July 2017

# INVESTOR PRESENTATION

insuring all
our futures

CNP
assurances

# Disclaimer

Some of the statements contained in this presentation may be forward-looking statements referring to projections, future events, trends or objectives that, by their very nature, involve inherent risks and uncertainties that may cause actual results to differ materially from those currently anticipated in such statements. These risks and uncertainties may concern factors such as changes in general economic conditions and financial market performance, legal or regulatory decisions or changes, changes in the frequency and amount of insured claims, changes in interest rates and foreign exchange rates, changes in the policies of central banks or governments, legal proceedings, the effects of acquisitions and divestments, and general factors affecting competition. Further information regarding factors which may cause results to differ materially from those projected in forward-looking statements is included in CNP Assurances' filings with the Autorité des Marchés Financiers. CNP Assurances does not undertake to update any forward-looking statements presented herein to take into account any new information, future event or other factors.

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This document may contain alternative performance indicators (such as EBIT) that are considered useful by CNP Assurances but are not recognised in the IFRS adopted for use in the European Union. These indicators should be treated as additional information and not as substitutes for the balance sheet and income statement prepared in accordance with IFRS. They may not be comparable with those published by other companies, as their definition may vary from one company to another.

# AGENDA

1. Business Model
2. Profitability
3. Investments & Asset-Liability Management
4. Solvency
5. Rating & Funding
6. Strategic Outlook

# 1.

## Business Model

# KEY INVESTMENT HIGHLIGHTS

**LEADERSHIP**
# 1 in France and # 4 in Europe (1)
# 5 in Brazil (2)

**SCALE**
35 million personal risk/protection insureds worldwide
14 million savings/pensions policyholders worldwide

**GROWTH PROSPECTS**
Target: at least 5% average annual organic growth of EBIT over the 2017-2018 period
Geographic diversification between the mature European market and the emerging Latin American market

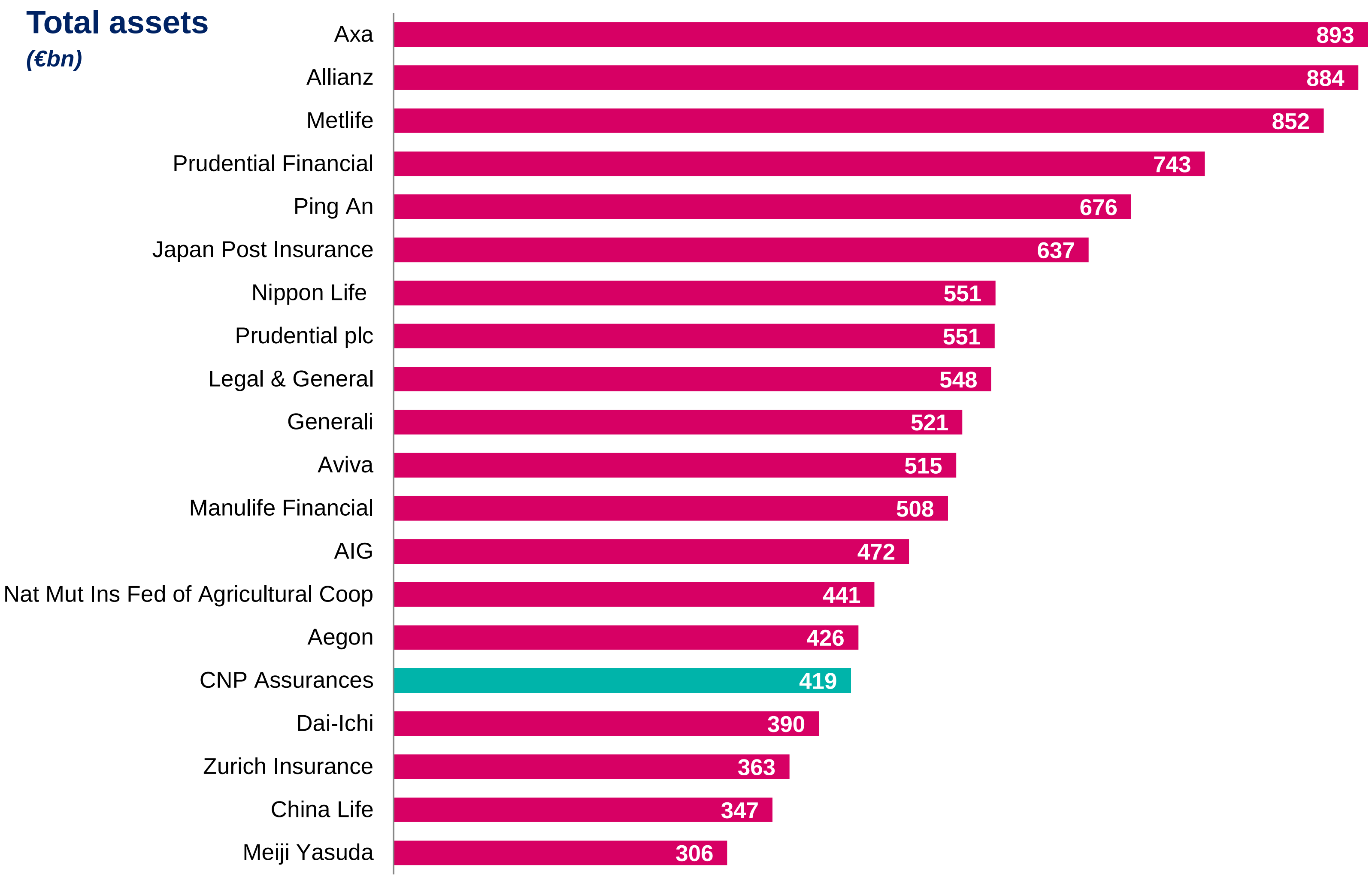
**INNOVATION**
YOUSE: Brazil's first 100%-digital insurance platform launched in 2016
Open CNP: an ambitious €100m corporate-venture programme

**RESILIENCE**
Continuously delivering profits since IPO in 1998
Low guaranteed rate across French savings liabilities of 0.42% at end-2016

**EFFICIENCY**
2nd most efficient European life insurer in terms of administrative expense ratio (3)
Target: €60m recurring annual reduction in the French cost base by 2018

*(1) In terms of personal insurance premium income*
*(2) In terms of insurance premium income*
*(3) Source: HSBC European Insurance Cost-cutting Calculator Sept. 2016*

# CNP ASSURANCES IS THE 16TH LARGEST INSURER IN THE WORLD, AND THE 8TH IN EUROPE IN TERMS OF ASSETS






*Source: Bloomberg, latest annual consolidated accounts of each company*

# CNP ASSURANCES
# OWNERSHIP STRUCTURE AT END-2016

**Shareholders pact**

Caisse des Dépôts 34.6%
S&P Rating: AA

Sopassure 30.7%
Joint-Venture owned by:

La Banque Postale
S&P Rating: A
100 %
*La Poste*
100 %
*French State*
*& Caisse des Dépôts*

BPCE
S&P Rating: A

French State 0.9%
S&P Rating: AA

Free Float 33.7%

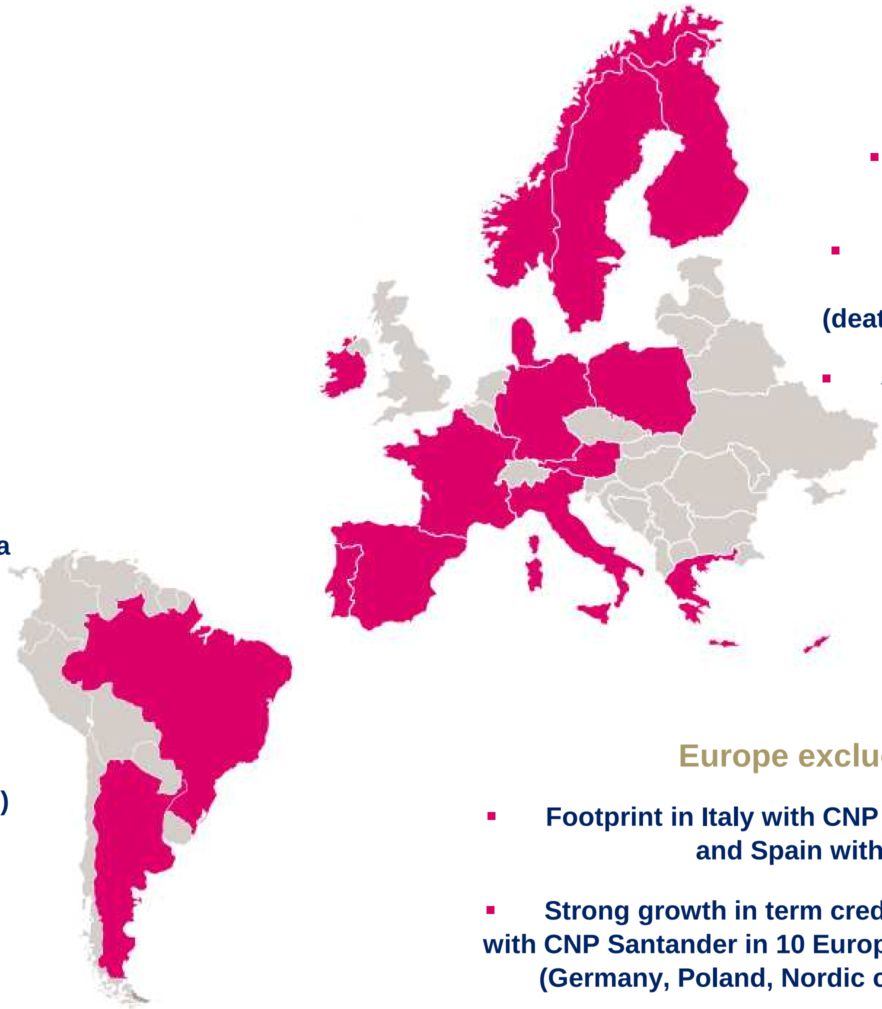
- Caisse des Dépôts 6.2%
- Sopassure 5.6%
- French State 0.2%
- Individual Shareholders 3.4%
- Institutional Shareholders 18.3% of which
  - *Europe excluding France 7.5%*
  - *USA 5.8%*
  - *France 1.0%*

- **Relations between Caisse des Dépôts, Sopassure and the French State continue to be governed by the shareholders pact until 31 December 2017**
- **CNP Assurances board of directors: 41% of female directors, 24% of independant directors**

# A LEADING POSITION IN FRANCE AND BRAZIL

## Latin America

- Acquisition of Caixa Seguradora in July 2001
- Exclusive distribution agreement with the public bank Caixa Econômica Federal (CEF)
- 5th insurer in Brazil, 5.9% market share[1]
- Self-funded subsidiary with good cash generation (€162m of upstream dividends in 2016 after €177m in 2015)



## France

- Market leader in France life, 16.0% market share[1]
- Significant market share of the term creditor insurance market (death & disability of the borrowers)
- Stable earnings and cash-flows

## Europe excluding France

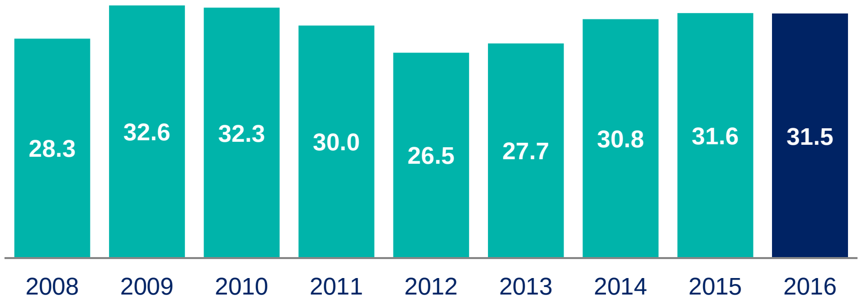
- Footprint in Italy with CNP UniCredit Vita and Spain with CNP Partners
- Strong growth in term creditor insurance with CNP Santander in 10 European countries (Germany, Poland, Nordic countries, etc.)

*(1) Company data as of 31.12.2016*

# FINANCIAL OVERVIEW

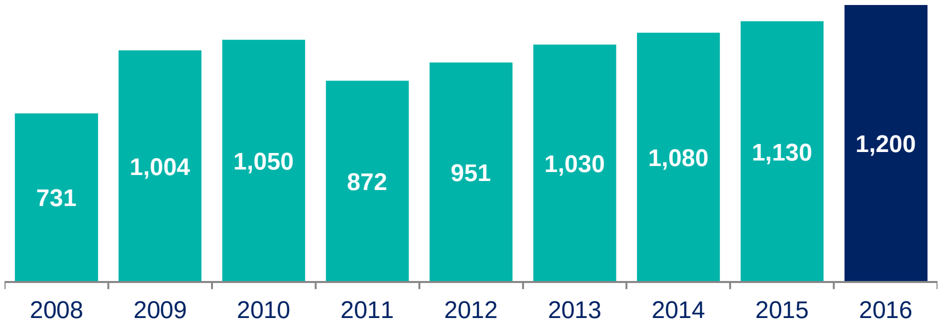
## Premium Income

*(€bn)*



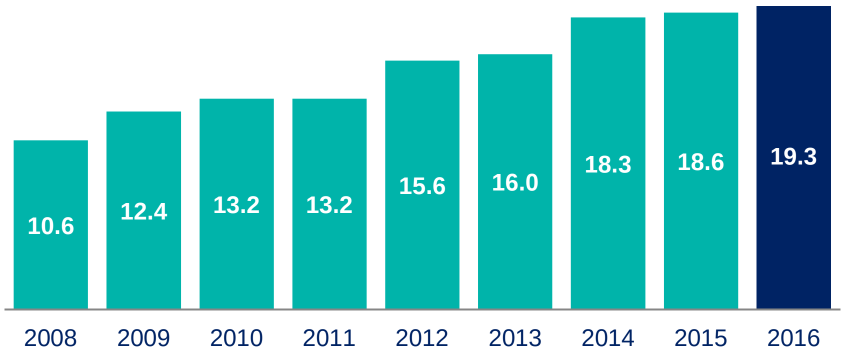

## Net Profit

*(€m)*




## Total IFRS Equity

*(€bn)*




## Dividend per Share

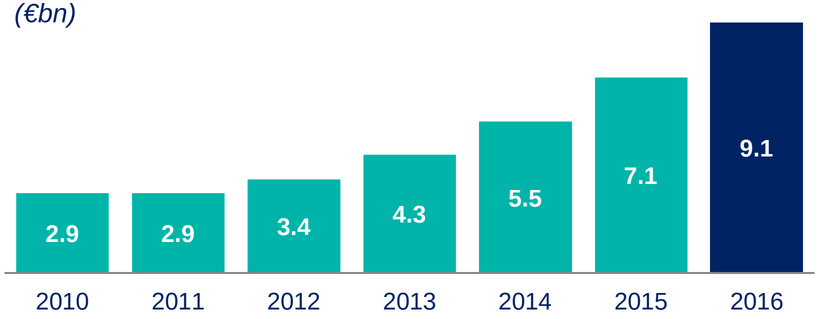
*(€)*


*(1) Scrip dividend*

# A STRONG BALANCE SHEET DESPITE THE RECENT CRISIS

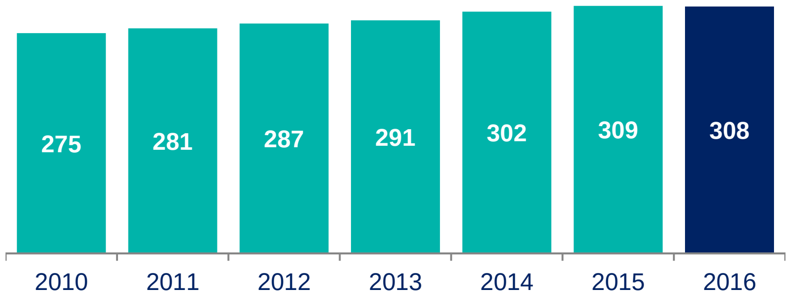
## Policyholder Surplus Reserve Buffer included in the TAC by S&P

*(€bn)*



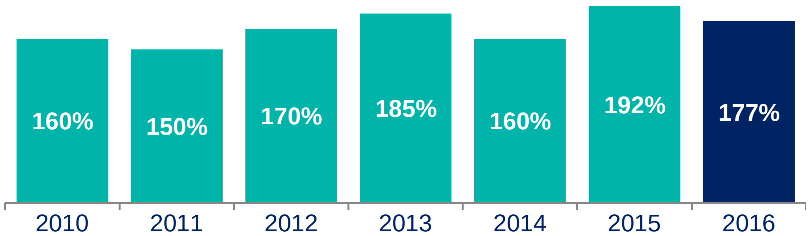

## Net Technical Reserves (1)

*(€bn)*



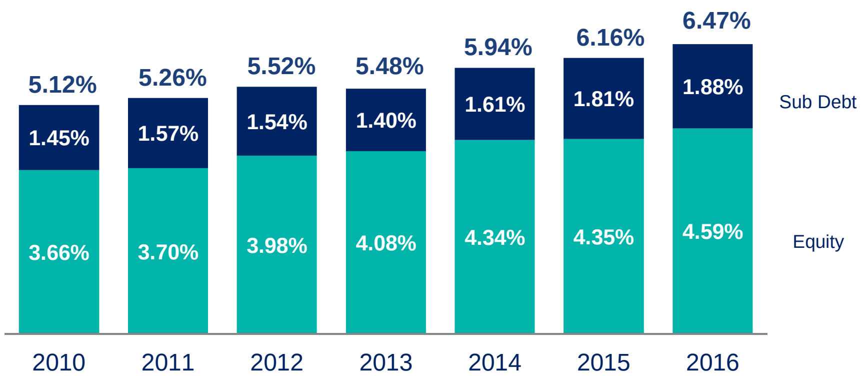

## Consolidated SCR Coverage Ratio

*(%)*




## IFRS Equity and Subordinated Debt

*(as % of total AUM)*




*(1) End of period*

# A BALANCED MIX OF BUSINESSES

## Main markets

**France**
77% of Group Premiums
91% of Group Reserves
62% of Group EBIT
86% of Group SCR

**Latin America**
11% of Group Premiums
4% of Group Reserves
33% of Group EBIT
9% of Group SCR

**Europe excluding France**
12% of Group Premiums
5% of Group Reserves
5% of Group EBIT
5% of Group SCR

## Main businesses

**Savings & Pensions**
79% of Group Premiums
96% of Group Reserves
53% of Group EBIT (2)

- Traditional (1)
- Unit-Linked (1)
- Euro-Growth (1)

**Personal Risk & Protection**
21% of Group Premiums
4% of Group Reserves
47% of Group EBIT (2)
Combined ratio of 83.5%

- Term Creditor Insurance
- Protection
- P&C

*(1) Traditional: guarantee of capital at any moment. Unit-Linked: no guarantee of capital. Euro-Growth: total or partial guarantee of capital after 8 years.*
*(2) EBIT excluding own-funds portfolios*

# CAIXA SEGURADORA: THE BRAZILIAN SUCCESS STORY

## Ownership structure

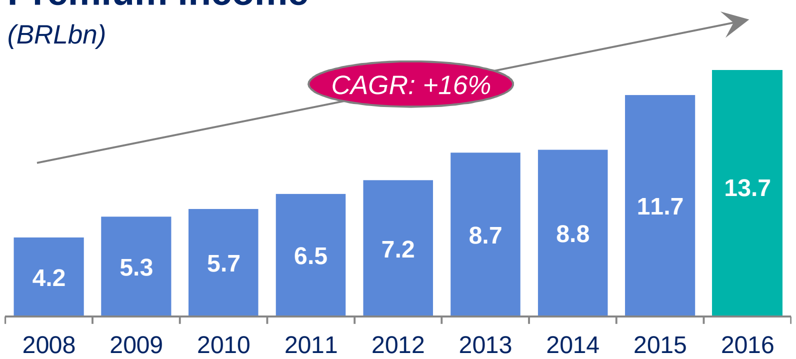
51.75% ownership since 2001

48.25% ownership

Exclusive distribution agreement until 2021

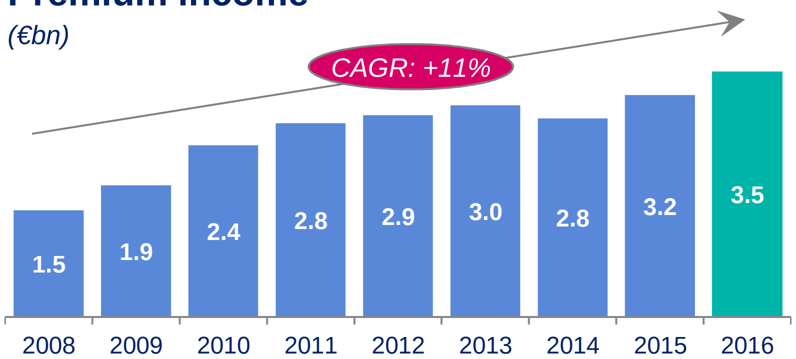
## Premium income

*(BRLbn)*



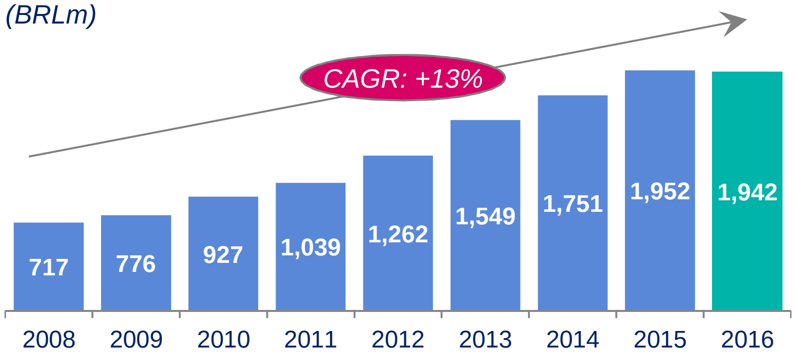

## Premium income

*(€bn)*



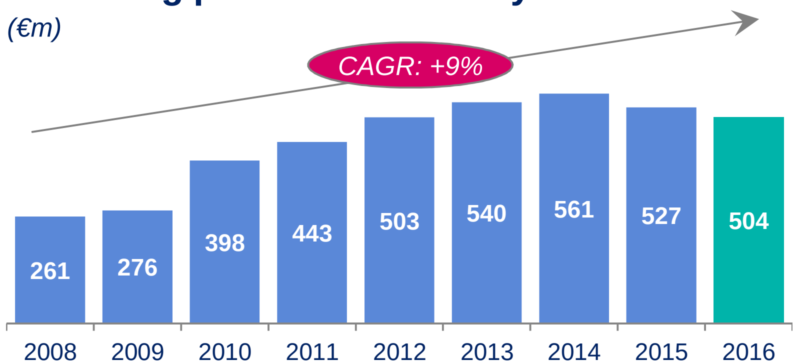

## Recurring profit incl. minority interests

*(BRLm)*




## Recurring profit incl. minority interests

*(€m)*



# 2.

## Profitability

# 2016 ANNUAL RESULTS KEY FIGURES

| (€m) | 2016 | 2015 | Change (Reported) | Change (Like-for-like)[1] |
|---|---|---|---|---|
| Premium income | **31,536** | 31,585 | *-0.2%* | *+1.4%* |
| APE margin | **13.9%** | 14.5% | *-0.6pt* | - |
| Combined ratio[2] | **83.5%** | 84.3% | *-0.8pt* | - |
| Total revenue | **3,553** | 3,288 | *+8.1%* | *+11.7%* |
| Administrative costs | **(916)** | (862) | *+6.3%* | *+8.5%* |
| EBIT | **2,638** | 2,426 | *+8.7%* | *+12.8%* |
| Attributable net profit | **1,200** | 1,130 | *+6.2%* | *+9.2%* |
| ROE | **7.9%** | 7.9% | - | - |
| EPS | **€1.64/share** | €1.54/share | *+6.5%* | - |
| Net operating free cash flow | **€1.54/share** | €1.39/share | *+10.5%* | - |
| Dividend | **€0.80/share** | €0.77/share | *+3.9%* | - |

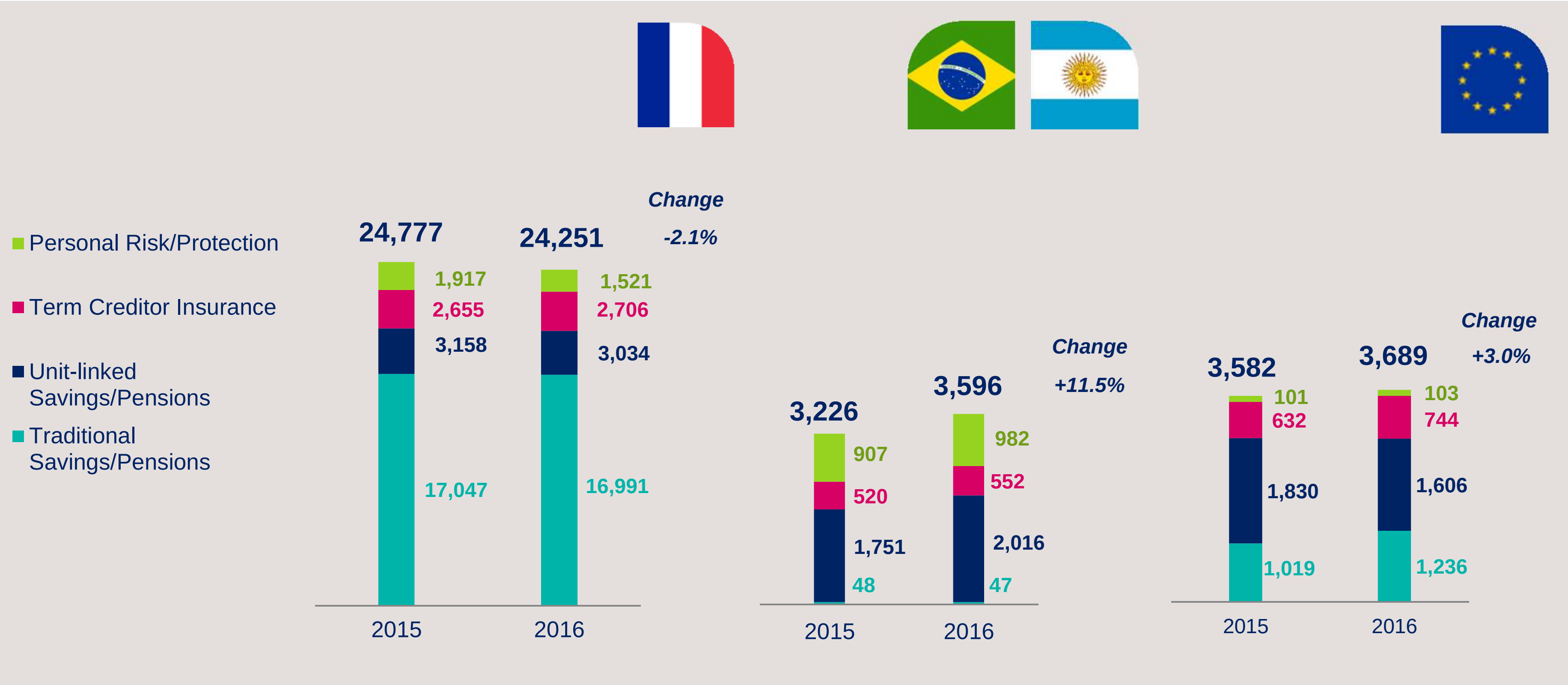
*(1) Average exchange rates:*
*2016: Brazil: €1 = BRL 3.86; Argentina: €1 = ARS 16.35*
*2015: Brazil: €1 = BRL 3.70; Argentina: €1 = ARS 10.25*
*To determine like-for-like comparatives, the contributions of CNP BVP (Europe excluding France) and La Banque Postale Prévoyance (France) have been excluded from 2015 figures and the contributions of CNP Caution (France), Arial CNP Assurances (France) and YOUSE (Brazil) have been excluded from 2016 figures*

*(2) Personal Risk/Protection segment (term creditor insurance, personal risk, health and property & casualty insurance)*

# FY2016 PREMIUM INCOME BY GEOGRAPHICAL AREA

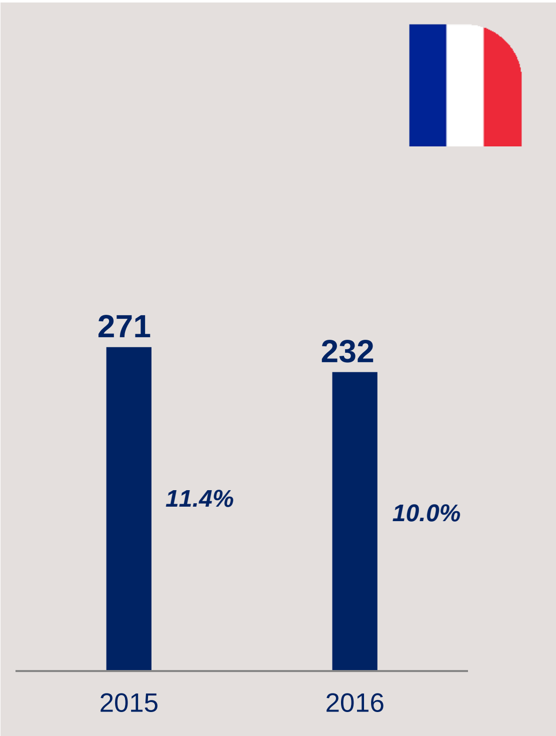
## PREMIUM INCOME

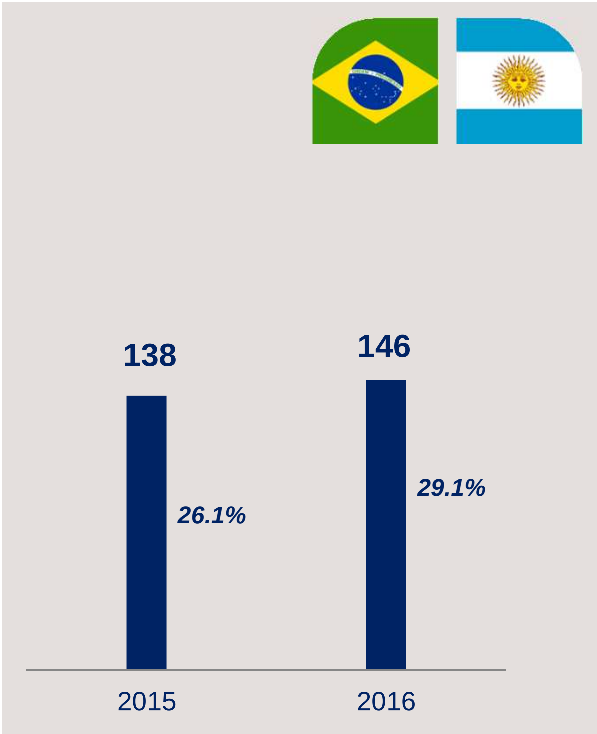
*(€m)*

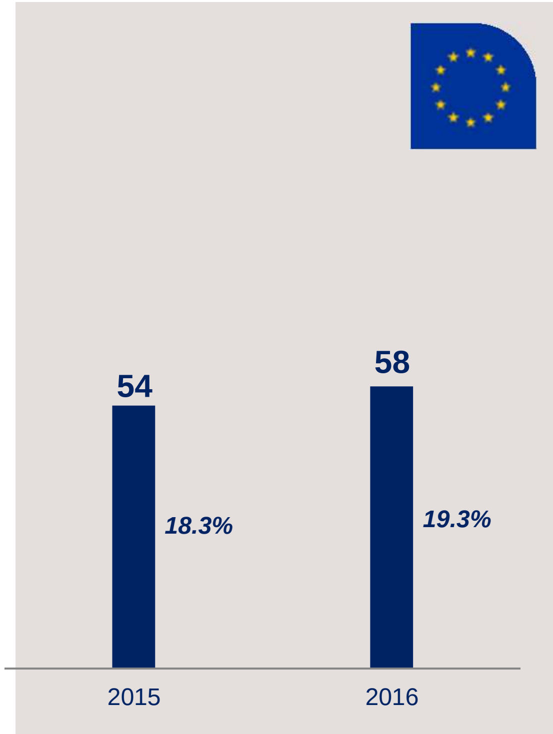


# FY2016 NEW BUSINESS VALUE BY GEOGRAPHICAL AREA

## NEW BUSINESS VALUE AND APE MARGIN
*(€m, %)*

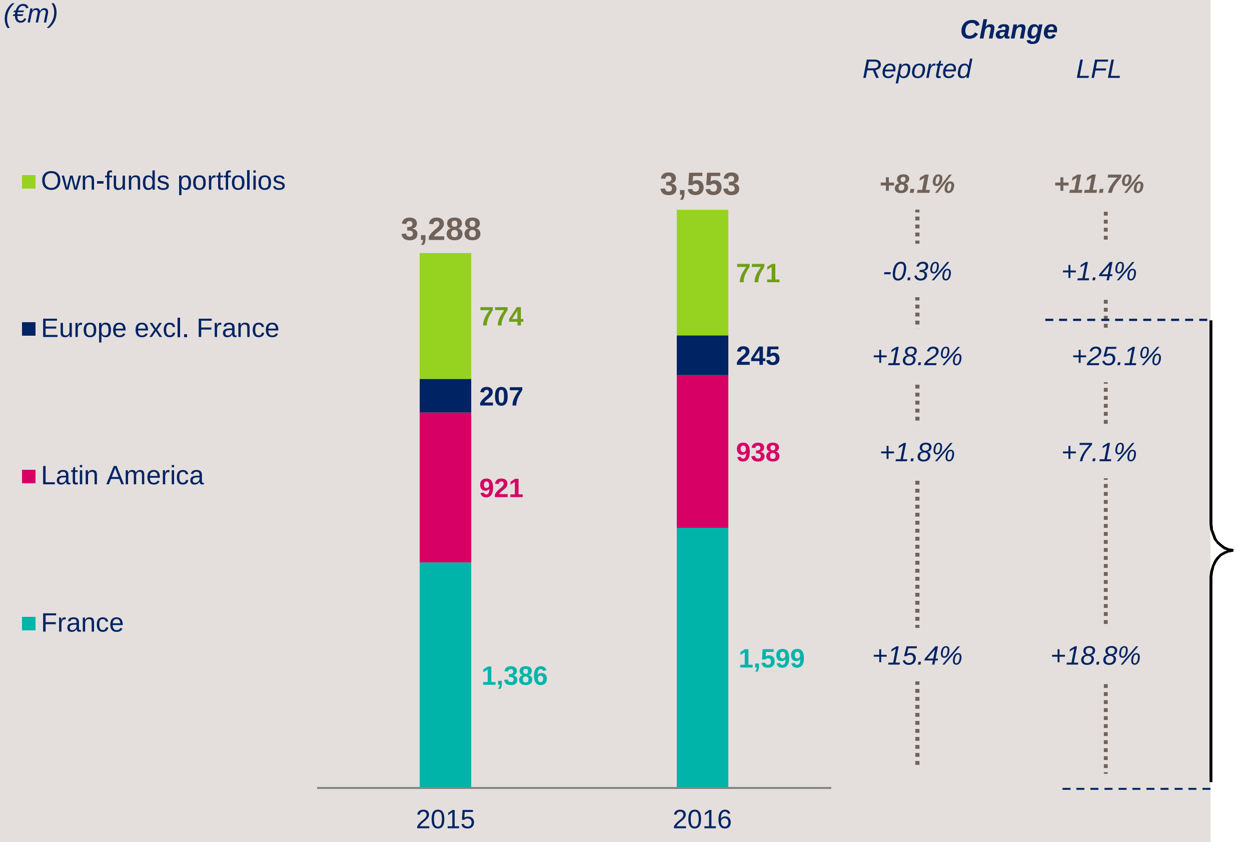


# FY2016 REVENUE BY GEOGRAPHICAL AREA

## TOTAL REVENUE
*(€m)*

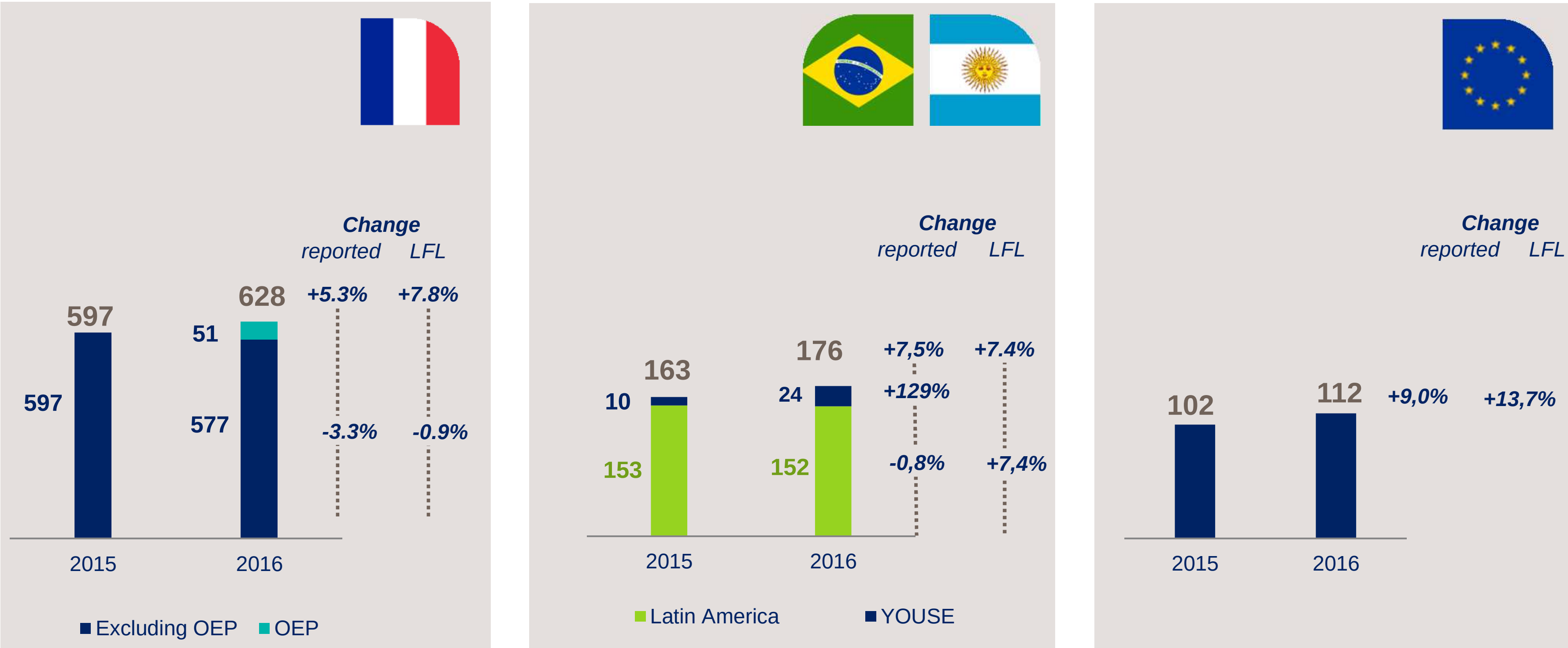



**Net insurance revenue**
**€2,782m**
up 10.7%
(14.9% like-for-like)

# FY2016 ADMINISTRATIVE EXPENSES BY GEOGRAPHICAL AREA

## ADMINISTRATIVE EXPENSES

*(€m)*




**Operational Excellence Programme (OEP) launched in France at the beginning of 2016:**

- Objective confirmed of €60 million recurring annual reduction in the cost base by 2018
- As of end-2016, objective 23%-achieved with a recurring annual reduction in the cost base of €14 million
- Non-recurring initial investment of €51m in 2016

# FY2016 EBIT BY SEGMENT

## Savings/Pensions

- Premium income: **€24,929m**
- Total revenue: **€1,472m**
- Administrative costs: **€383m**

EBIT
**€1,089m**

## Personal Risk/Protection

- Premium income: **€6,607m**
- Total revenue: **€1,310**
- Administrative costs: **€363m**

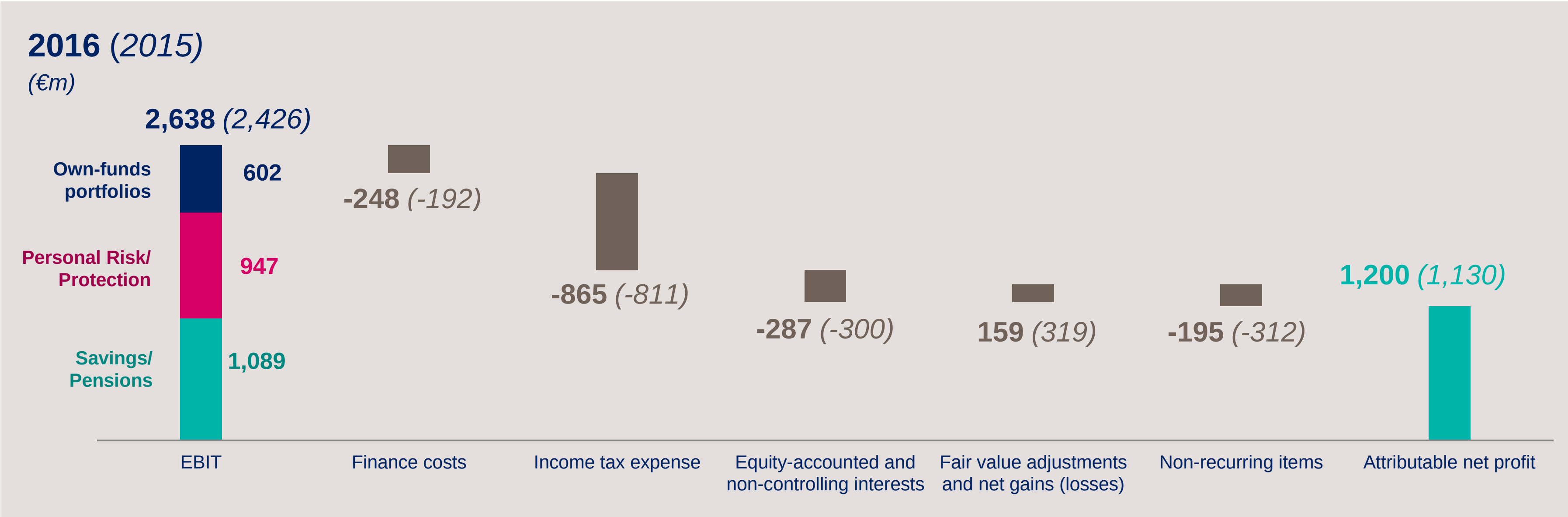
EBIT
**€947m**

## Own-funds portfolios

- Total revenue: **€771m**
- Administrative costs: **€169m**

EBIT
**€602m**

# FY2016 ATTRIBUTABLE NET PROFIT OF €1,200M, UP 6.2%




- **Successful inaugural Tier 3 notes issue in euros**
  - 1.875% coupon, reducing the Group's average cost of debt by around 40 bps to 4.5%.
- **Realized gain on disposal of LBPP** (€161m after tax)
- **2016 net profit affected by changes in income tax rates**
  - in France (75% of net profit), decrease from 38% to 34.4% (then 28.9% from 2020)
  - in Brazil (20% of net profit), increase from 40% to 45% (then decrease to 40% from 2018)

# FY2016 NET OPERATING FREE CASH FLOW[1] OF €1.54 PER SHARE, UP 10.5%

**2016** *(2015)*
*(€m)*

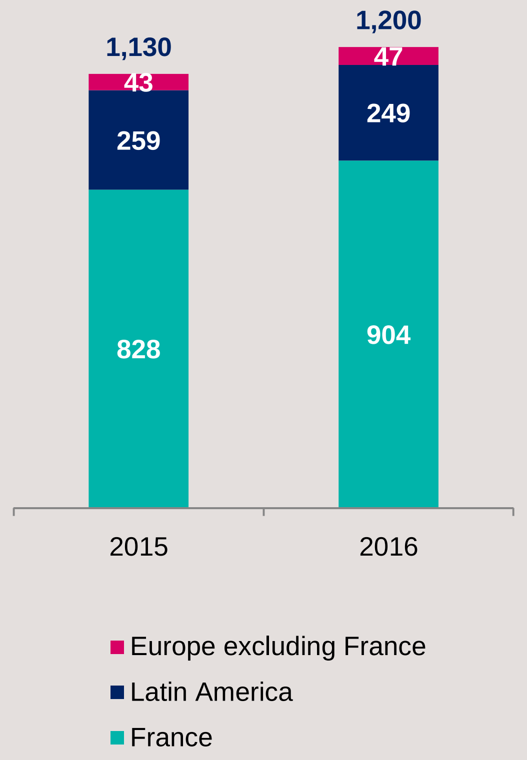

**The 2016 dividend is covered 1.9x by net operating free cash flow**

*(1) Net of cash flows from subordinated notes issues and repayments*

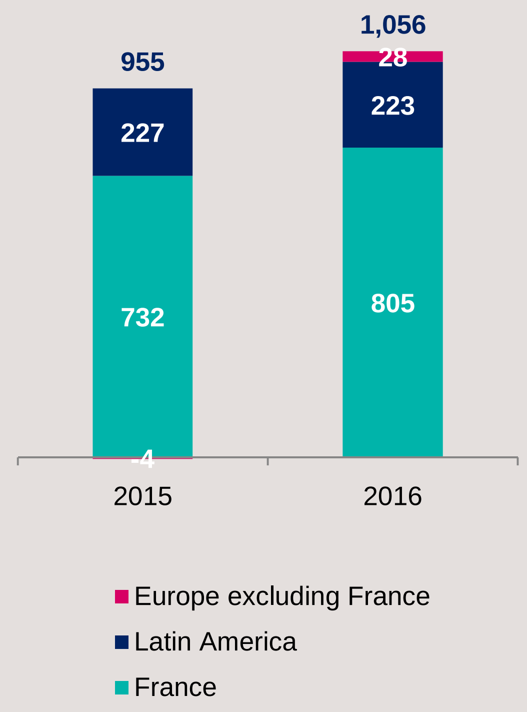
# NET PROFIT, FREE CASH FLOW AND DIVIDEND PAYING CAPACITY

- **CNP Assurances SA being both an OpCo and a HoldCo, its ability to pay dividends depends on its own cash flow generation, plus the upstream dividends paid by its subsidiaries**

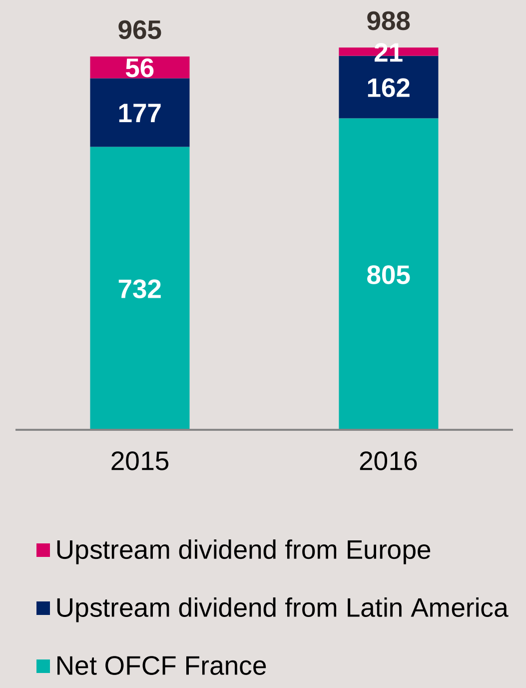
## ATTRIBUTABLE NET PROFIT
*(€m)*




## NET OPERATING FREE CASH FLOW *(€m)*




## DIVIDEND PAYING CAPACITY
*(€m)*



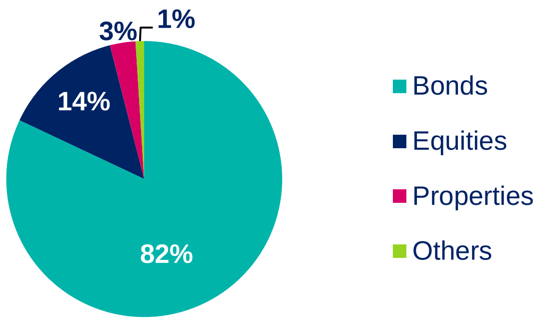
# 3.

# Investments & Asset-Liability Management

# ASSET ALLOCATION AT END-2016

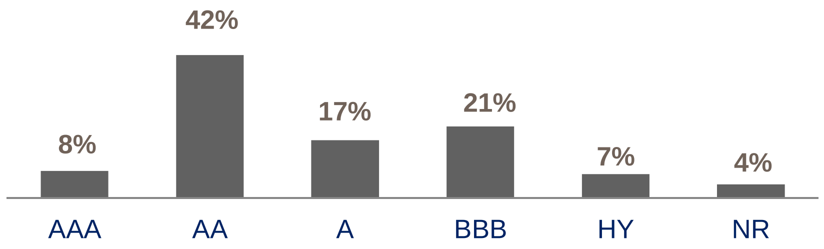
## €335bn of AUM excluding UL

*FY 2016*



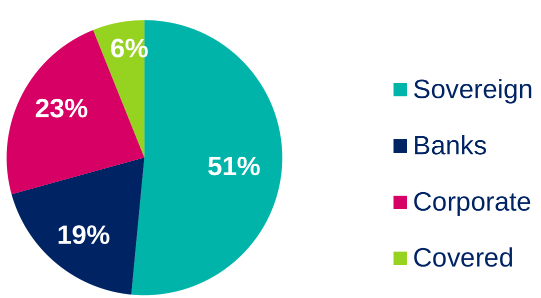

## Bond portfolio by credit rating[1]

*FY 2016*



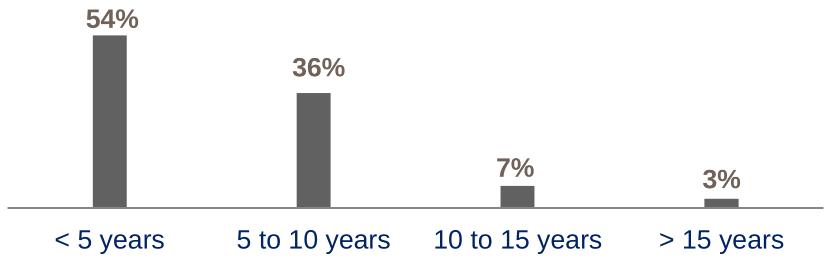

## Bond portfolio by type of issuer

*FY 2016*




## Bond portfolio by maturity band

*FY 2016*

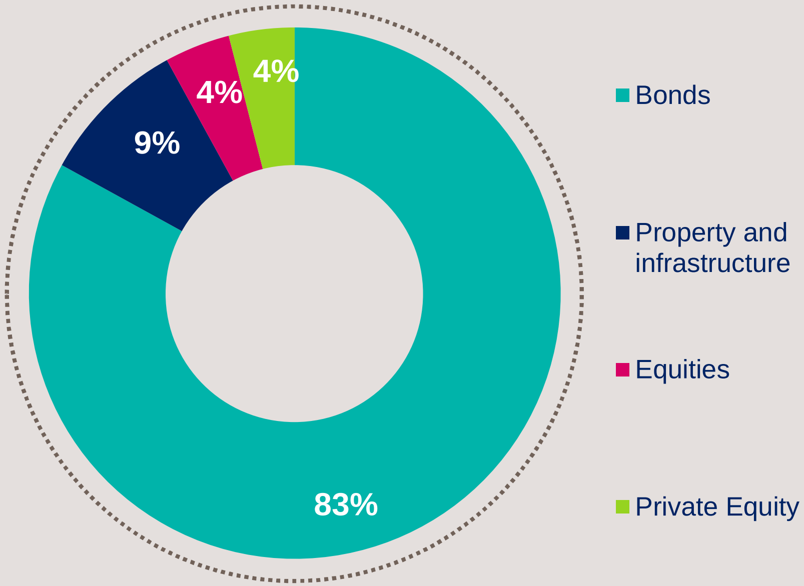



*(1) Second-best rating: method consisting of using the second best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch*
*Unaudited management reporting data*

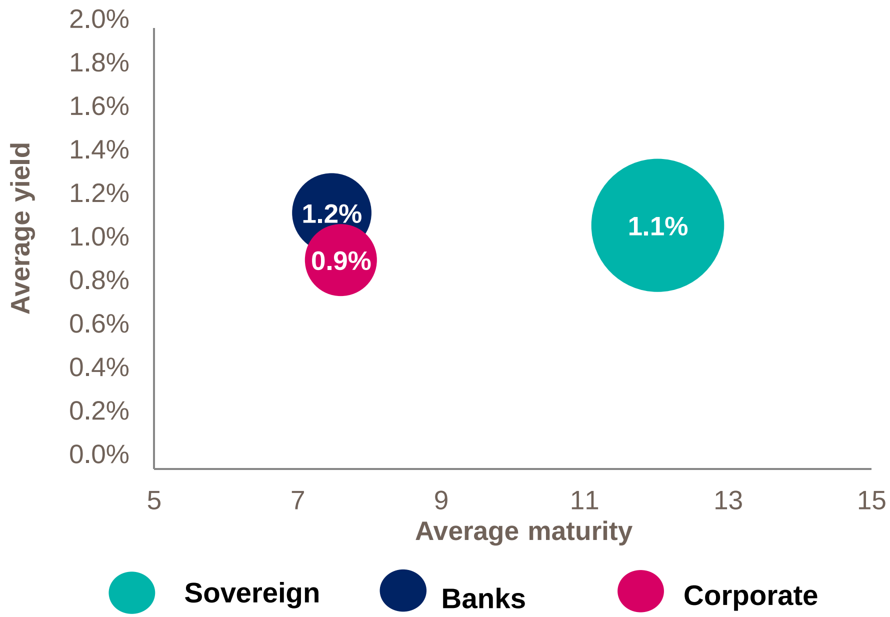
# AN INVESTMENT STRATEGY ALIGNED WITH THE EUROPEAN ECONOMIC ENVIRONMENT

## FY2016 INVESTMENT FLOWS

*(%)*




## FY2016 BOND INVESTMENT FLOWS

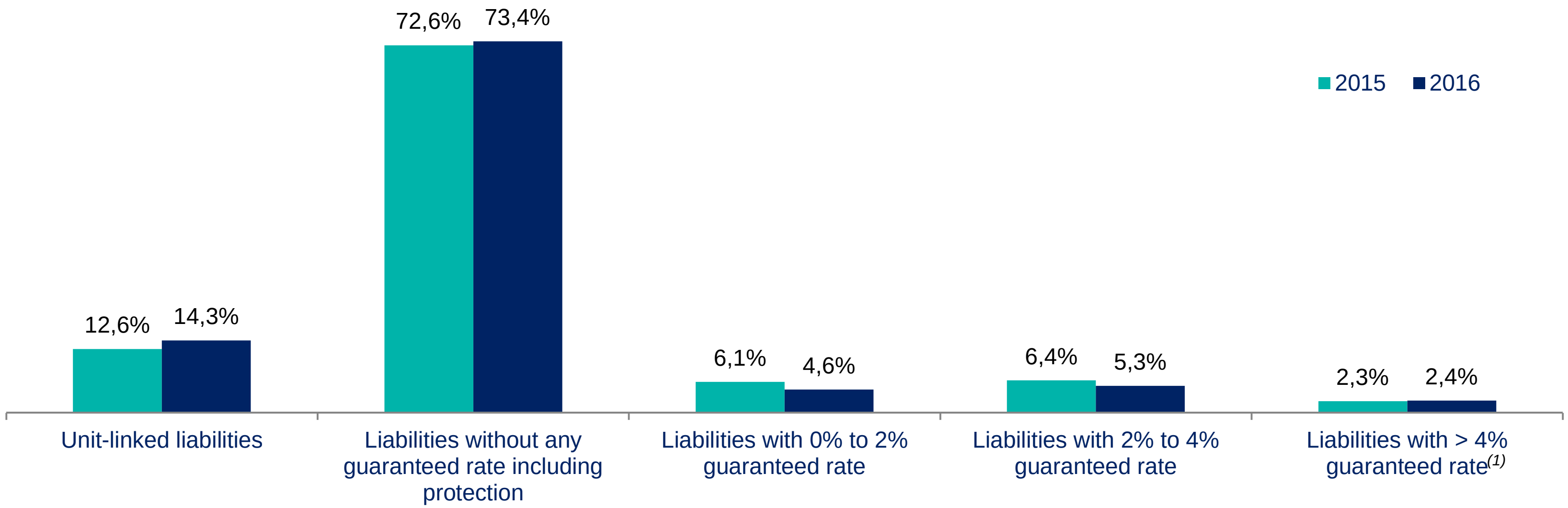



- **European bond portfolios: average 2016 reinvestment rate of 1.1%**
- **The higher rates observed in the fourth quarter of 2016 triggered a reduction in the proportion of the portfolio held in cash (6.6% at end-2016) and increased investment in bonds**
- **The equity portfolio hedging strategy was stepped up during 2016**

*Unaudited management reporting data*

# LOW GUARANTEED RATE ON LIABILITIES

## Breakdown of CNP Assurances liabilities by guaranteed rate:




## CNP Assurances business model is mainly based on fee and underwriting earnings, as reflected by the breakdown of liabilities:

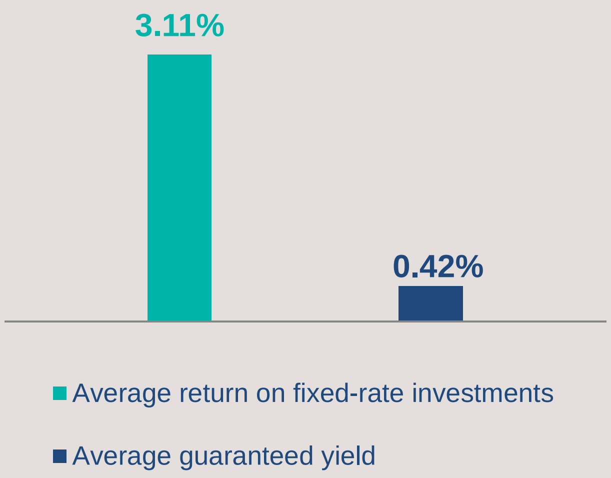
| | | |
|---|---|---|
| **Fee earnings** | Unit-linked policies: €47.3bn<br>Savings and pensions policies without any guaranteed rate: €186,9bn<br>Savings and pensions policies with low guaranteed rate: €33.0bn | **75%** |
| **Underwriting earnings** | Protection, risks , P&C and other reserves: €56.2bn | **16%** |
| **Spread earnings** | Own funds and subordinated debt: €24.7bn<br>Savings and pensions policies with high guaranteed rate: €7.5bn | **9%** |

*(1) Liabilities with a guaranteed yield of more than 4% mainly concern Caixa Seguradora in Brazil, where interest rates are higher than in Europe*

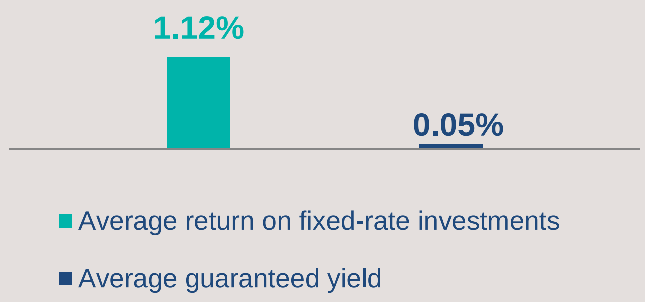
# LIMITED EXPOSURE TO GUARANTEED YIELD

## Low guaranteed yield on in-force and new business

### IN-FORCE BUSINESS AT 31 DECEMBER 2016




### 2016 NEW BUSINESS



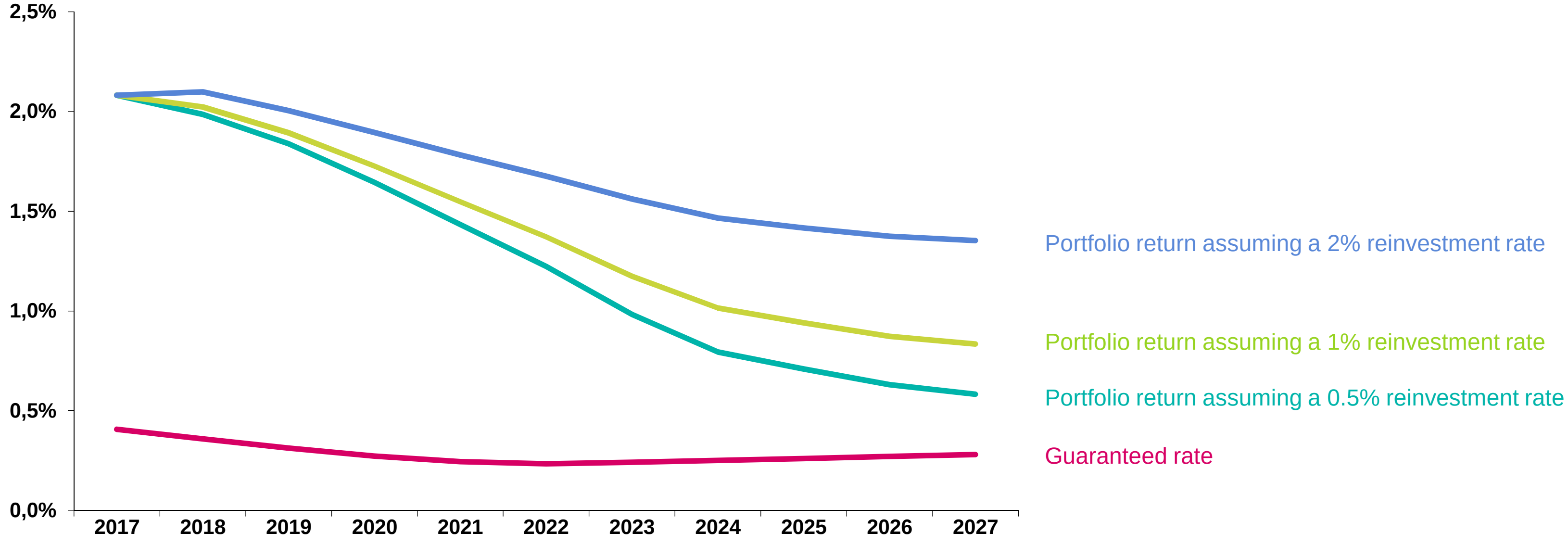

## €9.1bn of Policyholder Surplus Reserve at end-2016, representing 3.9% of technical reserves and 2.5 years' worth of 2016 credited yield

*Unaudited management reporting data*

# ACTIVE RATE MANAGEMENT PROVIDES A PROTECTION AGAINST ADVERSE RATE MOVEMENTS

## Managing lower for longer interest rates

- Asset portfolio return projected over the next 10 years with cash-flows reinvested in 0.5%, 1% or 2% fixed-rate bonds
- Equity and property assumptions: 0% revenue (i.e. no dividends, no rents and no realized gains)
- Under this stressed scenario, the portfolio return would be 2.08% in 2017 vs. an average guaranteed rate across all policy liabilities of 0.42% at end-2016




*Based on CNP Assurances full perimeter. In-force business as of end-2016, surrenders and payments taken into account*

# CNP ASSURANCES HAS SEVERAL BUFFERS TO COPE WITH FINANCIAL MARKET VOLATILITY

**Low contractually guaranteed rates**

- Current French savings production has no contractually guaranteed rate[1] and the overall average guaranteed rate across all policy liabilities is 0.42% at end-2016
- At the end of each year, CNP Assurances has the full flexibility to decide the yield attributed to policyholders over and above guarantees (1.52% on average in 2016)

**€39.9bn IFRS unrealized gains at end-2016**

- If necessary, gains can be realized to offset the impact of asset impairments or low interest rates
- By construction, at least 85% of market movements are “pass-through” to policyholders, with equity impact to shareholders being of second order

**€9.1bn Policyholder Surplus Reserve at end-2016**

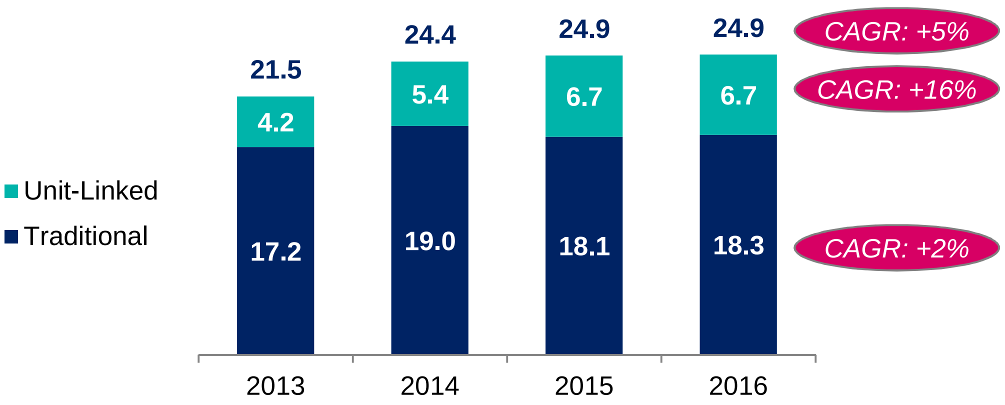
- If necessary, amounts in the surplus reserve can be used to absorb investment losses

*(1) All new policies have 0% guaranteed rate, some old policies still exist with a positive guaranteed rate on additional payments. These old policies, which include guaranteed rate, will progressively disappear due to lapses and deaths of policyholders.*

# A STRATEGY TO INCREASE UNIT-LINKED WITHIN THE SAVINGS/PENSIONS BUSINESS

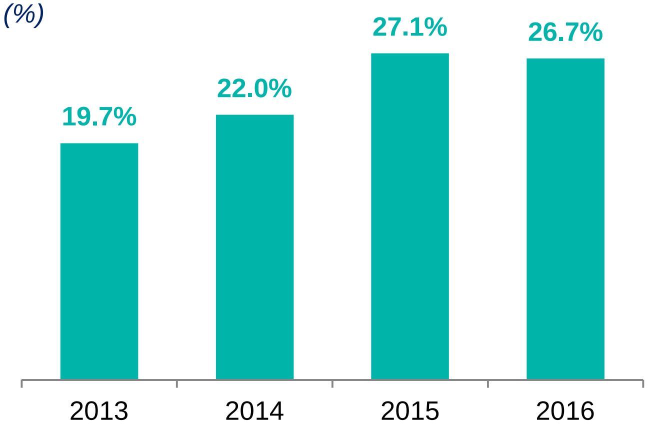
## Savings/Pensions Premium Income

*(€bn)*



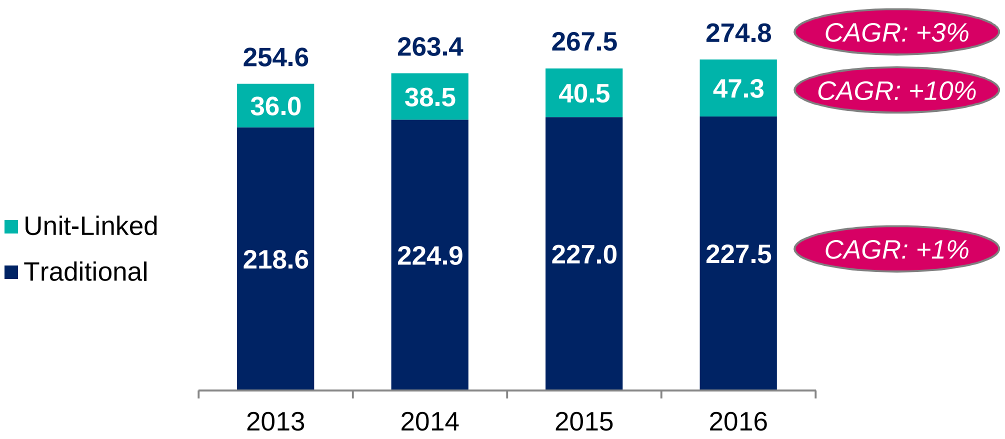

## Proportion of Premium Income represented by Unit-Linked

*(%)*



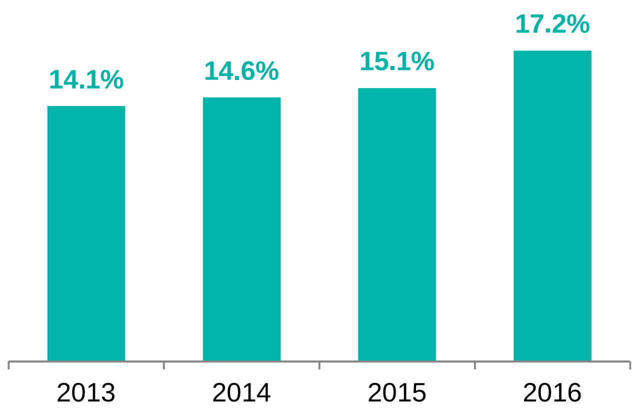

## Savings/Pensions Mathematical Reserves

*(€bn)*




## Proportion of Mathematical Reserves represented by Unit-Linked

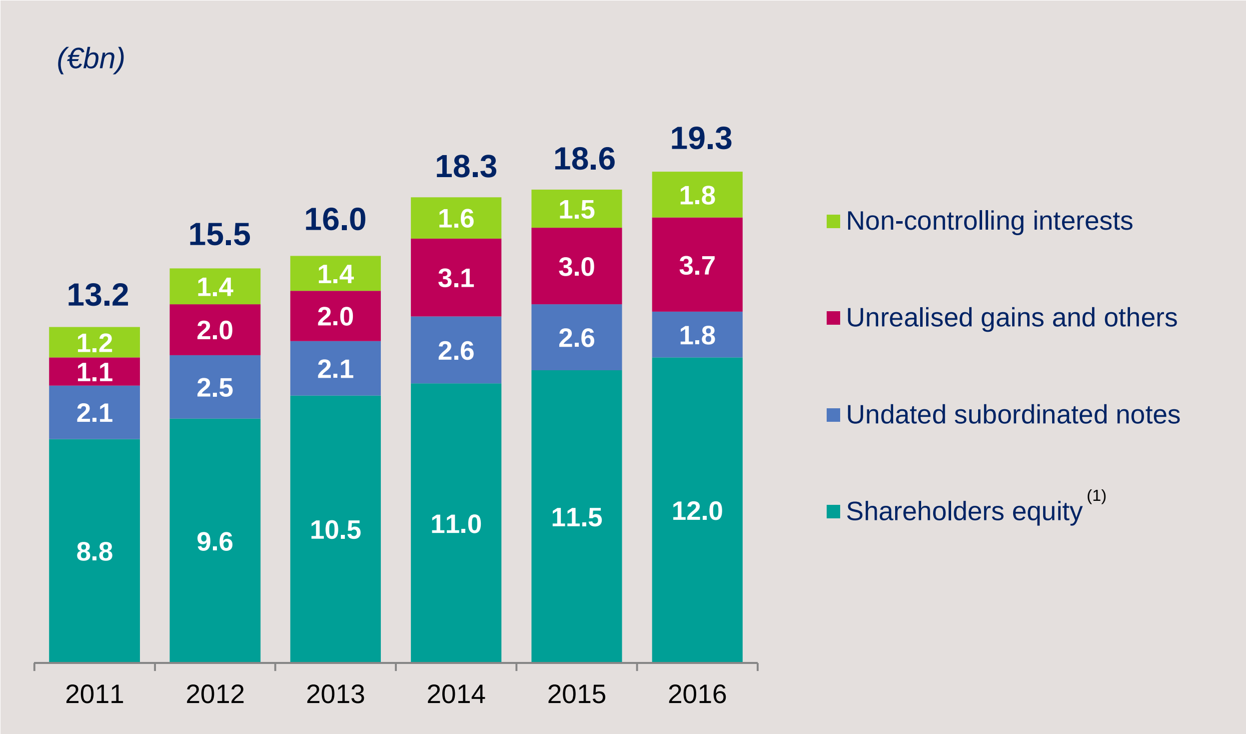
*(%)*



# 4.

# Solvency

# GROUP CAPITAL STRUCTURE UNDER IFRS




**Solid capital generation thanks to:**

- retained earnings (up from €6.3bn in 2011 to €8.5bn in 2016)
- conservative dividend policy (payout ratio between 46% and 52% over the period)

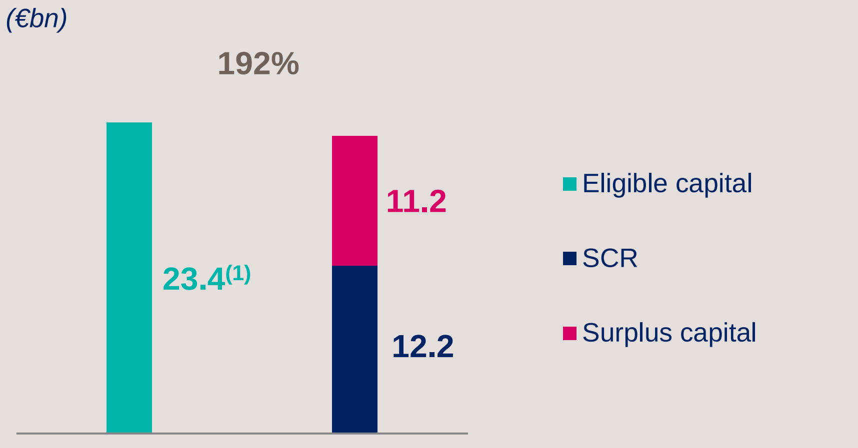
**Non-controlling interests represent the share of equity in our subsidiaries detained by our banking partners (Caixa Economica Federal in Brazil, Santander in Ireland, UniCredit in Italy)**



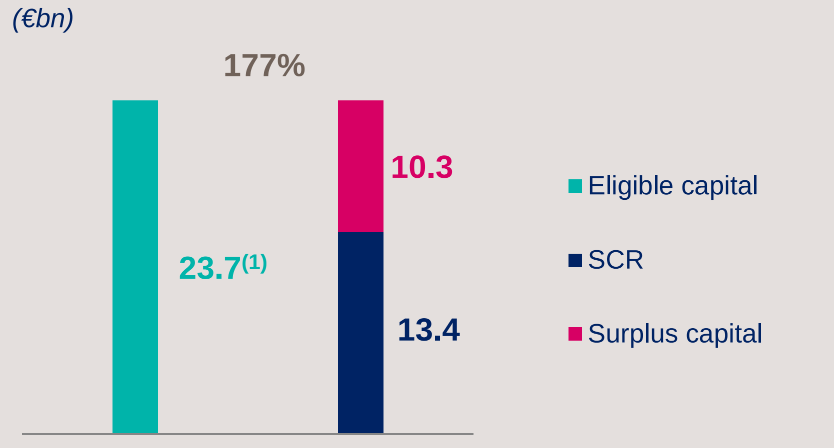
*(1) Of which share capital & premium account represent €2.4bn, retained earnings €8.5bn and profit for the period €1.2bn in 2016*

# SOLVENCY II: GROUP SCR COVERAGE RATIO

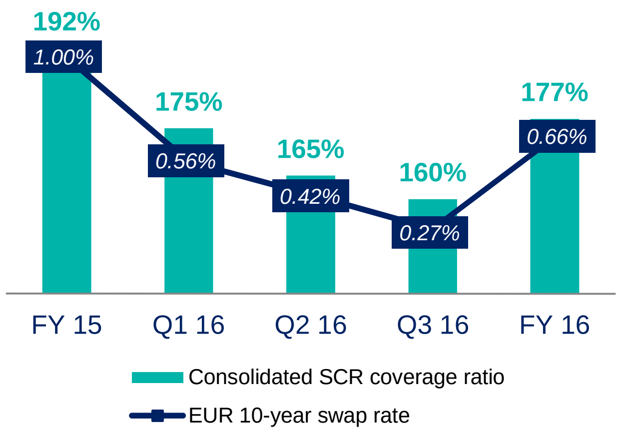
## CONSOLIDATED SCR COVERAGE RATIO 31 DECEMBER 2015



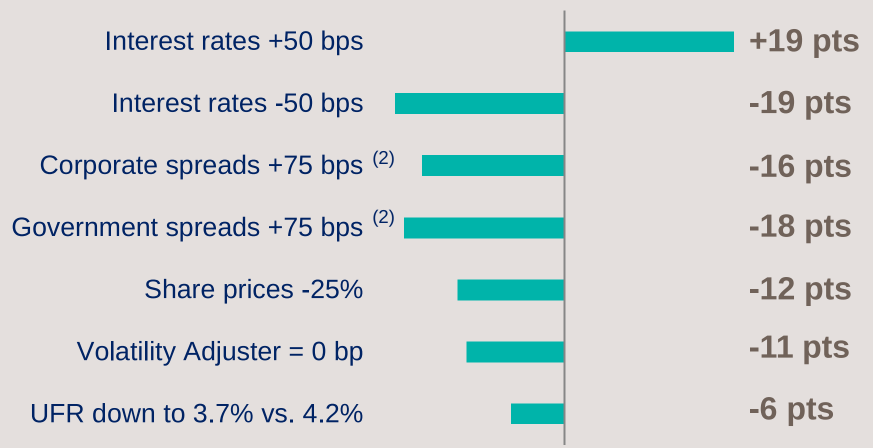

## CONSOLIDATED SCR COVERAGE RATIO 31 DECEMBER 2016




## HISTORICAL CONSOLIDATED SCR COVERAGE RATIOS




## SENSITIVITIES AT 31 DECEMBER 2016




(1) *Excluding subsidiaries' surplus own funds which are considered non-fungible at Group level, respectively €2.1bn in 2015 and €3.0bn in 2016*

(2) *Without Volatility Adjuster recalibration*

# A COMFORTABLE SOLVENCY POSITION FOR ALL OUR SUBSIDIARIES

## As of 31 December 2016

| Country | Scope | Eligible Own Funds (€bn) | SCR (€bn) | SCR Coverage Ratio |
|---|---|---|---|---|
| **Group** | **CNP Assurances Group** | **23.7** | **13.4** | **177%** |
| France | CNP Assurances SA | 24.9 | 13.2 | 188% |
| Brazil | Caixa Seguradora[1] | 2.6 | 0.9 | 294% |
| Italy | CNP UniCredit Vita | 0.8 | 0.3 | 239% |
| Ireland | CNP Santander Insurance Life | 0.2 | 0.1 | 198% |
| Ireland | CNP Santander Insurance Europe | 0.2 | 0.1 | 131% |

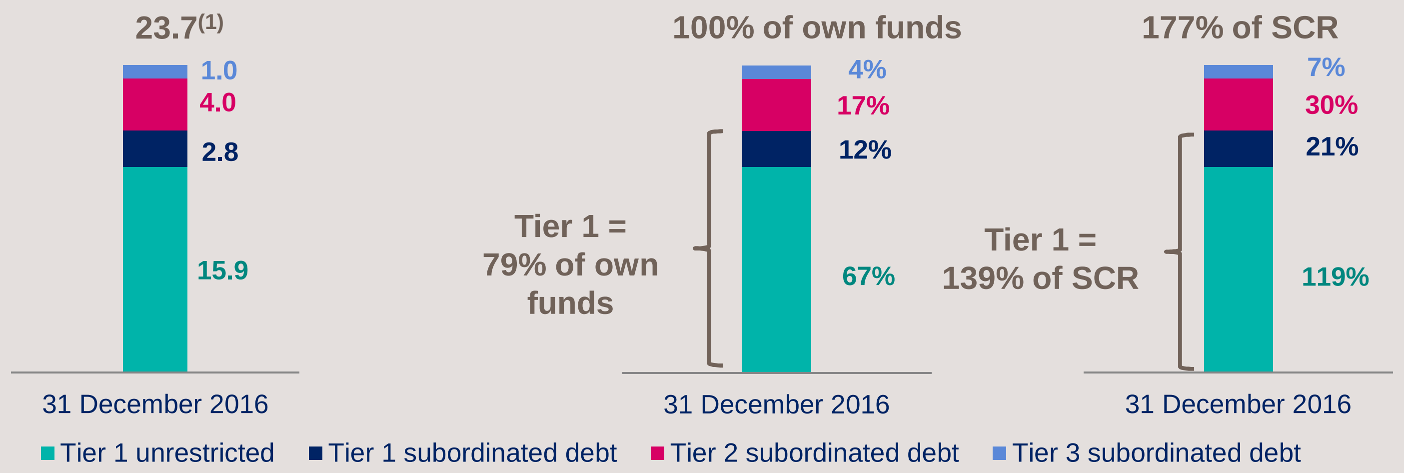
## The Group SCR coverage ratio is calculated:

- Taking into account 100% of each subsidiary's SCR, even for subsidiaries that are not wholly owned (Caixa Seguradora, CNP UniCredit Vita, CNP Santander Insurance)
- Without taking into account any surplus own funds for the main JVs over and above their contribution to the group SCR, which are not recognised by the supervisor at Group level (€3bn including non-controlling interests[2] or 22% of the Group SCR)

*(1) CNP Assurances applies Solvency II to Caixa Seguradora, without using the Brazilian solvency regulation, solely for the purpose of Group solvency calculations. Caixa Seguradora's SCR coverage ratio has no regulatory impact for the Brazilian insurance undertakings*
*(2) Of which €2bn of surplus own funds in Brazil*

# GROUP CAPITAL
# STRUCTURE UNDER SOLVENCY II

## ELIGIBLE CAPITAL *(€bn)*




**The Group's financial headroom is based on:**

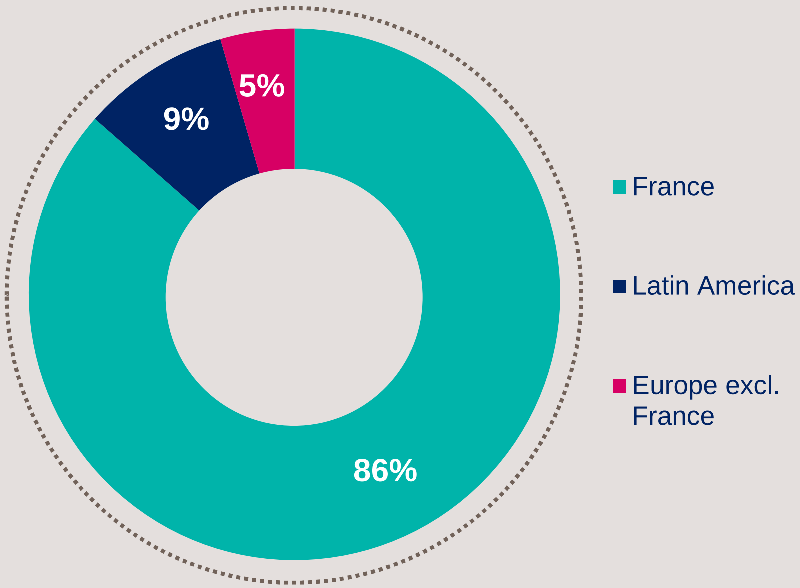
- the Group's high quality eligible own funds
  - 79% of own funds are Tier 1
  - no ancillary own funds
- significant subordinated debt issuance capacity at 31 December 2016
  - €1.2bn of Tier 1
  - €1.7bn of Tier 2, including €1.0bn of Tier 3

*(1) Excluding €3.0bn in subsidiaries' surplus own funds which are considered as non-fungible at Group level*

# BREAKDOWN OF GROUP SCR

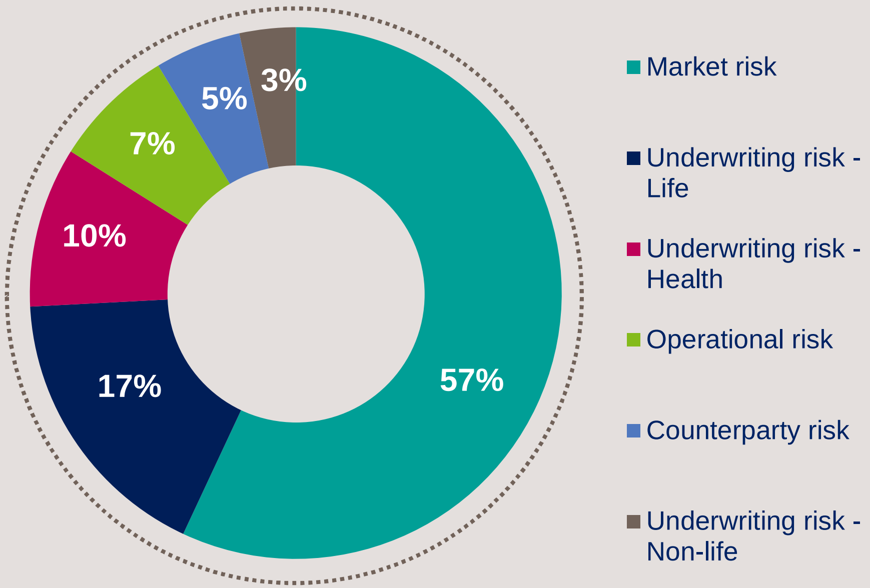
## SCR BY GEOGRAPHICAL AREA

*(%)*




## SCR BY RISK[1]

*(%)*

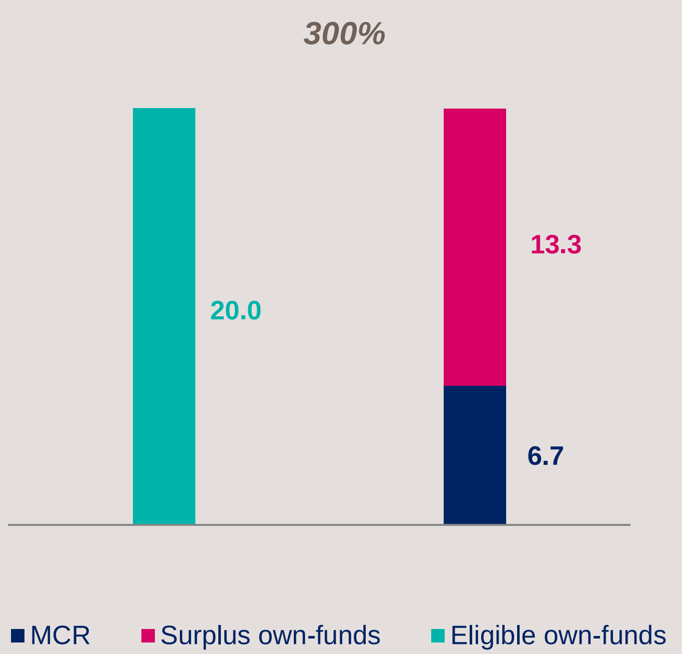



26% diversification benefit[2]

*(1) Breakdown presented before diversification*
*(2) Diversification benefit = [sum of net SCR excluding Operational Risk SCR - net BSCR]/sum of net SCR excluding Operational Risk SCR*

# SOLVENCY II:
# GROUP MCR COVERAGE RATIO OF 300% AT END-2016

## CONSOLIDATED MCR COVERAGE RATIO
*(€bn)*




- **Consolidated MCR corresponds to the sum of the MCRs of all the Group insurance companies**
- **Own funds eligible for inclusion in MCR coverage may be different to those included in SCR coverage due to capping rules:**
  - Tier 2 subordinated notes capped at 20% of MCR coverage (vs. 50% for SCR)
  - Tier 3 subordinated notes not eligible for inclusion in MCR coverage (vs. 15% for SCR)

# 5.

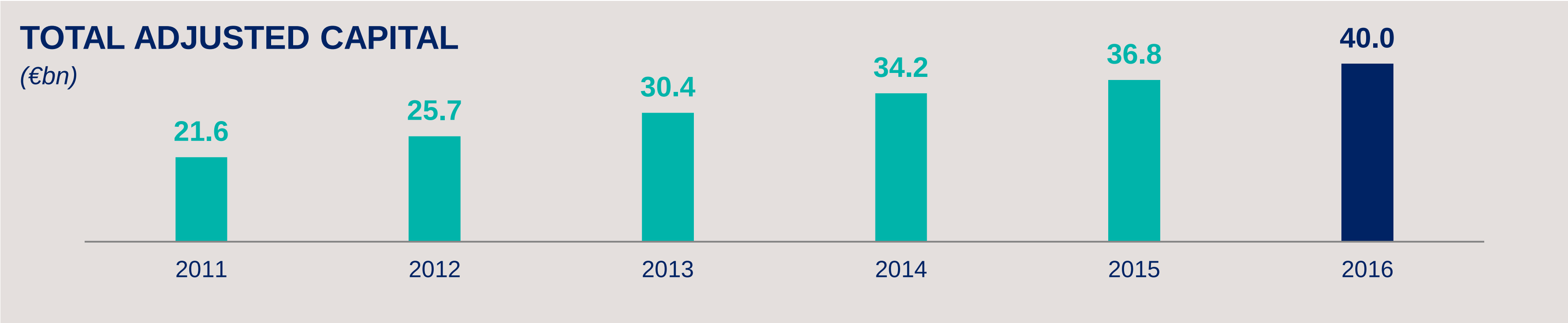
# Rating & Funding

# STANDARD & POOR'S RATING

## CNP Assurances is rated A, with a stable outlook, by Standard & Poor's

| | June 2013 | February 2014 | February 2015 | January 2016 | December 2016 |
|---|---|---|---|---|---|
| Standard & Poor's Rating | A+/Negative | A/Stable | A/Stable | A/Stable | A/Stable |
| Business Risk Profile | Very Strong | Strong | Strong | Strong | Strong |
| Financial Risk Profile | Moderately Strong | Strong | Strong | Strong | Strong |

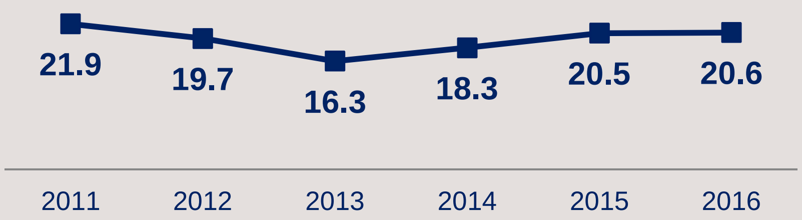
## At 31 December 2016, Total Adjusted Capital (TAC) amounted to €40.0bn, up 9%



# DEBT-TO-EQUITY RATIO IN LINE WITH PRUDENT STRATEGY

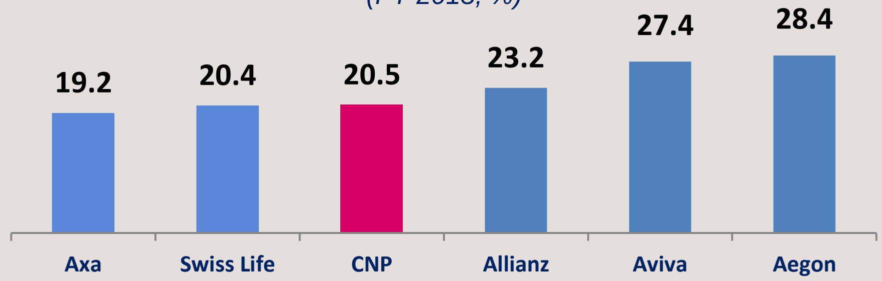
## DEBT-TO-EQUITY RATIO (1)

*(S&P method, %)*




## BENCHMARK BASED ON S&P FIGURES

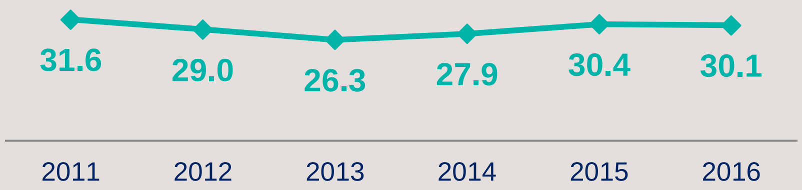
*(FY 2015, %)*




*Source: Latest S&P full analysis of each insurance company*

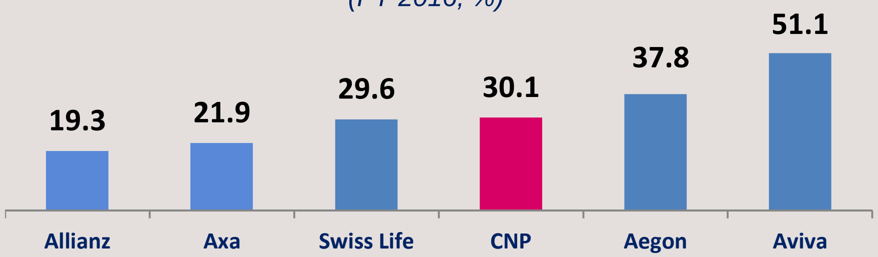
## DEBT-TO-EQUITY RATIO (2)

*(IFRS, %)*




## BENCHMARK BASED ON IFRS FIGURES

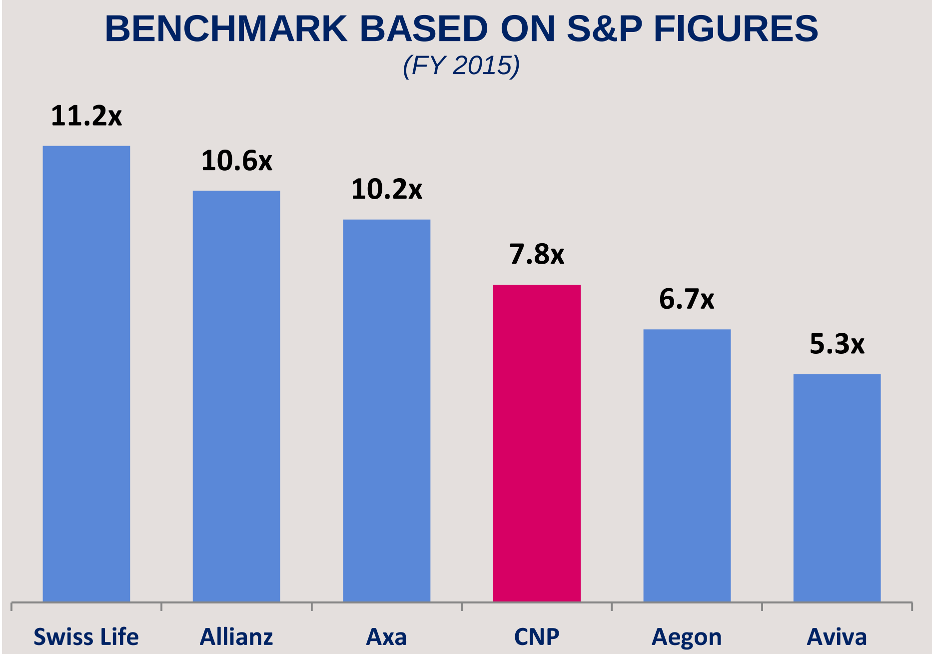
*(FY 2016, %)*




*Source: CNP's estimation based on the latest annual consolidated accounts of each company (intangible assets excluding DAC)*

| (1) Debt-to-Equity Ratio *(S&P method)* | (2) Debt-to-Equity Ratio *(IFRS)* |
|---|---|
| **Debt / (Economic Capital Available + Debt)**<br><br>*< 20% = positive*<br>*[20% ; 40%] = neutral*<br>*> 40% = negative* | **Debt / (Equity – Intangible Assets + Debt)** |

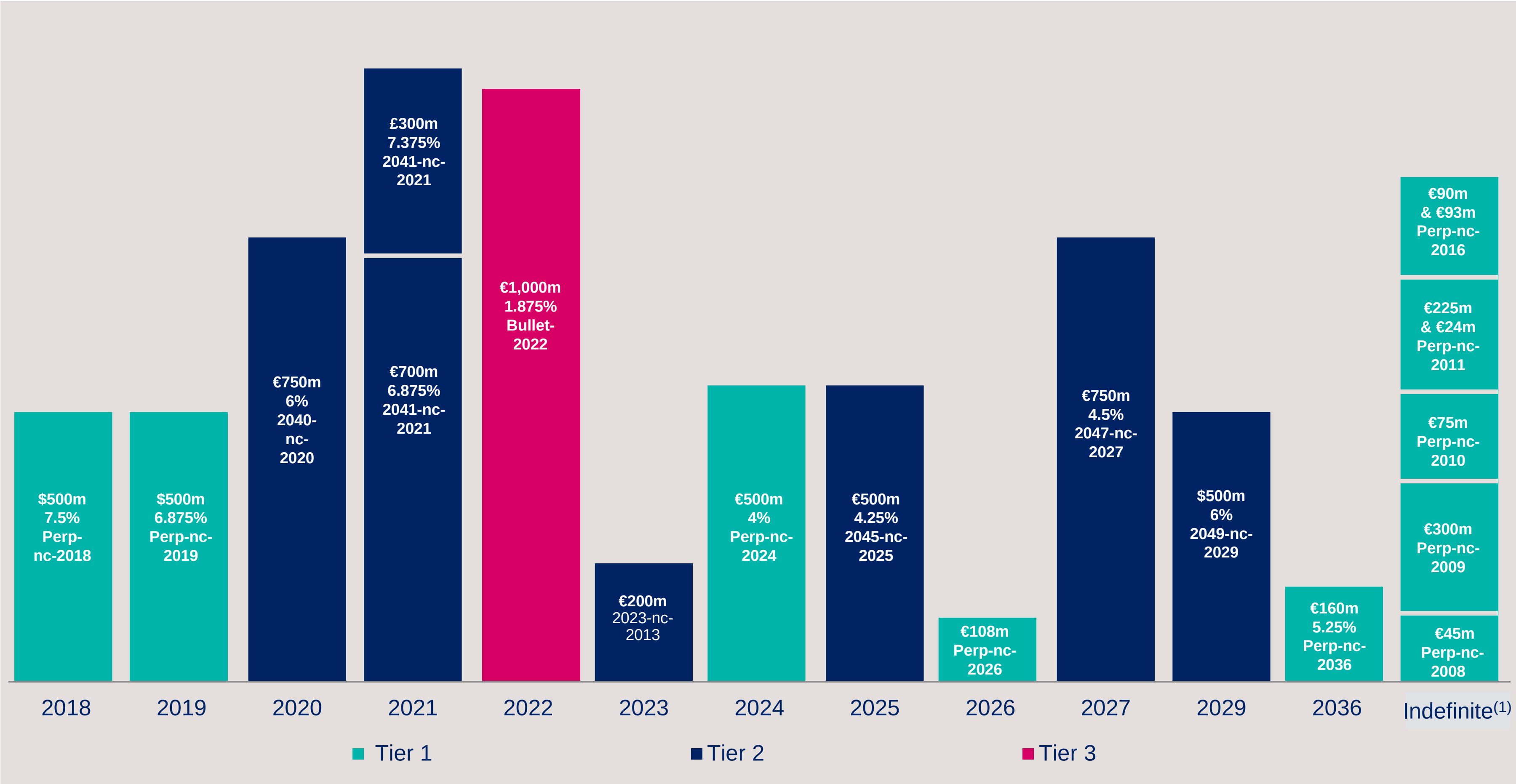
# INTEREST COVER AT A SATISFACTORY LEVEL


Source: Latest S&P full analysis of each insurance company

| Interest Cover *(S&P method)* |
| --- |
| **EBIT / Interest paid**<br><br>*> 8x = positive*<br>*[4x ; 8x] = neutral*<br>*< 4x = negative* |

# MATURITIES AND CALL DATES OF CNP ASSURANCES SUBORDINATED NOTES

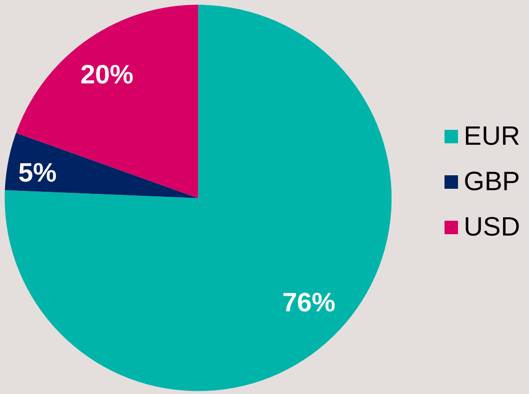



*Nominal amounts and exchange rates at 31 December 2016*

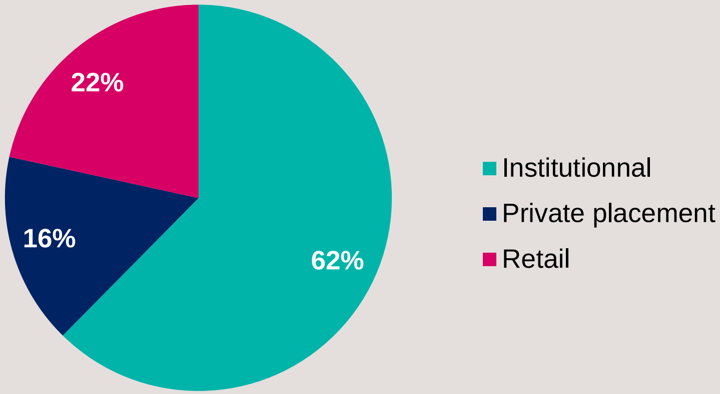
*(1) Perpetual subordinated notes for which the first call date has already passed*

# BREAKDOWN OF CNP ASSURANCES SUBORDINATED NOTES

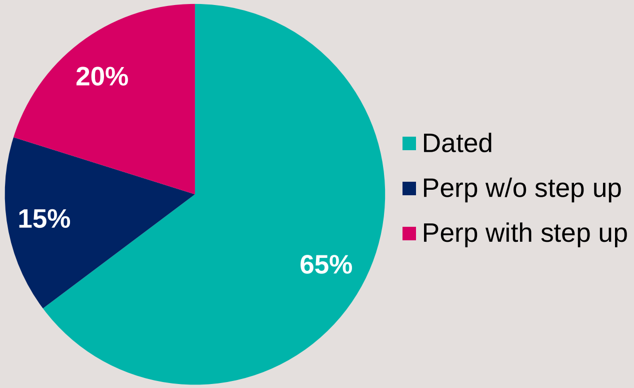
## Subordinated notes by currency



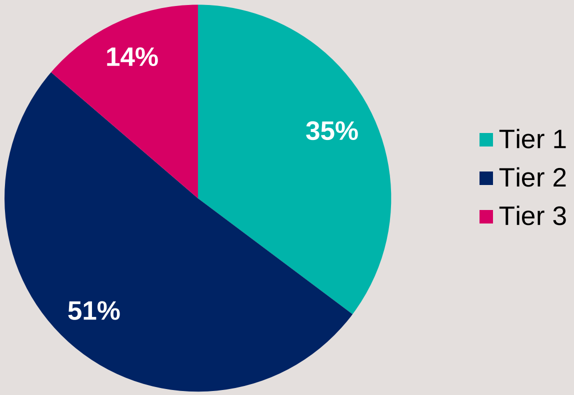

## Subordinated notes by distribution




## Subordinated notes by tenor




## Subordinated notes by Solvency II Tiering

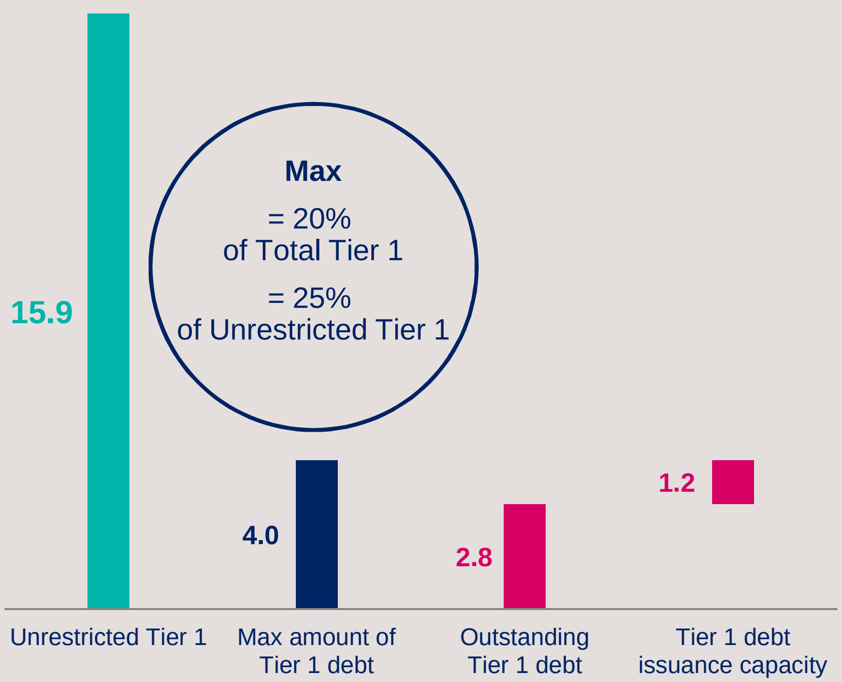



*Nominal amounts and exchange rates at 31 December 2016*

# SOLVENCY II SUBORDINATED NOTES ISSUANCE CAPACITY AT END-2016

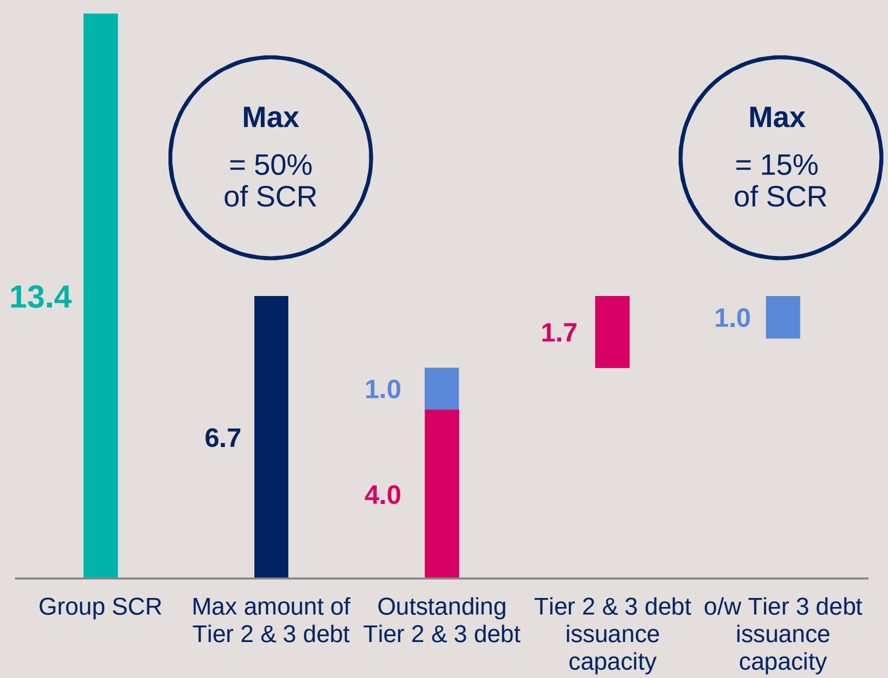
## TIER 1

*(€bn)*




## TIER 2 & TIER 3

*(€bn)*



# 6.

# Strategic Outlook

# ONGOING TRANSFORMATION OF THE GROUP IN LINE WITH THE STRATEGY ANNOUNCED IN EARLY 2013

**Development of open model high-end savings business (CNP Patrimoine)**
- FY2016 premiums up 121% to €958m, of which 33% unit-linked

**Solid momentum at CNP Santander**
- FY2016 premiums up 23% to €605m

**Launch of YOUSE, Brazil's first 100%-digital insurance platform**
- 32,000 contracts at end-January 2017

**FY2016 EBIT up 12.8% like-for-like**

**Successful inaugural Tier 3 notes issuance (1.875% coupon)**

**Dividend increased to €0.80 per share**

# CNP ASSURANCES REAFFIRMS ITS GROWTH OUTLOOK WHILE INCREASING THE PACE OF TRANSFORMATION

## GROWTH

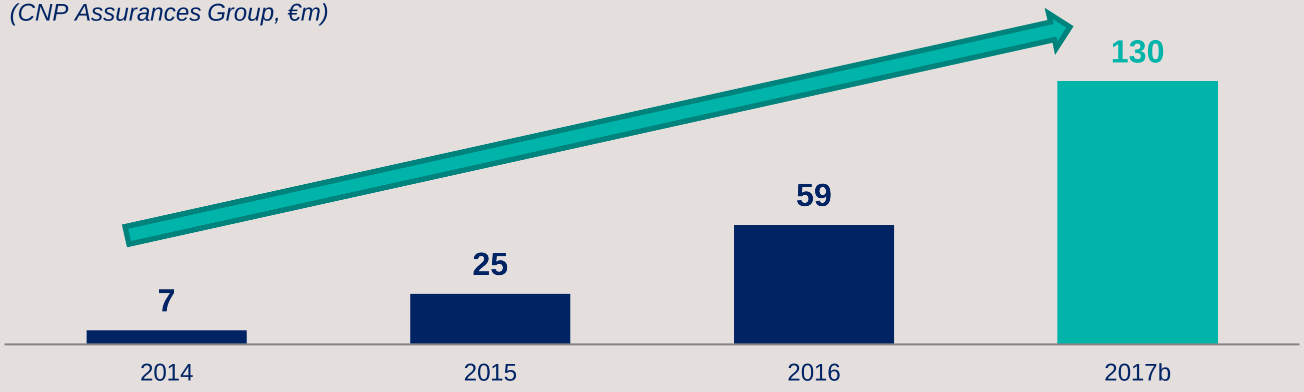
- **CNP Assurances upgrades its EBIT target for 2018**, with the Group now aiming to deliver average annual organic EBIT growth of at least 5% over the 2017-2018 period compared with the 2016 baseline

## TRANSFORMATION

- **Faster development of YOUSE** in Brazil with a view to expanding in Latin America
- **In France and Europe, faster digital transformation,** based notably on achievements in Brazil in the area of digital B-to-C distribution

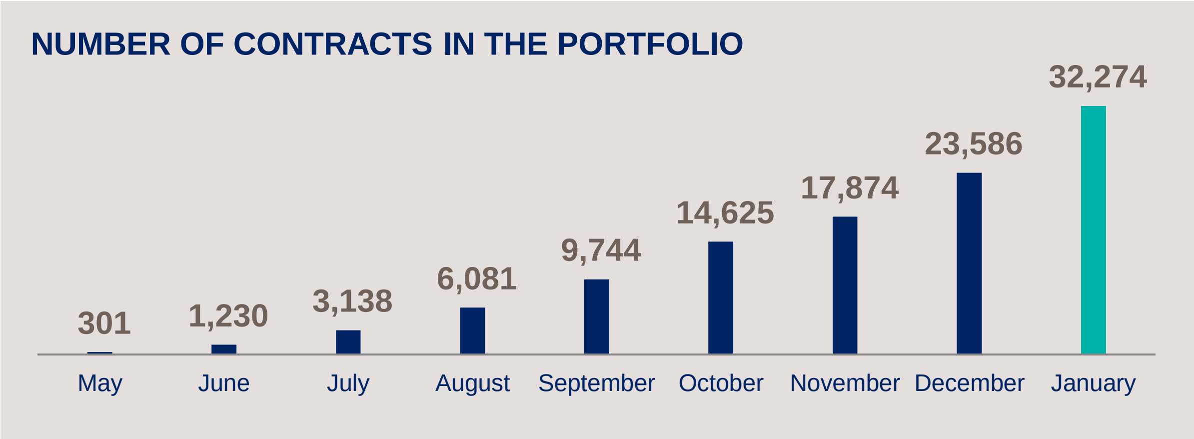
### DIGITAL INVESTMENTS TO ACCELERATE THE TRANSFORMATION PROCESS

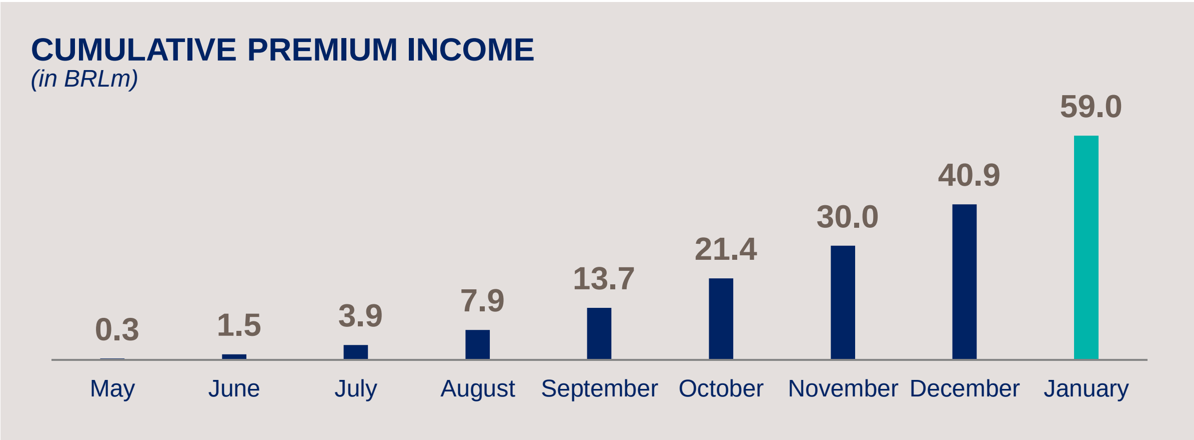
*(CNP Assurances Group, €m)*

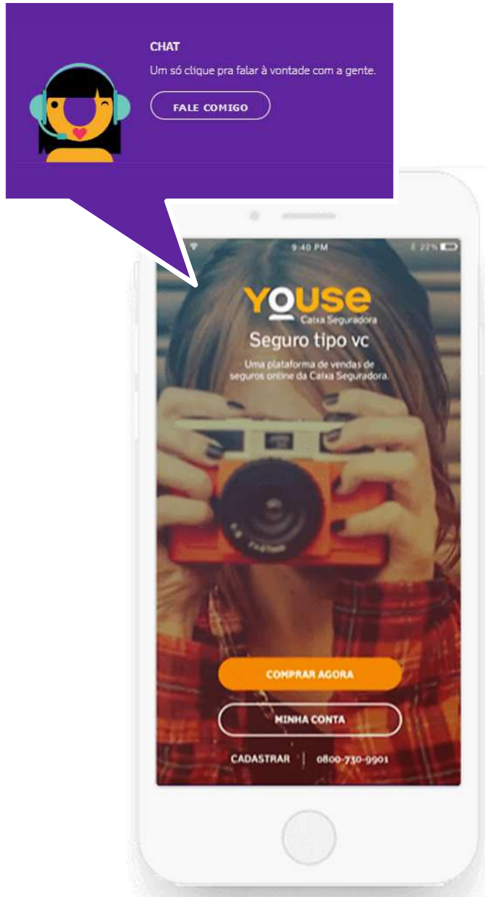


# SUCCESSFUL LAUNCH OF YOUSE IN BRAZIL

## YOUSE: Brazil's first 100%-digital insurance platform



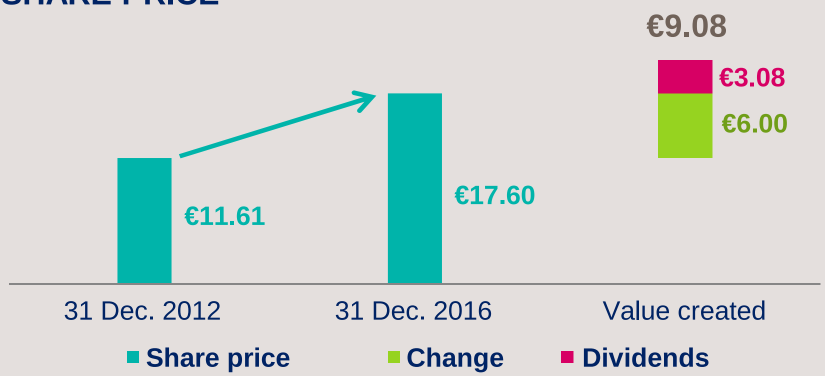




*Unaudited management reporting data*

# VALUE CREATED SINCE 1 JANUARY 2013

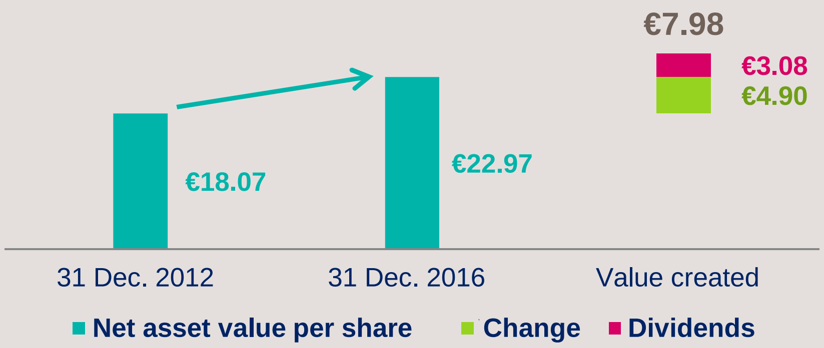
## SHARE PRICE



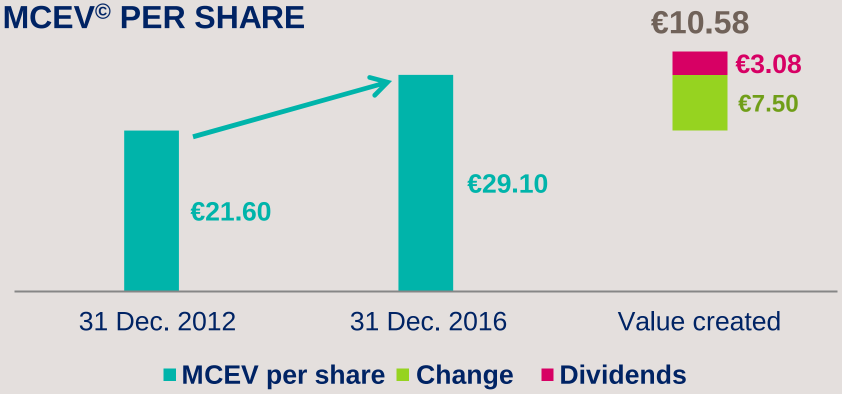

**Total shareholder return with reinvested dividends, 2012-2016**

- CNP Assurances: +88%
- Insurance sector: +78%

## NET ASSET VALUE PER SHARE




## MCEV© PER SHARE



# 2017
# INVESTOR CALENDAR

| | January 2017 | February 2017 | March 2017 | April 2017 | May 2017 | June 2017 | July 2017 | August 2017 | September 2017 | October 2017 | November 2017 | December 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| First-half 2017 premium income and profit | | | | | | | 31 July 7:30 am | | | | | |
| Nine-month 2017 results indicators | | | | | | | | | | | 16 Nov. 7:30 am | |

**INVESTOR AND ANALYST RELATIONS**

**Vincent Damas** I +33 (0)1 42 18 71 31

**Jean-Yves Icole** I +33 (0)1 42 18 86 70

**Typhaine Lissot** I +33 (0)1 42 18 83 66

infofi@cnp.fr or debtir@cnp.fr

# Appendices

# MAIN CHARACTERISTICS OF FRENCH SAVINGS PRODUCTS

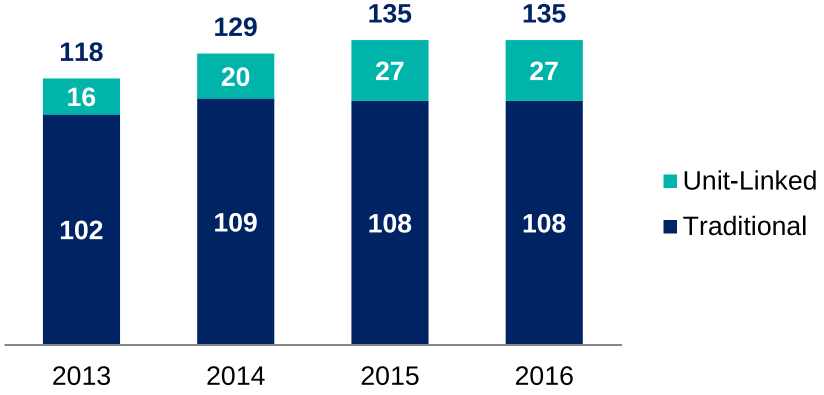
| | Bank Deposit & Taxable Passbook | Tax Free Passbook e.g. Livret A | Housing Savings Plan e.g. PEL(1) | Stock Savings Plan e.g. PEA(2) | Traditional & Unit-Linked Life Insurance |
|---|---|---|---|---|---|
| **% of French household savings (€4.8tn in 2016)** | **12% (€0.6tn)** | **13% (€0.6tn)** | **6% (€0.3tn)** | **29% (€1.4tn)** | **40% (€1.9tn)** |
| Maximum amount per person | Unlimited | €22,950 | €61,200 | €150,000 | Unlimited |
| Crediting rate before taxes | [0.0% to 1.0%] | 0.75% | 1.0% | Depends on stocks performance | [0.75% to 3.0%] for traditional life |
| Possibility to convert into annuities | No | No | No | Yes | Yes |
| Income tax (between 0% and 45%) & Social security tax (15.5%) | Between 15.5% and 60.5% | 0% | 15.5% after 4 years | 15.5% after 5 years | Between 50.5% (before 4 years) and 23%(3) (after 8 years) |
| Inheritance tax (between 0% and 60%) | Yes | Yes | Yes | Yes | None under €152,500 per beneficiary |
| Guarantee on the principal amount | Yes | Yes | Yes | No | Yes (excluding unit-linked) |
| Liquidity | Fully liquid | Fully liquid | Any withdrawal closes the PEL | Any withdrawal before 8 years closes the PEA | Fully liquid but tax penalty if withdrawal before 8 years |

*Simplified description for illustration purpose only. Source: Banque de France « Epargne et Patrimoine des ménages » May 2017*
*(1) PEL: Plan d'Epargne Logement*
*(2) PEA: Plan d'Epargne en Actions*
*(3) For the part of annual gains above €4,600 for a single person or €9,200 for a couple*

# FRENCH LIFE INSURANCE MARKET KEY FIGURES

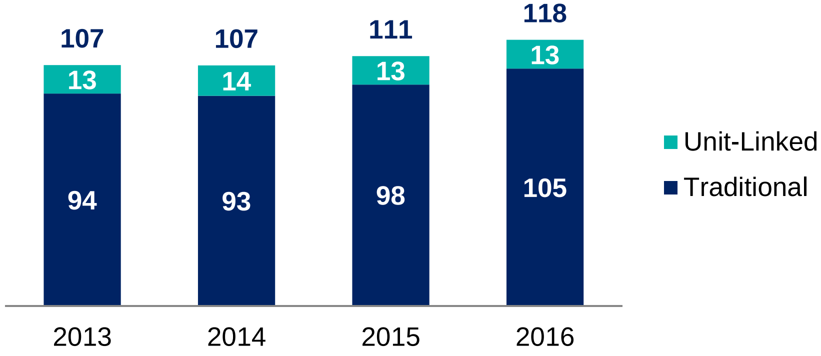
## Premium income

*(€bn)*



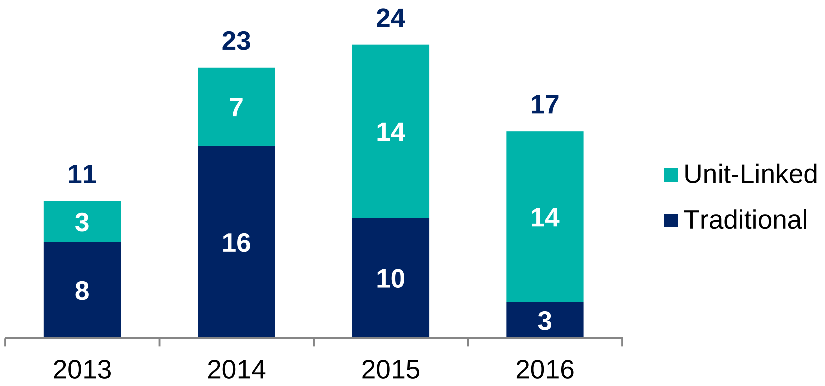

## Withdrawals

*(€bn)*



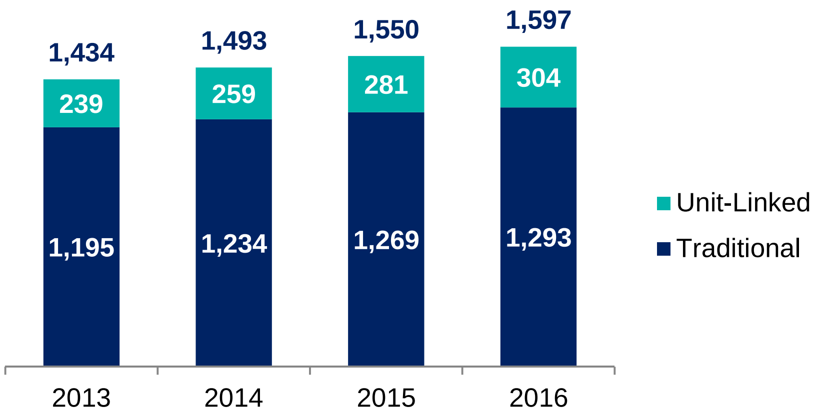

## Net inflows

*(€bn)*




## Mathematical reserves

*(€bn)*

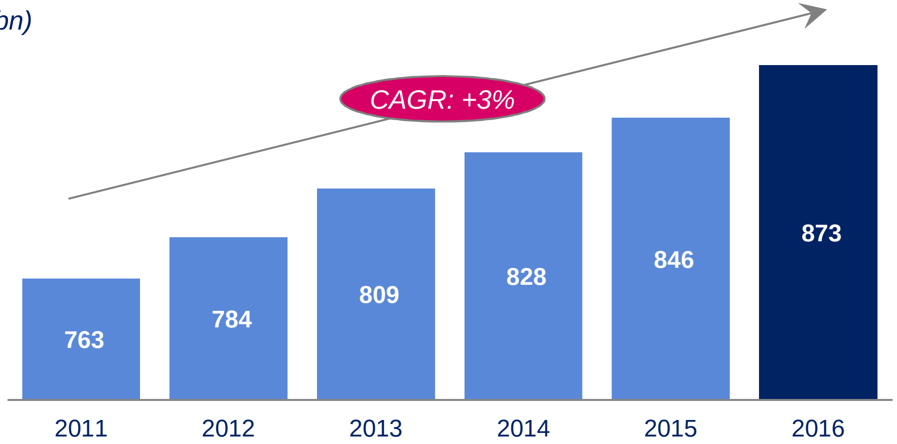



*Source: FFA*

# FRENCH MORTGAGE MARKET KEY FIGURES

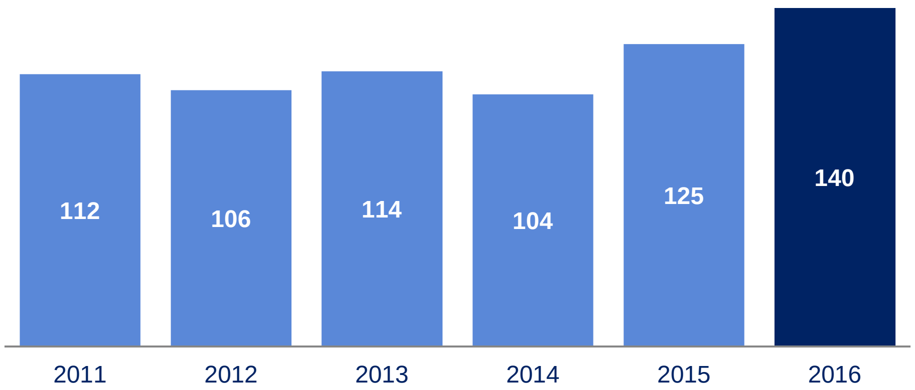
## Outstanding mortgage loans

*(€bn)*




## Annual volume of new mortgage loans

*(€bn)*

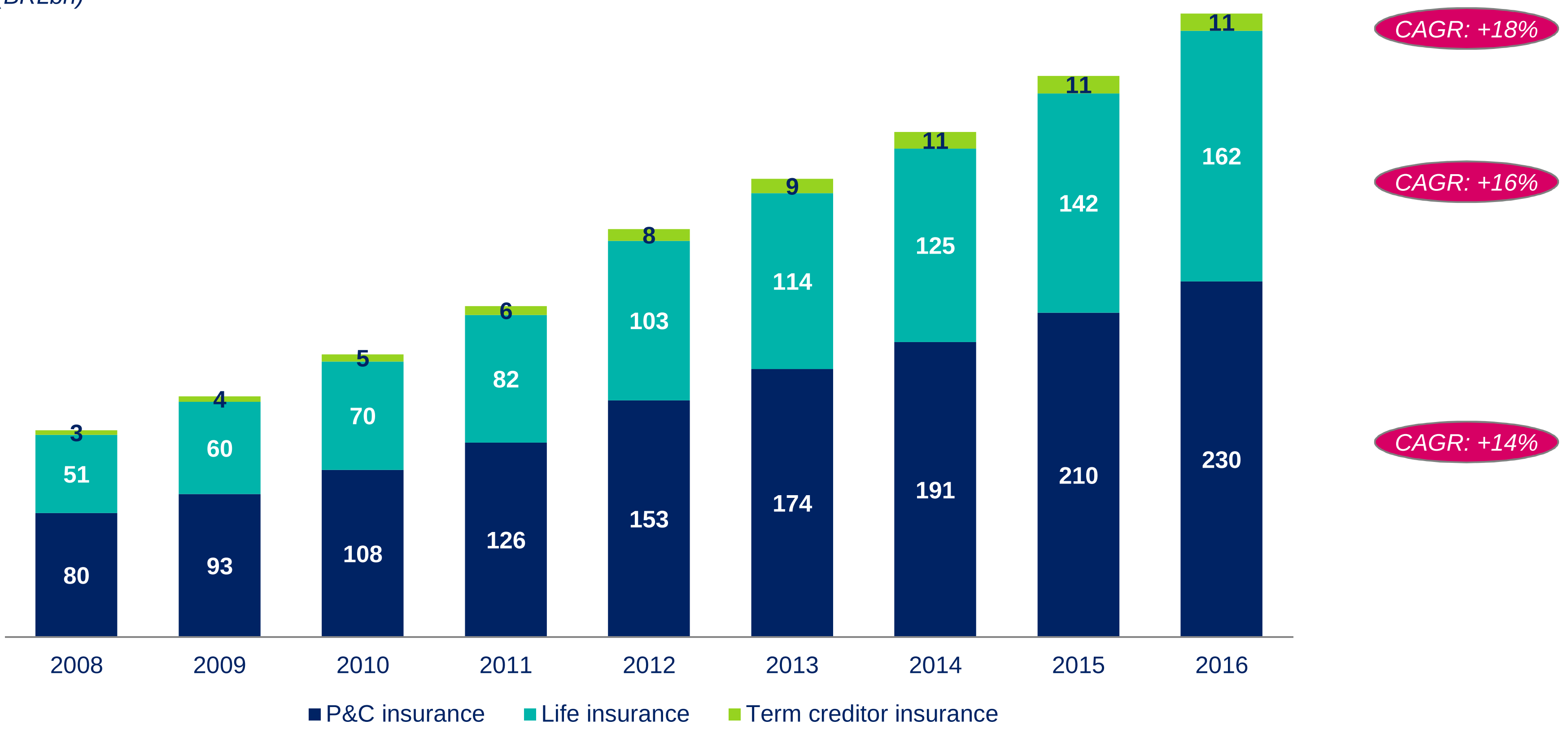



*Source: Banque de France, ACPR*
*Excluding mortgage renegotiations*

# BRAZILIAN INSURANCE MARKET KEY FIGURES

## Premium income

*(BRLbn)*




*Source: Caixa Seguradora*

# GROUP STRUCTURE

Figures as of end 2016 *(€bn)*

**CNP Assurances SA**
**Premium Income: 24.0**
**Balance Sheet: 355.0**

| | Main French Entities | | | Main Foreign Entities | | | | |
|---|---|---|---|---|---|---|---|---|
| **% of Ownership** | 100% Previposte | 65% MF Prevoyance | 39.95% Arial CNP Assurances | 57.5% CNP UniCredit Vita | 50.1% CNP CIH | 51.0% CNP Santander | 51.75% Caixa Seguradora | 100% CNP Partners |
| **Foot Print** | France | France | France | Italy | Cyprus | 10 countries in Europe | Brazil | Spain and Italy |
| **Premium Income** | 0.1 | 0.1 | NA | 2.5 | 0.1 | 0.6 | 3.5 | 0.3 |
| **Balance Sheet** | 7.0 | 0.7 | NA | 14.0 | 0.8 | 2.1 | 16.4 | 2.1 |

- **The Group issues bonds through CNP Assurances SA which is the listed entity and the main operating company of the Group (~80% of the consolidated balance sheet)**
- **Bonds are not issued through a pure holding company nor a SPV**
- **No senior bond outstanding within the capital structure**

# RENEWED PARTNERSHIPS ALIGNED WITH THE GROUP'S STRATEGY

| | BPCE | La Banque Postale (LBP) |
|---|---|---|
| **Expiry date** | ▶ **End-2022, with successive 3-year rollover options** | ▶ **End-2025** |
| **Savings/ Pensions** | ▶ **2016 premium income: €9.3bn**<br>• €4.0bn in new business<br>• €4.7bn in top-up premiums<br>• €0.6bn in inward reinsurance premiums<br>▶ **Projected premium income evolution**<br>• All new business written by Natixis Assurances since October 2016<br>• CNP Assurances continues to manage in-force business and top-up premiums<br>• CNP Assurances reinsures 40% of new business written by Natixis Assurances between 2016 and 2019<br>▶ **Technical reserves at end-2016: €123bn gross of reinsurance**<br>• €111bn net of reinsurance (10% ceded to Natixis Assurances)<br>▶ **Projected technical reserves evolution**<br>• Erosion of technical reserves will be very gradual thanks to top-up premiums | ▶ **2016 premium income: €8.6bn**<br>• Distribution agreement rolled over with LBP, including exclusive life insurance distribution rights<br>• Distribution agreement extended to include BPE (wealth management subsidiary)<br>• "Croissance" fund launched (80% guarantee after 12 years) as an alternative to traditional savings funds, with option to make transfers from GMO or Ascendo contract (€9bn eligible for transfer)<br>▶ **Technical reserves at end-2016: €126bn** |
| **Personal Risk/ Protection** | ▶ **2016 premium income: €0.9bn**<br>• Extension of the term creditor insurance partnership with BPCE to include the Banques Populaires and Crédit Foncier networks<br>• New partnerships for health, group personal risk and certain individual personal risk products | ▶ **2016 premium income: €0.2bn**<br>• New term creditor insurance offer launched in October 2016, underwritten directly by CNP Assurances and reinsured by LBPP under 5% quota-share treaty<br>• Term creditor insurance offer extended to include customers of BPE<br>• CNP Assurances' 50% stake in LBPP sold to LBP |

# TECHNICAL RESERVES AND PREMIUM INCOME BY SEGMENT AND REGION

| **Average net technical reserves** *(€m)* | | Traditional Savings/Pensions | Unit-linked Savings/Pensions | Personal Risk/ Protection | Total |
|---|---|---|---|---|---|
| **2016** | France | 246,489 | 27,685 | 8,279 | 282,453 |
| | Europe excluding France | 7,413 | 6,101 | 1,828 | 15,342 |
| | Latin America | 837 | 8,715 | 1,351 | 10,903 |
| | **Total** | **254,740** | **42,501** | **11,457** | **308,698** |

| **Premium income** *(€m)* | | Traditional Savings/Pensions | Unit-linked Savings/Pensions | Personal Risk/ Protection | Total |
|---|---|---|---|---|---|
| **2016** | France | 16,991 | 3,034 | 4,227 | 24,251 |
| | Europe excluding France | 1,236 | 1,606 | 847 | 3,688 |
| | Latin America | 47 | 2,016 | 1,533 | 3,596 |
| | **Total** | **18,274** | **6,655** | **6,607** | **31,536** |

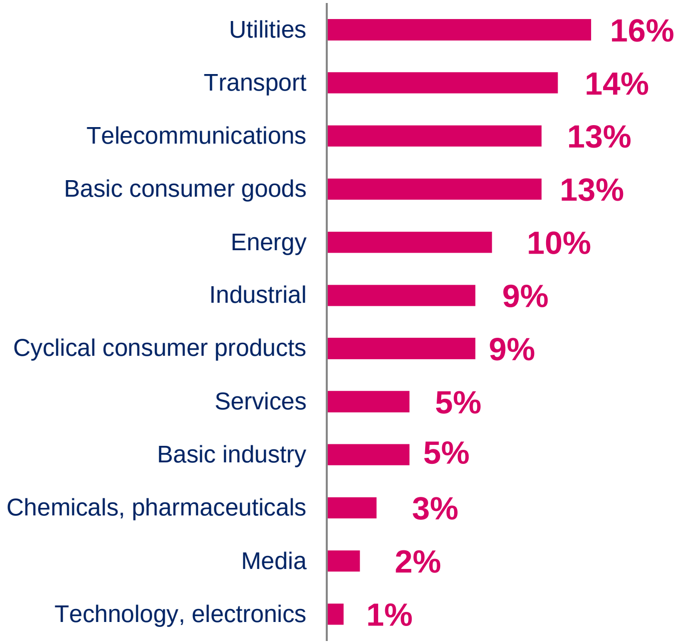
# SOVEREIGN BOND PORTFOLIO

| (€m) | 31 DECEMBER 2016 | | | 31 DECEMBER 2015 | | | 31 DECEMBER 2014 | | |
|---|---|---|---|---|---|---|---|---|---|
| Country | Gross exposure Cost(1) | Gross exposure Fair value | Net exposure Fair value | Gross exposure Cost(1) | Gross exposure Fair value | Net exposure Fair value | Gross exposure Cost(1) | Gross exposure Fair value | Net exposure Fair value |
| France | 68,237.8 | 80,303.9 | 5,411.3 | 66,951.5 | 77,735.6 | 4,941.1 | 67,676.2 | 81,013.0 | 4,344.1 |
| Italy | 9,769.1 | 11,135.7 | 667.6 | 9,134.8 | 10,708.0 | 1,234.7 | 9,644.9 | 11,117.8 | 1,093.0 |
| Belgium | 7,438.7 | 8,603.8 | 475.5 | 7,402.4 | 8,621.0 | 494.4 | 8,201.0 | 9,617.8 | 417.3 |
| Spain | 7,487.5 | 8,154.5 | 672.0 | 3,751.0 | 4,390.8 | 344.9 | 3,695.8 | 4,378.1 | 304.9 |
| Austria | 4,274.3 | 4,935.9 | 162.5 | 4,434.0 | 5,197.8 | 219.3 | 4,793.8 | 5,739.5 | 202.1 |
| Brazil | 2,086.0 | 2,059.0 | 1,235.7 | 1,448.8 | 1,265.6 | 759.5 | 1,628.0 | 1,528.5 | 917.7 |
| Portugal | 271.7 | 297.6 | 7.8 | 271.4 | 310.8 | 7.6 | 431.7 | 468.5 | 11.7 |
| Netherlands | 181.7 | 206.5 | 8.3 | 179.5 | 204.2 | 15.5 | 124.8 | 154.0 | 10.4 |
| Ireland | 604.0 | 696.0 | 36.2 | 617.1 | 724.3 | 31.8 | 608.5 | 724.4 | 18.2 |
| Germany | 1,929.7 | 2,277.3 | 182.2 | 2,481.7 | 2,823.0 | 240.8 | 2,637.4 | 3,031.1 | 217.7 |
| Greece | 3.9 | 1.5 | 0.1 | 3.9 | 2.2 | 0.1 | 4.3 | 4.6 | 0.2 |
| Finland | 79.4 | 81.5 | 2.6 | 16.3 | 19.7 | 3.2 | 34.4 | 38.6 | 4.3 |
| Poland | 377.2 | 413.3 | 69.8 | 346.7 | 391.9 | 43.1 | 337.2 | 391.1 | 31.4 |
| Luxembourg | 50.3 | 55.2 | 21.8 | 50.4 | 56.3 | 20.8 | 34.1 | 39.0 | 15.4 |
| Sweden | 82.5 | 83.7 | 47.6 | 11.4 | 12.4 | 0.3 | 1.2 | 2.4 | 1.1 |
| Denmark | 0.0 | 0.0 | 0.0 | 45.2 | 60.1 | 4.5 | 45.2 | 49.2 | 3.3 |
| Slovenia | 140.5 | 155.8 | 4.8 | 140.6 | 158.7 | 3.5 | 237.9 | 269.4 | 14.2 |
| United Kingdom | 0.0 | 0.0 | 0.0 | 78.1 | 233.0 | 0.0 | 78.1 | 213.6 | 0.0 |
| Canada | 667.0 | 729.3 | 91.9 | 649.0 | 710.8 | 85.9 | 548.1 | 625.7 | 61.9 |
| Cyprus | 36.5 | 39.0 | 18.9 | 16.6 | 18.5 | 6.1 | 15.7 | 16.2 | 4.0 |
| Other | 5,910.5 | 6,911.4 | 683.8 | 6,401.8 | 7,459.8 | 735.2 | 6,414.2 | 7,617.0 | 650.0 |
| **Total** | **109,628.2** | **127,140.8** | **9,800.4** | **104,072.3** | **121,104.4** | **9,192.0** | **107,192.3** | **127,039.4** | **8,322.9** |

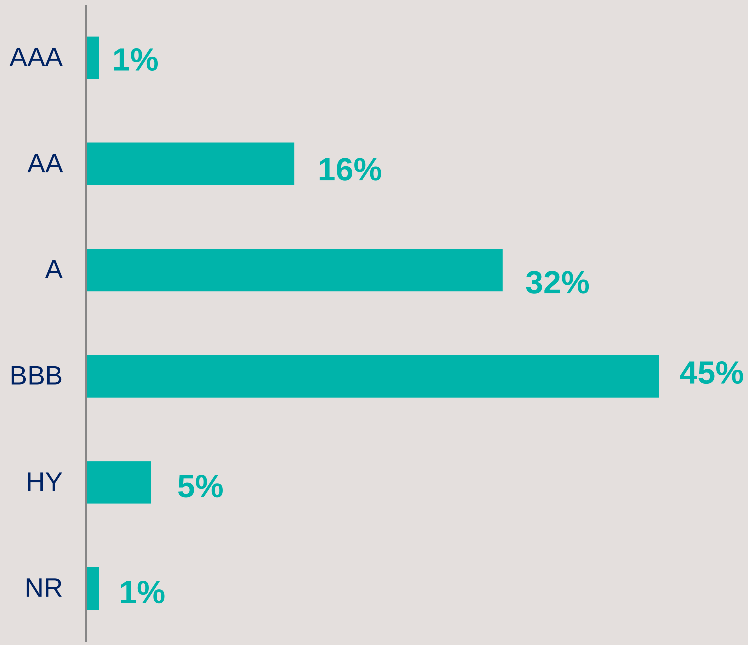
*(1) Carrying amount, including accrued coupon*

# CORPORATE BOND PORTFOLIO AT END-2016

## CORPORATE BOND PORTFOLIO BY INDUSTRY *(%)*



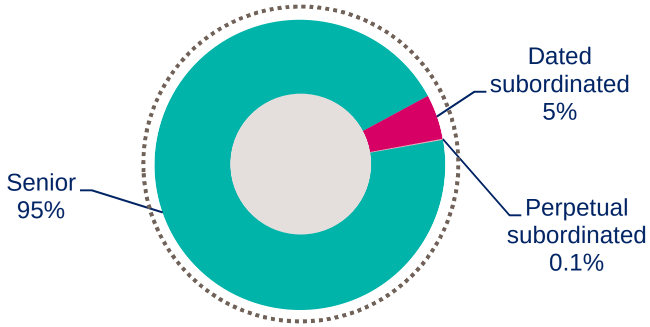

## CORPORATE BOND PORTFOLIO BY RATING[1] *(%)*



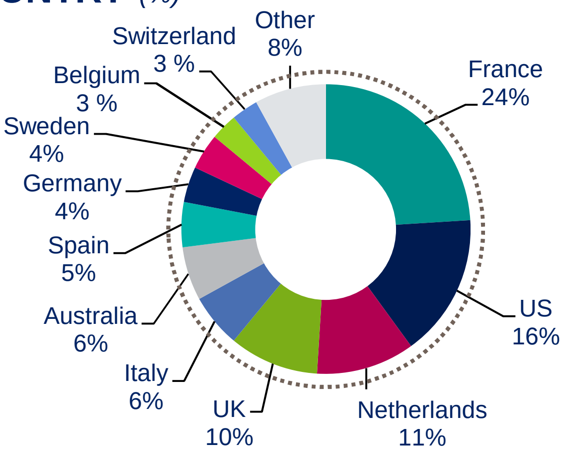

*(1) Second-best rating: method consisting of using the second best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch*
*Unaudited management reporting data*

# BANK BOND PORTFOLIO AT END-2016

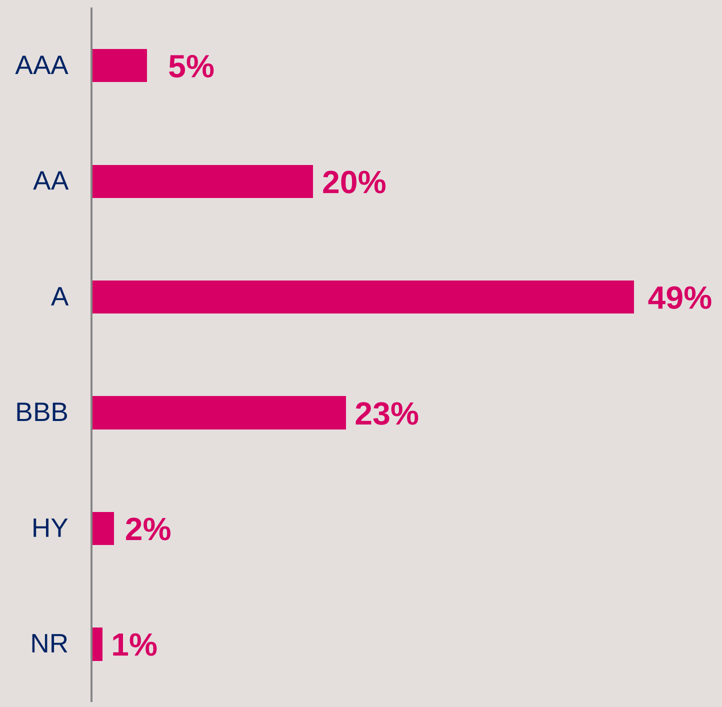
## BANK BOND PORTFOLIO BY REPAYMENT RANKING *(%)*




## BANK BOND PORTFOLIO BY COUNTRY *(%)*



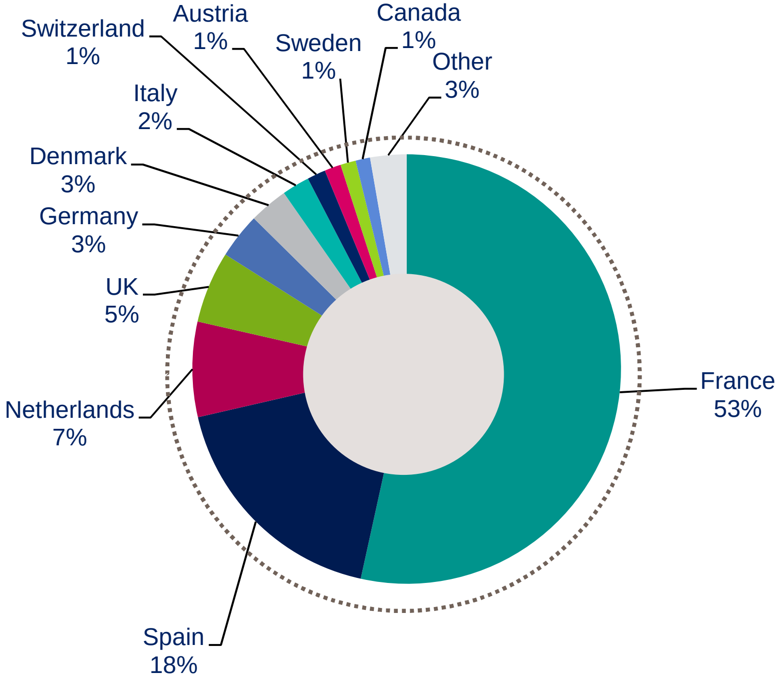

## BANK BOND PORTFOLIO BY RATING[1] *(%)*



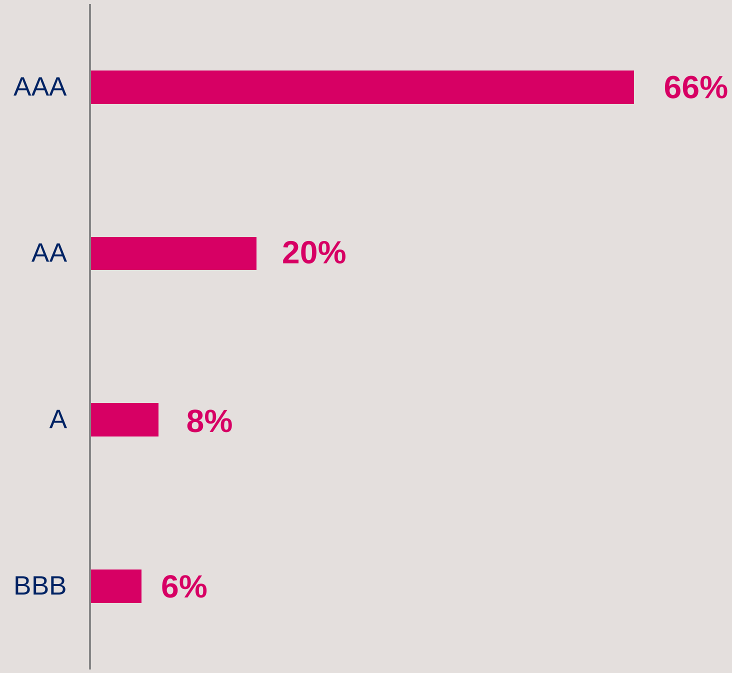

*(1) Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch*
*Unaudited management reporting data.*

# COVERED BOND PORTFOLIO AT END-2016

## COVERED BOND PORTFOLIO BY COUNTRY *(%)*




## COVERED BOND PORTFOLIO BY RATING[(1)] *(%)*




*(1) Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch*

*Unaudited management reporting data*

# IFRS UNREALISED GAINS BY ASSET CLASS

| IFRS unrealised gains *(€bn)* | 31 DEC 2016 | 31 DEC 2015 | 31 DEC 2014 |
|---|---|---|---|
| Bonds | 24.9 | 23.7 | 29.5 |
| Equities | 13.2 | 12.6 | 10.0 |
| Property | 3.1 | 2.7 | 2.4 |
| Other | (1.3) | (1.2) | (1.2) |
| **Total** | **39.9** | **37.9** | **40.7** |

| IFRS unrealised gains *(as a % of total AUM)* | 31 DEC 2016 | 31 DEC 2015 | 31 DEC 2014 |
|---|---|---|---|
| Bonds | 8.4% | 8.2% | 10.4% |
| Equities | 4.5% | 4.4% | 3.5% |
| Property | 1.1% | 0.9% | 0.9% |
| Other | (0.4%) | (0.4%) | (0.4%) |
| **Total** | **13.5%** | **13.1%** | **14.4%** |

# HEDGING STRATEGY

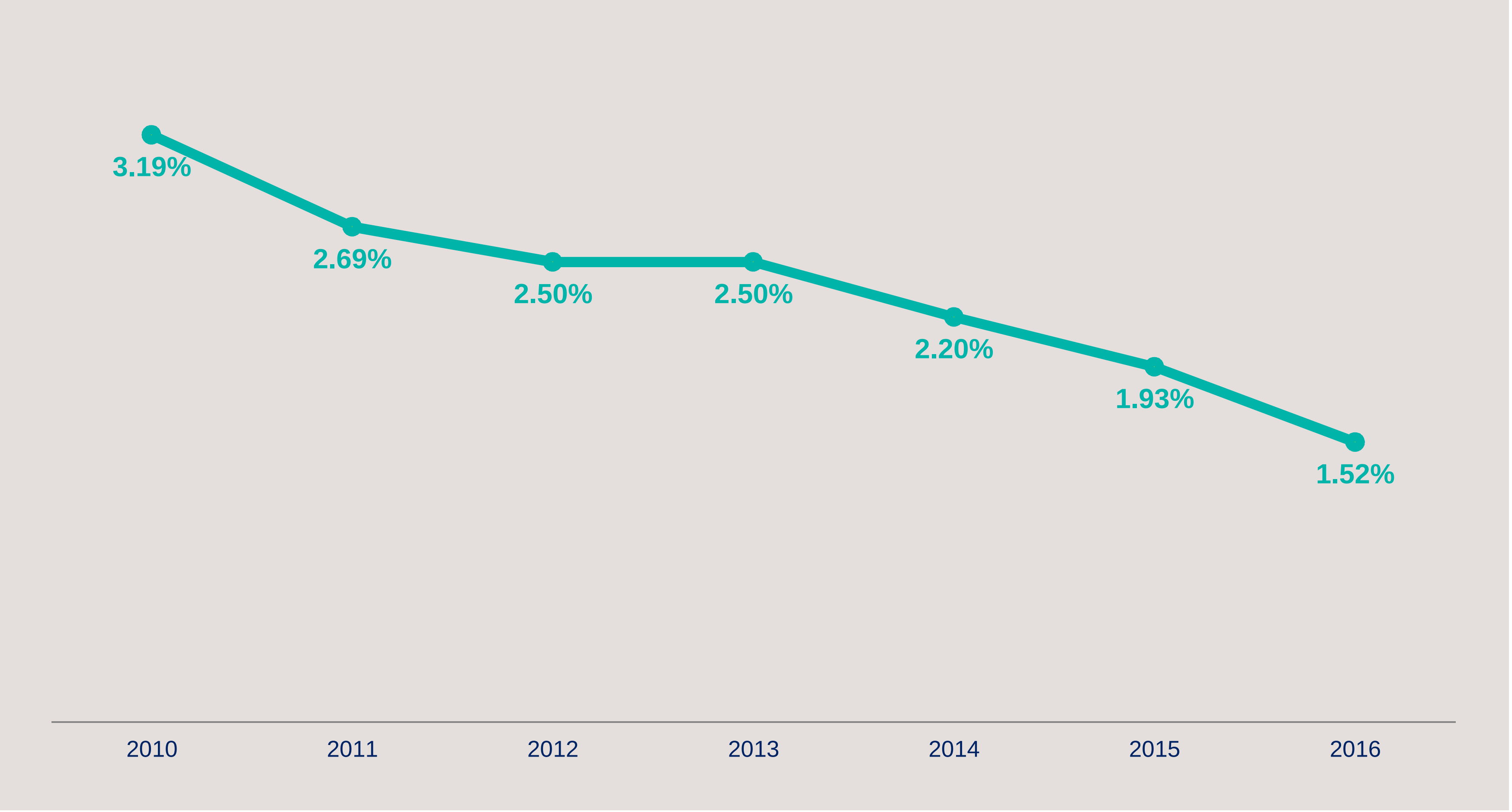
| HEDGED RISK | | Type of hedge | Hedge maturity | Options set up in 2016 | | Outstanding options at 31 December 2016 | |
|---|---|---|---|---|---|---|---|
| | | | | Option premiums | Notional amount | Fair value | Notional amount |
| EQUITY RISK | Protects equity portfolio against a falling market | Put | < 7 years | €96m | *€1.5bn* | €154m | *€2.5bn* |
| CURRENCY RISK | Protects net profit and dividend paid to parent by Caixa Seguradora | Put | 1 year | €13m | *BRL1.0bn* | €3m | *BRL0.5bn*(1) |
| INTEREST RATE RISK | Protects traditional savings portfolio against rising interest rates | Cap | < 10 years | €100m | *€5.6bn* | €233m | *€53bn* |
| CREDIT RISK | Protects bond portfolio against wider corporate spreads | Put | 1 year | €10m | *€1.5bn* | €0.01m | *€1.5bn* |

**The hedging programme set up in 2016 covered all market risks. The fair value of hedging instruments stood at €390m at 31 December 2016**

- Equity portfolio hedging strategy expanded
- Brazilian real hedging strategy maintained
- Interest rate hedging strategy maintained
- Credit spread risk hedge set up

*(1) Notional amount of BRL1.0bn at 31 January 2017: the 2017 net profit hedging programme is complete as of the date of this document*
*Unaudited management reporting data*

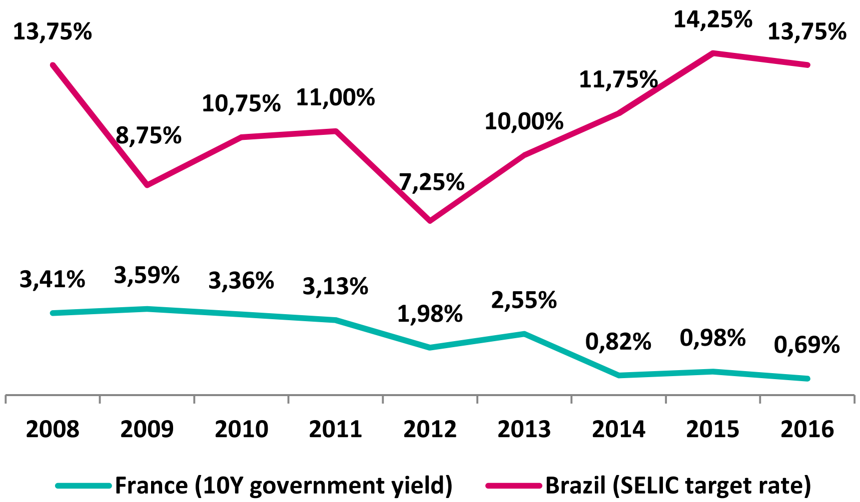
# AVERAGE YIELD CREDITED TO POLICYHOLDERS IN FRANCE (1)



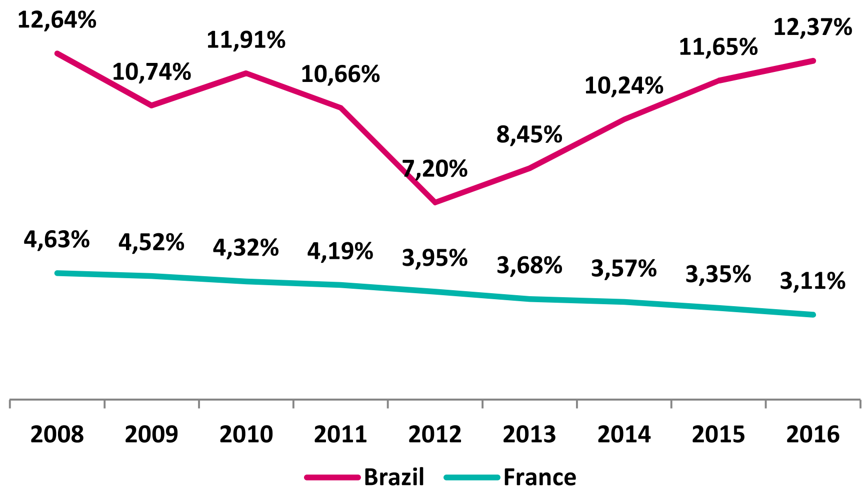

*(1) CNP Assurances' traditional life insurance contracts*

# INTEREST RATES ENVIRONNEMENT ON OUR TWO MAIN MARKETS

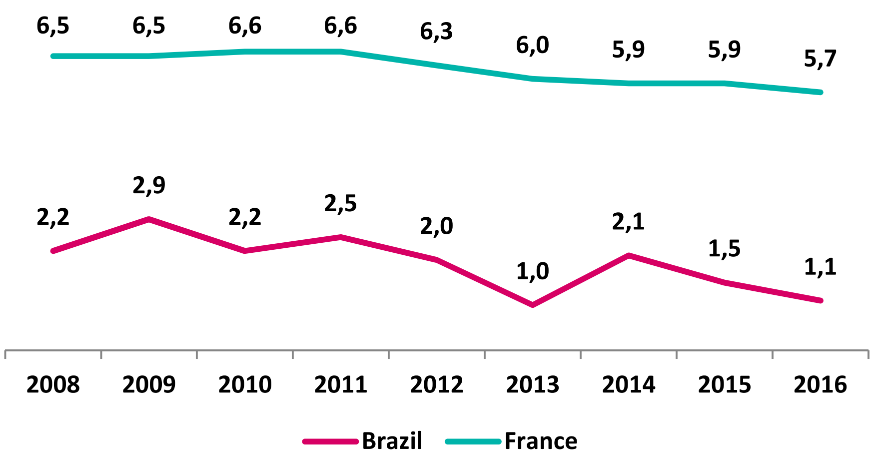
## Sovereign interest rates




## Average return on fixed-rate investments




## Weighted average remaining life of bonds (years)



# GLOSSARY
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## Adjusted net asset value (ANAV)

- Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets and other items included in the value of In-Force business (VIF). This indicator is net of non-controlling interests. It breaks down between required capital and free surplus.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Equity attributable to owners of the parent (1) | 17,534 | 17,113 |
| Subordinated notes classified in equity (2) | 1,765 | 2,635 |
| Intangible assets (3) | 564 | 502 |
| In-Force modelling in MCEV (4) | 1,763 | 1,418 |
| **ANAV = (1) - (2) - (3) - (4)** | **13,442** | **12,558** |

## Administrative costs

- Costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. The calculation base includes non-controlling interests.

## Annual premium equivalent (APE)

- One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period, net of non-controlling interests and ceded premiums. APE is an indicator of underwriting volume.

## APE margin (also referred to as new business margin)

- Value of new business (NBV) divided by the annual premium equivalent (APE). Measures estimated future profits from insurance policies written during the period.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Value of new business (NBV) (1) | 436 | 463 |
| Annual premium equivalent (APE) (2) | 3,129 | 3,195 |
| **APE margin = (1) / (2)** | **13.9%** | **14.5%** |

## Change at constant exchange rates

- Indicators at constant exchange rates are calculated by translating current period data at the prior period exchange rate. This technique strips out the currency effect from the change in the indicator concerned.

## Change on a comparable consolidation scope basis

- Indicators on a comparable consolidation scope basis are calculated by excluding (i) the contribution of businesses discontinued or sold during the current period from the prior period data and (ii) the contribution of businesses acquired during the current period from current period data. This technique strips out the effect of acquisitions and divestments from the change in the indicator concerned.

# GLOSSARY

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## Combined ratio (personal risk/protection segment)

- Calculated for the personal risk/protection insurance segment by dividing EBIT by premium income net of ceded premiums and deducting the result from 100%. The combined ratio is an indicator of personal risk/protection business profitability.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| EBIT (personal risk/protection segment) (1) | 947 | 934 |
| Premium income net of ceded premiums (personal risk/protection segment) (2) | 5,745 | 5,943 |
| **Combined ratio (personal risk/protection segment) = 100% - (1) / (2)** | **83.5%** | **84.3%** |

## Cost/income ratio

- Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Administrative costs (1) | 916 | 862 |
| Net insurance revenue (NIR) (2) | 2,782 | 2,514 |
| **Cost/income ratio = (1) / (2)** | **32.9%** | **34.3%** |

## Debt-to-equity ratio

- Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity less intangible assets. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Subordinated notes classified in equity (1) | 1,765 | 2,635 |
| Subordinated notes classified in debt (2) | 5,427 | 3,996 |
| Total equity (3) | 19,297 | 18,571 |
| Intangible assets (4) | 867 | 789 |
| **Debt-to-equity ratio = [(1) + (2)] / [(2) + (3) - (4)]** | **30.1%** | **30.4%** |

## Dividend cover

- Operating free cash flow (OFCF) before cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Net operating free cash flow (OFCF) (1) | 1,056 | 955 |
| Dividends (2) | 549 | 529 |
| **Dividend cover = (1) / (2)** | **1.9x** | **1.8x** |

## Earnings per share (EPS)

- Attributable net profit less finance costs on subordinated notes classified in equity divided by the weighted average number of shares outstanding (IFRS calculation method).

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Attributable net profit (1) | 1,200 | 1,130 |
| Finance costs on subordinated notes classified in equity (2) | 76 | 74 |
| Weighted average number of shares (3) | 686.3m | 685.9m |
| **Earnings per share (EPS) = [(1) - (2)] / (3)** | **€1.64** | **€1.54** |

# GLOSSARY

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## Earnings before interest and taxes (EBIT)

- Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. EBIT represents the margin after deducting administrative costs.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Attributable net profit (1) | 1,200 | 1,130 |
| Finance costs (2) | (248) | (192) |
| Income tax expense (3) | (865) | (811) |
| Non-controlling and equity-accounted interests (4) | (287) | (300) |
| Fair value adjustments and net gains (losses) (5) | 159 | 319 |
| Non-recurring items (6) | (195) | (312) |
| **EBIT = (1) - (2) - (3) - (4) - (5) - (6)** | **2,638** | **2,426** |

## Eligible own funds for MCR calculations

- Sum of Tier 1 and Tier 2 own funds eligible for inclusion in the minimum capital requirement. For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not eligible for inclusion in MCR.

## Eligible own funds for SCR calculations

- Sum of Tier 1, Tier 2 and Tier 3 own funds eligible for inclusion in the solvency capital requirement (SCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of the SCR.

## Fair value adjustments and net gains (losses)

- Measures the impact on attributable net profit of changes in asset prices (i.e. realised and unrealised capital gains net of recognised impairment losses), impairment losses and exceptional changes in intangible asset values. Fair value adjustments and net gains (losses) are calculated net of policyholder participation, non-controlling interests and income tax expense

## Free surplus

- Portion of adjusted net asset value (ANAV) that may be freely used by management to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates, net of non-controlling interests.

## Insurance leverage ratio

- Sum of total equity and subordinated notes classified in debt, divided by insurance investments less derivative instruments liabilities. Indicator of the Group's solvency before risk-weighting. The higher the ratio, the greater the insurer's ability to absorb potential losses.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Total equity (1) | 19,297 | 18,571 |
| Subordinated notes classified in debt (2) | 5,427 | 3,996 |
| Subordinated notes classified in equity (3) | 1,765 | 2,635 |
| Insurance investments (4) | 383,262 | 370,904 |
| Derivative instruments liabilities (5) | 1,245 | 4,834 |
| **Insurance leverage ratio = [(1) + (2)] / [(4) - (5)]** | **6.47%** | **6.16%** |
| **o/w equity = [(1) - (3)] / [(4) - (5)]** | **4.59%** | **4.35%** |
| **o/w subordinated notes = [(2) - (3)] / [(4) - (5)]** | **1.88%** | **1.81%** |

# GLOSSARY

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## Interest cover

- EBIT divided by interest paid on total subordinated notes (classified in both debt and equity). Indicator of the Group's ability to pay the interest due to holders of its subordinated notes.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| EBIT (1) | 2,638 | 2,426 |
| Finance costs on subordinated notes classified in debt (2) | 248 | 192 |
| Finance costs on subordinated notes classified in equity (3) | 116 | 120 |
| **Interest cover = (1) / [(2) + (3)]** | **7.3x** | **7.8x** |

## Market consistent embedded value (MCEV©)

- A measure of the consolidated value of shareholders' interests in the covered business. It breaks down between adjusted net asset value (ANAV) and the value of In-Force business (VIF) – corresponding to the value of the insurance polices in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

## Mathematical reserves

- Sum of the surrender value of savings contracts and the discounted present value of liabilities for pensions contracts.

## MCR coverage ratio

- Eligible own funds held to cover the MCR divided by the MCR. Indicator of the Group's risk-weighted solvency.The higher the ratio, the greater the insurer's ability to absorb potential losses.

## Minimum capital requirement (MCR)

- Minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time.

## Net asset value

- Equity attributable to owners of the parent net of subordinated notes classified in equity. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.

| €m | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Equity attributable to owners of the parent (1) | 17,534 | 17,113 |
| Subordinated notes classified in equity (2) | 1,765 | 2,635 |
| **Net asset value = (1) - (2)** | **15,768** | **14,478** |

## Net insurance revenue (NIR)

- Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is net of reinsurance. It is the margin generated by the insurance contracts before deducting administrative costs.

| €m | 31 Dec 2016 | 31 Dec. 2015 |
|---|---|---|
| Net insurance revenue (NIR) (1) | 2,782 | 2,514 |
| Revenue from own-funds portfolios (2) | 771 | 774 |
| Administrative costs (3) | 916 | 862 |
| **EBIT = (1) + (2) - (3)** | **2,638** | **2,426** |

# GLOSSARY
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## Net new money

- Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.

## Non-recurring items

- Indicator used to separately identify non-recurring income and expenses that affect attributable net profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.

## Operating free cash flow (OFCF)

- Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

## Outstanding claims reserve

- Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.

## Payout ratio

- Dividends paid to owners of the parent divided by attributable net profit. Measures the proportion of attributable net profit distributed to owners in the form of dividends.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Dividends (1) | 549 | 529 |
| Attributable net profit (2) | 1,200 | 1,130 |
| **Payout ratio = (1) / (2)** | **46%** | **47%** |

## Policyholders' surplus reserve (PSR)

- Cumulative underwriting and investment income attributable to policyholders that is distributed on a deferred basis.

## Premium income

- Earned premiums, premium loading on IAS 39 contracts and, up until 31 December 2015, 50% of earned premiums generated by La Banque Postale Prévoyance (LBPP), including non-controlling interests and gross of ceded premiums. Premium income is an indicator of underwriting volume.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Earned premiums (1) | 31,495 | 31,329 |
| Premium loading on IAS 39 contracts (2) | 42 | 42 |
| 50% of earned premiums generated by LBPP (3) | 0 | 213 |
| **Premium income = (1) + (2) + (3)** | **31,536** | **31,585** |

# GLOSSARY
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## Proportion of savings/pensions premiums represented by unit-linked (UL) contracts

- Calculated by dividing unit-linked savings/pensions premiums by total savings/pensions premiums. This indicator measures the proportion of premium income related to unit-linked contracts, which do not generally include a capital or yield guarantee.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| UL savings/pensions premium income (1) | 6,655 | 6,739 |
| Total savings/pensions premium income (2) | 24,929 | 24,852 |
| **Proportion of savings/pensions premiums represented by UL contracts = (1) / (2)** | **26.7%** | **27.1%** |

## Proportion of savings/pensions mathematical reserves represented by unit-linked (UL) contracts

- Calculated by dividing unit-linked savings/pensions mathematical reserves by total savings/pensions mathematical reserves. This indicator measures the proportion of mathematical reserves related to unit-linked contracts, which do not generally include a capital or yield guarantee.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| UL savings/pensions mathematical reserves (1) | 47,328 | 40,478 |
| Total savings/pensions mathematical reserves (2) | 274,820 | 267,551 |
| **Proportion of savings/pensions mathematical reserves represented by UL contracts = (1) / (2)** | **17.2%** | **15.1%** |

## Restricted Tier 1 own funds

- Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

## Return on equity (ROE)

- Attributable net profit divided by average net asset value for the period. Measures the return on equity contributed by owners of the parent.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Attributable net profit (1) | 1,200 | 1,130 |
| Average net asset value (2) | 15,123 | 14,261 |
| **Return on equity (ROE) = (1) / (2)** | **7.9%** | **7.9%** |

## Revenue from own-funds portfolios

- Mainly revenue generated by investments held to back equity and subordinated notes, and amortisation of the value of acquired In-Force business and distribution agreements. This indicator includes non-controlling interests. It is the margin generated on investments held to back equity and subordinated notes, before deducting administrative costs.

## SCR coverage ratio

- Eligible own funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency.The higher the ratio, the greater the insurer's ability to absorb potential losses.

## Solvency capital requirement (SCR)

- Level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5 % over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

# GLOSSARY

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## Surrender rate

- Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.

## Technical reserves

- Insurance and financial liabilities net of deferred participation reserve, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of ceded reserves. They measure the insurer's liability towards insureds.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Insurance and financial liabilities (1) | 361,748 | 349,807 |
| Deferred participation reserve (2) | 30,714 | 29,176 |
| Deferred participation asset (3) | 0 | 0 |
| Reinsurers' share of insurance and financial liabilities (4) | 23,033 | 11,291 |
| **Technical reserves gross of reinsurance = (1) - (2) + (3)** | **331,035** | **320,631** |
| **Technical reserves net of reinsurance = (1) - (2) + (3) - (4)** | **308,002** | **309,340** |

## Tier 2 own funds

- Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

## Tier 3 own funds

- Subordinated notes classified in Tier 3 plus any net deferred tax assets also classified in Tier 3.

## Total revenue

- Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.

| *€m* | 31 Dec. 2016 | 31 Dec. 2015 |
|---|---|---|
| Net insurance revenue (NIR) (1) | 2,782 | 2,514 |
| Revenue from own-funds portfolios (2) | 771 | 774 |
| **Total revenue = (1) + (2)** | **3,553** | **3,288** |

## Unrestricted Tier 1 own funds

- Own funds other than subordinated notes included in Tier 1 own funds, calculated as the sum of share capital, the share premium account and the reconciliation reserve less non-fungible own funds.

## Value of In-Force business (VIF)

- Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

# GLOSSARY
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## Value of new business (NBV)

- Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. NBV corresponds to the discounted present value of estimated future profits from insurance policies sold during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

## Withdrawal rate

- Paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of claims and benefits paid to policyholders and beneficiaries.

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