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## SFCR 2023

CNP Assurances group  
**Summary document**



As a responsible insurer and long-term investor, CNP Assurances supports and protects individuals at all stages of their lives. Its solutions allow its customers to cope with uncertainties or finance projects. The Group's expertise in personal insurance includes personal risk insurance, term credit insurance, long-term care and health insurance, as well as savings with life insurance policies and supplementary pension solutions. CNP Assurances is one of the leaders in this segment, which accounts for 72.3%\* of the insurance market in France.

CNP Assurances is also present in property and casualty insurance (fire, accidents and miscellaneous risks), particularly in Brazil and Cyprus. The operation with La Banque Postale and the creation of the holding company, CNP Assurances, will allow the Group to expand its activities to property insurance in France.

CNP Assurances manages policyholders' risks by pooling them and invests the proceeds from their premiums over time. Its investment horizon reflects this: long-term government debt, major national infrastructure projects (electricity transmission, fibre optic and water distribution networks, for example), and equities and bonds in companies covering a wide range of regions and sectors. Driven by its socially-responsible vocation, CNP Assurances selects and manages its assets according to environmental, social and governance (ESG) criteria. This strategy is driven by its commitment to increasing the positive impact of its investments on society and the planet and reducing its adverse impacts. It applies an exclusion policy for companies involved in coal, oil, gas, tobacco and weapons, and ensures respect for human rights and gender equality in the companies in which it invests.

CNP Assurances is France's leading provider of term creditor insurance<sup>1</sup>, the country's second largest life insurer<sup>2</sup>, and the third largest insurance company in Brazil<sup>3</sup>.

### Key figures for CNP Assurances Holding

(In € billions)	2023	2022	Change
Premium income	35.6	37.3	-4.6%
Insurance margin	3.12	2.52	23.6%
Net income Group share	1.55	0.94	64.5%
Technical reserves (gross of reinsurance) <sup>4</sup>	339.13	323.94	5%
Eligible own funds covering the SCR	38.1	36.4	5%
SCR	15.1	15.8	-4%
SCR coverage ratio	253%	230%	+23 pts <sup>5</sup>
Eligible own funds covering the MCR	32.0	30.1	6%
MCR	7.7	7.7	0%
MCR coverage ratio	417%	394%	+23 pts <sup>6</sup>

<sup>1</sup> Positioning by player on the basis of premiums received (gross of reinsurance) in France, Argus de l'assurance "2022 classification of loan insurance: bancassurers (2021 figures in €m)", September 2022.

<sup>2</sup> Source: 2021 data, FFA, June 2022.

<sup>3</sup> Source: SUSEP (Brazilian insurance supervisor), November 2021.

<sup>4</sup> Based on Solvency II measurement principles.

<sup>5</sup> In relation to the scope of CNP Assurances SA and its subsidiaries (scope before the creation of the holding company). The pro forma increase is +21 pts compared to 2022.

<sup>6</sup> Compared to the scope of CNP Assurance SA and its subsidiaries (scope before the creation of the holding company), the pro forma increase is +19 pts compared to 2022.

## Business and performance

Marie-Aude Thépaut, Chief Executive Officer of CNP Assurances, said: "CNP Assurances posted strong growth thanks to its performance in France and the diversification of our business model. This diversification demonstrates the robustness of our strategy in absorbing cyclical impacts. In a complex business environment, CNP Assurances is adapting to changes in the market and is pursuing its growth policy by reaffirming its role as a responsible insurer at the service of its stakeholders."

CNP Assurances Holding, established on 11 April 2023, includes CNP Assurances SA and La Banque Postale's four insurance subsidiaries (CNP Assurances IARD, CNP Assurances Santé, CNP Assurances Prévoyance and CNP Assurances Conseil). This entity is wholly owned by La Banque Postale.

This operation follows the creation of the major public financial centre, initiated in 2018 with the double merger between La Poste and Caisse des Dépôts on the one hand, and La Banque Postale and CNP Assurances on the other.

The purpose of this integration was to:

- Roll out a "full" bancassurance model (personal and property insurance) through a single insurance vector, CNP Assurances, within La Banque Postale, and accelerate insurance take-up in all customer segments.
- Expand CNP Assurances' multi-partnership model to the activities of the subsidiaries of La Banque Postale's insurance division, in particular property and casualty insurance, with CNP Assurances becoming a property and personal insurer serving customers and society as a whole.

CNP Assurances reaffirmed the three pillars of its strategy in 2023, in particular:

- developing growth drivers and diversification: by taking advantage of the strength of the partnership with La Banque Postale, developing the high-end and social protection segments and activating additional growth drivers in Europe and Latin America
- strengthening our fundamentals: by adapting the individual savings/pensions model to the interest rate environment and sustainability issues, consolidating our positions in term creditor insurance, optimising our industrial model and strengthening our partnership with Caixa Econômica Federal
- transforming our model: by strengthening our uniqueness, as defined in our corporate mission, pushing the limits of insurability and developing our very high added value model so as to be indispensable in our partners' value chain.

## System of governance

The current governance structure of the CNP Assurances Group separates the powers of the Chairwoman of CNP Assurances Holding, the Board of Directors and the sole partner (La Banque Postale), in order to promote long-term value creation for the company, determine the Group's strategy and oversee its implementation.

The holders of the four key functions (Risk Management, Compliance, Actuarial and Internal Audit) report to the Chairwoman of CNP Assurances Holding.

The process of continuous improvement of risk management and internal control systems is carried out in cooperation with partner networks. CNP Assurances considers that these systems are appropriate for its business model.

With regard to the governance system, 2023 and the start of 2024 saw:

- the appointment of Marie-Aude Thépaut, previously Head of the Europe excluding France business unit, as Chief Executive Officer of CNP Assurances and Chairwoman of CNP Assurances Holding
- the appointment of three new members of the Executive Committee of CNP Assurances: Josselin Kalifa, Chief Risk Officer and Marie Rouen, Group Human Resources Director
- the appointment of Jean-Baptiste Nessi, CFO of CNP Unicredit Vita, as CEO of CNP Unicredit Vita to replace Tanguy Carré
- the appointment of Marco Passafiume Alfieri as CEO of CNP Vita Assicura and CNP Vita Assicurazione, Italian subsidiaries of the CNP Assurances Group, to replace Tanguy Carré
- the appointment of Maximiliano Villanueva, as Head of the Latin America business unit and member of the Executive Committee, to replace Asma Baccar
- the appointment of François Tritz as Head of CNP Seguradora.

## Risk profile

CNP Assurances' risk profile shows that the Group's primary exposure is to market risk (44% of the SCR), which accounts for more than half of the Solvency Capital Requirement (SCR). However, its broad and diverse range of products has a significant diversification effect. In all, diversification benefits are estimated at 29%.

The Group is particularly sensitive to risks related to changes in interest rates and redemption risk and the value of shares on the stock markets. Accordingly, for several years, CNP Assurances has implemented a hedging programme aimed at limiting the impact of a decline in share prices. In 2023, market movements were favourable, contributing 28 points to the coverage ratio. With regard to real estate risk, a series of rises in key interest rates throughout 2023 delayed decisions on real estate investments. The monitoring of redemption risk was enhanced in Italy in light of the rise in redemption rates over the period due to competition from government bond issues.

## Valuation of assets and liabilities

Assets and liabilities in CNP Assurances' Solvency II balance sheet are measured in accordance with valuation and reserving policies approved by the Board of Directors. The main methods and assumptions used for the valuations are presented in section D.

Where appropriate, assets are measured at their value in the IFRS balance sheet audited each year by the Statutory Auditors.

Solvency II consolidated technical reserves gross of reinsurance amounted to €339.1 billion at 31 December 2023.

## Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) coverage ratios

Efficient capital management is essential to ensure that CNP Assurances' capital requirements are met. For this reason, as part of the annual ORSA strategic planning process, a five-year medium-term capital management plan is prepared each year and is submitted to the Board of Directors.

CNP Assurances' Solvency II own funds eligible for inclusion in the SCR coverage ratio, based on the Solvency II balance sheet, amounted to €38.1 billion at 31 December 2023. The total included €30.9 billion in basic own funds, classified as unrestricted Tier 1 capital, and €7.2 billion in subordinated liabilities (of which a portion is covered by the grandfathering clause).

The €30.9 billion in basic own funds notably includes part of the policyholders' surplus reserve, in accordance with the calculation method recommended by the insurance supervisor (ACPR) pursuant to the Ministerial Order on life insurance companies' surplus own funds published in the Journal Officiel dated 28 December 2019, which applies to all organisations governed by France's Insurance Code. The portion of the policyholders' surplus reserve eligible for inclusion in solvency capital at 31 December 2023 was calculated by the flat rate method recommended by the ACPR.

CNP Assurances' Solvency Capital Requirement, calculated using the Solvency II standard formula, was €15.1 billion at 31 December 2023.

The Group's SCR coverage ratio stood at 253% at end-2022 (+21 points<sup>7</sup> compared with 2022), bolstered primarily by a positive market effect. This increase was due in particular to the inclusion of profit for the period net of expected dividends (+5 pts), favourable market effects (+28 pts) over the period, the positive contribution of the asset allocation (+3 pts), changes in subordinated debt (+3 pts), the utilisation of the policyholders' surplus reserve (-4 pts), the payment of an exceptional dividend of €1.2 billion (-8 pts) and the capping of subordinated debt not available at the level of the CNP Assurances Group (-6 pts).

CNP Assurances' Solvency II own funds eligible for inclusion in the MCR coverage ratio, based on the Solvency II balance sheet, amounted to €32.0 billion at 31 December 2023. The total included €27.8 billion in basic own funds classified as unrestricted Tier 1 capital and €4.2 billion in subordinated liabilities.

CNP Assurances' Minimum Capital Requirement was €7.7 billion at 31 December 2023.

Its MCR coverage ratio at that date was therefore 417%, up 23 points on the previous year.

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<sup>7</sup> +23 pts compared to the SCR of CNP Assurances SA and its subsidiaries (scope before the creation of the holding company).

