Brazil)	125,000	133,000	Caixa Seguradora
Average satisfaction score of users of the e-beneficiaries website, e-beneficiaire.cnp.fr ✓	3.9/5	4.0/5	CNP Assurances

Examples

The ramp-up of the digital strategy that began in 2017 continued in 2018 and 2019 with the rollout of new services for our policyholders and new online solutions.

Digital tools to improve customer service, from subscription...

- CNPnet is the single platform for processing health questionnaires for customers applying for creditor insurance. In 2018, 59% of health questionnaires were automatically submitted by CNPnet for processing by management teams. In France, the CNPnet platform was rolled out to all of the Banque Populaire banks in 2019, thereby facilitating digital subscription of creditor insurance.
- In 2014, CNP Assurances launched iQS, its iHealth questionnaire, with an electronic signature to support the digitisation of banking processes in the field of mortgage and consumer loans. It allows people looking for insurance to fill in their health questionnaires and complete membership formalities online, before uploading the contractual documents and signing electronically. In 2019, the portal was opened to another major CNP Assurances partner, with a specific "tablet in branch" pathway. A responsive web design version has been available since late 2016. The format automatically adapts to the device used by the person looking for insurance (PC, tablet or smartphone). The system makes our customers' lives easier, allowing them to complete their health formalities 24/7 without having to go to their bank. At the end of 2019, CNP Assurances offered this portal to the customers of our partners, BPCE networks, BPE and mutual insurers, as well as Boursorama Banque and BPI France. For some of our partners, all applications are completed online and signed electronically by prospective policyholders. The optimisation of the iQS portal coupled with the increasing digitisation of processes in the banking world confirms that CNP Assurances stands to benefit from wide-scale take-up of iHealth questionnaires.
- In 2018, the modernisation of exchanges and the direct relationship with policyholders reached a new level with Di@pason, which allows policyholders to monitor their online medical assessment from end to end. The rollout of this fully online service allows the optimisation of response times provided to our policyholders while securing their medical data. More than 15,700 medical assessments were completed in the space of six months. In 2019, fresh progress was made in the modernisation of exchanges and the direct relationship with policyholders with the continued rollout of Di@pason.
- In 2019, the Amétis network released a secure electronic signature solution for subscription to its life insurance contracts. This eliminates the need to print documents, saving time for both the customer and the advisor, and ensuring better traceability.

- At the end of 2018, CNP Patrimoine offered its partners a portal with access to a new range of services including an online subscription tool, 360° customer vision, support for sales and even data management. CNP Patrimoine was also a forerunner in the private banking market, offering subscription with an electronic signature in 2018.

… to the provision of service

The acceleration of digitisation and automated processing in providing services represents genuine added value for customers, who can follow the progress in real time and benefit more quickly and simply. The traceability and security of operations also represent a major improvement for CNP Assurances, its partners and its customers.

- With @dèle, the online declaration site for credit insurance applications, which got a warm welcome from CNP Assurances policyholders and which has now been rolled out to all customers with loans issued by La Banque Postale, Crédit Immobilier de France, Boursorama Banque and ING Direct, all stages of the process are now fully digital. Used initially to simplify the first claim for compensation after an illness or accident resulting in an inability to work, disability or death, the site has continued to be developed in line with user feedback and workshops co-facilitated by a start-up. The entire policyholder pathway, from application to administrative follow-up and the extension of sick leave, is now fully digital. In 2019, more than 160,000 visitors accessed the @dèle site (browsing and/or consultation) and more than 5,500 users claimed support by opening a file.
- In 2018, CNP Assurances launched e-beneficiaire, an innovative online service enabling beneficiaries of a CNP Assurances life insurance contract on the Amétis network to prepare their file on the e-beneficiaire.cnp.fr website, a service extended to LBP and BPCE in 2019. For beneficiaries, e-beneficiaire represents the possibility of preparing and monitoring their file independently, using personal access directly on the dedicated site. Online assistance is available for any questions. For CNP Assurances employees, it means a simplified process, secure files and optimal treatment of requests from beneficiaries within shorter timeframes.

  CNP Assurances is rolling out a digital payment improvement programme aimed at reducing payment times for customers' partial and total redemption requests. It improves the quality of customer service by speeding up the processing chain thanks to better management of waiting times. It also ensures end-to-end traceability. Between the second quarter of 2018 and the third quarter of 2019, waiting times were cut by 33%. New developments are expected to reduce them further in 2020.
- The voicebot is another means of simplifying procedures for policyholders: in the event of a term creditor insurance claim, customers feel reassured if they can lodge their claim immediately, even outside the opening hours of the customer relationship service, which is when the voicebot takes over. It starts the conversation with natural language and guides the policyholders in filing their claim. Tested by our customers, the voicebot already answered more than 14,000 calls in 2019. It uses very innovative technologies that allow it to learn. It gets better with each call and improves relationships with customers. The goal is for it to respond 24/7, and to reserve human contact for the most important issues.

… and the life of the contract

Another aspect of the digital approach is the Dial Once visual interactive voice response (IVR) solution, which improves and simplifies the pathway for customers wishing to contact a CNP Assurances department.

It is accessible 24/7:

- by phone: the CNP Assurances number is digitised either via a smartphone equipped with a Dial Once partner application, via a smartphone on the cnp.fr website, or by clicking on a phone widget;
- on the cnp.fr website in PC or tablet mode, by clicking on the "Contact us" button.

Since late 2017, our customers have been able to use this solution simply and independently to answer their questions, either on a page of the interface or via a form, by e-mail, SMS, on the CNP Assurances customer site or the partner's site or with a telephone advisor.

CNP UniCredit Vita is organising "paperless" campaigns to encourage customers to create a secure space on the website to check their contractual documents and the status of their payments.

Online offers and solutions

- In September 2016, Caixa Seguradora became Brazil's first insurer to launch full-online distribution of auto insurance, comprehensive home-owner insurance and personal risk insurance through Youse, a 100%-digital insurance platform. A real commercial success since its launch two years ago, Youse has already won over 133,000 customers.
- EasyBourse, La Banque Postale's online broker, has teamed up with CNP Assurances to launch *EasyVie*, a fully online life insurance product*. Customers can also be assisted by an EasyBourse advisor for the subscription and for all their operations via screen sharing. Advisors are available by phone Monday to Saturday. The product, which has been on sale since February 2018, consists of a modular contract with a choice between investor-led or manager-led investment strategies. This fully digital contract relies on a

* Easybourse.com offers the following services: subscription, arbitrage, free payments, partial and full redemption, start and modification of regular payments and options

"robo-advisor" developed by Advize, a fintech. It determines the customer profile (investment objective, financial situation and assets, financial knowledge and experience, and risk aversion) and recommends a management style and asset allocation accordingly. Prior to the launch, CNP Assurances tested customers' understanding of the subscription process through a collaborative platform.

- In 2019, CNP Assurances and BPE, the private bank of the La Banque Postale Group, launched Émeraude. Customers can consult their contract online and receive related information and documents in their secure space. All documents intended for CNP Assurances are transmitted digitally by BPE.

We also pursued our ambitious programme of investment and partnership with innovative start-ups, combining business development support and financing. The aim is to provide start-ups with the financial backing they need to boost their business, while also developing 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-2019, Open CNP had invested in eight start-up partners.

7.3.1.3 Commit to customer satisfaction NFPS

Risk #3: Inability to maintain and improve customer satisfaction

As a personal insurer, the Group naturally places great importance on the satisfaction of its professional and individual customers, as well as that of its distribution partners, maintaining a relationship of trust and proximity while continually reviewing its practices and offers.

Meeting the needs of policyholders is one of CNP Assurances' strongest commitments for a sustainable society. Satisfaction has to be a hallmark of the customer relationship at all stages, through Group policies and procedures for handling complaints, as well as actions taken within the Group for:

- listening to the needs of policyholders;
- assessing customer satisfaction;
- following up policyholder questions and requests.

Indicators	2018	2019	Scope
Satisfaction measured in customer surveys*	3.5/5	3.7/5	CNP Assurances
Number of claims in the first half ✓	9,900	7,018	CNP Assurances
Percentage of disputes won by CNP Assurances	70% in the first instance, 77% on appeal and 79% on highest appeal	70% in the first instance, 78% on appeal and 100% on highest appeal	CNP Assurances

* Scope of the survey differs from year to year

Examples

Listening to the needs of the policyholders and measuring satisfaction

Stakeholder dialogue includes periodical surveys conducted by CNP Assurances entities, not only with policyholders but also with partner-distributors, so as to obtain a comprehensive view of customer satisfaction.

CNP Assurances stepped up its ambitions in terms of customer satisfaction with the creation of a Customer Experience department at the end of 2018. The new department's brief includes the implementation of a cross-cutting approach within the Company through the use of systems to measure the customer experience, to analyse the results and guarantee that they are correctly taken into account, and to structure the collection of customer expectations.

They are carried out using an online survey software package that measures satisfaction at a given moment and, if necessary, on a continuous basis. The tool has been updated to comply with the European Union's General Data Protection Regulation. Two new online surveys were launched in 2019 to survey the level of customer satisfaction in new areas. The survey strategy, the creation of the questionnaire and its circulation, and the use of the results are internal processes from end to end.

In 2019, semantic analysis methodology was developed and rolled out in two online surveys to analyse customer comments.

CNP Assurances conducted eight satisfaction surveys with customers and advisors in 2019. They focused on the quality of online services and the quality of the relationship by email between CNP Assurances and its partners at the time of subscription. For surveys where the 2019 results are known, the satisfaction rate varies from 3.2 to 4.1, the score ranging from 1 (very unsatisfactory) to 5 (very satisfactory).

Lastly, to share a more concise and homogeneous vision of this measure of customer satisfaction more widely within the Company, a dashboard has been developed and made available to the various entities.

Caixa Seguradora conducts monthly customer satisfaction monitoring and analysis surveys. The relationship centre assessments focus on two levels of service. On the first level (interactive voice server and web chat), the criteria assessed are customer service, problem solving and brand recommendation (Net Promoter Score). On the second level, which can stem from the first level or be opened directly (websites, social networks), the criteria assessed are response times, clarity of information, problem solving and brand recommendation (NPS).

Satisfaction surveys were also conducted by CNP Partners and CNP Assurances Compañía de Seguros.

Monitoring claims and disputes

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.

With 7,018 complaints lodged in the first half of 2019, their number remains marginal, involving less than 0.1% of policyholders. Nonetheless, each one is analysed in order to understand how we can improve our service quality and reduce processing times.

For this purpose, the Group has teams dedicated to handling complaints. Systems have been deployed to refine complaint monitoring and analysis processes. Complaints received by CNP Assurances mainly concern the purchase and claim management processes. In accordance with the marketplace decision, mediation involving CNP Assurances has since 2015 been provided by the French Insurance Federation (*Fédération Française de l'Assurance* – FFA). In 2019, the mediator issued 171 proposals for solutions on files presented by CNP Assurances policyholders, upholding the Group's position in 73% of cases.

There were 1,498 ongoing disputes at CNP Assurances at the end of 2019. 70% percent of cases were won in the first instance in 2019, 78% on appeal and 100% on submission to the highest court of appeal.

Tools to improve customer satisfaction

A letter redesign project was undertaken in 2019, with the aim of improving communication with customers (beneficiary clause endorsement letter, death benefit payment letter, information letter to policyholders). The aim is to simplify the content of letters and to standardise their form.

In addition, La Banque Postale has set up dedicated branches for dealings with the legal representatives of protected adults. They mediate the relationship with legal representatives and they send all documents digitally.

A process simplification committee was established in 2019. Its purpose is to simplify processes in relation to policyholders as much as possible, while strictly complying with the numerous regulatory obligations to which insurance companies are subject, which is why it combines both the business units and the corporate functions (Legal Affairs, Compliance, Risk). It has already approved five simplifications.

In Italy, at the request of the Italian regulator through a market letter issued in March 2018, a technical round table coordinated by ANIA (Italian National Association of Insurance Companies) was set up in 2018 with representatives of the biggest consumer associations and insurance intermediaries to draft guidelines for the simplification of insurance contracts.

The guidelines lay down a new reference contractual structure, more seamless and clearer, and advocate the use of plain language to make contracts easier to read and understand, thereby giving policyholders capacity for a more agile exercise of their own rights and reducing the possible sources of conflict in the event of a claim.

The dates indicated in the market letter were as follows:

- for new insurance contracts, application no later than 1 January 2019;
- for insurance contracts taken out in earlier years, application in 2019.

CNP UniCredit Vita has already made 17 of its 19 products (89%) compliant with the new standards. The two products that have not been reviewed are two individual pension plans for which alignment with the guidelines is optional.

A quality certification policy

In January 2019, the Amétis network became the first network of advisors to boast a certified commercial approach. The label awarded by certification body SGS attests to compliance with a charter of 13 commitments providing customers with proximity, availability, support, personalised assistance, advice and compliance with ethical rules, skills and listening. The framework governing the certification will be disclosed to customers. In Brazil, Quality Management System evaluation audits are performed periodically by a certification firm to assess the compliance of processes and services with the model laid down and associated with the rules of the ABTN ISO 9001:2008 technical standards.

CNP Assurances Compañía de Seguros was recertified in 2019 under ISO 9001:2015 certification for the management process of its life insurance business.

Speed up the settlement of benefits to policyholders and beneficiaries

Successive regulatory developments and the improvement of death cover have ushered in an effective system for the payment of death benefits to beneficiaries designated in the clauses of life insurance contracts.

Transfers of funds to the Caisse des Dépôts 10 years after being informed of the death and a tighter rein on the volume of deaths over a year have made it possible to increase the effectiveness of death management services as regards services for policyholders and beneficiaries.

Today, efforts are being focused on automating processes, with the effect of speeding up benefits payments, and improving information and satisfaction for policyholders and beneficiaries.

The e.benéficiaire.cnp.fr online platform, opened in June 2018, saw its usage rate increase from 12% at its launch to 35% of files in 2019. Over 45,000 files have been processed via the system since its launch. The service allows a beneficiary, a trusted third party or a financial advisor to complete the various steps online, thereby ensuring that the benefits due under the life insurance contract are paid quickly.

In 2019, the first automatic payments were implemented for surviving spouses, using automatic document recognition modules.

The search for beneficiaries has been improved thanks to a tool developed by start-up Stratumn, which improves processing times and research traceability by facilitating direct and instant contact with investigators.

A permanent satisfaction survey of customers and BPCE network advisors was set up at the end of 2018. It allows for real-time monitoring of the perceptions of policyholders and beneficiaries, with monthly reporting.

On the death cover process, the general satisfaction score firmed from 2.8 out of 5 at the start of 2019 to 3.6 out of 5 at the end of October 2019, thanks in large part to the reduction in processing times.

Lastly, continuous efforts are being made to provide information to all members of pension contracts.

Risk #4: Lack of transparency with customers in relation to products

In view of the CNP Assurances business model in France, presentations of life insurance operations are generally prepared by the partner networks.

The products offered by the Group, as well as the pre-contractual, contractual and marketing documents presented to customers must be legally watertight and provide policyholders with clear information about the content and scope of the purchased cover or insurance proposal. In addition, with the Group's range of insurance products being progressively digitised, it is particularly important to inform customers as efficiently as possible, in clear and transparent language. Lack of product transparency could hinder the proper implementation of the Group's strategy and damage its image, among professional and individual customers alike, while undermining the protection provided to customers by providing offers that do not meet their needs.

CNP Assurances' product launch procedures accordingly include checks to ensure that the product and the marketing process are fully compliant with regulatory requirements.

Indicators	2018	2019	Scope
Number of KIIDs* on the website ✓	53	54	CNP Assurances

* Key investor information documents

Examples

Product launch procedures were revised in 2018 in light of the insurance distribution directive. This directive makes customer protection central to the insurer's concerns so that contracts offered to the public meet the specific needs of their target market throughout the product lifecycle. For instance, CNP Assurances' procedures for new products and significant modifications to existing products include work to ensure that the product does not have an adverse impact on customers. Another objective is to foster the proper management of conflicts of interest. Tests are carried out before introducing these products to the market or making significant adjustments to them, or if the target market has changed significantly.

They include a search, in the complaints received from customers, for areas of incomprehension linked to the presentation of guarantees in the contractual documents of similar products already marketed. The review of complaints of this nature can be used as appropriate to redraft the contractual documents to make them easier to read.

In personal risk, tests can consist in checking whether the proposed guarantees overlap with those of another product held by the policyholder, or whether the contract will adapt to the customer's life events, such as change in his or her marital or family situation.

CNP Assurances provides its distributors with all relevant information about the insurance product and the product validation process, including the target market.

CNP Assurances checks with its distributors whether its products actually go to customers belonging to the predefined target market, and regularly reviews the insurance products it offers or markets. In doing so, it takes into account any event liable to significantly influence the potential risk on the defined target market in order to assess whether the product at least continues to meet the needs of the defined target market and whether the planned distribution strategy is still appropriate.

The creation of products adapted to the needs of the market and the continuous monitoring of their appropriateness is a strategic challenge, essential for preserving the trust of customers and partners, and for safeguarding CNP Assurances' reputation.

This can involve calling on both end customers and partners upstream of the project. From the expression of needs to the user experience, CNP Assurances pays great attention to the opinions and feedback of its end customers.

CNP Assurances is committed to verifying the compliance of contractual, commercial and advertising documents. Dedicated teams, working closely with legal experts, ensure that insurance products are compliant, and that changes in the legal framework are taken into account.

Product compliance

The workstations used by the distribution partners of the Group's entities enhance the quality and efficiency of policyholder services, while incorporating the duty to provide advice.

To better inform customers and insure their futures, CNP Assurances aims to provide full access to information for everyone. On the cnp.fr site, information sheets are regularly made available to policyholders, as are frequently asked questions drafted in response to actual questions from customers and beneficiaries.

7.3.1.4 Ensure good business ethics NFPS

Risk #5: Corruption and conflicts of interest in relationships with third parties

By working to ensure good business ethics, CNP Assurances is committed to protecting the interests of its stakeholders (employees, suppliers, delegated management service providers, distribution partners and asset managers) and respecting the general interest.

They have accordingly reiterated their commitment to fighting corruption in all its forms, including extortion and bribery. In view of regulatory developments in the countries where the Group operates, the risk of corruption, influence peddling or conflicts of interest in relationships with third parties may result in significant fines and criminal prosecution against CNP Assurances and its managers.

That is why the C@pEthic Group code of conduct, translated into each language in which CNP Assurances operates and published on its website, stresses the principle of zero tolerance for acts of corruption and influence peddling. Group policies to combat corruption and prevent conflicts of interest have been circulated to all Group employees in France and internationally. Subsidiaries can add their own local procedures to it.

Indicator	2018	2019	Scope
Rate of employee training in the fight against corruption and conflicts of interest ✓	84%	79%	CNP Assurances

Examples

C@pEthic, CNP Assurances' code of conduct, which was overhauled in 2018, is one of the Group's tools in fighting corruption and influence peddling. It contains rules governing gifts and benefits within the Company. It is accessible on the cnp.fr website and on the Intranet, as well as in "Commitment to business ethics", the letter to third parties signed by the CEO and the Group Compliance Officer.

All new employees are required to read all compliance codes and policies, and to complete all compulsory training modules.

Specific codes and procedures can also be implemented operationally. For instance, a purchasing ethics guide offers a practical reminder of the principles of action for key situations in the purchasing business.

CNP Assurances' internal communication process provides for the distribution of monthly briefs on the Intranet setting out the main rules and the right behaviour to adopt. Digital comic strips were produced in 2019 on the fight against corruption, the fight against money laundering and terrorist financing, and rules governing gifts and benefits set by the governing bodies. More will be brought out on compliance-related areas in 2020.

In 2018, CNP Assurances rolled out a Group-wide whistleblowing system allowing any employee, in accordance with the requirements of the Sapin II law, to report any perceived breaches to the compliance officer. No cases of corruption, influence peddling or conflicts of interest have been detected in the last two years.

To make its systems more effective in the fight against conflicts of interest, CNP Assurances launched a campaign among all of its employees in France, asking them to declare conflicts of interest. It obtained a response rate of 60%, and the rate is improving regularly.

This ethical vigilance also applies to CNP Assurances' asset management, particularly for government bonds where the country's position in the Transparency International index is one of three exclusionary criteria. The fight against corruption is also reflected in a standard clause providing for the joint commitment of CNP Assurances and the third party to act against corruption, including among its own suppliers and subcontractors.

CNP Assurances participates in philanthropic and sponsorship initiatives supervised closely by General Management, always in accordance with the Group code of conduct and the values we share with third parties. A sponsorship agreement with an anti-corruption clause is in place.

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 joined Finance for Tomorrow (Paris Europlace) and the Net-Zero Asset Owner Alliance in 2019. Some employees take part in working groups for these initiatives, one of the objectives of which is to exchange with governments to encourage the implementation of public policies in support of the energy and environmental transition.

CNP Assurances never acts alone. It systematically acts through industry organisations, in particular the FFA and European bodies in the insurance sector. Experts sit on its specific Committees.

None of the Group's entities makes donations to political parties. Lastly, and in the interests of constant transparency, CNP Assurances is registered with the *Haute autorité pour la transparence de la vie publique* (HATVP); as such, it complies with the requirement of sending an Annual Report to the authority each year.

The Group is also registered on the European Union Transparency Register, a database listing the organisations that seek to influence the legislative process and the implementation of the policies of European institutions. It allows citizens to monitor the actions and activities of interest representatives. Being listed on the transparency register binds CNP Assurances to a shared code of conduct.

CNP Assurances Compañía de Seguros has implemented an anti-corruption policy to regulate the actions of employees and stakeholders.

CNP Cyprus Insurance Holding has an anti-corruption policy approved by its Board of Directors. It also has a policy for managing conflicts of interest.

At CNP UniCredit Vita, a new code of ethics has been approved. It is aligned with the Group code of conduct. A new Internal Organisation Model has been deployed to prevent criminal offences (including corruption) by employees or management against the Company. All employees have been trained on these issues.

Risk #6: Fraud, money laundering and terrorist financing

Preventing money laundering and terrorist financing is a major challenge for society. The various risks linked to financial security, including the risks of money laundering, terrorist financing and fraud, can result in significant fines, serious financial losses and criminal prosecution, but also significant damage to the Group's reputation and image.

The risks of money laundering, terrorist financing and fraud concern all of CNP Assurances' stakeholders: suppliers, distributor partners, asset managers and, above all, employees.

As a financial player, the CNP Assurances group is heavily involved in the fight against money laundering, terrorist financing and fraud through Group policies applied to CNP Assurances' activities in France, and those of its subsidiaries in France and internationally. In line with its commitment as a responsible insurer and investor, and its status as a public company, CNP Assurances has drawn up a list of countries to be excluded from its investments, including those prohibited as part of the fight against money laundering, and terrorist financing, those under embargo or subject to financial sanctions, non-cooperative countries in tax matters and those identified as tax havens based on the Tax Justice Network indices.

Indicators	2018	2019	Scope
% of new employees trained in the fight against money laundering	50%	87%	CNP Assurances
% of new employees trained in the fight against money laundering* ✓	n/a	88%	CNP Assurances

* Training is provided every two years

Examples

The business model for CNP Assurances' activities in France, in which a lot of transactions are performed by intermediaries, has shaped the control mechanisms implemented in the fight against money laundering, terrorist financing and fraud. The tasks performed by partners on the Group's behalf are described in the distribution agreements between CNP Assurances and its partners. Specialised committees meet regularly with the two major partners, LBP and BPCE, to monitor their proper application. Caixa Seguradora, carries out an annual external audit of the risk of fraud.

With the support of a network of roughly 30 people, a specific unit within the Group Compliance department is tasked with steering or executing these controls at CNP Assurances. The Group AML-CFT policy and the framework procedure against money laundering and terrorist financing are reviewed, regularly updated and accessible to all employees on the Intranet. Similar arrangements are in place in subsidiaries, in compliance with local constraints and the principles adopted by the Group. For example, CNP Partners has an anti-money laundering committee and has established an alert line allowing any employee to report incidents arousing suspicion of fraud, while Caixa Seguradora has a money laundering and terrorist financing risk management policy and manual, plus a fraud prevention policy.

In the context of frequent and numerous regulatory developments, CNP Assurances continues to acquire significant resources to continue strengthening its AML-CFT system jointly with all of its partners. The main aims are to consolidate the organisation of transaction controls and to implement the new regulatory requirements. Since 2017, the system's management has been reviewed on several points, including resources, procedures, control of operations and IT rollouts. This work continues, and the system will continue to improve.

Information and training for its employees is one of the key components of CNP Assurances' AML-CFT system. To this end, the CNP Assurances Group Compliance department spearheaded the launch of a communication campaign on the various areas of compliance in 2019: in October, a digital comic strip was released on the theme of the fight against money laundering and terrorist financing. This was the first step in the launch of a comprehensive training campaign targeting all employees. The campaign has seen all CNP Assurances e-learning modules completely reworked in collaboration with the French Insurance Federation, the CFPB (Banking Profession Training Centre) and several large insurers in the market.

At CNP Partners, all employees sign the Company's code of conduct, including the fraud prevention policy. The Company has a Risk Control department tasked with listing and analysing all fraud prevention activities. In accordance with Spanish regulations, it also has an anti-money laundering committee to run checks and prevent money laundering.

CNP Cyprus Insurance Holding has a policy against money laundering. It factors in both the regulator's obligations aimed at preventing money laundering and terrorist financing and the Company's own objectives. Exposed employees and the branch network are trained annually in regulatory obligations and the appropriate procedures.

Tax transparency

The CNP Assurances Group is a benchmark in the French personal insurance market. Operating in 19 tax jurisdictions in Europe and Latin America, CNP Assurances strives to adopt a transparent and responsible position with regard to tax issues.

To ensure compliance with standards relating to the fight against tax evasion, CNP Assurances has enacted its own tax policy. It aims above all to harmonise tax practices at Group level and to ensure that the Group's rules comply with the tax laws of the countries where CNP Assurances operates. The tax policy includes the following key principles:

- compliance with the tax laws applicable to the Group's activities in accordance with national laws and tax treaties;
- implementation by CNP Assurances of a tax policy in keeping with its responsible development strategy, plus implementation of operations in accordance with the intentions of the legislator.

To guarantee compliance with tax policy, the Group's Tax department provides supports for the operational teams in the exercise of their activities. It performs an analysis of tax risks in order to adopt a position compliant with the applicable tax laws.

Lastly, CNP Assurances applies a strict policy aimed at ensuring that none of the Group's establishments are authorised in any of the states appearing on the internal list of countries considered to be unsuitable for carrying out business. This list obviously contains the official French list of Non-cooperative States and Territories (NCST).

CNP Assurances has invested in implementing regulations aimed at ensuring better tax transparency on behalf of its customers (FATCA and Common Reporting Standard) or on its own account (country-by-country declaration). CNP Assurances is also carrying out work necessary to implement the recommendations of the OECD's BEPS (Base Erosion and Profit Shifting) plan and the DAC 6 tax disclosure rules.

The Group's tax policy was circulated to all subsidiaries in late 2019 and posted on the cnp.fr website in early 2020.

BREAKDOWN OF CORPORATE INCOME TAX EXPENSE

2019	France	Latin America	Europe excluding France	**Total**
Corporate income tax	€374 million	€383 million	€27 million	€784 million

7.3.1.5 Protect personal data NFPS

Risk #7: Failure to protect personal data

Following the entry into force of the General Data Protection Regulation (GDPR) in 2018, the CNP Assurances group has implemented a policy for the protection of personal data. The Group policy is applicable to all entities of the CNP Assurances group, both inside and outside the European Union.

It contains elements on the fundamental principles of the protection of personal data and its governance. It has been validated by the CNP Assurances Executive Committee, and adapted and adopted by all of the Group's subsidiaries.

In 2019, major work was undertaken to update the policy. The revised Group policy goes back to the basic rules and principles for the protection of personal data. Operational subjects are taken into account in a procedure specific to each Group entity, and adapted to their specific organisation and features, thereby rounding out the system already in place.

Indicator	2018	2019	Scope
Rate of employee training in personal data protection ✓	18%	67%	CNP Assurances
Percentage of employees who have received training in personal data protection	n/a	89%	International subsidiaries

Examples

Personal data protection

The CNP Assurances group has had a personal data protection system in place for several years

Aware of the importance of protecting the information assets of its policyholders and employees, CNP Assurances appointed a Data Protection Officer in 2006, giving them the resources to carry out their duties within the Group. Actions taken in recent years have served to establish personal data protection 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.

A special medical data protection policy has been in place since 2008, which involves the encryption of all sensitive data in storage to ensure better security.

The entry into force of the new regulation on 25 May 2018 was the subject of a wide-ranging compliance process within CNP Assurances, directly managed by the Chief Executive Officer.

For personal data governance, Data Protection Officers (DPO) were appointed within each subsidiary in May 2018 to continue and extend the GDPR compliance process across the Group. CNP Assurances has also appointed a Group Data Protection Officer in 2018 who is tasked with managing compliance with personal data protection rules within the Group.

The DPO reports to the Group Chief Compliance Officer, but works under the supervisions of the Director of Customer Experience and Information Systems. The function's staffing resources have since been increased in view of the workload generated by new requirements stemming from the GDPR, particularly in terms of accountability.

In addition, the DPO sits on numerous bodies overseeing risks and data processing, such as the Information Systems Security Committee, chaired by the Information Systems Security Manager, and the Subcontracting Quality Committee.

A committee dedicated to the protection of personal data was established in 2019; it is chaired by the Group Chief Compliance Officer and the Director of Customer Experience and Information Systems. Its tasks are to monitor the implementation of resolute action and to ensure its overall consistency, to make decisions on the points raised and to approve the main guidelines quarterly. The Information Systems Security Manager and the Data Protection Officer are standing members.

As regards personal data compliance processes within the Group, all new documents involving the collection of this type of data, ranging from membership forms to administrative or financial riders, are subject to prior validation by the DPO, who examines the proportionality and nature of the data collected, and ensures that the rights of policyholders are clearly displayed on the documents or the online subscription screens. This is also the case for the general terms and conditions of contracts, which have for a long time included personal data protection clauses to ensure transparency. All new processes are also subject to risk analysis validated by the DPO, as well as a legal compliance check before being referenced in the register of processes, as required by the GDPR.

Moreover, privacy by design, which seeks to integrate personal data protection requirements from the design phase of offers and services, is particularly well entrenched on innovative digital projects. 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.

As regards the exercise of the rights of data subjects (policyholders, employees, etc.), CNP Assurances systematically responds within the legal deadline to messages from policyholders seeking to use their right to access, rectify or delete their personal data, or to oppose their use. To this end, it centralises all such messages and coordinates the people responsible for managing personal data within the Company. Requests of this nature have been facilitated since 2018 by the possibility of contacting the Data Protection Officer via the institutional portal and by email at dpo@cnp.fr.

In addition, agreements with third parties consistently take into account the protection of personal data through the establishment of qualification and contract processes compliant with GDPR principles.

Significant efforts were made to raise awareness on the protection of personal data in 2019, in the form of face-to-face sessions, activities and the rollout of e-learning modules at the end of the year. They will continue in 2020.

Lastly, monitoring work and thinking were carried out by the DPOs in collaboration with the CNIL, the FFA and other insurers on various issues, and in particular the adaptation of the Pack Assurance to the new GDPR framework and the definition of retention periods for the insurance sector.

Protection of personal data in subsidiaries

All subsidiaries must apply the Group policy on the protection of personal data. Subsidiaries outside France must also take into account the Group policy on the protection of personal data in their organisation, while also complying with their local regulations.

The French and European subsidiaries each have a DPO. If necessary, they also have liaison officers to guarantee compliance with the GDPR and the Group policy on the protection of personal data. They contribute to the Group's awareness-raising and compliance initiatives. They are subject to careful and regular monitoring, notably in the form of monthly conference call updates with the Group's DPO team, face-to-face meetings, reports and regular visits. This framework for exchanges with the subsidiaries also guarantees regular communication on the Group's positions on the protection of personal data to promote the harmonious implementation of Group policy.

Lastly, in November 2019, a second annual Group compliance seminar attended by the subsidiaries' DPOs shared information on the update of the Group personal data protection policy and the new control plan.

Cybersecurity

Cybersecurity risks have increased significantly in recent years. Insurers manage potentially sensitive data for their customers and accordingly face regular cyberattacks. They must be able to repel them.

CNP Assurances, which has boasted a structured approach to securing its information system for over ten years, uses a security framework aligned with the best practices of ISO 27001 and the associated guidelines. Each new IT project is subject to an analysis of the information security risks, which is reviewed and validated by a dedicated committee before the new service goes into production. As mentioned above, all health data are encrypted for storage in all information systems. The same goes for all transfers of data to our partners. In 2015, CNP Assurances undertook a major shift in its cybersecurity approach with a view to addressing the sharp increase in cybercrime without undermining its digital transformation.

In keeping with the continuous improvement process based on risk management, work in 2018 was focused above all on the protection of unstructured data, data de-identification, monitoring of database access and continuing employee awareness-raising through new formats.

In 2019, the Group Information Systems Security Manager gave a presentation on managing cybersecurity risks to the Board of Directors. He also worked in various Business Units to spread awareness about cybersecurity. The integration of GDPR verification points in projects was a major issue, as were security improvements including the widespread adoption of bug bounties (a programme that allows people to be financially rewarded after reporting computer bugs or vulnerabilities). The annual cybersecurity meetings bringing together all subsidiaries serve to spread best practices within the Group and to verify the correct application of the Group security policy.

The CNP Assurances group Information Systems Security Committee, on which several Executive Committee members sit alongside the Group DPO and the Group Risk Director, now meets monthly to be informed on risks and to monitor work in progress more closely.

The information security policy at Caixa Seguradora is updated annually, with all information and data categorised by level of confidentiality to ensure adequate differentiation depending on their specific nature.

CNP Assurances Compañía de Seguros has established a best practice guide on confidentiality databases.

CNP UniCredit Vita and CNP Partners have updated their data security policy as a continuation of compliance measures undertaken in view of the GDPR.

7.3.1.6 Offer products that are affordable for all

This commitment stems from the determination to avoid financial exclusion through the pooling of risks and to offer products and services that:

- are accessible to customers in every income bracket;
- select risks in a manner suited to each person's health;
- include social benefit guarantees;
- focus on health prevention.

An offer aligned with the needs of people on low incomes

CNP Assurances is committed to offering savings solutions accessible to as many people as possible: certain life insurance policies distributed in France require a minimum subscription of just €75.

CNP Assurances enables companies, non-profits and local authorities to offer all their employees the same insurance cover by pooling risks and covering different generations under the same policy. In fact, the Group has been proposing mutualised dependency contracts for several years. The special feature of these contracts is their easy accessibility: the guarantee is offered to all members of the Group, without medical selection (the only risks ruled out are those that have already occurred). Pricing based on the entire population covered and broad age group brings contributions down to moderate amounts within the reach of all budgets. This type of system guarantees a first level of protection against the loss of autonomy.

CNP Assurances is a founding member of the Entrepreneurs de la Cité foundation, which aims to help microentrepreneurs obtain insurance. It is also one of the co-insurers for the foundation's Basic Insurance Kit contracts offering death/disability and health cover.

Since 2016, ATD Quart Monde and CNP Assurances offer a funeral insurance contract for people living below the poverty line. Having been drawn up with the help of the people concerned, this contract takes into account their real needs, offering a basket of guarantees necessary to finance dignified funerals. The challenge is to set a monthly fee within the budgets of very poor people (€0.50 per month for young people up to 30 years old, €13 per month for people aged over 70). Unlike conventional contracts, the monthly payments do not change according to the policyholder's age. People aged up to 80 can take out this insurance, and the guarantee comes to an end when the policyholder turns 90, when the solidarity fund created for the contract takes over.

Innovative microinsurance products in subsidiaries

In Brazil, Caixa Seguradora was the first insurer to enter the Brazilian funeral microinsurance market, with the Amparo contract launched in 2011. The Group also offers two products for people on low incomes: a retirement product with monthly payments of R$35 (approximately €8), and home insurance at a reduced rate. Similarly, CNP Cyprus Insurance Holding offers specific car and home insurance at a reduced rate.

Social benefit guarantees

Under certain individual term creditor insurance contracts, CNP Assurances offers support for policyholders at important moments in their lives throughout their loan: family guarantees are granted to cover big events, such as the birth or adoption of a child, or during hard times, such as support for people caring for a sick child or a dependent parent.

Loss of employment insurance has been marketed in La Banque Postale's borrower offer since 2017. It offers effective support by combining with that of *Pôle emploi*, without any waiting period. Providing close support for customers, the guarantee ensures a payment for a maximum duration of 18 months, thereby offering additional security for specific situations. The guarantee covers 60% of the monthly loan repayment, well above the rates of many of its competitors, which are closer to 50%.

Lastly, as part of its Open CNP programme, in 2017, 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. Alan, which offers start-ups, self-employed entrepreneurs and SMEs supplementary health insurance with 100% on-line direct underwriting. It takes less than five minutes to sign up on its website.

Among subsidiaries, the Caixa Seguradora group allows policyholders in the late stages of a critical illness to claim benefits without reducing the capital built up under their policy, plus free medication in the event of hospitalisation or emergency care. In 2017, it released its "Caixa Fácil" range, which can be taken out with electronic distributors, offering funeral services, discounts on drugs and dietary assistance. The Group's offers have been rounded out by multiple pregnancy cover and job loss protection to maintain the family's pension cover.

7.3.1.7 Respect human rights

On joining the United Nations Global Compact in 2003, CNP Assurances and its main subsidiaries pledged to respect the following fundamental values: to promote and respect international human rights law, and refuse to be party to human rights violations.

As a responsible insurer and investor, CNP Assurances also joined the United Nations Principles for Responsible Investment (PRI) in 2011. Caixa Seguradora also signed the United Nations Principles for Sustainable Insurance (PSI) in 2015.

Internally, its commitment is reflected in a range of ways:

- in the integration of environmental, social and governance criteria in financial asset management strategies. Respect for human rights is one of the criteria used to select investments (see: "Make ESG and climate challenges part of the investment processes");
- in procedures that promote respect for civil rights: internal codes and regulations, agreements on the right to organise and the personal data protection policy (see "Protect the personal data of policyholders and employees"). Employees are all covered by an insurance industry collective bargaining agreement (excluding Ireland and Luxembourg, and certain categories in Argentina due to local regulations);
- in communication with employees: CNP Assurances' dedicated Human Resources Intranet informs them about their rights, and includes sections on the collective bargaining agreement, social dialogue, professional diversity and stress management. A union section on the Intranet allows the unions to communicate to staff on a continuous basis;
- in communication with regard to stakeholders: special attention is given to forced labour and child labour in the purchasing policy, with CNP Assurances and the Group's subsidiaries not directly involved (see "Be a responsible purchaser"). In addition, in supplier relations, the standard CSR clause in CNP Assurances' purchase contracts stipulates that the supplier must undertake to combat human rights violations, notably by upholding the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child, as well as the conventions of the International Labour Organization (ILO);
- Compliance with the ILO's fundamental conventions is reflected in our relations with suppliers and sub-contractors (see "Be a responsible purchaser"), and in the integration of societal criteria into the management of financial and real estate assets.

7.3.2 Be an attractive employer

At a time when the profession of personal insurer is undergoing profound change due to falling interest rates and the increasing digitisation of our environment, the CNP Assurances Group needs to attract and retain talent and develop its employees' skills as a means of sustaining its business development.

The responsible employer promise is also reflected the quality of life at work policy. The CNP Assurances group is committed to fighting all forms of discrimination and promoting equal opportunities for professional development for everyone. For many years, CNP Assurances has pursued a policy of integrating young people into the workplace, supporting people with disabilities and promoting professional equality between men and women.

7.3.2.1 Attract and retain talent in line with the business strategy NFPS

Risk #8: Lack of attractiveness and inability to retain talent, unsuitability of employees' skills with the needs of the various business lines as they transform and develop

At a time of transformation sweeping across all its businesses, CNP Assurances had made the professional development of each of its employees central to its value creation process. With balanced management of the workforce, the Group continuously ensures that the resources, expertise and skills available to it are aligned with its development plans. At a time when the profession of personal insurer is undergoing profound change, the ability to attract and retain new talent by developing their skills is an essential growth driver for the Group.

In France, the Human Resources planning agreement lists the commitments made by CNP Assurances to develop skills essential to the implementation of its strategy. With a view to rejuvenating the age pyramid, it contains measures to strengthen managerial development, as well as new resources (tools, procedures) to support employees throughout their careers.

Procedures, career development policies and performance programmes are in place in subsidiaries to support this major challenge for the Group.

Indicators	2018	2019	Scope
Share of vacancies for permanent positions filled through internal mobility/recruitment	74%	66%	CNP Assurances
Number of hours of training provided	85,049	102,224	Group
Percentage of employees who received training √	94%	87%	Group
Training budget as a percentage of payroll	3.5%	3.6%	Group
Turnover rate √	8%	9%	Group
Percentage of employees receiving performance reviews	96%	94%	Group
Percentage of employees receiving career interviews	24%	26%	CNP Assurances
Internal mobility rate	9%	8%	CNP Assurances

Examples

Dynamic workforce management

The CNP Assurances Group had a total of 5,353 employees at 31 December 2019, representing an increase of 2% compared with 2018.

Employees by undertaking	Country	2018	2019	Change
CNP Assurances	France	2,870	2,873	+0%
Caixa Seguradora Group	Brazil	1,446	1,496	+3%
CNP UniCredit Vita	Italy	171	182	+6%
CNP Cyprus Insurance Holding	Cyprus/Greece	307	320	+4%
CNP Partners	Spain, Italy	202	193	-4%
MFPrévoyance	France	75	69	-8%
CNP Luxembourg	Luxembourg	Outside of scope	10	n/a
CNP Santander Insurance	Ireland, Italy	91	109	+20%
CNP Assurances Compañía de Seguros	Argentina	81	101	+25%
CONSOLIDATED TOTAL – GROUP		**5,243**	**5,353**	**+2%**

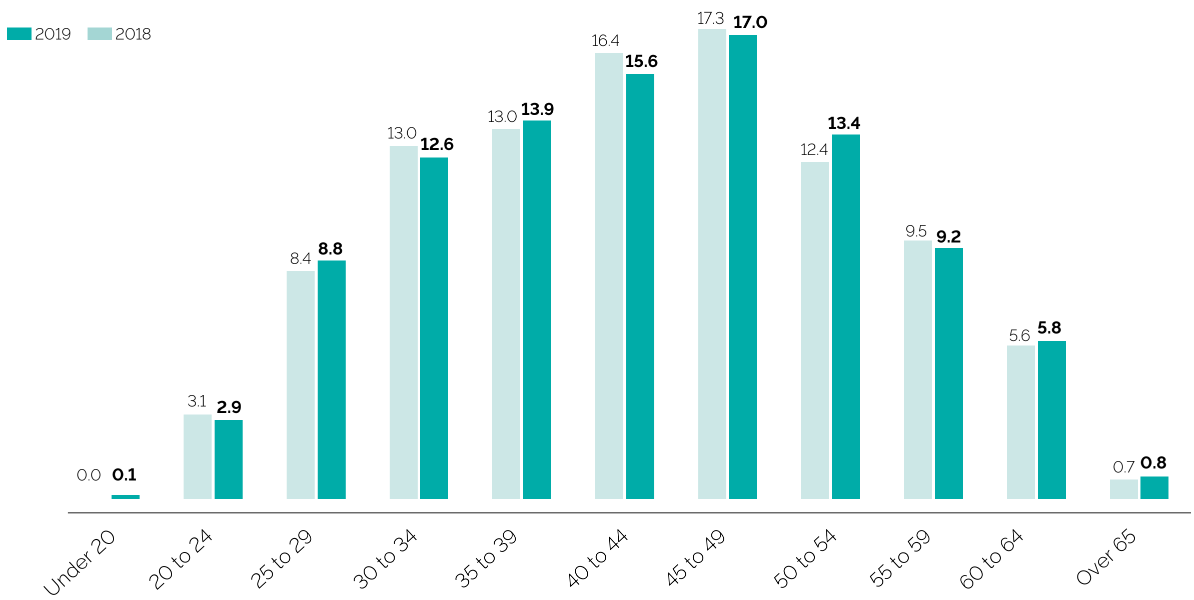
At CNP Assurances, the Human Resources planning process, promoted by a company agreement, is behind a number of HR policies, in terms of both employment management and the development of skills and career paths. At the end of 2019, CNP Assurances' permanent workforce was stable at 2,691. The change in the number of permanent employees results from contrasting trends as part of attentive management of the workforce:

- a persistently sizeable number of retirements in view of the age structure and changes in regulations relating to pensions;
- vigilance in replacing people who leave, depending on transformations within the Company, in a constrained and swiftly changing economic environment;
- an enduringly active policy of internal mobility, with most vacant positions filled by internal candidates;
- external hires targeted on skills that are lacking (commercial, regulatory and digital), focusing wherever possible on the rejuvenation of the age pyramid, thereby enhancing the Group's capacity to continue growing in a manner consistent with its strategy.

As in 2018, the use of temporary work fell sharply in 2019 (-23.6%), bringing the total reduction to nearly a third of the volume over the last two years. CNP Santander Insurance and CNP Assurances Compañía de Seguros both increased their workforces in 2019, reflecting the business growth of the two subsidiaries.

	2018	2019	Change	Level of coverage
Percentage of employees with permanent employment contracts	96%	96%	Stable	100%
Proportion of women	59%	59%	Stable	100%
Average age of permanent employees	44	44	Stable	100%

Age pyramid of CNP Assurances Group employees (in %)



With the permanent employee age pyramid showing a mean age of 47 in France and 44 in the Group as a whole, CNP Assurances strives to ensure both youth employment and the retention of older workers in their jobs. The share of young people in the workforce is changing slowly, while the rate of employees over 55 now stands at 23% in France and 16% across the Group. Over the last three years, 99 employees have enjoyed end-of-career measures introduced in the Human Resources planning process.

65 Caisse des Dépôts employees are on secondment at CNP Assurances. Managers represent 63.6% of the workforce. The average length of service within the Group is 13 years, identical to that of 2018.

Remuneration

At CNP Assurances, €8,065,163 was paid out under the discretionary profit-sharing plan in 2019, €22,683,456 under the statutory profit-sharing plan, and €342,831 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, a time savings account (CET) and a group retirement savings plan (PERCO), as well as an additional defined contribution pension scheme (Article 83) partially funded by the employer.

At the end of 2019, CNP Assurances employees (excluding seconded civil servants) had invested €185,956,547 in employee savings and PERCO plans. A total of 1,316 employees held registered shares, of whom 1,379 via the employee savings plan, representing 0.21% of share capital.

Since 2017, the Group's compensation policy has incorporated the "Fit" and "Proper" standards laid down in the Solvency II directive.

Average gross salary by country (permanent employees)	2018	2019	Change
France*	€64,770	€64,779	Stable
Brazil	R$89,897 *(or €20,858)*	R$105,722 *(or €23,973)*	+18% in local currency
Italy	€57,725	€59,665	+3%
Cyprus/Greece	€38,842	€39,511	+2%
Spain	€52,426	€54,408	+4%
Ireland	€70,351	€71,826	+2%
Argentina	ARS 690,544 *(or €20,932)*	ARS 1,350,000 *(or €25,056)*	+95% in local currency

* CNP Assurances, CNP Caution and MFPrévoyance

Close attention to the balance between internal mobility and external recruitment for rewarding career paths

For several years, the employment policy has been focused on promoting internal mobility. Its twofold aim is to combine the need to manage the workforce, while at the same time capitalising on knowledge and expertise, with a determination to promote inspiring internal career paths. It results in the vast majority of vacancies being filled with skills available internally, putting the focus for external recruitment on new skills (high-end commercial, digital skills) or those required to meet mounting regulatory requirements.

Most vacant positions are filled by internal candidates. In 2019, this was the case for 66% of the permanent positions available at CNP Assurances. In addition, 671 employees – more than a quarter of the workforce – benefited from career support.

External recruitments are targeted on rare or new areas of expertise, in line with changes in the Company's business model. These external hires help to rejuvenate the age pyramid, as young candidates are favoured wherever possible. In 2019, 80 young people under 35 were hired, with almost 60% of hires on permanent contracts. The policy is in line with the strengthened combined work-study programme.

Across the Group, 94% of employees had a performance review in 2019. 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 a skills framework that reflects the transformations in its businesses, and to align expectations with goals for the coming year.

	2018	2019	Change	Level of coverage
Number of new hires	653	773	+19%	100%
Percentage of new hires with permanent employment contracts	70%	74%	+4 pp	100%

Sustained investment in developing the key skills of tomorrow

Developing its employees' skills is a priority for CNP Assurances.

This challenge is reflected in the amounts devoted to training (4.7% of the payroll in 2019, as in 2018), and the proportion of employees trained (96% of CNP Assurances employees took at least one training course in 2019).

In 2019, the skills development plan contributed to the transformation of the Company's jobs and the establishment of rewarding career paths by integrating the main principles of the Avenir law, which makes employees the actors and promoters of their own skill development.

The main initiatives have focused on:

- regulatory training such as the Insurance Distribution directive for commercial functions, the fight against money laundering with the implementation of new cycles for the three levels of exposure, conflicts of interest and the protection of personal data;
- the development of new office software with an online platform to support the digitisation of the workstation and issuing all employees with laptops;
- the development of soft skills (behavioural skills);
- customer relationships, one of the keys to the business transformation.

CNP Assurances now incorporates the principle of multimodal and mixed teaching methods (e-learning, face-to-face, co-development workshops) into all of its training, in a quest for heightened efficiency.

Individual support for employees in the context of mobility, job changes or organisational adjustment was another area of professional training, on an individualised basis extending to managerial coaching where necessary. There is an extensive training system in place for tutors in charge of assisting employees given new jobs or those employed under combined work-study programmes. 23 employees were able to work towards a diploma, with a view to achieving professional goals aligned with the Company's development.

Elsewhere in the Group, more people received training overall in 2018. Individual training requirements are generally collected during annual performance reviews and during the process of drawing up the collective skills development plan.

In 2019, CNP UniCredit Vita provided mandatory training on issues including occupational health and safety, the GDPR, anti-corruption and ethics. It also continues managerial training, with courses on relationship management, stress management, leadership, and negotiation and conflict management. Sessions on corporate culture such as reputation risk and the role of governance committees in listed companies are also available.

CNP Assurances Compañía de Seguros carried out numerous training courses as part of its digital transformation this year. It also continues to provide training on the basics of agile methods, communication and teamwork, as well as in the prevention of money laundering and the terrorist financing.

As they do each year, CNP Partners employees received individual training programmes. Training courses were once again organised on topics including telephone reception for employees at its call centre, the code of conduct, well-being and stress management.

At Caixa Seguradora in Brazil, training included behavioural issues (non-violent communication and emotional intelligence), creativity and innovation, and ethics.

In Cyprus, CNP Cyprus Insurance Holding held a training course dedicated to salespeople on the Insurance Distribution directive during the year. It also provided training on skills development.

7.3.2.2 Undertake to offer favourable working conditions NFPS

Risk #9: Non-compliance with regulatory requirements and commitments regarding equal opportunity and discrimination

In an environment marked by far-reaching transformations, CNP Assurances' responsible employer promise is also reflected in its policy in favour of quality of life at work.

The CNP Assurances group is committed to fighting all forms of discrimination and promoting equal opportunities for everyone in terms of professional development.

For many years, CNP Assurances has pursued a policy of integrating young people into the workplace, supporting people with disabilities and promoting professional equality between men and women. CNP Assurances also constantly strives to prevent all forms of discrimination.

CNP Assurances' actions and measures to combat discrimination and promote diversity earned it the Seal of Diversity in 2009, a distinction that it has consistently managed to keep since then.

Indicators	2018	2019	Scope
Percentage of employees with a disability	7%	7%	CNP Assurances
Proportion of women management-grade staff	51%	51%	Group
Proportion of female senior executives ✓	36%	32%	Group
Proportion of women on the Executive Committee	38%	25%	CNP Assurances
Proportion of women on the Board of Directors	44%	44%	CNP Assurances
Average men/women income ratio by category	109%*	107%*	Group
Number of young people on combined work-study programmes or apprenticeships ✓	113	109	CNP Assurances
Number of interns	224	227	Group
Number of people under the age of 25 hired on permanent contracts	10	10	CNP Assurances
Number of seniors hired on fixed-term contracts	25	19	CNP Assurances
Number of seniors hired late in their careers	12	8	CNP Assurances
Proportion of seniors (people aged above 55) in the workforce	16%	16%	Group

* Excluding CNP Santander Insurance and CNP Luxembourg

Examples

Promoting gender equality in the workplace

CNP Assurances constantly strives to reduce any observed gender gaps in remuneration and promotion. The score of 99/100 obtained on the women/men index two years running attests to this.

At the end of 2019, women accounted for 44% of the members of the Board of Directors and 25% of the Executive Committee.

After signing the corporate parenthood charter in 2012 and joining the Corporate Parenthood Observatory in 2013, CNP Assurances signed the work-life balance charter at the end of 2017. Listed in the 2017-2019 agreement on the quality of life at work, this charter promotes 15 best practices relating to the organisation of work and relations between managers and employees, from the good use of emails to the optimisation of meeting times.

Employment and integration of employees with disabilities

For more than 20 years, CNP Assurances has pursued a proactive policy to help people with disabilities enter the workforce. An eighth agreement signed in 2019 extends the Company's commitment to helping people with disabilities enter and stay in the workforce. Including the 150 disabled employees on permanent contracts and the employees of the 176.7 sheltered workshops used by the Company, the proportion of disabled employees stood at 7% of the workforce at the end of 2019.

In 2019, in support of European Disability Employment Week, CNP Assurances gave its employees access to a "Hand-e passport" platform dedicated to the disabled for six months. Hand-e passport promotes greater knowledge in this area, and helps people grasp the diversity of disabilities and identify how to contribute to creating an inclusive working environment conducive to better quality of life at work.

At the same time, CNP Assurances paid particular attention to managers this year. They may need to manage people made vulnerable by illness or disability in their team. The "management and disability" guide, which has been distributed to them, aims to help them address these issues in order to better understand these situations and support the continued employment of their employees with disabilities.

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. The recruitment of people with disabilities increased significantly in Brazil this year, in response to a determination to promote diversity. At CNP UniCredit Vita, employees with disabilities represented 5% of the workforce in 2019.

Fighting age discrimination

CNP Assurances makes every effort to support youth employment. The Human Resources planning agreement sets out the Company's commitments to employ young people for permanent positions and on combined work-study programmes. At the end of 2019, 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 76 interns in 2019. In 2019, CNP Assurances recruited 80 young people under the age of 35 on permanent contracts, thereby offering several people finishing combined work-study programmes the chance to pursue their career within the Group.

The Human Resources planning agreement extends the Company's action in terms of keeping employees aged 55 and over in employment. CNP Assurances seeks to ensure that this population's access to skills development initiatives is comparable with that of everyone else in the Company. In addition, 45 employees joined the end-of-career measures at the end of 2019.

Promoting diversity through communication

The internal communications plan for diversity is reviewed every year. 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.

A commitment applied across the Group

The commitment to fighting discrimination is shared across the Group, and features in the Caixa Seguradora group's code of ethics and conduct. It is also the subject of specific training modules.

At CNP UniCredit Vita, the company agreements now include a Generation Pact, which allows senior staff to scale down gradually to part-time work over the three years prior to retirement, under certain conditions. In 2019, CNP UniCredit Vita renewed its membership of two inter-company networks:

- *Valore D* which focuses on gender diversity and careers for women;
- *Parks Diversity*, which is an advocate for LGBT inclusion in the workplace.

Risk #10: Non-compliance with regulations and commitments in relation to the well-being and health of employees

Ensuring a work environment that is conducive to the well-being of employees is a constant focus of the Group's Human Resources policies, which draw on commitments made by CNP Assurances in its code of conduct and agreements concluded within the Group, such as the quality of life at work agreement in France.

The quality of life at work agreement in France – built on the basis of long-standing flexible working arrangements (part-time, flexible hours) – promotes new forms of individual and collective working methods such as telework, working relationships based on dialogue and even procedures for respecting the right to disconnect, reflecting a constant focus on preventing health problems among employees.

Offering favourable working conditions encourages collective performance and professional development.

Indicators	2018	2019	Scope
Number of requests for internal social mediation during the year under review	22	20	CNP Assurances
Percentage of employees working part time	11%	10%	Group
Percentage of employees who worked overtime	21%	16%	Group
Percentage of employees who enjoy flexible working hours	61%	60%	CNP Assurances
Number of working hours per year for a full time employee	1,575 to 2,228	1,575 to 2,400	Group
Percentage of employees covered by a collective bargaining agreement	98%	97%	Group
Absenteeism rate excluding maternity leave ✓	4.2%	4.4%	Group
Number of occupational illnesses ✓	2	1	Group
Lost-time incident frequency rate	2.3%	1.2%	Group
Lost-time incident severity rate	0.04%	0.05%	Group

Examples

Work-life balance

Annual working time within the Group ranges from 1,575 to 2,400 hours, depending on local legislation. For example, a full-time workload represents 1,575 hours a year at CNP Assurances and MFPrévoyance.

All employees who work part time within the Group's entities choose to do so. At Group level, part-time employees represent 10% of the workforce, and 18% at CNP Assurances. At CNP Assurances, part-time employees are entitled to the same benefits as full-time employees.

CNP Assurances has ushered in several schemes geared towards facilitating the balance between professional life and personal life and the organisation of working time in line with professional constraints. They include personalised working hours, enjoyed by 60% of CNP Assurances employees, as well as voluntary part-time work. At the end of 2019, around 1,500 employees teleworked on a regular or occasional basis: this way of working brings greater flexibility to the organisation of individual and collective work, aligned with ongoing transformations and emerging lifestyle changes.

A new telework agreement was signed at CNP UniCredit Vita in 2019; it increased the number of days allowed each month.

Employee representation and protection

Almost all employees (97%) are covered by local insurance industry collective bargaining agreements. Exceptions are consistent with local rules governing the sector: 109 employees in Ireland, 22 in Argentina and 10 in Luxembourg.

Social dialogue is a constant throughout the CNP Assurances Group. There is at least one employee representative in all subsidiaries except CNP Santander Insurance, acquired in 2014, which has 109 employees. The Caixa Seguradora group now has two employees sitting on the Board of Directors of the Federal Insurance Employees' Union as employee representatives. A total of 120 meetings between employees and management were held at the Group's various entities.

The European Works Council had one ordinary meeting in 2019, for the presentation of the Annual Report on the Group's activities, projects and results.

Working with employee representative bodies at CNP Assurances

The Human Resources department maintains regular, high-quality dialogue with the various employee representative bodies 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 2019; the five trade unions now with representative status (CFDT, UNSA, CFE-CGC, FO and CGT) agreed to the establishment of the SEC (social and economic committee).

Agreements to improve working conditions

CNP Assurances has agreements on the main issues in the Company, namely adaptation, working time, disability, union resources, retirement planning, employee savings, quality of life at work and the Human Resources planning agreement.

In 2019, CNP Assurances signed seven new agreements on the implementation of an exceptional bonus designed to improve purchasing power (also known more colloquially as the "Macron bonus"), the Human Resources planning agreement, the payment of additional profit-sharing for 2018, a new incentive agreement, the SEC pre-electoral memorandum, the establishment and operation of the SEC, the extension of the quality of life at work agreement and helping people with disabilities enter and stay in the workforce, plus an addendum to the existing collective agreement on the additional defined contribution pension plan.

In 2019, the Caixa Seguradora group signed two agreements: one on profit-sharing, the second on working time.

MFPrévoyance has a base of 14 collective agreements that are adapted by amendment or are the subject of new agreements adapting them to new developments or as they expire. They cover key employee relations issues including working hours, the right to organise, work-life balance, generational contracts, profit-sharing and incentive bonuses. For instance, an agreement on telework and a new agreement on wages were signed in 2019.

CNP UniCredit Vita renewed two agreements in 2019, one on telework and the other on funded training. In training, it has for several years been a member of the national inter-professional joint training fund for the continuous training of employees of companies operating in the Credit and Insurance sector, which works for member companies and their employees by financing training plans, in agreement with employers and unions. It operates on a mutualised basis, with sums redistributed to companies in proportion to the amount of contributions paid by them.

Across the group, spending on social matters for employees represented 1.6% of the 2019 payroll.

Health protection

The CNP Assurances group is committed to ensuring the health and safety of its employees. Numerous health improvement programmes have been established by Group entities. CNP Assurances has an autonomous occupational health service on its main sites, covering all employees. Those requiring it receive close medical attention.

The Company's skills development plan includes road safety training modules for travelling insurance advisors.

Similar initiatives are in place at Caixa Seguradora, where daily fitness classes are offered to all employees, along with anti-stress massages and yoga sessions. In addition, an evaluation of the Workplace Hazard Prevention Programme and the Occupational Medical Health Check is held weekly. There is also an internal accident prevention commission. Its purpose is to identify risks and preventive actions to implement. An internal health and accident prevention week is also organised every year.

For the past three years, under the quality of life at work agreement, CNP Assurances has taken several initiatives to help prevent absenteeism. The Lyfe platform offers health advice and the possibility to make an appointment with general practitioners or specialists within 48 hours. Since 2018, it has offered employees the possibility of online medical consultations 24/7. In the autumn of 2018, an experimental H4D online medical consultation booth was installed on the Arcueil site. In addition, employees returning to work after long-term sick leave was the focus of work on the practices of the various players (HR experts, occupational physicians, social workers, managers and employees), with a view to providing better and more coordinated support tailored to the needs of each employee. An external website guiding employees through their return to work, as soon as their health permits, is scheduled to go live in the first quarter of 2020. Lastly, since the beginning of 2019, managers have received a quarterly overview of absenteeism indicators in their entities: on the basis of an analysis shared with the HRD, this facilitates the implementation of individual or collective initiatives.

In 2019, the Occupational Health team launched a process to prevent risks linked to lack of exercise. The "Dare to Move" programme encourages everyone to keep moving throughout the day.

CNP Cyprus Insurance Holding has a team dedicated to regularly communicating on workplace health and safety risks, and has supported the Ministry of Labour's "health and safety week" for several years.

A mutual insurer covers occupational risk prevention measures for CNP Partners employees. Training on stress prevention was provided to all employees again this year.

CNP UniCredit Vita has implemented numerous training initiatives related to stress management and work safety.

Ongoing prevention of psychosocial risks

For more than a decade, CNP Assurances has been paying close attention to the prevention of psychosocial risks. Many mechanisms and actions contribute to creating an environment favourable to the limitation of situations of risk. They come into play at one of the three classically defined levels of prevention: primary, secondary and tertiary. The 2017 quality of life at work agreement provides an overarching structure for all of them.

For the past two years, the focus has been above all on primary prevention, through an approach that, while maintaining specific attention for individuals, is more focused on working conditions and organisation.

The adoption of telework in a range of forms (permanent, occasional telework over two days, mobile, etc.) depending on the employees registered in the various systems, improves concentration and reduces the stress linked to public transport, particularly in the Paris region.

The "Dialog" managerial approach, which has been promoting exchanges on working conditions and team sharing since 2017, has been enriched by experiments with willing entities, in which employees test more regular patterns of teleworking (week-long), granting greater autonomy to management in their running.

As an already longstanding system of tertiary prevention, CNP Assurances uses social mediation internally to prevent and deal with alleged situations of harassment at work, situations of suffering and daily life conflicts.

In 2019, it received 20 requests, mainly covering relational difficulties, but extending in some cases to alleged harassment. Lastly, all employees also have 24/7 access all year round to a toll-free hotline (Filassistance) if they need to talk to someone.

At CNP UniCredit Vita, a survey on the social climate gave rise to an assessment of psychosocial risks.

Caixa Seguradora has set up preventive training on moral and sexual harassment in the workplace. It features talks by a specialised psychologist for employees. For company executives, the legal team has provided specific training for each Board of Directors.

As part of its Corporate Social Responsibility policy, a liaison officer tasked with preventing harassment has been appointed at MFPrévoyance.

7.3.3 Have a positive impact on society

As a responsible investor and purchaser, CNP Assurances endeavours to have a positive impact on society as a whole.

CNP Assurances also joined the United Nations Principles for Responsible Investment (PRI) in 2011. Over the last five years, CNP Assurances has made compelling commitments in favour of the energy and environmental transition and the fight against global warming. A signatory of the Montreal Carbon Pledge, it published the carbon footprint of its portfolio of directly held listed equities in December 2015, and undertook to reduce it. On joining the Net-Zero Asset Owner Alliance in 2019, CNP Assurances pledged to achieve carbon neutrality in its investment portfolio by 2050.

Having pledged to uphold the United Nations Global Compact, CNP Assurances systematically promotes its commitment to human rights among subcontractors and suppliers.

7.3.3.1 Make ESG and climate challenges part of the investment processes NFPS

Risk #11: Risk of non-existent or inadequate integration of ESG and climate challenges in investment decisions

CNP Assurances is primarily a personal insurance group. Its entities manage assets on behalf of policyholders and on behalf of shareholders, either directly or indirectly through asset management companies.

In the belief that taking Environmental, Social and Governance (ESG) criteria into account when assessing an investment contributes to value creation and optimises the yield-to-risk ratio over time, CNP Assurances, as a long-term investor, has for more than ten years implemented a responsible investor strategy within the various asset classes. It is managed in France largely through the non-financial expertise of management companies LBPAM and Ostrum AM, and reflects the Group's commitments to the Global Compact, the PRI, the Kyoto Declaration and the Net Zero Asset Owner Alliance.

It is also rounded out by a "low carbon" strategy for the energy and environmental transition, which is being phased in across the various asset compartments. The aim is twofold: protect the assets backing policyholders' rights and create value for all CNP Assurances stakeholders.

The responsible investor strategy is also reflected in the implementation of an ESG exclusion policy covering the entire Group for certain assets or countries.

Indicators	2018	2019	Scope
% of assets managed according to ESG criteria ✓	81%	82%	CNP Assurances
Amount of the Group's financial assets screened on ESG criteria	€279 billion	€296 billion	Group
Number of private equity funds rated on ESG issues	14	15	CNP Assurances
% of infrastructure funds that have completed an *ESG* questionnaire	65%	81%	CNP Assurances

As proof of its commitment to being a responsible investor, CNP Assurances has set ambitious targets for the "low carbon" component of its ESG policy. A progress report at the end of 2019 showed that the Group's initiatives had resulted in a satisfactory performance:

Objective	% of target achieved at end-2019
47% reduction in the carbon footprint of the directly held listed equity portfolio over the 2014-2021 period, i.e., 0.25 teqCO_2/€k invested in 2021	110% (0.23 teqCO_2 per thousand euros invested)
40% reduction in the carbon footprint of the directly held property portfolio over the 2006-2021 period, i.e., 18 kgeqCO_2/sq.m in 2021	93% (19 kgeqCO_2 per sq.m)
€5bn worth of new green investments in support of the energy and environmental transition over the 2018-2021 period	139% (€7bn worth of new green investments)
Exclusion of new investments in companies deriving more than 10% of their revenue from thermal coal or that are involved in the development of new coal mines or power stations	100%

Examples

The financial management of MFPrévoyance and CNP Caution assets is delegated to CNP Assurances and benefits from the same ESG and climate approaches. The other subsidiaries are responsible for the financial management of their assets, while applying Group policies.

Other than for ESG exclusion, the approach implemented within CNP Assurances cannot be applied uniformly to the asset classes held in the portfolio (corporate bonds, sovereign bonds, funds, unlisted assets such as real estate or infrastructure)*. At the end of 2019, 82% of CNP Assurances' assets were managed with ESG filters on the scope of the euro and ULP portfolios (89% on the euro portfolios)

ESG exclusion: a strategy common to all asset classes

- **Exclusion of securities:** in 2008, CNP Assurances excluded arms manufacturers whose products include land mines or cluster bombs from its portfolios. Since 2015, it has also excluded any new investments in extractive companies producing coal and coal-based energy when more than 15% of their revenue is derived from thermal coal. This was reduced to 10% at end-2018. Among existing assets, the rules limit financial assets to companies deriving less than 25% of their revenue from this sector, a figure lowered to 20% at the end of 2019. In 2018, it also chose no longer to invest in the 120 companies most involved in the development of new mines or coal-fired power plants, and at the end of 2019 extended this exclusion to all companies involved in the development of new coal mines or coal-fired plants.

  Moreover, in the ESG analyses described below, CNP Assurances receives corporate ESG risk alerts. When the alert corresponds to a breach of the fundamental principles of the Global Compact, CNP Assurances asks the manager to raise questions with the issuer. When this dialogue fails to identify scope to remedy the situation quickly, the Investment Committee is called on to decide whether or not to exclude it.
- **Country exclusion:** CNP Assurances has drawn up a list of countries covering all of its investments (it includes lists established by the French government, the European Union and the FATF, countries identified as tax havens on the basis of the Tax Justice Network indices and those posing serious problems in terms of corruption and non-respect for democracy and freedoms as determined by Freedom House and Transparency International).

Listed equities

The approach is based on best-in-class management, meaning that preference is given to companies with the best ESG ratings within their sector. The establishment of a quarterly monitoring process has facilitated dialogue on securities at risk and the prevailing challenges with SRI analysts at Natixis IM since 2006 and LBPAM since 2009.

To further integrate ESG criteria, since 2018 the management of directly held equities has been gradually aligned with model portfolios that heavily weight the contribution to the energy and environmental transition, namely those developed in collaboration with La Banque Postale Asset Management (LBPAM) and Mirova (Natixis Investment Managers).

Since 2005, CNP Assurances has followed a policy of shareholder activism by systematically voting at the General Meetings of listed companies in its portfolio. The policy is submitted to the CNP Assurances' Chief Executive Officer for approval. It aims to assert the rights of CNP Assurances as a minority shareholder and to support companies in their long-term growth. Based on local factors, it is applied pragmatically, taking into account both the specific characteristics of each listed company and the applicable national regulations. In 2019, CNP Assurances opposed 17% of resolutions put to the vote.

2019 was marked by a significant increase in direct engagement with companies on governance-related issues, but also on climate and biodiversity. In 2020, CNP Assurances is committed to asking all of the companies to which it is directly exposed to publish, by 2021, a plan for their withdrawal from thermal coal by 2030 in the countries of the European Union and the OECD, and by 2040 in the rest of the world, based on their closure as opposed to the sale of the assets.

CNP Assurances' shareholder engagement policy and the Annual Report on its implementation are available on the cnp.fr website.

Corporate bonds

The SRI experts of the companies in charge of managing them (NIM and LBPAM) rate the corporate bond portfolios on ESG criteria each quarter. ESG analysis of bonds draws on the quarterly monitoring of listed equities in place since 2006.

Property

With €12.6 billion in property assets in France based on net book values, CNP Assurances is an important player in this market. Asset management is entrusted to specialised companies based on strict specifications that address the need to preserve the environment and ensure the safety of the properties' users. They include the Sustainable Property Management Charter, which makes it mandatory to factor in the impact of all co-owned property management agreements on the environment, on the energy transition and on the health and safety of users via a green works charter.

Since 2016, CNP Assurances has been developing a scheme to track health, safety and environment (HSE) compliance with one of its property management companies. Following a five-pronged diagnostic, the Company's response to the observations made during the diagnostic was monitored, yielding a completion rate of 68% at end-2019.

* CNP Assurances' Responsible Investment Report, which describes the consideration of non-financial factors in asset management, is available on the website

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. 15 new private equity funds were rated in 2019.

ESG reporting is also used for new infrastructure investments. In 2019, 81% of our infrastructure funds took part in this reporting or voluntarily provided us with their own CSR reporting.

Impact investing, support for start-ups and SMEs

In addition to its investment policy incorporating ESG criteria, CNP Assurances is also involved in investments with environmental or societal impacts, via impact funds or through private equity.

CNP Assurances also had investments in a total amount of nearly €220 million in several socially beneficial funds at 31 December 2019. Examples include financing small businesses that have trouble raising capital due to social barriers, supporting SMEs in temporary difficulty, financing the social and solidarity economy, and providing accommodation for vulnerable people.

Under the Open CNP programme launched in 2016, CNP Assurances aims to devote €100 million to investing in the equity of innovative start-ups, in businesses close to its own.

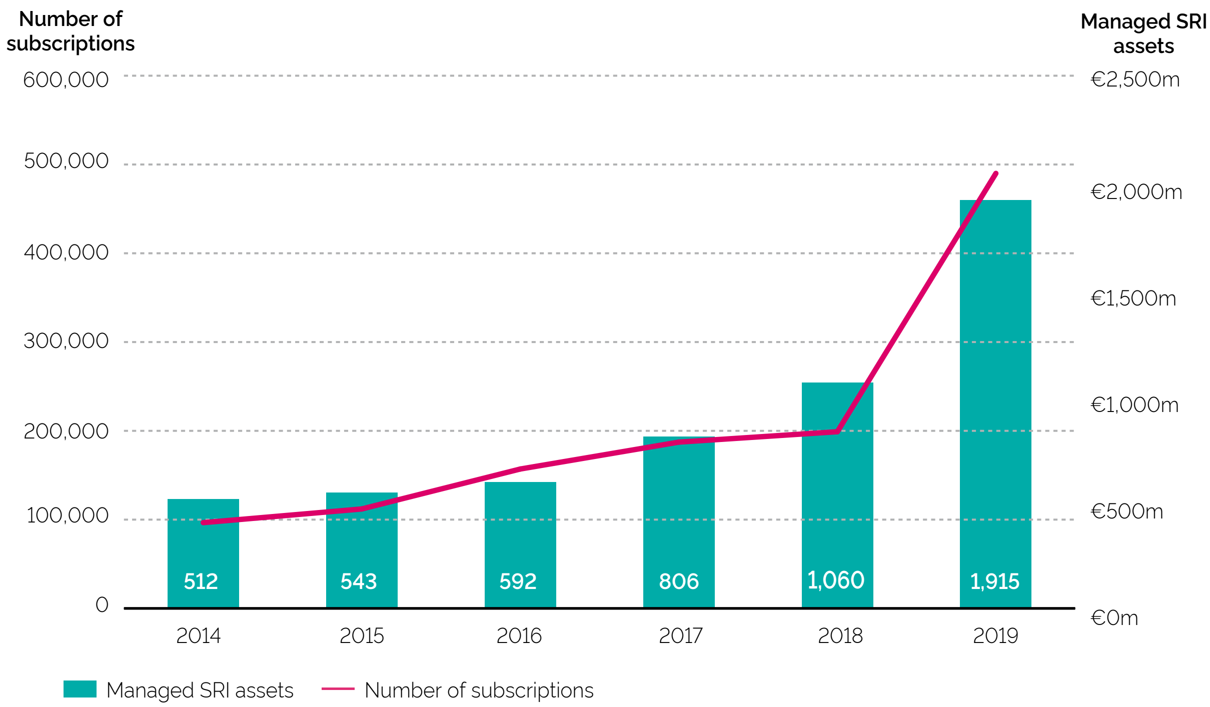
With regard to investments combining environmental and societal aspects, CNP Assurances had subscribed for €4.8 billion in SRI funds at the end of 2019.

Promoting responsible investment among policyholders

In personal insurance, direct action by policyholders in support of a responsible economy and the fight against climate change is reflected in the selection of responsible unit-linked funds in savings products. They have been available for many years in each of the flagship unit-linked products available in the individual insurance offerings from CNP Assurances.

At the end of 2019, nearly 490,000 CNP Assurances life insurance policies included SRI unit-linked products. They represent assets of €1.9 billion, an increase of 81% compared with end-2018. This very substantial increase is attributable both to demand from policyholders for responsible savings vehicles and to the efforts of management companies, notably LBPAM, Ostrum and Mirova, to label and integrate an SRI management strategy into existing funds.

Socially responsible unit-linked products in CNP Assurances contracts



Since June 2018, life insurance contracts marketed by LBP have included a "Conviction SRI" offer, all of which have received the SRI label. SRI is also represented through platforms such as CNP Développement Durable for Amétis, and Mirova Europe Environnement and Mirova Emploi France for BPCE.

Since 2018, CNP Assurances has strengthened its offering of SRI products dedicated to wealth management clients with "CNP Éthique". This offering gives its partners, private banks, IFA platforms and family offices access to unit-linked products on SRI themes chosen by the client: environment, human capital and several sectors.

Most of the responsible unit-linked products sold by CNP Assurances have an SRI label:

Type of labelling of unit-linked products *	Assets at 31 December 2019	Number of labelled unit-linked products
SRI (Socially Responsible Investment) label	€1,670 million	478,804
Greenfin label (Green Finance)	€588 million	172,162
Finansol label (Solidarity Finance)	€203 million	72,113

* A unit-linked product can benefit from several labels, so the amounts in the table cannot be added together

In Italy, 18% of unit-linked investments are managed with regard to ESG criteria; they represent assets of €1.6 billion.

On top of its SRI offers, the Group conducts awareness-raising initiatives for policyholders and partners.

- In France each year, CNP Assurances expresses its commitment to upholding the United Nations Global Compact and promoting its responsible investing strategy through more than 11 million letters sent to policyholders (by post or online);
- The "CSR Essentials" brochure includes information on CNP Assurances' responsible investor strategy. It is available to policyholders on the www.cnp.fr website.

CNP ASSURANCES AND CLIMATE CHALLENGES CNP ASSURANCES COMMITS TO THE AMBITIOUS TARGET OF MAKING ITS INVESTMENT PORTFOLIO CARBON NEUTRAL BY 2050

CNP Assurances' responsible investor approach has supported the ecological and energy transition for several years. In November 2019, it joined the Net-Zero Asset Owner Alliance. This initiative, supported by the United Nations and bringing together several insurers and pension funds, aims to transition investment portfolios towards zero net greenhouse gas emissions by 2050 in order to limit global warming to 1.5°C in accordance with the Paris Agreement.

Investments for the energy and environmental transition

CNP Assurances decided to intensify its action by setting new goals in December 2017. It has undertaken to devote €5 billion to new investments in favour of the energy and environmental transition by 2021, covering green infrastructure, green bonds, energy-efficient buildings and forests. At the end of August 2019, the target was exceeded a year and a half ahead of schedule. In November 2019, CNP Assurances announced its aim of doubling its assets in green investments to €20 billion by the end of 2023. At the end of 2019, they amounted to €14.4 billion.

CNP Assurances is also committed to the Climate Ambition market fund, which plans to use innovative methods from 2020 to integrate the fight against global warming into financial management.

CNP UniCredit Vita holds €29 million in investments contributing to environmental protection and the fight against climate change.

Calculation of the financial portfolio's carbon footprint

The commitment to reduce the carbon footprint of the equity portfolio allows CNP Assurances to strengthen its role as a responsible shareholder and to reinforce dialogue with issuers. Investor leverage is becoming credible with the proliferation of market commitments to which CNP Assurances has been party since 2015, ranging from its signature of the Montreal Carbon Pledge to the reinforcement of its multi-year commitment to reducing GHG emissions from the equity portfolio, not to mention its membership of Climate Action 100+, and more recently in the Net-Zero Asset Owner Alliance.

Portfolio of listed equities

The equity portfolio's carbon footprint is estimated at 0.23 teqCO_2 per thousand euros invested at 31 December 2019 (Scope 1 and 2, with a portfolio coverage rate of 96%). CNP Assurances had set a goal of reducing the end-2014 level by 47% by 2021. This goal was actually reached at the end of 2019. The carbon footprint, which is useful for tracking the portfolio's decarbonisation, is flawed because it does not necessarily reflect positive actions 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 energy and environmental transition.

Equity and corporate bond portfolio

Continuing its commitment to the Montreal Carbon Pledge, CNP Assurances began regularly calculating the carbon footprint of the entire equity and corporate bond portfolio in 2016. It was 0.08 teqCO_2 per thousand euros invested at 31 December 2019 (Scope 1 and 2, with a portfolio coverage rate of 75%).

Energy performance of property assets

CNP Assurances' maintenance and renovation programmes for the property assets in its portfolio constantly aim to make the properties more energy efficient. Renovation projects are carried out to the highest environmental standards 40% of the floor space of property assets under direct management had energy, environmental or operating certification at the end of 2019, an increase compared with 2018. Since 2009, an environmental audit has been systematically carried out on all newly acquired properties.

In advance of the requirements ushered in by France's Grenelle I and II laws, and pending the publication of the relevant enabling documents, 130 of CNP Assurances' wholly owned property assets had already been assessed to measure their energy efficiency by the end of 2019.

CNP Assurances has costed a €170 million long-term work programme aimed at reducing energy-related greenhouse gas emissions on its directly owned property portfolio by 40% by 2021 compared with the 2006 baseline.

Forests: an environmental opportunity

CNP Assurances is France's largest private owner of woodland, with 56,537 hectares at 31 December 2019. Société Forestière, a 50%-owned subsidiary of CNP Assurances, specialises in sustainable management of forests that respect biodiversity and anticipate climate change. In 2003, in addition to ISO 9001 certification, all of CNP Assurances' woodland assets complied with PEFC, criteria guaranteeing that timber comes from sustainably managed forests. New acquisitions are in the process of being certified.

In 2019, the growth of CNP Assurances' trees helped sequester 497,844 tonnes of carbon dioxide*. After deducting timber sold or cut down during the year, a net 234,193 tonnes of carbon dioxide was added to the sequestered total in 2019. Since 2007, the Caixa Seguradora group has been offsetting its carbon emissions by financing NGO Iniciativa Verde's tree-planting programmes in the Atlantic forest.

Physical and transition risk management

CNP Assurances established a climate risk committee at the beginning of 2019, bringing together the Group Risk department, the Investment department, the Group Technical department and the CSR department. This committee, which has been operational since early 2019, meets each quarter to monitor regulatory developments and the roadmap for managing climate risk in all parts of the Company's activity. The results of the work of the Climate Risk Committee were presented to the Executive Committee and the Audit and Risks Committee in 2019.

CNP Assurances is committed to analysing the physical and transition risk of its investment portfolio.

For physical risk:

- on the property portfolio, changes in climate hazards were analysed for the near term (2021-2050) and compared with a "baseline" climate (1971-2000), based on two scenarios using different levels of greenhouse gas emissions established by the International Panel on Climate Change (IPCC). To determine the current and future levels of exposure for each property asset, a list of climate change indicators to evaluate over the period of reference and in the future was defined for each climate hazard listed above. These climate indicators were used to run the climate models for each geographic location in the CNP Assurances property portfolio:
- for forests, several criteria are taken into consideration, such as the analysis of the geographical spread of forest assets;
- on the equity, corporate and sovereign bond portfolios, the exposure and geographic vulnerability of several issuers in respect of climate change have been mapped. The exposure is projected on the basis of various scenarios for change in greenhouse gas emissions established by the IPCC and is based on the ND-Gain methodology developed by the University of Notre Dame.

For transition risk, several analyses are conducted to improve our understanding:

- tracking of the weighting of sectors considered to be most exposed to transition risk: Energy, Transport, Materials and Construction, Agriculture-Food;
- measurement of the carbon footprint of the portfolio of equities and bonds of listed companies;
- measurement of emissions avoided by building renovation works since 2012;
- implementation of a more restrictive "coal policy" each year;
- performance of a 2°C scenario alignment study on the portfolio of equities and bonds of listed companies in 2018 and again in 2019. The 2019 study was based on the PACTA method and various IEA scenarios applied to the fossil fuels, automotive and electricity production sectors, based on different energy sources (coal, gas, renewables, oil);
- continuation of prospective analysis tests, such as measuring the temperature of financial portfolios (two methods tested in 2018 and 2019) and the financial impact of climate risks on the value of companies held in the portfolio (work launched at the end of 2019).

* The method for calculating CO2 storage was changed in 2019

7.3.3.2 Be a responsible purchaser

CNP Assurances' CSR principles are also put into practice by the Purchasing department. All buyers are made aware of CSR standards. The Group's Ethical Purchasing Charter and the code of ethics govern purchasing practices.

Societal and environmental clauses in contracts

Having pledged to uphold the United Nations Global Compact, CNP Assurances systematically promotes its commitment to human rights among subcontractors and suppliers. Contractual clauses on the protection of workers are included in the standard contracts offered to suppliers and in CNP Assurances' general purchasing conditions.

The Caixa Seguradora group also includes CSR clauses in its supplier contracts based on the Global Compact principles (ILO, the fight against organised crime and drug trafficking, the environment, combating fraud and money laundering).

CSR assessment of suppliers

Nearly all of CNP Assurances' suppliers of goods and intellectual or other services are based in France.

To monitor the environmental, social and ethical performance of its suppliers in overall terms, CNP Assurances has formed a partnership with EcoVadis. A CSR assessment of key suppliers is performed by 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 suppliers in the Top €200k (suppliers deriving more than €200 thousand in revenue including VAT from CNP Assurances, representing a total of approximately 260 in 2019) are subject to an EcoVadis assessment. In 2019, 105 suppliers representing roughly 51% of the total amount of purchases in the scope processed by the Purchasing Department were evaluated. The average of the evaluations is 59/100 for these 105 suppliers, well above the average of the companies rated by EcoVadis.

7.3.3.3 Develop social initiatives in the field

Pursue local development through a responsible policy of corporate philanthropy and outreach partnerships

Corporate philanthropy is carried out in partnership with non-profits, NGOs and local authorities in France; projects can be sponsored by the Company, the Corporate Foundation or employees. Employees in Brazil, Italy and Spain also take part in organising corporate philanthropy initiatives.

Day-to-day support

This commitment is reflected in the Group's investments and in support initiatives in the areas where it operates.

Through its investments

Support for SMEs is achieved through participation in SME lending funds and NovESS funds designed to help companies in the social and solidarity economy. The NovESS project and the Hemisphere fund, funded in part by CNP Assurances, also make it possible to measure the social impact of investments.

It is also involved in the Cités Partenaires II Business Angels investment fund dedicated to helping entrepreneurs from disadvantaged areas.

Through support initiatives sponsored locally

CNP Assurances is committed to the PAQTE approach in support of priority areas in urban planning. It works in vulnerable neighbourhoods, focusing particularly on:

- training: active work-study policy for high school leavers to masters students;
- awareness: *Repairs Santé*, a health education programme where young people on civic service pass on information to other young people and help raise their awareness;
- hiring: non-discrimination policy in the recruitment phase;
- purchasing: purchasing policy from companies that have signed the PAQTE charter.

The CNP Assurances Foundation is a also partner of the United Way Alliance and its youth challenge programme, which supports young people in middle school and promotes closer ties between business and schools in priority neighbourhoods.

Caixa Seguradora is heavily involved in the Jovem de Expressão programme, which develops community-based communication and youth health initiatives within its outreach programme.

It has also provided several years of support for people with AIDS, as well as prevention initiatives aimed at young people. In 2019, it continued its training programme for young people on sustainable development goals. A high level of cultural and artistic patronage completes the many actions taken by Caixa Seguradora.

In 2015, CNP Assurances Compañía de Seguros partnered its Multiplicar programme with Comedor la Esperanza, an association working in the poor neighbourhoods of Buenos Aires, providing ongoing donations of school supplies.

In 2019, CNP Partners continued with the CNP Start programme, which supports entrepreneurs through help, advice, offering accommodation and funding. More broadly, CNP Partners sponsors an association working with people with intellectual disabilities, their families and loved ones.

CNP Santander Insurance employees carry out solidarity actions each quarter. In Cyprus and Luxembourg, they compete in solidarity races. CNP UniCredit Vita has implemented a skills sponsorship programme.

Actions for local employment

CNP Assurances has been providing employment in its host regions for close to a century: 92% of CNP Assurances employees work on either the Paris, Arcueil or Angers premises. Expatriate workers represent 0.6% of the headcount at international subsidiaries.

These companies also participate in their local job markets, including for senior management positions: 51% of Executive or Management Committee members were hired locally.

Measures in favour of training and research

CNP Assurances has developed a partnership with the Foundation of the French Academy of Medicine covering a series of debates on the theme of society and ageing.

As a major player in personal insurance in France, CNP Assurances aims to contribute to and support general interest think-tanks working on a range of economic approaches, and whose work improves understanding and knowledge of the economic, social and societal context in which CNP Assurances operates.

In 2019, CNP Assurances worked hard to develop its relationships with schools related to its business (actuarial, insurance, finance), by increasing its presence in school forums and by directly contacting students at special events.

CNP Assurances Corporate Foundation: two big commitments to health

CNP Assurances has made a significant commitment to public health through its corporate foundation for several years now. Extended for three years in 2019, its new €2.4 million multi-year action programme is devoted exclusively to the projects it supports in two areas:

A foundation aimed at helping reduce social inequalities in healthcare:

By promoting prevention and better health and acting on its social determinants, the Foundation aims to help foster better living and health among young people at risk of social vulnerability. In this context, the Foundation has adopted a dynamic approach to the joint development of nationwide projects with partner organisations including Unis-Cité, Bibliothèque Sans Frontières, FAGE, United Way l'Alliance, and Fondation pour la Vocation.

The CNP Assurances Corporate Foundation, Bibliothèque Sans Frontières and the Sarcelles municipal authority installed a Health Ideas Box in 2019. The authority uses this innovative prevention mechanism to offer young people, primarily from priority neighbourhoods in the urban policy, activities centred on "affective and sexual relations" and "happiness and unhappiness".

A foundation committed to helping save lives

Since 2009, the CNP Assurances Corporate Foundation has initiated and provided support for projects emanating from French local authorities wishing to install defibrillators in public places and to provide first aid training to larger numbers. Support of this nature for all these years has to date served to fund the installation of more than 4,500 defibrillators and public awareness campaigns on the importance of first aid in more than 3,000 cities and towns.

For instance, the Foundation has been supporting a new partnership based on the contribution of new technologies promoting personal initiatives since 2019. Its partners are Sauv Life, a non-profit, and a programme promoting "volunteer lifesavers" in areas with no emergency services. The idea is to create a community of volunteers as a new link in the chain to cover areas located more than 30 minutes from emergency services before the arrival of paramedics.

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. The Foundation supports projects in which they are personally involved. In 2019, ten projects were supported in the fields of prevention and the promotion of health or well-being, through educational means or the creation of social bonds.

In addition, several volunteer employees took part this year in the Tremplins Unis-Cité Île de France project to help young people in civic service get the most of their experience and coach them in showcasing their period of community commitment.

In December 2019, the Foundation restarted first-aid awareness-raising workshops for employees, carried out by emergency service instructors, devoted to simple and useful gestures that can be used everywhere, in both professional and personal contexts.

7.3.4 Control our environmental footprint

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 energy and environmental transition towards an economy that does not deplete natural resources, either in terms of the Company's own management (digitisation, operating buildings), its insurance activities or its investment activities.

Its commitment in this area is based on:

- monitoring the environmental impact of the Group's business;
- taking actions to reduce it.

7.3.4.1 Monitor our environmental footprint

CNP Assurances greenhouse gas emissions audit

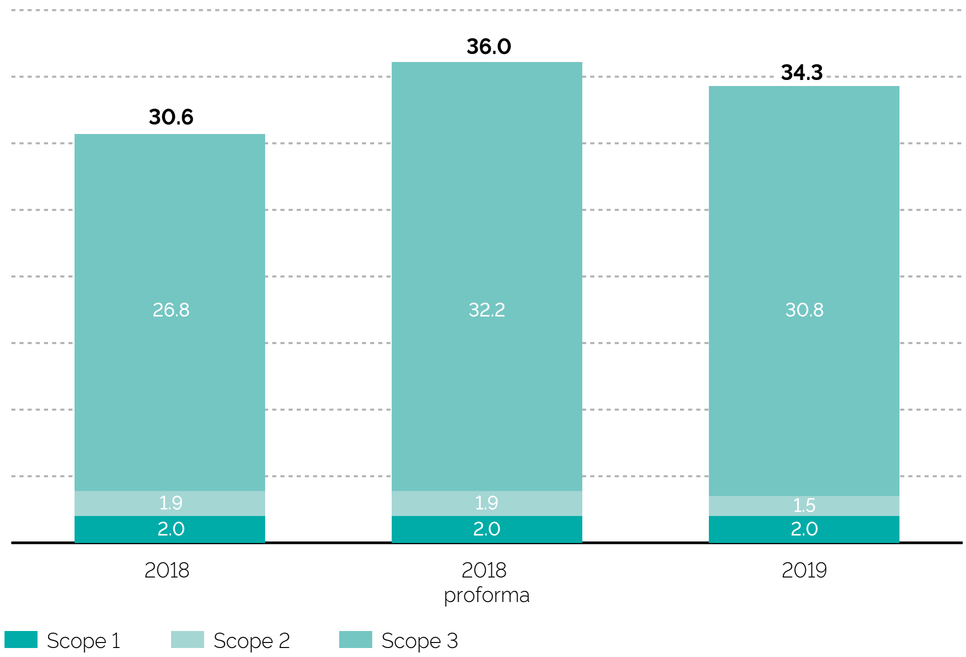
CNP Assurances is required to audit its greenhouse gas emissions pursuant to the provisions of Article L.229-25 of the French Environment Code. It updates it annually.

The provisions laid down in this article are available at www.bilans-ges.ademe.fr. CNP Assurances has also reported its greenhouse gas emissions to the Carbon Disclosure Project since 2005.

The baseline emission factors used in the audit are those contained in version 17.0 of the ADEME methodology. Version 17.0 saw the update of various energy emission factors.

In 2019, CNP Assurances emitted 34.3 kteqCO_2 ✓ an increase of 12% compared with the volume of 30.6 kteqCO_2 reported in 2018. This increase is explained by the use in 2019 of a more comprehensive scope of greenhouse gas emissions linked to the purchases of IT services by CNP Assurances (Scope 3). Applying this more comprehensive scope to the 2018 data, we obtain pro forma emissions of 36.0 kteqCO_2 in 2018. The change in CNP Assurances' CO_2 emissions on a like-for-like basis between 2018 and 2019 accordingly represents a reduction of 5%.

CNP ASSURANCES GREENHOUSE GAS EMISSIONS AUDIT (IN KTEQCO_2)



The main changes in CNP Assurances' like-for-like CO_2 emissions between 2018 and 2019 are as follows:

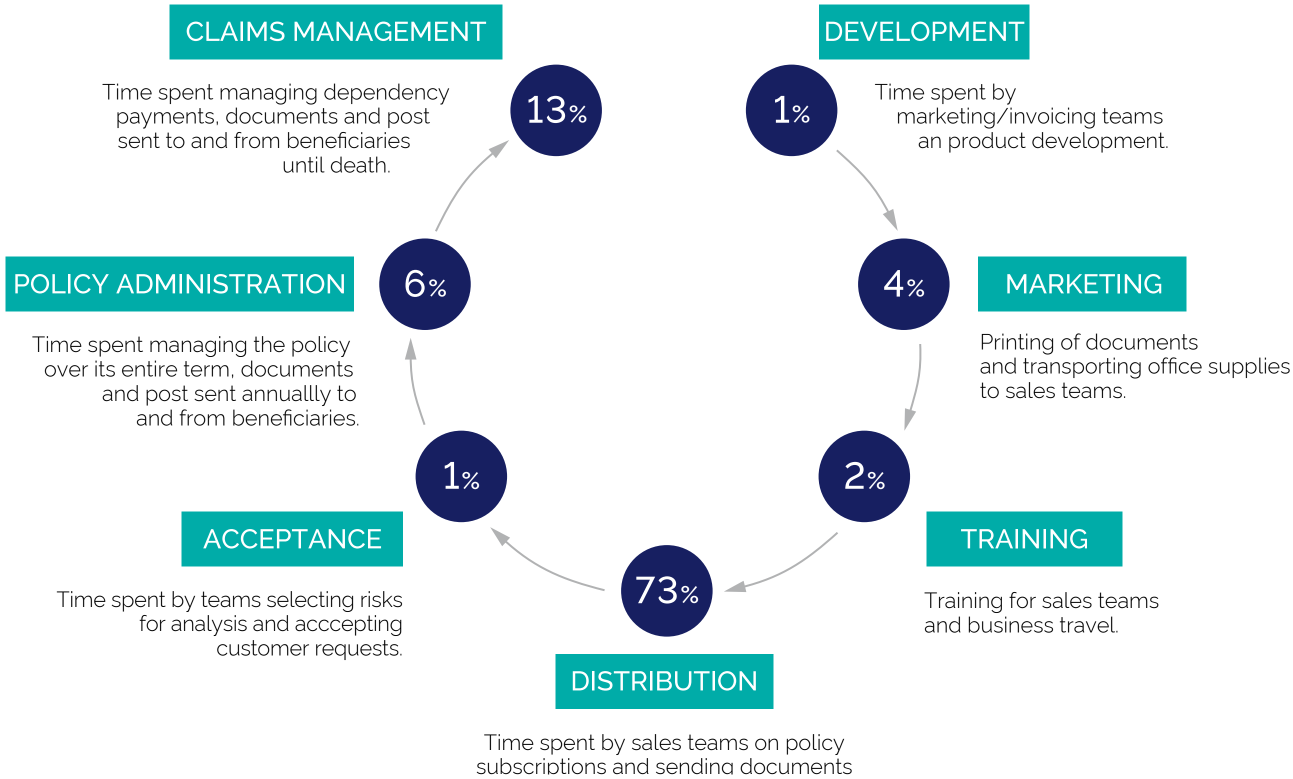
- **Scope 1 (direct emissions):** slight increase (+2%) in GHG emissions linked to the increase in fuel consumption of thermal vehicles made available to certain employees.
- **Scope 2 (indirect emissions linked to energy consumption):** notable drop (-20%) in GHG emissions, reflecting the sharp decline in consumption of district heating and, to a lesser extent, the slight reduction in electricity consumption. These changes are attributable both to climatic variations resulting in a milder average temperature in 2019 and the continuation of energy efficiency work on the Angers site (see 7.3.4.2 Reduce our environmental footprint).
- **Scope 3 (other indirect emissions, excluding financial assets):** slight decline (-4%) linked to the lower GHG emissions of all workstations (reduction in commuting from home to work thanks to telework, reduction in business travel by plane for CNP Assurances employees, lower paper consumption, lower depreciation of IT equipment and other depreciation and amortisation), with the exception of purchases of services and intellectual services, which are increasing.

Major emissions sources at CNP Assurances	2019 emissions	Share in total emissions
Purchase of services and provision of intellectual services (Scope 3)	22.1 kteqCO_2	64%
Computer hardware amortization (Scope 3)	3.2 kteqCO_2	9%
Consumption of fuel, natural gas, fuel oil, air conditioning (Scope 1)	2.0 kteqCO_2	6%
Commuting (Scope 3)	1.8 kteqCO_2	5%
Consumption of district heating and electricity (Scope 2)	1.5 kteqCO_2	4%
Business travel (Scope 3)	1.1 kteqCO_2	3%

Studies on 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.

7.3.4.2 Reduce our environmental footprint

Travel and videoconferences

Car travel by CNP Assurances employees is a big part of CNP Assurances' carbon footprint. As the potential economic and environmental gain is significant, practical training courses on road risks and bad driving are offered to all employees in the Amétis commercial network. A specific one-day module (road risks, driving in an emergency situation and bad driving) is also followed by all new employees of the Amétis network.

CNP Assurances promotes mobility, remote work and collaborative methods among its employees through the installation of 73 collaborative screens, 39 videoconference systems, 128 audioconference systems and 406 Wi-Fi hotspots.

The number of hours of videoconferencing increased by 11% at Group level between 2018 and 2019.

Since 2013, CNP UniCredit Vita has included tracking indicators for monitoring hours of video- and audioconferencing hours, as well as air and train travel, in its quarterly report presented to the Management Committee.

BUSINESS TRIPS AT GROUP LEVEL

	2018	2019	Change	Level of coverage
Million km travelled by plane	15.6	20.9	+34%	100%
Million km travelled by train	3.1	3.5	+13%	100%
Million km travelled by car	13.8	10.1	-27%	100%

The increase in air travel is attributable to the extension of the scope of data communicated by the Caixa Seguradora group, which now includes its main subsidiaries, whose location in several cities in South America requires domestic flights. On a like-for-like basis, the number of kilometres travelled by the CNP Assurances group in 2019 was stable compared with 2018, but car travel was down 27%.

CNP Assurances is the main source of travel by train, with more than a third made up of trips between its main sites in Paris and Angers. CNP Assurances has prepared a written travel policy, providing a framework for employee practices to reduce the impact on the environment, while continuing to ensure the comfort and safety of travellers.

The use of public transport is encouraged, and taxis can be used under certain conditions. In such cases, hybrid vehicles are given priority by the booking office. Hybrid vehicles accounted for an average of 45% of taxi journeys over the last two years. As an incentive for low-carbon mobility, four electric vehicle charging stations have been installed in the car park of CNP Assurances' headquarters in Paris and are being used more and more.

CNP UniCredit Vita continues to raise awareness among its employees to promote travel by train over plane and public transport over car, offering annual public transport subscriptions at a reduced rate. This system was extended to all of Lombardy in 2018. In addition, CNP UniCredit Vita has now replaced a motorised courier by a service using bicycles for letters, documents and small parcels in the Milan area.

CNP Santander Insurance provides all of its employees with discounted public transport tickets, and also encourages the use of bicycles to get to work, through funding offered by the Company.

In Argentina, a special focus has been placed on sustainable mobility – particularly bicycles – with the provision of bicycle protection and road safety kits to employees.

Operating buildings

Controlling energy consumption

CNP Assurances' energy consumption reflects heating, cooling and office equipment used by employees and computer servers. Electricity is the main form of energy used.

	2018	2019	Change	Level of coverage
Electricity consumption	22.4 GWh	22.2 GWh	-1%	100%
District heating consumption	4.7 GWh	3.9 GWh	-17%	54%
Gas consumption	1.4 GWh	1.1 GWh	-20%	97%
Fuel oil consumption	11,640 litres	13,015 litres	+12%	100%

Electricity

Electricity consumption edged down by 1% in 2019. 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 with LED systems and installing presence detectors. This initiative continued in 2019.

For the data centre in France, the increase allowed in the temperature in the server rooms improved the energy performance indicator slightly compared with its 2017 level (1.56 vs 1.57 in 2017). Developed by Green Grid, this indicator measures a data centre's energy efficiency. It is calculated by dividing the centre's overall consumption by the consumption of IT equipment (server, storage, network). In 2019, the installation of new electricity meters resulted in better management of facilities, thereby optimising the operation of refrigeration units.

CNP Assurances' subsidiaries have also gradually adopted measures to reduce electricity use, notably for lighting, heating and IT servers.

At the end of 2014, the Caixa Seguradora group moved its headquarters to a more energy-efficient building equipped with presence detectors, LED lighting, glass façades (less artificial light) and a more efficient air conditioning system.

CNP Assurances Compañía de Seguros' buildings were renovated in 2015 and 2016. They are now more open, more user-friendly and more energy efficient. New features include natural light, LED bulbs, double glazed windows and doors, and a more efficient air conditioning/heating system.

CNP UniCredit Vita completely overhauled its lighting system by installing energy-saving LED lamps in all offices at its headquarters, as well as presence detectors to automate the lighting system in some locations.

The new building occupied by CNP Santander Insurance has a lighting control system and is fitted exclusively with LED lightbulbs.

In addition, awareness campaigns have been carried out for employees across the Group's entities (Awareness-raising and employee training).

District heating, gas and fuel oil

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. 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.

The consumption of district heating and gas fell in 2019 (by 17% and 20% respectively), thanks to energy efficiency efforts and milder average temperatures.

The consumption of fuel oil, which increased in 2019 due to non-recurring tests, only concerns power generators at major sites in France. It is rare and not material.

CNP Assurances also ensures that routine maintenance work includes a search for greater energy efficiency. The most energy-efficient option is always taken when replacing technical equipment. This ongoing aim of reining in the environmental impact is what guides CNP Assurances' work on its sites.

Significant work has been carried out to reduce energy use. For example:

- as part of a comprehensive plan to reduce energy costs at the Saint Serge building in Angers, and on the basis of the energy performance assessment, a four-year programme (2014-2019) began with renovation work on the refrigeration system. It guaranteed compliance with regulations via the removal of R-22 fluid and the replacement of open air-cooling towers, which consume large amounts of water, with closed towers, which, by virtue of their design, do not consume water;
- the renovation programme for air handling units that began in 2016 was completed at the end of 2019. It incorporates the principle of heat recovery for office areas. In 2018, three floors were completely renovated. Regulatory equipment was replaced as part of the renovation of the building management system. The renovation also included the addition of meters and new instruments allowing energy consumption to be tracked more accurately. This will contribute to improving the energy performance of the Saint-Serge site in Angers;
- at the same time, temperature control and function control equipment is being replaced. Information of this nature is collated in a management system that allows the building's energy performance to be maintained over time;
- 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.

In 2018, work was done to replace an extinguisher using a halogenated gas harmful to the ozone layer (FM200) with one using a neutral gas (nitrogen). A total of 1,790 kg of FM200 gas was recycled.

The work being carried out now allows for the launch of an environmental performance certification process. The aim is to certify the Angers building to HQE Operations, BREEAM In-Use and OsmoZ standards, and the Beaucouzé datacentre to HQE Operations and BREEAM In-Use. The certification process will be completed by the end of 2020.

Renewable energy

Since 2017, CNP Assurances' Arcueil site has been heated by geothermal energy, which completely eliminated gas consumption.

The installation of photovoltaic panels on the roof of the Caixa Seguradora headquarters in Brasilia enabled the production of 121 KWh of renewable energy in 2019.

The building occupied by CNP Santander Insurance in Dublin also has photovoltaic panels, plus a cogeneration plant to produce renewable energy.

THE KNOCK-ON EFFECT OF DIGITISATION: REDUCING THE ENERGY CONSUMPTION OF DATA CENTRES AND WORKSTATIONS

Data centres and workstations are two key features of the digital transformation, and it is vital that we remain vigilant about their energy consumption.

The regular renewal of computer hardware by replacing desktop PCs with mini PCs as well as gradually providing employees with latest generation laptops help reduce power consumption.

Computer servers become more energy efficient with each generation: new equipment has the Energystar Label.

Virtualisation has also been widely adopted, not only on servers, but also on storage systems and CNP Assurances networks. This technique of separating IT services from the physical systems that supply them increases the efficiency of the information system (fewer resources consumed for the same service).

It is also important to remember that server cooling consumes a large amount of energy. CNP Assurances is taking initiatives to optimise the circulation of data centre airflows (urbanisation of IT rooms), while progressively equipping its equipment with smart power distribution units to monitor energy consumption.

WATER CONSUMPTION AT GROUP LEVEL

	2018	2019	Change	Level of coverage
Water consumption	75,312 m^3	70,923 m^3	-6%	97%

The Group's water consumption fell by 6% in 2019, thanks to efforts to eliminate water leaks and control various areas of consumption.

Water leak detection systems have been installed on two of the three buildings comprising CNP Assurances' premises in Paris. The third building will be fitted in 2020. The headquarters of Odonto, a Caixa Seguradora subsidiary, is located in a building with a system that reuses wastewater. The building occupied by CNP Santander Insurance has a rainwater recovery system. The water collected contributes to the building's heating.

Analysis of the Group's water consumption in relation to the risk of water stress based on the Aqueduct Water Risk Atlas criteria* shows the following breakdown:

- 9% of water consumed in high stress areas (Spain, Italy, Cyprus);
- 45% of water consumed in medium to high stress areas (France);
- 2% of water consumed in of low to medium stress areas (Argentina);
- 44% of water consumed in low stress areas (Brazil, Ireland).

WASTE MANAGEMENT AND COMMITMENT TO CIRCULAR ECONOMY IN THE GROUP

	2018	2019	Change	Level of coverage
Tonnes of waste paper and cardboard recycled	176 tonnes	123 tonnes	-30%	97%

The volume of paper and cardboard waste produced by the Group fell by 30% in 2019, following a sharp reduction in paper consumption.

Waste-sorting systems allow Group entities to recycle printer cartridges and paper used in offices for internal purposes. The financial gains of recycling are donated to NGOs in France.

Computer hardware is another major source of waste. Most Group entities regularly donate their computer hardware to NGOs. The collection of electrical and electronic waste was set up at Caixa Seguradora in 2018.

Since 2017, CNP Assurances has had "cyclopeurs" in its smoking areas. These innovative ashtrays reduce pollution by recycling cigarette butts into cellulose board used for garden furniture.

* See the definition of the zones and the methodology used by the World Resources Institute at https://www.wri.org/our-work/project/aqueduct

In 2019, CNP Assurances' corporate restaurants committed to the *Mon Restau Responsable* approach. Created in 2016 by the *Fondation Nicolas Hulot pour la Nature et l'Homme* and the *Restau'Co* network (interprofessional network of foodservice under direct management), it aims to promote healthy and sustainable food. The initiative, which is part of CNP Assurances' CSR approach, covers five types of initiatives: combatting food waste, working with local players, respecting the seasonality of produce, reducing cooking losses and increasing the proportion of vegetable proteins.

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.

Office supplies and paper

As CNP Assurances Group's operations are entirely in the field of insurance, paper is the principal raw material consumed. To that end, numerous initiatives have been implemented within the Group's entities over recent years to reduce the volume of paper consumed.

PAPER CONSUMPTION AT GROUP LEVEL

	2018	2019	Change	Level of coverage
Paper consumption (equivalent A4 sheets)	130 million	65 million	-50%	100%
Proportion of paper certified environmentally sustainable	88%	91%	+3 pp	100%

The Group's paper consumption was halved this year. Employees' determined efforts to reduce printing, the installation of new equipment (multifunction printers, double screens, laptops) and the digitisation of contractual documents are gradually reducing the Group's total paper consumption each year.

Similarly, CNP Assurances Compañía de Seguros' paper consumption has fallen significantly following the digitisation of seven internal processes and a series of exchanges with the Argentinian Insurance Supervisory Authority.

91% of paper used by the Group has a sustainable management label such as FSC, PEFC or EU Ecolabel.

Preserving biodiversity

CNP Assurances had 56,537 hectares of forests at the end of 2019, which benefited from sustainable forest management by Société Forestière. Preservation of biodiversity is one of its management objectives and each year, it carries out actions in favour of biodiversity. It regularly strives to maintain dead trees in forests, whether they are still standing or have fallen. Old or dead trees are home to very specific biodiversity - more than a quarter of animal and fungal forest species - and are of major interest for scientists and NGOs working to protect nature.

These actions are paying off, with the additional benefit of allowing the identification and conservation of trees or other remarkable features. For instance, the launch in 2018 of a census of these features will help build up a geographical database aimed at preserving them from any exploitation. The new features identified in 2019 include the preservation of a riparian forest (made up of species adapted to waterways and home to remarkable biodiversity), as well as a 1,200 sq.m wetland rich in biodiversity in Malente forest, which will be preserved in an open environment. In 2019, CNP Assurances called on an ornithologist to carry out an inventory of the plots of the Lancosme forest that have been earmarked for work, in order to identify and protect nesting areas.

In Brazil, Caixa Seguradora has joined the "Aliança Cerrado" Forum, in partnership with two NGOs fighting for the protection of biodiversity and water reserves in the Cerrado region (Brazilian savannah).

In addition, CNP Assurances and Caixa Seguradora undertook awareness-raising initiatives in 2019 to promote organic farming among their employees.

In 2018, CNP UniCredit Vita set up a compaction system for plastic bottles and their caps in one of its communal areas. To take the initiative further, the Plastic Free project was launched in September 2019, with the aim of eliminating all single-use plastics (cups, stirrers, water bottles). To support these measures, which will take effect in early 2020, reusable stainless steel bottles will be offered to all employees. This initiative was rounded out with the installation of water coolers.

Meanwhile, CNP Assurances Compañía de Seguros stopped purchasing plastic cups in 2019, encouraging its employees to bring in their own mug.

7.4 Non-financial performance

The quality of CNP Assurances' CSR approach has received recognition from non-financial rating agencies. The table below shows a summary of CNP Assurances' non-financial performance ratings (all unsolicited):

Rating agency	CNP Assurances rating	Rating scale	Comment
AODP	BBB (2018)	D to AAA	#6 out of 80 insurers worldwide
CDP	B- (2019)	D- to A	
ISS ESG (ex Oekom)	Prime B- (2019)	D- to A+	Insurance Industry Leaders, among the top 3 insurers out of 173 insurers worldwide
MSCI	AAA (2019)	CCC to AAA	
PRI	A (2019)	E- to A+	Strategy and governance module
SAM ESG	43/100 (2019)	0 to 100	#43 out of 127 insurers worldwide
Sustainalytics	74/100 (2018)	0 to 100	#21 out of 146 insurers worldwide
Vigeo-Eiris	61/100 (2018)	0 to 100	#4 out of 53 insurers in Europe

7.5 SRI indices that include CNP Assurances shares

CNP Assurances shares are included in several SRI indices featuring companies with the best non-financial ratings. CNP Assurances shares are included in the following European and global indices:

- MSCI Europe ESG Leaders, MSCI World ESG Leaders;
- FTSE4Good Europe, FTSE4Good Developed;
- Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120;
- Morningstar Europe Sustainability, Morningstar Eurozone Sustainability, Morningstar Global Markets Sustainability, Morningstar Developed Europe Low Carbon Risk;
- Ethibel Sustainability Excellence Europe.

7.6 CSR awards and other external recognition

In September 2019, CNP Assurances received the HappyIndex®/Trainees label awarded by ChooseMyCompany, which rewards organisations where students are the happiest and most motivated, measured via a survey of interns and work-study trainees.

CNP Santander Insurance received the Great Place to Work label for the second consecutive year, in the "best small business" category (under 100 employees). The label is only awarded to companies that reach a certain score, based on an employee survey and documents provided by the Company.

Caixa Seguradora was named the best Brazilian insurer (general insurance category) in 2019 for the prevention of disputes with its customers in the 2019 *A Era do Diálogo* awards promoted by the *Padrão Consumidor Moderno* group.

CNP UniCredit Vita received the 2019 Excellence award in the Life Insurance category of the Fonti Awards®: recognised for its innovative leadership in the bancassurance sector, the commitment to the integration of its CSR strategy in the Company's development plan and the focus on the expectations and needs of the various stakeholders. The numerous initiatives in favour of work-life balance were also highlighted (telework, smartworking, sports activities).

7.7 Methodology NFPS

7.7.1 Methodology for developing the business model

The development of the business model involved a working group composed of members in charge of external institutional communication, communication with shareholders and the CSR department. Established in line with the Company's strategic plan, it is part of a dedicated validation process by several members of the Executive Committee and the General Management.

7.7.2 Methodology for analysing challenges and risks

This report sets out CNP Assurances' CSR approach by looking at its main challenges. It contains examples of initiatives carried out throughout the Group, and was drafted in accordance with the provisions of Order 2017-1180 of 19 July 2017 and the Decree of 9 August 2017 (transposition of directive 2014/95/EU), which set out the content and scope of the new Non-Financial Performance Statement.

The analysis of the CSR challenges carried out in 2018 meets the various requirements of the Non-Financial Performance Statement, and more particularly those set within each of the five categories of information, namely social consequences, environmental consequences, respect for human rights, fight against corruption and tax evasion.

Risks and opportunities not included in the Non-Financial Performance Statement were deemed not to be priorities after the analysis. This refers to circular economy, waste and food insecurity, animal welfare and responsible, fair and sustainable food and societal commitments, all of which are listed in Article L.225-102-1 of the French Commercial Code but which are considered not material for CNP Assurances' business.

7.7.3 Non-financial data collection process

Guidelines and definition

Non-financial 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 risks identified and the system for controlling and managing these risks.

Scope

Unless otherwise stated, the indicators cover all fully consolidated entities in the CNP Assurances Group, excluding CNP Europe Life and Filassistance, which are not included in the scope. The list accordingly comprises CNP Assurances, CNP Caution, MFPrévoyance, CNP Partners, CNP Assurances Compañía de Seguros, the Caixa Seguradora group, CNP UniCredit Vita, CNP Cyprus Insurance Holding and CNP Santander Insurance, together with their consolidated subsidiaries. Indicators for the Group's consolidated subsidiaries are presented on a 100% basis.

The term "CNP Assurances" covers the legal entities CNP Assurances and CNP Caution.

The term "Group" used in this chapter covers the entities mentioned above, *i.e.*, 97% of the Group's employees as of December 31, 2019.

Reporting period

The flow indicators cover the period from 1 January 2019 to 31 December 2019; the stock indicators are as of 31 December 2019. For the energy consumption of CNP Assurances' Paris sites (electricity, heating, district heating, gas and fuel oil) and business travel, flows are measured over a 12-month period from 1 November 2018 to 31 October 2019.

Historical data and change in scope

The scope of consolidation is broadly unchanged compared with 2018. However, slight variations in scope can appear when indicators were not provided for an entity or sub-entity in 2018, but have been in 2019.

Reporting, control and consolidation method

Indicators are collected from operating departments, site by site when necessary. CSR reporting is performed in part with the help of accounting consolidation software.

CSR officers have been appointed for each entity. They prepare the first level of consolidation within the entity concerned. Validators check the data from their entities. The CNP Assurances Corporate Social Responsibility department is responsible for overall consolidation and carries out consistency checks on all the information collected from these CSR officers.

Introducing non-financial reporting in 2006 has lead to a steady improvement in the quality of non-financial data, particularly environmental data. A collaborative web platform dedicated to collecting non-financial indicators was set up in 2015. The consolidated ratios for all entities are calculated by weighting reported ratios in proportion to each entity's headcount,

Verification by an independent third party

An independent third party undertook work to verify:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 sections I and II of Article R.225-105 of the French Commercial Code, i.e., the outcomes, including key performance indicators and measures implemented in relation to the principle risks.

The indicators associated with the main environmental, social and governance (ESG) risks and opportunities identified as relevant to CNP Assurances, identified following materiality analysis, were the subject of detailed testing (identified by a ✓). Other required items, such as the presentation of the business model and the methodology used to identify ESG risks and opportunities together with the policies in place to manage them, were also subject to checks.

Limitations to the completeness and reliability of information

The definition of certain social indicators may differ slightly from one country to another. The guidelines were deployed in 2014 in foreign subsidiaries, and certain definitions, such as those for absenteeism, training and remuneration, were harmonised from one subsidiary to the next. However, the consolidated indicators used are consistent and material.

The scope for water and energy use in France includes the facilities in Paris, Angers and Arcueil, but excludes regional offices (1,800 sq.m.); this corresponds to 92% of CNP Assurances' employees.

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).

7.8 Report by the independent third party on the consolidated non-financial performance statement included in the Group management report NFPS

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as independent third party of your company (hereinafter the "entity"), accredited by COFRAC under number 3-1058 (whose scope is available at www.cofrac.fr), and member of the Mazars network of one of the CNP Assurances' Statutory Auditors, we hereby report to you on the consolidated non-financial performance statement for the year ended 31 December 2019 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory requirements of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available on request from the entity's head office.

Independence and quality control

Our independence is defined by the requirements of Article L.822-11-3 of the French Commercial Code and the French code of ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R.225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Articles A.225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory requirements and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the criteria of the guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L.225-102-1 III as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under Article L.225-102-1 III, 2 of the French Commercial Code;
- we verified that the Statement presents the business model and the key risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under Article R.225-105 II of the French Commercial Code;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with Article L.233-16 of the French Commercial Code within the limitations set out in the Statement in 7.7 Methodology;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes* that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on CNP Assurances (France) and covers between 48% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

* Amount of retirement assets; Number of Lyfe distributor customers; Percentage of financial assets screened on the basis of ESG criteria; Average satisfaction rating of users of the e-beneficiary site; Number of complaints in the first half of the year; Number of KIIDs on the website; Number of employees trained in the fight against corruption and conflicts of interest; Share of employees exposed to AML-CFT risk training; Employee training rate for the implementation of the GDPR; Percentage of employees to have received training; Turnover; Share of women among executives; Absenteeism rate; Number of occupational diseases; 2019 carbon audit

Means and resources

Our work was carried out by a team of 4 people between October 2019 and February 2020 and took a total of 5 weeks.

We conducted 10 interviews with the people responsible for preparing the Statement, representing, in particular, Executive Management and the Group Compliance, Finance, Accounting, Human Resources, Customer Experience and Information Systems, CSR and Purchasing departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the guidelines, in all material respect.

Paris La Défense, 4 March 2020

The independent third party

Mazars SAS

Olivier LECLERC	Edwige REY
Partner	Partner CSR & Sustainable Development

7.9 Glossary

ADEME: French Environment & Energy Management Agency

AML-CFT: Anti-Money Laundering and Combating the Financing of Terrorism

Beneficiary unit: Full-time equivalent of a disabled worker

BEPS: Base Erosion and Profit Shifting

BREEAM: Building Research Establishment Environmental Assessment Method

CDP (Carbon Disclosure Project): Non-profit organisation collecting the Annual Reporting of greenhouse gas emissions and environmental strategies of several thousand companies worldwide

CET: Time savings account

CSR: Corporate Social Responsibility

DPO: Data protection Officer

DPO: Data Protection Officer

EET: Environmental and energy transition

ESAT: Sheltered workshops

ESG: Environment, social and governance

FATCA: Foreign Account Tax Compliance Act

FATF: Financial Action Task Force

FFA: French Insurance Federation

FSC: Forest Stewardship Council

Frequency rate of workplace accidents: number of workplace accidents per million hours worked in the Company

GDPR: General Data Protection Regulation

GHG: Greenhouse gas

Global Compact: A United Nations initiative launched in 2000 to encourage companies to adopt socially responsible behaviour by making a commitment to integrate and promote several principles relative to human rights, labour law, environmental protection and the fight against corruption

HATVP (*Haute autorité pour la transparence de la vie publique*): Independent French administrative authority responsible for promoting the probity and exemplarity of public officials, created in January 2014 as part of the law on the transparency of public life

HQE: High environmental quality

HSE: Health, safety and environment

IEA: International Energy Agency

ILO: International Labour Organization

IPCC: Intergovernmental Panel on Climate Change

ISSM: Information systems security manager

KIID: Key Investor Information Document

LGBT: Lesbian, gay, bisexual and transgender

OECD: Organisation for Economic Co-operation and Development

PEFC: Programme for the Endorsement of Forest Certification

PERCO: Group retirement savings plan

PRI: Principles for Responsible Investment

PSI: Principles for Sustainable Insurance

PSR: Psychosocial risks

QVT: Quality of life at work

SDG: Sustainable Development Goals

Severity rate of workplace accidents: number of days lost due to work injuries ×1,000 divided by the number of hours worked

Stakeholders: Natural or legal persons: a) that may be significantly impacted by the organisation's business, products and/or services, and/or b) whose actions are likely to influence the organisation's ability to successfully implement its strategies and achieve its objectives.

SSE: Social and solidarity economy

SRI: Socially responsible investment

UCITS: Undertaking for collective investment in transferable securities

7.10 Cross-reference table for the Non-Financial Performance Statement NFPS

Theme	Section	
Presentation of the Company business model	1.2	A unique business model
Description of the main non-financial risks associated with its operations.	7.3	Non-financial risks and challenges
Description of the policies applied by the Company to prevent, identify and mitigate the occurrence of non-financial risks	7.3	Non-financial risks and challenges
Outcomes of those policies, including key performance indicators	7.3	Non-financial risks and challenges
Upholding human rights	7.3.1.7	Respect human rights
Collective agreements concluded within the Company	7.3.2.2	Undertake to offer favourable working conditions
Measures taken to promote the employment and integration of people with disabilities	7.3.2.2	Undertake to offer favourable working conditions
Initiatives to fight discrimination and promote diversity	7.3.2.2	Undertake to offer favourable working conditions
Fighting corruption and tax evasion	7.3.1.4	Ensure good business ethics
Climate change	7.3.3.1	Make ESG and climate challenges part of the investment processes
Pollution	7.3.4.2	Reduce our environmental footprint
Circular economy	7.3.4.2	Reduce our environmental footprint
Initiatives to combat food waste	7.3.4.2	Reduce our environmental footprint
Protecting biodiversity	7.3.3.1 7.3.4.2	Make ESG and climate challenges part of the investment processes Monitor our environmental footprint
Subcontractors and suppliers	7.3.3.2	Be a responsible purchaser
CNP Assurances' sustainable development commitments	7.3.1.1	Keep pace with social and societal developments.
Fight against food insecurity, respect for animal welfare, responsible, fair and sustainable food	Considered not material for the activity of the CNP Assurances Group	

chapter

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 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.

8.1.6.1 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."

8.1.6.2 Transfer of shares

"The shares are freely transferable subject to legal and regulatory provisions and according to the conditions provided by law."

8.1.6.3 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."

8.1.7 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' report on related-party agreements.

8.1.8 Claims and litigation

In Brazil, a term creditor insurance product sold until 2009 was taken over by a public fund represented by Caixa Econômica Federal. Various local insurance companies, including Caixa Seguradora (a wholly owned subsidiary of Caixa Seguros Holding, which in turn is controlled by CNP Assurances), acted simply as service providers for loans insured by the fund, by collecting the premiums and settling the claims. Caixa Seguradora has been sued by a large number of insureds.

The gap between the amounts that Caixa Seguradora has been ordered to pay as a result of these lawsuits and the amounts refunded to it by the public fund, which has ultimate liability for these settlements, has been steadily widening. At 31 December 2019, refunds due by the public fund to Caixa Seguradora represented around R$1 billion. The provisions recorded in Caixa Seguradora's financial statements for these refunds reflect a reasonable estimate of the recovery risk and are periodically adjusted. Caixa Seguradora is actively monitoring this issue and regularly initiates law suits against the fund.

8.1.9 Information about related-party agreements governed by Article L.225-37-4, paragraph 2, of the French Commercial Code

In 2019, 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 controlled by CNP Assurances.

8.1.10 External links disclaimer

The information and content on websites referenced by hypertext link do not constitute an integral part of this Universal Registration Document and are not endorsed or approved by the AMF.

8.2 Person responsible for the information and the audit of the financial statements

Statement by the person responsible for the CNP Assurances Universal Registration Document

"I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Universal 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."

Antoine Lissowski
Chief Executive Officer

Statutory Auditors

Statutory Auditors of CNP Assurances	First appointed	Current term expires
PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine, France Represented by Bénédicte Vignon*	2010 financial year	AGM to be held to approve the 2021 financial statements
*Substitute: Xavier Crépon**	2016 financial year	AGM to be held to approve the 2021 financial statements
Mazars 61, rue Henri-Regnault – Tour Exaltis 92400 Courbevoie – France Represented by Olivier Leclerc*	1998 financial year	AGM to be held to approve the 2021 financial statements
*Substitute: Franck Boyer**	2010 financial year	AGM to be held to approve the 2021 financial statements

* Member of the Compagnie régionale des commissaires aux comptes de Versailles

Information policy

Person responsible for financial information

Thomas Béhar, Chief Financial Officer

4, place Raoul Dautry – 75716 Paris Cedex 15, France

Documents concerning the Company may be consulted at its headquarters

CNP Assurances

Département juridique corporate

4, place Raoul Dautry – 75716 Paris Cedex 15, France

Phone: +33 1 42 18 88 88

8.3 Special committees for the exchange of information about CNP Assurances set up with the Company's shareholders

Information reported to shareholders subject to prudential supervision

La Banque Postale Conglomerate Committee and BPCE Supplementary Supervision Committee

CNP Assurances forms part of the La Banque Postale and BPCE financial conglomerates.

Under the regulations governing conglomerates [1], La Banque Postale and BPCE have certain risk supervision and regulatory reporting (to the ACPR and ECB) obligations. CNP Assurances has an obligation under Article L.511-34 of the French Monetary and Financial Code (*Code monétaire et financier*) to report to La Banque Postale and BPCE the information they require in order to fulfil these supervision and reporting obligations.

Special committees have been set up with La Banque Postale and with BPCE to exchange information about CNP Assurances that is needed by La Banque Postale and BPCE to fulfil their obligations under the regulations governing conglomerates.

These committees' internal rules describe the reporting process, the committees' procedures and the confidentiality rules applicable to their members.

The Conglomerate Committee set up with La Banque Postale in 2015 has up to ten members, including five La Banque Postale employees and five CNP Assurances employees. The La Banque Postale and CNP Assurances employees concerned work in their respective Finance, Risk, Internal Audit or Compliance departments.

The Committee met six times in 2019.

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 three times in 2019.

Caisse des Dépôts Information Exchange Committee

CNP Assurances is included in the Caisse des Dépôts Prudential Model [2]. This Prudential Model constitutes "the framework for identifying, measuring, managing, tracking and controlling capital adequacy based on the risks generated by the Caisse des Dépôts group's businesses" and provides for prudential supervision of the Caisse des Dépôts group on a consolidated basis.

In 2017, a Committee was set up for the exchange of information about CNP Assurances required by Caisse des Dépôts to fulfil its legislative and regulatory obligations.

The Committee met twice in 2019.

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

8.4 Update to the information provided in the Annual Financial Report concerning the issuer's financial position at 4 March 2020

Information about the Company's ownership structure

Shareholders	Number of shares	% share capital	% voting rights
La Banque Postale (directly and indirectly via Sopassure and SF 2)	426,598,515	62.13%	67.29%
BPCE (indirectly *via* Holassure)	110,590,585	16.11%	13.50%
Public, Company employees and other	149,429,377	21.76%	19.21%
TOTAL CNP ASSURANCES SHARES	**686,618,477**	**100.00%**	**100.00%**

Membership of the Board of Directors

The positions of Chairman of the Board of Directors and Chief Executive Officer have been separated at CNP Assurances since 2007. This governance method ensures a clear distinction between the Board's strategic planning, decision-making and oversight roles and Executive Management's role as the body responsible for running the business.

NINE DIRECTORS RECOMMENDED BY LA BANQUE POSTALE

Philippe Wahl
Rémy Weber
Tony Blanco [(1)]
Yves Brassart [(1)]
Catherine Charrier-Leflaive [(1)]
Sonia de Demandolx [(1)]
François Géronde [(1)]
Christiane Marcellier [(1)]
Sopassure, represented by **Perrine Kaltwasser**

TWO DIRECTORS RECOMMENDED BY BPCE

Laurent Mignon
Jean-Yves Forel

TWO DIRECTORS REPRESENTING EMPLOYEES

Philippe Bartoli
Laurence Guitard

FOUR INDEPENDENT DIRECTORS [(2)]

Jean-Paul Faugère
Marcia Campbell [(1)]
Stéphane Pallez [(1)]
Rose-Marie Van Lerberghe

OTHER PARTICIPANTS IN BOARD MEETINGS:

Antoine Lissowski, Chief Executive Officer, **Xavier Larnaudie-Eiffel**, Deputy Chief Executive Officer and second person effectively responsible for running CNP Assurances, **Olivier Pekmezian**, Secretary of the Board, and **Ali Saou**, Economic and Social Committee representative.
Statutory Auditors: PricewaterhouseCoopers Audit, represented by **Bénédicte Vignon** and Mazars, represented by **Olivier Leclerc**.

Director profiles

46.67%

Of directors are women [(3)]

7/15

26.67%

directors are independent [(3)]

4/15

58 years

Average age

(1) Directors whose appointment is subject to ratification or who are proposed for re-election at the Annual General Meeting of 17 April 2020
(2) According to the AFEP-MEDEF Corporate Governance Code
(3) The two directors representing employees are excluded for the purpose of calculating percentages, in accordance with Article 9.3 of the AFEP-MEDEF Corporate Governance Code and Article L.225-27-1 of the French Commercial Code

Overview of the Board of Directors

PROVISIONAL SITUATION AS AT THE DATE OF THE GENERAL MEETING ON 17 APRIL 2020

	Personal information				Experience	Position on the Board				Membership of Board Committees				
	Age	Nationality	Gender	Number of shares	Number of directorships of listed companies	Independence	First appointed	Current term expires	Years served on the Board	Audit and Risk Committee	Remuneration and Nominations Committee	Strategy Committee	Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships	Special Committee
Executive director														
Jean-Paul Faugère	63	FR	M	1,500	2	Yes	2012	2021	8		●	◆	◆	◆
Directors														
Philippe Wahl	64	FR	M	200	1	No	2011	2022	9					
Rémy Weber	62	FR	M	200	1	No	2013	2022	6		●	●		
Tony Blanco	54	FR	M	-	1	No	2020	2022	0	●				
Yves Brassart	59	FR	M	-	1	No	2020	2021	0			●		
Catherine Charrier-Leflaive	57	FR	F	-	1	No	2020	2021	0			●		
Sonia de Demandolx	43	FR	F	-	1	No	2020	2024	0					
François Géronde	51	FR	M	-	1	No	2020	2022	0					
Christiane Marcellier	63	FR	F	-	2	No	2020	2024	0					
(Sopassure) Perrine Kaltwasser	39	FR	F	-	0	No	2019	2021	0	●				
Laurent Mignon	56	FR	M	200	3	No	2018	2022	2		●			
Jean-Yves Forel	58	FR	M	200	1	No	2012	2022	7	●		●		
Marcia Campbell	61	UK	F	750	1	Yes	2011	2020	9	●		●	●	●
Stéphane Pallez	60	FR	F	200	3	Yes	2011	2020	9	◆		●	●	●
Rose-Marie Van Lerberghe	73	FR	F	200	3	Yes	2013	2021	7		◆		●	●
Directors representing employees														
Philippe Bartoli	61	FR	M	180	1	No	2017	2021	3					
Laurence Guitard	58	FR	F	-	1	No	2016	2021	4					

● Member ◆ Chair

Biographies of the new corporate officers

AGE: 54

NATIONALITY: French

EDUCATION: *École Polytechnique*, *École nationale supérieure des télécommunications* (*Corps des Mines*), MBA from INSEAD

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance undertaking 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, France

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

FIRST ELECTED TO THE BOARD: (SUBJECT TO APPROVAL BY THE GENERAL MEETING): 4 March 2020

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS: N/A

TONY BLANCO

Main function: Executive Board member and General Secretary, La Banque Postale

PROFESSIONAL EXPERIENCE

From 1988 to 1997, Tony Blanco held operational positions at France Télécom in France and abroad, including as head of a regional operations centre, before being appointed Regional Sales Manager in Northern France.

In 1997, he joined the strategy consulting firm McKinsey & Co. From 2004 to 2010, he worked as a partner in the financial services sector in France and Europe. He was also co-head of the firm's "bancassurance" line of service and was responsible for recruiting teams for the Paris office.

In March 2010, Tony Blanco joined Barclays Bank France as Deputy Chief Executive Officer, Head of Private Clients and member of the Executive Committee, and became Chief Executive Officer of Barclays France Retail and Business Banking in December 2010.

In July 2011, he was appointed Country Manager France and joined the Barclays Europe ERBB (European Retail and Business Banking) Executive Committee. Between January 2014 and April 2016, in addition to his responsibilities in France, he became Chief Executive Officer of Barclays Italy Retail and Business Banking.

Tony Blanco was appointed member of the Executive Board and General Secretary of La Banque Postale in September 2017

OTHER DIRECTORSHIPS AND FUNCTIONS

- Ezyness (SAS), *Chairman of the Board of Directors (since 16 April 2019)*
- La Banque Postale Asset Management (SA), *representative of SF 2, member of the Supervisory Board, Chairman of the Audit and Risks Committee (from July to September 2019 in the latter case)*
- La Banque Postale Assurances IARD (SA), *Director, Chairman of the Finance Committee*
- La Banque Postale Financement (SA), *permanent representative of SF 2, member of the Supervisory Board, Chairman of the Remunerations Committee, member of the Appointments Committee, Chairman of the Risks Committee*
- La Banque Postale Assurance Santé (SA), *representative of La Banque Postale, Director*
- Office de Coordination Bancaire et Financière (OCBF), *Director*
- SF 2 (SA), *Director*
- Sopassure (SA), *Director (since 2 January 2020)*
- Suffren Ré (SA), *permanent representative of La Banque Postale, Director (since 27 November 2018)*
- Transactis (SAS), *Vice-Chairman of the Board (since 7 May 2019)*
- Tocqueville Finance (SA), *permanent representative of SF 2, Director, member of the Remunerations Committee*
- Tocqueville Finance Holding (SAS), *permanent representative of SF 2, Director*

AGE: 59

NATIONALITY: French

EDUCATION: *Institut d'études politiques*, *École nationale supérieure des postes et télécommunications*, EDHEC-DECS

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance undertaking 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

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

FIRST ELECTED TO THE BOARD (SUBJECT TO APPROVAL BY THE GENERAL MEETING):
4 March 2020

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS: N/A

YVES BRASSART

Main function: Deputy Chief Executive Officer of La Poste, responsible for finance and development

PROFESSIONAL EXPERIENCE

Yves Brassart began his career with the La Poste Group in 1987, holding positions in marketing and sales until 1990. He then became Marketing and Sales Director for post/parcels (1991-1993). In 1994, he was Chief Financial Officer of the La Poste Group for the west of France.

From 1999 to 2006, he was Chief Financial Officer of the La Poste Group for financial services and Chief Financial Officer of the consumer network (2001-2003).

He was appointed Chief Financial Officer of La Banque Postale (2006-2011) and Director of Finance and Strategy of La Banque Postale (2011-2014) and, as of September 2012, headed the Financial Operations Department. He was also a member of the Board of Directors of La Banque Postale from 2013 to 2014.

Since April 2014, he has been Deputy Chief Executive Officer and Chief Financial Officer of the La Poste Group and since September 2015, he has been Deputy Chief Executive Officer responsible for finance and development.

OTHER DIRECTORSHIPS AND FUNCTIONS

- GeoPost *(SA), Director, member of the Audit and Accounts Committee and the Strategy Committee*
- La Poste (SA), *member of the Executive Committee, Vice-Chairman of the Supervisory Board, member of the Accounts Committee, member of the Risks Committee, Chairman of the Strategy Committee*
- La Poste Intrapreneuriat (SAS), *Chairman*
- La Poste Silver (SAS), *member of the Strategy Committee*
- La Poste Telecom (SAS), *member of the Strategy Committee*
- LP5 (SAS), *Chairman*
- LP7 (SAS), *Chairman*
- Oh My Keys (SAS), *Chairman*
- Poste Immo (SAS), *Director, member of the Audit Committee, Chairman of the Strategy Committee*
- Siparex Associés (SA), *permanent representative of La Poste, non-voting director*
- Siparex Proximité Innovation (SAS), *permanent representative of La Poste, member of the Supervisory Board*

AGE: 57

NATIONALITY: French

EDUCATION: NEOMA Business School (Finance)

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance undertaking 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 Villiers
75275 Paris Cedex 06, France

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

FIRST ELECTED TO THE BOARD: (SUBJECT APPROVAL BY THE GENERAL MEETING):
4 March 2020

CURRENT TERM EXPIRES: 2021

ATTENDANCE RATE AT BOARD MEETINGS: N/A

CATHERINE CHARRIER-LEFLAIVE

Main function: Deputy Chief Executive Officer of La Banque Postale, responsible for insurance

PROFESSIONAL EXPERIENCE

Catherine Charrier-Leflaive began her career at GAN as Head of Direct Marketing, then at GMF Vie as Head of Sales and Training.

She joined the Aviva Group from 1992 to 2002, first as Head of Market Research, then as Head of the merger of the Epargne de France and Abeille Vie networks. She was then appointed Director of the Abeille Vie organisation, where she managed all major strategic projects, including the merger of Norwich Union with Aviva France.

From 2002 to 2010, she worked for Generali Group, initially as Director of Change Management, where she led the acquisition of the Zurich France and Continent Assurance insurance businesses, the merger of Generali France's insurance companies, and major transformation projects. In 2005, she became Director of Audit and General Affairs for the Generali Group and the Europ Assistance Group.

In 2007, Catherine Charrier-Leflaive became Chief Executive Officer of Equité, the general insurance subsidiary of Generali France and Chair and CEO of Européenne de Protection Juridique.

In 2010, she joined La Banque Postale to create the group's general insurance company, of which she became Chief Executive Officer.

In 2013, she was appointed Director of Human Resources for La Banque Postale, financial services and the La Poste network. In this position, she set up a banking and insurance training school, merged the sales management teams of La Banque Postale and La Poste Network and led negotiations with employee representatives.

She became Director of Retail Banking and Insurance at La Banque Postale and Deputy Chief Executive Officer of the La Poste network in 2016. Over the next three years, she transformed the retail banking operation into an omnichannel bank and established the fundamentals of a banking and insurance business in the multi-business post office network.

In March 2019, she became Deputy Chief Executive Officer of Retail Banking and Insurance, in charge of the rapprochement project with CNP Assurances.

Since 1 January 2020, Catherine Charrier-Leflaive has been Deputy Chief Executive Officer of La Banque Postale, responsible for insurance.

OTHER DIRECTORSHIPS AND FUNCTIONS

- BPE (SA), *member of the Supervisory Board and member of the Audit Committee (since 7 July 2016)*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board (since 30 November 2018)*
- La Banque Postale Assurances IARD (SA), *Director (since 18 June 2013), Chair of the Board of Directors and Chair of the Remunerations Committee (since 5 December 2019)*
- La Banque Postale Assurance Santé (SA), *member of the Development Committee (since 16 June 2017), Chair of the Board of Directors (since 16 June 2017)*
- La Banque Postale Conseil en Assurances (SA), *Chair of the Board of Directors (since 28 June 2017)*
- La Banque Postale Financement (SA), *Chair of the Supervisory Board (since 24 June 2016), Chair of the Remunerations Committee, member of the Appointments Committee (since 3 October 2017)*
- La Banque Postale Prévoyance (SA), *Director, member of the Audit and Risks Committee (since 28 June 2016), Chair of the Board of Directors (since 16 June 2017)*
- La Poste Silver (SASU), *member of the Strategy Committee (since 25 March 2016)*
- Sofiap (SA), *Chair of the Supervisory Board, member of the Remunerations Committee (since 1 January 2015)*
- Suffren Ré (SA), *Chair of the Board of Directors (since 27 November 2018)*

AGE: 43

NATIONALITY: French

EDUCATION: ESCP Business School,
law degree from Paris X University

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

BUSINESS ADDRESS:
Demandolx Furtado Ltda
Rua Leopoldo Couto de Magalhães Junior 1098
São Paulo, SP 04542 001, Brazil

FIRST ELECTED TO THE BOARD (SUBJECT TO APPROVAL BY THE GENERAL MEETING):
4 March 2020

CURRENT TERM EXPIRES: 2024

ATTENDANCE RATE AT BOARD MEETINGS: N/A

SONIA DE DEMANDOLX

Main function: Managing Partner

PROFESSIONAL EXPERIENCE

From 1999 to 2004, Sonia de Demandolx worked as a senior banker in mergers and acquisitions at Lazard in Paris. She then joined the executive search firm Russell Reynolds Associates specialising in the financial services and board of Directors sectors. Appointed Managing Director-Partner in 2010, she then joined the São Paulo office of Russell Reynolds Associates in 2011, in charge of French clients in the region. After gaining 9 years' experience in Brazil, in 2014 she founded Demandolx Furtado, an executive search and assessment firm in Brazil, of which she is a managing partner.

During her career between France and Brazil, she has led several recruitment and assessment projects for board members and executives in various sectors such as financial services, retail, consumer goods, energy and industry.

OTHER DIRECTORSHIPS AND FUNCTIONS (N/A)

AGE: 51

NATIONALITY: French

EDUCATION: *École Polytechnique*

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
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 Villiers
75275 Paris Cedex 06, France

FIRST ELECTED TO THE BOARD (SUBJECT APPROVAL BY THE GENERAL MEETING):
4 March 2020

CURRENT TERM EXPIRES: 2022

ATTENDANCE RATE AT BOARD MEETINGS: N/A

FRANÇOIS GÉRONDE

Main function: Chief Financial Officer, La Banque Postale

PROFESSIONAL EXPERIENCE

François Géronde began his career in 1993 at the Société Générale Group where he held various positions in the interest rates and equities markets in France and Japan.

In 1997, he joined Westdeutsche Landesbank as Deputy Director of the Trading Room.

In 2000, he took over responsibility for risk measurement and monitoring methodologies at Crédit Agricole SA in the Central Banking Risk Department.

In 2002, he joined the La Poste Group's Efiposte as a financial engineer before becoming Director of Risk Control in 2004.

From 2006, when La Banque Postale was created, to 2011, François Géronde was Director of Market and Counterparty Risks. From 2009, in his capacity as Deputy to the Risk Director, he was responsible for the Operational Risk Department. In 2011, he was appointed Chief Risk Director of the La Banque Postale Group. In January 2018, he took over the management of ongoing auditing and joined the Executive Committee of La Banque Postale.

Since 1 October 2019, François Géronde has been Chief Financial Officer of La Banque Postale and a member of the Executive Committee of La Banque Postale.

OTHER DIRECTORSHIPS AND FUNCTIONS

- Fonds de Garantie des Dépôts et de Résolution (guarantee fund), *permanent representative of La Banque Postale, member of the Supervisory Board*
- La Banque Postale Asset Management (SA), *member of the Supervisory Board, Chairman of the Audit and Risks Committee*
- La Banque Postale Assurances IARD (SA), *member of the Board of Directors, member of the Audit and Risks Committee, member of the Finance Committee*
- La Banque Postale Assurance Santé (SA), *permanent representative of La Banque Postale, Director*
- La Banque Postale Home Loan SFH (SA), *Chairman of the Board of Directors*
- La Banque Postale Prévoyance (SA), *permanent representative of SF 2, Director, Chairman of the Audit and Risks Committee*
- Sèvres LBP 1 (SA), *permanent representative of SF 2, Director*
- Sèvres LBP 2 (SA), *permanent representative of SF 2, Director*
- SF 2 (SA), *Director, Chief Executive Officer*
- Suffren Ré (SA), *permanent representative of SF 2, Director*

AGE: 63

NATIONALITY: French

EDUCATION: Paris IX Dauphine University

SOLVENCY II-RELATED EXPERTISE:
Insurance and financial markets
Insurance undertaking 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:
JD4C Conseil
11, rue Lalo
75116 Paris, France

FIRST ELECTED TO THE BOARD (SUBJECT TO APPROVAL BY THE GENERAL MEETING):
4 March 2020

CURRENT TERM EXPIRES: 2024

ATTENDANCE RATE AT BOARD MEETINGS: N/A

CHRISTIANE MARCELLIER

Main function: Managing Partner, JD4C Conseil

PROFESSIONAL EXPERIENCE

Christiane Marcellier began her career as a financial analyst specialising in banking, insurance, holding companies and real estate. At the same time, she managed the research departments of European stock exchange companies. Over 15 years, she acquired proven expertise in listed companies (vice-presidency of the SFAF (French Financial Analysts Association)) and a thorough understanding of FIG sectors, which led her to successively join the Strategy Department of Paribas in 1997, then in 2000 that of CNCE, which became BPCE. In this capacity, she took part in the strategic negotiations of the Caisse d'Epargne Group, particularly in relation to the insurance business and the creation of Sopassure, of which she is a Director.

In 2004, Christiane Marcellier was appointed head of the insurance business unit for the Caisse d'Epargne Group, which comprises seven insurance companies (including CNP Assurances), and in this capacity was a member of the Executive Committee of the FFSA (now FFA, Fédération française de l'assurance [French Federation of Insurance]).

Having played a significant role in the development of ABN AMRO in southern Europe, Christiane Marcellier created JD4C Conseil in 2008, a consulting and investment company in transformation projects with a technological component.

From 2001 to 2018, she was successively client, consultant, Director as well as Chair of the Board of Directors of the CEP Group as of 2016.

OTHER DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale Asset Management (SA), *Director, member of the Strategy Committee, member of the Audit Committee (Chair in 2014/2015) and Chair of the Remunerations-Appointments Committee (since December 2012)*
- Navya (listed SA), *Director, member of the Audit Committee (since July 2018)*
- The GreenData (SAS), *Director, member of the Strategy Committee (since October 2019)*

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 2019 is available on CNP Assurances' website: https://www.cnp.fr/en/the-cnp-assurances-group/investors/results/results-presentation/2019-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.

IFRS book value*

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. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders

(In € millions)	**31.12.2019**	31.12.2018
Equity attributable to owners of the parent (1)	19,393	17,781
Subordinated notes classified in equity (2)	1,881	1,881
IFRS BOOK VALUE = (1) - (2)	**17,512**	**15,899**

Adjusted net asset value (ANAV)

Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets, other items included in the Value of In-Force business (VIF) and contingent liabilities. This indicator is net of non-controlling interests. ANAV breaks down between required capital and free surplus.

(In € millions)	**31.12.2019**	31.12.2018
Equity attributable to owners of the parent (1)	19,393	17,781
Subordinated notes classified in equity (2)	1,881	1,881
Intangible assets (3)	681	685
Items included in the Value of In-Force business (4)	1,708	1,568
Contingent liabilities (5)	1,483	1,046
ANAV = (1) - (2) - (3) - (4) - (5)	**13,641**	**12,600**

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)	31.12.2019	31.12.2018
Value of New Business (VNB) (1)	543	659
Annual Premium Equivalent (APE) (2)	3,186	3,090
APE MARGIN = (1) / (2)	**17.1%**	**21.3%**

Attributable recurring profit

Attributable net profit before income tax expense, non-recurring items, fair value adjustments and net gains (losses). This indicator is calculated net of non-controlling interests and is gross of income tax expense. It is the margin after finance costs and non-controlling and equity-accounted interests.

(In € millions)	31.12.2019	31.12.2018
Attributable net profit (1)	1,412	1,367
Income tax expense (2)	(694)	(677)
Fair value adjustments and net gains (losses) (3)	482	89
Non-recurring items (4)	(620)	(216)
ATTRIBUTABLE RECURRING PROFIT = (1) - (2) - (3) - (4)	**2,244**	**2,171**

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)	**31.12.2019**	31.12.2018
EBIT (personal risk/protection segment) (1)	1,234	1,184
Premium income net of ceded premiums (personal risk/protection segment) (2)	6,408	6,211
COMBINED RATIO (PERSONAL RISK/PROTECTION SEGMENT) = 100% - (1) / (2)	**80.7%**	**80.9%**

Cost/income ratio*

Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

(In € millions)	**31.12.2019**	31.12.2018
Administrative costs (1)	926	922
Net insurance revenue (NIR) (2)	3,220	3,113
COST/INCOME RATIO = (1) / (2)	**28.8%**	**29.6%**

Debt-to-equity ratio*

Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).

(In € millions)	**31.12.2019**	31.12.2018
Subordinated notes classified in equity (1)	1,881	1,881
Subordinated notes classified in debt (2)	6,381	5,337
Total equity (3)	21,188	19,521
DEBT-TO-EQUITY RATIO = [(1) + (2)] / [(2) + (3)]	**30.0%**	**29.0%**

In the interest of comparability with other insurance groups, this indicator was redefined in 2019 in line with market practices. It was previously calculated by dividing subordinated notes classified in debt or equity, by the sum of subordinated notes classified in debt and total equity less intangible assets.

(In € millions)	**31.12.2019**	31.12.2018
Subordinated notes classified in equity (1)	1,881	1,881
Subordinated notes classified in debt (2)	6,381	5,337
Total equity (3)	21,188	19,521
Intangible assets (4)	673	732
DEBT-TO-EQUITY RATIO = [(1) + (2)] / [(2) + (3) - (4)]	**30.7%**	**29.9%**

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)	31.12.2019	31.12.2018
Net operating free cash flow (OFCF) (1)	1,350	1,462
Dividends (2)	645	611
DIVIDEND COVER = (1) / (2)	**2.1X**	**2.4X**

Earnings before interest and taxes (EBIT)*

Attributable recurring profit before finance costs, non-controlling and equity-accounted interests. This indicator includes non-controlling interests and is gross of income tax expense. It is the margin generated by the insurance business after deducting administrative costs.

(In € millions)	31.12.2019	31.12.2018
Attributable recurring profit (1)	2,244	2,171
Finance costs (2)	(251)	(248)
Non-controlling and net equity-accounted interests (3)	(546)	(504)
EBIT = (1) - (2) - (3)	**3,041**	**2,924**

Earnings per share (EPS)

Attributable net profit less finance costs on subordinated notes classified in equity, divided by the weighted average number of shares outstanding (IFRS calculation method).

(In € millions)	31.12.2019	31.12.2018
Attributable net profit (1)	1,412	1,367
Net finance costs on subordinated notes classified in equity (2)	50	50
Weighted average number of shares (3)	686.2 M	686.4 M
EARNINGS PER SHARE = [(1) - (2)] / (3)	**€1.99**	**€1.92**

EIOPA

European Insurance and Occupational Pensions Authority.

Eligible own-funds held to cover the MCR

Sum of Tier 1 and Tier 2 own-funds eligible for inclusion in the Minimum Capital Requirement. For calculation purposes, restricted Tier 1 own-funds are limited to 20% of total Tier 1 own-funds, and Tier 2 own-funds are limited to 20% of the MCR. Tier 3 own-funds are not eligible for inclusion in MCR.

Eligible own-funds held to cover the SCR

Sum of Tier 1, Tier 2 and Tier 3 own-funds eligible for inclusion in the Solvency Capital Requirement (SCR). 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.

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)	31.12.2019	31.12.2018
Total equity (1)	21,188	19,521
Subordinated notes classified in debt (2)	6,381	5,337
Subordinated notes classified in equity (3)	1,881	1,881
Insurance investments (4)	403,800	380,061
Derivative instruments liabilities (5)	1,132	1,193
INSURANCE LEVERAGE RATIO = [(1) + (2)] / [(4) - (5)]	**6.85%**	**6.56%**
▪ o/w equity = [(1) - (3)]/[(4) - (5)]	4.79%	4.66%
▪ o/w subordinated notes = [(2) + (3)] / [(4) - (5)]	2.05%	1.91%

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)	31.12.2019	31.12.2018
EBIT (1)	3,041	2,924
Finance costs on subordinated notes classified in debt (2)	251	248
Finance costs on subordinated notes classified in equity (3)	76	73
INTEREST COVER = (1) / [(2) + (3)]	**9.3X**	**9.1X**

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 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.

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.

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.

Net equity-accounted interest

Share of profit for the year of equity-accounted interest, net of the deferred profit-sharing impact for the portion of securities backing policyholders commitments.

Net insurance revenue (NIR)*

Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is net of reinsurance. It is the margin generated by insurance contracts before deducting administrative costs.

(In € millions)	**31.12.2019**	31.12.2018
Net insurance revenue (NIR) (1)	3,220	3,113
Revenue from own-funds portfolios (2)	747	733
Administrative costs (3)	926	922
EBIT = (1) + (2) - (3)	**3,041**	**2,924**

Net new money

Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.

Non-recurring items

Indicator used to separately identify non-recurring income and expenses that affect attributable net profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.

Operating free cash flow (OFCF)

Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

Outstanding claims reserve

Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.

Payout ratio*

Dividend per share divided by earnings per share. Measures the proportion of attributable net profit, less finance costs on subordinated notes classified in equity, distributed to owners in the form of dividends. This ratio is calculated only for annual results presentations.

(In € millions)	**31.12.2019**	31.12.2018
Dividend per share (1)	€0.94	€0.89
Earnings per share (EPS) (2)	€1.99	€1.92
PAYOUT RATIO = (1) / (2)	**47%**	**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)	31.12.2019	31.12.2018
Earned premiums (1)	33,436	32,315
Premium loading on IAS 39 contracts (2)	60	52
PREMIUM INCOME = (1) + (2)	**33,496**	**32,367**

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)	31.12.2019	31.12.2018
UL Savings/Pensions mathematical reserves (1)	65,456	56,169
Total Savings/Pensions mathematical reserves (2)	287,039	275,945
PROPORTION OF SAVINGS/PENSIONS MATHEMATICAL RESERVES REPRESENTED BY UL CONTRACTS = (1) / (2)	**22.8%**	**20.4%**

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)	31.12.2019	31.12.2018
UL Savings/Pensions premium income (1)	11,317	10,778
Total savings and pensions premium income (2)	26,761	25,731
PROPORTION OF SAVINGS/PENSIONS PREMIUMS REPRESENTED BY UL CONTRACTS = (1) / (2)	**42.3%**	**41.9%**

Restricted Tier 1 own-funds

Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

Return on equity (ROE)*

Annual attributable net profit divided by average IFRS book value for the period. Measures the return on equity contributed by owners of the parent.

(In € millions)	31.12.2019	31.12.2018
Annualised attributable net profit (1)	1,412	1,367
Average IFRS book value (2)	16,706	16,196
RETURN ON EQUITY (ROE) = (1) / (2)	**8.5%**	**8.4%**

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)	**31.12.2019**	31.12.2018
Net revenue generated by investments held to back equity and subordinated notes (1)	771	758
Amortisation of Value of In-Force business and distribution agreements (2)	24	25
REVENUE FROM OWN-FUNDS PORTFOLIOS = (1) - (2)	**747**	**733**

SCR coverage ratio

Eligible own-funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

Solvency Capital Requirement (SCR)

Level of eligible own-funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own-funds, subject to a confidence level of 99.5% over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

Surrender rate

Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.

Technical reserves*

Insurance and financial liabilities net of deferred participation, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of reinsurance. Technical reserves may be calculated gross or net of reinsurance. They measure the insurer's liability towards insureds.

(In € millions)	**31.12.2019**	31.12.2018
Insurance and financial liabilities (1)	378,313	357,599
Deferred participation reserve (2)	29,255	22,107
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	21,410	21,556
TECHNICAL RESERVES GROSS OF REINSURANCE = (1) - (2) + (3)	**349,058**	**335,491**
TECHNICAL RESERVES NET OF REINSURANCE = (1) - (2) + (3) - (4)	**327,648**	**313,935**

Tier 2 own-funds

Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

Tier 3 own-funds

Subordinated notes classified in Tier 3 corresponding to insured obligations, plus any net deferred tax assets also classified in Tier 3.

Total revenue*

Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.

(In € millions)	31.12.2019	31.12.2018
Net insurance revenue (NIR) (1)	3,220	3,113
Revenue from own-funds portfolios (2)	747	733
TOTAL REVENUE = (1) + (2)	**3,967**	**3,846**

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. VNB 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.

Universal Registration Document concordance table

The table below provides cross references between Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and CNP Assurances' Universal Registration Document.

Key information required under Annexes 1 and 2 of European Commission Regulation 2019/980		Pages
13.	**Remuneration and benefits**	
13.1	Remuneration paid and benefits in kind	40 and 41; 79 to 89; 219 and 220; 284 and 285
13.2	Total amounts set aside or accrued to provide pension, retirement or similar benefits	79 to 89; 219 and 220; 284 and 285
14.	**Board practices**	
14.1	Expiry date of current terms of office	46; 60 to 78; 87 and 88
14.2	Service contracts between members of the administrative, management and supervisory bodies	90
14.3	Audit and Risk Committee, Remuneration and Nominations Committee	41; 54 to 56
14.4	Statement of compliance with France's corporate governance regime	40; 42; 45; 48; 52 and 53; 58; 79; 375
14.5	Potentially material impacts on corporate governance	60 to 78; 375
15.	**Employees**	
15.1	Number of employees	3; 8 and 9; 145; 284; 289; 337
15.2	Participation and stock options	219 and 220; 284 and 285
15.3	Arrangements for involving the employees in the capital of the issuer	88; 195 and 196; 298; 306 and 307; 309
16.	**Major shareholders**	
16.1	Shareholders owning more than 5% of the Company's share capital or voting rights	301 to 303
16.2	Existence of different voting rights	301 to 303; 371 to 375
16.3	Control of the issuer	303
16.4	Arrangements the operation of which may result in a change in control	303; 375
17.	**Transactions with related parties**	**31; 139; 260 to 275**
18.	**Financial information concerning the issuer's assets, and liabilities, financial position and profits and losses**	
18.1	Historical financial information	3; 13 and 14; 120 to 233; 240 to 288
18.2	Interim and other financial information	-
18.3	Auditing of historical annual financial information	234 to 239; 290 to 295
18.4	Pro forma financial information	-
18.5	Dividend policy	13 and 14; 289; 305
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18.7	Significant changes in the Group's financial or trading position	17; 20 to 27; 132 and 133; 246 and 247
19.	**Additional information**	
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19.1.2	Shares not representing capital	-
19.1.3	Shares held by the issuer itself	302, 375
19.1.4	Amount of any convertible securities, exchangeable securities or securities with warrants	-
19.1.5	Information about any terms of any acquisition rights and/or obligations over authorised but unissued	298 and 299
19.1.6	Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option	-
19.1.7	Historical changes in share capital	298 and 299

Key information required under Annexes 1 and 2 of European Commission Regulation 2019/980		Pages
19.2.	Memorandum and Articles of Association	
19.2.1	Corporate purpose	370
19.2.2	Rights, preferences and restrictions attached to each class of existing shares	-
19.2.3	Provision that would have an effect of delaying, deferring or preventing a change in control	303, 375
20.	**Material contracts**	**371**
21.	**Available documents**	**3rd inside back cover**

Annual Financial Report thematic cross-reference table

The following table lists the information required by the AMF with respect to the Annual Financial Report (Articles 212-13 VI and 222-3 of the AMF's General Regulations).

Information relating to the management report and corporate governance report

This Universal 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 and Extraordinary General Meeting of 17 April 2020.

Management report

		Pages
I.	**Business information regarding the operations of the Company, its subsidiaries and companies it controls (Articles L.225-100-1, L.232-1, L.233-6, L.233-26 and L.247-1 of the French Commercial Code and Articles L.511-45 and R.511-16-4 of the French Monetary and Financial Code)**	
	Objective and comprehensive analysis of the changes in business, results and financial position of the Company, in particular its debt situation, in relation to the volume and complexity of its business	28 to 31
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	Position of the Company and the Group during the period	20 to 37
	Expected changes	36
	Material events arising between the end of the reporting period and the date of the management report	27, 375
	Research and development activity	-
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	Information on sites and operations included in the scope of consolidation	16, 21 to 30
	Business and performance by line of business of the Company as a whole, its subsidiaries and companies it controls	31 to 36
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II.	**Information on risk factors and internal control procedures (Article L.225-100-1 of the French Commercial Code)**	
	Description of the main risks and contingencies to which the Company and Group are exposed	106 to 110
	Information on the objectives and policy regarding the hedging of each main category of planned transactions for which a hedge accounting policy is in place, as well as exposure to price, credit, liquidation and cash risks	106 and 107
	Exposure to price, credit, liquidity and cash risks	106 and 107
	Information on the internal control and risk management procedures implemented by the Company for the preparation and processing of accounting and financial information for the consolidated and company accounts	115 to 117
	Information on financial risks associated with the effects of climate change and measures taken to mitigate such risks by implementing a low-carbon strategy throughout all components of the business	111 to 114

	Pages
III. Information on share capital (Articles L.225-102, L.225-211, L.233-13, L.233-29, R.228-90, R.228-91 and R.233-19 of the French Commercial Code)	
Names of individuals and legal entities who, directly or indirectly, hold more than 5% of share capital or voting rights	303; 375
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Employee share ownership at December 31, 2019 and the proportion of share capital corresponding to shares held by employees of the Company or related companies as part of the employee share ownership plan and by employees and former employees as part of the corporate mutual fund	302
Any adjustments made to securities giving rights to share capital in the event of share buyback or financial transactions	-
Securities purchased by employees as part of the buy-out of a company by its employees	-
Share buyback transactions	308
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Information on payment deadlines for suppliers and their clients	34 and 35
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VI. Additional information (Articles L.225-185 and L.225-197-1 of the French Commercial Code and Article L.621-18-2 of the French Monetary and Financial Code)	
Conditions for the exercising and holding of stock options granted to corporate officers	-
Conditions for the holding of free shares granted to the Chairman of the Board of Directors and the Chief Executive Officer	-
Summary of transactions carried out by the Chairman of the Board of Directors and the Chief Executive Officer on the Company's securities	-
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Corporate governance report

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Information on factors likely to have an impact in the event of a public offering	375
Summary table of current authorisations given to the Board of Directors by the shareholders at the Annual General Meeting regarding capital increases and use made of such authorisations during the period	306 and 307
Information on agreements entered into by subsidiaries with a shareholder who holds more than 10% of shares	372
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Take a look at the sections: Newsroom (for journalists), Candidates, Investors (for analysts and shareholders).

Find out more about our Group, our mission, our unique multi-partner model, our innovation strategy, the CNP Assurances Foundation's activities in the "Who we are" section.

Download our publications, including the Annual Report, the Universal 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 a more open world.

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Take a look at the sections dedicated to investors and shareholders

- A section on the CNP Assurances website open to 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)

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  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.

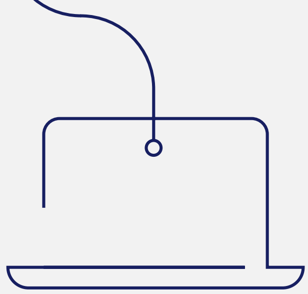
2020 Financial Calendar

17 APRIL
Annual General Meeting

15 MAY
First-quarter 2020 premium income and results indicators

3 AUGUST
First-half 2020 premium income and profit

19 NOVEMBER
Third-quarter 2020 premium income and results indicators



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a more
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