REPORT OF THE BOARD OF DIRECTORS

FOR THE SIX MONTHS ENDED 30 JUNE 2018

Only the French language version is binding on the Company.

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SIGNIFICANT EVENTS OF THE PERIOD

First half

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

On 29 January 2018, CNP Assurances announced that it was taking over two InsurTechs focused on digital marketing and direct distribution of protection and health insurance: iSalud in Spain and Azimut in France. This €40 million investment allows CNP Assurances to acquire majority stakes but will also be used to strengthen the financial capacity of iSalud and Azimut to accelerate their development.

With these transactions, CNP Assurances targets InsurTechs showing a true:

- technological excellence in digital, mainly in leads generation and nurturing, direct marketing and sales, and data management and valorisation, allowing quick synergies with other business lines of CNP Assurances;
- expertise in managing a direct relationship with clients, understanding their needs both in terms of protection solutions but also in terms of digital processes and servicing;
- scalability, to accelerate CNP Assurances' growth on one of its strategic markets, individual protection and health insurance.

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

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

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

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

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

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

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

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

Extension of discussions with Caixa Seguridade

On 29 September 2017, CNP Assurances announced the execution of a non-binding Memorandum of Understanding with Caixa Seguridade, establishing the conditions for a new exclusive distribution arrangement in Brazil. On 22 December 2017, CNP Assurances then specified that the signing of the new agreement was expected to occur early 2018.

Following the change in the top management of Caixa Econômica Federal, CNP Assurances and Caixa Seguridade agreed to pursue and finalise their negotiations with a view to entering into a binding agreement. In the meantime, the current agreements remain in force.

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

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

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

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

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

CNP Patrimoine's Flexi G offer wins Best Innovation Prize

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Issuance of €500m subordinated Restricted Tier 1 perpetual notes

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

The issue proceeds will be eligible for inclusion in Solvency II Restricted Tier 1 regulatory capital. The notes have been rated BBB- by Standard & Poor's and Baa3 by Moody's. This issuance will notably allow CNP Assurances to prepare its next call dates.

Youse, a new rental solution

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

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

Subsequent events

Frédéric Lavenir, CNP Assurances' Chief Executive Officer, tendered his resignation from his position for personal reasons, effective 31 August 2018.

The Board of Directors will designate his successor as promptly as possible.

No other material changes have occurred in the Group's financial or commercial position since 30 June 2018.

MARKET AND BUSINESS REVIEW

Economic and financial environment

A turbulent first-half, contrasting with the calm observed in 2017

After an exceptional year in 2017, in terms of both growth and asset performance, the first half of 2018 was a period of surprises and turbulence. The year started on a high, with global equities gaining 8% in January. However, this was quickly followed by a significant market correction led by the United States, where inflationary pressure increased and long-term interest rates started to climb as the Federal Reserve flexed its muscles.

Volatility in the fixed income and currency markets eased in the second quarter

All asset classes were affected by the first-half surge in market volatility. Various factors contributed to this situation, including the stand-off between the United States and China on trade, and political upsets in Europe, with the Italian election result, the change of government in Spain, and government in-fighting in Germany. However, volatility eased in the second quarter as developed economies recovered their momentum, while nonetheless remaining above the average rates observed in 2017.

Disappointing growth accompanied by increased inflation and a sharp rise in the dollar

From a macro-economic standpoint, the unexpected development was the generally slower growth observed in the first quarter, reflecting a loss of momentum in the eurozone with weaker exports due to the euro's strength against other currencies, and reduced consumer spending in the United States leading to a higher savings rate. Temporary factors such as seasonal and weather effects masked the benefits of sustained corporate capital spending and robust world trade. Other significant developments included the upturn in inflation caused by higher raw materials prices (with oil gaining 20%) and the dollar's rebound from the previous year's weakness. After losing 5%, the American currency staged an abrupt recovery, ending the first half up 3% against its reference basket. This triggered significant fluctuations against the euro (with the exchange rate rising to 1.25 before falling back to 1.17) and a sharp drop in emerging currencies, with the Brazilian real and Turkish lira losing 15% and 20% respectively.

Divergent sovereign debt markets and a credit market correction

In the bond markets, US 10-year rates ended the period up 43 bps at 2.84% (after reaching a high of 3.11%) and 2-year rates were up 65 bps at 2.53%, supported by the 50-bps hike in the Fed Funds rate and the reduced central bank balance sheet. Conversely, in Europe the 10-year OAT rate ended the period down 13 bps at 0.67% and the Bund rate declined to 0.30%. Spanish interest rates were down 23 bps at 1.31%, while Italian rates were up 67 bps at 2.67%. These divergent trajectories were due to the political spasms observed following the Conte government's formation in Italy. Market volatility caused credit spreads to widen across all segments, leading in some cases to negative spreads (-1% in the euro credit market and -3.2% in the dollar credit market), exacerbated in the United States by interest rate hikes.

Erratic stock markets, outperformances by technology stocks and an emerging market correction

In the stock markets, performances varied depending on growth forecasts and industry weightings in the indices. The US indices performed well (the S&P 500 gained 2.4%), led by technology stocks (with the Nasdaq gaining 9.2%), while the European indices were adversely affected by the banks' exposure to the effects of persistently low interest rates and tensions over trade disagreements (the Eurostoxx lost 3%, the CAC 40 gained a mere 0.7% and the DAX fell 4.7%). The trend was exacerbated by currency effects (due to the dollar's recovery after last year's weakness), which led to a 9% fall in emerging market stocks over the first half, despite a 10% gain in January.

A still positive global environment but more varied signals for the coming periods

The global economy stabilised after the previous year's growth spurt. Rising inflation and higher US interest rates adversely affected asset prices, particularly in the emerging market classes. This consolidation can probably be put down to the reduced political and economic visibility caused by renewed trade disagreements and retracement of the PMI and ISM leading economic indicators.

Regulatory and tax environment

The main regulatory development in France in first-half 2018 was the implementation of the "Bourquin amendment" as of 1 January 2018 allowing borrowers to move to a new term creditor insurance provider.

After the Conseil Constitutionnel had ruled that the provisions of the Sapin II Act dated 9 December 2016 concerning the termination and substitution of term creditor insurance policies after the policy's first anniversary were unconstitutional, the issue was put back on the table almost immediately in Act no. 2017-203 dated 21 February 2017. This Act allows borrowers to change insurer each year provided that equivalent cover is purchased, not only for home loans taken out after the Act came into effect (i.e., as from 22 February 2017) but also, as from 1 January 2018, for all home loans in progress at that date.

Following an urgent question about whether this measure was constitutional in the case of term creditor insurance policies in progress at 1 January 2018, the Conseil Constitutionnel issued a ruling on 12 January 2018 stating that the annual termination right as set out in the Act complied with the constitution. As a result, this right came into effect on 1 January 2018 for all In-Force policies.

Concerning the tax environment, the rules applicable to savings-type insurance products were revised with effect from 1 January 2018. The changes concern income from the investment of premiums paid as from 27 September 2017, whatever the date when the product was purchased, which is taxed at a flat rate of 12.8% as from the 2018 tax year. Only the income derived from the fraction of paid premiums that is less than €150,000 continues to be taxed at the flat rate of 7.5% after eight years. Beyond eight years, the income qualifies for a deduction of €4,600 for a single person or €9,200 for a married couple or a couple in a civil partnership who file a joint tax return.

First-half 2018 business review

Consolidated premium income for the period came to €17 billion, up 3.6% (up 6.6% like-for-like) versus first-half 2017.

In **France,** premium income declined 4.4% to €11.5 billion.

Savings/pensions premium income contracted by 3.9% to €9.3 billion. The period saw a favourable shift in the product mix, with 8.1% growth in unit-linked premium income partly offsetting the decline in premium income from traditional products. In the wealth management segment, CNP Patrimoine doubled its premium income, generating €848 million in first-half 2018 versus €402 million in the year earlier period. The proportion of total savings and pensions premiums represented by unit-linked contracts increased to 22.9% from 20.4% in first-half 2017. Eurocroissance technical reserves totalled €231 million at 30 June 2018, compared with €87 million at 30 June 2017. Savings/pensions net new money reflected a €3.4 billion net outflow from traditional products and a €1.4 billion net inflow to unit-linked contracts.

Personal risk/protection premium income declined 6.8% to €2.1 billion. In term creditor insurance, premium income for the period was affected by the new agreements with Crédit Agricole under which CNP Assurances has given up its role as ceding insurer in favour of that of ceding co-insurer (accounting impact not affecting economic exposure). Excluding the impact of new agreements, personal risk/protection premium income remained more or less stable (down 0.3%).

The APE margin rose to 24.7% from 21.5% in 2017, reflecting the improved contribution of operations (particularly in the unit-linked savings segment across all networks and in term creditor insurance) and the more favourable economic environment.

In **Latin America**, premium income came to €2.9 billion, an increase of 13.9% (up 37.2% at constant exchange rates). The strong business momentum observed across all market segments was partly masked by the negative currency effect.

Savings/pensions premium income soared 28.7% (up 54.9% at constant exchange rates), led by the pensions business in Brazil. The proportion of savings and pensions premiums represented by unit-linked contracts rose slightly to 98.8%. Savings/pensions net new money represented a positive €1.2 billion and consisted almost exclusively of unit-linked sales.

Personal risk/protection premium income rose 6.6% at constant exchange rates, with term creditor insurance premiums for home loans and consumer finance up by a strong 17.6% and personal risk, health and property & casualty premiums stable compared with first-half 2017.

The APE margin was 27.5% versus 32.6% in 2017. The modest decline was mainly due to the strong growth in pensions business during the period.

In **Europe excluding France**, premium income amounted to €2.6 billion, an increase of 41.3% (up 32.5% like-for-like).

Savings/pensions premium income was 51.6% higher, reflecting dynamic performances by CNP UniCredit Vita in Italy and CNP Partners in Spain. CNP Luxembourg, which was consolidated for the first time in 2017, reported premium income of €163 million in first-half 2018, with unit-linked contracts accounting for 45.7% of the total. Net new money in the Europe excluding France region was resoundingly positive, at €729 million, with a net inflow of €784 million to unit-linked contracts and a net outflow of €56 million from traditional products.

Personal risk/protection premium income rose 9.0%, thanks to 10.3% growth at CNP Santander led by strong performances in Poland and Spain. The scope of the cooperation agreement with Santander Consumer Finance has recently been extended to include the Belgian and Dutch markets.

The APE margin was 17.0% in first-half 2018 versus 19.1% in 2017. The modest decline was due to the strong growth in savings business during the period.

Premium income by country

IFRS premium income				
(in € millions)	**H1 2018**	**H1 2017**	**% change (reported)**	**% change (like-for-like)**
France	**11,459.6**	**11,991.3**	**-4.4**	**-3.9**
Brazil	2,862.1	2,504.7	+14.3	+37.4
Italy	1,926.6	1,384.7	+39.1	+39.1
Germany	239.6	227.2	+5.5	+5.5
Spain	141.0	111.6	+26.4	+26.4
Cyprus	73.8	69.1	+6.7	+6.7
Luxembourg[1]	162.7	0.0	n.m.	n.m.
Poland	39.5	27.2	+45.0	+45.0
Argentina	16.4	22.3	-26.4	+12.8
Norway	10.0	13.0	-23.3	-23.3
Denmark	9.2	8.1	+13.3	+13.3
Austria	4.5	4.1	+10.2	+10.2
Portugal	2.7	2.8	-5.8	-5.8
Other International	7.8	5.1	+53.2	+53.2
Total International	**5,495.8**	**4,380.0**	**+25.5**	**+36.6**
Total	**16,955.4**	**16,371.2**	**+3.6**	**+6.6**

[1] CNP Luxembourg was consolidated for the first time at year-end 2017.

Premium income by segment

(in € millions)	H1 2018	H1 2017	% change (reported)	% change (like-for-like)
Savings	10,886.5	10,558.6	+3.1	+2.2
Pensions	2,629.6	2,148.1	+22.4	+41.7
Personal Risk	935.2	936.9	-0.2	+6.2
Term Creditor Insurance	2,075.3	2,205.8	-5.9	-2.8
Health Insurance	238.9	325.1	-26.5	-24.1
Property & Casualty	189.8	196.8	-3.5	+13.6
Total	**16,955.4**	**16,371.2**	**+3.6**	**+6.6**

CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As required by IAS 34, the accounting policies applied to prepare the interim consolidated financial statements were the same as those used for the annual financial statements.

(in € millions)	Geographical area			Own-funds portfolios	**Total H1 2018**	Total H1 2017[(1)]	% change (reported)	% change (like-for-like)[(2)]
	France	Latin America	Europe excl. France					
Premium income	**11,460**	**2,879**	**2,617**		**16,955**	**16,371**	**+3.6%**	**+6.6%**
Net insurance revenue	862	499	112		1,474	1,474	0.0%	+7.0%
Revenue from own-funds portfolios				467	467	437	+7.0%	+9.3%
Administrative costs					(441)	(441)	+0.1%	+4.4%
EBIT					**1,499**	**1,469**	**+2.0%**	**+8.5%**
Finance costs					(122)	(123)	-0.4%	-0.4%
Share of profit of equity-accounted companies					22	4	+471.2%	-24.8%
Income tax expense					(495)	(469)	+5.7%	+16.2%
Non-controlling interests					(145)	(177)	-18.3%	-4.1%
Net gains and fair value adjsutments					122	136	NA	NA
Non-recurring items					(209)	(183)	NA	NA
Attributable net profit					**672**	**657**	**+2.3%**	**+2.6%**

(1) Finance costs now include income and expenses from financial instruments held as cash flow hedges, in accordance with a recommendation of France's securities regulator (AMF). Excluding the effect of this reclassification (€7.6 million in first-half 2017), finance costs were stable year on year.

(2) Like-for-like comparisons have been determined by excluding CNP Luxembourg and Holding d'Infrastructures Gazières from the 2018 figures.

Note: The Brazilian real lost 20.3% against the euro, with the average exchange rate standing at 4.14 in first-half 2018 versus 3.44 in the year-earlier period.

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

EBIT corresponds to attributable net profit before:

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

The two main business indicators are:

- **premium income**, representing €16.95 billion in first-half 2018 (see comments in the Business Review);
- average **technical reserves** (excluding the deferred participation reserve and net of ceded reserves), which rose by 1.4% in first-half 2018 to €313.4 billion.

Consolidated net insurance revenue was stable at €1,474 million, up 7.0% like-for-like.

Net insurance revenue France

In France, net insurance revenue was up 8.3% compared with first-half 2017. All market segments contributed to the increase, which reflected higher linked liabilities, improved loss ratios in the employee benefits segment and good sales of term creditor insurance.

Net insurance revenue Latin America

In Latin America, the 11.9% increase in net insurance revenue at constant exchange rates was driven by sustained momentum in the personal risk/protection business and the sharp rise in technical reserves for the pensions business.

Net insurance revenue Europe excluding France

In Europe excluding France, net insurance revenue contracted by 19.4%. The decline was primarily due to implementation of the new distribution agreement with UniCredit, which resulted in the payment of higher commissions.

Revenue from own-funds portfolios totalled €467 million, representing an increase of 7%[1] (up 9.3% like-for-like).

Administrative costs were stable at €441 million (up 4.4% like-for-like).

EBIT

At €1,499 million, EBIT was up 2%[2] (up 8.5% at constant exchange rates), powered by operations in France and Latin America.

Finance costs were stable at €122 million. Finance costs now include income and expenses from financial instruments held as cash flow hedges, in accordance with a recommendation of France's securities regulator (AMF). Excluding the effect of this reclassification (€7.6 million in first-half 2017), finance costs were stable year on year.

The **effective tax rate** rose to 36.0% in first-half 2018 from 34.8% in the year-earlier period, due to the recognition in first-half 2017 of a deferred tax asset for the tax loss of an indirect subsidiary in Brazil.

The 18.3% decrease in profit attributable to **non-controlling interests** mainly reflected the currency effect in Latin America and the smaller contribution to profit by the Group's joint ventures.

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

Fair value adjustments and net gains (losses) on disposal of investments contracted to €122 million, comprising net gains of €117 million and positive fair value adjustments to assets held for trading of €5 million.

Non-recurring items in first-half 2018 corresponded to the €209 million added to provisions (after the tax effect) versus €183 million added in the year-earlier period.

Reported attributable **net profit** was 2.3% higher at €672 million. At constant exchange rates, the increase was 2.6%.

[1] Up 5.2% (up 7.5% like-for-like) before taking into account the AMF's recommendation concerning finance costs.

[2] Up 1.5% (up 7.9% like-for-like) before taking into account the AMF's recommendation concerning finance costs.

Consolidated balance sheet at 30 June 2018

Total assets amounted to €423.4 billion at 30 June 2018 compared with €423.3 billion at 31 December 2017.

Insurance and financial liabilities totalled €363.8 billion at 30 June 2018, down 0.4% from 31 December 2017.

Equity attributable to owners of the parent remained stable compared with 31 December 2017, at €18,219 million, with the payment of a €577 million cash dividend for 2017 offset by first-half 2018 profit of €672 million. The total includes €2,261 million in deeply subordinated notes reclassified in accordance with the IFRIC interpretation published in November 2006.

Solvency capital

CNP Assurances calculates its consolidated SCR coverage ratio using the standard formula without applying transitional measures (except for grandfathering of subordinated debt), without using the Brazilian solvency regulation, and net of the current year's dividend. The consolidated SCR coverage ratio was 198% at 30 June 2018 versus 190% at 31 December 2017. The higher ratio was mainly due to the issuance, in June 2018, of €500 million worth of Tier 1 subordinated notes and positive fair value adjustments for the period.

Asset portfolio and financial management

Insurance investments at 30 June 2018 totalled €383.5 billion versus €387.1 billion at 31 December 2017, a decrease of €3.6 billion over the period.

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

At 30 June 2018, available-for-sale financial assets represented 76.1% of total investments, financial assets at fair value through profit or loss (trading securities) represented 21.6%, and held-to-maturity investments and other investments (mainly investment property and loans) accounted for 2.3%.

RISK FACTORS

The risks described on pages 93 to 109 and pages 212 to 224 of the 2017 Registration Document are inherent in the economic, competitive and regulatory environment in which the Group operates.

Pages 212 to 224 correspond to Notes 22, 23 and 24 on the other analyses presented in the Registration Document, including the analyses of the various risks and MCEV© data.

OUTLOOK

The Group is actively refocusing its product mix in favour of personal risk/protection and unit-linked products, while also accelerating its digital transformation, with the launch of Youse Europe and the strategy of investing in and partnering with innovative start-ups.

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