MARKET-CONSISTENT EMBEDDED VALUE REPORT

31 December 2018

assurances

SUMMARY

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INTRODUCTION

1.1 PREPARATION BASES & KEY PRINCIPLES

Presentation of the report

This report presents the results, methods and assumptions used to determine the Embedded Value of the CNP Assurances Group (the "Group") at 31 December 2018. The Embedded Value (referred to variously by the terms "Market- Consistent Embedded Value", "MCEV", "Embedded Value" or "EV") is established in accordance with the "European Insurance CFO Forum Market-Consistent Embedded Value© Principles" (the "MCEV principles") published in June 2008, amended in October 2009 then updated in April 2016.

The report contains a reconciliation between the Group's IFRS equity and the Group's EV at 31 December 2018. However, the information contained in this report is not directly comparable to the financial information produced in accordance with the IFRS standards. Nor it is a valuation of the Group or of a part of the Group as might be established in the context of an acquisition: other valuation methods could then be used.

The Group nevertheless considers that the information on Embedded Value is such as to provide valuable components to analyse the Group's economic performance in the financial year. The different terms used in this report to analyse the Group's activities may differ from the definition used by other insurance companies or groups. A glossary at the end of the document (Appendix A) gives details on the definition of the main terms used in this report.

The methodology, assumptions and results of the 2018 MCEV have been reviewed jointly by auditors PwC and Mazars, which also audit CNP Assurances's financial reports and whose opinion is appended at the end of the report.

Presentation of MCEV

The Market-Consistent Embedded Value is a measure of the economic value of life insurance activities and related activities, on the basis of a fair value valuation of assets and liabilities. It comprises on the one hand the adjusted value of shareholders' equity and on the other hand the value of the portfolio of policies at the financial year-end. This last component is estimated using projection models and is the present value of future distributable profits after making sufficient allowance for risks and constraints related to insurance activities in a market-consistent financial environment. In particular, it takes into account:

- the Cost of Time Value of Options and Financial Guarantees given to policyholders ("TVOG") in addition to their embedded value;
- the Frictional Cost of Required Capital ("FCRC"), arising from the obligation to permanently maintain the Required Capital;
- the Cost of Residual Non-hedgeable Risks not fully valued elsewhere (CRNHR).

The Adjusted Net Asset Value ("ANAV") breaks down into Required Capital and Free Surplus. The Required Capital is the market value of the assets that the insurer must hold in respect of its business, whose distribution to shareholders is restricted. The Free Surplus refers to the surpluses available. The "Operating Free Cash-Flow" indicator (OFCF) shows the release of Free Surplus related to operating activities. This release can be used to pay dividends and develop business via marketing New Business or through external growth operations.

The contribution to MCEV from new policies in the current year (referred to variously by the terms "Value of New Business" or "VNB") is analysed specifically, and is a measure of the performance of the Group's underwriting activity.

The MCEV and VNB are calculated net of minority interests, net of reinsurance and net of tax.

1.2 CONTENT AND PERIMETER

Description of the report

This report presents the results, methods and assumptions used to calculate the Group's Embedded Value and prepare information on Embedded Value at 31 December 2018. It is structured around the following sections:

Section 1 : Preparation bases & key principles

Section 2 : Group results at 31 December 2018

Section 3 : Results detailed by geographic area

Section 4 : Methodology

Section 5 : Assumptions

Section 6 : Changes in MCEV since 2013

Section 7 : Opinion externe sur l'Embedded Value

Appendices

Scope

The Group's business is concentrated on life insurance in the three geographic areas: France, Latin America and Europe excluding France. The main products are:

- Individual traditional Savings and unit linked accounts;
- capital accumulation products;
- Pension products including immediate and deferred annuities;
- Credit Insurance (Consumer Credit and Mortgage);
- protection and health products;
- other products linked to the above products.

The business covered by MCEV concerns all Group entities' life insurance business and related business that contributes significantly to the value. The scope covered and changes to it compared to the MCEV scope at 31 December 2017 are detailed in Appendix B.

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RESULTS AT 31 DECEMBER 2018

2.1 INTRODUCTION

2.1.1 Main events in the year

2018 was marked by several major events:

The conclusion of a binding agreement in Brazil

In August 2018 CNP Assurances announces the conclusion of a binding framework agreement providing for the establishment of a new long-term exclusive distribution agreement until February 2041 in Brazil in the network of Caixa Econômica Federal (CEF). The new exclusivity perimeter in CEF's network includes life insurance, consumer Credit life insurance and Private Pension plans (Vida, Prestamista, Previdência).

The agreement has to be implemented through a new joint insurance company that will be specially created by CNP Assurances and Caixa Seguridade (CNP Assurances will hold 51% of the voting rights and 40 % of the economic rights). CNP Assurances will continue to hold 51.75% of Caixa Seguros Holding (CSH), the existing joint subsidiary with Caixa Seguridade. CSH will keep all its existing activities in Brazil distributed outside of the CEF network, and will keep developing its multichannel strategy. As part of the agreement, CNP Assurances agreed to waive the existing exclusive distribution rights of CSH for other insurance products Mortgage Life insurance (Hipotecario), Credit (Consórcio), Savings products (Capitalizaçao), P&C insurance, Health (Saúde), Dental Insurance (Odonto) should Caixa Seguridade decide to transfer the distribution rights for these products to other companies. The existing In-Force insurance portfolios related to these products and already underwritten by CSH will not be impacted by the agreement and will remain on CSH's balance sheet. They could potentially be sold in the future, after discussions with CEF and with the companies that would then be selling these products.

The agreement provides payment by CNP Assurances of a fixed amount of BRL 4.65 billion on completion of the deal once the agreement is approved by the Brazilian authorities.

This amount was deducted from the ANAV of MCEV 2018 as it is a strong commitment and CNP Assurances does not expected any particular impact in the lifting of the last authorizations to be obtained. Consistently, the change in economic share owned was taking into account in the value of In Force and New Business of the concerned perimeter.

The maintain of the low rate environment in the eurozone

The maintain of the low rate environment in the euro zone has a significant impact on the profitability of Savings-Pensions business, and consequently on the value of MCEV metrics. The unfavorable environment is partly offset by the management actions regarding the expenses monitoring, the pricing and the product design and business strategy.

Following various communication on future management actions (policyholder behavior and financial strategy), the French regulator (ACPR) demonstrated its intention to make practices in terms of modelling for the whole of the market uniform. Given this new position adopted by the regulator, adaptations of the tools have been made for the 2018 financial year-end.

2.1.2 Overall results

The value of the Group's 2018 New Business came to + € 659 M, down -15.7 %, or - € 123 M compared to 2017 (-11 % at constant exchange rates or € - 86 M). The decrease in VNB is manly driven by France (€ 414 M, or – 17 %) and is due to an unfavourable volume effect of Credit Insurance, consistent with the decline in the credit market in France and the run-off effect of the partnership with Crédit Agricole. It is important to note a reduction in VNB in Brazil (€ - 47 M) mainly due to the anticipation of the change in the economic share subsequent to conclusion of the binding agreement and an unfavourable exchange rate effect, in spite of a positive operational effect linked to a substantial increase in receipts in most of segments. Volumes are also up in the Savings segment (+ 33 % in Unit-Linked and + 52 % in Euros) in Europe excluding France.

The Group's Embedded Value amounts to + € 21,862 M, or a decrease of - € 1,379 M (- 6 %) over the period including - € 1,616 M for opening adjustements detailed in section 2.3.2 and dividends paid to the year 2017 for - € 577 M, + € 1,708 M for operational impacts and - € 1,173 M for economic effects other than foreign exchange rate, the decrease in normal corporate tax rates, - € 298 M due to the foreign exchange rate.

The main vectors for the change in VNB and MCEV are given in the following sections, and components detailed by geographic area are given in Section 3 of the report.

The following table gives the main results in terms of VNB and MCEV:

(€M, %)		2018	2017
VNB	Value of New Business	659	782
APE	Annual Premium Equivalent	3,090	3,316
PVNBP	Present Value of New Business Premiums	26,126	28,201
	Margin rate	21.3 %	23.6 %
	PVNBP ratio	2.5 %	2.8 %

(En M€, %)		2018	2017
MCEV	Market-Consistent EMBEDDED VALUE	21,862	23,241
VIF	Value of In-Force	9,261	9,329
ANAV	Adjusted Net Asset Value	12,600	13,911
	Return on MCEV	7.9 %	10.4 %
IDR	Implied Discount Rate	7.5 %	7.2 %
OFCF	OPERATING FREE CASH FLOW	1,462	1,113
Of which subordinated debt		0	0

2.2 VALUE OF NEW BUSINESS

The following table gives a detailed breakdown of Group VNB. VNB is valued using a marginal method that takes account of interactions between new products and stock of existing contracts (see Section 4.3.2). It is valued on the basis of assumptions reviewed at the year-end, after including taxes and minority shareholdings.

		2018		2017		Change	
		€M	€ per share[1]	€M	€ per share[1]	€M	%
PVFP	Present Value of Future Profits	933	1.4	1094	1.6	(162)	-14.8 %
TVOG	Time Value of Options and Guarantees	(154)	(0.2)	(167)	(0.2)	13	-8.0 %
FCRC	Frictional Cost of Required Capital	(18)	(0.0)	(22)	(0.0)	4	-18.1 %
CRNHR	Cost of Non-Hedgeable Risks	(102)	(0.1)	(123)	(0.2)	21	-17.3 %
VNB	**Value of New Business**	**659**	**1.0**	**782**	**1.1**	**(123)**	**-15.7 %**
APE	Annual Premium Equivalent	3,090		3,316		(225)	-6.8 %
PVNBP	Present Value of New Business Premiums	26,126		28,201		(2,075)	-7.4 %
	Margin rate	**21.3 %**		**23.6 %**		**-2.3 %**	**-9.6 %**
	PVNBP ratio	2.5 %		2.8 %		-0.3 %	-9.0 %

[1] *Number of shares at 31 December 2017 and at 31 December 2018: 686,618,477*

The Group VNB is down - € 123 M (- 15.7 %). The decrease is due to changes in the following components:

- The Present Value of Future Profits (PVFP), down - 14.8 % compared to 2017. This is mainly due to a fall in volumes on Credit Insurance in France as well as the anticipated effects of new agreements in Brazil.
- The Time Value of Options & Guarantees (TVOG) is down - 8 % due to improved market conditions, in particular with the rise in rates on first maturities and the decline in rate and share volatility in the euro zone.
- The Frictional Cost of Required Capital (FCRC) is down - 18.1 % linked to the update of the Solvency 2 Required Capital and fall in the tax rate in France.
- The Cost of Residual Non-Hedgeable Risks (CRNHR), is down - 17.3 % which results from the decrease in non-financial risks linked to new underwriting in the 2018 financial year.

Group APE volume (€ 3,090 m) is down - 6.8 % compared to 2017, due to:

- lower receipts in France, especially in the Credit Insurance segment, following the run-off of New Business with Credit Insurance and the fall in Credit Insurance production for other partnerships;
- receipts sharply up in the Latin America perimeter (+ 2.8 % at constant exchange rates) mainly driven by Capitalização and Consorcios (Auto/Motor and Home Buisness). Excluding anticipated inclusion of the change in share, receipts are up + 17 % at constant exchange rates;
- receipts up in Europe excluding France, driven by sales in the Savings segment in Italy, Spain and Luxembourg. An increase in volumes in the Irish entity, driven by Spain and the inclusion of Austria in the perimeter.

The Group's margin rate came to + 21.3 % in 2018 against + 23.6 % in 2017, down - 2.3 points. The fall in margin rate is essentially due to an unfavourable Segment Mix effect subsequent to the fall in Credit Insurance volumes in France and the inclusion of new agreements in Brazil.

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

(€mM , %)	VNB	Change	Margin rate
Value of New Business 2017	782		23.6 %
Updated model and scope	756	(26)	23.4 %
Change in the APE volume	751	(6)	23.4 %
Change in the Segment Mix	690	(61)	21.5 %
Change in experience	686	(4)	21.4 %
Change in financial market conditions	698	12	21.8 %
Updated taxation	696	(2)	21.7 %
Change in the foreign exchange rate	659	(37)	21.3 %
Value of New Business 2018	**659**	**(123)**	**21.3 %**

The VNB came to + € 659 M at end 2018 against + € 782 M in 2017, the main items explaining the change are as follows:

- Update model and scope (- € 26 M) mainly linked to the inclusion of new agreements in the renewed perimeter (JV1) in Brazil (VNB - € 37 M) and more detailed modelling of Pension products in Brazil (- € 14 M). These effects are partially counterbalanced by a better appreciation of CNP Assurances' taxation and the deactivation of management actions in some adverse scenarios (+ € 25 M).
- Change in the APE volume (- € 6 M) basically represents the effects of change in the overall volume of premiums received by Group companies, without including changes in the distribution per segment and per product. The volumes taken into account are the APE volumes and are established from premiums written in accordance with local accounting standards.
- Change in the Segment Mix (- € 61 M) takes account of the difference in the distribution of sales between different segments. It is mainly due to France with change in receipts in less profitable segments.
- Change in experience (- € 4 M) reflects the impacts from changes in non-economic assumptions, basically assumptions on claims, behavioural assumptions and costs assumptions. It basically concerns the favourable effects from updating experience laws on Pensions, Risk products and Loan insurance in Brazil, more than counterbalanced by a reduction in claims on Collective Risk products in France.
- Change in financial markets conditions (+ € 12 M) reflects the impacts from the improvement in rates and lower rate and share volatility in the euro zone. The fall in the rate curve in Brazil has a positive impact on value.
- Updated taxation (- € 2 M) reflects the impacts of the decrease in unrealized gains or losses on assets benefitting from reduced rates.
- Change in the foreign exchange rate (- € 37 M) reflects the change in the average exchange rate for the Brazilian Real and Argentine Pesos against the Euro since the last VNB reference calculations.

The following table gives the duration of New Business:

Duration (years)	2018	2017
Savings & Pensions	15.7	14.1
Risk & Protection	6.5	6.4*

** Duration proforma calculated on premiums*

2.3 MCEV AT 31 DECEMBER 2018

The following table gives a breakdown of the various components of Group MCEV at 31 December 2018 and a comparison with the MCEV at 31 December 2017:

	MCEV 2018 before distribution of dividend 2018		MCEV 2017 after distribution of dividend 2017		Change before distribution of dividend 2017		MCEV 2017 before distribution of dividend 2017	
	€M	€ per share *	€M	€ per share *	€M	%	€M	€ per share *
ANAV – Adjusted Net Asset Value	12,600	18.4	13,335	19.4	(734)	- 6 %	13,911	20.3
Required Capital	1,917	2.8	2,577	3.8	(659)	- 26 %	2,577	3.8
Free Surplus	10,683	15.6	10,758	15.7	(75)	- 1 %	11,335	16.5
VIF – Value of In Force	9,261	13.5	9,329	13.6	(68)	- 1 %	9,329	13.6
Present Value of Future Profits	13,552	19.7	13,757	20.0	(206)	- 1 %	13,757	20.0
Time Value of Options & Guarantees	(3,144)	(4.6)	(3,255)	(4.7)	110	- 3 %	(3,255)	(4.7)
Frictional Cost of Required Capital	(406)	(0.6)	(466)	(0.7)	59	- 13 %	(466)	(0.7)
Cost of Residual Non-Hedgeable Risks	(740)	(1.1)	(707)	(1.0)	(32)	5 %	(707)	(1.0)
MCEV - Market-Consistent Embedded Value	**21,862**	**31.8**	**22,664**	**33.0**	**(802)**	**- 4 %**	**23, 241**	**33.8**

** Number of shares at 31 December 2017 and at 31 December 2018: 686,618,477*

The MCEV consists of (i) Adjusted Net Asset Value ("ANAV"), in other words the market value of assets not backing insurance liabilities, and (ii) the Value of In-Force ("VIF"), in other words the value of future profits emerging from insurance liabilities and back assets less by the time value of options and guarantees and costs relating to non-hedgeable risks and capital required.

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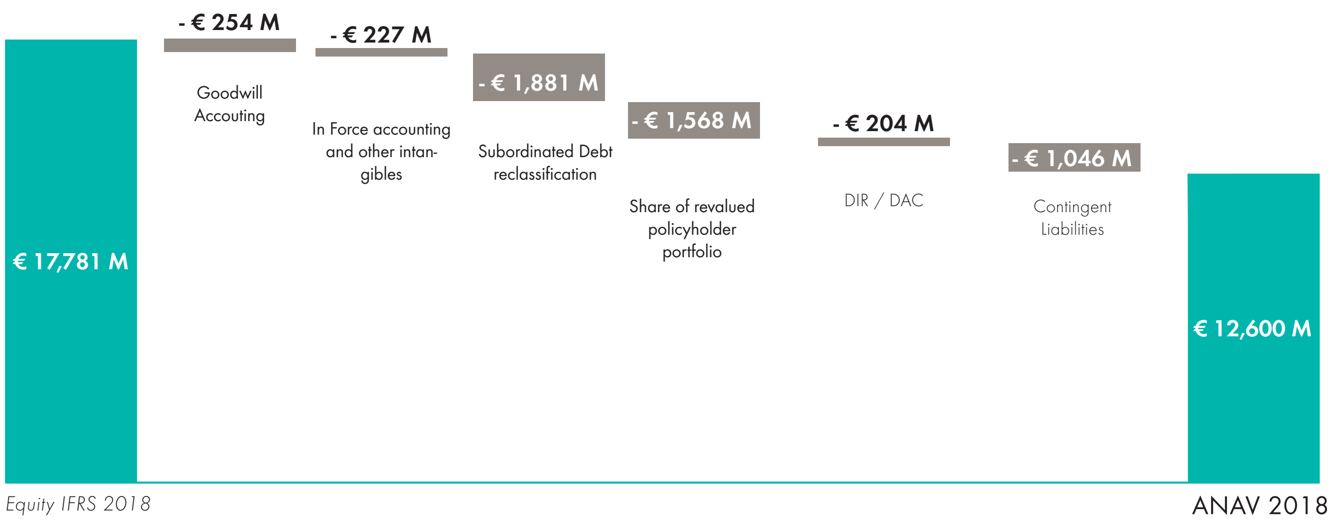
2.3.1 Adjusted Net Asset Value

Adjusted Net Asset Value ("ANAV") is the market value of assets that do not back insurance liabilities. It is derived from the IFRS shareholders' book equity after deducting intangible assets, subordinated liabilities and the share of revalued policyholder portfolio. The ANAV is determined at the valuation date at consolidated level, excluding minority interests and breaks down into the Required Capital and the Free Surplus.

The following diagram gives the reconciliation of the IFRS shareholders' book equity with the ANAV at 31 December 2018 :



The ANAV is reconciled with the IFRS shareholders' equity as follows:

- Cancellation of intangible assets: the various intangible assets whose amortisation is not projected in the VIF are restated. These intangible assets do not have a commercial value and they are assigned a nil value for the needs of determining the ANAV.

  It concerns:
  - accounting goodwills which represents a book entry in accordance with the IFRS standards related to the acquisition cost of an entity;
  - deferred acquisition costs (DIR/DAC) being the nonamortized part of acquisition costs incurred at inception of insurance policies;
  - value of business acquired representing the VIF crystallised on the acquisition date of an external portfolio and amortised over time.
- Reclassification of subordinated debts: subordinated debts are considered to be components of shareholders' equity in the IFRS standards, but do not belong to the shareholders. So their value is not included when determining the ANAV.
- Share of revalued policyholder portfolio: fraction of the unrealized gains or losses on financial assets is deemed to belong to the shareholders under the IFRS standards in accordance with specific keys whereas the residual part is deemed to belong to the policyholders. Modelling in MCEV results in a more accurate approach in determining the part due to shareholders, which is reincorporated into the portfolio value modelling
- Contingent Liabilities: CNP Assurances considers that anticipation of the payment relative to the renewal of Brazil agreements cannot be incorporated into available surpluses, as such payment represents a firm commitment by the Group and is not an insurance commitment. Consequently, such early payments are deducted from the ANAV at 31 December 2018.

2.3.2 Analysis of change in MCEV

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down between Free Surplus and Required Capital

(€m)	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2017	13,911	11,335	2,577	9,329	23,241
Opening adjustments	(1,928)	(2,121)	192	312	(1,616)
Adjusted opening MCEV 2017	**11,983**	**9,214**	**2,769**	**9,642**	**21,624**
Value of New Business	(54)	(485)	431	713	659
Expected existing business contribution	208	208	0	1,075	1,282
Transfers from the VIF and required capital to free Surplus	1,409	1,894	(485)	(1,409)	0
Experience variances	(140)	(184)	43	(112)	(252)
Changes in assumptions relating to operating activities	0	29	(29)	19	19
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**1,422**	**1,462**	**(40)**	**286**	**1,708**
Economic variances	(542)	231	(773)	(525)	(1,067)
Other non-operating variance	(80)	(80)	0	(25)	(105)
Total MCEV earnings	**800**	**1,612**	**(813)**	**(264)**	**536**
Closing adjustments	(182)	(143)	(39)	(116)	(298)
MCEV 2018	12,600	10,683	1,917	9,261	21,862

Opening adjustments cover:

- anticipation of the payment relative to the renewal of agreements in Brazil (BRL - 4.65 billion, or - € 1.05 billion at end 2018);
- movements of capital and especially payment of the Group dividend for 2017 which affects the ANAV (- € 577 M);
- model changes, and more particularly better appreciation of CNP Assurances' tax situation attenuated by the deactivation of management actions in some adverse scenarios, as well as the change in economic rights and improvements in models on Brazil (+ € 312 M), and a modification applied to the unrealized gains or losses taken into account in ANAV.

The Value of New Business contributes to + € 659 M on changes in the MCEV. This value includes the net result generated in 2018 by New Business for - € 54 M allocated to ANAV and the contribution to the year-end VIF. The corresponding increase in Required Capital comes to + € 431 M.

The expected existing business contribution (+ € 1,282 M) results from capitalisation of the VIF (+ € 1,075 M) calculated at 31 December 2017 and the projected yield from the Free Surplus (+ € 208 M) at 31 December 2017. In addition, the 2018 result attached to the 31 December 2017 VIF is transferred to the ANAV without impact on the MCEV and increases the Free Surplus both because of externalised profits from the VIF and the reduction in required capital.

Experience variances affect the VIF to the tune of - € 112 M and mainly result from differences between the anticipated result in 2018 in respect of the VIF modelling and the actual result ascertained during the 2018 financial year. Note in particular the strengthening of provisions in France on Savings as well as an additional provision release in Brazil related to a change in local regulation.

Changes in assumptions relating to operating activities are almost neutral for the Group at + € 19 M on the VIF. The assumptions concerned are behavioural assumptions and in particular assumptions on surrenders, biometric assumptions, aggregated claims assumptions and management costs assumptions on the activity modelled.

No other variances relating to operating activities were noted in 2018.

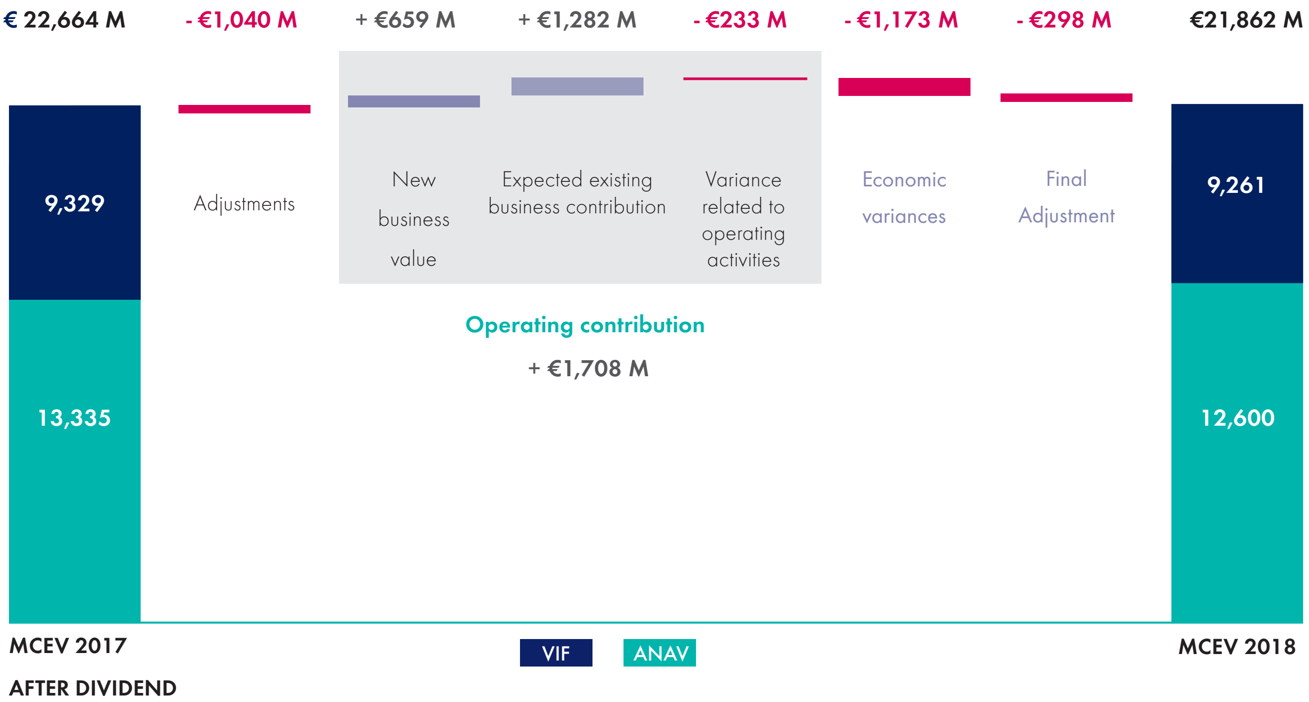
The result is a contribution from operating activities of + € 1,708 M on MCEV. As regards Free Surplus, the available Cash-flow of + € 1,462 M freed up by operational activities is the "Operating Free Cash-Flow" indicator. Its interpretation and details of changes in it are given in paragraph 2.3.3.

The economic situation includes:

- **Economic variances** (- € 1,067 M) cover :
  - an increase in rates on first maturities, a decrease in rate and share volatility in the euro zone;
  - a decrease in rates in Brazil;
  - a share and property market movements and their volatility.
- **Other non-operating variances** (- € 105 M) are linked to tax differences.
- **Closing adjustments** (- €298M) are for exchange rate effects, essentially those of the Brazilian Real (BRL).

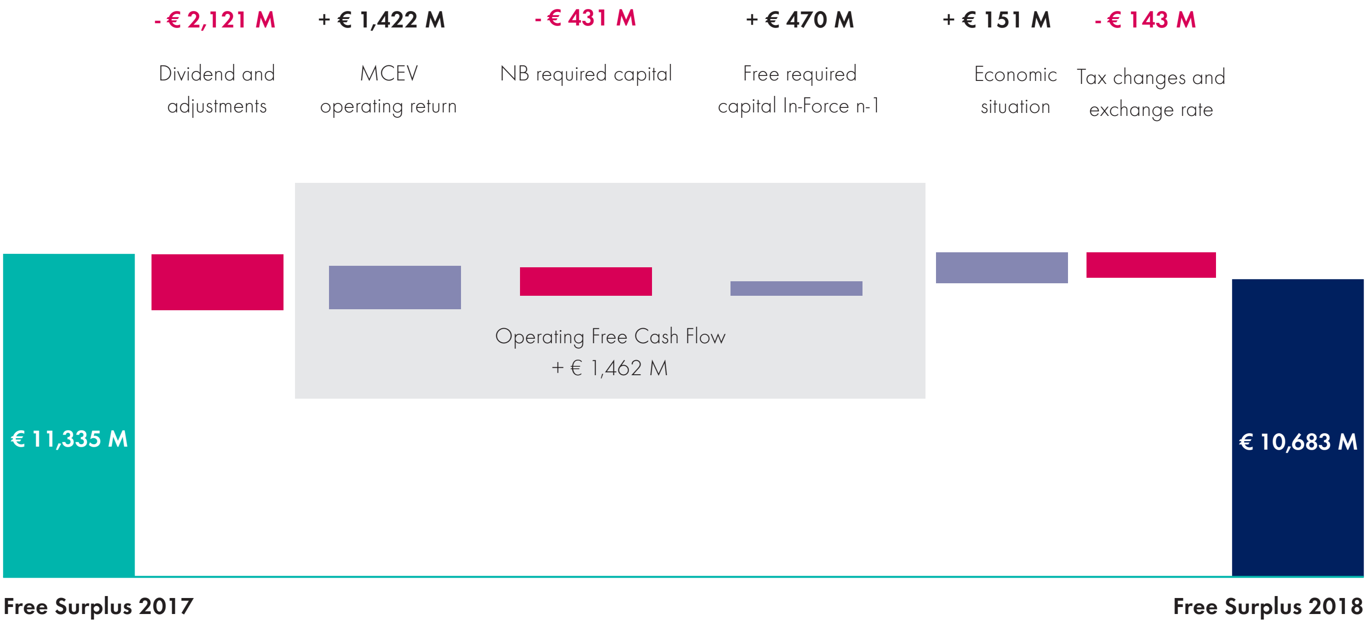
A detailed analysis by geographic area is given in Section 3.

The following graph details the change in value between MCEV and its components (VIF and ANAV) for 31 December 2017 and 31 December 2018, grouping the different impacts together:



2.3.3 Analysis of change in Free Surplus

The following graph shows the change in Free Surplus for 31 December 2018 and 31 December 2017, grouping the different impacts together:



The Free Surplus came to + €10,683M, down - €652M compared to 2017.

The opening adjustment is - €2,121M and is mainly due to the anticipation of the payement relative to the renewal of agreements in Brazil (-€1.05 billion at end 2018) and payment of the 2017 dividend (- € 577M). To this is added a better estimation of the unrealized gains or losses of the unlisted investments in France.

The operational contribution comes to + €1,462M:

- 2018 operational result of + €1,422M, up to + 5.6 % compared to 2017;
- a change in Required Capital of + € 39 M, braking down into a requirement of - € 431 M linked to New Business and stable compared to 2017 and a release of Required Capital of + € 470 M greater than in 2017 benefitting from the negative base effect, on the 2017 Required Capital, the review of biometric and behavioural laws.

The **OFCF** shows the Group's ability to generate the Free Surplus to pay its dividends and develop through commercialization of New Business or by external growth operations.

The economic contribution is + € 151M.

The final adjustment is mainly the effects of exchange rates.

The following table gives an analysis of the OFCF, distinguishing its different components at 31 December 2018 and 31 December 2017:

(€M)	2018	2017
VIF transfers to Free Surplus	1,409	1,390
Financial income from Free Surplus	208	202
Release of required capital to Free Surplus	485	587
Experience variances	(155)	(612)
Expected contribution of In-Force	1,946	1,568
Capital required for New Business	(431)	(432)
Earnings attributable to New Business	(54)	(23)
Capital required for New Business	(485)	(455)
OPERATING FREE CASH FLOW	**1,462**	**1,113**
of which subordinated debt	0	0

At 31 December 2018, Operating Free Cash Flow is + € 1,462 M

2.4 IMPLIED DISCOUNT RATE

In an alternative way to the traditional approach in which the VIF and VNB result from an update of future distributable revenue with a discount rate, the MCEV approach can also be used to deduce an implied discount rate to directly value the VIF and VNB. The implied discount rate (IDR), is defined as the discount rate as such, when used with a traditional model of embedded value, the values produced (VIF, VNB) are equal to those that result from a market-consistent valuation. This IDR is thus a result of the valuation work rather than a basic MCEV assumption. The IDR calculation requires a deterministic projection of future profits resulting from stock of existing contracts on a "real world" basis as for a traditional embedded value.

At 31 December 2018, the IDR for the Group's subsidiaries is calculated on the basis of a spread of 0 bp on the reference rate curve and a spread of 20 bps on corporate type bonds. Shares and property benefit from a risk premium of 310 bps and 230 bps (the same as at 31 December 2017) respectively.

The IDR is + 7.5 % for the Group at 31 December 2018 against + 7.2 % at 31 December 2017.

2.5 SENSITIVITIES

MCEV sensitivities are based both on the economic and underlying non-economic assumptions. It should be noted that sensitivities are often correlated, so it is unlikely that the impact of two events occurring simultaneously would be equal to the sum of the individual sensitivities for each event. For events whose impact is considered symmetrical, only sensitivities in one sense are presented.

The meaning of the different sensitivities is described in the comments beneath the table below which gives the results of sensitivities:

(€m)	ANAV	VIF	MCEV	VNB
MCEV - Market-Consistent Embedded Value	12,600	9,261	21,862	659
Interest rate curve +50 bps	(238)	1,576	1,338	64
Interest rate curve -50 bps	236	(2,107)	(1,872)	(125)
No volatility adjustment (VA = 0)	-	(855)	(855)	(35)
25% decrease in equity capital values	(983)	(1,661)	(2,644)	-
Surrenders -10%	-	270	270	36
Costs -10%	-	311	311	47
Regulatory minimum Capital	-	62	62	5
Claims rates - 5% - Risk of longevity	-	(59)	(59)	(1)
Claims rates - 5% - Risk of mortality & disability	-	219	219	59
25% increase in swaption implied volatilities	-	(1,073)	(1,073)	(62)
25% increase in equity implied volatilities	-	(760)	(760)	(25)

In each of the sensitivity calculations, all other assumptions remain unchanged. No specific additional action by management has been included in the sensitivities above.

Interest rate curve +/-50 bps:

This sensitivity is a translation of the swap rate curve by 50 bps up or down. In particular, it results in:

- a revaluation of the market value of bonds;
- an adjustment of reinvestment rates for all classes of assets of 50 bps;
- and an update of the discount rate.

The impact on the initial mathematical provisions for Unit-Linked policies is not valued. Only the liquid part of the yield curve is subject to translation with a stable ultimate forward rate (UFR), in line with its definition under Solvency 2.

Because of the asymmetrical, non-linear impact of options and financial guarantees on MCEV, the drop in financial markets usually has a bigger impact on MCEV than the rise in interest rates, the impact gets greater with every additional drop. In the new method used, yield rates are no longer floored at 0.

No volatility adjustment (VA):

This sensitivity is used to value the impact where there is no correction for volatility ("volatility adjustment") on activities where such a correction is used.

25% decrease in equity capital values:

immediate 25% in equity indices. This shock results in a 25% fall in the market value of financial assets in equity, and a decrease in the mathematical provisions on Unit-Linked policies for their share invested in those assets.

25% increase in swaption/equity implied volatilities:

These sensitivities are used to value the impact on Time Value of Options and financial Guarantees of the 25% increase in swaption and equity volatility.

Surrenders -10%:

This sensitivity measures the impact of a 10% decrease in total and partial annual surrender rates.

Costs -10%:

This sensitivity is used to value the impact of a 10% decrease in all costs: acquisition, management, claim and structure costs.

Claims -5%:

This sensitivity measures the impact of a fall in claims: the incidence rate, loss ratios, disability and incapacity rate and mortality tables have been reduced by 5%. Sensitivities to longevity risk, mortality risk and long term disability risk are measured separately.

Regulatory minimum Required Capital:

This sensitivity consists of defining Required Capital as 100% of the required regulatory solvency margin, considering as stable the share of subordinated securities, and of measuring the impact of this change of assumption on value

3

RESULTS DETAILED BY GEOGRAPHIC AREA

3.1 OVERVIEW

The following section gives an analysis of the main indicators and main vectors for change by geographic area.

The following tables give the overall results and the contribution of the different geographic areas to the CNP Group's MCEV and VNB results. Detailed analyses for each area follow.

			France	Latin America	Europe excluding France	Group
VNB (€m)		2017	498	225	59	782
		2018	414	178	67	659
	change		(84)	(47)	8	(123)
Share in Group VNB (%)		2017	64 %	29 %	8 %	100 %
		2018	63 %	27 %	10 %	100 %
APE (€m)		2017	2,317	690	309	3,316
		2018	2,101	591	399	3,090
	change		(216)	(99)	90	(225)
Margin rate (%)		2017	21.5%	32.6%	19.1 %	23.6 %
		2018	19.7%	30.1%	16.9 %	21.3 %
	change		(1.8%)	(2.5%)	(2.2 %)	(2.3 %)

			France	Latin America	Europe excluding France	Group
MCEV (€m)		2017	20,322	1,845	1,073	23,241
		2018	19,098	1,623	1,141	21,862
	change		(1,224)	(222)	68	(1,379)
Share in Group MCEV (%)		2017	87 %	8 %	5 %	100 %
		2018	87 %	7 %	5 %	100 %
VIF (€m)		2017	8,077	973	279	9,329
		2018	8,168	799	294	9,261
	change		91	(174)	14	(68)
ANAV (€m)		2017	12,245	873	794	13,911
		2018	10,930	824	847	12,600
	change		(1,316)	(49)	53	(1,311)

The following table gives VIF sensitivities by geographic area:

(€M)	France	Latin America	Europe excluding france	Group
VIF 2018	8,168	799	294	9,261
Interest rate curve +50 bps	1,572	(14)	18	1,576
Interest rate curve -50 bps	(2,095)	15	(28)	(2,107)
No volatility adjustment (VA = 0)	(855)	0	(0)	(855)
25% decrease in equity capital values	(1,605)	0	(56)	(1,661)
Surrenders -10%	217	45	8	270
Costs -10%	283	15	13	311
Regulatory minimum Required Capital	57	4	1	62
Claims rates - 5% - Risk of longevity	(55)	0	(5)	(59)
Claims rates - 5% - Risk of mortality & disability	180	29	11	219
25% increase in swaption implied volatilities	(1,070)	0	(4)	(1,073)
25% increase in equity implied volatilities	(752)	0	(7)	(760)

The following table gives VAN sensitivities by geographic area:

(€M)	France	Latin America	Europe excluding france	Group
VNB 2018	**414**	**178**	**67**	**659**
Interest rate curve +50 bps	63	(2)	2	64
Interest rate curve -50 bps	(123)	2	(4)	(125)
No volatility adjustment (VA = 0)	(35)	0	(0)	(35)
Surrenders -10%	19	15	3	36
Costs -10%	35	6	5	47
Regulatory minimum Required Capital	4	1	0	5
Claims rates - 5% - Risk of longevity	(0)	0	(1)	(1)
Claims rates - 5% - Risk of mortality & disability	50	5	4	59
25% increase in swaption implied volatilities	(62)	0	(0)	(62)
25% increase in equity implied volatilities	(23)	0	(1)	(25)

3.2 FRANCE

Business in France is split into several segments: Savings-Pensions, Credit Insurance and Protection products.

During 2018 the business has been characterized by the maintain of the diversification strategy with the transformation of the stock of Savings by Fourgous and Eurocroissance transfers.

The slowdown in operational activity, in particular the fall in Credit Insurance production resulted in an unfavourable impact on MCEV indicators.

€414m VNB 2018

19.7 % MARGIN RATE ON NEW BUSINESS

63 % OF GROUP VNB

3.2.1 Value of New Business

The following table gives the breakdown of VNB :

(€M , %)		2018	2017	change €M	change %
PVFP	Present Value of Future Profits	656	769	(112)	(15 %)
TVOG	Time Value of Options and Guarantees	(151)	(165)	15	(9 %)
FCRC	Frictional Cost of Required Capital	(7)	(8)	1	(12 %)
CRNHR	Cost of Non-Hedgeable Risks	(84)	(97)	12	(13 %)
VNB	**Value of New Business**	**414**	**498**	**(84)**	**(17 %)**
APE	Annual Premium Equivalent	2,101	2,317	(216)	(9 %)
PVNBP	Present Value of New Business Premiums	20,105	22,280	(2,174)	(10 %)
	Margin Rate	19.7 %	21.5 %	(1.8 %)	(8 %)
	PVNBP ratio	2.1 %	2.2 %	(0.2 %)	(8 %)

The APE volume in France (+ €2,101 M), down compared to 2017, is caracterized by a stability in Saving volumes. The proportion of Unit Linked products grows up 1.5 point. It is accompanied by a decrease in annualized volumes in Credit Insurance products mainly explained by the run-off effect of the partnership with Crédit Agricole and the decline in the credit market in France for the other partnerships.

The Value of New Business amounts to + € 414 M at end 2018 against + € 498 M in 2017, or a decrease of - 17%.

The following table gives a detailed analysis of the main factors of changes in the Value of New Business :

(€M, %)	VNB	Change	Margin rate
Value of New Business 2017	498		21.5 %
Updated model and scope	524	25	22.8 %
Change in the APE volume	479	(45)	22.8 %
Change in the Segment Mix	424	(55)	20.2 %
Change in experience	408	(15)	19.4 %
Change in financial market conditions	416	8	19.8 %
Updated taxation	414	(2)	19.7 %
Change in the foreign exchange rate	414	0	19.7 %
Value of New Business 2018	**414**	**(84)**	**19.7 %**
Change	(84)		(1.8 %)

- Updated model and scope (+ € 25 M) represents the impact of all changes occurring in the exercise 2018. Changes in the model projection mainly concern:
  - a better appreciation of CNP Assurances' taxation situation;
  - the deactivation of future management actions in specific adverse scenarios.
- Change in APE volume (- € 45 M) reflects the fall observed on APE volume in 2018, without taking into account changes in the breakdown by segments.
- Change in Segment Mix (- € 55 M) includes the difference in the distribution of sales between different segments. It is affected by the fall in volumes on Credit Insurance. The fall is mitigated by an increase in the volume of unit linked accounts (favourable effect of the Fourgous transfers and the increase in the volume of the high-end life insurance).
- Change in experience (- € 15 M) reflects the impacts of changes in non-economic assumptions, basically assumptions on claims (slight deterioration on Group Risk product), behavioural assumptions and cost assumptions.
- Change in financial markets (+ €8M) reflects the impacts related to the changes in market conditions and especially lower volatility in 2018 which results in a fall in the cost of the capital guarantee on Savings and Pensions contracts.
- The updated tax rate (- €2M).

The following table gives the duration of New Business:

Duration (years)	2018	2017
Savings & Pensions	15.7	14.1
Risk & Protection	6.8	6.6*

** Duration proforma calculated on premiums*

3.2.2 MCEV at 31 december 2018

The following table gives a breakdown of In-Force values for France perimeter, excluding Subordinated Debt cost:

	2018		2017		Change	
	€M	€/share	€M	€/share	€M	%
Value of In-Force	**8,168**	**11.9**	**8,077**	**11.8**	**91**	**1.1%**
Present Value of Future Profits	12,246	17.8	12,268	17.9	(22)	(0.2 %)
Time Value of Options and Guarantees	(3,114)	(4.5)	(3,228)	(4.7)	114	(3.5 %)
Frictional Cost of Required Capital	(358)	(0.5)	(412)	(0.6)	54	(13.1 %)
Cost of Non-Hedgeable Risks	(606)	(0.9)	(551)	(0.8)	(55)	10.0 %

The VIF for France (+ € 8,168 M) is up + 1.1% compared to 2017 due to favourable opening adjustments (+ €421M), offset by unfavourable operational contribution and economic effects observed in 2018.

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down into Free Surplus and Required Capital:

(€M)	ANAV	Free Surplus	Required Capital	VIF	MCEV
MCEV 2017	12,245	10,339	1,906	8,077	20,322
Opening adjustments	(1,752)	(1,947)	195	421	(1,331)
Adjusted opening MCEV 2017	**10,493**	**8,392**	**2,101**	**8,498**	**18,991**
Value of New Business	(13)	(226)	213	427	414
Expected existing business contribution	187	187	0	930	1,117
Transfers from the VIF and required capital to free Surplus	1,084	1,413	(330)	(1,084)	0
Experience variances	(157)	(189)	32	(37)	(194)
Changes in assumptions relating to operating activities	0	20	(20)	18	18
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**1,101**	**1,205**	**(104)**	**255**	**1,356**
Economic variances	(508)	300	(808)	(547)	(1,055)
Other non-operating variance	(56)	(56)	0	(25)	(81)
Total MCEV earnings	**537**	**1,449**	**(912)**	**(317)**	**220**
Closing adjustments	(101)	(101)	0	(13)	(113)
MCEV 2018	10,930	9,741	1,189	8,168	19,098

Opening adjustments affect the ANAV (- €1,752M) and are mainly due to the anticipation of the payment relative to the renewal of agreements in Brazil (BRL - 4.65 billion, or €-1.05 billion at end 2018). To that is added the contribution from France to the payment of the Group dividend for the 2017 financial year and a correction made on unrealized gains taken into account in the ANAV. The Solvency 2 Required Capital is up by + €195 M due to adjustments resulting in higher Solvency 2 regulatory capital (less absorption of shocks subsequent to the fall in tax rates and less protection on unfavourable scenarios with the deactivation of future management actions) not offset by the increase in VIF.

Changes to the projection actions made in 2018 that affected the VIF by + €421M mainly concern the better appreciation of CNP Assurances' taxation with the consideration of degressivity of tax and the consideration of reduced rates on unquoted securities. To this is added the deactivation of future management actions in some adverse scenarios.

The Value of New Business is + € 414 M. This value includes net profit generated in 2018 by News Business of - € 13M added to ANAV. The relative increase of the Required Capital is up to + €213M.

The expected existing business contribution contribution (+ € 1,117 M) results from the capitalisation of VIF (+ €930M) and the projected yield from Free Surplus (+ €187M). For transfers of VIF and Required Capital to Free Surplus, the 2018 result attached to the VIF at the 31 December 2017 is transferred to the ANAV without impact on the MCEV.

The experience variances linked to operational activity affect the VIF to the tune of - €194M and mainly come from the strengthening of reserving on Savings not anticipated in the projected result.

The changes in assumptions relating to operational activity have an impact of + € 18 million on VIF.

The contribution from operating activities is + €1,356M on the MCEV (Operating MCEV Return of + 7.1%).

France	2018	2017
Adjusted opening MCEV n-1	18,991	17,629
Operating MCEV Earnings	1,356	1,496
Operating MCEV Return	7.1%	8.5%

As regards the Free Surplus, the available Cash-flow of + €1,205M produced by operational activities correspond to the "Operating Free Cash-Flow" indicator.

Economic variances result in a - €1,055M decrease in MCEV mainly due to the decrease of the unrealized gains on shares. These market effects had adversely a favourable impact on the Required Capital.

Other non-operating variances (- € 81 M) are linked to tax differences.

Closing adjustments correspond to a foreign exchange effect on the ANAV.

3.3 LATIN AMERICA

The Latin America area covers the activities of Caixa Seguradora Group in Brazil and CNP Assurances Compañia de Seguros in Argentina.

2018 is marked by the inclusion of new distribution agreements with the Caixa Economica Federal (CEF) network on the renewed JV1 perimeter (Prestamista, Vida and Previdência) as well as by the updating of the exchange rate that unfavourably affects the Value of New Business.

€ 178 m	VNB 2018
30.1 %	MARGIN RATE ON NEW BUSINESS
27 %	OF GROUP VNB

3.3.1 Value of New Business

The following table gives a breakdown of VNB and the main volume and profitability indicators:

(€M. %)		2018	2017	Change €M	Change %
PVFP	Present Value of Future Profits	201	260	(59)	(23 %)
TVOG	Time Value of Options and Guarantees	0	0	0	0 %
FCRC	Frictional Cost of Required Capital	(10)	(13)	3	(22 %)
CRNHR	Cost of Non-Hedgeable Risks	(13)	(23)	9	(41 %)
VNB	**Value of New Business**	**178**	**225**	**(47)**	**(21 %)**
APE	Annual Premium Equivalent	591	690	(99)	(14 %)
PVNBP	Present Value of New Business Premiums	2,974	3,434	(460)	(13 %)
	Margin rate	**30,1 %**	**32,6 %**	**(2,5 %)**	**(8 %)**
	PVNBP ratio	6,0%	6,5%	(0,6 %)	(9 %)

The APE volume is up in the Latin America perimeter (+ 2.8 % at constant exchange rates) mainly driven by Capitalização and Consorcios (Auto/Motor and Home Buisness). Excluding anticipated inclusion of the change in share, receipts are up + 17 % at constant exchange rates.

The Value of New Business is down by – 21 % or - € 47 M. Not including the effects of the new agreements in Brazil, the Value of New Business is down - 4 %, or € - 9 M.

The following table gives a detailed analysis of the main factors for change in the Value of New Business:

(€m. %)	VNB	CHANGE	MARGIN RATE
Value of New Business 2017	**225**		**32.6 %**
Updated model and scope	174	(51)	27.8 %
Change in the APE volume	197	23	27.8 %
Change in the segment mix	191	(6)	27.0 %
Change in experience	207	16	29.2 %
Change in financial market conditions	215	8	30.3 %
Updated taxation	215	0	30.3 %
Change in the foreign exchange rate	178	(37)	30.1 %
Value of New Business 2018	**178**	**(47)**	**30.1 %**
Change	(47)		(2.5 %)

- Updated model and scope (- € 51 M) is mainly due to the inclusion of new agreements in the renewed perimeter (JV1) in Brazil (VNB - € 37 M) and more accurate modelling of Pension and Risk products in Brazil (- € 14 M).
- Change in the APE volume (+ € 23 M) basically represents the effects of the variation in the overall amount of written premiums without taking into account changes in the allocation per segment and per product. The amounts taken into account are the APE amounts and are established from premiums measured in accordance with local accounting standards.
- Change in Segment Mix (- € 6 M) results in a negative impact mainly due to the Credit Insurance segment: competition and hardening of the Credit Insurance policy in the first half of 2018.
- Change in experience (+ € 16 M) is positive due to the favorable Mix Products basically driven by Credit Insurance (property/ consumer split) Mix Products and Individual Pensions, and a fall in commission in 2018.
- Change in financial market conditions has a positive impact on VNB (+ € 8 M) due to the fall in rates in 2018.
- Change in average exchange rate (- € 37 M) is unfavorable. For Brazil and Argentina, it is respectively 4.3085 BRL/€ and 32.9896 ARS/€ in 2018 against 3.6054 BRL/€ and 18.7477 ARS/€ in 2017.

The following table gives the duration of New Business:

Duration (years)	2018	2017
Savings & Pensions	7.4	5.8
Risk & Protection	3.9	3.9

3.3.2 MCEV at 31 december 2018

The following table gives the breakdown of Values In-Force :

	2018		2017		Change	
	€M	€/share	€M	€/share	€M	%
Value of In-Force	799	1.2	973	1.4	(174)	(17.8 %)
Present Value of Future Profits	968	1.4	1,168	1.7	(200)	(17.1 %)
Time Value of Options and Guarantees	(1)	(0.0)	(1)	(0.0)	0	(9.2 %)
Frictional Cost of Required Capital	(45)	(0.1)	(50)	(0.1)	5	(10.1 %)
Cost of Non-Hedgeable Risks	(123)	(0.2)	(144)	(0.2)	21	(14.6 %)

The VIF (+ € 799 M) is down by – € 174 M (- 17.8 %) compared to 2017, mainly subsequent to the opening adjustments (- € 102 M) linked to changes in share (JV1), to the recognition as profit (ANAV) of the additional provision in line with a change in local regulations as well as to the improvements in the model. The update of the closing exchange rate (- € 103 M) has an unfavourable effect.

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down into Free Surplus and Required Capital:

(€M)	ANAV	Free Surplus	Required capital	VIF	MCEV
MCEV 2017	**873**	**542**	**331**	**973**	**1,845**
Opening adjustments	(209)	(210)	2	(102)	(311)
Adjusted opening MCEV 2017	**664**	**331**	**332**	**871**	**1,535**
Value of New Business	(2)	(87)	84	180	178
Expected existing business contribution	14	14	0	127	141
Transfers from the VIF and required capital to Free Surplus	250	302	(52)	(250)	0
Experience variances	17	12	5	(84)	(67)
Changes in assumptions relating to operating activities	0	1	(1)	3	3
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**279**	**243**	**36**	**(25)**	**255**
Economic variances	(13)	(13)	0	56	43
Other non-operating variance	(24)	(24)	0	0	(24)
Total MCEV earnings	**242**	**205**	**37**	**32**	**273**
Closing adjustments	(81)	(43)	(39)	(103)	(185)
MCEV 2018	824	493	331	799	1,623

Opening adjustments affect the MCEV (- € 311 M) mainly because of the payment of 2017 dividends (- € 209 M). The improvement of projection models and the change in share (JV1) also lower the MCEV (- € 102 M).

The Value of New Business contributes up to + € 178 M to the increase in the MCEV. The corresponding increase in the Required Capital amounts to + € 84 M.

The expected existing business contribution (+ € 141 M) results from capitalisation of the VIF (+ € 127 M) and projected yield from the Free Surplus (+ € 14 M). For Transfers of VIF and Required Capital to free surplus, the 2018 result attached to the VIF for 31 December 2017 is transferred to the ANAV without impact on the MCEV.

The experience variances affect the VIF to the tune of - € 84 M following recognition as profit (ANAV) of the additional provision in line with a change in local regulations.

Changes in assumptions relating to operating activities result in an increase in the VIF of + € 3 M due to the revision of non-economic assumptions.

There results in a contribution from operational activity of € 255 M on the MCEV (Operating MCEV Return of 16.6 %).

Latin America	2018	2017
Adjusted opening MCEV n-1	1,535	1,616
Operating MCEV Earnings	255	511
Operating MCEV Return	16.6%	31.6%

As regards the Free Surplus, the available Cash-flow of + € 243 M produced by operational activities is the "Operating Free Cash- Flow" indicator.

Economic variances have a + €43M impact on the MCEV, of which - € 13 M on the ANAV. This is basically due to the unrealized losses on own founds and to the differencies between projected yelds under 2018 and the real returns. The fall in rates in Brazil has a positive impact on the VIF.

Other non-operating variances (- € 24M) are linked to tax differences.

Closing adjustments correspond to the effects of the exchange rate. The variation in the Brazilian exchange rate is unfavorable, as shown on the previous page.

3.4 EUROPE EXCLUDING FRANCE

The Europe excluding France geographic area covers CNP UniCredit Vita, CNP Santander Insurance (with business in Germany, Italy, Spain, Poland, the Scandinavian countries and Austria), CNP Luxembourg, CNP Partners and CNP Cyprus Insurance Holdings.

2018 is characterized by an increase in volumes in all segments.

€ 67 M VNB 2018

16.9 % MARGIN RATE ON NEW BUSINESS

10 % OF GROUP VNB

3.4.1 Value of New Business

The following table gives a breakdown of the VNB:

(€M, %)		2018	2017	Change €M	Change %
PVFP	Present Value of Future Profits	75	65	10	16 %
TVOG	Time Value of Options and Guarantees	(3)	(2)	(1)	75 %
FCRC	Frictional Cost of Required Capital	(1)	(1)	0	(17 %)
CRNHR	Cost of Non-Hedgeable Risks	(4)	(3)	(0)	15 %
VNB	**Value of New Business**	**67**	**59**	**8**	**14 %**
APE	Annual Premium Equivalent	399	309	90	29 %
PVNBP	Present Value of New Business Premiums	3,047	2,488	560	22 %
	Margin rate	16.9%	19.1%	(2.2 %)	(12 %)
	PVNBP ratio	2.2%	2.4%	(0.2 %)	(7 %)

The APE volume in Europe excluding France (+ € 399 M), up by 29 %, results from an increase in receipts for all countries and in particular from the acceleration of receipts in Unit-Linked in CNP UniCredit Vita. To be also noted the development of CNP Luxembourg whose sales are sharply up and the inclusion of Austria in the CNP Santander perimeter.

The Value of New Business is also increasing, at € 67 M (or + € 8 M).

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

(€M, %)	VNB	Change	Margin rate
Value of New Business 2017	**59**		**19.1 %**
Updated model and scope	59	(0)	19.0 %
Change in the APE volume	76	17	19.1 %
Change in the segment mix	75	(1)	18.8 %
Change in experience	71	(4)	17.7 %
Change in financial market conditions	67	(3)	16.9 %
Updated taxation	67	0	16.9 %
Change in the foreign exchange rate	67	(0)	16.9 %
Value of New Business 2018	**67**	**8**	**16.9 %**
Change	8		-2.2 %

- Change in the APE volume (+ € 17 M) reflects the effects of the variation in overall volume of premiums received without taking into account of changes in the breakdown per segment and per product. The volumes taken into account are the APE volumes and are established from premiums measured in accordance with local accounting standards. The increase is driven by CNP by Unicredit Vita and more particularly by the dynamism of Unit-Linked segment. Sales are increasing in CNP Santander, in line with the higher proportion of periodic premiums in Italy and Poland, and the inclusion of Austria in the perimeter.
- Change in the Segment Mix (- € 1 M) is low in this financial year.
- Change in experience (- € 4 M) is negative especially subsequent to the update of mortality laws on CNP Unicredit Vita.
- The rise in unrealized gains or losses on bonds in Italy results in an decrease of the Value of New Business for the Savings-Pensions products (- € 3 M).

The following table gives the duration of New Business:

Duration (years)	2018	2017
Savings & Pensions	5.3	6.0
Risk & Protection	2.5	2.5

3.4.2 MCEV at 31 December 2018

The following table gives the breakdown in Values In-Force:

	2018		2017		Change	
	€M	€/share	€M	€/share	€M	%
Value of In-Force	294	0.4	279	0.4	14	5.2 %
Present Value of Future Profits	337	0.5	322	0.5	16	4.9 %
Time Value of Options and Guarantees	(29)	(0.0)	(25)	(0.0)	(3)	13.4 %
Frictional Cost of Required Capital	(4)	(0.0)	(4)	(0.0)	0	(5.9 %)
Cost of Non-Hedgeable Risks	(11)	(0.0)	(13)	(0.0)	2	(14.8 %)

The VIF Europe excluding France (€ 294 M), is up + 5.2 % compared to 2017. The TVOG is up because of the unfavorable economic environment in Italy and slightly offsets the increase in PVFP (+ 4.9 %).

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down into Free Surplus and Required Capital:

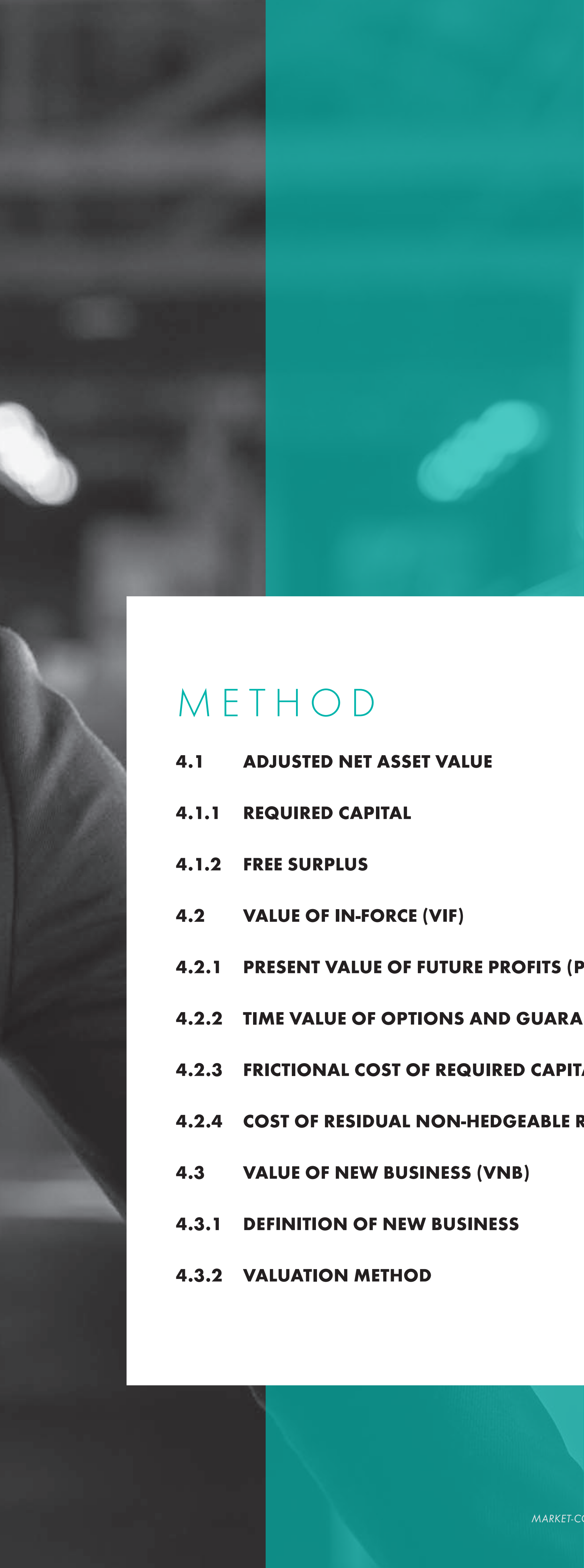
(€M)	ANAV	Free surplus	Required Capital	VIF	MCEV
MCEV 2017	**794**	**454**	**340**	**279**	**1,073**
Opening adjustments	33	37	(4)	(7)	26
Adjusted opening MCEV 2017	**826**	**491**	**336**	**272**	**1,099**
Value of New Business	(39)	(172)	133	106	67
Expected existing business contribution	7	7	0	18	25
Transfers from the VIF and required capital to free surplus	75	178	(103)	(75)	0
Experience variances	(1)	(7)	6	9	8
Changes in assumptions relating to operating activities	0	8	(8)	(3)	(3)
Other operating variance	0	0	0	0	0
Operating MCEV Earnings	**42**	**14**	**28**	**56**	**98**
Economic variances	(21)	(56)	35	(34)	(55)
Other non-operating variance	0	0	0	(0)	(0)
Total MCEV earnings	**21**	**(42)**	**63**	**22**	**42**
Closing adjustments	0	0	(0)	(0)	(0)
MCEV 2018	**847**	**449**	**398**	**294**	**1,141**

- **Opening adjustments** affect the ANAV (+ €33M) mainly due to the capital increases in CNP Partners (+ € 45 M) and CNP Luxembourg (+ € 8 M), offset by the payment of dividend in Italy (- € 14 M) and Cyprus (- € 5 M).
- **The Value of New Business** in MCEV is + € 67 M, mostly due to the CNP Santander subsidiary and the Italian subsidiary CNP UniCredit Vita. It includes the net result generated in 2018 by New Business of - € 39 M charged to the ANAV, almost exclusively resulting from the Italian subsidiary because of the withholding of commission on Unit-Linked account. The corresponding increase in Required Capital comes to + € 133 M mostly linked to CNP Santander's non-life business.
- **The expected existing business contribution** (+ € 25 M) results from capitalization of the VIF (+ € 18 M) and projected yield on the Free Surplus (+ € 7 M). Changes in VIF enable € 103 M to be released as regards Required Capital and + € 75 M to be transferred to the ANAV, mainly driven by the results on stock in the Italian subsidiary (+ € 37 M) and the CNP Santander subsidiary (+ € 25 M). For transfers of VIF and Required Capital to Free Surplus, the 2018 result from the December 2017 VIF is transferred to the ANAV without impact on the MCEV.
- **Experience variances** impact ANAV by - € 1 M. The VIF is affected by + € 9 M resulting basically from lower than expected surrender rates and an improvement in claims experience in CNP Partners.
- **Changes in assumptions related to operating activities** affect the VIF to the tune of - € 3M.

The result is a contribution from operational activity of + € 98 M on MCEV. (Operating MCEV Return 8.9 %). The OFCF is+ € 14 M.

Europe excluding France	2018	2017
Adjusted opening MCEV n-1	1,099	997
Operating MCEV Earnings	98	99
Operating MCEV Return	8.9%	9.9%

Economic variances have an impact of - € 55 M on the MCEV, of which - € 21 M for the ANAV, basically due to capital gains on the equity capital of all subsidiaries. The impact on the VIF of - €34M, mainly from CNP Partners (- €13M) and the Italian subsidiary (- €20M), is linked to the deterioration in market conditions, in particular the fall in unrealized gains or losses on Savings in euros segments.

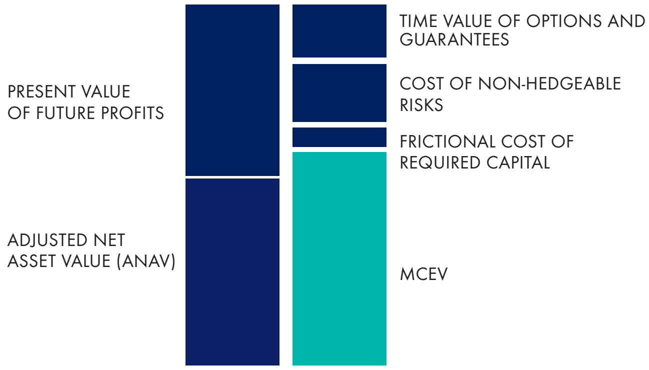


4

METHOD

4.1 ADJUSTED NET ASSET VALUE

The Embedded Value represents the consolidated value of shareholders' interests generated by insurance business in portfolio on the date of valuation. It is calculated before the payment of dividends and taxes related to such dividends. This value excludes any incorporation of future business, in other words policies incepted after the valuation date (except for Group Protection). The method used by the CNP Assurances Group is based on the MCEV principles©. This chapter provides information on the way in which those principles are applied by the CNP Assurances Group.



Adjusted Net Asset Value ("ANAV") represents the fair value of assets that do not back insurance liabilities minus the fair value of liabilities other than insurance liabilities. The ANAV is reconciled with the IFRS shareholders' equity as follows:

- the elimination of intangible assets especially acquisition variances, the value of sales agreements, portfolios acquired and deferred acquisition costs, except for acquisition costs that have already been amortised in the VIF;
- the reincorporation of the shareholders' portion in unrealized gains not included in IFRS (especially for property assets and securities in the books at amortised cost) and the deduction of the portion of revaluations of financial assets included in the portfolio value modelling;
- the restatement of subordinated securities.

The ANAV is determined at the date of valuation for consolidated figures and for each of the subsidiaries by excluding minority interests and is split into Required Capital and Free Surplus.

4.1.1 Required Capital

The Required Capital corresponds to the market value of assets representing equity that the insurer must immobilize as regards its business and the distribution of which to shareholders is restricted.

The Required Capital reflects the level of capital that the Group sets to attain a target rating and control of its own risks as well as all other fixed components.

For European countries, the Required Capital is 110% of the regulatory solvency Required Capital in accordance with the Solvency 2 standard, net of all other sources of funding such as subordinated securities and future profits on policies in stock valued in a Solvency 2 universe. The Required Capital for each entity is calculated on the basis of its individual SCR.

For Latin America, the Required Capital chosen by the CNP Assurances Group is 110% of the solvency Required Capital under the local standard, which also includes a component linked to market risk.

4.1.2 Free Surplus

The Free Surplus is the value of the ANAV minus the Required Capital.

4.2 VALUE OF IN-FORCE (VIF)

The VIF consists of the Present Value of Future Profits (PVFP) minus the following components:

- the Time Value of Options and Guarantees (TVOG);
- the Frictional Cost of Required Capital (FCRC);
- the Cost of Residual Non-Hedgeable Risks (CRNHR).

4.2.1 Present value of future profits (PVFP)

The PVFP is the present value of Future Profits net of tax generated by policies in portfolio at the date of valuation and with a central assumption of changes in financial markets aligned with the reference rate curve on the basis of a market-consistent method. The Group's choice as regards the reference rate curve is described in the "Assumptions" section of this report.

The PVFP included the intrinsic value of options and financial guarantees on policies in portfolio. The main options and financial guarantees included are as follows:

- credited rate guarantees (Minimum Guaranteed Rate);
- floor guarantees on Unit-Linked policies;
- technical rate guarantees on annuities being paid and guarantee resulting from the point acquisition tariff for the Préfon portfolio and other L.441 products;
- profit sharing options;
- surrender options.

The Time Value of Options and Financial Guarantees is incorporated separately in the TVOG.

4.2.2 Time value of options and guarantees (TVOG)

The Time Value of Options and Financial Guarantees ("TVOG") is generated by the asymmetry of risk sharing between shareholders and policyholders in accordance with the diverse changes on financial markets. Stochastic calculations are used, on the basis of multiple simulations, to scan the field of possibilities in terms of changes on financial markets and so capture the cost linked to financial options held by policyholders.

The valuation is based on a stochastic model itself based on a neutral-risk approach. This approach consists of setting the price of an asset as the expected future yield updated at the reference rate. The scenarios are from the Barrie & Hibbert generator, which is used to generate 1,000 scenarios projecting:

- the change in equities indices;
- the change in the property index;
- the actual rate curves for whole maturities between 1 year and 50 years;
- the nominal rate curve for whole maturities between 1 year and 50 years;
- the corporate credit spread curves (AAA to CCC ratings) for whole maturities between 1 year and 50 years.

Inflation is obtained by the difference between actual rates and nominal rates for 1 year maturity. The share dividend rate and property rent rate are set at 2.5% of the fair value of shares and property assets respectively and are supposed constant.

The techniques used by the Group to calibrate the economic generator are described in the "Assumptions" section of this report. In addition, the projection model incorporates a competitive surrender component that represents the propensity of policyholders to surrender their policies when the actual return deteriorates compared to a market reference.

4.2.3 Frictionnal cost of required capital

The need to block the Required Capital in respect of business covered results in a carry cost to be allocated to the value of Embedded Value and New Business. In market-consistent modelling, Frictional Costs are the cost of taxation friction and financial costs related to backing that capital.

The cost of interest paid to holders of subordinated debt is included in the value of business in portfolio. The approach used is as follows:

the reference value of subordinated securities is determined in reference to the method given in the article 75 of Solvency 2 directive and the 5th orientation paper by EIOPA. It consists of using a valuation of subordinated securities taking account of the spread on issue and the exact characteristics of the securities.

The Frictional Cost of Required Capital also includes the charge linked to funding a part of the Required Capital by subordinated securities; this charge is valued as the difference between the economic value of subordinated securities and their nominal. The CNP Assurances Group defines this economic value as being the present value net of future amounts paid to holders of securities calculated taking account, in the discount rate, of the spread on issue of each security. The Required Capital for new production is deemed to be funded by subordinated securities in the same proportions as the stock of policies; the funding is achieved by newly issued securities, for which the economic value is equal to the nominal.

4.2.4 Cost of residual non-hedgeable risks (CRNHR)

The cost allocated to non-hedgeable financial and non financial risks results from:

- the inclusion of risks also not valued in the PVFP or TVOG such as the counterparty default risks and operational risks.
- the asymmetrical impact of particular non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses.
- the uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

The Group has used a cost of capital approach to value these residual non-hedgeable risks. The capital allocated as regards these risks is defined as the contribution of each of the specified risks to a level of capital and according to Solvency 2.

4.3 VALUE OF NEW BUSINESS (VNB)

4.3.1 Definition of New Business

Projections made to estimate the value of a year's new production are based on the profile and volume of New Business done in 2018.

Individual traditional and Unit-Linked Savings and Pensions:

New production consists of new policies and unscheduled payments on existing policies, without assumption on the recurrence of premiums.

Collective Pensions:

New production of Collective Pension policies consists of new policies and unscheduled payments on existing policies. It concerns L.441 and corporate Pension policies in France and PGBL/VGBL policies (Unit-Linked Pensions) in Brazil.

Individual Protection:

New production consists only of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

Collective Protection:

As Collective Protection policies are annual from 1st January to 31st December with a inception date prior to 1st January, new production in a year consists policies whose cover period is the year following the current year.

Credit Insurance:

New production consists of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

Other Products:

New production consists only of new policies and future premiums attached to those policies, projected periodically and split as annual, monthly or one-off policies. Future periodic premiums on existing policies are valued in the value of stock for the year.

4.3.2 Valuation method

The approach retained for the valuation of New Business consists in determining aggregates identical to those of the value of stock: it is defined as the present value of projected results for polices written in the year after deducting of the Time Value of Financial Options and Guarantees, Frictional Cost of Required Capital, and the Cost of Residual Non-hedgeable Risks. The Value of New Business is based on a projection of its contribution to results as from the date of sales.

Traditionally, there are two methods of measuring its contribution:

- the "stand alone" method: the value of new business is measured without taking into account the pooling effect with policies in stock and a part of the unrealised gains or losses on assets representing stock;
- the "marginal" method: the value of new business is measured taking into account pooling between new policies and policies en stock, and taking into account part of the unrealised gains or losses on assets representing stock.

The Group uses:

a marginal method for valuing its VNB but that varies operationally depending on the product:

- for all portfolios excluding traditional Savings, no unrealized gains and losses is taken into account in determining the VNB, and premiums on New Business are deemed to be invested in new assets available at the date of valuation in accordance with the investment policy applied in the year; because there are no significant interactions between New Business and stock, using a "stand alone" is method equivalent for these products to using a "marginal" method and is preferred operationally;
- for traditional Savings portfolios, in France, Italy and Spain, the revaluation of policies does not distinguish different generations of identical policies, and depends on the financial performance linked to financial assets representing generations overall without distinction: a "marginal" method is applied operationally. For those portfolios, the method consists of taking into account a fraction of the Group's unrealised capital gains or losses and supposing that it is used for New Business alone.

5

ASSUMPTION

5.1 ECONOMIC ASSUMPTIONS

Embedded Value calculations are based on financial assumptions determined from market conditions at 31 December 2018 :

5.1.1 Interest rate reference curve

The MCEV© principles state that the reference rate curve can be determined from the swap rate curve, potentially adjusted and especially to enable convergence with the Solvency 2 regulatory requirements.

The swap rate curves minus the "credit risk adjustment" in euros and Brazilian reals used for determining the reference rate curves for France, Europe excluding France and Latin America are given in the following table.

MATURITY	€ RATE 31/12/2018	€ RATE 31/12/2017	BRL RATE 31/12/2018	BRL RATE 31/12/2017
1	-0.33%	-0.36 %	6.35 %	6.75 %
2	-0.28 %	-0.25 %	7.06 %	7.72 %
5	0.10 %	0.21 %	8.61 %	9.49 %
10	0.73 %	0.80 %	9.02 %	10.20 %
15	1.11 %	1.18 %	8.75 %	10.00 %
20	1.28 %	1.36 %	8.33 %	9.46 %
30	1.85 %	1.96 %	7.59 %	8.41 %
Ultimate forward rate	4.05 %	4.20 %	5.35 %	5.20%
Point of entry of the extrapolation	20 ans	20 ans	10 ans	10 ans
Convergence	40 ans	40 ans	50 ans	50 ans

For the Eurozone, the rate curve is extrapolated with an entry point at 20 years which converges on 40 years according to the Smith-Wilson technique, to the ultimate forward rate which comes to 4.05% (down 0.15% from 31/12/2017). For Brazil, the entry point is at 10 years and the rate curve converges on 50 years to the ultimate forward rate of 5.35%.

To determine the reference rate curve, the Group has chosen to align itself with the Solvency 2 prudential regulatory requirements, and adjust the rate swap curve – when allowed – with a credit risk adjustment and a volatility adjustment, in accordance with the prudential regulatory requirements. No matching adjustment has been used for Group entities. The levels of credit risk adjustment and volatility adjustment for different zones within the Eurozone at 31/12/2018 are given in the following table:

Ajustements (bps)	France	Italy	Spain	Ireland	Luxembourg	Cyprus	Brazil
CRA	10	10	10	10	10	10	35
VA	24	-	24	-	24	-	n.a

As a reminder at 31/12/2017 the volatility correction was of 4 bps for Eurozone and the credit risk adjustment of 10 bps. Depending on the requirements of local supervisory authorities, adjustments to rate curves and especially the application of a volatility adjustment is submitted to the supervisory authority in the Solvency 2 context. If the reference curve remains the same per monetary zone, the application of a volatility adjustment depends on local requirements and business and is not routine across the Group.

5.1.2 Calibrating the rate model

The generation model used for nominal rates is based on the two factor Libor Market Model Plus (LMM+). The 10Y ATM swaption volatilities for markets used for calibration are as follows:

Terms	1 year	2 years	5 years	10 years	15 years	20 years	25 years	30 years
MCEV 31/12/2017 (normal)	0.45 %	0.53 %	0.62 %	0.65 %	0.62 %	0.57 %	0.52 %	0.48 %
MCEV 31/12/2018 (normal)	0.44 %	0.50 %	0.61 %	0.63 %	0.59 %	0.55 %	0.52 %	0.48 %

Actual rates are generated by means of the two factor Vasicek mode, which has been calibrated on Treasury bonds indexed on the inflation.

5.1.3 Calibrating the equity model

A different level of volatility for each projection horizon between 1 and 10 years was used to generate the equity index (determinist volatility model). The levels used are given in the following table.

The volatility parameters were calibrated from implied ATM forward volatilities on the Eurostoxx 50 index at 31 December 2018.

Terms	1 year	2 years	5 years	10 years
MCEV 31/12/2017	16.1%	17.1%	19.2 %	20.8 %
MCEV 31/12/2018	18.4%	18.2%	17.4 %	18 %

The correlation coefficients between the different factors (equity, actual interest rates and nominal interest rates) are determined by Barrie & Hibbert from econometric analyses and experts' opinions.

5.1.4 Calibrating the other diversified index

Two additional diversification index have been calibrated in the projection model : real estate index and Equity Minimum Variance index whose volatilities are 7% and 14.08% respectively.

The amandement called « Moment Matching Adjustement » is applied to all the diversification index in order to ensure a martingale projection.

5.1.5 Calibrating the corporate credit spread model

In 2015 the CNP Assurances Group added a corporate credit spread diffusion model, the Credit G2 (JLT) model. The model's parameters are calibrated so as to reproduce the spread of an A rated bond of 7 years maturity (88 bps at 31 December 2018) with the following historic transition matrix:

	AAA	AA	A	BBB	BB	B	CCC	Default
AAA	94.1 %	5.7 %	0.2 %	0.0 %	0.0%	0.0 %	0.0 %	0.0 %
AA	3.3 %	89.6 %	6.2 %	0.3 %	0.3%	0.2 %	0.0 %	0.1 %
A	2.2 %	3.4 %	89.2 %	4.1%	0.5%	0.5 %	0.0 %	0.2 %
BBB	1.8 %	1.8 %	5.2 %	88.1%	1.5%	0.6 %	0.6 %	0.4 %
BB	0.1 %	0.7%	1.3 %	6.8 %	82.2%	6.6%	0.7 %	1.5 %
B	0.0 %	0.1 %	1.3 %	1.9 %	6.1%	80.8 %	5.5 %	4.3 %
CCC	0.0 %	0.0 %	0.9%	1.3 %	3.2%	9.7 %	75.1 %	9.7 %
Default	0.0 %	0.0 %	0.0 %	0.0 %	0.0%	0.0 %	0.0 %	100.0 %

5.1.6 Exchange rate

The following table gives the exchange rates for the CNP Assurances Group business zones outside the Eurozone:

	Spot		Moyen	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Brésil (BRL / €)	4.4440	3.9729	4.308493	3.6054
Argentine (ARS /€)	43.0336	22.5520	32.989632	18.7477
Norvège (NOK / €)	9.9483	9.8403	n.a	n.a
Suède (SEK/ €)	10.2548	9.8438	n.a	n.a
Pologne (PLN / €)	4.3014	4.177	n.a	n.a
Danemark (DKK/€)	7.4673	7.4449	n.a	n.a

The spot rate is a period-end rate, it is applied to VIF calculations. The average rate is the average daily rate for the year, it is applied for VNB calculations.

5.1.7 Tax rate

The taxe rate used in the Embedded Value is the standard rate in the country in which Group is operating. The taxe rate is down in France in order to take into account the degration of the corporate taxe in accordance with the finance low of 2017 and 2018. The taxe rate goes to 25 % by 2022. Additionnally, the taxation assumption take into account the impact of reduced tax rates, espacially on unlisted investments in its balance sheet. The table below shows the taxe rates of all the countries of he Group.

TERMS	FRANCE	ITALY	LUXEMBOURG	SPAIN	CYPRUS	BRAZIL	ARGENTINA	IRELAND
MCEV 31/12/2017	27.45 %	30.82 %	27.08 %	25 %	12.50 %	45 %	35 %	12.50 %
MCEV 31/12/2018	22.41 %	30.82 %	26.01 %	25 %	12.50 %	45 % (1)	35 % (2)	12.50 %

(1) The tax rate is 40% starting from 2019 except for CAIXA Consorcios and Odonto whose tax rate is 34 %.
(2) The tax rate goes to 30% in 2019 and 25% starting from 2020.

The tax credits recognised for France enabling the standard tax to be reduced are taken into account.

5.1.8 Cost of capital allocated to residual non-hedgeable risks

The rate applied to capital allocated to non-modelled risks and asymmetrical risks has been set at 5 %. The capital allocated to uncertainty on establishing assumptions suffers a frictional cost.

On average, the rate applied to capital is 2.5 % at 31 December 2018 (2.5 % at 31 December 2017).

5.1.9 Subordinated securities finance rate

Those cover 60 % (average for the Group) of the solvency Required Capital at 31 December 2018 for the CNP Assurances entity.

5.2 NON ECONOMIC ASSUMPTIONS

5.2.1 Expenses assumptions

Every year-end, the Group produces an analysis of expenses by object: acquisition, management, claims, investment costs and other technical and non technical charges as well as a breakdown by company, product family and network. These expenses bases are then projected by means of relevant drivers. At 31 December 2018, an annual rate of inflation between 1% and 1.5 % was used for European entities for the drivers not already containing implicit inflation. In Latin America an inflation curve is used in line with the local market situation.

5.2.2 Claims and persistence assumptions

Non-economic assumptions, mortality experience, surrender laws and claims assumptions are determined by each entity on the basis of their best estimate at the date of valuation. They derive from an analysis of actual and past experience seen on each of the portfolios valued.

5.2.3 Future management decisions and reactions by insured parties

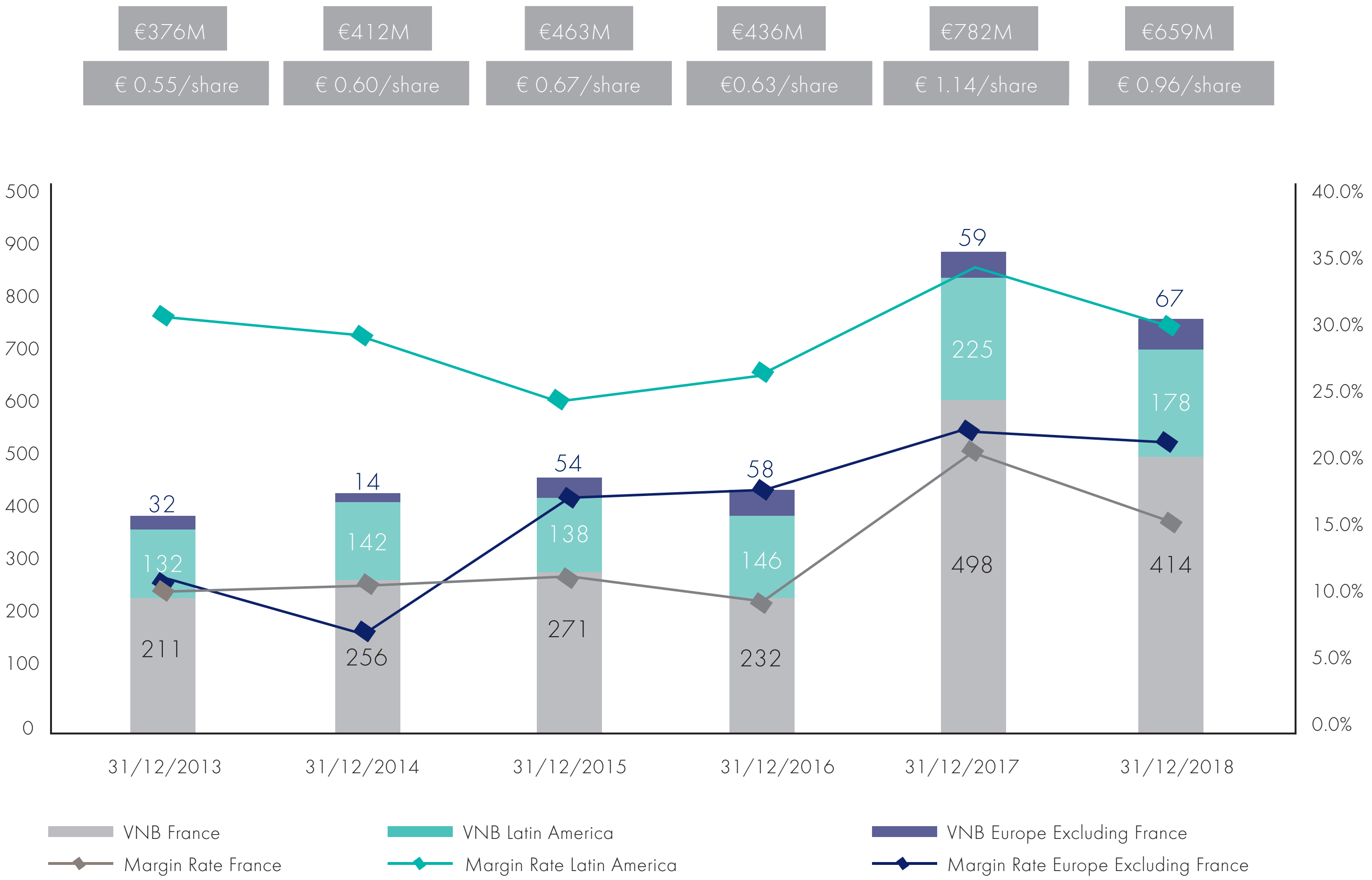
The calculation of MCEV metrics needs the incorporation of future management actions. Enabling management of the company to be tailored according to the financial and economic situation, they are represented in particular by the strategies on investment and the revaluation of amounts outstanding and specific actions on liabilities.

Future management actions taken into account in the most unusual environments, such as long-term negative short and long interest rates, were updated in 2018. In this context, the projection model was adapted and future management actions have been disabled.

6

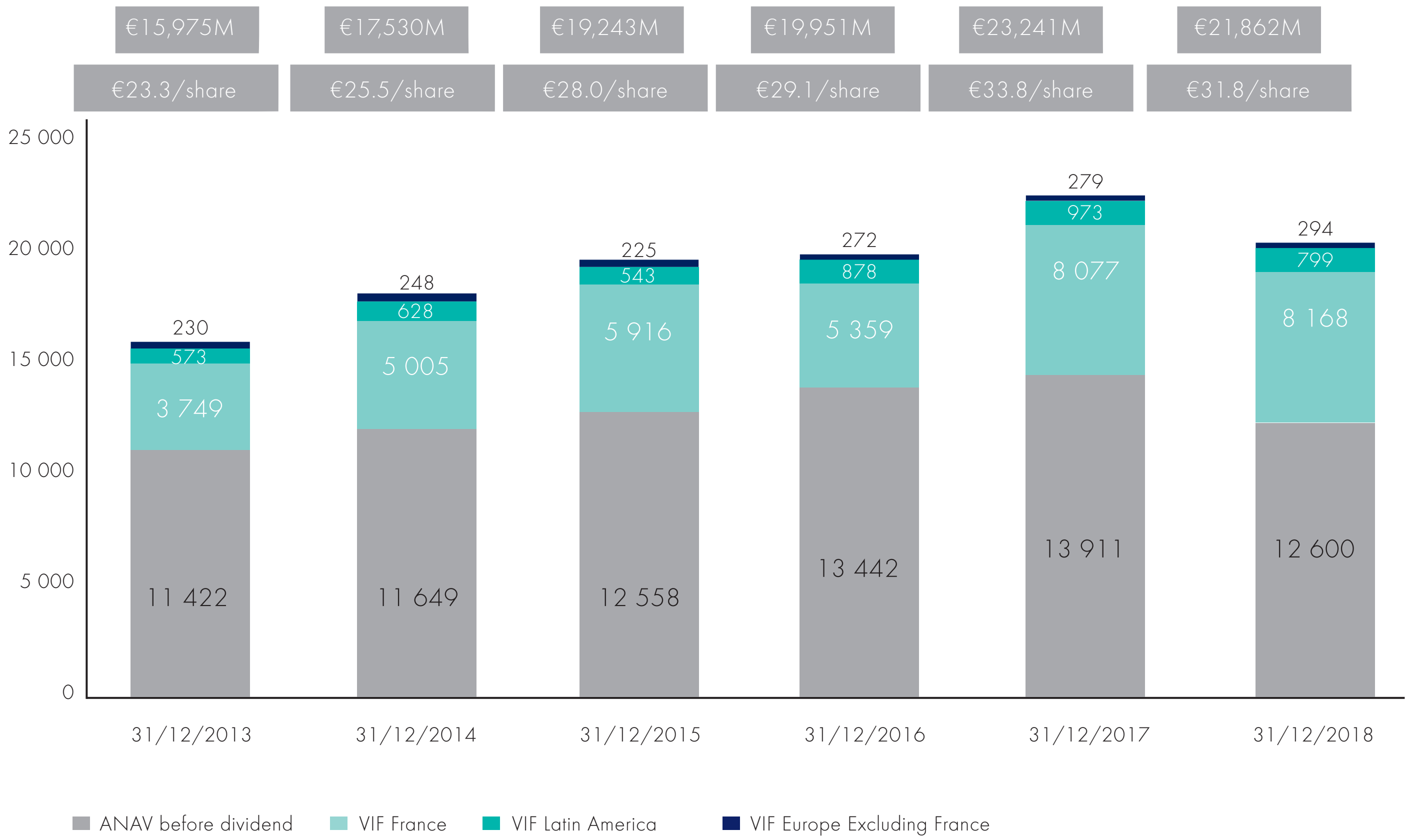
CHANGES IN MCEV SINCE 2013

6.1 VNB HISTORY (€M AND MARGIN RATE AS %)



The above graph shows changes over time in the Group's VNB, compiled in accordance with the CFO Forum principles. Since 2014 the VNB has benefitted from pooling the unrealized gains in stock, with use of the marginal method.

6.2 MCEV HISTORY (€M)



7

EXTERNAL OPINION ON MARKET-CONSISTENT EMBEDDED VALUE

EXTERNAL OPINION

CNP ASSURANCES
4 PLACE RAOUL DAUTRY
75716 PARIS CEDEX 15

To the Group Financial Director of CNP Assurances

As Statutory Auditors of CNP Assurances and in accordance with your request, we have examined the Market Consistent Embedded Value (MCEV©) information regarding MCEV© and its components, the value of new business, the analysis of movements in MCEV© and MCEV© sensitivities at 31 December 2018 of the CNP Assurances Group (hereinafter referred to as "the MCEV© Information"), presented in the attached document ("Embedded Value Report at 31 December 2018", hereinafter referred to as "the EV Report").

The MCEV© Information and the underlying assumptions upon which the information relies have been established under the responsibility of management of CNP Assurances. The methods and significant assumptions adopted are detailed in the EV Report. We are required, based on our work, to express a conclusion on the consistency of the results of the MCEV© Information with the methodology and assumptions adopted by management, with the MCEV© principles, with the guidance published by the CFO Forum in May 2016, as well as on the consistency of the accounting information used with the consolidated financial statements of CNP Assurances as at 31 December 2018.

Our work, which does not constitute an audit, nor a limited review, has been performed in accordance with the professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors, and aims at forming a conclusion based on appropriate procedures.

Our work included the following procedures:

- Understanding the process used by management to prepare the MCEV© Information;
- Checking the "market consistent" approach used by management and described in the EV Report, with regards to its consistency with the MCEV© principles and guidance published by the CFO Forum, revised in May 2016;
- Checking the compliance of the methodology applied to establish the MCEV© Information with that described in the EV Report;
- Checking the economic assumptions used and their consistency with observable market data;
- Checking the consistency of the operational assumptions used with regards to past, current and expected future experience;
- Checking the consistency of the results presented in the MCEV© Information with the methodology and assumptions described in the EV Report;
- Checking the consistency of the accounting data used in preparing the MCEV© Information with the annual consolidated financial statements and underlying accounting records at 31 December 2018;
- Obtaining the information and explanations deemed necessary to deliver our conclusion.

We note that the Embedded Value calculation is based on a number of assumptions and expectations, notably regarding future management actions and policyholder's behavior, thus by nature includes an element of uncertainty and might evolve in accordance with the changes of environment. As a result, actual outcomes may differ significantly from those expected in the MCEV© Information. We do not express any conclusion relating to the possibility of such outcomes.

As mentioned in the Embedded Value Report at paragraph 2.1.1, regarding the renewal of agreements in Brazil, we note that the anticipation of payment of 4,65 bns BRL to be made by CNP Assurances when the transaction will be completed, once approval has been granted by the Brasilian authorities, has been removed from ANAV MCEV at 31 December 2018.

Based on our work, we do not have any observations regarding:

- The consistency of the results of the MCEV© Information at 31 December 2018 as presented in the EV Report with the methodology and assumptions adopted by management, which are consistent with MCEV© principles 1 to 16, with the guidance published by the CFO Forum in May 2016;
- The consistency of the accounting information used with the CNP Assurances Group's consolidated financial statements at 31 December 2018, upon which we expect to issue our audit report at 4th March 2019.

This report is governed by the French law.

Neuilly-sur-Seine and Courbevoie, 21 February 2019
PricewaterhouseCoopersAudit / Mazars

Bénédicte Vignon - Eric Demerlé - Olivier Leclerc - Grégory Boutier

8

APPENDICES

ANNEXE A : GLOSSARY

Adjusted Net Asset Value (ANAV)

Calculated by subtracting from the Group shareholders' equity the subordinated debt classed as shareholders' equity, intangible assets and other components also valued in the Value of In-Force. This indicator is net of minority interests. The Adjusted Net Assets Value are composed of Required Capital and Free Surplus.

Annual Premium Equivalent (APE)

Indicator of production volume in the period, being one tenth of the sum of unique premiums and unscheduled payments to which is added the amount of periodic premiums subscribed in the year. This indicator is net of minority interests and net of reinsurance.

Frictional Cost of Required Capital (FCRC)

The need to block the Required Capital results in a carry cost to be allocated to the value of the Embedded Value and New Business. In market-consistent modelling, the Frictional Costs are the cost of taxation friction and financial costs related to blocking that capital.

Cost of Residual Non-Hedgeable Risks (CRNHR)

The cost allocated as regards non-hedgeable financial and non financial risks results from:

- the inclusion of non valued risks in addition in the PVFP or TVOG such as counterparty default risks and operational risks.
- the asymmetrical impact of certain non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses.
- the uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

EIOPA

European Insurance and Occupational Pension Authority.

Change at constant exchange rates

In the comparison at constant exchange rates, the exchange rate for the previous period is applied to the current period. This indicator is used to measure changes in the main indicators excluding exchange rate effects.

Change at constant perimeter

In the comparison at constant perimeter, the contribution from activities disposed of or ceased is removed from the perimeter of the previous period, and the contribution from new activities is removed from the perimeter of the current period. This indicator is used to measure changes in the main indicators on a comparable perimeter of activity.

Free Surplus

Is the portion of the Adjusted Net Asset Value that can be freely used by management to pay dividends and develop activity through marketing New Business or by means of external growth operations. This indicator is net of minority interests.

IFRS

International Financial Reporting Standards.

Market-Consistent Embedded Value (MCEV)

Method of valuing a life insurance company that is broken down into Adjusted Net Asset Value and the Value of In-Force, namely the value insurance policies in portfolio at the date of valuation, determined using a market-consistent asset and liability valuation method. This indicator is net of minority interests.

Operating Free Cash-Flow (OFCF)

Measures the release of Free Surplus, which can be used to pay dividends and develop activity through marketing New Business or by means of external growth operations. This indicator is net of minority interests. The Operating Free Cash-Flow can be calculated gross or net of issues and repayments of subordinated debt.

Solvency Required Capital (SCR)

Level of eligible equity enabling an insurer to absorb significant losses, and give reasonable assurance that commitments to policyholders and beneficiaries will be honoured when they are due. The SCR is defined by the Solvency 2 directive as the value-at-risk of the insurer's basic equity, with a 99.5% level of confidence at a one year horizon. CNP Assurances has opted to calculate its SCR in accordance with a standard formula without transitory measurements, except grandfathering subordinated debt issued before the entry in force of Solvency 2.

Margin rate on New Business or APE ratio

Is calculated by dividing the Value of New Business by the APE. This indicator is used to measure the future profitability of insurance policies written in the period

TVOG (Time Value ofOptions and Financial Guarantees)

The time value of options and financial guarantees represents the additional cost of options and guarantees beyond their intrinsic value that is included in the determinist scenario. The time value of costs of options and financial guarantees is calculated by the difference between the average value of future Cash-flows updated using stochastic and determinist scenarios.

Ultimate Forward Rate (UFR)

Used to update insurers' long term liabilities (Pensions, death, life assurance, public liability, etc.) in the absence of relevant market data. Beyond the last liquid point (LLP) (20 years in the Eurozone) market rates are extrapolated and converge over a 40 year period on an ultimate rate (the UFR).

Value of New Business (VNB)

Assessment of the value of insurance policies written in the period, determined in accordance with a market-consistent asset and liabilities valuation method. It is calculated as the Present Value of Future Profits estimated on insurance policies written in the period, minus the time value of options and financial guarantees, frictional cost of capital and the cost of non-hedgeable risks. This indicator is net of minority interests and tax on profits.

Value of In-Force (VIF)

Assessment of the value of insurance policies in portfolio at the date of valuation, determined in accordance with a market-consistent assets and liabilities valuation method. It is calculated as the estimated present value of future profits on insurance policies in portfolio at the date of valuation, minus the time value of options and financial guarantees, frictional cost of capital and the cost of non-hedgeable risks. This indicator is net of minority interests and tax on profits.

APPENDIX B: PERIMETER

GEOGRAPHICAL AREA	COUNTRY	ENTITY	SHARES OWNED
France	France	CNP Assurances	Consolidating Entity
		CNP Caution	100.00 %
		MFPrévoyance	65.00 %
		Arial CNP Assurances	40.00 %
Latin America	Brazil	Caixa Seguradora	51.75 % (1)
	Argentina	CNP Assurances Compañia de Seguros	76.47 %
Europe excluding France	Italy	CNP Unicredit Vita	57.50 %
		CNP Assurances Italian Branch	100.00 %
	Spain	CNP Partners	100.00 %
	Luxembourg	CNP Luxembourg	100.00 %
	Cyprus / Greece	CNP Cyprus Insurance Holdings	50.10 %
	Ireland	CNP Santander Insurance	51.00 %

(1) No changes in the Group's perimeter of consolidation occurred during 2018. However, a change of share impacted some perimeters of the Brazil entity (Vida, Prestamista and Previdência) due to the conclusion of a commitment agreement: the share goes from 51.75% to 40%. This change has no imapct on ANAV but only on the VIF of the perimeter JV1.

Entities not covered have been valued on the basis of their IFRS equity restated for intangible components.

assurer tous les avenirs

Février 2019 - Conception / Réalisation STUDIOCOM - Direction du marketing stratégique de la communication et du mécénat

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