

September 2017

# INVESTOR PRESENTATION

insuring all  
our futures



## 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



### MARKET LEADERSHIP

# 1 in France and # 4 in Europe <sup>(1)</sup>  
# 4 in Brazil <sup>(2)</sup>

### SCALE

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

### SOLID GROWTH PROSPECTS

Target: at least 5% average annual organic growth of EBIT over the 2017-2018 period  
Geographic diversification across Europe and Latin America

### INNOVATION

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

### RESILIENT FINANCIAL PERFORMANCE

Continuously delivering profits since IPO in 1998  
Low guaranteed rate across French savings liabilities of 0.35% at June 2017

### 'BEST IN CLASS' EFFICIENCY

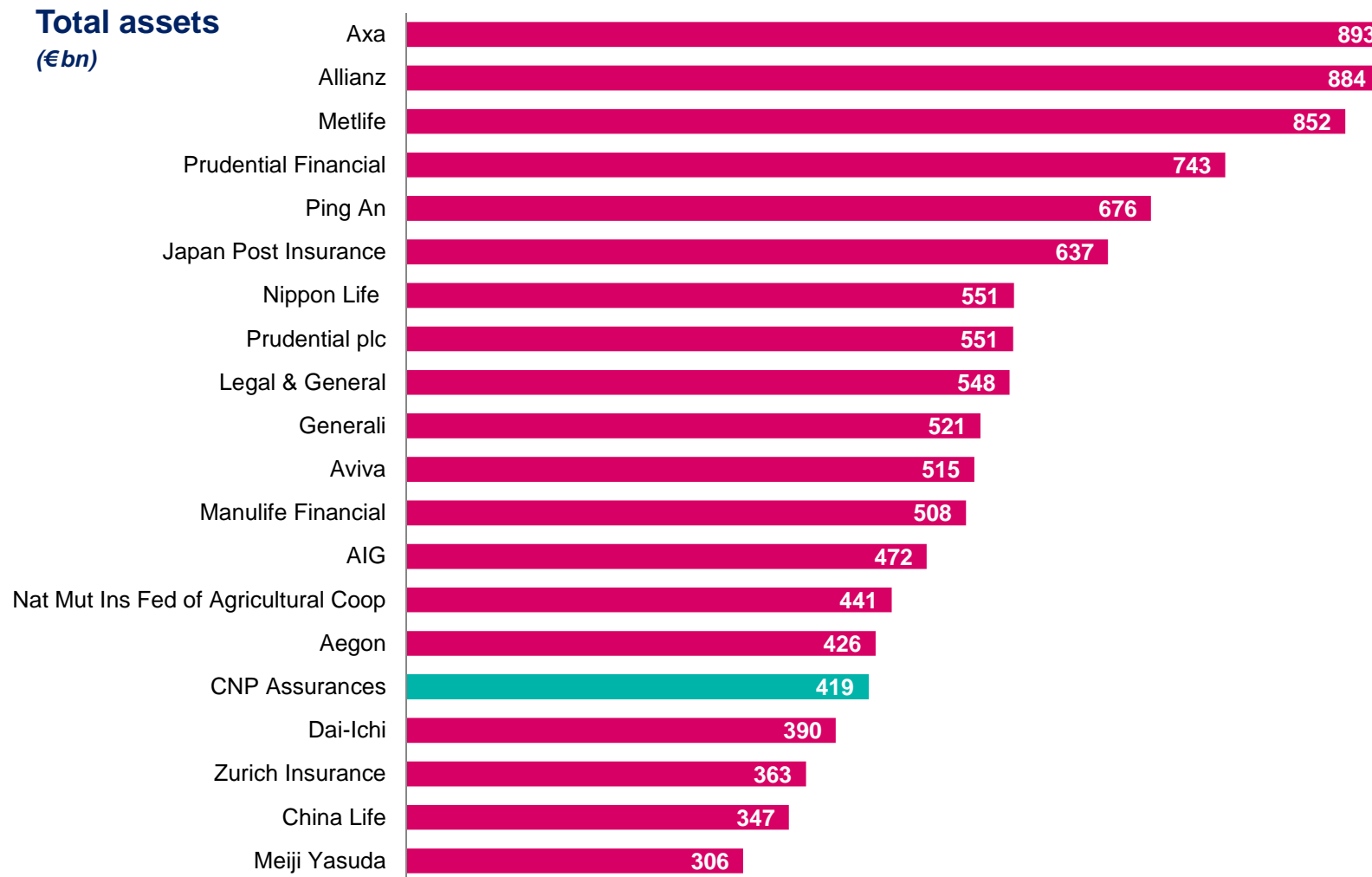
2<sup>nd</sup> most efficient European life insurer (administrative expense ratio) <sup>(3)</sup>  
Target: €60m recurring annual reduction in the French cost base by 2018

(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

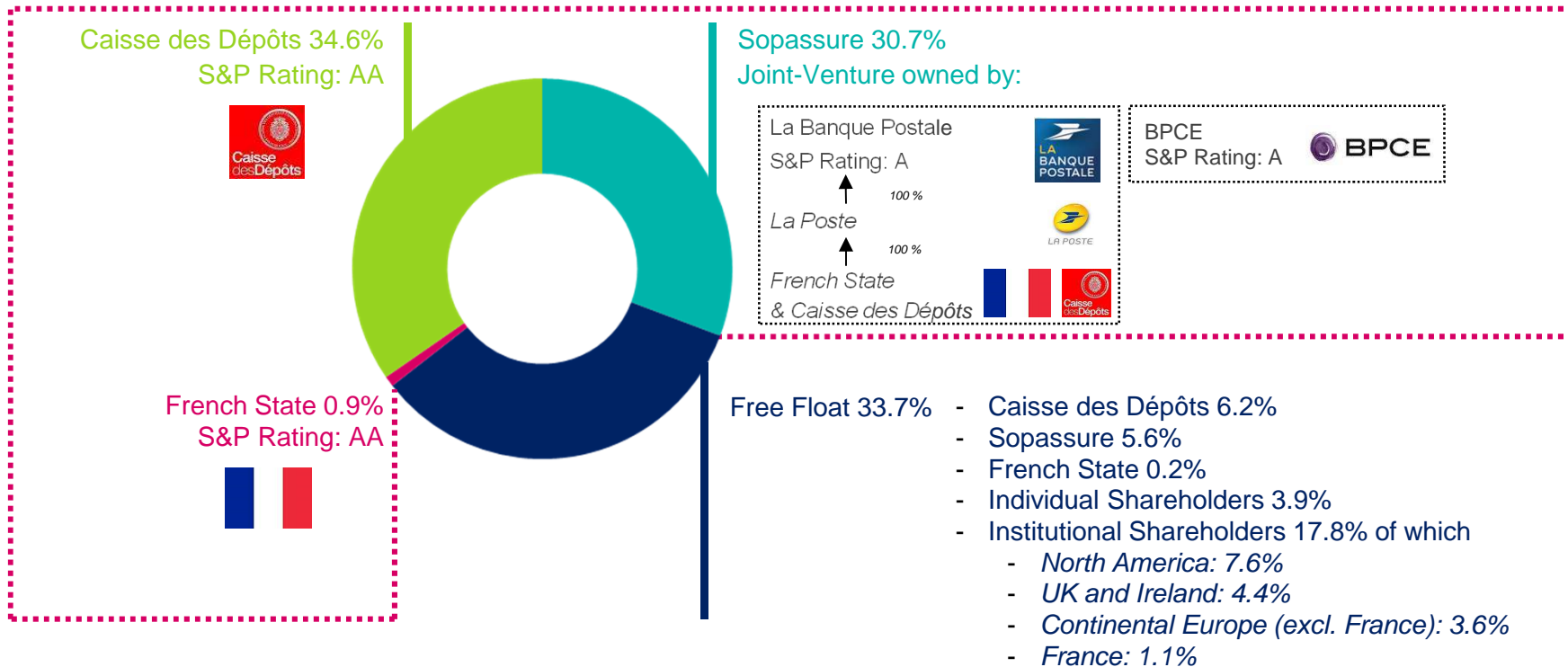
## CNP ASSURANCES: 8<sup>TH</sup> LARGEST EUROPEAN INSURER BY ASSETS, AND 16<sup>TH</sup> LARGEST WORLDWIDE



Source: Bloomberg, latest annual consolidated accounts of each company

# CNP ASSURANCES OWNERSHIP STRUCTURE AT END JUNE-2017

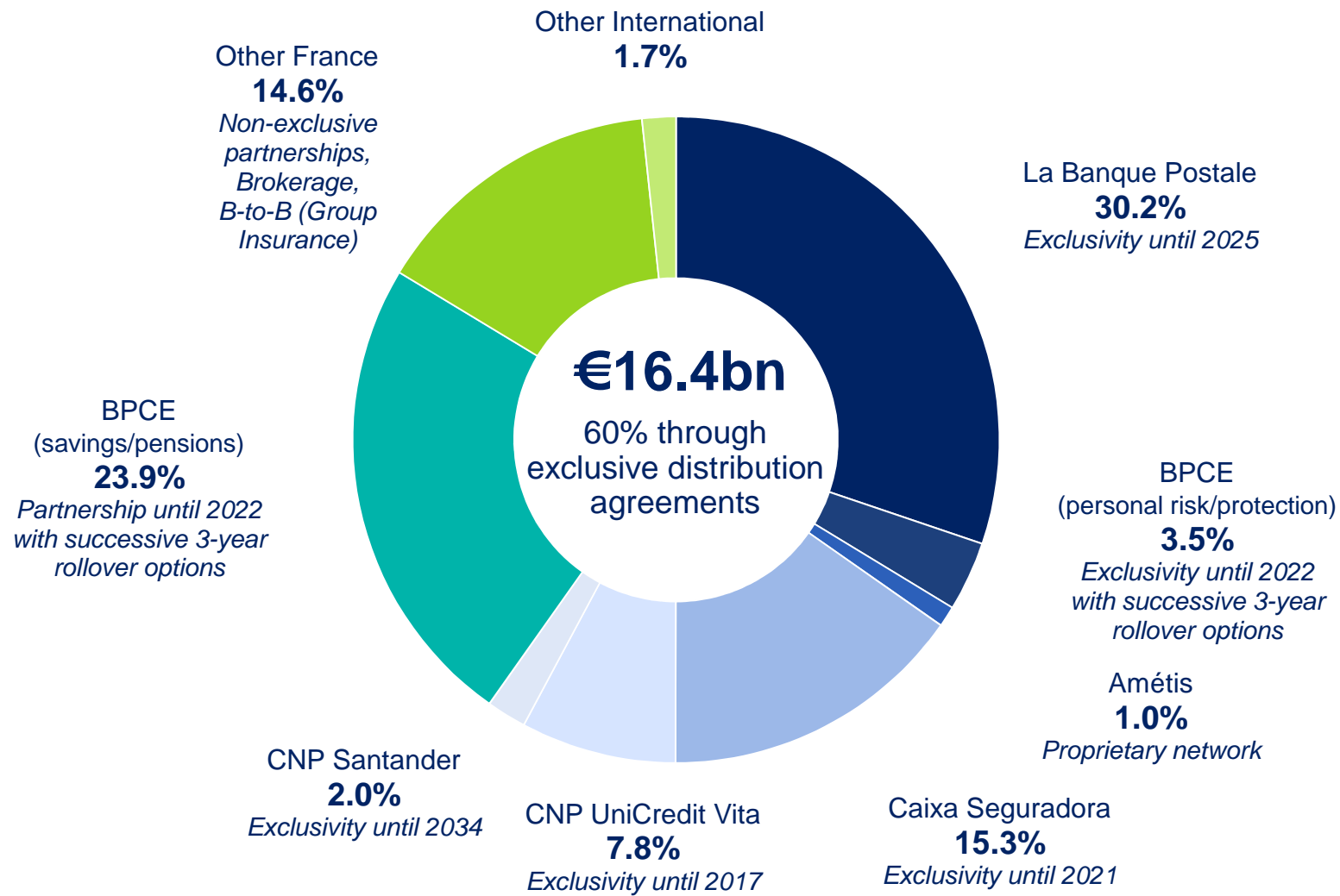
## Shareholders pact



➤ Relations between Caisse des Dépôts, Sopassure and the French State continue to be governed by the shareholders pact until 31 December 2019

➤ CNP Assurances board of directors: 41% of female directors, 24% of independant directors

# BREAKDOWN OF H1 2017 PREMIUM INCOME BY DISTRIBUTION CHANNEL



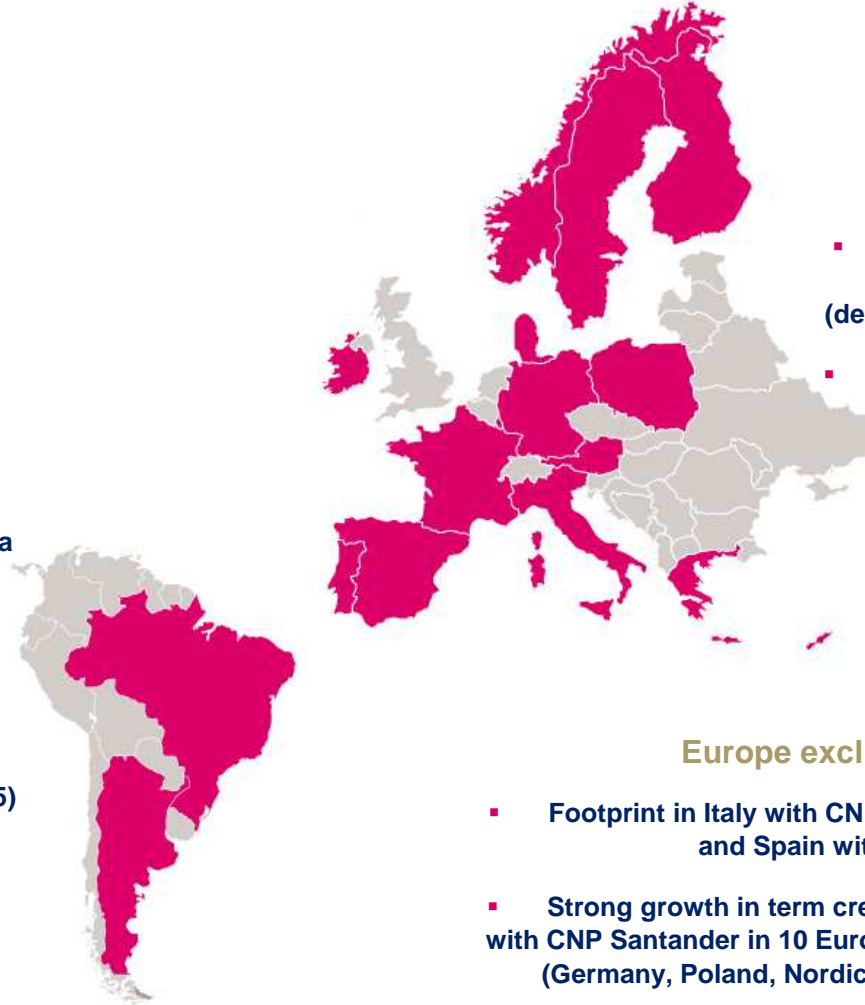


## A LEADING POSITION IN FRANCE AND BRAZIL



### Latin America

- Acquisition of Caixa Seguradora in July 2001
- Exclusive distribution agreement with the public bank Caixa Econômica Federal (CEF)
- 4<sup>th</sup> insurer in Brazil, 7.8% market share<sup>(1)</sup>
- 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<sup>(1)</sup>
- 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.)

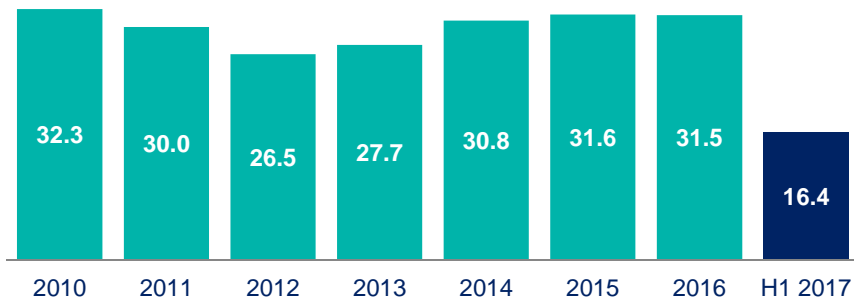
(1) Company data

# FINANCIAL OVERVIEW

## SOLID FINANCIAL PERFORMANCE

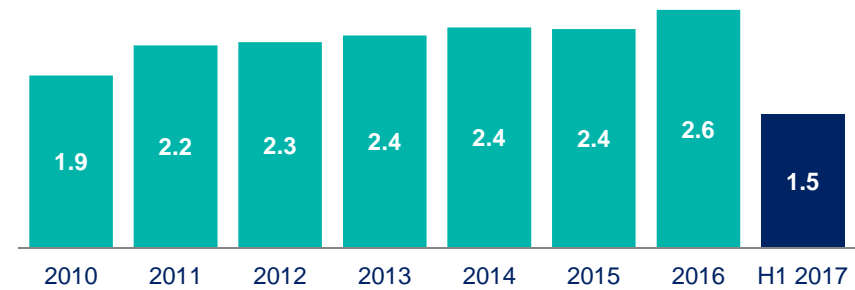
### Premium Income

(€bn)



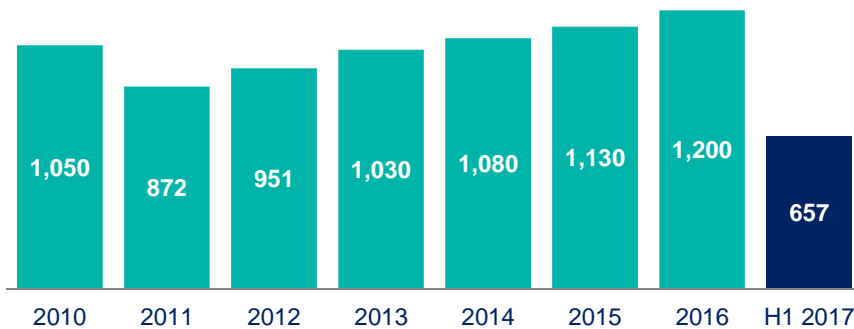
### EBIT

(€bn)



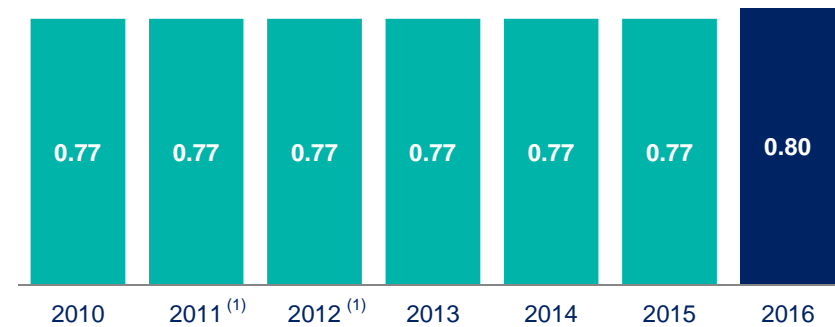
### Net Profit

(€m)



### Dividend per Share

(€)

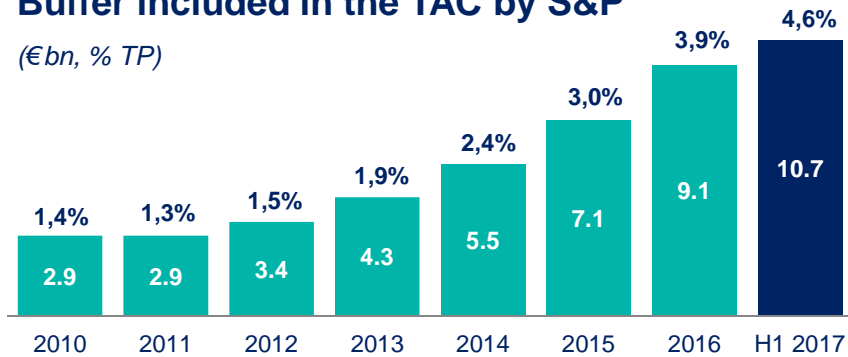


(1) Scrip dividend

# ROBUST BALANCE SHEET THROUGH-THE-CYCLE

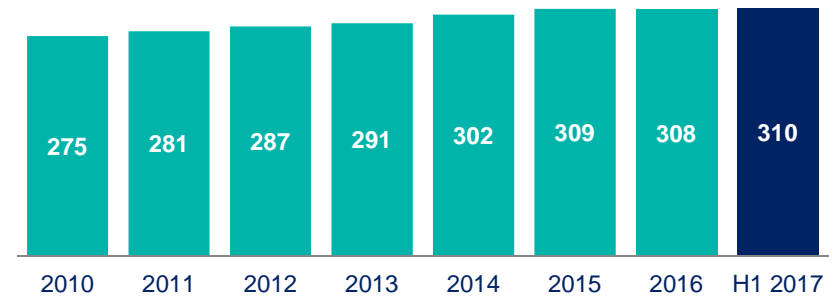
## Policyholder Surplus Reserve Buffer included in the TAC by S&P

(€bn, % TP)



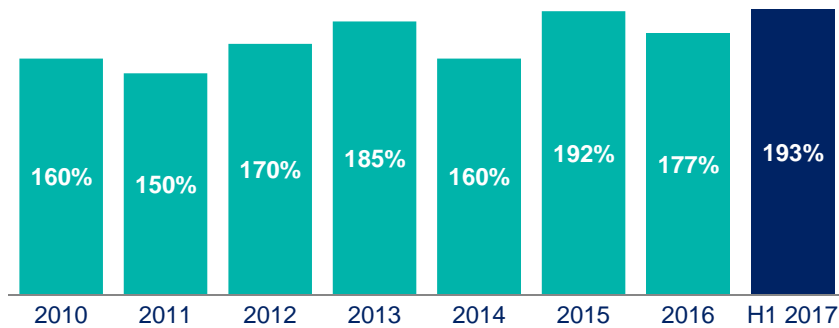
## Net Technical Reserves <sup>(1)</sup>

(€bn)



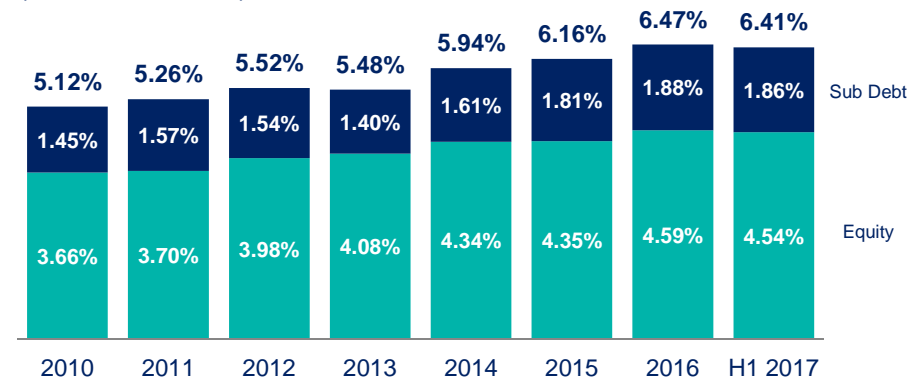
## Consolidated SCR Coverage Ratio

(%)



## IFRS Equity and Subordinated Debt

(as % of total AUM)



(1) End of period

## DIVERSIFIED FRANCHISE & BUSINESS MIX

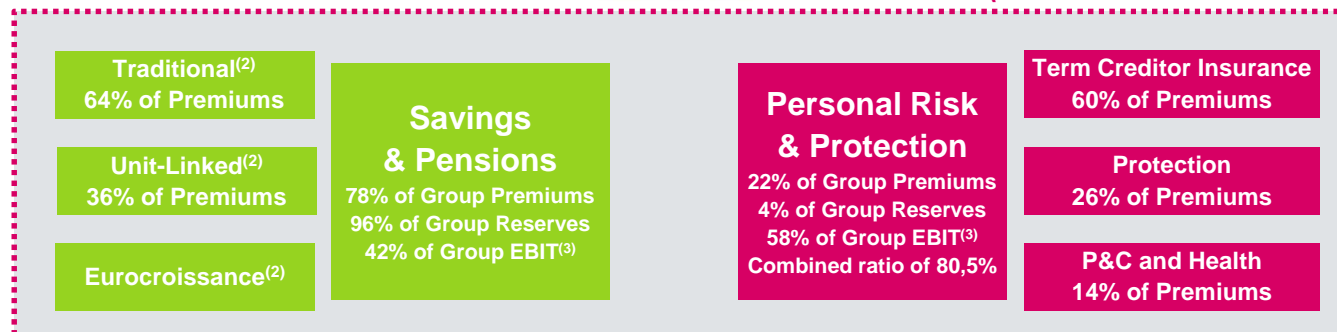
### Main markets

(data as of end June 2017)



### Main businesses

(data as of end June 2017)



(1) As of end December 2016

(2) Traditional: guarantee of capital at any moment. Unit-Linked: no guarantee of capital. Euro-Growth: total or partial guarantee of capital after 8 years.

(3) EBIT excluding own-funds portfolios

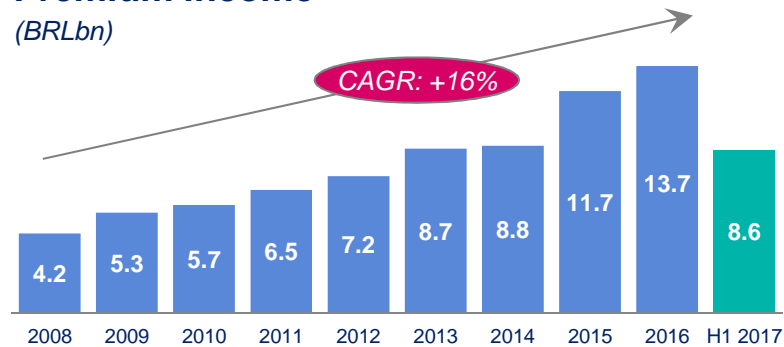
# CAIXA SEGURADORA: THE BRAZILIAN SUCCESS STORY

## Ownership structure



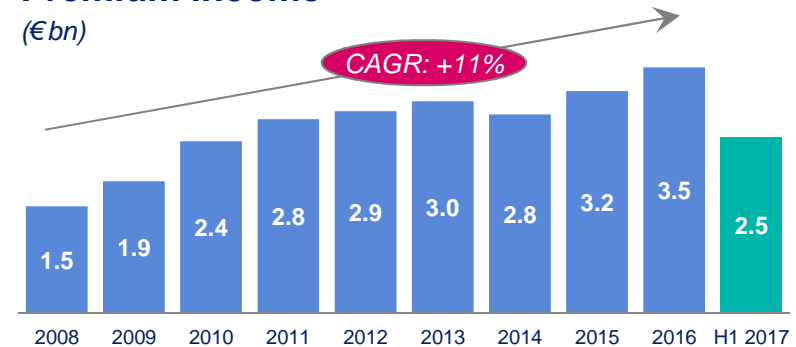
## Premium income

(BRLbn)



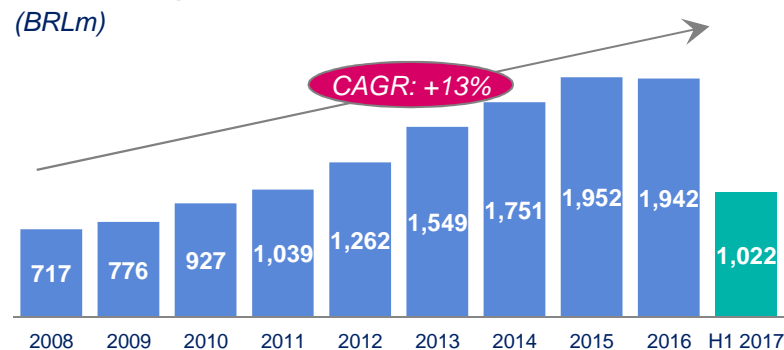
## Premium income

(€bn)



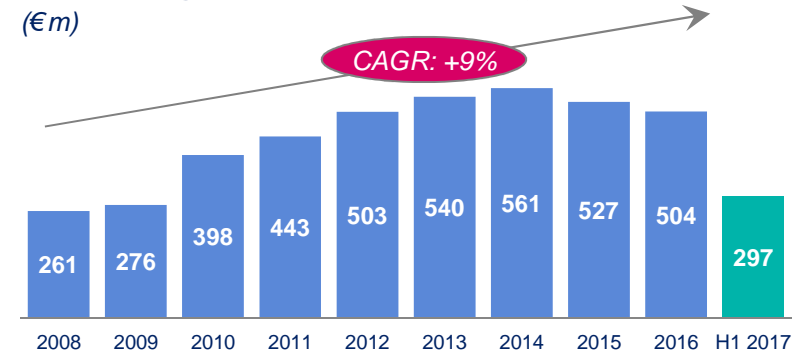
## Recurring profit incl. minority interests

(BRLm)



## Recurring profit incl. minority interests

(€m)



**2.**

**Profitability**

## 2017 HALF YEAR RESULTS

### KEY FIGURES

(€m)	H1 2017	H1 2016	Change (Reported)	Change (Like-for-like) <sup>(1)</sup>
Premium income	<b>16,371</b>	17,269	-5.2%	-7.6%
APE margin	<b>17.8%</b>	13.9% <sup>(2)</sup>	+3.9 pts	-
Combined ratio	<b>80.5%</b>	84.8%	-4.3 pts	
Total revenue	<b>1,918</b>	1,707	+12.3%	+6.7%
Administrative costs	<b>(441)</b>	(428)	+3.1%	-0.5%
EBIT	<b>1,477</b>	1,280	+15.4%	+9.1%
Attributable net profit	<b>657</b>	620	+6.0%	+1.7%
ROE	<b>8.4%</b>	7.9% <sup>(2)</sup>	+0.5 pts	-
Consolidated SCR coverage ratio	<b>193%</b>	177% <sup>(2)</sup>	+16 pts	-
Net operating free cash flow	<b>€0.91/share</b>	€0.79/share	+15.2%	-

**Robust Performance : +6.7% in Revenues, -0.5% in Administrative Costs, +9.1% in EBIT (like-for-like figures)**

(1) Average exchange rates:

H1 2017: Brazil: € 1 = BRL 3.44; Argentina: € 1 = ARS 17.03

H1 2016: Brazil: € 1 = BRL 4.13; Argentina: € 1 = ARS 16.01

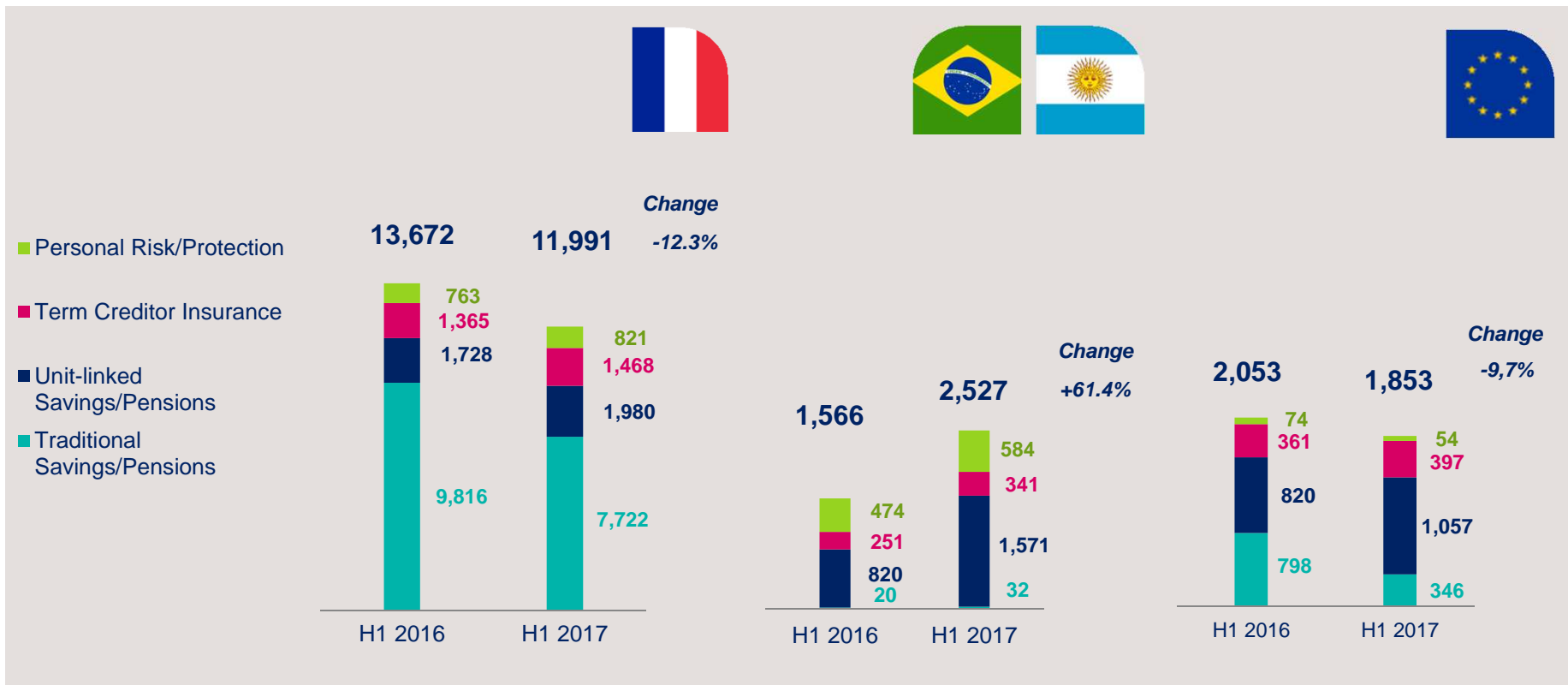
In the like-for-like comparatives, the contribution of Aerial CNP Assurances (France) has been excluded from H1 2017 figures.

(2) Data at 31 December 2016

# H1 2017 PREMIUM INCOME BY GEOGRAPHICAL AREA

## PREMIUM INCOME

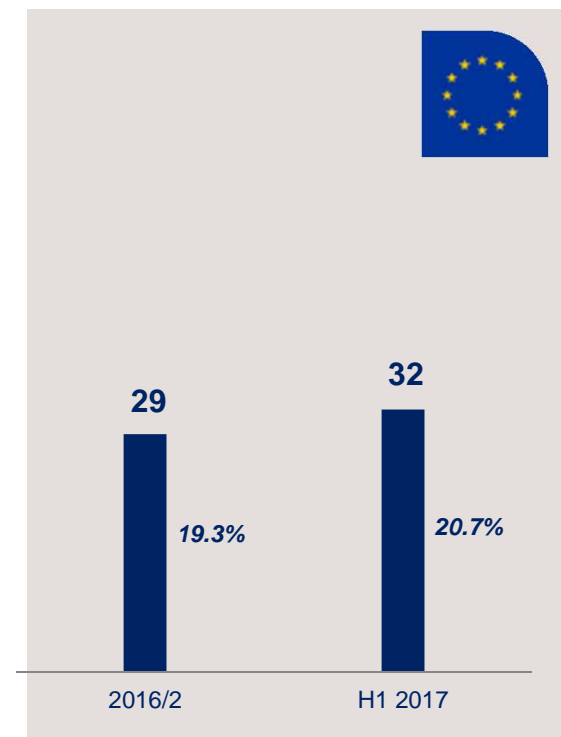
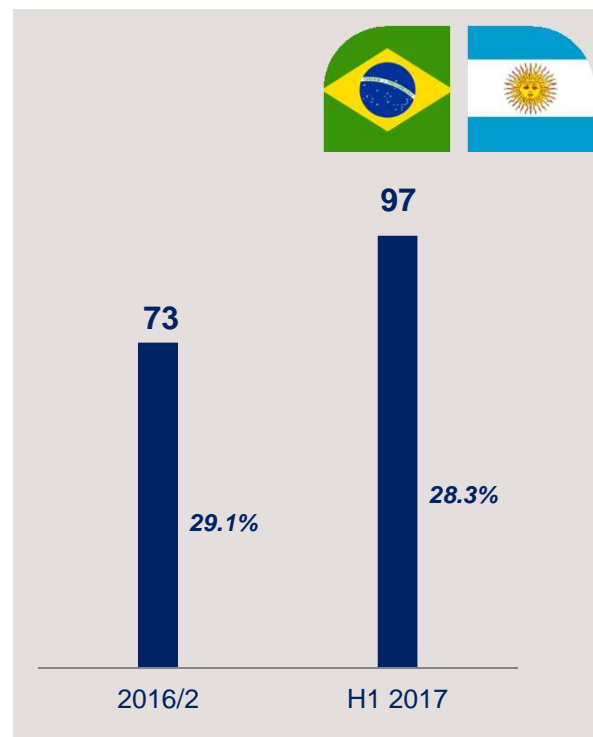
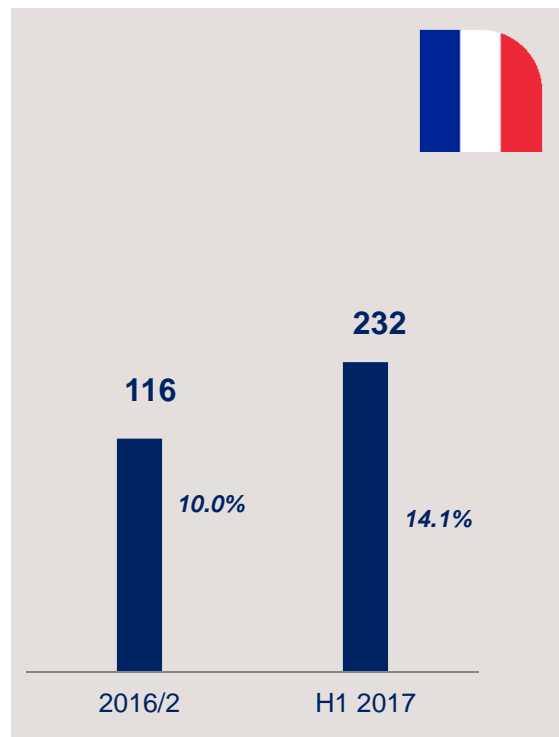
(€m)



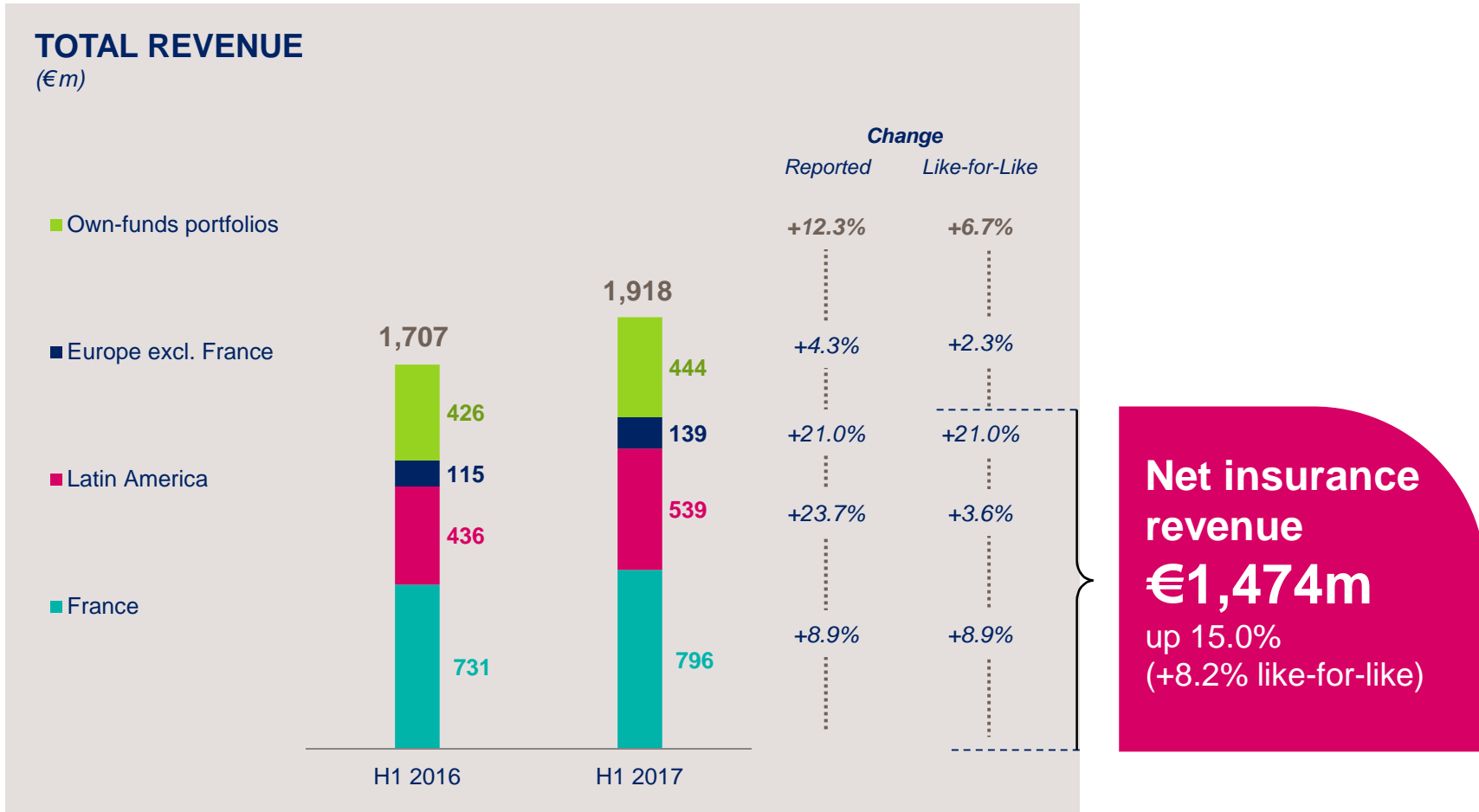


# H1 2017 NEW BUSINESS VALUE BY GEOGRAPHICAL AREA

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

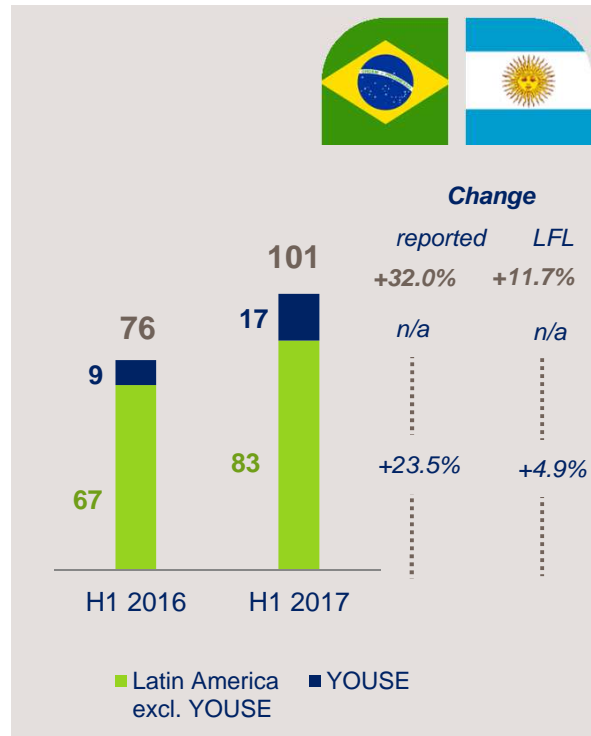
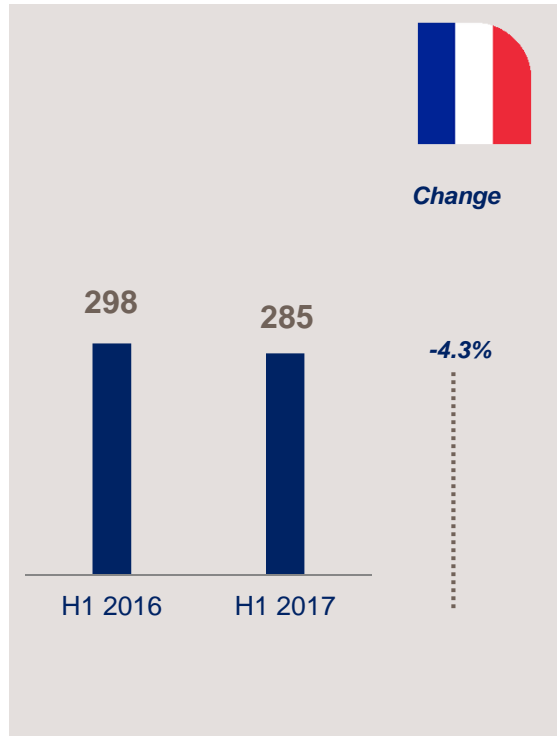


# H1 2017 REVENUE BY GEOGRAPHICAL AREA



# H1 2017 ADMINISTRATIVE EXPENSES BY GEOGRAPHICAL AREA

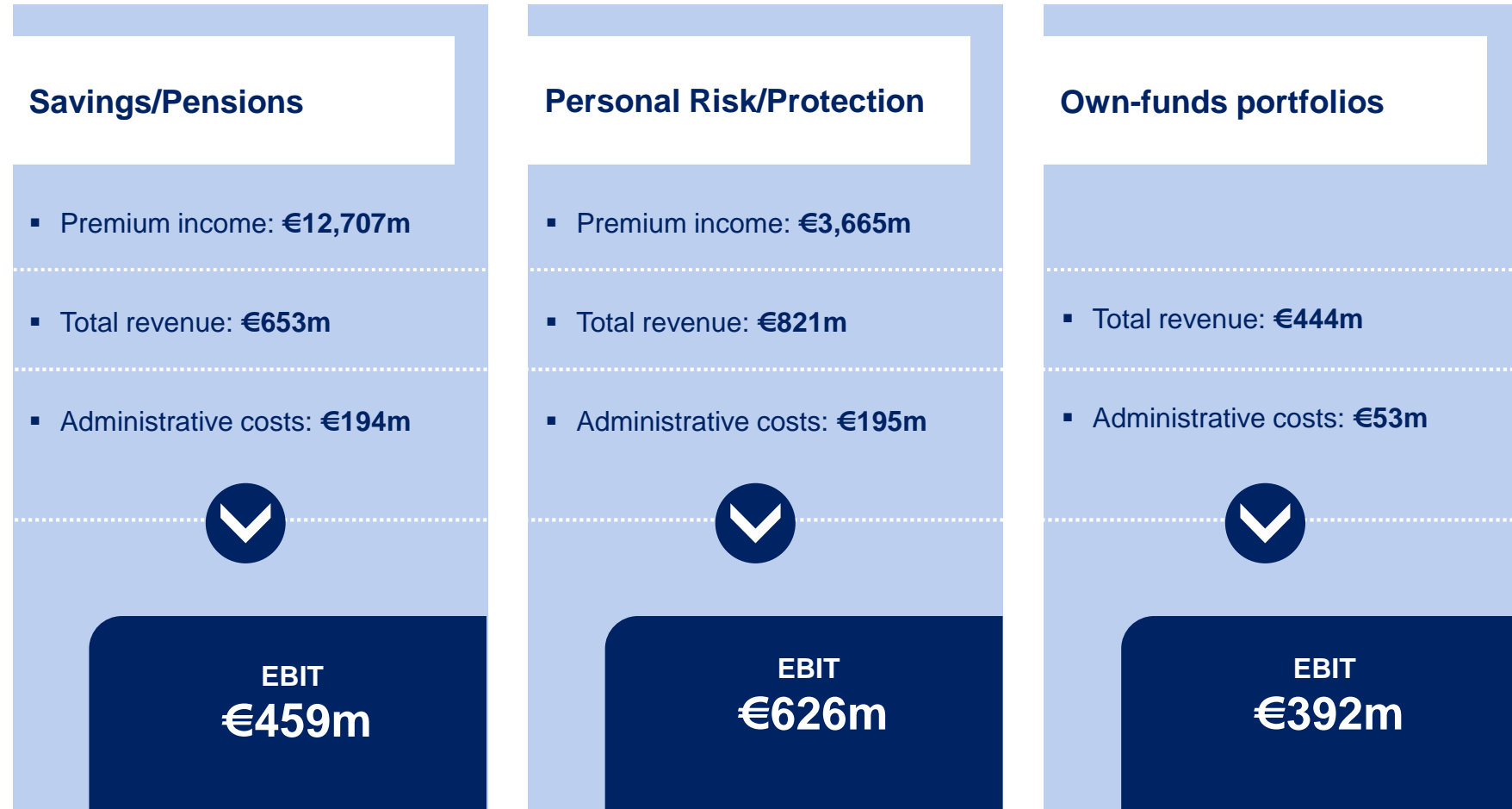
## ADMINISTRATIVE EXPENSES (€m)



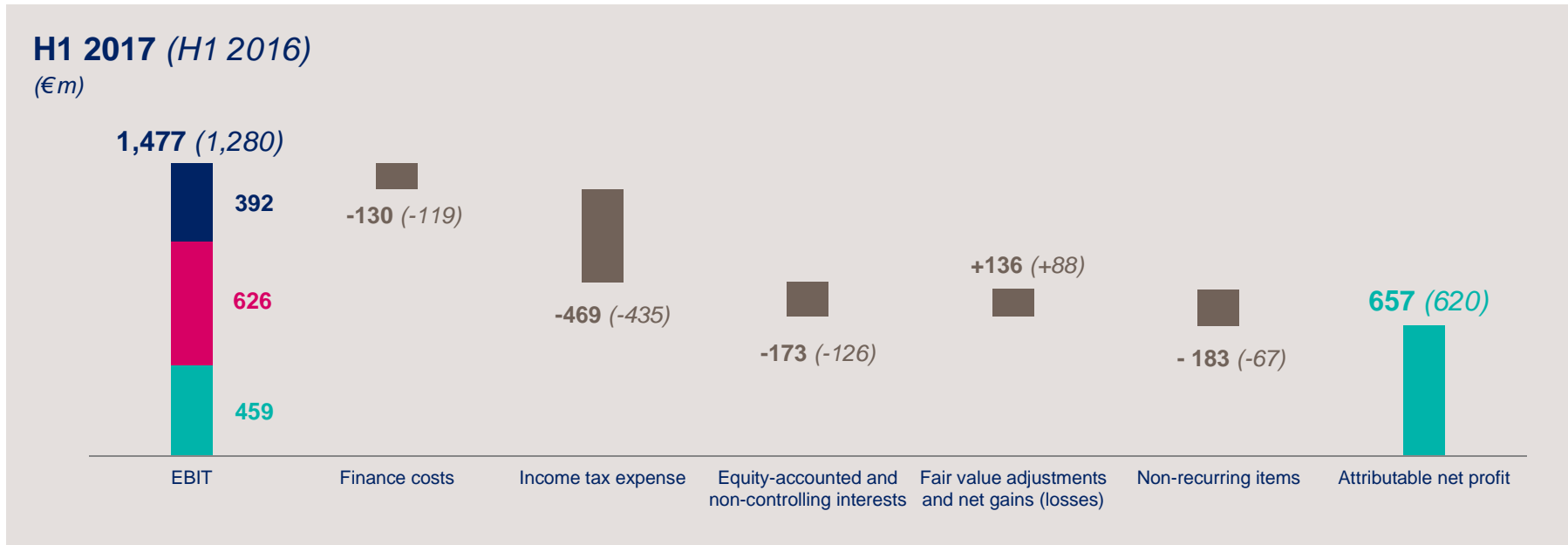
### Operational Excellence Programme (OEP) launched in France at the beginning of 2016:

- 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

## H1 2017 EBIT BY SEGMENT



# H1 2017 ATTRIBUTABLE NET PROFIT OF €657M, UP 6.0%



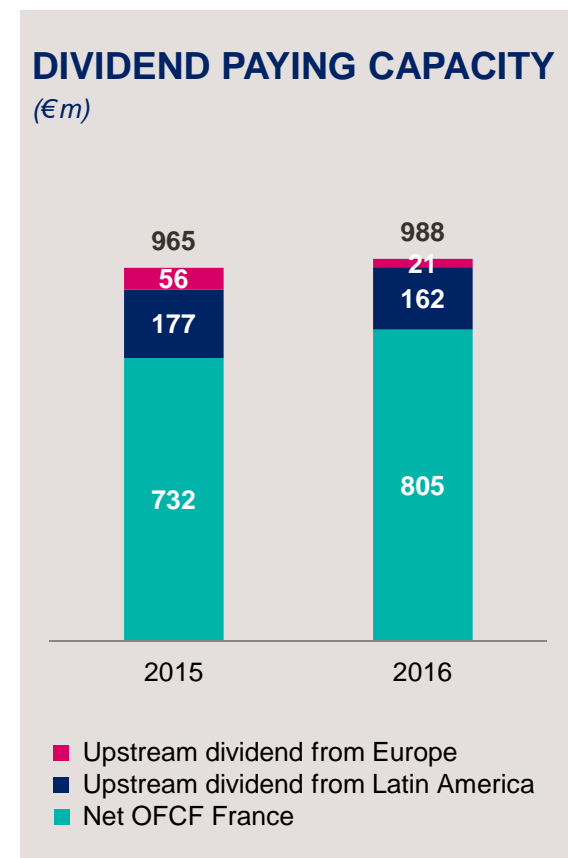
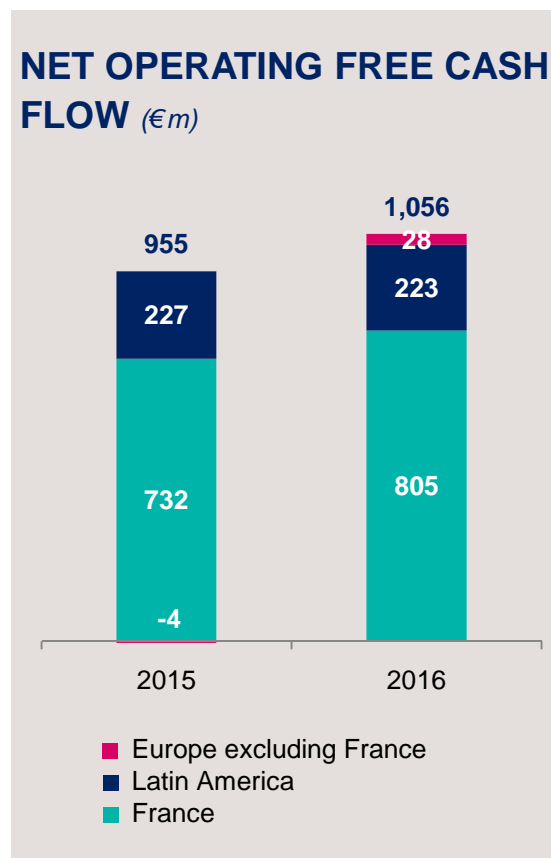
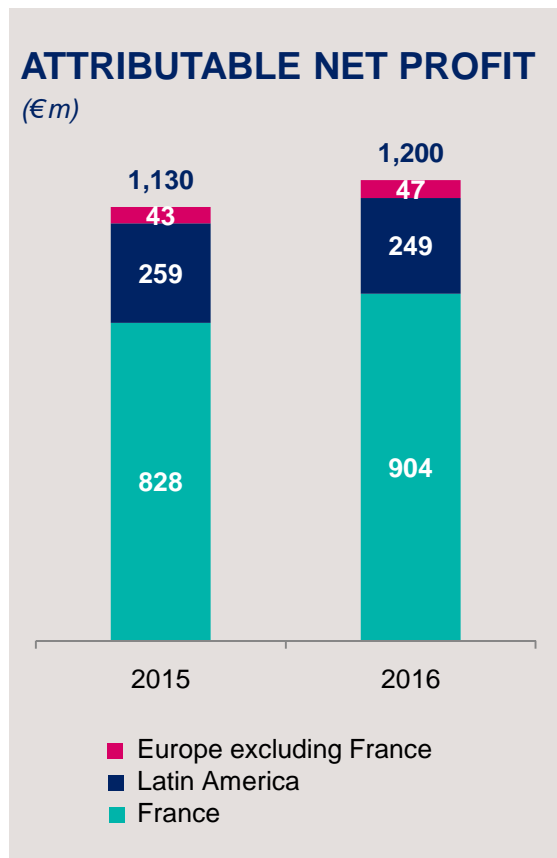
- **Solid growth in EBIT**
  - +15.4% growth, and +9.1% on a like-for-like basis
- **Finance costs: CNP Assurances issued in 2016 two subordinated bonds classified as Tier 2 and Tier 3 (included in debt) and redeemed a Tier 1 bond (included in equity), with a negative impact on profit under IFRS and a positive impact on changes in equity**
- **Non-controlling interests increased reflecting higher profits across all subsidiaries, particularly those in Brazil**

# H1 2017 NET OPERATING FREE CASH FLOW<sup>(1)</sup> OF €0.91 PER SHARE, UP 15.2%



## NET PROFIT, FREE CASH FLOW AND DIVIDEND PAYING CAPACITY

- Given its role as both an OpCo and HoldCo, CNP Assurances SA's ability to pay dividends depends on its own cash flow generation, plus the upstream dividends paid by its subsidiaries



**3.**

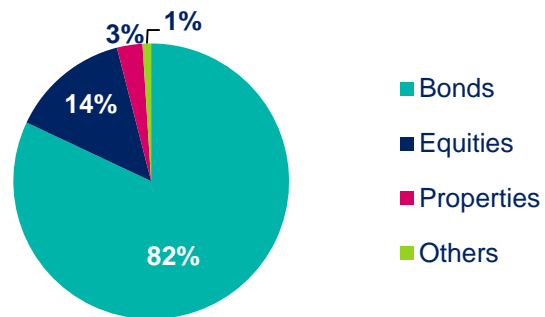
**Investments &  
Asset-Liability  
Management**



## ASSET ALLOCATION AT END-2016

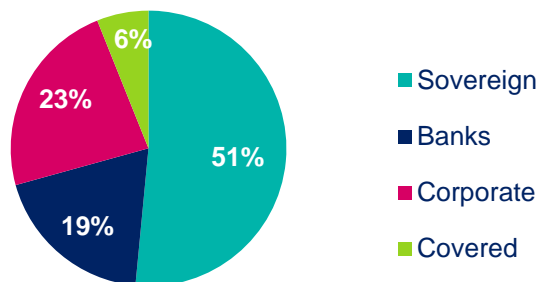
### €335bn of AUM excluding UL

FY 2016



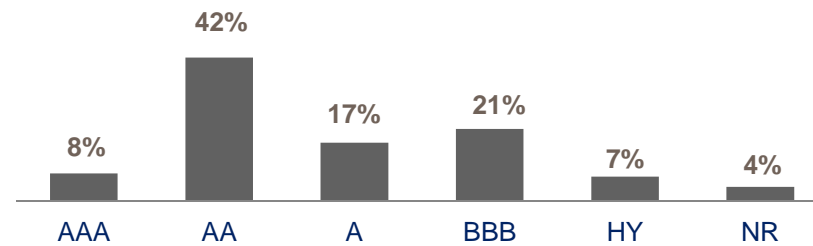
### Bond portfolio by type of issuer

FY 2016



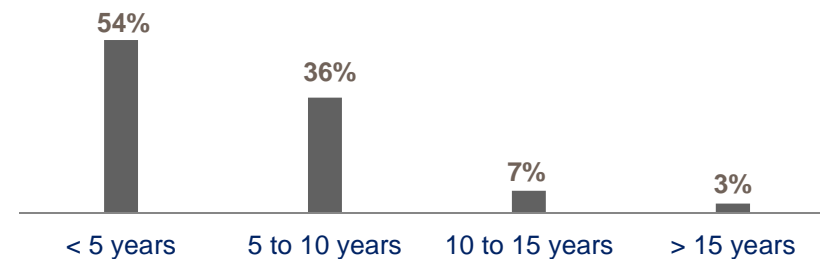
### Bond portfolio by credit rating<sup>(1)</sup>

FY 2016



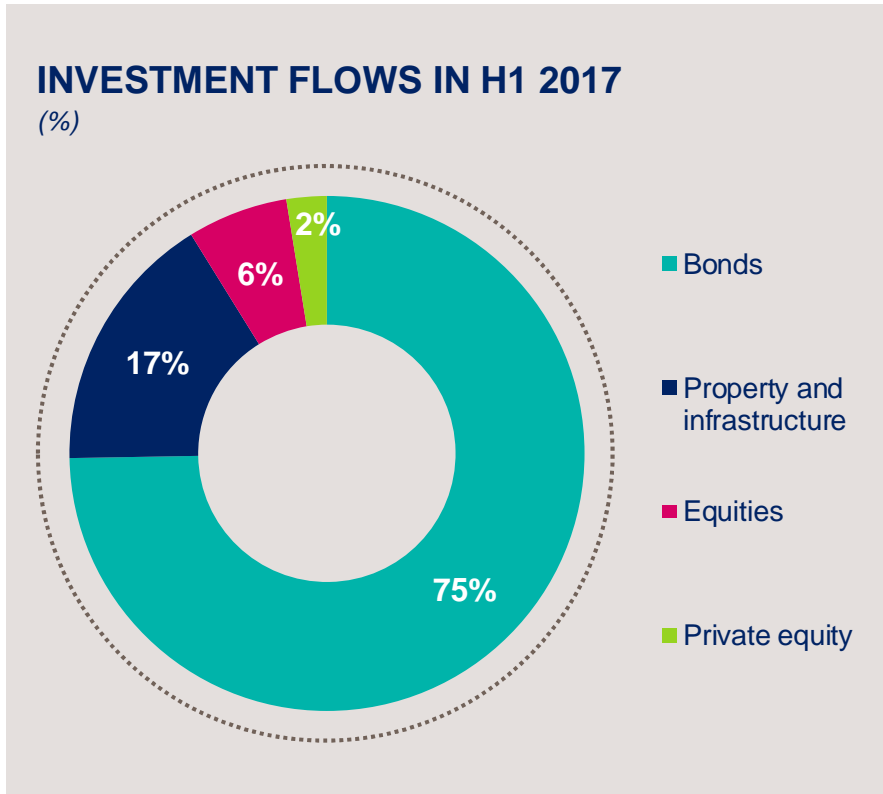
### Bond portfolio by maturity band

FY 2016

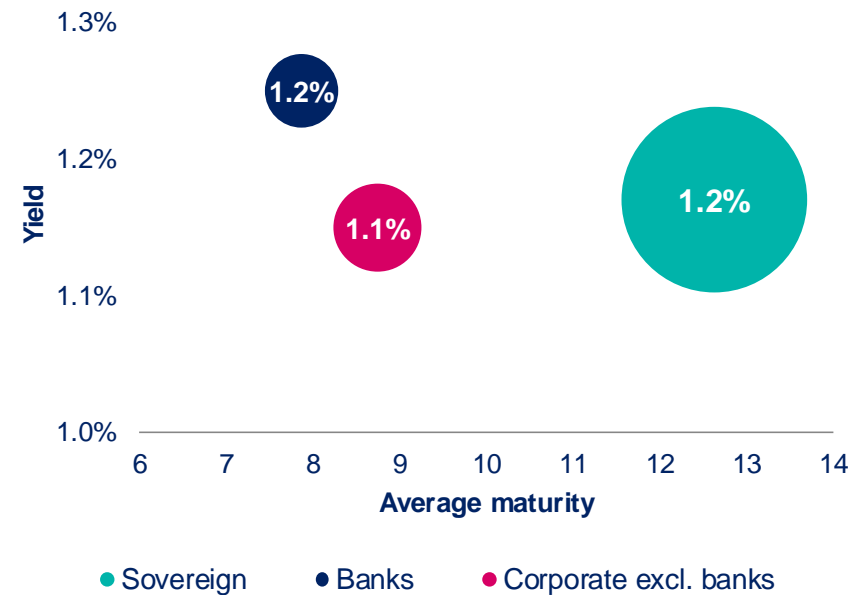


(1) Second-best rating: method consisting of using the second best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
Unaudited management reporting data

# INVESTMENT STRATEGY



### BOND INVESTMENT FLOWS IN H1 2017



➤ **European bond portfolios: average H1 2017 reinvestment rate of 1.17%**

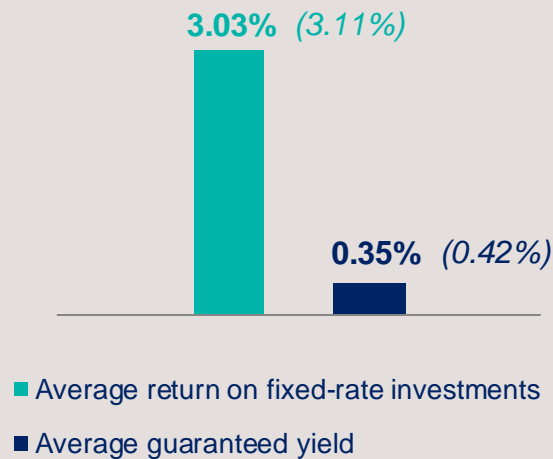
- Bond investments focused on sovereigns – mainly France – due to narrower spreads on Corporates and the wider spread on French government bonds

## LIMITED EXPOSURE TO GUARANTEED YIELDS

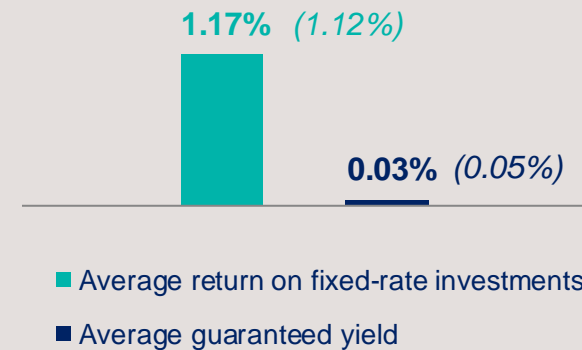


### ➤ Low guaranteed yield on In-Force and new business

**IN-FORCE BUSINESS**  
30 JUNE 2017 (31 DEC. 2016)



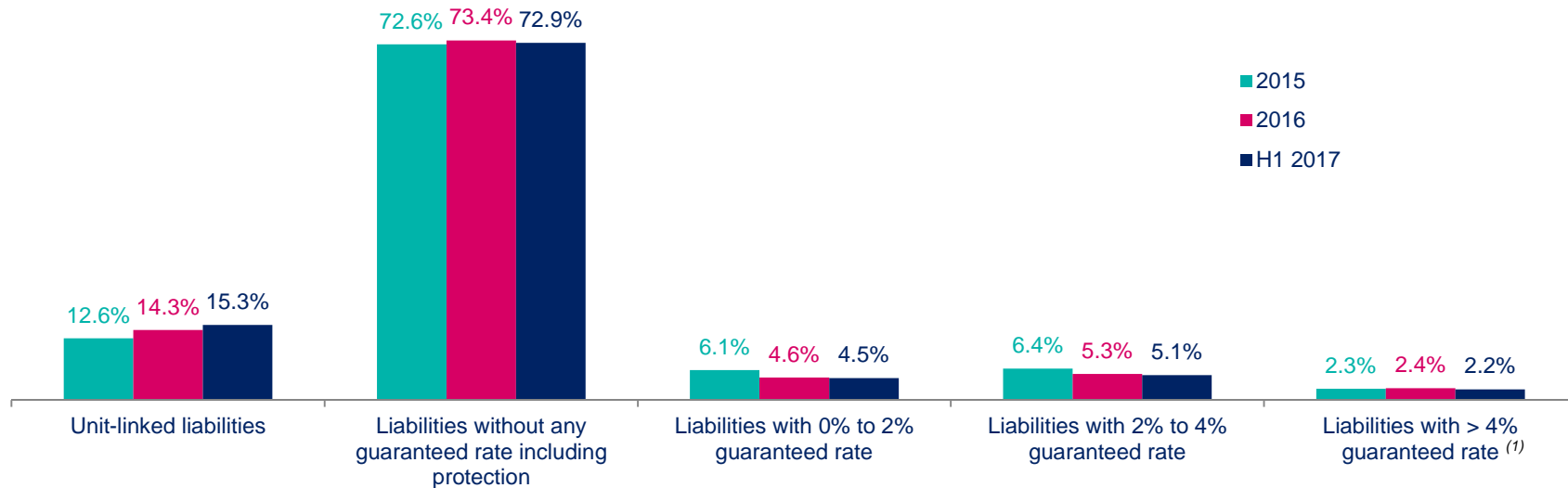
**NEW BUSINESS**  
30 JUNE 2017 (31 DEC. 2016)



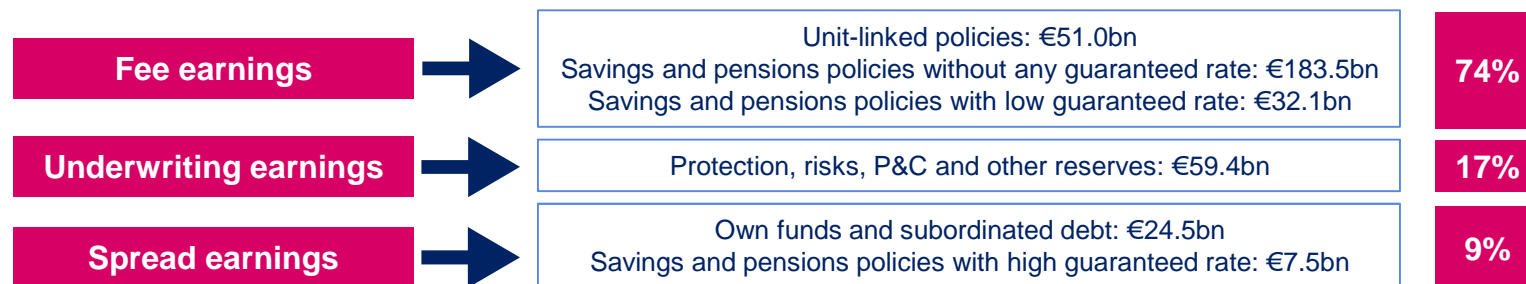
### ➤ Average guaranteed yield on the portfolio reduced by 7 bps during the first-half, as some yield guarantees expired

# 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:



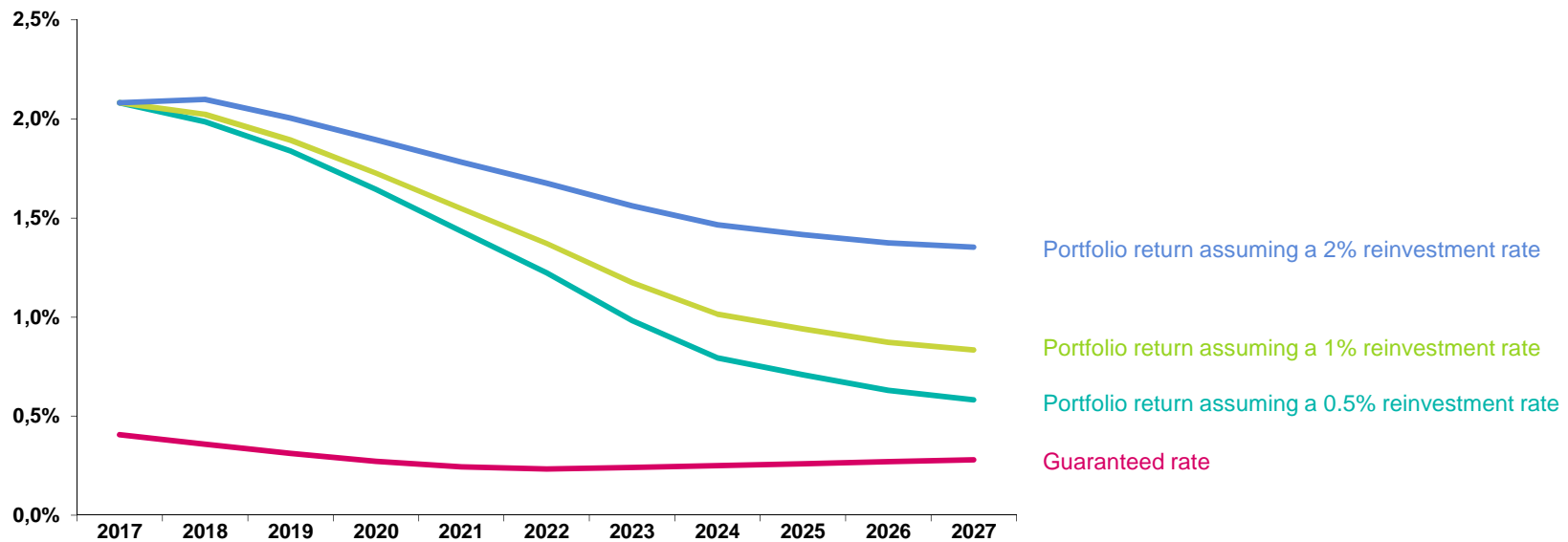
(1) Liabilities with a guaranteed yield of more than 4% mainly concern Caixa Seguradora in Brazil, where interest rates are higher than in Europe

## 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 0.35% at end June 2017.



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<sup>(1)</sup> and the overall average guaranteed rate across all policy liabilities is 0.35% at 30 June 2017
- 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)

### ➤ **€38.3bn IFRS unrealized gains at 30 June 2017**

- 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

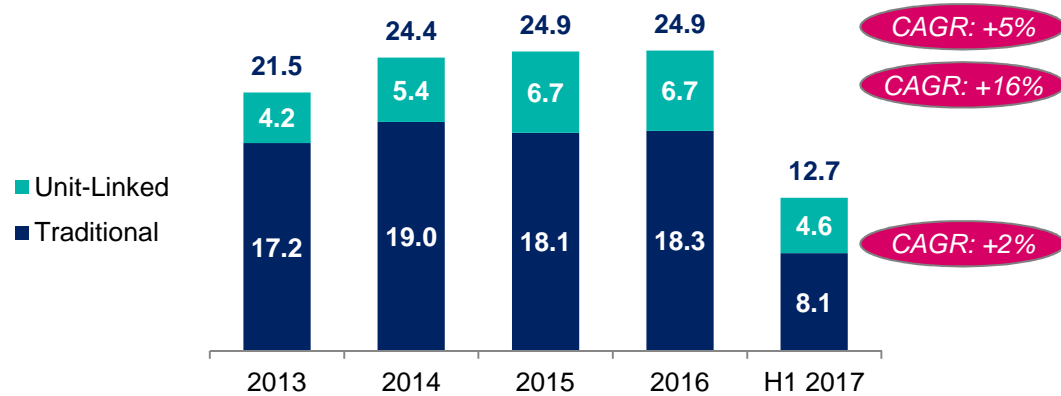
### ➤ **€10.7bn Policyholder Surplus Reserve at 30 June 2017**

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

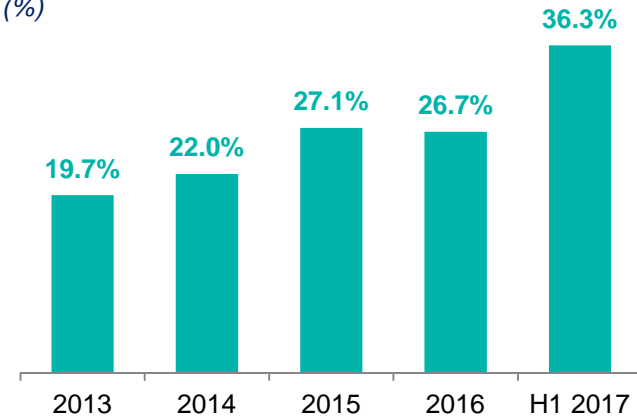
*(1) All new policies have 0% guaranteed rate, some old policies still exist with a positive guaranteed rate on additional payments. These old policies, which include guaranteed rate, will progressively disappear due to lapses and deaths of policyholders.*

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

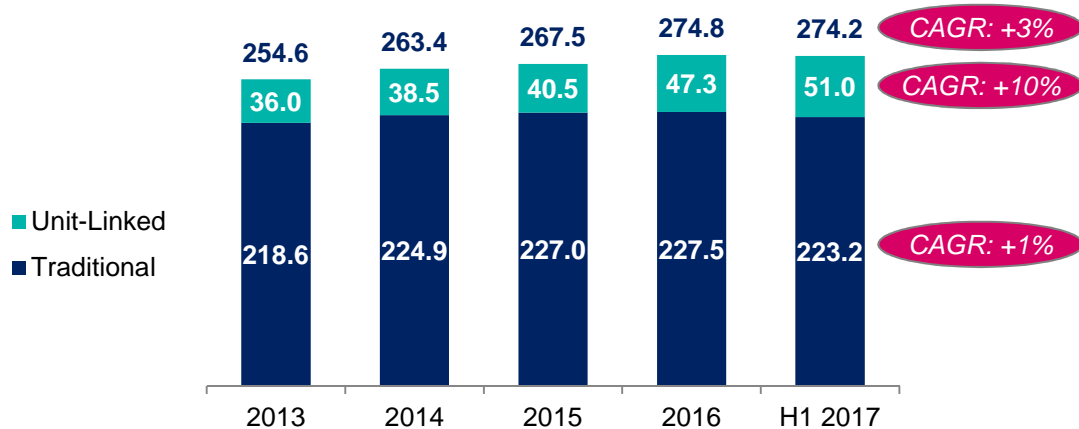
**Savings/Pensions Premium Income**  
(€bn)



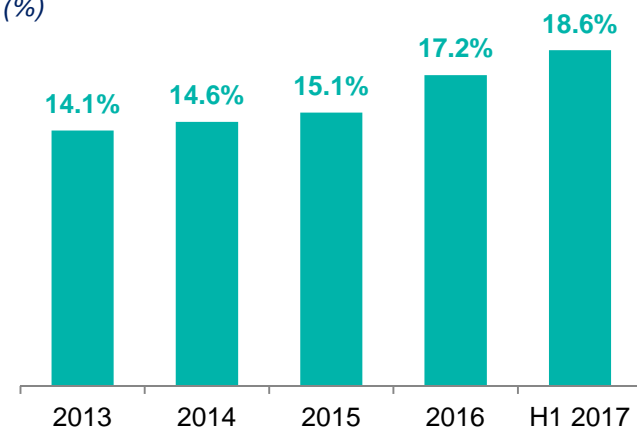
**Proportion of Premium Income represented by Unit-Linked**  
(%)



**Savings/Pensions Mathematical Reserves**  
(€bn)



**Proportion of Mathematical Reserves represented by Unit-Linked**  
(%)

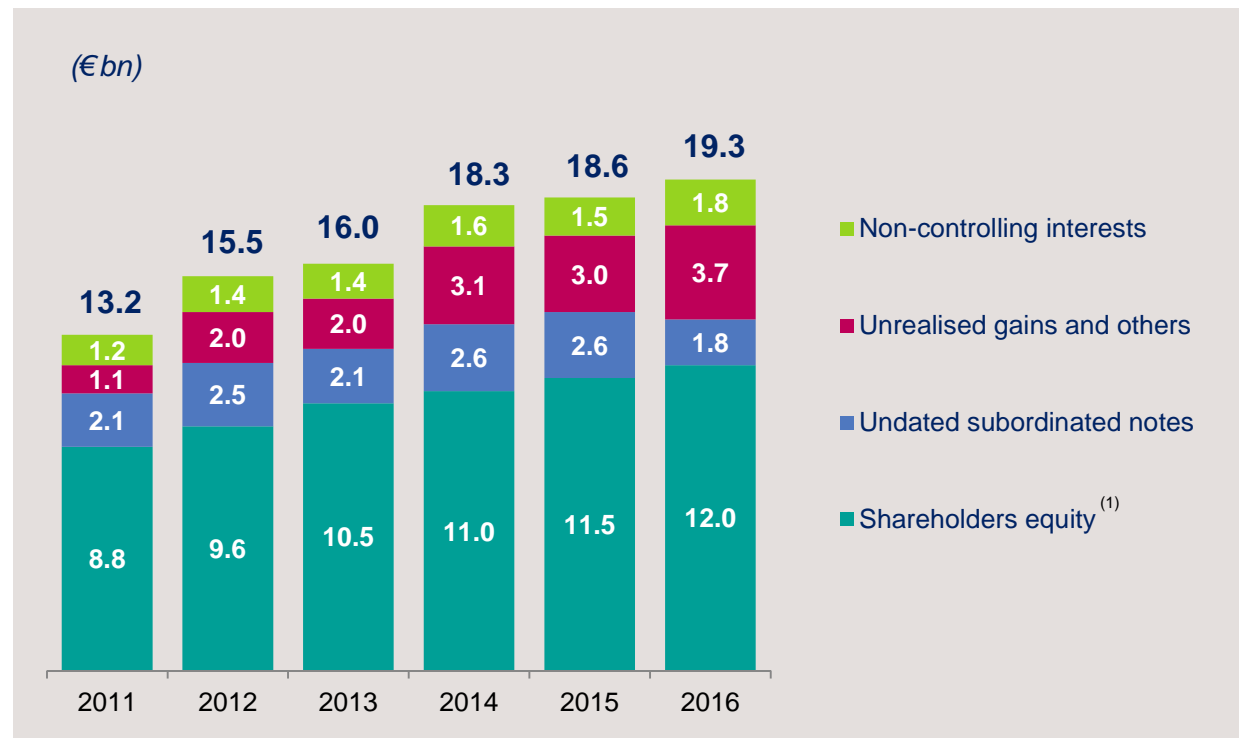


**4.**

**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)

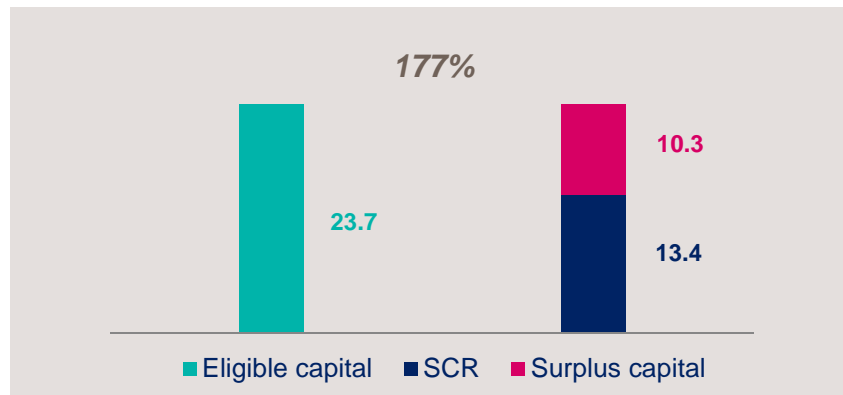
### ➤ Non-controlling interests represent the share of equity in our subsidiaries detained by our banking partners (Caixa Economica Federal in Brazil, Santander in Ireland, UniCredit in Italy)

(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 REACHED 193% AT H1 2017

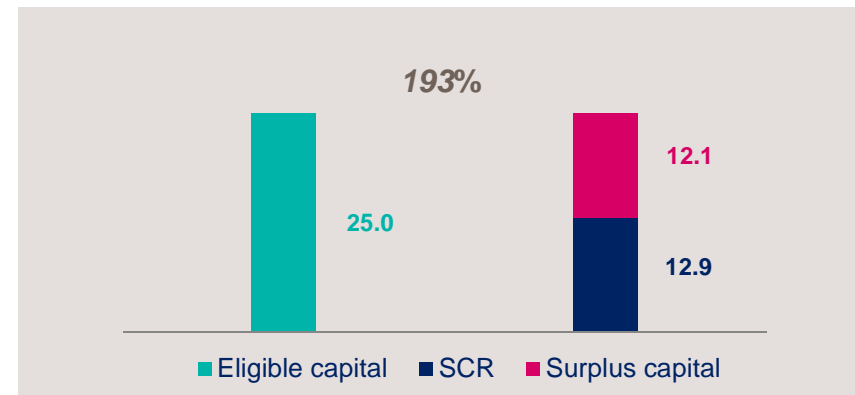
**Consolidated SCR Coverage Ratio  
31 December 2016**

(€bn)

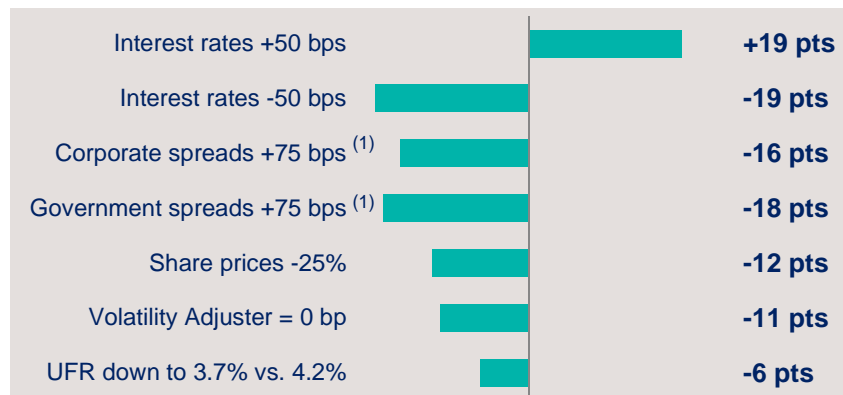


**Consolidated SCR Coverage Ratio  
30 June 2017**

(€bn)

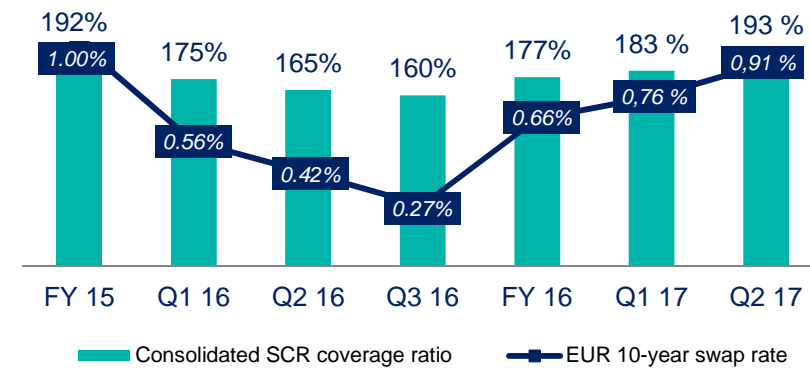


**Sensitivities at 31 December 2016**



(1) Without Volatility Adjuster recalibration

**Consolidated SCR coverage ratio and interest rate levels**



## A COMFORTABLE SOLVENCY POSITION FOR ALL OUR SUBSIDIARIES

### ➤ As of 31 December 2016

Country	Scope	Eligible Own Funds (€bn)	SCR (€bn)	SCR Coverage Ratio
<b>Group</b>	<b>CNP Assurances Group</b>	<b>23.7</b>	<b>13.4</b>	<b>177%</b>
France	CNP Assurances SA	24.9	13.2	188%
Brazil	Caixa Seguradora <sup>(1)</sup>	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:

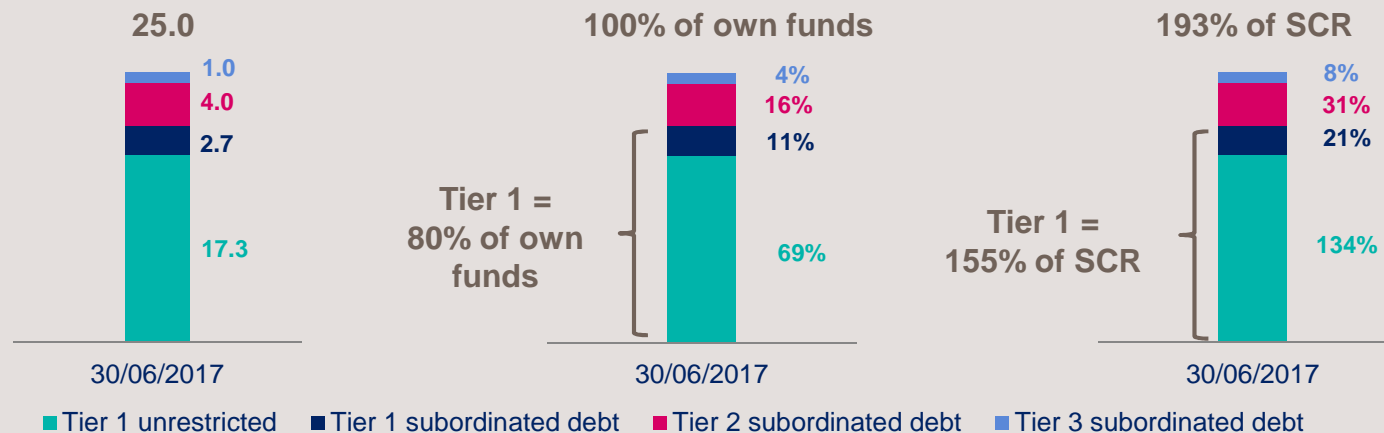
- Taking into account 100% of each subsidiary's SCR, even for subsidiaries that are not wholly owned (Caixa Seguradora, CNP UniCredit Vita, CNP Santander Insurance)
- Without taking into account any surplus own funds for the main JVs over and above their contribution to the group SCR, which are not recognised by the supervisor at Group level (€3bn including non-controlling interests<sup>(2)</sup> 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 AT 30 JUNE 2017

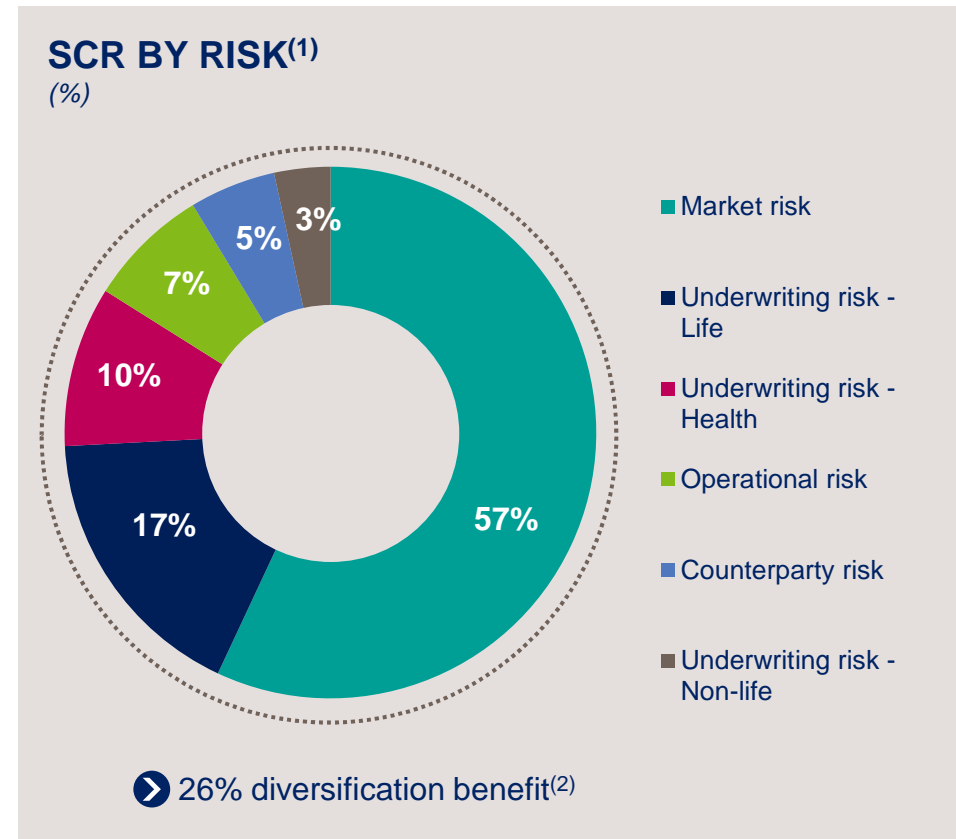
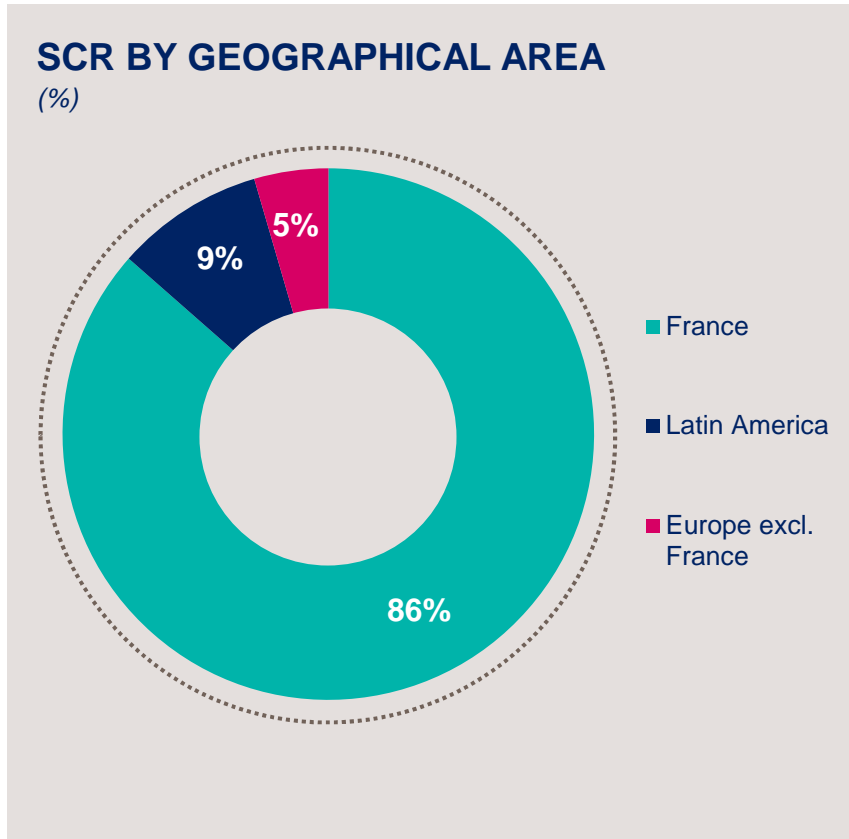
### ELIGIBLE OWN FUNDS (GROUP) (€bn)



#### ➤ The Group's financial headroom is based on:

- the Group's high-quality eligible own funds
  - 80% of own funds are Tier 1
  - no ancillary own funds
- its subordinated notes issuance capacity at 30 June 2017
  - €1.6bn of Tier 1 (13% of SCR)
  - €1.5bn of Tier 2 (12% of SCR), including €0.9bn of Tier 3

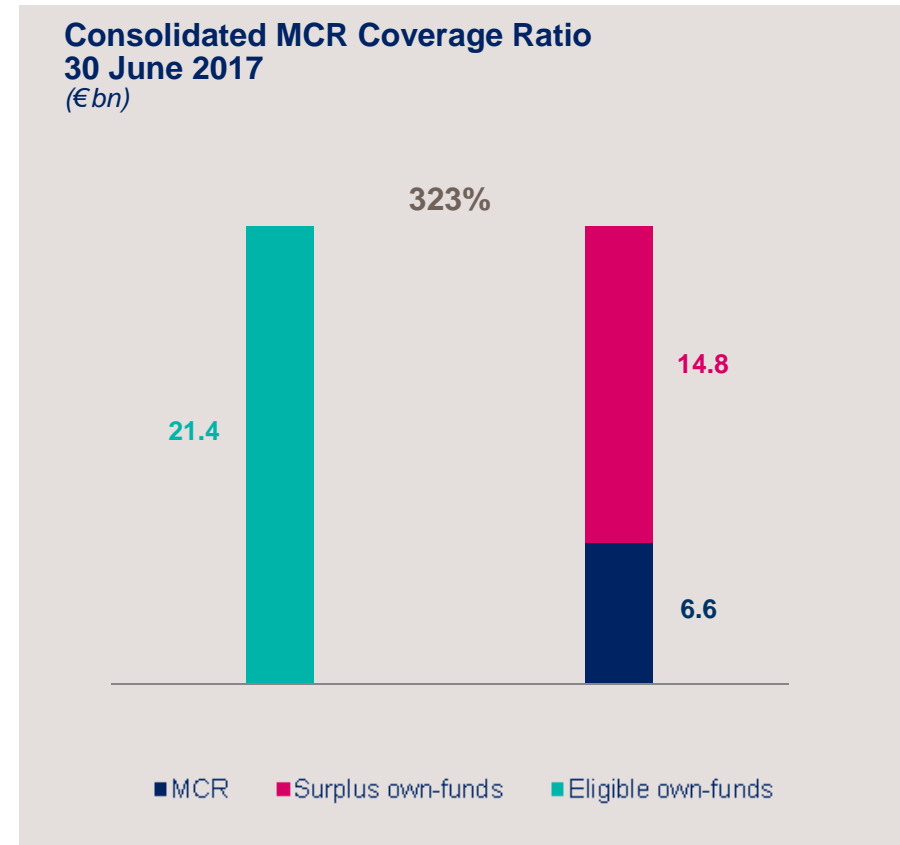
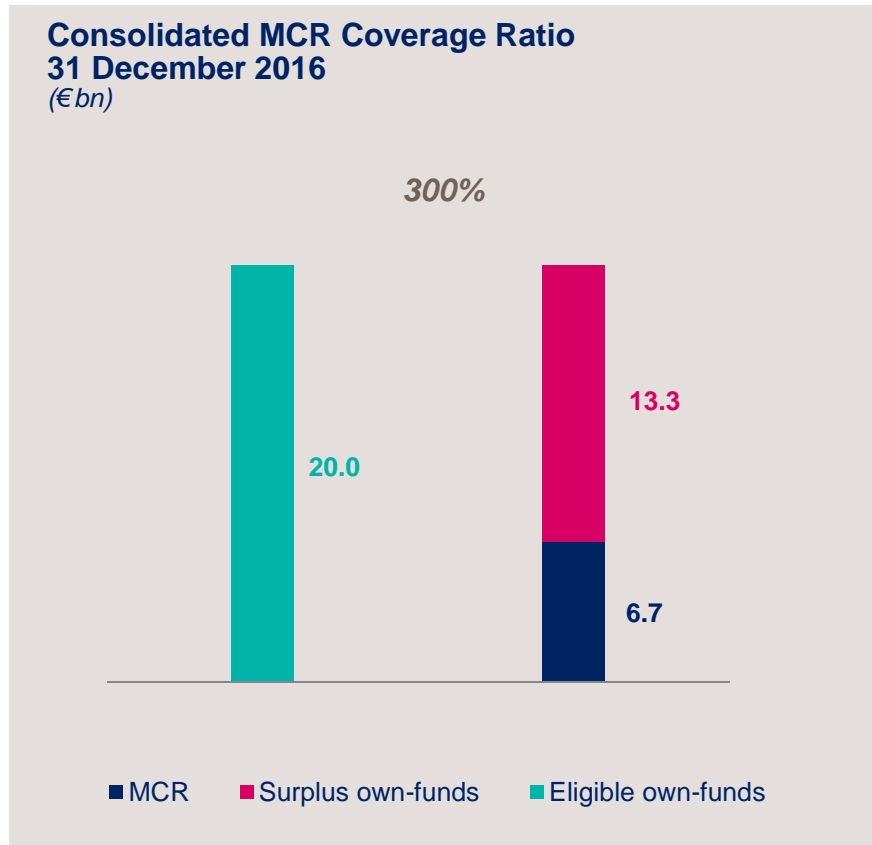
# BREAKDOWN OF GROUP SCR AT 31 DECEMBER 2016



(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 REACHED 323% AT H1 2017



- **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.**

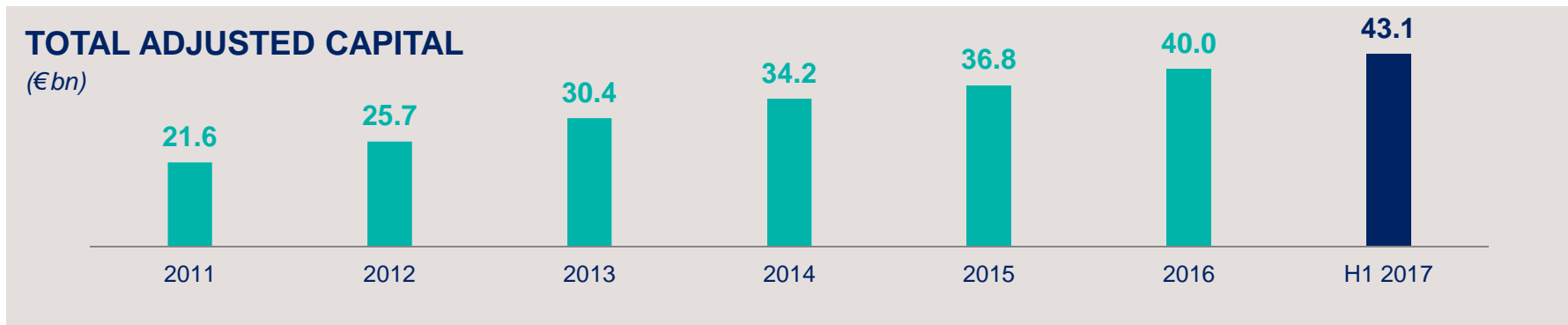
**Rating & Funding**

## 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	March 2017
Standard & Poor's Rating	A+/Negative	A/Stable	A/Stable	A/Stable	A/Stable	A/Stable
Business Risk Profile	Very Strong	Strong	Strong	Strong	Strong	Strong
Financial Risk Profile	Moderately Strong	Strong	Strong	Strong	Strong	Strong

➤ **At 30 June 2017, Total Adjusted Capital (TAC) amounted to €43.1bn, up 8%**

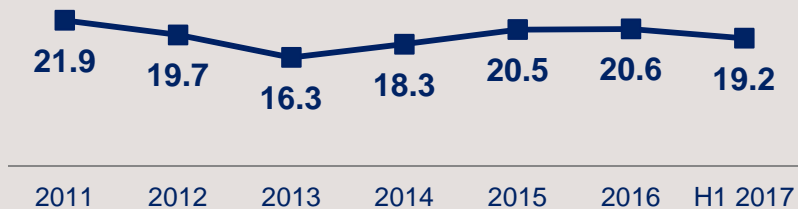




# DEBT-TO-EQUITY RATIO IN LINE WITH PRUDENT STRATEGY

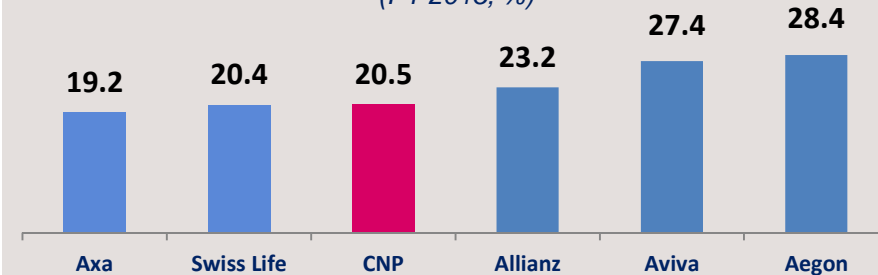
## DEBT-TO-EQUITY RATIO (1)

(S&P method, %)



## BENCHMARK BASED ON S&P FIGURES

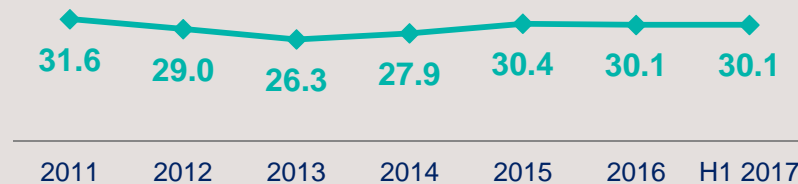
(FY 2015, %)



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

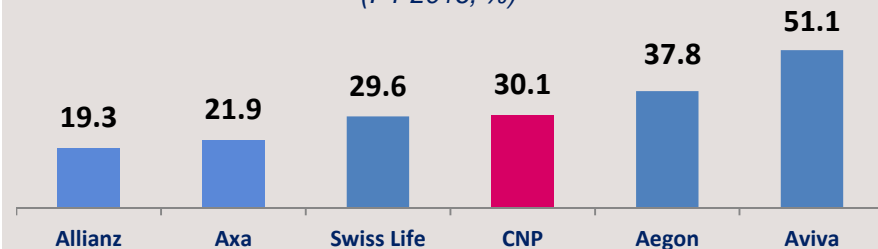
## DEBT-TO-EQUITY RATIO (2)

(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)

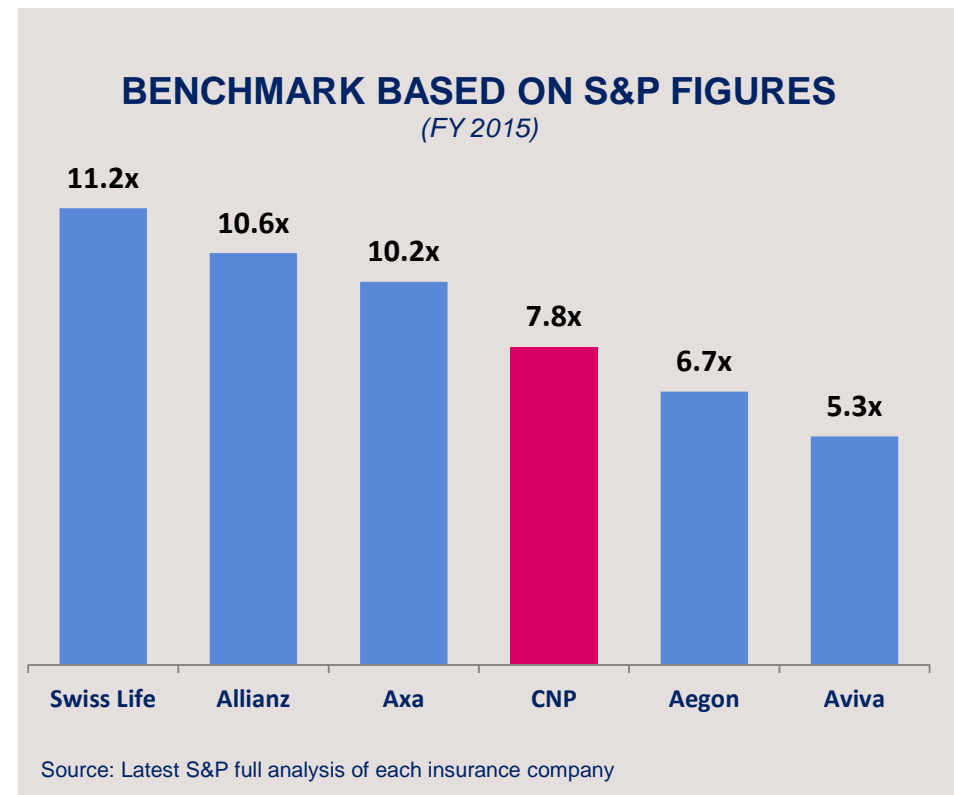
Debt / (Economic Capital Available + Debt)

< 20% = **positive**  
[20% ; 40%] = **neutral**  
> 40% = **negative**

### (2) Debt-to-Equity Ratio (IFRS)

Debt / (Equity – Intangible Assets + Debt)

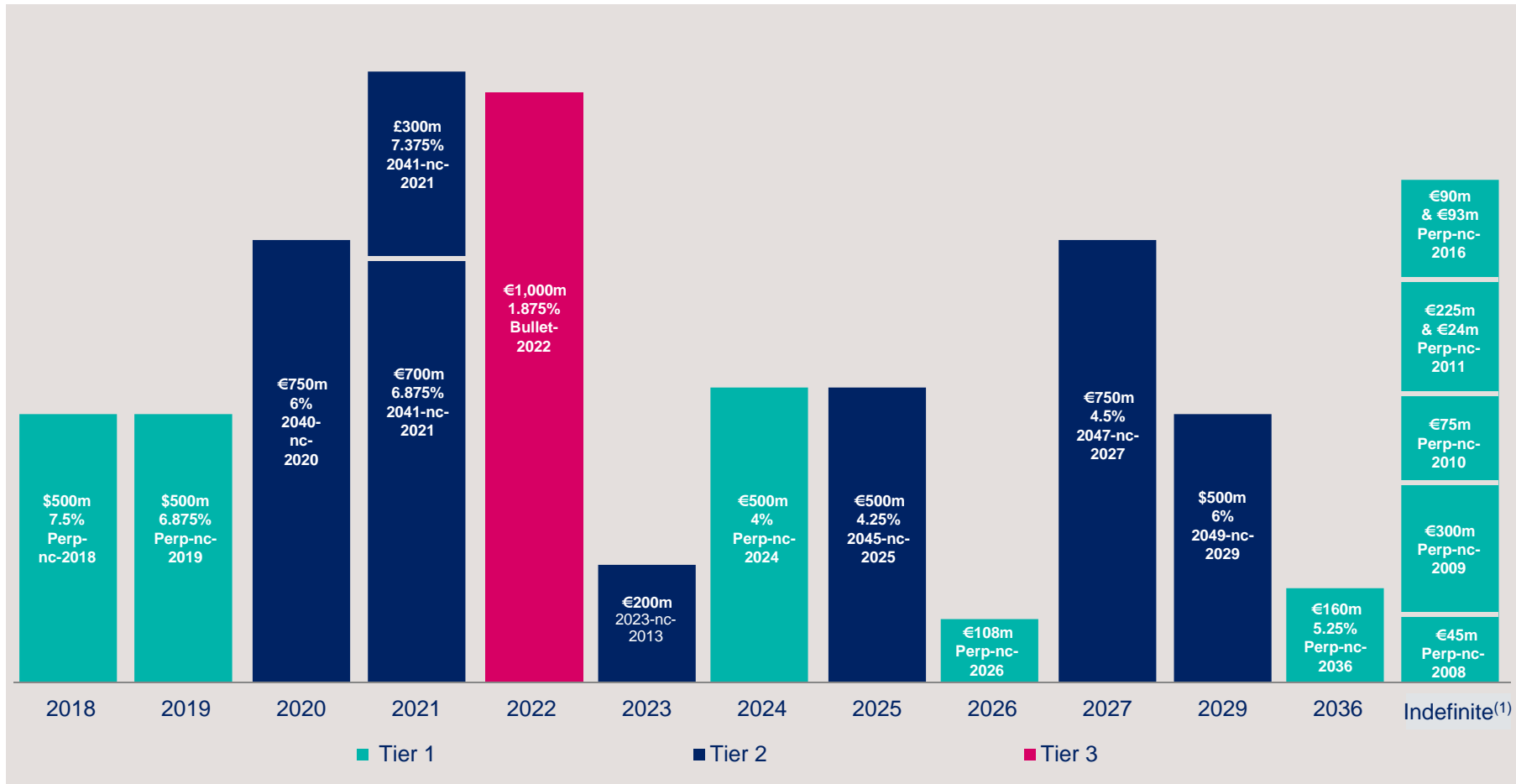
# INTEREST COVER AT A SATISFACTORY LEVEL



**Interest Cover  
(S&P method)**  
 EBIT / Interest paid

> 8x = positive  
 [4x ; 8x] = neutral  
 < 4x = negative

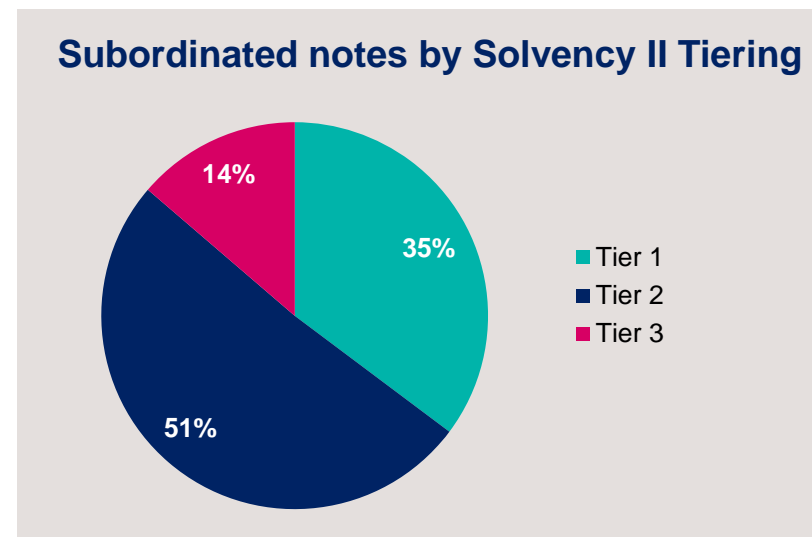
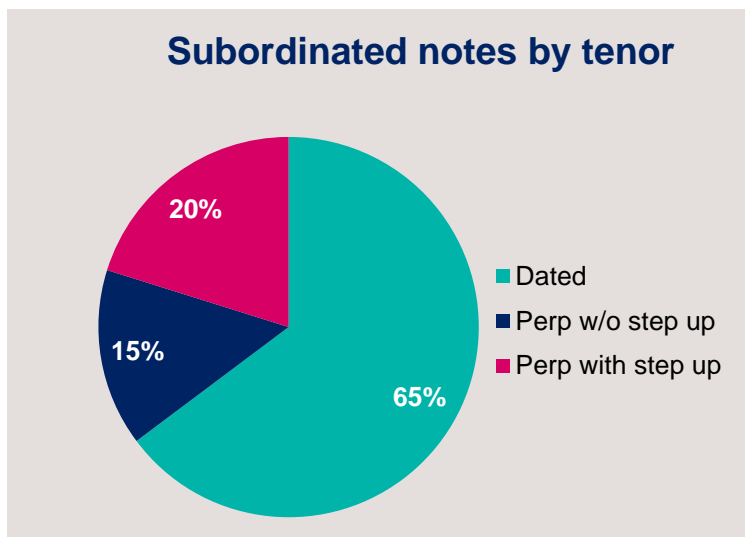
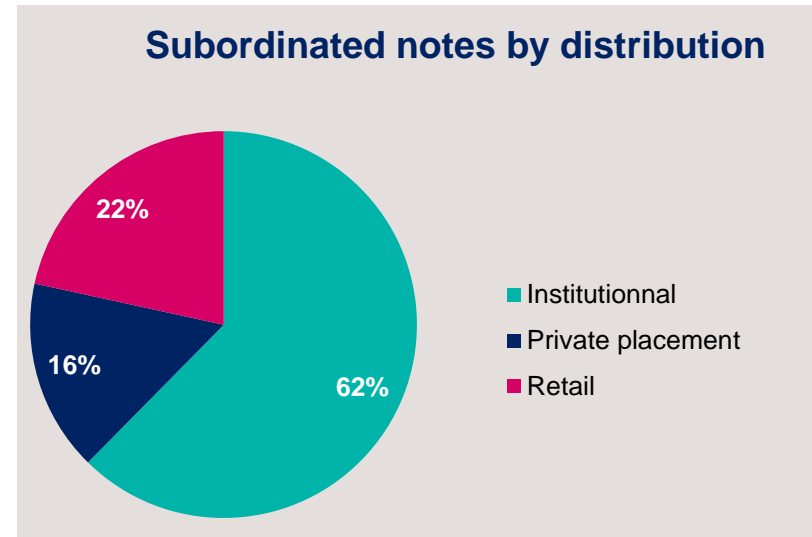
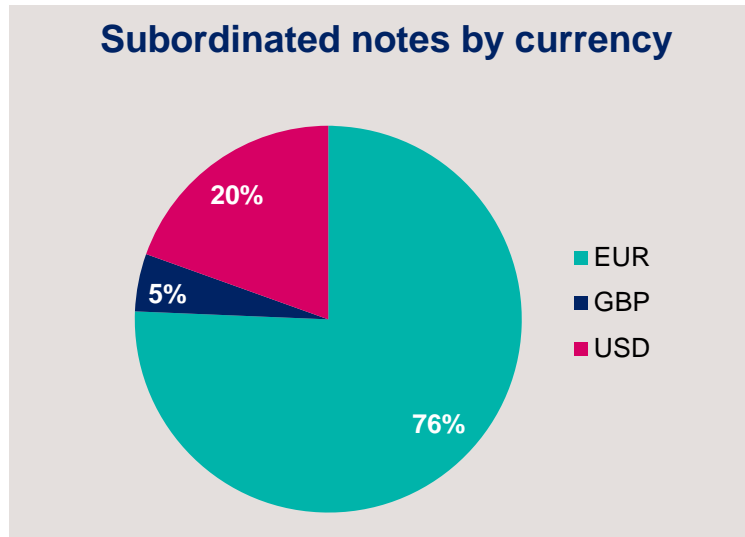
## MATURITIES AND CALL DATES OF CNP ASSURANCES SUBORDINATED NOTES



Nominal amounts and exchange rates at 31 December 2016

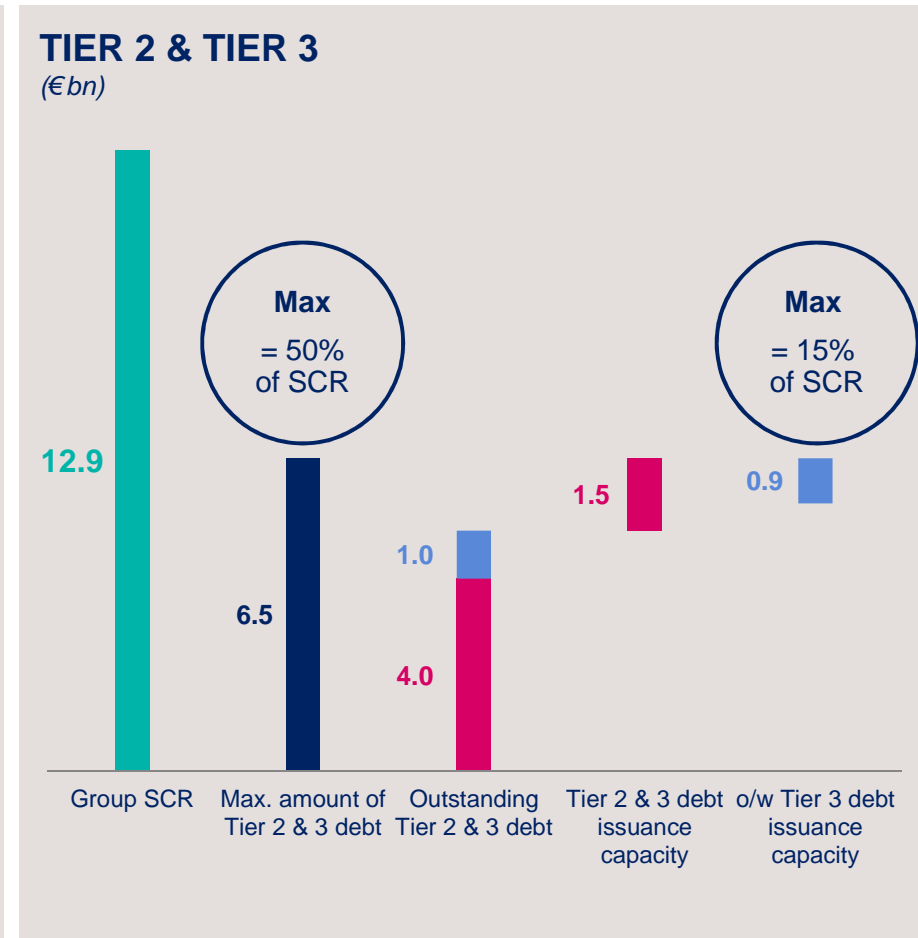
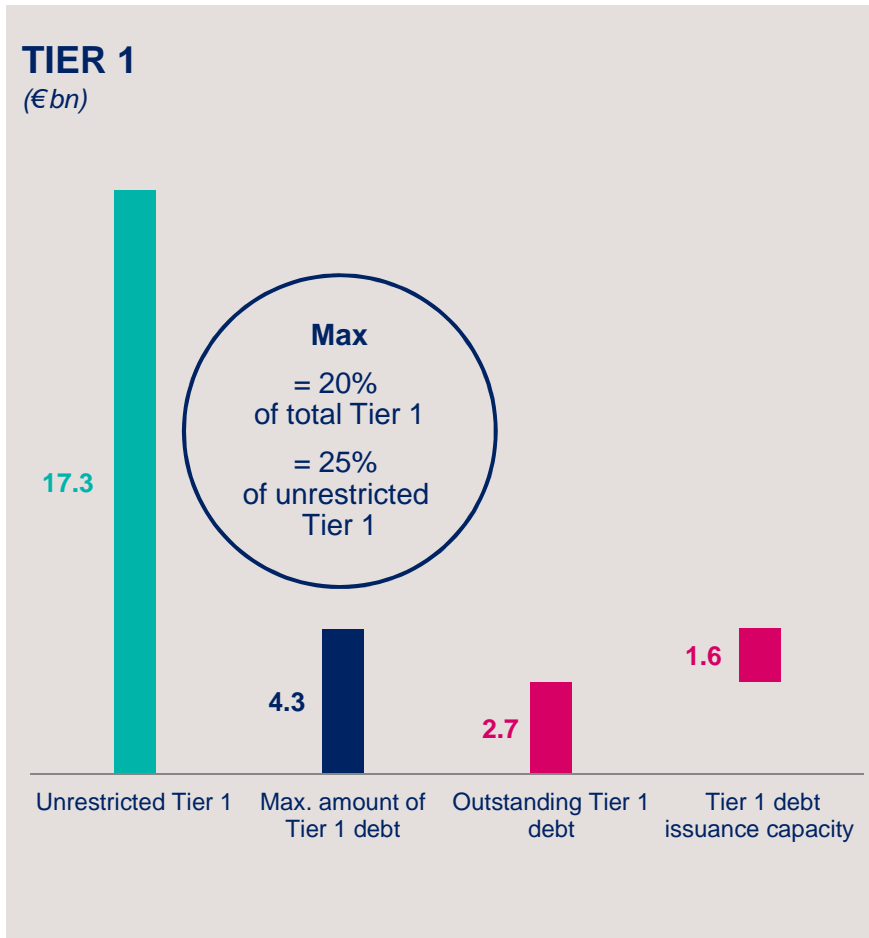
(1) Perpetual subordinated notes for which the first call date has already passed

# BREAKDOWN OF CNP ASSURANCES SUBORDINATED NOTES



Nominal amounts and exchange rates at 31 December 2016

# SOLVENCY II SUBORDINATED NOTES ISSUANCE CAPACITY AT 30 JUNE 2017



**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)

- FY 2016 premiums up 121% to €958m, of which 33% unit-linked

### Solid momentum at CNP Santander

- FY 2016 premiums up 23% to €605m

### Launch of YOUSE, Brazil's first 100%-digital insurance platform

- 62,000 contracts at end-June 2017

### Marketing campaigns to accelerate the shift in technical reserves towards unit-linked and *Eurocroissance* products

- €1.7bn transferred in H1 2017, of which 27% to unit-linked and Eurocroissance
- €85m transferred to Eurocroissance

### Strong growth in term creditor insurance premiums across all regions

- Up 11.6% to €2.2bn as of end June 2017

### €1.1bn acquisition of 20% of RTE completed

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

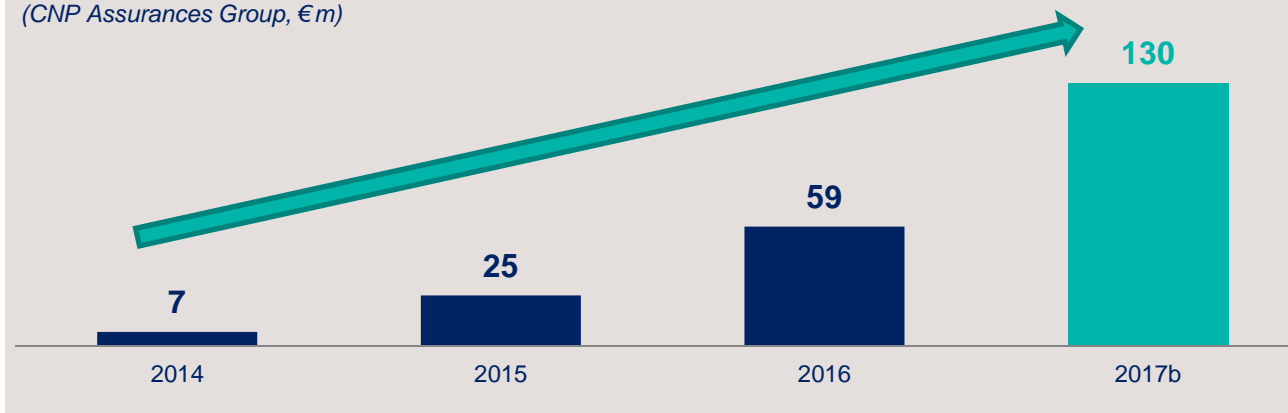
### GROWTH

- **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

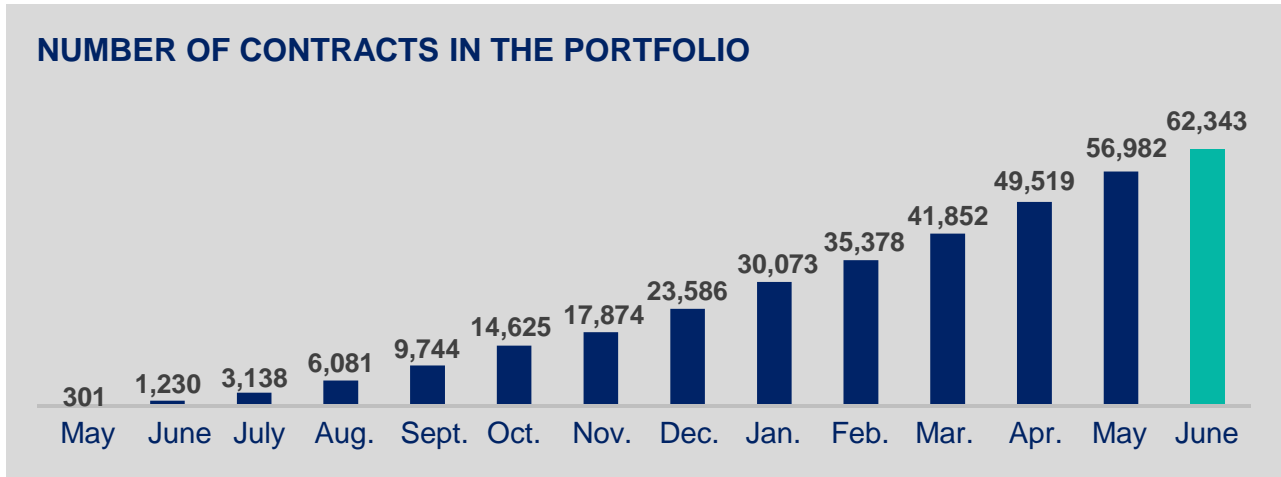
- **Faster development of YOUSE** in Brazil with a view to expanding in Latin America
- **In France and Europe, faster digital transformation**, based notably on achievements in Brazil in the area of digital B-to-C distribution

### DIGITAL INVESTMENTS TO ACCELERATE THE TRANSFORMATION PROCESS (CNP Assurances Group, €m)

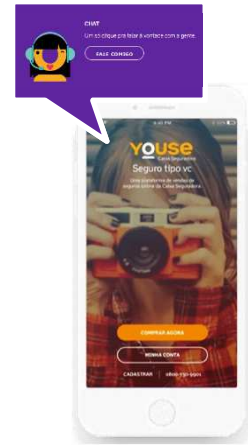
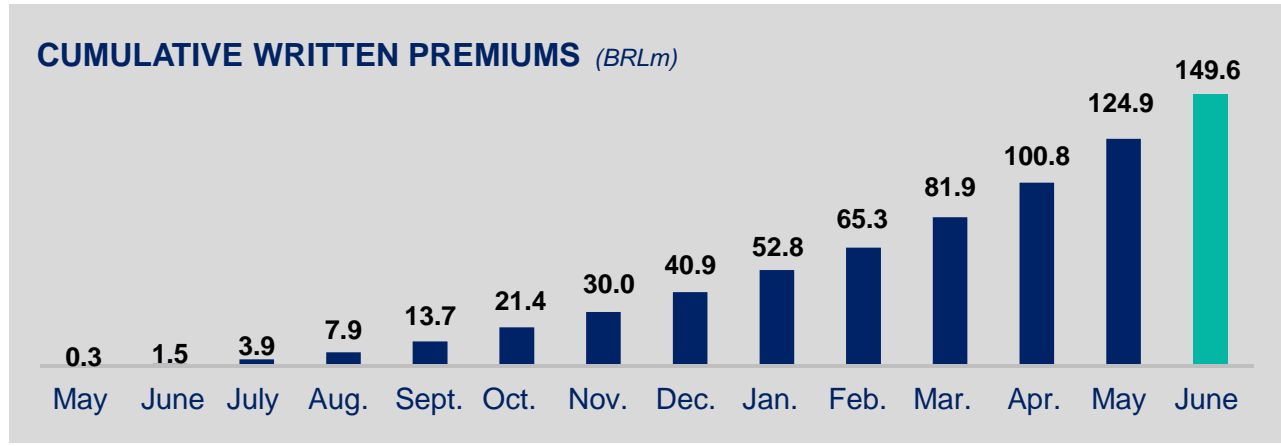




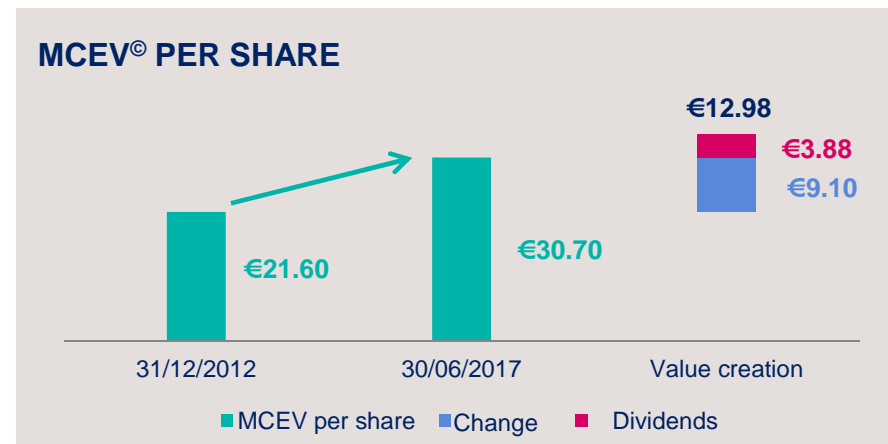
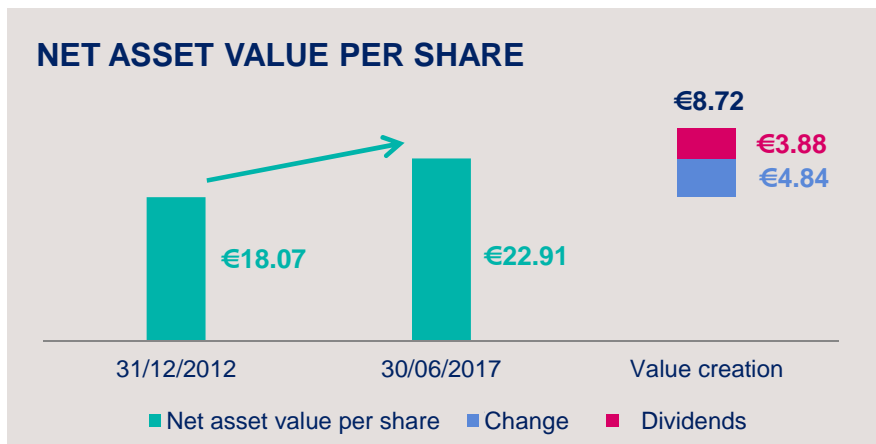
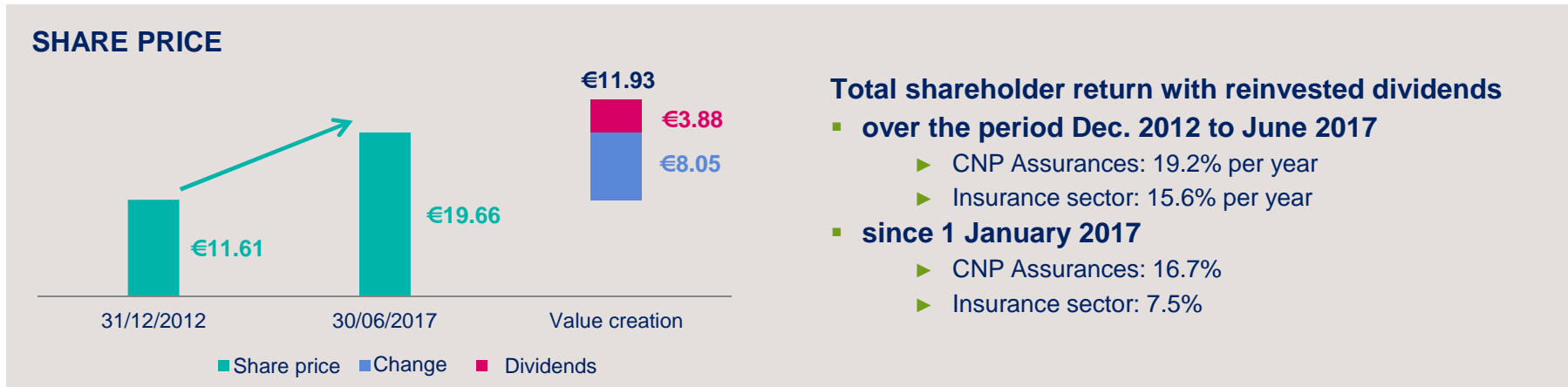
## SUCCESSFUL LAUNCH OF YOUSE IN BRAZIL



**Objective:**  
**100,000**  
 contracts  
 by year-end 2017



# VALUE CREATED SINCE 1 JANUARY 2013



## INVESTOR CALENDAR

	Q4 2017	Q1 2018	Q2 2018
Nine-month 2017 results indicators	16 Nov. 7:30 am		
2017 premium income and profit		22 Feb. 7:30 am	
Annual General Meeting			27 April 2:30 pm
First-quarter 2018 results indicators			16 May 7:30 am

### INVESTOR AND ANALYST RELATIONS

infofi@cnp.fr or debtir@cnp.fr

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

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

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

Julien Rouch | +33 (0)1 42 18 94 93



# Appendices

## MAIN CHARACTERISTICS OF FRENCH SAVINGS PRODUCTS

	Bank Deposit & Taxable Passbook	Tax Free Passbook e.g. Livret A	Housing Savings Plan e.g. PEL <sup>(1)</sup>	Stock Savings Plan e.g. PEA <sup>(2)</sup>	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	€150000	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% <sup>(3)</sup> (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

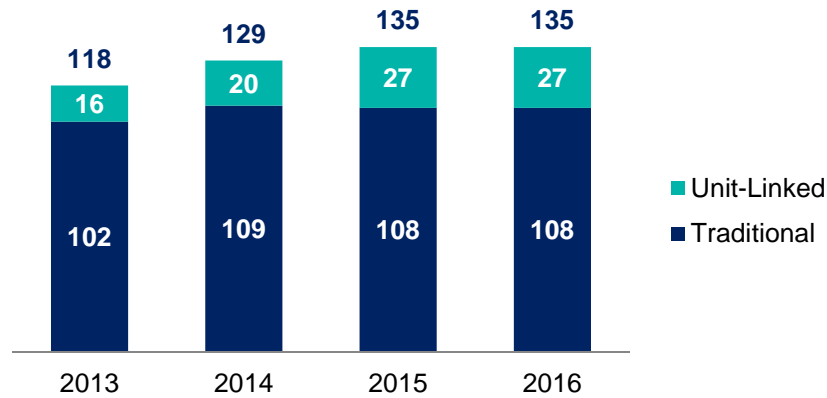
(1) PEL: Plan d'Epargne Logement

(2) PEA: Plan d'Epargne en Actions

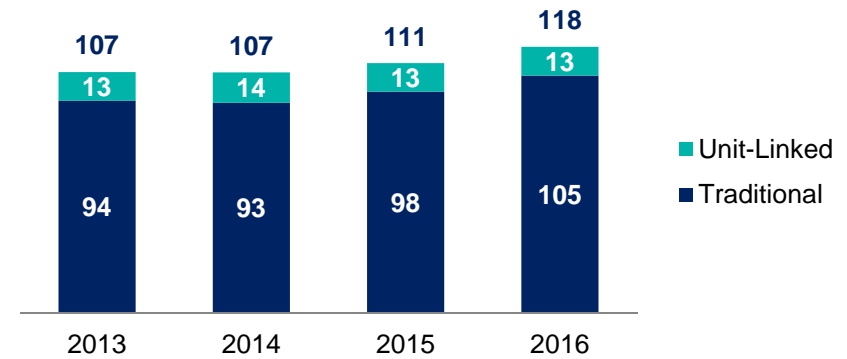
(3) For the part of annual gains above €4,600 for a single person or €9,200 for a couple

# FRENCH LIFE INSURANCE MARKET KEY FIGURES

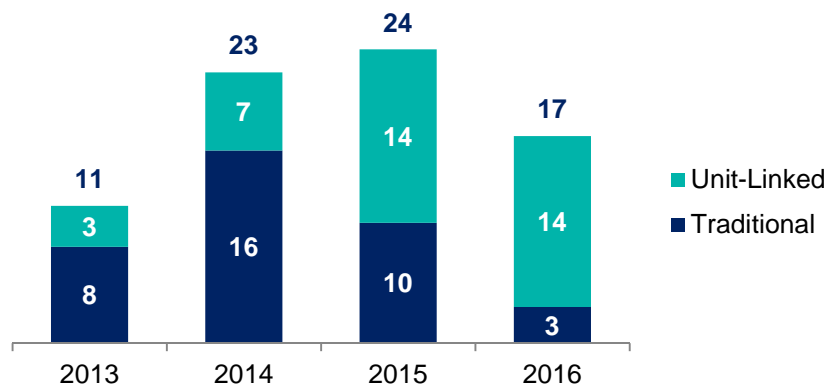
**Premium income**  
(€bn)



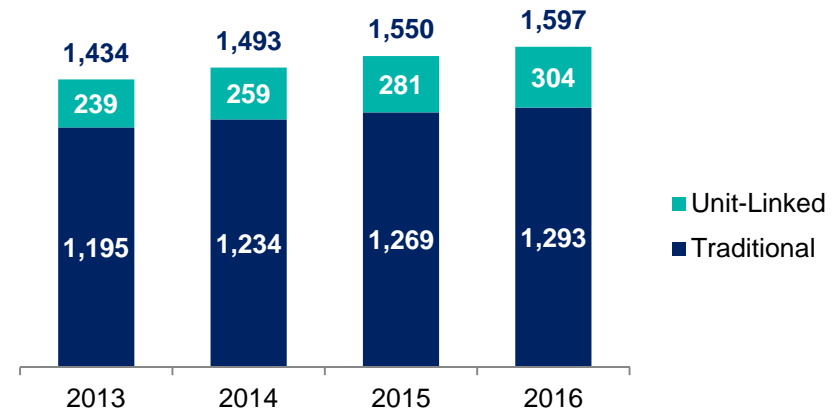
**Withdrawals**  
(€bn)



**Net inflows**  
(€bn)



**Mathematical reserves**  
(€bn)

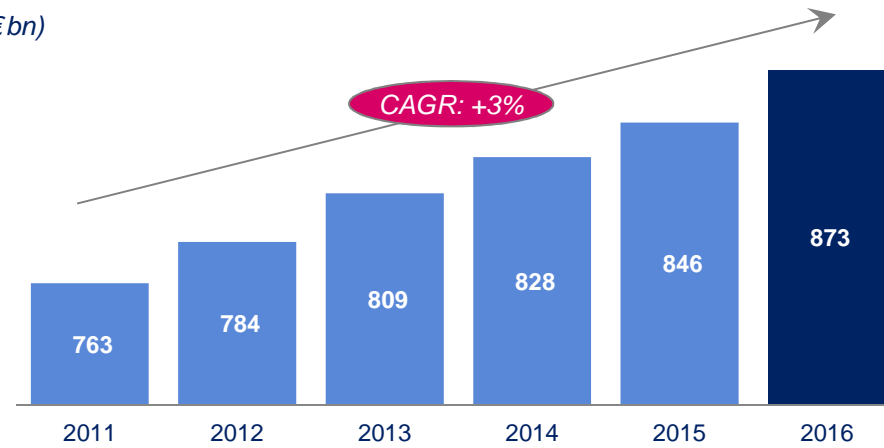


Source: FFA

# FRENCH MORTGAGE MARKET KEY FIGURES

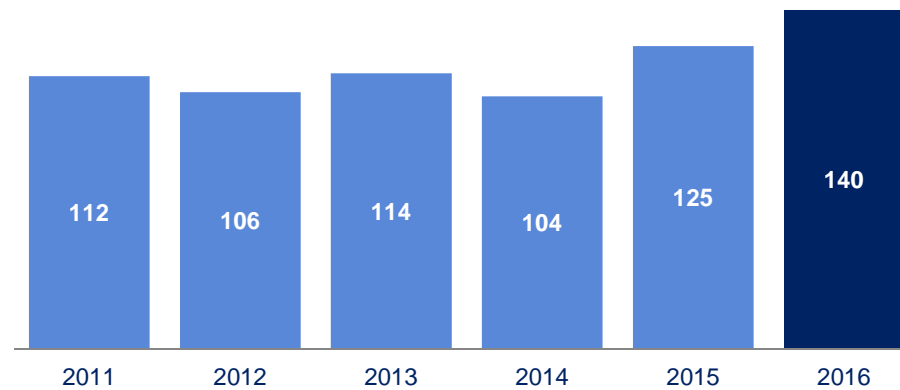
## Outstanding mortgage loans

(€bn)



## Annual volume of new mortgage loans

(€bn)

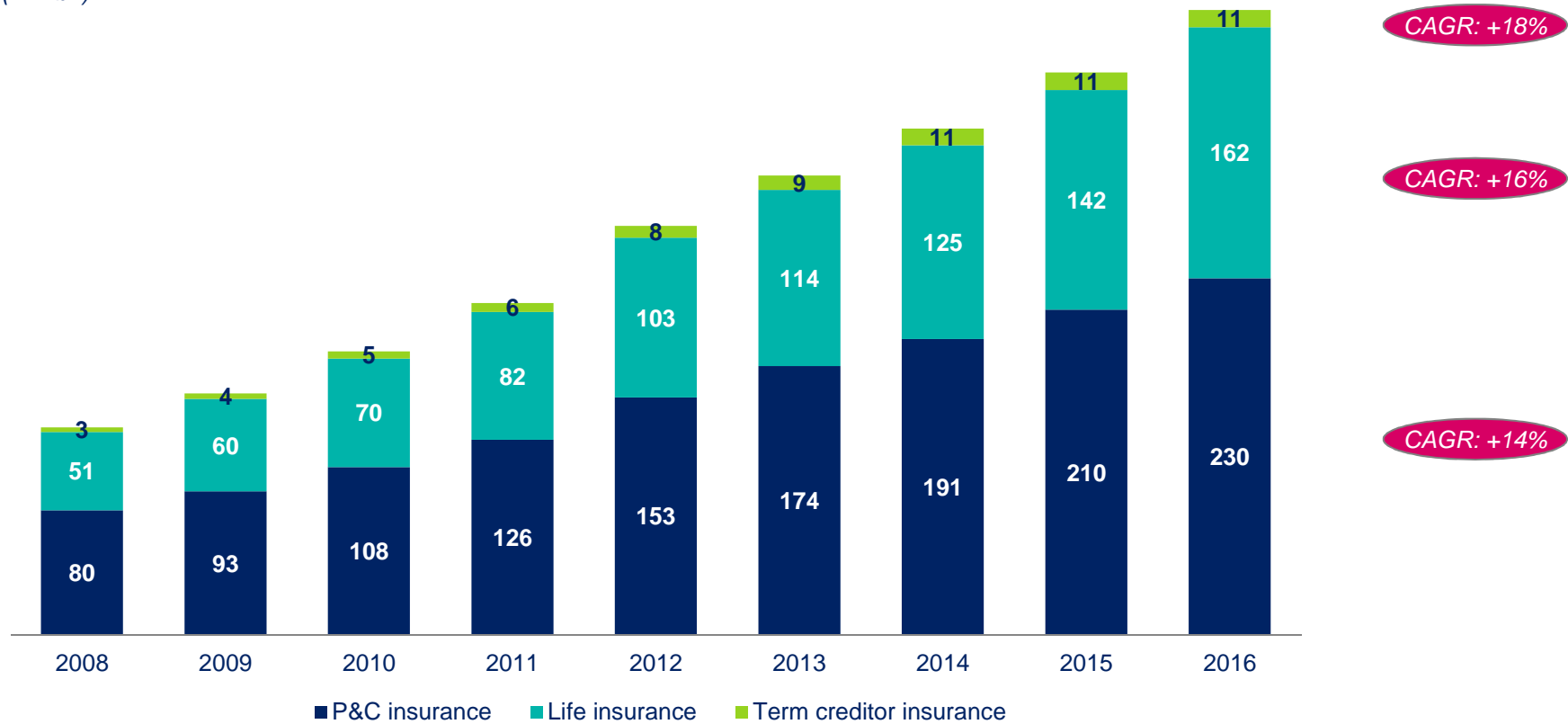


Source: Banque de France, ACPR  
Excluding mortgage renegotiations

# BRAZILIAN INSURANCE MARKET KEY FIGURES

## Premium income

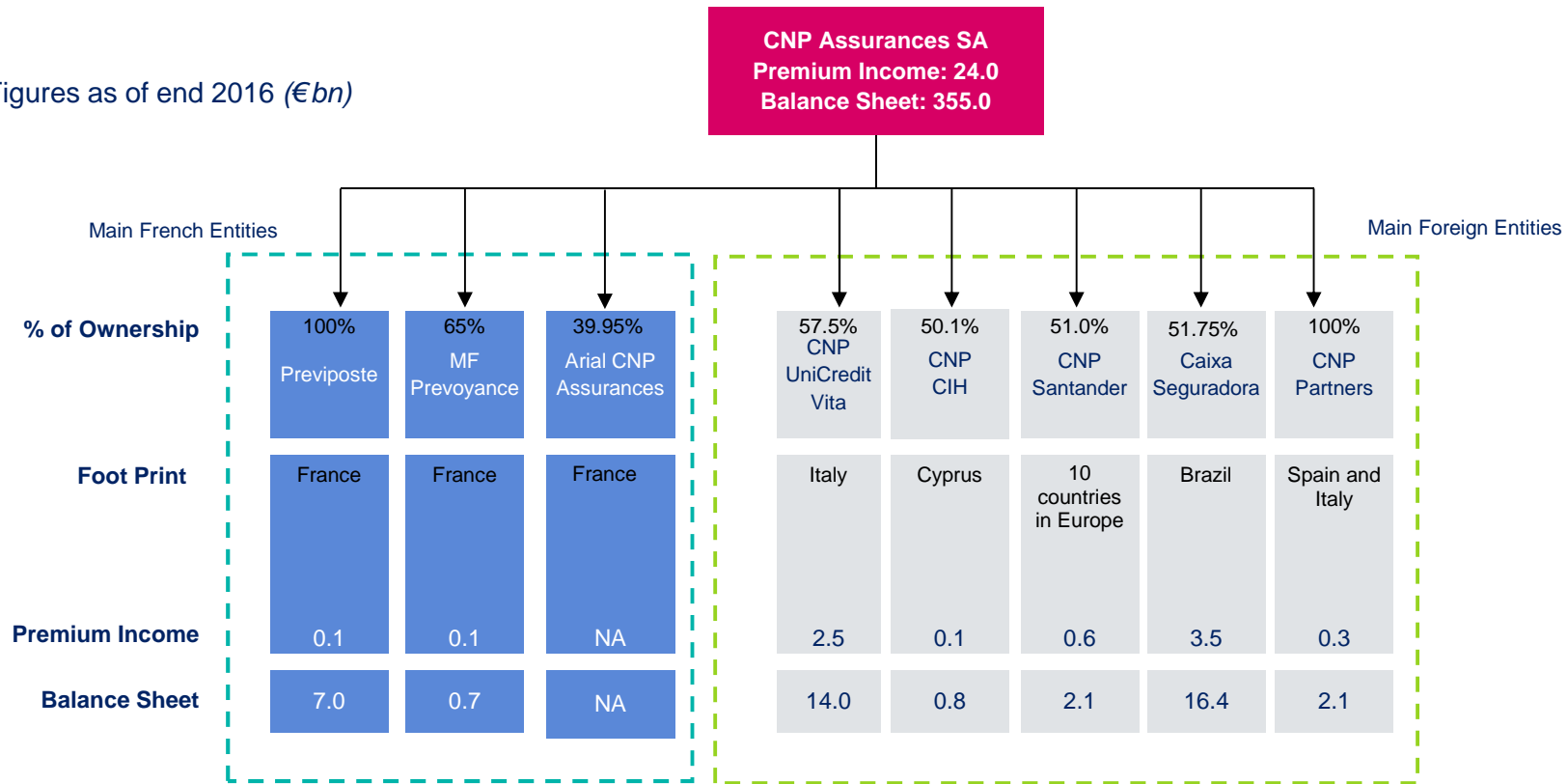
(BRLbn)





# GROUP STRUCTURE

Figures as of end 2016 (€bn)



- 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)
<b>Expiry date</b>	<ul style="list-style-type: none"> <li>▶ <b>End-2022, with successive 3-year rollover options</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>End-2025</b></li> </ul>
<b>Savings/ Pensions</b>	<ul style="list-style-type: none"> <li>▶ <b>2016 premium income: €9.3bn</b> <ul style="list-style-type: none"> <li>• €4.0bn in new business</li> <li>• €4.7bn in top-up premiums</li> <li>• €0.6bn in inward reinsurance premiums</li> </ul> </li> <li>▶ <b>Projected premium income evolution</b> <ul style="list-style-type: none"> <li>• All new business written by Natixis Assurances since October 2016</li> <li>• CNP Assurances continues to manage in-force business and top-up premiums</li> <li>• CNP Assurances reinsures 40% of new business written by Natixis Assurances between 2016 and 2019</li> </ul> </li> <li>▶ <b>Technical reserves at end-2016: €123bn gross of reinsurance</b> <ul style="list-style-type: none"> <li>• €111bn net of reinsurance (10% ceded to Natixis Assurances)</li> </ul> </li> <li>▶ <b>Projected technical reserves evolution</b> <ul style="list-style-type: none"> <li>• Erosion of technical reserves will be very gradual thanks to top-up premiums</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>2016 premium income: €8.6bn</b> <ul style="list-style-type: none"> <li>• Distribution agreement rolled over with LBP, including exclusive life insurance distribution rights</li> <li>• Distribution agreement extended to include BPE (wealth management subsidiary)</li> <li>• "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)</li> </ul> </li> <li>▶ <b>Technical reserves at end-2016: €126bn</b></li> </ul>
<b>Personal Risk/ Protection</b>	<ul style="list-style-type: none"> <li>▶ <b>2016 premium income: €0.9bn</b> <ul style="list-style-type: none"> <li>• Extension of the term creditor insurance partnership with BPCE to include the Banques Populaires and Crédit Foncier networks</li> <li>• New partnerships for health, group personal risk and certain individual personal risk products</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>2016 premium income: €0.2bn</b> <ul style="list-style-type: none"> <li>• New term creditor insurance offer launched in October 2016, underwritten directly by CNP Assurances and reinsured by LBPP under 5% quota-share treaty</li> <li>• Term creditor insurance offer extended to include customers of BPE</li> <li>• CNP Assurances' 50% stake in LBPP sold to LBP</li> </ul> </li> </ul>

## 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
H1 2017	France	242,312	29,725	7,811	279,848
	Europe excluding France	7,377	6,657	2,098	16,132
	Latin America	885	10,786	1,596	13,267
	<b>Total</b>	<b>250,574</b>	<b>47,168</b>	<b>11,505</b>	<b>309,247</b>

Premium income (€m)		Traditional Savings/Pensions	Unit-linked Savings/Pensions	Personal Risk/ Protection	Total
H1 2017	France	7,722	1,980	2,290	11,991
	Europe excluding France	346	1,057	450	1,853
	Latin America	32	1,571	924	2,527
	<b>Total</b>	<b>8,100</b>	<b>4,607</b>	<b>3,665</b>	<b>16,371</b>

## SOVEREIGN BOND PORTFOLIO

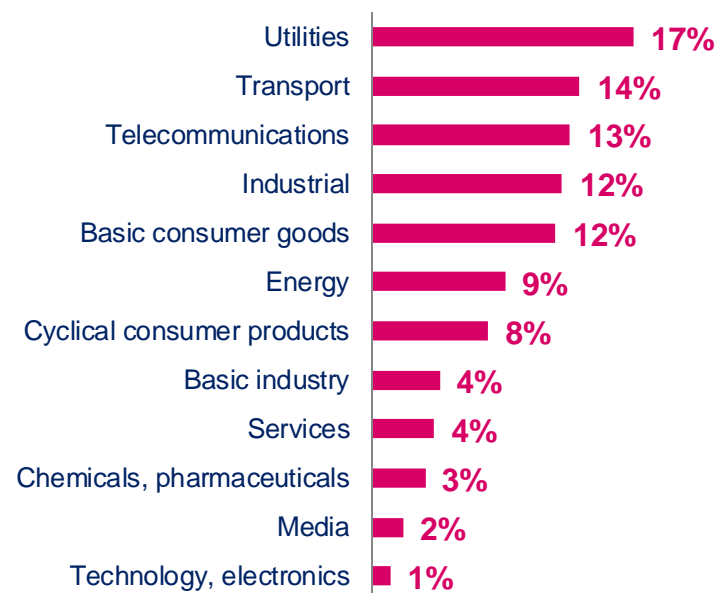
Country	30 JUNE 2017			31 DECEMBER 2016			31 DECEMBER 2015		
	Gross exposure Cost <sup>(1)</sup>	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value
France	71,162.7	81,752.3	5,526.0	68,237.8	80,303.9	5,411.3	66,591.5	77,735.6	4,941.1
Italy	9,666.7	10,805.0	666.9	9,769.1	11,135.7	667.6	9,134.8	10,708.0	1,234.7
Belgium	6,944.5	7,909.0	449.6	7,438.7	8,603.8	475.5	7,402.4	8,621.0	494.4
Spain	7,938.3	8,534.5	719.0	7,487.5	8,154.5	672.0	3,751.0	4,390.8	344.9
Austria	4,218.3	4,764.0	156.6	4,274.3	4,935.9	162.5	4,434.0	5,197.8	219.3
Brazil	1,561.7	1,576.8	946.8	2,086.0	2,059.0	1,235.7	1,448.8	1,265.6	759.5
Portugal	266.5	299.5	7.8	271.7	297.6	7.8	271.4	310.8	7.6
Netherlands	180.0	201.7	9.2	181.7	206.5	8.3	179.5	204.2	15.5
Ireland	590.8	666.4	34.3	604.0	696.0	36.2	617.1	724.3	31.8
Germany	1,809.3	2,108.7	177.3	1,929.7	2,277.3	182.2	2,481.7	2,823.0	240.8
Greece	3.9	1.4	0.1	3.9	1.5	0.1	3.9	2.2	0.1
Finland	77.9	78.4	4.2	79.4	81.5	2.6	16.3	19.7	3.2
Poland	298.0	331.7	77.5	377.2	413.3	69.8	346.7	391.9	43.1
Luxembourg	49.5	53.4	20.9	50.3	55.2	21.8	50.4	56.3	20.8
Sweden	1.2	2.3	0.4	82.5	83.7	47.6	11.4	12.4	0.3
Denmark	0.0	0.0	0.0	0.0	0.0	0.0	45.2	60.1	4.5
Slovenia	137.6	150.5	4.6	140.5	155.8	4.8	140.6	158.7	3.5
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	78.1	233.0	0.0
Canada	750.9	799.4	106.5	667.0	729.3	91.9	649.0	710.8	85.9
Cyprus	57.6	64.6	33.9	36.5	39.0	18.9	16.6	18.5	6.1
Other	5,952.5	6,839.0	667.7	5,910.5	6,911.4	683.8	6,401.8	7,459.8	735.2
<b>TOTAL</b>	<b>111,667.9</b>	<b>126,938.6</b>	<b>9,609.3</b>	<b>109,628.2</b>	<b>127,140.8</b>	<b>9,800.4</b>	<b>104,072.3</b>	<b>121,104.4</b>	<b>9,192.0</b>

(1) Carrying amount, including accrued coupon

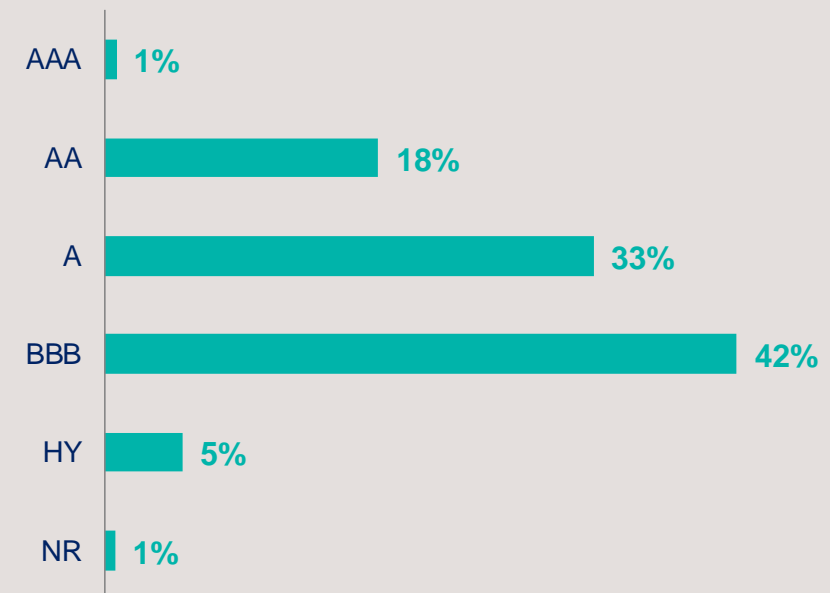
# CORPORATE BOND PORTFOLIO AT JUNE 30, 2017

## CORPORATE BOND PORTFOLIO BY INDUSTRY

(%)



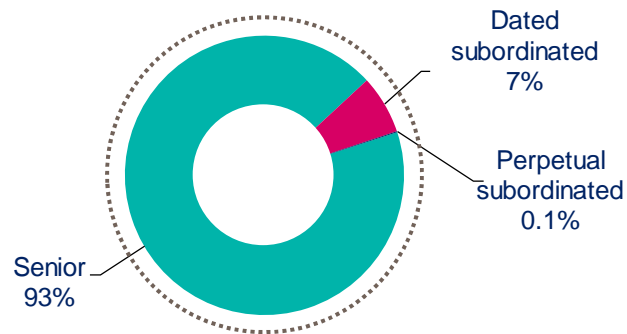
## CORPORATE BOND PORTFOLIO BY RATING<sup>(1)</sup> (%)



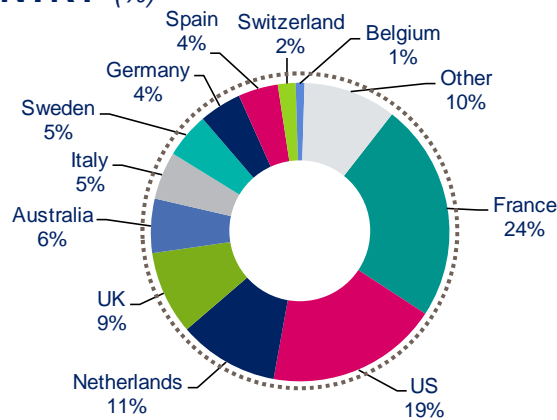
(1) Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
Unaudited management reporting data

# BANK BOND PORTFOLIO AT JUNE 30, 2017

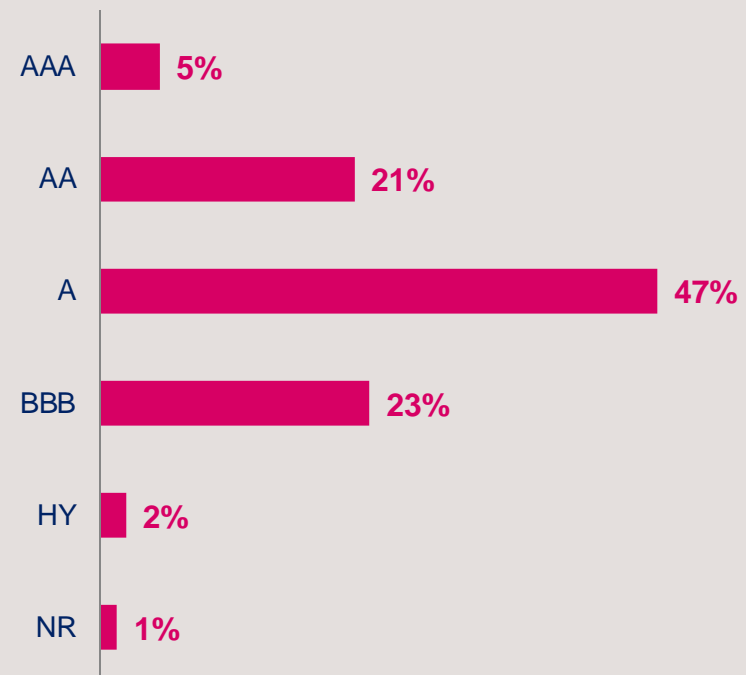
**BANK BOND PORTFOLIO BY REPAYMENT RANKING (%)**



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



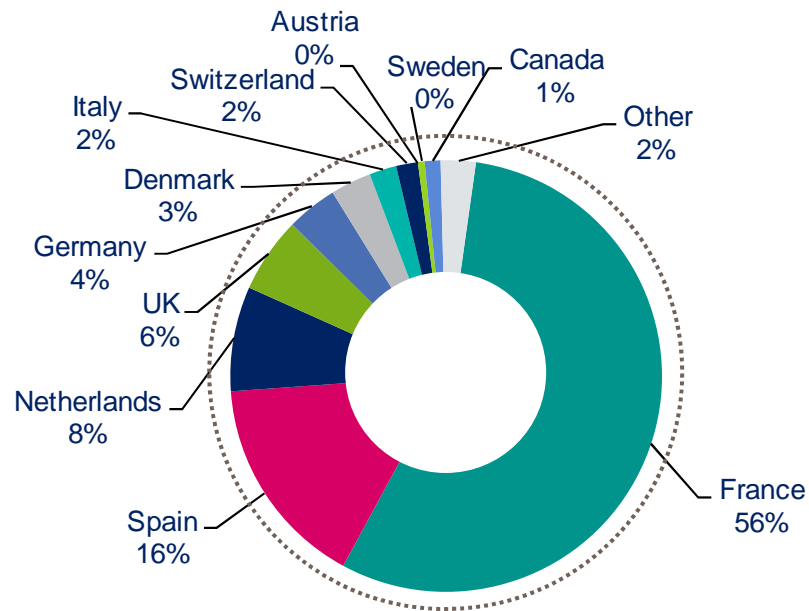
**BANK BOND PORTFOLIO BY RATING<sup>(1)</sup> (%)**



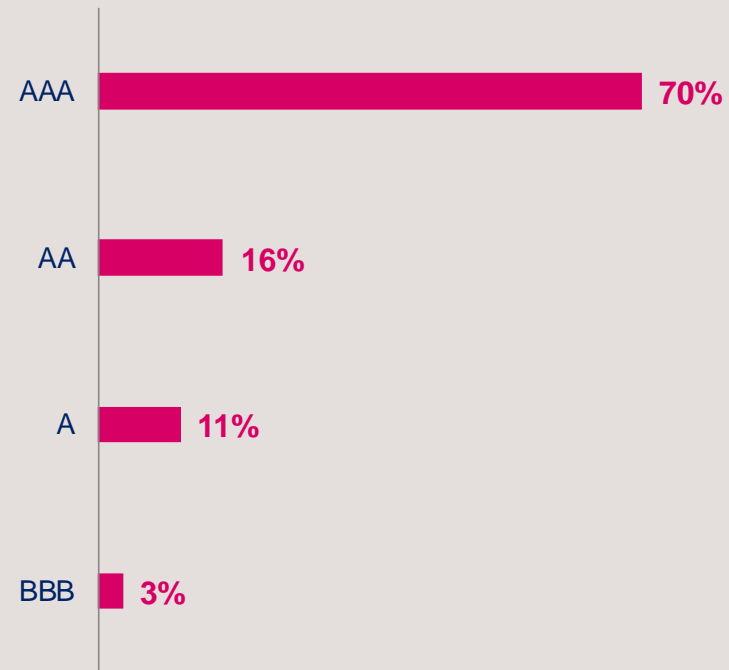
(1) Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
Unaudited management reporting data

# COVERED BOND PORTFOLIO AT JUNE 30, 2017

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



**COVERED BOND PORTFOLIO BY RATING\***  
(%)



\* 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  
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## IFRS UNREALISED GAINS BY ASSET CLASS

IFRS unrealised gains (€bn)	30 JUNE 2017	31 DECEMBER 2016	31 DEC 2015
Bonds	21.6	24.9	23.7
Equities	14.7	13.2	12.6
Property	3.3	3.1	2.7
Other	(1.3)	(1.3)	(1.2)
<b>Total</b>	<b>38.3</b>	<b>39.9</b>	<b>37.9</b>

IFRS unrealised gains (as a % of total AUM)	30 JUNE 2017	31 DECEMBER 2016	31 DEC 2015
Bonds	7.3%	8.4%	8.2%
Equities	5.0%	4.5%	4.4%
Property	1.1%	1.1%	0.9%
Other	- 0.4%	- 0.4%	(0.4%)
<b>Total</b>	<b>13.0%</b>	<b>13.5%</b>	<b>13.1%</b>



## EXPANDED HEDGING STRATEGY

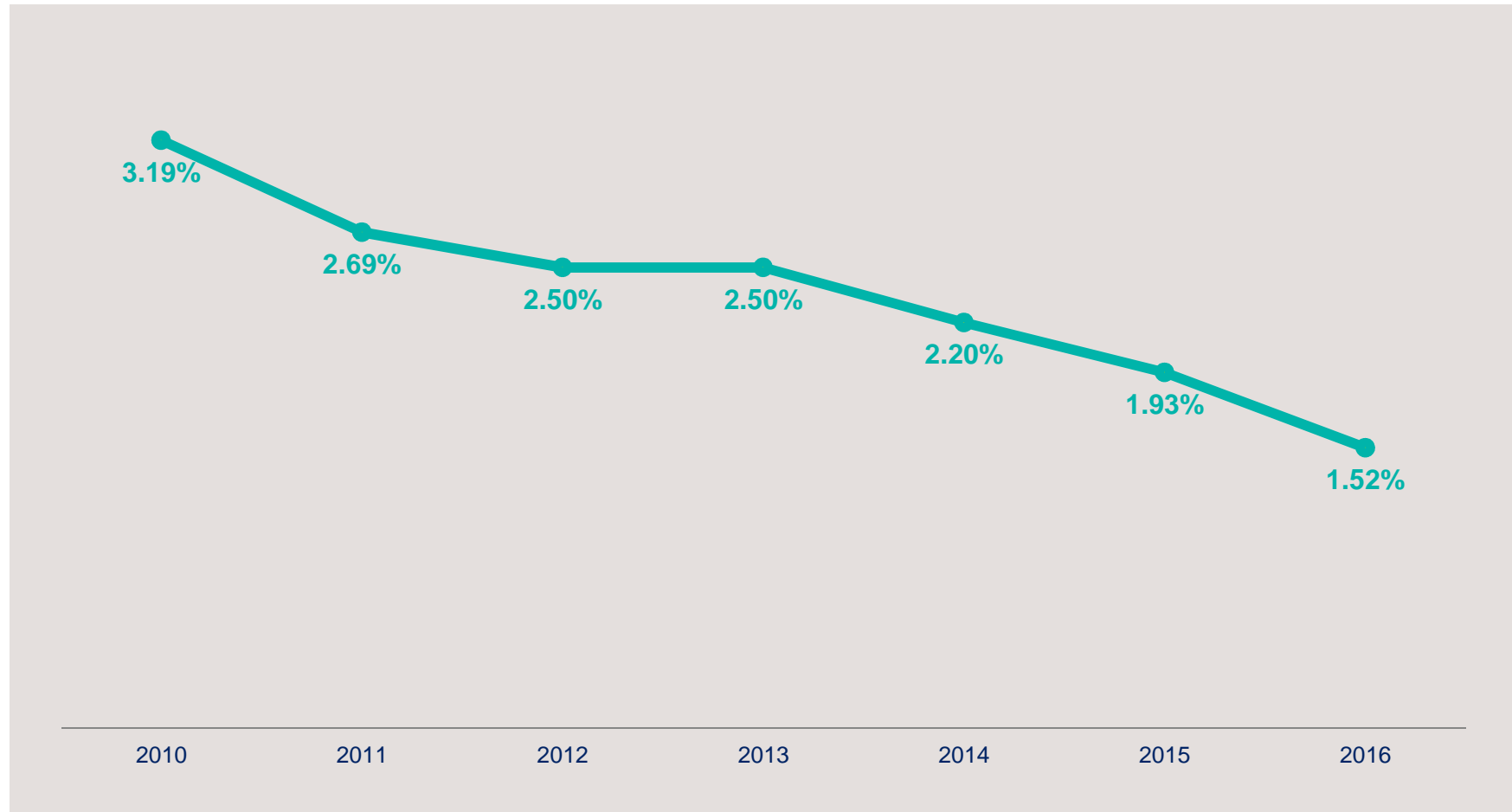
HEDGED RISK		Type of hedge	Hedge maturity	Options set up in H1 2017		Outstanding options at 30 June 2017	
				Option premiums	Notional amount	Fair value	Notional amount
EQUITY RISK	Protects equity portfolio against a falling market	Put	< 7 years	€244m	€3.2bn	€336m	€5.7bn
CURRENCY RISK	Protects profit and dividend paid to parent by Caixa Seguradora	Put	1 year	€20m	BRL1.7bn	€18m	BRL2.2bn <sup>(1)</sup>
INTEREST RATE RISK	Protects traditional savings portfolio against rising interest rates	Cap	< 10 years	€98m	€6.2bn	€216m	€59bn
CREDIT RISK	Protects bond portfolio against wider corporate spreads	Put	1 year	€8m	€1.5bn	€0.06m	€1.5bn

➤ **The hedging programme set up in H1 2017 covered all market risks.  
The fair value of hedging instruments stood at €570m at 30 June 2017.**

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

(1) The 2017 profit hedging programme is complete as of the date of this document  
Unaudited management reporting data

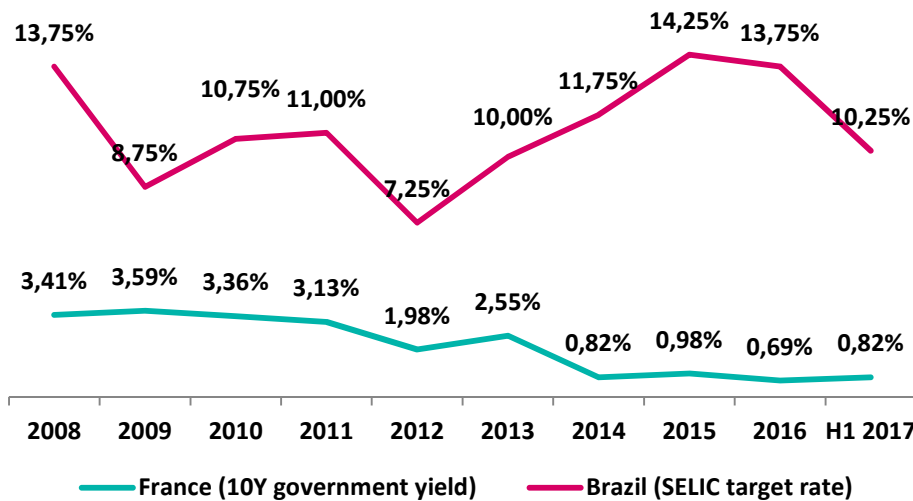
## AVERAGE YIELD CREDITED TO POLICYHOLDERS IN FRANCE <sup>(1)</sup>



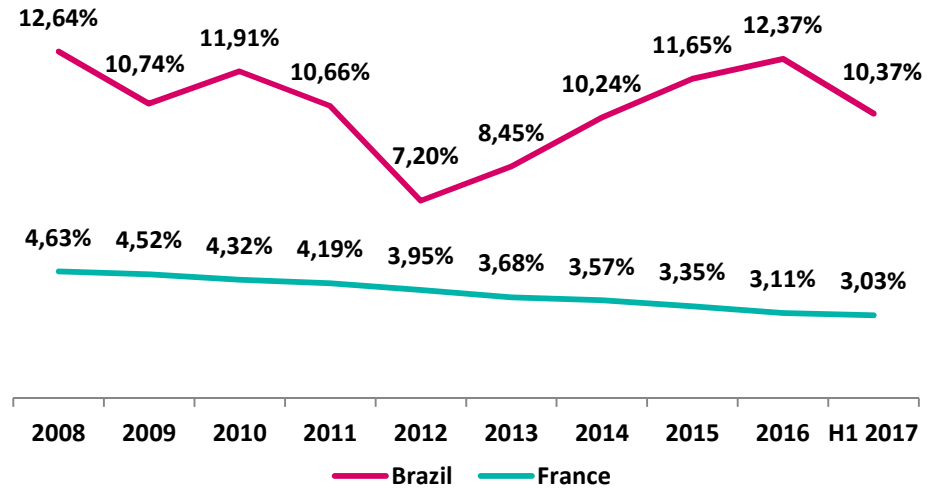
(1) CNP Assurances' traditional life insurance contracts

# INTEREST RATES ENVIRONNEMENT ON OUR TWO MAIN MARKETS

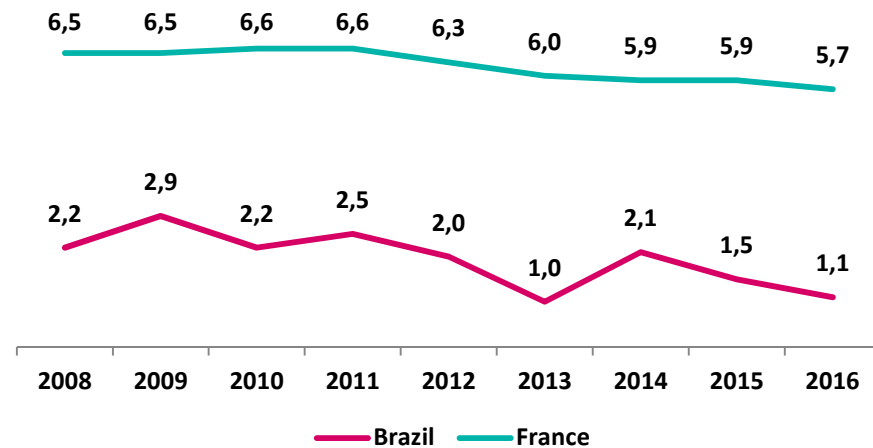
### Sovereign interest rates



### Average return on fixed-rate investments



### Weighted average remaining life of bonds (years)



## GLOSSARY

**This glossary includes definitions of alternative performance measures (APMs) that are considered useful by CNP Assurances to measure and analyse the Group's performance.**

The APMs reporting scope is unchanged from prior periods.

All APMs are identified by an asterisk (\*).

They should be treated as additional information and not as substitutes for the balance sheet and income statement prepared in accordance with IFRS.

They may not be comparable with those published by other companies, as their definition may vary from one company to another.

Prudential measures determined in accordance with the Solvency II Directive, and actuarial measures determined in accordance with European Insurance CFO Forum Market Consistent Embedded Value<sup>©</sup> Principles are not considered to be APMs.

# 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	30/06/2017	31/12/2016
Equity attributable to owners of the parent (1)	17,492	17,534
Subordinated notes classified in equity (2)	1,765	1,765
Intangible assets (3)	536	564
Items included in the value of In-Force business (4)	1,848	1,763
<b>ANAV = (1) - (2) - (3) - (4)</b>	<b>13,343</b>	<b>13,442</b>

## 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. Annual premium equivalent (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	30/06/2017	31/12/2016
Value of new business (NBV) (1)	283	436
Annual premium equivalent (APE) (2)	1,592	3,129
<b>APE margin = (1)/(2)</b>	<b>17.8%</b>	<b>13.9%</b>

## 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	30/06/2017	30/06/2016
EBIT (personal risk/protection segment) (1)	626	435
Premium income net of ceded premiums (personal risk/protection segment) (2)	3,208	2,861
<b>Combined ratio (personal risk/protection segment)= 100% - (1)/(2)</b>	<b>80.5%</b>	<b>84.8%</b>

## Cost/income ratio\*

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

€m	30/06/2017	30/06/2016
Administrative costs (1)	441	428
Net insurance revenue (NIR) (2)	1,474	1,281
<b>Cost/income ratio = (1)/(2)</b>	<b>29.9%</b>	<b>33.4%</b>

## 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	30/06/2017	31/12/2016
Subordinated notes classified in equity (1)	1,765	1,765
Subordinated notes classified in debt (2)	5,365	5,427
Total equity (3)	19,149	19,297
Intangible assets (4)	831	867
<b>Debt-to-equity ratio = [(1) + (2)] / [(2) + (3) - (4)]</b>	<b>30.1%</b>	<b>30.1%</b>

## Dividend cover

- ▶ Operating free cash flow (OFCF) net of cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders. This ratio is calculated only for annual results presentations.

€m	31/12/2016	31/12/2015
Net operating free cash flow (OFCF) (1)	1,056	955
Dividends (2)	549	529
<b>Dividend cover = (1)/(2)</b>	<b>1,9 x</b>	<b>1,8 x</b>

## Earnings per share (EPS)

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

€m	30/06/2017	30/06/2016
Attributable net profit (1)	657	620
Finance costs on subordinated notes classified in equity (2)	24	24
Weighted average number of shares (3)	686,5 M	686,2 M
<b>Earnings per share = [(1) - (2)] / (3)</b>	<b>0.92 €</b>	<b>0.87 €</b>

# 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	30/06/2017	30/06/2016
Attributable net profit (1)	657	620
Finance costs (2)	-130	-119
Income tax expense (3)	-469	-435
Non-controlling and equity-accounted interests (4)	-173	-126
Fair value adjustments and net gains (losses) (5)	136	88
Non-recurring items (6)	-183	-67
<b>EBIT = (1) - (2) - (3) - (4) - (5) - (6)</b>	<b>1,477</b>	<b>1,280</b>

## 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 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	30/06/2017	31/12/2016
Total equity (1)	19,149	19,297
Subordinated notes classified in debt (2)	5,365	5,427
Subordinated notes classified in equity (3)	1,765	1,765
Insurance investments (4)	383,603	383,262
Derivative instrument liabilities (5)	1,109	1,245
<b>Insurance leverage ratio = [(1) + (2)] / [(4) - (5)]</b>	<b>6.41%</b>	<b>6.47%</b>
<b>o/w equity = [(1) - (3)] / [(4) - (5)]</b>	<b>4.54%</b>	<b>4.59%</b>
<b>o/w subordinated notes = [(2) + (3)] / [(4) - (5)]</b>	<b>1.86%</b>	<b>1.88%</b>

# 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	30/06/2017	30/06/2016
EBIT (1)	1,477	1,280
Finance costs on subordinated notes classified in debt (2)	130	119
Finance costs on subordinated notes classified in equity (3)	36	36
<b>Interest cover = (1) / [(2) + (3)]</b>	<b>8,9 x</b>	<b>8,3 x</b>

## 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 policies in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

## Mathematical reserves

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

## MCR coverage ratio

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

## Minimum capital requirement (MCR)

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

## Net asset value\*

- ▶ Equity net of subordinated notes classified in equity and non-controlling interests. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.

€m	30/06/2017	31/12/2016
Equity attributable to owners of the parent (1)	17,492	17,534
Subordinated notes classified in equity (2)	1,765	1,765
<b>Net asset value = (1) - (2)</b>	<b>15,727</b>	<b>15,768</b>

## 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 gross of reinsurance. It is the margin generated by insurance contracts before deducting administrative costs.

€m	30/06/2017	30/06/2016
Net insurance revenue (1)	1,474	1,281
Revenue from own-funds portfolios (2)	444	426
Administrative costs (3)	441	428
<b>EBIT = (1) + (2) - (3)</b>	<b>1,477</b>	<b>1,280</b>



# 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. This ratio is calculated only for annual results presentations.

€m	31/12/2016	31/12/2015
Dividends (1)	549	529
Attributable net profit (2)	1,200	1,130
<b>Payout ratio = (1) / (2)</b>	<b>46%</b>	<b>47%</b>

## Policyholders' surplus reserve (PSR)

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

## Premium income\*

- ▶ Earned premiums and premium loading on IAS 39 contracts, including non-controlling interests and ceded premiums. Premium income is an indicator of underwriting volume.

€m	30/06/2017	30/06/2016
Earned premiums (1)	16,342	17,251
Premium loading on IAS 39 contracts (2)	29	18
<b>Premium income = (1) + (2)</b>	<b>16,371</b>	<b>17,269</b>

# GLOSSARY

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## 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	30/06/2017	31/12/2016
UL savings/pensions mathematical reserves (1)	50,978	47,328
Total savings/pensions mathematical reserves (2)	274,184	274,820
<b>Proportion of savings/pensions mathematical reserves represented by UL contracts = (1)/(2)</b>	<b>18.6%</b>	<b>17.2%</b>

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

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

€m	30/06/2017	30/06/2016
UL savings/pensions premium income (1)	4 607	3 358
Total savings/pensions premium income (2)	12 707	14 004
<b>Proportion of savings/pensions premiums represented by UL contracts = (1)/(2)</b>	<b>36,3%</b>	<b>24,0%</b>

## 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)\*

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

€m	30/06/2017	31/12/2016
Annualised attributable net profit (1)	1 315	1 200
Average net asset value (2)	15 748	15 123
<b>Return on equity (ROE) = (1) / (2)</b>	<b>8,4%</b>	<b>7,9%</b>

## Revenue from own-funds portfolios\*

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

€m	30/06/2017	30/06/2016
Net revenue generated by investments held to back equity and subordinated notes (1)	457	438
Amortisation of value of In-Force business and distribution agreements (2)	12	12
<b>Revenue from own-funds portfolios = (1) – (2)</b>	<b>444</b>	<b>426</b>

## 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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## SCR coverage ratio

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

## Surrender rate

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

## Technical reserves\*

- ▶ Insurance and financial liabilities net of deferred participation 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	30/06/2017	31/12/2016
Insurance and financial liabilities (1)	362,974	361,748
Deferred participation reserve (2)	29,415	30,714
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	23,068	23,033
<b>Technical reserves before reinsurance = (1) - (2) + (3)</b>	<b>333,560</b>	<b>331,035</b>
<b>Technical reserves net of reinsurance = (1) - (2) + (3) - (4)</b>	<b>310,493</b>	<b>308,002</b>

## 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	30/06/2017	30/06/2016
Net insurance revenue (1)	1,474	1,281
Revenue from own-funds portfolios (2)	444	426
<b>Total revenue = (1) + (2)</b>	<b>1,918</b>	<b>1,707</b>

## 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.

# GLOSSARY

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## Value of In-Force business (VIF)

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

## Value of new business (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.

