

4 September 2018



New Exclusive Distribution Agreement in Brazil in the Caixa Econômica Federal Network

insuring all
our futures



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CNP ASSURANCES' PARTICIPANTS



Antoine Lissowski
CEO and Group CFO



Xavier Larnaudie-Eiffel
Deputy CEO



Laurent Jumelle
Head of Latin
America Business
Unit



Marie Grison
Group CRO



Thomas Behar
Head of Financial
Performance



Emmanuelle Roux
Head of Corporate
Strategy



Vincent Damas
Head of IR

STRONG STRATEGIC RATIONALE: KEEP ON GROWING IN LATIN AMERICA

- **Secure long-term growth of new business value, earnings and cash-flows from Brazil until 2041 on a significant part of the current scope**
- **Extend the Brazilian success-story initiated by CNP in 2001 and capitalize on the strong market know-how of local teams**
- **Maintain a strong presence in Brazil, the world's 5th largest country in terms of population, with high growth potential for the insurance market**
- **Renew on an exclusive basis the successful long-term partnership for life insurance products with Caixa Econômica Federal (CEF), a leading Brazilian bank and one of the five largest in Latin America**
- **CNP's capital position is strong enough to absorb the renewal payment while maintaining a robust solvency ratio. No impact on dividend-paying capacity**
- **CNP Assurances reaffirms its objective of delivering organic EBIT growth of at least 5% in 2018 compared to 2017**

BRAZILIAN MACROECONOMIC CONTEXT: RECOVERY UNDER WAY

1. High demographic growth prospects

2017 Rank	Country	2017 Population	2041 Population	Change
#1	China	1,409 m	1,413 m	+0%
#2	India	1,339 m	1,612 m	+20%
#3	USA	324 m	376 m	+16%
#4	Indonesia	264 m	313 m	+19%
#5	Brazil	209 m	232 m	+11%
#22	France	65 m	70 m	+7%

Source: United Nations, World Population Prospects: The 2017 Revision (medium variant figures)

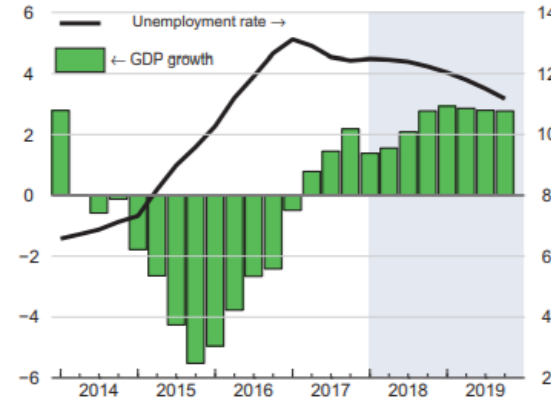
3. Normalization of Brazilian CDS

(bps)



Source: Bloomberg as of 3 September 2018

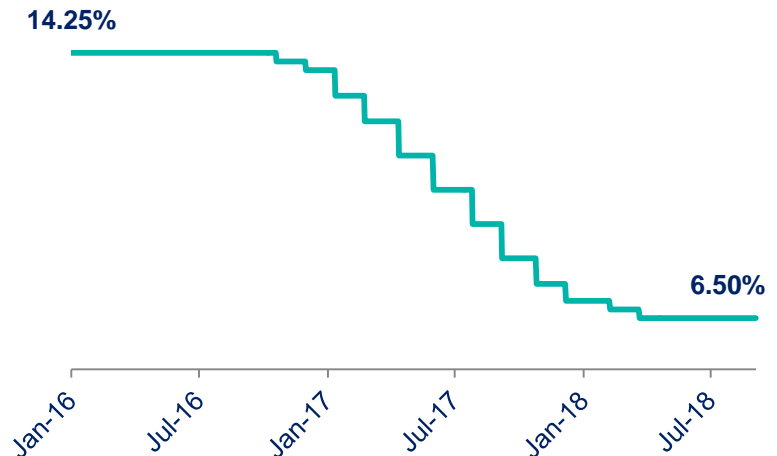
2. Growth recovery and falling unemployment



Source: OECD Economic Outlook (May 2018)

4. Normalization of Brazilian Central Bank SELIC rate

(%)



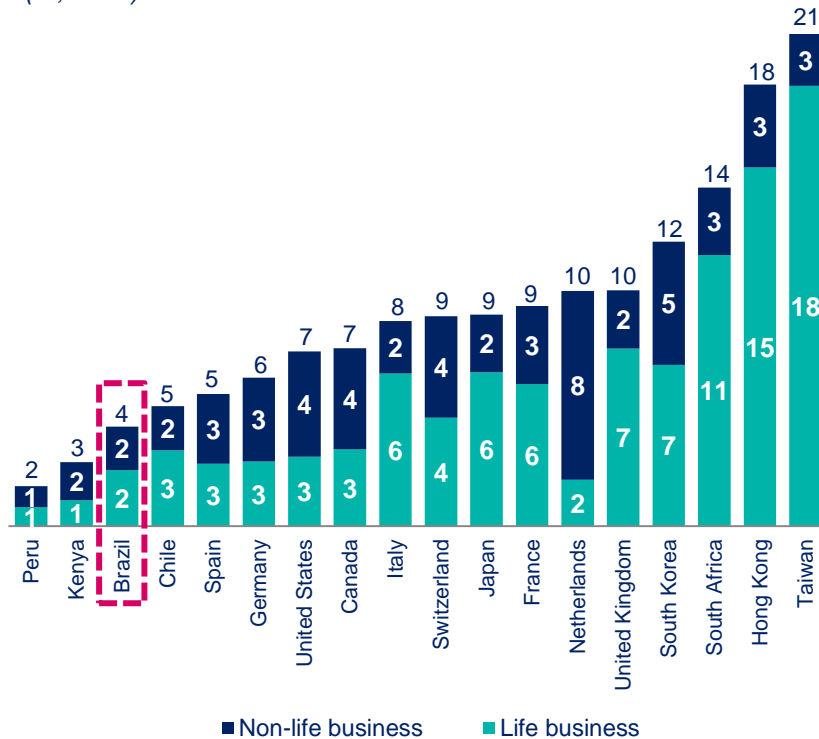
Source: Bloomberg as of 3 September 2018

BRAZILIAN INSURANCE MARKET: LOW PENETRATION RATE AND HIGH GROWTH POTENTIAL

- Low penetration rate of insurance in Brazil suggesting high growth potential

PREMIUM INCOME / GDP

(%, 2017)

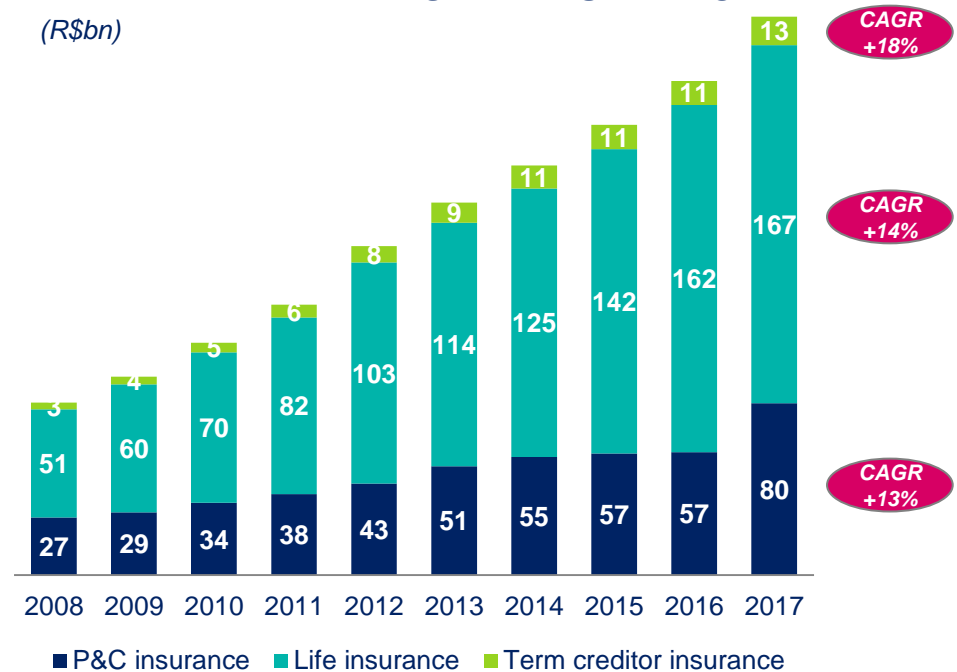


Source: Swiss RE Institute, World insurance in 2017, No. 3 (2018)

- Sound and steady growth in Brazilian market's premium income despite the recent economic turmoil

BRAZILIAN MARKET'S PREMIUM INCOME

(R\$bn)



Source: Caixa Seguradora

CAIXA ECONÔMICA FEDERAL (CEF): LEADING BRAZILIAN BANK

- Leading Brazilian bank created in 1861
- One of the five largest bank in Latin America
- 4,307 branches, 13,250 lottery correspondents and 18,211 correspondents covering the whole Brazilian territory
- Access to a wide segment of the Brazilian population: more than 78 million bank account and savings account holders
- Very strong image all over the country

CAIXA

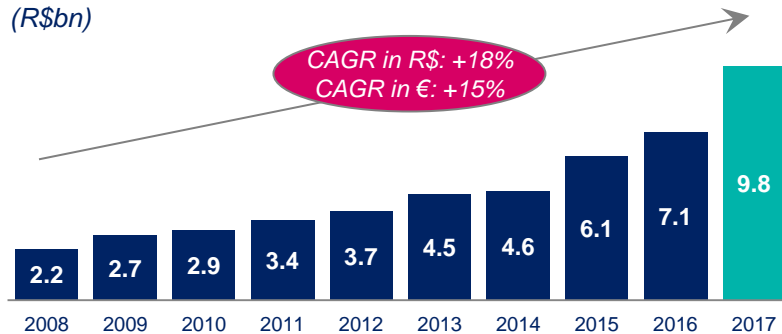


● Local offices
● Branches

SUCCESSFUL TRACK-RECORD OF CNP AND CEF'S PARTNERSHIP IN BRAZIL THROUGH CAIXA SEGUROS HOLDING

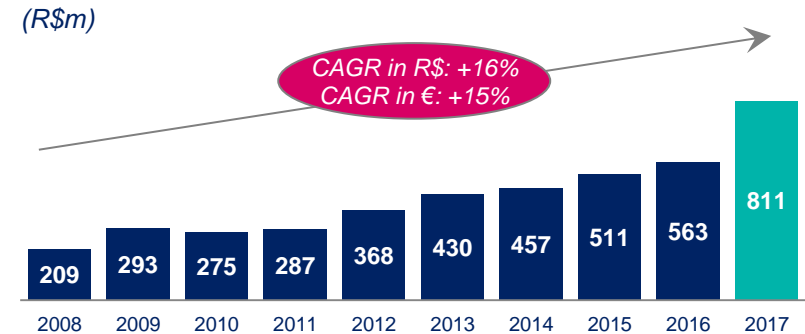
PREMIUM INCOME - CNP'S SHARE

(R\$bn)



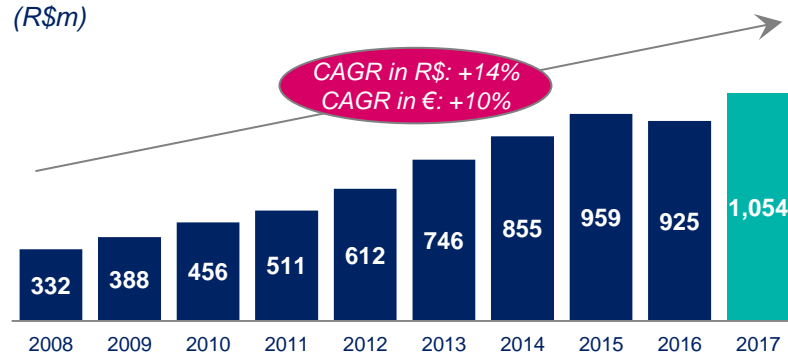
NEW BUSINESS VALUE - CNP'S SHARE ⁽¹⁾

(R\$m)



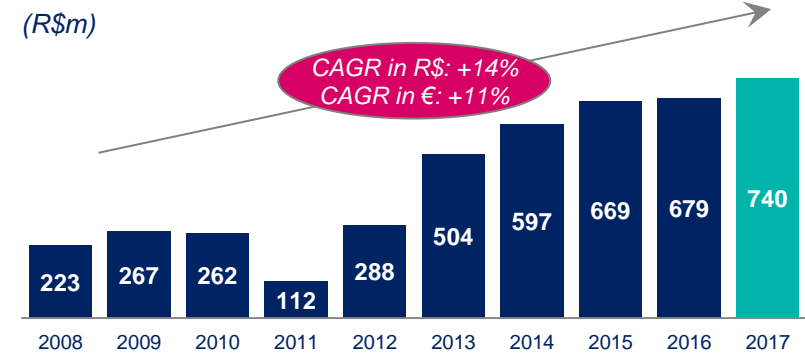
NET PROFIT - CNP'S SHARE

(R\$m)



DIVIDENDS - CNP'S SHARE

(R\$m)



¹ Latin America new business value, including a marginal contribution from Argentina

STRONG GROWTH MOMENTUM OF CAIXA SEGUROS HOLDING (CSH) PREMIUM INCOME

100% of CSH premium income (R\$bn)	2016	2017	% change (reported)
CEF distribution channel within the scope of the new exclusive distribution agreement (<i>vida, prestamista, previdência</i>)	10.0	15.1	+50%
Other distribution channels outside CEF (brokerage, digital) ⁽¹⁾	1.5	1.4	-2%
CEF distribution channel out of the scope of the new exclusive distribution agreement (<i>hipotecario, consórcio, capitalização, P&C</i> insurance, <i>saúde, odontologia</i>)	2.2	2.5	+13%
Total	13.7	19.0	+39%

- The **new scope of exclusivity** with Caixa Econômica Federal will cover life insurance, consumer credit life insurance and private pension plans (*vida, prestamista, previdência*)

¹ Previsul, Odonto, Youse, etc.

NEW DISTRIBUTION AGREEMENT HIGHLIGHTS (1/2)

Current distribution agreement of Caixa Seguros Holding

New distribution agreement of New JV

Duration of exclusivity

23 years
(until 13 February 2041)

New scope of exclusivity
maintaining a very
significant part of the
current activity, with solid
growth prospects

Private pension plans
(*previdência*)

Consumer credit life insurance
(*prestamista*)

Life insurance
(*vida*)

- ▶ Dynamic sector with double digit growth in 2016 and 2017
- ▶ Almost 100% unit-linked products
- ▶ High growth within the CEF network, growing penetration rate
- ▶ Biometric risks (term life) with attractive margins
- ▶ Biometric risks (term life) with attractive margins

Other insurance products

Mortgage life insurance (*hipotecario*), credit (*consórcio*), savings products (*capitalização*), P&C insurance, health (*saúde*), dental insurance (*odonto*)

- ▶ As part of the agreement, CNP agreed to waive the existing exclusive distribution rights of CSH for other insurance products, should Caixa Seguridade decide to transfer the distribution rights for these products to other companies

NEW DISTRIBUTION AGREEMENT HIGHLIGHTS (2/2)

CSH's in-force insurance portfolios (new scope of exclusivity)

- CSH will transfer to the New JV the in-force insurance portfolios for the products included in the scope of the new distribution agreement (*vida, prestamista, previdência*)

CSH's in-force insurance portfolios (other products)

- The existing in-force insurance portfolios related to other products (*hipotecario, consórcio, capitalização, P&C insurance, saúde, odonto*) and already underwritten by CSH will not be impacted by the agreement and will remain on CSH's balance sheet
- They could potentially be sold in the future, after discussions with CEF and with the companies that would then be selling these products.

Timetable

- Closing subject to a number of condition precedents, including in particular its approval by the relevant regulatory and competition authorities

Other items

- No material change in commissions paid to distributors by CSH and New JV
- Separate agreement with Caixa Seguridade and the insurance brokerage group Wiz regarding the terms of the future cooperation with Wiz, including in particular operational back office services provided by Wiz to CSH and to the New JV

GROUP FINANCIAL STRENGTH



S2 Group excess capital⁽¹⁾

€13.4bn

51.8% CNP

Caixa Seguros Holding (CSH)

CSH currently sells all the products marketed inside and outside CEF's network, and will continue to sell the products marketed outside CEF's network

100% / 51.8%

S2 contributive excess capital⁽¹⁾

R\$8.5bn / R\$4.4bn

Brazilian solvency excess capital⁽¹⁾

R\$3.5bn / R\$1.8bn

100% CNP

CNP Participações

CNP Participações holds Brazilian assets in order to allow the acquisition by CNP Group of interests in insurance companies, in line with the strategy to expand in Brazil and Latin America

Since 2016, CNP Participações has accumulated the dividends up streamed by CSH (around R\$0.7bn each year)

Assets invested in R\$⁽¹⁾

R\$2.2bn

¹ As of 30 June 2018

CNP applies S2 to the Brazilian insurance undertakings, without using the Brazilian solvency regulation, solely for the purpose of CNP Group solvency calculations. The SCR coverage ratio has no regulatory impact for the Brazilian insurance undertakings.

KEY FINANCIAL TERMS OF THE TRANSACTION

Price

- R\$4.65bn (equivalent to €0.96bn on 28 August 2018)⁽¹⁾ fixed cash payment at closing date for the exclusive rights over 2018-2041
- No earn-out nor claw back components
- Expected return on investment in excess of 15%

Financing

- Deal expected to be funded by internal resources
- Impact on CNP's consolidated SCR coverage ratio at around 8 percentage points
- Group's overall capital position still very strong
- No consequences on CNP's capacity to pay a regular dividend
- Currency risk partly mitigated by CNP's existing resources in R\$ and expected R\$ cash generation until closing

Note: All amounts are attributable to CNP Assurances

¹ BRL/EUR exchange rate of 4.84 on 28 August 2018

90% OF THE GROUP'S ATTRIBUTABLE NET PROFIT IS ALREADY SECURED

➤ Economic perimeter already secured

- Indicatively, the new agreement allows to secure an economic perimeter⁽¹⁾ which corresponded, for the financial year 2017, to approximately:

2017 (Group's share)	Premium income	Value of new business	Attributable net profit
Secured economic perimeter (Brazilian level)	70%	60%	50%
Secured economic perimeter (Group level)	95%	90%	90%

➤ Economic perimeter not included in the new agreement

- The evolution of the contribution of the remainder of the business related to CEF (*hipotecario, consórcio, capitalização, P&C insurance, saúde, odonto*) to the Group's financial metrics will depend on:
 - the potential transfer of the distribution rights for these products to other companies chosen by Caixa Seguridade
 - the performance of the in-force insurance portfolios on CSH's balance sheet

➤ CNP Assurances reaffirms its objective of delivering organic EBIT growth of at least 5% in 2018 compared to 2017

¹ Taking into account the new exclusivity perimeter and the reduced economic rights for CNP compared to the current situation, and including business written through other distribution channels outside CEF (brokerage, digital)

Q&A SESSION

APPENDIX

CNP'S GROUP STRUCTURE IN BRAZIL

Current structure



Caixa Seguros Holding (CSH)


51.8%

Voting rights & Economic rights

48.2%

Voting rights & Economic rights

Distribution channels	CEF	Brokers	Youse
Private pension plans	x		
Consumer credit life insurance	x		
Mortgage credit life insurance	x		
Life insurance	x	x	x
P&C	x	x	x
Savings	x	x	
Heath	x	x	
Dental insurance	x	x	
Credit	x		

New structure



New JV


51% / 40%

Voting rights / Economic rights

49% / 60%

Voting rights / Economic rights

Distribution channels	CEF	Brokers	Youse
Private pension plans	x		
Consumer credit life insurance	x		
Life insurance	x		



Caixa Seguros Holding (CSH)


51.8%

Voting rights & Economic rights

48.2%

Voting rights & Economic rights

Distribution channels	CEF	Brokers	Youse
All business lines	x ⁽¹⁾	x	x

¹ CNP agreed to waive the existing exclusive distribution rights of CSH for other insurance products should Caixa Seguridade decide to transfer the distribution rights for these products to other companies. The existing in-force insurance portfolios related to these products will remain on CSH's balance sheet. They could potentially be sold in the future, after discussions with CEF and with the companies that would then be selling these products

INVESTOR CALENDAR

**CNP Assurances will publish its results indicators for the
first nine months of 2018 on:**

16 November 2018 at 7:30 am

INVESTOR AND ANALYST RELATIONS

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

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

infofi@cnp.fr or debtir@cnp.fr

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

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

