

Insuring all our futures



CNP ASSURANCES
is a société anonyme (public limited company)
incorporated in France with fully paid up
share capital of €686,618,477

Registered office:
4, place Raoul Dautry
75716 Paris Cedex 15
Registration number: 341 737 062 Paris
Governed by the French Insurance Code

www.cnp.fr
Take a look at the new website
and the new CNP Assurances video.



2013 **annual** report

2013 **annual** report

C o n t e n t s

Group



Insuring all our futures

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CNP Assurances



We experience **many changes** during our lifetimes.
By anticipating these changes, **CNP Assurances** is able to **offer**
personal risk insurance and savings solutions tailored
to **each person's needs** in order to better protect **their future**.

Insuring
all our futures

A market leader in France
at the heart of a wealthy and mature
European market

No. 1

personal insurer
in France

3rd

largest life insurer
in Europe

€299bn

average technical reserves
in 2013⁽¹⁾

1. Excluding the deferred
participation reserve.

CNP Europe Life

Dublin

CNP Assurances

Paris

CNP Italia

Milan

CNP UniCredit Vita

CNP Cyprus
Insurance Holdings

Athens

Nicosia

Madrid

Lisbon

CNP Vida

CNP España

CNP Barclays Vida
y Pensiones

A strong position in Brazil,
in a fast-growing
Latin American market

5th

largest insurer in Brazil

22.3%

like-for-like growth in net insurance
revenue in Latin America.

Caixa Seguros

Brasília

Buenos Aires

CNP Assurances
Compañía de Seguros

WORLDWIDE

27 million

insureds under personal risk
and protection policies⁽²⁾

14 million

savings and pensions
policyholders worldwide⁽³⁾

4,800

employees

2. Protection: health insurance and term
creditor insurance.

3. Estimates based in part on the number
of managed policies, rounded up.

A man in a dark suit and glasses, identified as Jean-Paul Faugère, is shown in profile from the waist up, gesturing with his hands while speaking. He is in an office setting with a blurred background.

Viewpoints Jean-Paul Faugère Frédéric Lavenir

LAST YEAR'S SOUND PERFORMANCES ATTEST
TO THE ROBUSTNESS OF THE CNP ASSURANCES
MODEL AND ITS ABILITY TO EVOLVE IN LINE WITH
THE GROUP'S STRATEGIC GOALS.

You have presented the 2013 results to shareholders. How would you describe the past year?

Frédéric Lavenir - It was a year of vibrant growth. The figures speak for themselves, with premium income up 4.6% and attributable profit above the one billion euro

mark. Behind the figures, there were three notable trends. First, our value creation strategy led to a ramp-up of business in high value-added segments and a sharp rise in new business margins. Second, our position in Brazil was strengthened, reflecting not only our deep and lasting commitment to Latin America but also

our potential for growth in this market. In line with our tradition, we continued to pay close attention to the asset portfolio's yield-to-risk ratio in a changing financial environment. But the highlight of the year for me was the engagement of our teams in supporting our performance and starting to deploy our strategic priorities.

“Our first duty is to be the benchmark in long-term financial security, as we have been throughout our Group's history.”



JEAN-PAUL FAUGÈRE
Chairman of the Board of Directors

“Our position in Brazil has been strengthened, reflecting our deep and lasting commitment to Latin America and our growth potential.”



FRÉDÉRIC LAVENIR
Chief Executive Officer

On the subject of strategic priorities, where do you stand with your two main distribution partners?

Jean-Paul Faugère - For the Board of Directors, a core strategic priority is to build stronger ties with La Banque Postale, on the one hand, and with the BPCE Group, on the other. Our distribution agreements with these two partners will come up for renewal on 31 December 2015, at the same time as the shareholders' agreement between them, the Caisse des Dépôts and the French State. Each partner has different needs and expectations, and we intend to find the best way of creating value with each one over the medium to long term. Frédéric can count on the Board's determined support to move forward in this direction.

Frédéric Lavenir - The bancassurance partnership model has a promising future. It's up to us to demonstrate, during the

upcoming discussions with our major banking partners about the post-2015 era, that we are capable of refreshing this model in line with our strategic priorities, particularly that of expanding in the segments which offer the greatest scope for creating value. This is what we're working on.

What strengths can CNP Assurances leverage to meet the challenges associated with longer life expectancies?

Frédéric Lavenir - It's a real challenge, helping people to enjoy well-being at every stage in their life, including of course in retirement. In line with our historical mission, we intend to take up this challenge by leveraging our expertise, our experience, our range of personal services, our close ties with the mutual insurance sector and the employee benefits institutions, and our other core strengths. As a major player in the fast-changing market

for social protection and related services, our ambition is to meet the needs of our fellow citizens as closely as possible. For example, we are developing a solution for SMEs and micro-enterprises that combines health, death and disability cover, a pension plan and long-term care insurance and also includes a personal services package. And of course, as soon as the “euro-croissance” contract gets the green light, we will be ready with our own version of this new generation life insurance product that combines protection insurance with a long-term savings formula. It goes without saying that these offers are developed first and foremost for our major banking partners.

What's your growth outlook in Europe?

Jean-Paul Faugère - There are two fairly different aspects. First, we have our banking partnerships, notably in Italy and



“All insurance companies naturally have a duty to help finance the economy. This is even more true for CNP Assurances.”



JEAN-PAUL FAUGÈRE
Chairman of the Board of Directors

Spain. As the economic and financial environment stabilises, our local teams should start to be rewarded for their efforts. The Board is closely monitoring their results and comparing them to the associated risk factors which are clearly understood and controlled. Alongside these existing operations, there is our strategic objective of expanding our footprint on an open model basis, particularly in the term creditor insurance and high-end savings segments. Frédéric gives us regular updates on his initiatives in this area and the business unit that he's created to drive this process is particularly dynamic. The Board is confident in

the Group's ability to carve out a niche for itself in these highly competitive segments, by leveraging its strengths and its solid French base.

The Brazilian market is going from strength to strength. What are your key initiatives to meet the population's emerging needs?

Frédéric Lavenir - The Brazilian market is indeed extremely dynamic, our banking partnership with Caixa is working very well and we have a very efficient local platform. We are fully confident in the market's long-term potential and in our ability to sustain the current pace of profitable and capital-efficient growth. As well as offering insurance solutions for Brazil's rapidly growing middle class, we have developed a micro-insurance offer to meet the needs of the 105 million Brazilians on low incomes. To capture the market's outstanding growth potential, we are diversifying our distribution channels. The acquisition of

Previsul has enabled us to start distributing our products through brokers, and we have also invested in on-line distribution, achieving impressive growth.

In the area of corporate social responsibility, the Group is being counted on to help finance the French economy. What is your role?

Jean-Paul Faugère - All insurance companies naturally have a duty to help finance the economy. This is even more true for CNP Assurances, due to our deep public sector roots which are a source of pride for our employees. Our investments in French companies, particularly SMEs and mid-tier companies, as well as in infrastructure projects and in real estate, illustrate our sustained commitment to supporting the real economy.

Frédéric Lavenir - To give you an idea of the level of our commitment, we have

€44 billion invested in major French groups, becoming key partners in their development. CNP Assurances is also one of the leading investors in private equity, with a total net commitment of €3.1 billion. In 2013, we participated in the launch of the Novo bond funds which have raised €1 billion for French SMEs and mid-tier companies, with €100 million provided by our Group. Last but not least, we are holding over €17 billion worth of bonds issued by State-owned enterprises such as SNCF, RATP and RFF, providing finance to support their capital spending plans.

What's the outlook for 2014?

Jean-Paul Faugère - The economic and financial environment in Europe remains uncertain and Brazil is experiencing slower growth. However, I'm convinced that our teams' sustained commitment to serving our policyholders and partners will make a difference. This year, the Board of Directors will formally sign off on its first Own Risk and Solvency Assessment



“As our customers face up to the many changes and uncertainties affecting their lives, more than ever CNP Assurances is there, insuring all their futures.”



FRÉDÉRIC LAVENIR
Chief Executive Officer

(ORSA) in the format specified in the Solvency II directive, leading me and my fellow directors to become more involved than ever in managing risks. Because, notwithstanding our aim of earning healthy yields and offering policyholders competitive rates, our first duty is to be the benchmark in long-term financial security as we have been throughout our Group's history.

Frédéric Lavenir - Our new organisation aligned with our strategic ambitions has been up and running since the start of the

year. We will be among the first insurers to launch the new “euro-croissance” contract for distribution by our banking partners and will seize the opportunities offered by the “ANI” agreement designed to ensure that all employees are covered by private health insurance. We'll also be alert to opportunities in Europe and, of course, in Brazil. Our Group is on the move. As our customers face up to the many changes and uncertainties affecting their lives, more than ever CNP Assurances is there, insuring all their futures.

Efficient corporate governance

IN 2013, CNP ASSURANCES EXPANDED ITS EXECUTIVE COMMITTEE IN PREPARATION FOR IMPLEMENTATION OF THE NEW ORGANISATION TASKED WITH DEPLOYING THE GROUP'S STRATEGY.

Board of Directors

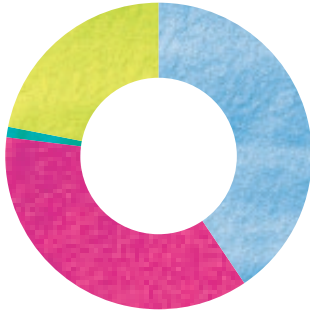
The Board of Directors of CNP Assurances comprises 18 directors, three non-voting directors and four Works Council representatives. Its membership reflects the close involvement of the reference shareholders and the vision of qualified independent directors. The Chairman leads the work of the Board and the Strategy Committee. The Committees of the Board are chaired by independent directors. Together, the members of the Board of Directors have the skills and experience required to serve on the board of an insurance company⁽¹⁾. These include experience of the insurance and financial markets, a good

understanding of the company's strategy, business model and governance system, financial and actuarial analysis skills and knowledge of the regulatory environment.

Operational management

The Chief Executive Officer implements the strategy decided by the Board and has the broadest powers to act in the name of the CNP Assurances Group. He is assisted by an Executive Committee made up of twelve members representing the Group's strategic functions: partnerships, policyholder services, finance, risk management, information systems and human resources. In its role as coordinator, the Executive Committee deals with all issues that extend across departmental boundaries.

At least one member of the Executive Committee sits on the boards of the main subsidiaries in France, and CNP Assurances appoints at least half of the members of the boards of international subsidiaries, guaranteeing consistent strategic management across the Group.



CNP ASSURANCES OWNERSHIP STRUCTURE as of 31 December 2013

- Caisse des Dépôts **40.8%**
- Sopassure* **36.3%**
- French State **1.1%**
- Institutional and retail investors: **21.8%**

* Holding company for La Banque Postale and BPCE's interests.

MEMBERS OF THE BOARD OF DIRECTORS AND THE COMMITTEES OF THE BOARD

as of 31 December 2013

DIRECTORS

- **Jean-Paul Faugère⁽²⁾**
Chairman of the CNP Assurances Board of Directors
- **Frédéric Lavenir**,
Chief Executive Officer of CNP Assurances
- **Caisse des dépôts et consignations**,
represented by **Jean-Pierre Jouyet**,
Chief Executive Officer of Caisse des Dépôts et Consignations
- **Virginie Chapron du Jeu**,
Director in charge of Investments and Accounting – Pensions and Solidarity Division, Caisse des Dépôts et Consignations
- **Anne-Sophie Grave**,
Pensions and Solidarity Director, Caisse des Dépôts et Consignations
- **Olivier Mareuse⁽³⁾**,
Group Finance Director, Caisse des Dépôts et Consignations
- **Odile Renaud-Basso⁽³⁾**,
Deputy Chief Executive Officer of Caisse des Dépôts et Consignations
- **Franck Silvent**,
Director of the Finance, Strategy, Subsidiaries and International Division of Caisse des Dépôts Group
- **Sopassure**, represented by **Marc-André Feffer**,
Deputy Chief Executive Officer of La Poste – in charge of Strategy and Development, International and Legal Affairs and Compliance



- **Jean-Yves Forel**,
Chief Executive Officer and member of the Management Board of BPCE in charge of the Commercial Banking and Insurance Division
- **François Pérol**,
Chairman of the Management Board of BPCE
- **Philippe Wahl**,
Chairman and Chief Executive Officer of La Poste
- **Rémy Weber⁽³⁾**,
Chairman of the Executive Board of La Banque Postale
- **The French State**,
represented by **Ramon Fernandez**,
Director General of the Treasury

- **Philippe Baumin**,
representing employee shareholders, Chairman of the Supervisory Board of the "Actions CNP" corporate mutual fund
- **Marcia Campbell⁽²⁾**,
Chairman of the Scottish government's Green Investment Advisory Board
- **Stéphane Pallez⁽²⁾**,
Chairman and Chief Executive Officer of Caisse Centrale de Réassurance
- **Rose-Marie Van Lerberghe⁽²⁾⁽³⁾**,
Chairman of the Board of Directors of the Institut Pasteur

NON-VOTING DIRECTORS

- **Pierre Garcin**,
Director of the Insurance Division, BPCE Group
- **Jacques Hornez**,
member of the Board of Directors of Mutuelle Générale de l'Education Nationale (MGEN)
- **Alain Quinet**,
Deputy Managing Director, Réseau Ferré de France

WORKS COUNCIL REPRESENTATIVES

- **Valérie Baron-Loison**,
representing supervisors

- **Patrick Berthelot**,
representing managers
- **Pascal Oliveau**,
representing employees
- **Nadia Remadna**,
representing employees

BOARD SECRETARY

- **Hugues de Vauplane**

AUDIT AND RISKS COMMITTEE

- **Stéphane Pallez⁽²⁾**,
Chairman
- **Philippe Baumin**
- **Marcia Campbell⁽²⁾**
- **Olivier Mareuse**

- **Jean-Yves Forel**
- **Rémy Weber⁽³⁾**

REMUNERATIONS AND NOMINATIONS COMMITTEE

- **Rose-Marie Van Lerberghe⁽²⁾⁽³⁾**,
Chairman
- **Philippe Wahl**
- **Jean-Paul Faugère⁽²⁾**
- **Odile Renaud-Basso⁽³⁾**
- **François Pérol**

STRATEGY COMMITTEE

- **Jean-Paul Faugère⁽²⁾**,
Chairman

- **Marc-André Feffer**
- **Jean-Yves Forel**
- **Franck Silvent**
- **Olivier Mareuse⁽³⁾**
- **Stéphane Pallez⁽²⁾**

HONORARY CHAIRMAN OF CNP ASSURANCES

- **Edmond Alphandéry**

EXECUTIVE COMMITTEE

as of 2 April 2014

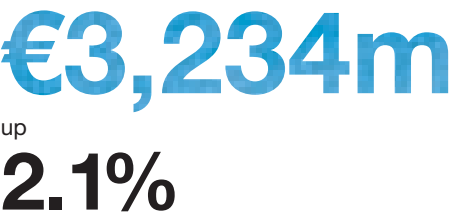
From left to right
Thomas Béhar, Group Chief Actuary; **Marie Grison**, Group Chief Risk Officer; **Xavier Larnaudie-Eiffel**, Deputy Chief Executive Officer; **Michel Bois**, Programmes and Information Systems Director; **Corinne Gouthière**, Company Secretary; **Frédéric Lavenir**, Chief Executive Officer; **Magaly Siméon**, Director, Social Protection and Services business unit; **Yves Couturier**, Director, Open Model business unit; **Martine Vareilles**, Director, La Banque Postale Partnership business unit; **Antoine Lissowski**, Deputy Chief Executive Officer, Finance Director; **Thomas Chardonnel**, Director, BPCE Partnership business unit; **Bérengère Grandjean**, Group Human Resources Director; **Thierry Claudon**, Director, Latin America business unit

1. Skills and areas of experience listed in Article L.322-2 of France's Insurance Code.
2. Qualified as independent within the meaning of the AFEP-MEDEF corporate governance code for listed companies.
3. Subject to ratification at the Annual General Meeting on 6 May 2014.

2013, dedicated to creating value

OUR PERFORMANCES ATTEST TO THE ROBUSTNESS OF THE CNP ASSURANCES MODEL AND ITS ABILITY TO EVOLVE IN LINE WITH THE GROUP’S STRATEGIC GOALS.

TOTAL REVENUE*



* Net insurance revenue + Revenue from own funds portfolios

NET INSURANCE REVENUE

In France, the 2.4% growth in net insurance revenue reflected improvements in the product mix and underwriting margins. In Latin America, net insurance revenue rose 7.3% as reported (22.3% like-for-like), with all business segments contributing to the increase. In Europe excluding France, net insurance revenue contracted by 22.7% due to further derisking in Spain and other markets, the effects of the Cypriot crisis and the decline in Savings technical reserves in Italy.

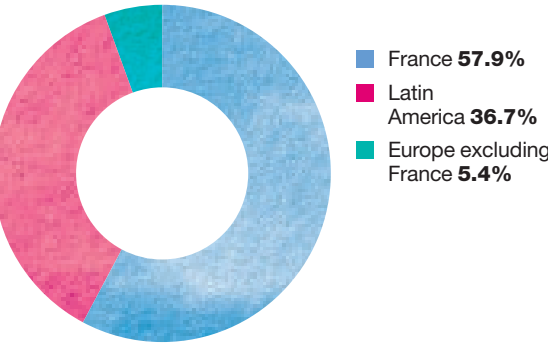
PREMIUM INCOME BY PRODUCT SEGMENT

A product positioning aligned with demographic trends and the growing social need for protection and security.

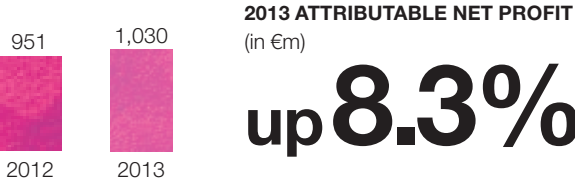


* Personal risk, health, term creditor and property & casualty insurance.

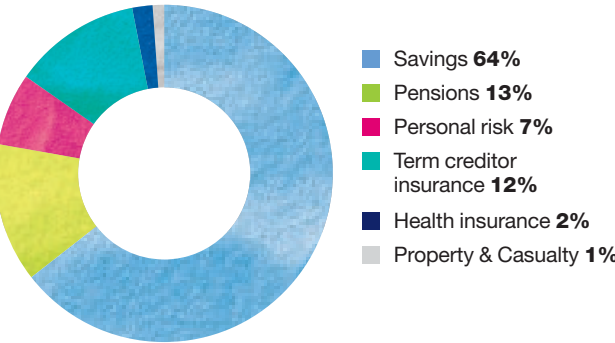
EBIT BY REGION



Leader in France at the heart of a wealthy and mature European market. A strong position in Brazil, in a fast-growing South American market



PREMIUM INCOME BY BUSINESS SEGMENT (in %, IFRS)



NEW MONEY (FRENCH GAAP) (in €m)



EMBEDDED VALUE (Market Consistent Embedded Value – MCEV)

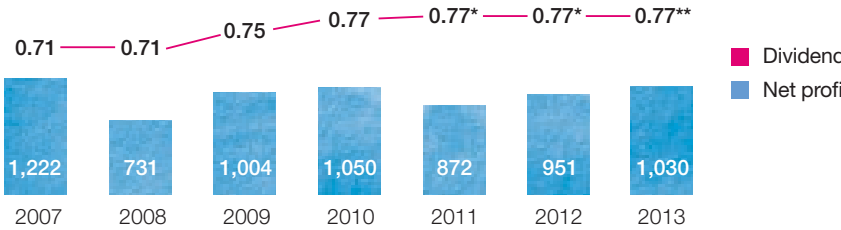
€23.3 per share at 31 December 2013 before dividend

up 16%

PREMIUM INCOME (IFRS) (in €m)



NET PROFIT AND DIVIDEND RECORD (in € per share and € millions for profit) from 2007 to 2013



At the Annual General Meeting of 6 May 2014 the Board of Directors will recommend paying a cash-only dividend of €0.77 per share for 2013.

* With a scrip payment option
** To be submitted for shareholder approval at the Annual General Meeting of 6 May 2014.

Reaffirming our social and societal commitment

OUR AMBITION IS TO CREATE VALUE
FOR ALL CNP ASSURANCES STAKEHOLDERS
IN LINE WITH OUR COMMITMENT TO ACTING
AS A RESPONSIBLE INSURER AND INVESTOR.

CNP ASSURANCES’S SRI
RATINGS IN 2013

SUSTAINALYTICS
79/100
(August 2013)

8th/140
insurance companies worldwide
www.sustainalytics.com

OEKOM
PRIME C+
(March 2013)

www.oekom-research.com

VIGEO
54/100
(2013)

7th/37
European insurance companies
www.vigeo.com

**Providing long-term support
for employees**

- Total number of employees: 4,809.
- CNP Assurances: 3,095.
- Consolidated subsidiaries – France and international: 1,714.
- Percentage under permanent contracts (CNP Assurances and consolidated subsidiaries): 96%.
- Training budget (CNP Assurances and consolidated subsidiaries): 4.4% of total payroll.
- Percentage of women managers (CNP Assurances and consolidated subsidiaries): 28.9% .

**Assuming our responsibility
to the economy**

- Percentage of financial assets (CNP Assurances and consolidated sub-

sidiaries) managed according to ESG criteria: 80% at 31 December 2013.

- Investments (CNP Assurances) in SRI funds: €2.3 billion.
- Forests: 546,299 teqCO₂ carbon sink.

**Adapting our offering
for diverse needs**

- 200,000 micro-insurance policies written by the Group.
- Term creditor insurance rejection rate: 0.2%.
- Number of unit-linked contracts incorporating SRI funds: 85,000, up 13% over 2012.

**Reducing our environmental
footprint**

- Greenhouse gas emissions per employee (CNP Assurance, internal operations), down 1.2% compared with 2012.
- Paper use reduced by more than 56% over five years (comparable scope, inter-

nal operations and policyholder communications, CNP Assurances).

- Greenhouse gas emissions generated by business travel (CNP Assurances) reduced by 26% since 2009.

CNP Assurances in SRI indices

The CNP Assurances share is included in several European SRI indices. In particular, its presence in the Ethibel Excellence Europe Sustainability Index and the Nyse Euronext Vigéo –Eurozone 120 has been confirmed.

Corporate Social Responsibility report

CNP Assurances’s 2013 Corporate Social Responsibility Report can be downloaded from the Company’s website www.cnp.fr. Printed copies are available on request from the Company’s head office.

Lasting shareholder relationships

CNP Assurances has built lasting relationships with its shareholders.

A diversified shareholder base

CNP Assurances enjoys the backing of a core group of four major shareholders (Caisse des Dépôts et Consignations, the French State and La Banque Postale and Groupe BPCE through their joint

holding company Sopassure) united by a shareholders’ agreement. The Group has some 140,000 individual shareholders and 0.29% of the capital is held by employees.

A transparent information policy

CNP Assurances is committed to providing the financial community with compre-

hensive, transparent, understandable, easily accessible financial information. Information sources include financial and corporate documents, shareholder newsletters and the corporate website, www.cnp-finances.fr, comprising separate sections for individual shareholders and institutional investors.

- CNP ASSURANCES
ON THE STOCK MARKET**
- Listing: NYSE Euronext Paris
 - IPO: 6 October 1998
 - Share price on 31 December 2013: €14.90
 - Market capitalisation on 31 December 2013: €10.2bn (source Bloomberg)
 - Shares outstanding: 686,618,477
 - Number of individual shareholders: around 140,000
 - Average daily trading volume in 2013: 357,229 shares per day (source Bloomberg)

REFERENCE INDICES

SBF 120, Euronext 100, DJ Euro Stoxx Insurance, ASPI Eurozone 120, Ethibel Excellence Index Europe

CNP ASSURANCES

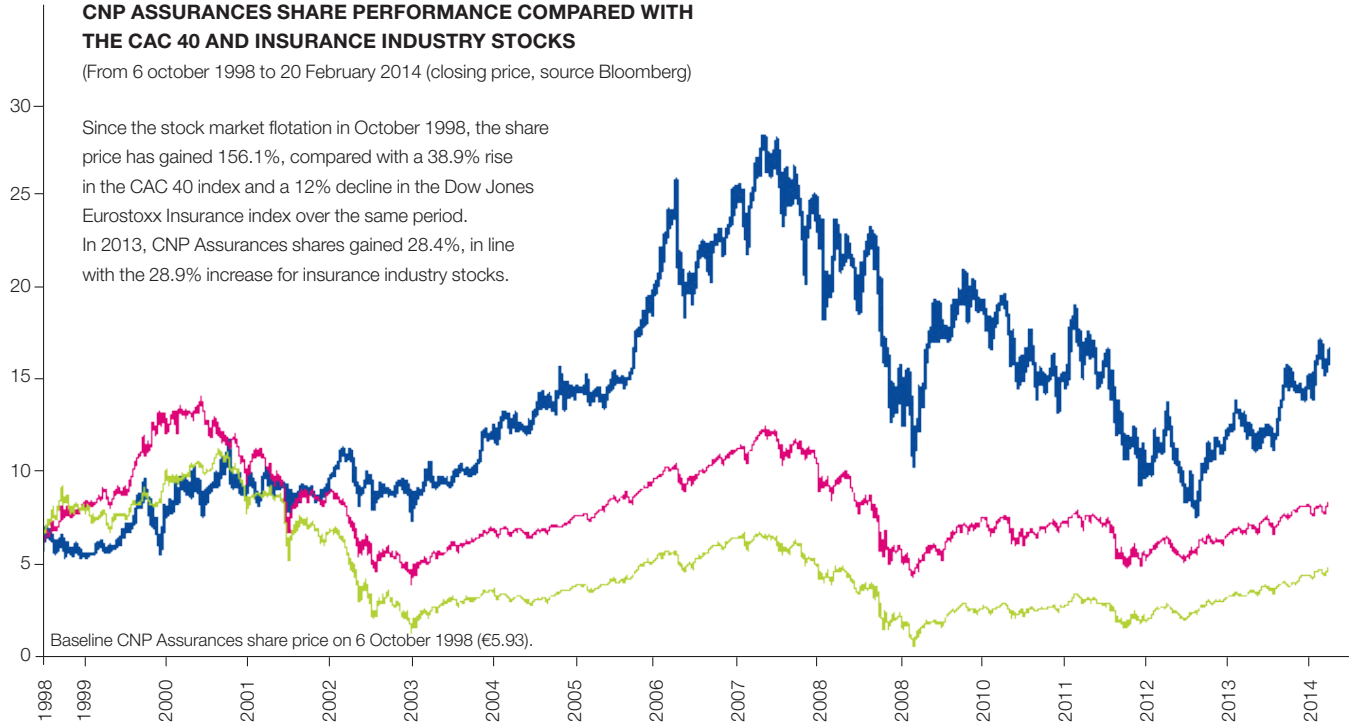
156.1% gain
since the IPO

CAC 40

38.9% gain

DJ EURO STOXX INSURANCE

12% decline





Four strategic goals

Caring for French
policyholders' needs
**with our bancassurance
partners**

20-25

An open model
for Europe

26-31

With our partners,
**contributing
to the social
safety net**

32-37

A strong growth
dynamic
in Latin America

38-43

Caring for French policyholders' needs with our bancassurance partners

DEVELOPING AND REFRESHING

THE CNP ASSURANCES OFFER FOR ITS

PARTNERS, LA BANQUE POSTALE AND

CAISSES D'ÉPARGNE, IN ORDER TO PROTECT

MANY MORE GENERATIONS OF FRENCH FAMILIES.

2

DISTRIBUTION PARTNERS AND SHAREHOLDERS

La Banque Postale and Caisses d'Épargne (BPCE) distribute CNP Assurances's insurance products.

36.3%

of CNP Assurances's capital held by the two partner networks

A DEMONSTRATION OF CONFIDENCE

The two partners reinvested their last two years' dividends in CNP Assurances shares.

21,200

points of sale and contact in France

Two deep networks covering the whole of France

SHARED VALUES

An offer that is useful, affordable and close to the customer, to enable as many people as possible to purchase protection and secure their future



4.9 million customers with the Caisses d'Épargne



5.2 million customers with La Banque Postale

€16.3bn

in premium income generated with our two partner networks, representing 59% of the Group total

2

JOINT SUBSIDIARIES

La Banque Postale Prévoyance
The personal risk insurance subsidiary

Écureuil Vie Développement
The Caisses d'Épargne network's marketing subsidiary

15.5

million contracts managed, illustrating CNP Assurances's mass processing capacity

3

CORE OBJECTIVES

- **Align the product offer** with mass-market customers' need for simplicity and security, while also supporting our partners' move upmarket.
- **Accompany our partner networks** as they move to multi-channel distribution.
- **Adapt our service level**, in terms of quality and responsiveness, to each customer segment.

1.4

million incoming phone calls, illustrating CNP Assurances's service quality

€16.3bn

of premium income generated by the two major partners in 2013

35.6%

growth in unit-linked savings revenues

Bancassurance partnerships, a model for the future

IN 2013, CNP ASSURANCES FOCUSED ON FORGING CLOSER TIES WITH ITS MAJOR PARTNERS AND ENHANCED ITS OFFER IN ORDER TO HELP AS MANY PEOPLE AS POSSIBLE TO SECURE THEIR FUTURE.

The two partner networks' performance in 2013 reflected the change in CNP Assurances's business model and the shift in focus from volumes to quality at a time when customers were looking to diversify their investments.

A model that creates value

CNP Assurances reported 2013 premium income of €21.1 billion in France. Of the total, €8.8 billion was generated by La Banque Postale and €7.5 billion by the Caisses d'Epargne network. The strategic decision to focus on creating value was clearly apparent in the sharp improvement in the product mix in favour of high value-added products. For example, premium income from traditional savings products contracted by 5.8%, but new money invested in unit-linked pension savings contracts rose 35.6% to €1.5 billion. 52% of the Caisses d'Epargne's pension savings business came from private banking customers in 2013, and the unit-linked weighting reached a record high of 11.4%

versus 9% in 2012. It was the same picture at La Banque Postale, where wealth planning products accounted for 54% of pension savings business and the unit-linked weighting rose to 7.3% from 5% in 2012.

Strong performances in all segments

In individual personal risk insurance, premium income generated by La Banque Postale Prévoyance rose by 8.4%. Accident insurance premiums were up by a strong 24%, led by a 57% jump in sales of *Prévialys* on the back of attractive promotional offers. Personal risk premium income generated by the Caisses d'Epargne grew by 19%, reflecting strong demand for the funeral insurance offer which accounts for 70% of premiums in this segment, and the vibrant performance by the *Garantie Famille* contract. Notwithstanding far-reaching changes in the legal and regulatory environment, term creditor insurance premiums generated by the Caisses d'Epargne increased by 8% to €724 million. La Banque Postale's lending

business recovered momentum, driving a 5.5% increase in term creditor insurance premiums to €175 million.

Partnering La Banque Postale's move upmarket

The financial crises of recent years and the collapse of major banking institutions have encouraged private banking customers to look elsewhere and many of them are now choosing financial partners for their solidity and reliability. With its history and values, CNP Assurances fits this profile and our investment in high-end products will give us a competitive advantage.

We have put together a team of actuaries, lawyers, unit-linked specialists, wealth planners, back and middle office experts to lead the development of the new product line-up. We are also gearing up to provide the excellent service that high net worth customers expect and that our partners need to offer in order to succeed in this market segment. The *Cachemire Patrimoine* life insurance contract is the first product to be developed under this new strategy. Designed and launched jointly by CNP Assurances and La Banque Postale, the contract was closely monitored by the two teams to ensure that the administrative circuits were aligned with policyholders' expectations. *Cachemire Patrimoine* incorporates two innovations: not only does the managed portfolio include equities and trackers, it can be combined with a traditional portfolio and a portfolio that policyholders manage themselves. Trialled



“We make all our expertise available to La Banque Postale to guarantee the satisfaction of our shared customers.”



MARTINE VAREILLES
Director, La Banque Postale
business unit

in early 2014 in the Nord and Pas-de-Calais regions, *Cachemire Patrimoine* will be rolled out to all regions of France in mid-May.

Helping Caisses d'Epargne to fulfil their commitment to offering insurance solutions for all

CNP Assurances's innovations support the Caisses d'Epargne network's policy of offering insurance solutions for all, without excluding anyone. Simple and affordable, the *Ecureuil Solutions Obsèques* funeral insurance product has already won over nearly a million customers. The *Garantie Famille* product, which enables the insured's family to maintain the same standard of living for a certain period after his or her death, has been in strong demand for several years. In 2013, it was

enhanced with the addition of serious illness and loss of autonomy cover. CNP Assurances's innovations in the area of term creditor insurance have supported the development of the Caisses d'Epargne's personal lending activities by reducing the related risks. With standard guarantees extending from death and incapacity cover to very attractive unemployment cover, these innovations have enabled the majority of the network's borrowers to obtain insurance. Equally innovative, the *Prévoyance du Locataire* contract allows tenants to obtain insurance covering the payment of their rent if they become unfit for work or lose their job. Adopted by some 10,000 customers in the space of less than six months, the product was awarded the Actif de Bronze prize by Agefi magazine in 2013.

No.1

The lowest cost

life insurer in Europe

based on the HSBC European Insurance Cost-cutting Calculator survey, 5th edition, October 2013

2

first prizes

Nuances Privilège and *Cachemire*, two traditional life insurance contracts with a unit-linked formula developed by CNP Assurances and distributed by the Caisses d'Épargne and La Banque Postale respectively, each won first prize at the awards organised by *Le Revenu* magazine in early 2014.

Cultivating our strengths

Modernising the offer, moving to paperless communications and constantly driving up service quality.

The pace of innovation is accelerating

Certain practical initiatives will be undertaken in 2014 to support our strategic goal of developing and refreshing the bancassurance partnership model. These include launching new high-end savings products with La Banque Postale, implementing a joint marketing offensive with the Caisses d'Épargne to promote the professional and corporate offers, and offering a more abundant choice of unit-linked funds with the life insurance contracts sold by the two partner networks.

Provided that the relevant official texts are published as planned before the summer, a “euro-croissance” new generation life insurance product will be delivered to these networks in 2014. The regulatory framework has not been finally decided, with the result that it's not yet possible to finalise the product's commercial features. Despite this uncertainty, we set to work in order to be able to launch this very promising product as soon as the green light was given.

The “euro-croissance” contract does not offer any specific tax benefits, its attraction lies in its technical characteristics. The contract responds to consumers' growing awareness of the need to build up savings over the long term, while also meeting the need for investment in the real economy. We are developing our “euro-croissance” offer jointly with our two partner networks, with a firm commitment to making the product a success.

The CNP Assurances service quality

In a mature market, the service offered to the distribution networks and to policyholders is a major source of competitive advantage. We are investing in our information systems in order to share information more rapidly for the benefit of policyholders. The project to deploy end-to-end paperless solutions is moving forward. This project is based on an integrated cooperative process extending from the agent to the partner's back-office up to CNP Assurances's policy administration departments and expert units. In this way, everyone in the information chain has a comprehensive vision of the policyholder account and the information related to the transactions in process, whatever the entry point: agent, telephone, fax, post or the Internet. The partner networks' insurance advisors have online access, directly from their workstation, to the policy

statements, certificates and tax forms, allowing them to answer customer questions immediately. Moreover, customers can consult information about their policy at any time via the partners' websites.

High quality volume processing

At the end of 2013, the 800 members of the CNP Assurances policyholder services team were managing 224 different products and 15.5 million life insurance and individual personal risk contracts. A key means of communicating with policyholders, the annual and half-yearly policy statements require the deployment of considerable resources, particularly as the information to be provided on the statements changes nearly every year as new regulations are introduced. The process is carefully planned and closely managed to limit the operational risks and the costs. Quality certifications help to ensure that the system is secure. The introduction of electronic statements in 2011 has been a promising development because it has helped to improve the service offered to policyholders and partners. In 2013, a total of 18 million policyholder statements were sent out, including 5.2 million by e-mail.



TWO APPROACHES TO MONITORING CUSTOMER SATISFACTION

The periodic surveys conducted by CNP Assurances Group entities seek the opinions of both policyholders and the distribution partners, to obtain a comprehensive vision of customer satisfaction. In 2013, four satisfaction surveys were conducted on policy administration processes. Frequently organised as part of the quality certification process or pursuant to service level agreements, these surveys help to improve our responsiveness to customers. The responses are analysed and the results are communicated to the distribution partners. The satisfaction rate improved in 2013 to 84% among beneficiaries who purchased their policy from La Banque Postale or Caisses d'Épargne.

“Our close relations and shared commitment to innovation allow the Caisses d'Épargne network to offer a full range of affordable insurance solutions for all.”



THOMAS CHARDONNEL
Director, BPCE Partnership business unit



An open model for Europe

CNP ASSURANCES IS CAPITALISING ON ITS EXPERTISE IN MANAGING PARTNERSHIPS TO DEVELOP NEW GROWTH DRIVERS OUTSIDE FRANCE, THROUGH A MIX OF JOINT VENTURES AND SIMPLE DISTRIBUTION AGREEMENTS.

1st

economic region in the world, the European market accounts for 23% of global GDP

700

employees in Europe excluding France

500

million inhabitants whose needs for protection and long-term security are as great as ever

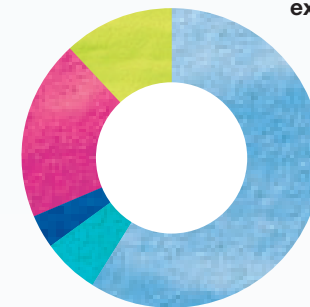
3

JOINT VENTURES

- CNP UniCredit Vita with the UniCredit banking group in Italy, around 4,000 branches
- CNP Barclays Vida y Pensiones (BVP) with Barclays Bank in Spain, Italy and Portugal, around 1,000 branches
- CNP Cyprus Insurance Holdings (CIH) with Bank of Cyprus in Cyprus and Greece

Open model

A model whereby the insurer supplies insurance products to several independent distribution partners.



€3.5bn

in premium income generated in Europe excluding France,

- **Italy €2.5bn**
CNP UniCredit Vita, CNP Italia**, CNP BVP Italy
- **Spain €263m**
CNP Vida, CIS, CNP BVP Spain, CNP España**
- **Cyprus & Greece €154m**
CNP Cyprus Insurance Holdings (CIH)
- **Portugal €83m**
CNP BVP Portugal
- **Other (non-recurring) €500m**

** Branch

2

CORE GROWTH AREAS

- Term creditor insurance and individual personal risk insurance
- High-end savings products

3

OPEN-MODEL PARTNERSHIPS

- In Italy: CNP Italia
- In Spain: CNP Vida, CNP España

2

STRATEGIC GOALS

- Consolidate the Group's positions in Southern Europe
- Penetrate new high potential markets in Northern Europe

3rd

largest life insurer in Europe

No.1

term creditor insurance provider
in France thanks to multi-distributor
and multi-channel distribution

Targeting promising new markets

CNP ASSURANCES IS LEVERAGING ITS EXPERTISE,
PLATFORMS AND MARKETING PRESENCE TO SPEED
THE PACE OF GROWTH IN EUROPE.

CNP Assurances's premium income in Europe excluding France totalled €3.5 billion in 2013. This represented a 50.7% increase on 2012, before taking into account the €420 million in non-recurring revenue from a group pensions contract signed during the year.

A sharp recovery in business volumes in 2013

In Italy, business volumes were just short of their 2011 level, after an historically weak 2012. In Cyprus, in a very tense economic environment, the backing of CNP Assurances - France's leading personal insurer - inspired confidence and the network continued to enjoy strong business volumes. Lastly, the 76.6% surge in unit-linked sales in the Europe excluding France

region reflected our determination to grow the businesses that create the most value.

The joint-venture model

Our Group's development in Europe has been based on the historical model, which consists of setting up long-term partnerships with well-established distribution networks, preferably banking groups, and giving partners a stake in results through ownership of shares in the partnership vehicle.

In Italy, for example, we have teamed up with the **UniCredit** banking group, which has 4,000 branches across the country and over 8 million customers. Our joint subsidiary, CNP UniCredit Vita, has over 150 employees and ranks among Italy's top ten personal insurers with 3.1% of the market at end-2013. While unit-linked contracts and other savings products account for the bulk of the business, the subsidiary is now expanding its personal risk offer to meet growing demand for protection

against the risks of everyday life in the current depressed economic and financial environment. And it is also keeping a close watch on the lending market, which is showing signs of recovery.

We are also shareholders alongside **Barclays Bank** in CNP Barclays Vida y Pensiones (CNP BVP) which has operations in three countries of Southern Europe, Spain, Portugal and Italy. The joint venture develops and manages savings and term creditor insurance products that are distributed through the 1,000-strong Barclays branch network to the bank's 1.5 million customers in these three countries. The latest product is the *Barclays Pensión Horizon 2020* pension plan launched in Spain at the end of last year.

In Cyprus, we joined forces with the country's leading bank, **Bank of Cyprus**, to set up CNP Cyprus Insurance Holdings (CNP CIH). This subsidiary's life insurance and property and casualty insurance products are distributed through Bank of Cyprus branches and by a network of independent agents. CNP CIH also operates in Greece, where it offers savings and personal risk insurance products, as well as automobile, fire and earthquake insurance solutions tailor-made for Greek policyholders. In Greece too, a network of independent agents and the Postal Bank network add

to the distribution firepower provided by Bank of Cyprus.

Robust platforms to support the development of open model partnerships

Our open model partnerships continued to flourish despite the still uncertain economic environment in Southern Europe. CNP Italia, CNP Vida and CNP España

together generated over €330 million worth of premium income from sales of term creditor insurance, personal risk insurance, savings and pensions contracts through distributors looking to diversify their offers. The list of potential partners under the open model is long and includes, for example, retail banks, private banks, consumer credit companies, major retailers, fund managers, independent financial advisors and brokers.

Convinced that servicing capability will be a key differentiating factor in the insurance market of the future, we have chosen to offer insurers the opportunity to outsource all or part of their value chain in order to focus on their core business of managing risks and creating products. Operated by our new subsidiary named CNP Insurance Services (CIS), the platform manages Group projects with CNP BVP and CNP Vida becoming its first customers.

“Our leadership position in term creditor insurance in France and our advances in full on-line underwriting encourage us to expand in Europe.”



YVES COUTURIER
Director, Open Model
business unit



315

partner financial institutions
in France for the term creditor
insurance business and over
20 banking partners in Italy,
including UniCredit and Barclays

Expertise to win over European policyholders

In 2013, premium income from term creditor insurance business rose by 5.4%. CNP Assurances confirmed its market leadership in this segment in France.

In an environment shaped by low interest rates but with no recovery in the housing market, activity in the home loan market was generated mainly by home-owners changing mortgage provider or renegotiating their loan.

Term creditor insurance in France, the testing ground for the open model

The term creditor business's growth dynamic was supported by the major partner networks. The Caisses d'Épargne confirmed their success in this segment, reporting term creditor insurance sales up 8.6%, and La Banque Postale enjoyed renewed momentum, with growth of 5.4%.

These performances reflect our policy of constant innovation to align products as closely as possible with customers' interests. Examples include the redefinition of incapacity as the insured's inability to perform his or her job (and not any job) and the introduction of price bands based on narrower age groups that has made La Banque Postale's new offer among the most competitive in the market. Alongside these major distribution partners, the other partner financial institutions generated €1.5 billion in term creditor insurance premium income, up by 1.1% on 2012. During the year, we continued to upgrade our underwriting systems and achieved a considerable head start over our competitors by introducing full on-line term creditor insurance underwriting (see box). We have everything we need to step up the pace of our European expansion: the expertise, products aligned with the expectations of mature markets and systems that simplify their underwriting and administration.

The expertise and experience to understand customers' needs

Our leadership of the French term creditor insurance market, with over 12 million borrowers insured, and our many decades of experience have helped us to forge an unrivalled understanding of French policyholders, their behaviour, their state of health and the associated risks. Over the years, we have refined our data and analysis systems, as well as developing proprietary risk assessment rules covering the occurrence of insured events and the risks of everyday life. This expertise enables us to

price risks with a high degree of accuracy and efficiently manage loss ratios for this complex, long-term cover. Thanks to our platforms in Europe, we have extended our knowledge to other markets and to other cultures and economic environments. For example, different risk selection practices are followed in Spain and Italy. While term creditor insurance is semi-compulsory in France, in other countries it is largely optional. And in some countries, it is sold as a single policy, in others disability cover may be purchased from one company and death cover from another. Likewise, the premium may be payable up front or over the life of the loan. Our experience of these differing systems will help us to develop tailored approaches to our European expansion. In Germany, for example, the mortality risk and the healthcare system are similar to those in France, meaning that our experience of managing death risks is transposable. The same is not true, however, for unemployment risks, due to the far-reaching differences between the French and German labour markets.



Thanks to our platforms
in Europe, we have
extended our knowledge
to other markets and
to other cultures and
economic environments.

FULL ON-LINE TERM CREDITOR INSURANCE UNDERWRITING

From the electronic signature of the insurance application and medical questionnaire to the on-line processing of claims, CNP Assurances now offers end-to-end paperless term creditor insurance. This full on-line service makes life easier for borrowers and for their account managers in the distribution networks. It also establishes a lasting difference between CNP Assurances's service and that of its competitors.

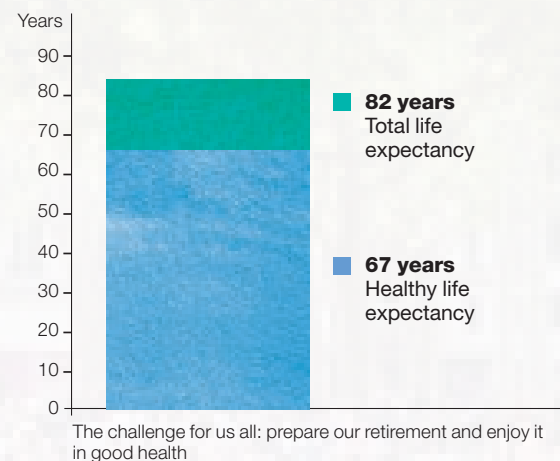
On 1 January 2014, the first CNP Assurances full on-line term creditor insurance contract was electronically signed on the Boursorama Banque portal. Boursorama Banque, a subsidiary of Société Générale, distributes its products

exclusively via the Internet. For this pure player, the key to success lies in ensuring that the customer experience is efficient, intuitive and secure. The full on-line format initiated by CNP Assurances provides instant added-value for all stakeholders. It significantly reduces customers' perception of the time required to purchase insurance, facilitates the bank's back and middle office processes and offers more secure storage of insurance applications. A trusted third party acts as certifier and provides secure digital archiving services. The solution is a decisive building block in our digital offer, accentuating our competitive advantage and extending our leadership of the term creditor insurance market.

With our partners, contributing to the social safety net

AS NEW CHALLENGES EMERGE, SUCH AS INCREASED LIFE EXPECTANCY, PENSIONS REFORM, SLOWER ECONOMIC GROWTH AND NEW VULNERABILITIES, CNP ASSURANCES IS WORKING WITH ITS PARTNERS AND CUSTOMERS TO RETHINK GROUP SUPPLEMENTARY INSURANCE.

AVERAGE LIFE EXPECTANCY
of an employee currently aged 50



4,600 companies have chosen CNP Assurances to manage their employee welfare plans

No.1

in employee benefit plans for local authorities

Over 20,000 local authorities and hospitals put their trust in CNP Assurances.

NO.3 IN GROUP PENSION SAVINGS PLANS WITH

€30^{bn}

in average technical reserves*

* Excluding the deferred participation reserve

CNP Assurances, a member of the **Caisse des Dépôts Group**, in the vanguard of social protection.

60^{years}

devoted to partnering mutual insurers and employee benefits institutions, as insurer, co-insurer or reinsurer

250

in-house insurance advisors

The network of insurance advisors directly employed by CNP Assurances is deployed across France to advise customers about the savings and personal risk insurance solutions best suited to their needs.

350

employees deploy their expertise for policyholders and partners.

5

CHALLENGES

- **Micro-enterprises and SMEs:** provide supplementary health, death and disability insurance cover for all employees
- **Supplementary health insurance:** combine effectiveness with close management of costs
- **Incapacity insurance:** provide effective support to insureds while they are off work and when they return to their job
- **Pensions:** provide financial security over a longer life span
- **Long-term care insurance:** help insureds to stay healthy now and in the future.

35%

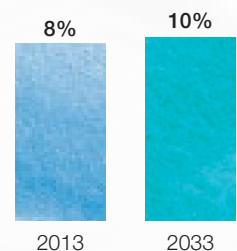
CNP Assurances's stake in Inter Expansion-Fongepar, the entity set up in 2013 with Humanis, France's leading employee benefits institution, which owns the other 65%. By merging their employee savings subsidiaries, the two groups have created a major player in this market.

41.6%

of CNP Assurances's
net insurance revenue is
generated by the personal
risk-protection business.

GROWTH IN COMPANIES' HEALTH-RELATED* COSTS

(as a % of payroll)



* absenteeism, incapacity, disability,
supplementary health insurance

Source: CNP Assurances research

Insuring and supporting longer lives

IN A SOCIO-ECONOMIC ENVIRONMENT THAT IS
UNDERGOING FAR-REACHING CHANGES,
CNP ASSURANCES IS REAFFIRMING ITS DISTINCTIVE
QUALITIES AND ITS COMMITMENTS AS FRANCE'S
LEADING PERSONAL INSURER.

A growing need for security

CNP Assurances covers all of life's everyday risks with products such as health, accident, death and long-term care insurance. In France, these products are sold to individual policyholders by our two major distribution partners and by our own CNP Trésor network, while group contracts are distributed to companies, local authorities and hospitals by partner mutual insurers, employee benefits institutions and brokers.

In 2013, the personal risk-protection business confirmed its vitality, reporting 3.4% growth in premium income and a resounding improvement in new business margin. Premium income generated by La Banque Postale in this segment remained more or less stable, with a sharp rise in sales of *Prévialys* accident insurance. The Caisses d'Épargne network enjoyed another year of record growth, delivering a 19% increase in personal risk-protection premium income, led by sales of funeral insurance. Lastly, the CNP Trésor network reported a 28%

increase in the number of personal risk contracts signed in 2013. In employee benefits, the mutual insurers partnership centre had a good year, reporting premium income of €883 million. Of the total, €232 million was generated by the new MFPrévoyance subsidiary which has given CNP Assurances a strong presence among the major mutual insurers that cover public sector employees. The revamped personal risk and long-term care offers should start contributing to business growth in 2014.

A turning point in social protection

The ageing population, different work models and emerging vulnerabilities are creating new needs for protection, prevention and support. At the same time, pensions reform, economic recession and the necessary adaptation of the social security system are overturning previous perceptions of compulsory insurance and its role in pooling risks. The "ANI" agreement providing for all employees to be covered by supplementary

health insurance as from 1 January 2016 will reshape the insurance landscape, by taking more than 5 million employees of micro-enterprises and self-employed workers out of individual health insurance and into group insurance plans. These changes serve as an encouragement to take a fresh look at our business. We need to go from being an insurer who is present when things go wrong to become a partner supporting our insureds' well-being throughout their lives. Since the beginning of the year, our competencies in the areas of health insurance, personal risk insurance, pensions and long-term care have been brought together in a new "Social protection and services" operating unit that is setting to work promoting and deploying an innovative offer for the social protection market in France.

The challenge of living healthier for longer

French people enjoy one of the longest life expectancies in the world. The average

DRIVING DEMOGRAPHIC TRANSITION

CNP Assurances is a founding partner of the "Demographic Transitions, Economic Transitions" chair created in 2008 at the instigation of fifty economists who wanted economic research to be useful to society. The chaired professor has been leading research into France's ageing population and the proposed public policy responses to the problem of reconciling the conflicting needs of different generations. Covering such issues as life expectancy, the redistribution of wealth between generations, seniors' health and long-term care, the research has provided us with a broad vision of the major social trends that will help us fine-tune our projections of future social protection needs.

life-span has increased considerably in recent decades, to rise above 80 years in the early 2000s. However, healthy life expectancy started to fall in 2006, declining from 62.7 years to 61.9 for men and from 64.6 years to 63.5 for women between 2008 and 2010. This meant that, as of the end of 2010, men could expect to spend four-fifths of their life in good health and women three-quarters of their life. These statistics show just how much scope there is for improving seniors' health. There are also very marked differences in life expectancy between socio-professional categories in France. The decline in healthy life expectancy creates two major challenges. The first concerns occupational health, to guarantee the employability of seniors as the retirement age is pushed back further and further. The second concerns the long-term health of retirees and the autonomy issue. With our partners, we are rethinking our approach to social protection in the reflected light from these two challenges.

“Employers’
expectations feed
CNP Assurances’s
social innovation
policy.”



MAGALY SIMÉON
Director, Social Protection
and Services business unit



Occupational health and autonomy, the keys to a better life

CNP Assurances is enhancing its offers and innovating to meet the needs of insureds and their employers

Social innovation with local authorities

Health-related absences are on the rise among local authority employees in France. The resulting direct and indirect staff replacement costs eat into these authorities’ budgets and also negatively affect user service quality. As a historical partner of large and small municipalities, with over 20,000 local authorities and hospitals insured, CNP Assurances is innovating to improve the occupational health of the three million public sector workers covered. Our statutory insurance contracts provide for on-site advice and training in occupational health given by a team of health and safety engineers, ergonomics experts, psychologists and consultants specialised in the local authority and hospital sectors. We add value through a number of innovative support techniques. These include mapping professional risks, developing related action plans, creating pathways for the return to work of employees on incapacity leave, and offering psychological support to employees who are repeatedly absent.

We are now planning to make this expertise available to companies, particularly SMEs and micro-enterprises.

Going further in partnership with mutual insurers and employee benefits institutions

The national multi-employer agreement (“ANI”) dated 11 January 2013 provides for an extension of supplementary health insurance to all private sector companies and their employees as from 1 January 2016. This agreement has opened up a whole new perspective for the employee benefits market, by taking more than 5 million employees of micro enterprises and self-employed workers out of individual health insurance and into group insurance plans. For our part, we are developing an em-

ployee benefits offer specifically designed for micro-enterprises and SMEs, and giving partner mutual insurance companies and employee benefits institutions the benefit of our technical, operational and innovation capabilities.

As the partner of some one hundred mutual insurers, including companies specialised in insuring public sector employees, managers of multi-employer plans and insurers for the professions, we intend to provide support and generally offer a new take on social protection. The late-2013 creation of a new employee savings plan specialist with the Humanis Group is a step in this direction. This promising alliance attests to our commitment to strengthening our ties with employee benefits institutions and addressing the emerging needs of employees in France and Europe.

Services to support independent living

The ANI agreement will mark an important milestone for the assistance subsidiaries of CNP Assurances, which has pioneered the concept of “assurance”. Spanning such areas as legal assistance, preventive services and personal services, the new offers support employees over the long term and help them protect their health. **Filassistance**, the local personal services specialist, offers an assistance formula to purchasers of “women’s cancer” insurance, covering all stages of the disease, from detection to treatment and the related side-effects. The insured’s family are also given help in finding information and solutions. **Âge d’Or Services’** network of 160 franchisees and around 1,400 employees are

specialised in home care. A new on-call night care offer is being developed to help vulnerable people to continue living at home, and a transportation service is being trialled to improve mobility and prevent social isolation. The **Carrés Bleus** health information platform has developed a system for the analysis of optical, dental and hearing aid quotes that helps insureds to avoid overpaying for these services. We are constantly enhancing our range of protections and related services to help people live independently for longer. We are now planning to put the quality of our long-term care solutions to the test by seeking FFSA accreditation for these offers.



CNP Assurances’s ambition: to insure the risks of everyday life and help each insured to enjoy improved well-being throughout their life.

REVISITING LONG-TERM CARE RISK

According to France’ national statistics institute, Insee, there were 15.4 million people aged 60 and over in 2013. This compares with 1.7 million long-term care policies in force in 2011 according to the insurance industry federation, FFSA. The penetration rate has remained stuck at around 10% of the over-60 population because current long-term care products are poorly aligned with users’ needs. As a trail-blazer in long-term care insurance, we have undertaken to approach this risk differently. The aim is to make long-term care insurance an affordable product rather than a luxury. The first step is to determine the price point that most people would view as affordable and then to define the best content for this price. Simulations are being performed to compare individual and group insurance options, to determine how the premium should be split between the cost of services and the insurance risk, and to measure the effect of purchasing the contract at different ages. These simulations have already convinced us that a core service offer would help to prevent the occurrence of risks and guarantee better support. Usable from the date when the contract is purchased, these basic services will help service providers to build ties with insureds, and thus help them to continue living in their own home for as long as possible.

A strong growth dynamic in Latin America

STRENGTHENING THE GROUP'S POSITION IN BRAZIL AND LOOKING OUT FOR GROWTH OPPORTUNITIES IN LATIN AMERICA ARE IMPORTANT STRATEGIC GOALS.

Over **900**
EMPLOYEES IN LATIN AMERICA

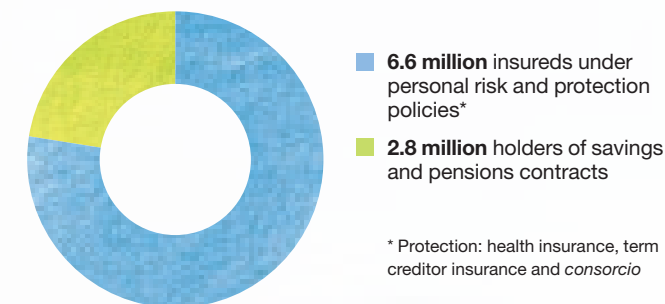
1995 CNP Assurances opens its first Latin American subsidiary, in Buenos Aires, Argentina – CNP Assurances Compañía de Seguros – in partnership with Banco Credicoop.

2001 The Group sets foot in Brazil, by acquiring 51.75% of Caixa Seguros, alongside Caixa Econômica Federal, Brazil's second largest state-owned bank.

€3.1bn

Premium income in Latin America rose by 4.9% in 2013. Excluding the negative currency effect, underlying growth was 19.3%, led by vibrant conditions in all business segments in Brazil.

CAIXA SEGUROS: 5TH LARGEST INSURER IN BRAZIL



200

MILLION BRAZILIANS, including **29 million** who have joined the middle class in the past ten years.

20 years

Duration of the exclusive distribution agreement with Caixa Econômica Federal.

60,000
points of sale, including

12,500
lottery ticket sales points

105

MILLION potential micro-insurance customers

9th largest insurance market in the world
16.8% annual growth forecast between 2012 and 2017

4

STRATEGIC GOALS FOR THE FUTURE

- Increase the insurance penetration rate among Brazil's middle class
- Offer products aligned with the budgets of the 105 million Brazilians with low incomes
- Diversify distribution partnerships in Brazil
- Stay on the look-out for acquisition opportunities in Latin America

95%

share of the micro-insurance market

60%

growth in on-line sales in 2013

Caixa Seguros, the winning model

CNP ASSURANCES'S RECIPE FOR CAPTURING THE BRAZILIAN MARKET'S EXCEPTIONAL VITALITY – DEVELOP A RANGE OF USEFUL AND AFFORDABLE PRODUCTS AND DISTRIBUTE THEM THROUGH ALL IMAGINABLE CHANNELS

A solid base

The Brazilian subsidiary designs and markets products that cover personal risks, including risks involving personal assets, as well as savings products that, in some cases, include a random draw feature. The savings and pensions business is the biggest contributor to the subsidiary's premium income. Caixa Seguros is the unchallenged leader in term creditor insurance, providing cover for 2.5 million Brazilian home-buyers. Its *consórcios* products represent an original solution for financing the purchase of a home or car that allows groups of savers to pool their savings and lend money to each other over set time-periods so they can each borrow at below-market rates. The borrowers are determined by random draw. Lastly, Caixa Seguros also offers auto insurance and

comprehensive home-owners insurance. In 2010, priority was given to developing the personal risk and employee benefits business. Three years later, 106,351 companies had purchased the flagship *Vida Empresarial* product. In funeral insurance, a total of 219,512 *Amparo* contracts designed for the lowest income families have been sold in the space of two years. In 2012, Caixa Seguros entered the promising health and dental insurance market, and by the end of 2013, Caixa Seguros Saúde had 58,276 insureds under group contracts purchased by 348 companies attracted by the company's dedicated expert platform.

A very promising outlook

Certain features of the emerging Brazilian economy command confidence. They include the country's stability, its health and safety and environmental regulations, its wealth of natural resources and the potential for industrial development. The Brazilian insurance market is benefitting from the current social revolution. In all emerging

markets, economic growth fuels an increase in insurance needs, but under the Brazilian model, the increase has been far greater and has taken place faster than in other countries. This is because growth in the economy has opened the floodgates to social mobility, with the middle class growing at a rate and in proportions that make Brazil a very promising market.

Out of Brazil's population of some 200 million, 29 million are now members of the middle or upper class and are in the market for traditional insurance products, while 105 million Brazilians are new entrants in the monetary economy with low incomes. Helped by the very high level of social mobility, these populations will soon also join the middle class and the traditional insurance market. For Caixa Seguros, penetrating this pool of future insurance customers will help to guarantee its place among Brazil's major insurance companies for a long time to come.

Caixa Seguros's decisive strengths

In Brazil, the CNP Assurances model shows its full worth. The products are closely aligned with demand. Having a supplementary health plan is the dream of



all Brazilians, second only to owning their own home, while just 10% of Brazilians have dental insurance, leaving a huge untapped market. Leveraging its ability to pool risks and its expertise in risk management, the Group is able to offer affordable products for all. It only takes a few reals a month to purchase protection insurance or a savings contract.

But Caixa Seguros's core strength lies in its powerful distribution capabilities in all segments of the market. The exclusive distribution agreement with historical partner Caixa Econômica Federal that runs until 2021 provides access to a network of 3,000 bank branches and 12,500 lottery sales outlets located throughout the country, particularly in the *favelas*. And the agree-

ment also enables Caixa Seguros to capitalise on Caixa's popularity. As Brazil's second largest state-owned bank, Caixa is responsible for distributing financing that is central to Brazilians' lives. It pays family allowances, manages unemployment insurance payments and helps Brazilians to fulfil their number one dream by financing around 75% of home purchases. All of these activities raise Caixa Seguros's profile and build its image as a caring insurer among people with low incomes who purchase insurance without ever having a bank account.

PIONEERING DENTAL INSURANCE

Twenty million Brazilians have never visited a dentist. To meet the needs of a large part of the Brazilian population, Caixa Seguros decided to offer a quality service at a low cost and to distribute the offer as widely as possible among the middle and upper classes. At the beginning of 2013, dental insurance products were launched throughout Brazil. Distributed on-line, through Caixa branches and via telesales, the new offer was an outstanding success with over 22,000 contracts sold in the first year. The early 2014 acquisition of Tempo Dental will provide Caixa Seguros with additional distribution firepower. Tempo Dental is one of the leading dental insurance companies in Brazil, with over 524,000 policyholders and an extensive network of dental professionals spanning the whole country.



“Caixa Seguros was the first insurance company in Brazil to sell simple and affordable products.”



THIERRY CLAUDON
Director, Latin America Business Unit

60,000

points of sale spanning the entire country, representing a vast local distribution network to bring Caixa Seguros's micro-insurance products to the 105 million Brazilians with low incomes.

Innovations to insure all our futures

Caixa Seguros is consolidating its success by establishing new partnerships and investing in new distribution channels, including on-line distribution.

Alternative and multi-channel distribution

In a highly concentrated sector – the top three insurers together hold 55% of the market – Caixa Seguros continued to capture market share in 2013. Distribution channels are being diversified to amplify the benefits of a winning business model. The acquisition of Previsul supports this strategy. This personal insurance company has been operating in Southern Brazil for over 100 years, particularly in Rio Grande do Sul state where it has some 600,000 policyholders. The acquisition deepens the Group's coverage of a market represented by 24 million inhabitants and opens up a new distribution channel in the shape of some 3,000 partner brokers.

Recognising that people in Brazil view insurance as a consumer product like any other, Caixa Seguros is moving into mass-market distribution channels. The lottery ticket sales outlets place its insur-

ance products at the heart of Brazilian daily life, including in the *favelas*. With 14 million discrete visits to the website and virtual store in 2013, the on-line platform launched in 2011 posted impressive growth rates of 82% in 2012 and 117% in 2013.

Focus on micro-insurance and mass-market products

In 2012, six companies were licensed by Brazil's insurance supervisor, SUSEP, to distribute micro-insurance products. Of the six, only Caixa Seguros entered this market in 2013. Its experience in affordable insurance, with some 21 million policies sold, provided a solid backdrop for the development of the first micro-insurance offers. These products are designed to protect the socio-economic situation of people with low incomes. The market is estimated at over 105 million people, representing around 60% of the Brazilian population versus 40% in 2004. Caixa Seguros offers them this protection at an affordable price, with a simplified insurance application process and cover aligned with their needs.

For example, the *Amparo* contract offering broad coverage in the event the family breadwinner dies, causing an abrupt loss of revenue, starts at BRL 2.50 per month (less than €1), or BRL 30 per year (less than €12). It takes just a few seconds to purchase cover for the cost of the funeral, along with comprehensive support services, a cash allowance, food aid for three

months, and the opportunity to participate in a monthly random draw to receive an additional allowance of BRL 20,000 to BRL 60,000. With its 95% market share, Caixa Seguros has a considerable head start in this business, which is both highly promising and socially useful.

Cultivating partnership in Argentina

CNP Assurances Compañía de Seguros, the Group's oldest subsidiary outside France, is one of Argentina's leading providers of term creditor insurance and personal risk insurance. In 2013, it had premium income of €55.5 million, up 5% including the currency effect but 30% higher in local currency. The signature of agreements with two new distribution networks has given added impetus to sales and extends the subsidiary's portfolio of partnerships. CNP Assurances Compañía de Seguros's products are distributed not only by Banco Credicoop, its shareholder and original distribution partner, but also by over 500 branches of other banks (Banco Columbia, Citibank, Banco Cencosud, etc.), a network of insurance brokers,

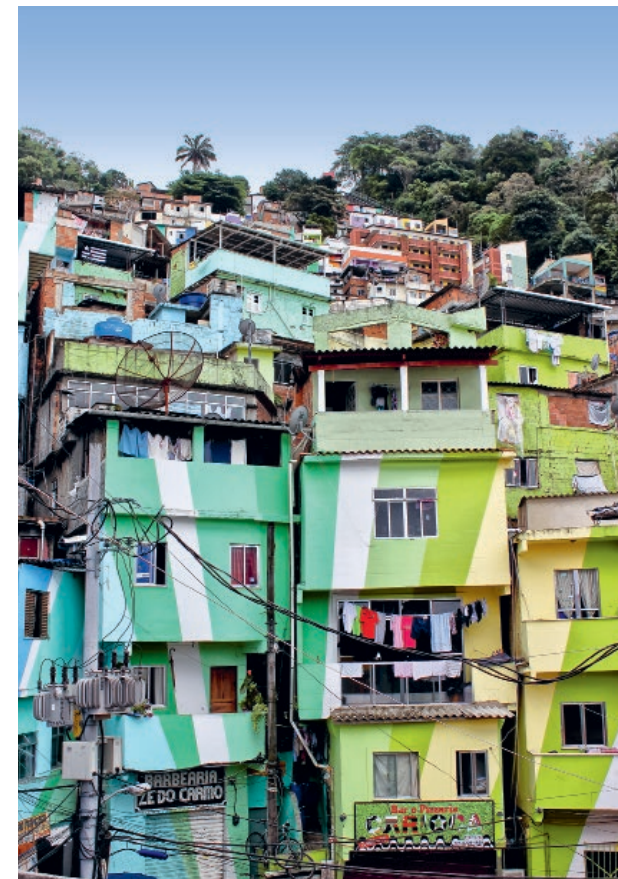
A STRONG ON-LINE SALES DYNAMIC

The Internet naturally has a role to play in Caixa Seguros's multichannel strategy. In 2013, on-line sales represented BRL 115 million (approximately €40 million), with term creditor insurance for home loans and auto insurance accounting for 11.7% of the total. Dental insurance contributed for the first time, accounting for 0.09%. Savings products with a lottery feature, a product specific to Brazil, were also sold on-line, with 0.10% of premiums generated via this channel. A total of 3.3 million customers had signed up for on-line services at end-2013, while the website and virtual store attracted 14 million visits during the year with 36 million pages viewed. In 2014, Caixa Seguros will work with Caixa to develop training courses in finance and insurance for people who are novices in these areas.

cooperatives, mutual insurers and non-profits. The company has also launched a telesales activity. This open model has helped the Argentine subsidiary to build a franchise of some 3 million policyholders.

Looking to the future in Latin America

Caixa Seguros will focus primarily on organic growth, giving priority to supporting the ambitions of Caixa, which is playing a growing socio-economic role in Brazil. More generally, the Group's objectives are to diversify its distribution partnerships in order to capture a share of the growing insurance market in Latin America, and to make acquisitions that help to consolidate its positions on this continent.



Recognising that people in Brazil view insurance as a consumer product like any other, Caixa Seguros is moving into mass-market distribution channels.

CNP Assurances's **vision**

For a
sustainable
economy

48-53

Creating more value,
contributing more to
the real economy, screening
investments more carefully
and double checking risk
assessments.

For an
attractive
enterprise

54-57

CNP Assurances supports
employees throughout their
careers with internal mobility
programmes, career planning
reviews, training and measures
to combat stress.

For a
caring
society

58-61

CNP Assurances is
committed to ensuring that
as few people as possible
are excluded from insurance
and its Foundation works
to protect life.

Partnering policyholders over the long-term

CNP ASSURANCES'S PUBLIC SECTOR LEGACY,
ITS PRESENCE AT THE HEART OF POLICYHOLDERS'
LIVES AND ITS FOCUS ON ANTICIPATING CHANGES
IN SOCIETY HAVE FORGED A COMMITMENT
TO BETTER PROTECT ALL OUR FUTURES FOR
THE BENEFIT OF ALL STAKEHOLDERS.

3 KEY DATES

2003

Pledge to uphold
the UN Global Compact

2009

Signature of
the Association Française
de l'Assurance's sustainable
development charter

2011

Pledge to uphold
the UN's Principles for
Responsible Investment (PRI),
deployment of the corporate
social responsibility (CSR)
policy in the subsidiaries
and publication of the first
CSR report.

4

**commitments structure
the Group' CSR approach:**

- **Providing** long-term support
for employees
- **Assuming** our responsibility
to the economy
- **Adapting** our offering
for diverse needs
- **Reducing** our environmental
footprint

**2013 CORPORATE SOCIAL
RESPONSIBILITY REPORT**
available for download from
www.cnp.fr

10

**principles of the UN
Global Compact**
guide CNP Assurances's
action throughout
the world.



Human rights

1. Businesses should support and respect
the protection
of internationally
proclaimed human
rights; and

**2. make sure they
are not complicit**
in human rights abuses.

Labour

**3. Businesses should uphold the freedom
of association**
and the effective
recognition of the right
to collective bargaining;

**4. the elimination
of all forms of forced
and compulsory labour;**

**5. the effective
abolition of child
labour; and**

**6. eliminate
discrimination**
in respect of employment
and occupation.

Environment

**7. Business
should support a
precautionary approach**
to environmental
challenges;

**8. undertake
initiatives**
to promote greater
environmental
responsibility; and

**9. encourage
the development
and diffusion**
of environmentally
friendly technologies.

Anti-corruption

**10. Businesses
should work against
corruption**
in all its forms, including
extortion and bribery.

16%

The Group's enterprise value rose by 16% in 2013, primarily reflecting the increased contribution of operations.

€44bn

invested in major French companies

For a sustainable economy

IN 2013, CNP ASSURANCES IMPROVED ITS PROFITABILITY, STRENGTHENED ITS PRUDENT AND RESPONSIBLE MANAGEMENT PRACTICES AND INVESTED EVEN MORE IN THE REAL ECONOMY, IN BUSINESSES AND IN JOBS.

The strategic decision to focus on creating value

In 2013, CNP Assurances and its partners supported the value creation dynamic. Premium income rose by 4.6% to €27.7 billion and the Group reported positive net new money. Significantly, the contribution of high value-added businesses increased, driving a 2.5-point improvement in new business margin to 14.1%.

The benefits of this strategy were plain to see in France. In the savings and pensions segment, unit-linked sales

increased by 35.6%, while premium income from personal risk and protection insurance grew 3.4%, contrasting with a 5.8% decline in premiums from traditional savings products. At a time when customers were looking to diversify their investments, CNP Assurances focused on writing high quality business, an approach that lifted the new business margin in 2013.

In Europe excluding France, premium income surged by 71.2% with the sale of a €420 million group pensions contract. Even excluding this contract, growth was an impressive 50.7%, reflecting a return to normal in Italy after the previous year's collapse in the market, and a resilient performance in Cyprus. Unit-linked sales in the region expanded by 76.6% and

new business margin rose by 4.2 points to 11.8%, confirming the priority given to creating value in line with the Group's long-term strategy.

A stronger position in Latin America

Led by the strong growth dynamic in Brazil, premium income in Latin America rose by over 19% to €3.1 billion and net insurance revenue was more than 22% higher on a like-for-like basis. Although the unfavourable currency effect linked to the steep fall in the real against the euro reduced reported growth rates to 4.9% and 7.3% respectively, Latin America continues to represent a powerful growth driver for the Group. In 2013, CNP Assurances made its first forays into the micro-insurance market and recorded further market share gains. Two acquisitions have expanded operations in Brazil. Previsul has enabled Caixa Seguros to add brokers to its distribution channels and Tempo Dental has given the company a strong foothold in the buoyant dental insurance segment.

A healthy set of results

Group revenue for the year increased by 2.1% to €3.2 billion.

Tight control over administrative costs in all regions helped to limit their increase to 1.6% like-for-like, while the Group's ambition to become more competitive led to

an improvement in the cost/income ratio to 35.8% from 36.7%. EBIT for the year amounted to €2.4 billion. Net profit rose by a further 8.3% to €1 billion.

Good insurer financial strength indicators

At 31 December 2013, the Group had €14.6 billion in capital, including €2.1 billion in subordinated debt. Its enterprise value rose by 16% over the year, primarily reflecting the increased contribution of operations. These solid performances contributed to a small improvement in the solvency capital coverage ratio to a

very satisfactory 302% under Solvency I. Excluding unrealized gains, the hard equity coverage ratio stabilised at 115%. The Solvency II coverage ratio was an estimated 185%. At the same time, at end-2013 the policyholders' surplus reserve stood at a very high €4.4 billion corresponding to 1.97% of technical reserves for traditional savings contracts.



The Group focused on writing high quality business, an approach that drove a 2.5-point increase in new business margin to 14.1% in 2013.



A key partner
of the French
economy

A major institutional investor in France, with some €123 billion invested in the economy, CNP Assurances is refocusing and optimising its asset management for the benefit of all stakeholders.

Massive support for large
companies

With over €44 billion⁽¹⁾ invested in large French companies, CNP Assurances is a key partner in their domestic and international growth. The Group holds some €35 billion in corporate bonds issued by companies operating in a wide range of industries, such as luxury goods, manufacturing, retail, banking and telecommunications, including some of the leading exporters. We also hold some €9.3 billion worth of shares issued by French companies operating for example in the energy, automotive, food and beauty industries. With a direct stake in their future, we talk regularly to these companies and systematically vote at their shareholders' meetings.

In line with policy of investing for the long term, the bonds in our portfolio are held to maturity and equities are held for long periods (seven years on average), to give the companies concerned the stability and visibility they need to carry their growth strategies to fruition.

Increased support for SMEs
and mid-tier companies

CNP Assurances has been investing in private equity since 1992, and is currently one of the leading French investors in this market with €3.1 billion committed at 31 December 2013, including €1.6 billion of investments (based on their net carrying amount) and €1.5 billion in capital commitments not yet called. We invest through private equity funds selected for their investment strategy, their teams and their ability to support the development of the companies in the portfolio over the long term. 70% of these funds invest in France and Europe.

In this way, we are supporting nearly 500 French companies with less than €50 million in revenue at various stages in their development, from start-up to expansion to final sale. Whether they are innovative start-ups or SMEs with an established presence in their market, operating in the high-tech sector or traditional manufacturing industry, these companies all play a strategic role in strengthening France's economic fabric, creating

jobs and attracting foreign investment. In 2013, the launch of the Novo bond funds provided a new source of financing for SMEs and mid-tier companies. The first two large Novo funds have received capital commitments of around one billion euros, from Caisses des Dépôts and 17 leading insurance companies including CNP Assurances. We invested €100 million in 2013, demonstrating our commitment to resolutely supporting the real economy.

Investing in public sector debt

With a French government bond portfolio valued at €55.4 billion at 31 December 2013, CNP Assurances helps to fund public sector capital investment, support demand and finance national infrastructure projects. We also hold over €17.3 billion worth of bonds issued by state-owned enterprises such as Réseau Ferré de France, SNCF and RATP. In addition, we help finance regional projects (notably in the Ile-de-France and Provence-Alpes-Côte d'Azur regions) and projects launched by France's *départements* and cities.

A major contributor
to infrastructure financing

Whether they concern rail transport, sea and river transport, renewable and non-

renewable energies, the treatment of water and of waste or information networks, infrastructure projects require long-term financing from powerful lenders. We view this asset class as an opportunity to diversify our portfolio while also optimising our yield-to-risk ratio. At the end of last year, we invested €763 million in French infrastructure projects through specialist umbrella funds comprising infrastructure debt and real estate debt funds.

In mid-2013 we signed an agreement with Natixis with a view to jointly financing infrastructure projects and two such investments have already been made. We generally aim to invest between €50 million and €150 million in each selected project. In 2013, we also participated in the first fund-raising exercise for the infrastructure and real estate debt fund launched by La Banque Postale Asset Management (LBPAM), that is invested in social infrastructure, transport systems, utilities and eco-projects on the one hand and in office, retail, residential and warehouse properties on the other. Most of the projects are in Western and Northern Europe. We have already made capital commitments of €300 million and intend to support the fund's growth. LBPAM's objective is to invest around €2 billion in infrastructure financing over the next three years.

500 French
companies
with revenues
of less than
€50 million
are supported by
CNP Assurances.

A determined focus on real estate

We have only limited exposure to this asset class. The property portfolio had a net book value of €6 billion at 31 December 2013, representing 3% of our total asset portfolio, and offered high quality yields. We are preparing to invest in the fund being set up in France to finance construction of medium income housing and are already adding to our portfolio of residential properties. At the same time, the property portfolio is being diversified geographically, with recent investments in shopping centres and hotels in Scandinavia and other regions of Northern Europe.

1. The investment amounts correspond to the investments' net book value in the balance sheet.



SUPPORTING FRENCH INDUSTRY

In 2012, CNP Assurances and three other major insurance companies set up Fonds Stratégique de Participations (FSP) to help finance the strategic development of French companies in the SBF 250 index selected for their financial robustness, innovation capabilities and visibility. The Fund made its first investments in 2013, acquiring a 6.05% interest in Arkema and a 5.25% stake in SEB, both leaders in their respective markets.

FRANCE'S LARGEST PRIVATE OWNER OF WOODLAND

CNP Assurances has been investing in forestry assets for fifty years and is now the largest private owner of woodland in France with over 54,443 hectares at end-2013. The woodlands are managed by Société Forestière, a 50%-owned subsidiary, using methods that protect their biodiversity and pro-actively plan for the impact of climate change. They have been certified by the Pan European Forest Council (PEFC) and also meet the requirements of ISO 9001.



RESPONSIBILITY

302%

The record high Solvency I risk coverage ratio* reported by CNP Assurances.

At 31 December 2013, the estimated ratio under Solvency II was 185%, reflecting a further strong 15-point increase over the year.

* Ratio of eligible capital to the solvency capital requirement

€2.3bn

Amount invested

by CNP Assurances in SRI funds as of 31 December 2013.



Effectively managing risks

In a period of change due to revisions to the Solvency II directive, CNP Assurances is continuing to prudently and responsibly manage the risks associated with its business.

Omnibus II, creating new challenges

Insurance companies are required to maintain technical reserves covering their best estimate of the total amount of their liabilities to policyholders plus a risk margin for unexpected events. Solvency II introduces a change in the key indicator of an insurance company's financial health – the risk coverage ratio. At 31 December 2013, CNP Assurances's estimated Solvency II risk coverage ratio was 185%, representing a 15-point improvement compared with the previous year-end and a level of capitalisation well above the regulatory requirement.

In November 2013, the Omnibus II technical directive introduced an important amendment to the framework directive, by requiring long-term guarantees (under life insurance, personal risk insurance

and pension contracts) to be matched by investments in long-term assets. The new rules will apply from 1 January 2016.

Developing an integrated risk management process

These developments led us to further strengthen our risk monitoring and management systems by creating a Corporate Risk Management unit. The unit will be tasked with ensuring that risk assessment, decision-making and monitoring processes are applied consistently for all operational, financial and technical risks. It will also oversee compliance with the principle of double checking by a person independent from the managers concerned. However, the unit's fundamental role will be to ensure that CNP Assurances's strategic ambitions are compatible with the Group's capital.

ESG screens to guarantee high quality investments

We incorporate environmental, social and governance (ESG) criteria in the investment selection process, because of our firmly held belief that investments with a high ESG score offer better yield-to-risk ratios over the long term and justify policyholders' confidence in our Group. Introduced in 2006 for the equity portfolio, we extended ESG screening to the sovereign debt portfolio in 2010. In France, we use the analyses performed by our asset managers, Natixis AM and La Banque Postale AM, for equities and corporate bonds, and NGO assessments for government bonds. Arms manufacturers whose products include land mines or cluster bombs and firms that speculate

in agricultural commodities are automatically screened out. In 2011, we pledged to uphold the UN Principles for Responsible Investment (PRI) and in 2012 we started to apply ESG screens to the corporate bond portfolio, so that by the end of 2013, 80% of assets in policyholder portfolios met ESG criteria. The same approach is being rolled out in the subsidiaries, particularly in Brazil.

An SRI offer that gives meaning to investments

With one in two French people saying that social and environmental performance are high on the list of criteria considered when selecting an investment vehicle, CNP Assurances and its partners actively promote Socially Responsible Investment (SRI) funds. At end-2013, some 85,000 individual life insurance contracts included SRI funds, for a total investment of €319 million, up by more than 9% compared with the year-earlier figure.



The Corporate Risk Management Department oversees compliance with the principle of double checking by a person independent from the business managers and the local risk management unit.

VIGILANT ANTI-MONEY LAUNDERING PROCEDURES

Combating money laundering and the financing of terrorism is both an obligation and a major concern for banks and insurance companies. The procedures established by CNP Assurances and its partner networks are designed to detect suspicious transactions or customers at all stages of the commercial relationship. The teams in direct contact with customers are at the front line of the procedure, a unit comprising some twenty people is responsible for passing on instructions to the various departments, and five members of the Risks and Compliance department are responsible for permanent controls over the procedures. The main area of vigilance concerns the origin of funds. The key safeguards consist of monitoring transactions over time, from the opening of an account with a distribution partner, and banning cash payments and withdrawals. However, all employees are encouraged to remain vigilant at all stages in the life of a policy.

10-year

commitment to diversity

2003 Pledge to uphold the UN Global Compact and its principle of eliminating discrimination in respect of employment and occupation.

2009 Seal of Diversity obtained.

2010 Fourth agreement signed on the employment of people with disabilities

2011 Second gender equality agreement signed.

2013 Inter-generational action plan.

No.1

In 2013, Caixa Seguros was named Best Brazilian Insurer

for human resources management by the *Epoca Negócios 360°* following a benchmarking survey of best practices in 250 companies.

For an attractive enterprise

IN 2013, CNP ASSURANCES SET ABOUT MEETING ITS STRATEGIC CHALLENGES AND STEPPED UP ITS COMMITMENT TO SUPPORTING EACH EMPLOYEE.

Loyal and talented teams

In 2013, the number of employees at CNP Assurances dipped by 3% due to the combined effects of a wave of retirements and carefully considered hiring in a sluggish economic environment. A total of 415 people were hired by the Group as a whole, including managers with expert skills in our strategic growth areas. At 56%, the proportion of managers is considerably higher than the industry average and the gap will continue to widen as our teams become ever more highly skilled. At end-2013, the average length of service was 15.8 years, attesting to our employees' attachment to the company and the career opportunities that we are able to offer.

Career opportunities

Whenever possible, vacant positions are filled from within, making internal mobility a key source of career opportunities. In 2013, 88% of permanent positions were filled by internal candidates. An essential career management tool, the annual performance review enables employees to discuss with their manager where they

stand in relation to their professional development goals. In 2013, this process was applied to 96% of Group employees. All of these factors help us to retain staff and contribute to making CNP Assurances a great place to work.

Improving the skills base

The insurance profession requires high-level technical skills and the demands are increasing under pressure from new financial and legal regulations and customers' very high quality expectations. That's why we spend the equivalent of over 5% of payroll on training. Every year, three-quarters of employees receive some form of training, to enhance the skills base in insurance techniques and the Group's other core areas of expertise, as well as to firmly instil a risk culture within the organisation. In 2012, around 700 people were trained in measuring the impact of applying Solvency II, and in 2013, some 350 experts concerned by

the new directive honed their skills in the art of calculation, as applied in their professions. In addition, targeted training initiatives were organised to improve knowledge of such advanced topics as compliance for the investment managers and measures to combat money laundering.

In Brazil, Caixa Seguros developed the country's first specialist actuarial analysis course in partnership with the Federal University of Rio de Janeiro. In France, deployment of an economic and financial culture e-learning module raised the training rate to a high 86% of CNP Assurances employees.

800 employees participated in career planning reviews

Career planning reviews are an opportunity for employees to take stock of their career to date and look to the future when they return to work after a long absence, approach the second or third stage in their career or are simply looking for a new professional challenge. In 2013, over 1,300 career planning reviews were organised for 800 employees.



In the last two years, some 150 employees have attended courses leading to a diploma, in order to fulfil their professional ambitions within the Group.

THE ART OF BEING A MANAGER

Responsible for rolling down the corporate strategy, managers are taught Group practices in the areas of hiring, remuneration policy or professional development as part of a change management process. Each year, around thirty new managers receive training at the Management Institute. The senior management training programme continued to be implemented in 2013. A co-creation forum, the "senior management workshops" serve to identify new managerial postures aligned with the changing face of the Group, to create best practice models and to help CNP Assurances's leadership to evolve.

The first stress assessment

Since 2009, we have paid close attention to preventing stress and psychosocial risks. An agreement signed with trade union representatives in 2012 has created a shared framework that helps identify, prevent and manage these risks. It describes the systems that contribute to creating a harmonious working environment, including an internal mediation system, an external hotline available to all employees, manager training and assessments of the psychosocial risks faced by employees. An initial assessment carried out last spring showed a slight reduction in the level of exposure to psychosocial risks compared with the previous survey in 2005, and highlighted four stress factors: time pressure, limited visibility about the Company's future, the human dimension of management and computer problems.

Immediate measures to promote well-being in the workplace

The action plan to be implemented over the next two years will focus notably on promoting broader application of good managerial practices, ensuring that human resources processes are widely perceived

as being fair and improving internal communications. A change management guide will be distributed among all managers and new managers will be supported during their "first 100 days" on the job. The system of employee representation is widely appreciated as a means of reporting employees' concerns and discussing them with management. To address the practical problems, the plan provides for the replacement of many workstations and a close-to-the-user organisation to resolve computer problems without delay.

The bonus of a good work/life balance

Not content with improving the working environment, we are also innovating to help employees enjoy a better work/life balance. A total of 21% of employees have chosen to work part-time. At Arcueil and Angers, places in daycare centres are reserved for the children of CNP Assurances employees. Each year, roughly half of employees choose to accumulate some of their "RTT" days leave in a time savings account, in order to be able to take time off later for personal projects.

Strength in diversity

CNP Assurances has a long-standing commitment to diversity that began in 1995, as demonstrated by several indicators. Employees with disabilities represent 5.7% of the workforce and 46.7% of women employees are managers, compared with an industry average of 35%. Among the best performing companies in the SBF 120 index in terms of gender equality, CNP Assurances is ranked 16th

for the proportion of women in key positions. As of end-2013, 28.9% of senior managers, 33% of Board members and over 38% of Executive Committee members were women. CNP Assurances was one of the first companies to earn the Seal of Diversity in 2009, and has retained it every year since then following audits carried out by the certification body, AFNOR. At the end of 2013, the latest audit was still in progress but the auditors had already highlighted the continuous improvement dynamic.

Sustained employee dialogue

The twenty-five Works Council meetings held in 2013, the signature of agreements dealing with key employee relations issues and the trade union resources well in excess of legal requirements attest to the vitality of employee dialogue at CNP Assurances. During the year, the Works Council was consulted about two major projects, the merger of Fongepar – the employee savings plan management company – with the Humanis Group's subsidiary operating in the same segment, and the new organisation structure designed to support the Group's strategic ambitions. No less

than six agreements were signed during the year and negotiations began on three others that were still in progress at the year-end. One of these concerned the human resource planning process, covering both the number of employees and the types of skills that will be needed.

Inter-generational contract launched

A new obligation introduced in France in 2013, the inter-generational contract is designed to help young people enter the job market while keeping older employees in work, and promote the transmission of skills between generations. The CNP Assurances action plan is based on the cherished principle of non-discrimination and proposes a series of measures aligned with the Company's situation. These include hiring under-30s, maintaining the current proportion of employees aged 55 and over (roughly 20%) and taking on school leavers under work-study programmes (97 at end-2013), strengthening mentoring policies and actively monitoring positions held by employees nearing retirement age to ensure that key skills are retained.



CNP Assurances is ranked 16th among the best performing companies in the SBF 120 index in terms of gender equality.

RECOGNITION FOR WOMEN AT CNP ASSURANCES

In December 2013, the "Trophées de la femme dans l'assurance" awards organised by Argus de l'Assurance magazine honoured two women in the Group. Named Saleswoman of the Year and Insurance Industry Woman of the Year by Internet voters, **Frédérique Cintrat-Bargain**, Sales and Marketing Director of Filassistance, is a member of many networks, and not just of women.

Nominated in the International Woman category, **Gabriela Ortiz de Rozas**, Strategy, Marketing and Communication Director at Caixa Seguros is a woman who embraces cross-border challenges. Born in Argentina, she began her career in insurance in 1997, as a marketing analyst with CNP Assurances's Argentine subsidiary. In 2001, she moved to Brazil to take part in the creation of Caixa Seguros, then moved back to Argentina in 2009 to take up the position of Chief Executive of the local subsidiary, before returning to Brazil in 2011 to head the new Strategy department.

BRL 2.50

or less than €1 per month, the unbeatable price of *Amparo* funeral insurance offered by Caixa Seguros. In the case of death of the family breadwinner, *Amparo* covers the cost of the funeral, comprehensive support services and three months' food aid for the deceased's family.

160 years

of observations, experience and calculations have enabled CNP Assurances to reduce the cost of insurance.

For a caring society

CNP ASSURANCES'S BUSINESS AS A PERSONAL INSURER PLACES IT AT THE CENTRE OF PEOPLE'S LIVES AND THE REALITIES OF SOCIETY. THE GROUP FOCUSES ON DESIGNING COVER THAT IS BOTH USEFUL AND AFFORDABLE.

Meeting an essential need

The economic crisis is threatening the pillars of our welfare systems. Health insurance reimbursements are being reduced, as is the payment period for unemployment benefits, while the pay-as-you-go pension system's viability is being called into question by the imbalance between generations. The future is more uncertain and the protection afforded by insurance is more useful than ever, particularly for the most vulnerable and poorest members of society. All of this confirms the importance of CNP Assurances's social responsibility role and the appropriateness of the choice made many years ago to offer insurance solutions for all of our futures.

A subtle balance

Our expertise is based on 160 years of observations and calculations. We have improved our analysis of risks with every passing year and every new event. In

health insurance, we take full account of the advances in medical care and treatment that help to reduce the level of risk. At the same time, we have become experts in the art of pooling risks, while the size of our business means that we have a broad calculation base. By balancing a high quality assessment of insurance risks with rigorous management of guarantees, we are able to drive down insurance premiums.

Affordable premiums

Reflecting our unflagging commitment to preventing financial exclusion, we enable as many people as possible to secure their future by offering very low minimum premiums for all types of products. For life insurance, for example, the minimum premium is €30 – the amount paid for more than half of the life insurance policies sold in 2013. In personal risk insurance, it takes just €3 per quarter to purchase “emergency

cover” with a minimum payout of €7,500. In Brazil, Caixa Seguros was the first insurance company to offer protection to people with low incomes, back in 1995. Since then, it has become the leading provider of micro-insurance with 95% of the market. Its flagship product, *Amparo* funeral insurance, offers a wide range of guarantees for BRL 2.50 (less than €1) per month. Since the product was launched in 2011, over 218,000 policies have been sold.

Extended guarantees

Because a premium uplift or restrictions on cover may prevent a project from being completed, particularly a home purchase, we lobbied hard to enable more people to benefit from the AERAS aggravated risk convention and we are now actively implementing its terms. In 2013, more than 120,000 people representing an aggravated health risk were able to obtain specific disability cover and, as in prior years, our term creditor insurance rejection rate was just 0.2%.

The most advanced responses to the challenges of today's society

CNP Assurances keeps pace with changes in society, constantly updating the offer to provide better insurance cover for all our futures. Research conducted by the



academic programmes that we support provide a basis for our consideration of the challenges created by the ageing population. Working groups studying major diseases help us to update our knowledge of treatment options and risk profiles. We use this intelligence to adjust our cover.

Insurance contracts are now being offered with integrated assistance services, such as support for women cancer sufferers or help in preparing for retirement, while *Protection active emploi* unemployment insurance combines financial support with personalised help in finding another job.



All of this confirms the importance of CNP Assurances's social responsibility role and the appropriateness of the choice made many years ago to offer insurance solutions for all our futures.

LISTENING TO POLICYHOLDERS

As a personal insurer, we believe in being close to our policyholders. We make it easy to contact our policyholder services department. In 2013, 1.4 million calls were received by our individual insurance call centre, with an 88% call completion rate. We put a complaint form on our website last year, with an explanation of how it should be used for each category of product and each distribution network. Since then, the number of complaints has remained marginal at about 0.05%. If the complaint is not resolved to the policyholder's satisfaction, the mediation service represents an easy-to-use, free dispute resolution process. The service's contact details are now shown clearly on each policy, leading to an increase in the number of policyholders using it to 1,374 in 2013.

The CNP Assurances Foundation in action

The CNP Assurances Foundation supports projects that advance health-care and initiatives that encourage belief in the future.

A 20-year commitment

Created in 1993 under the aegis of Fondation de France and the sign of life, the CNP Assurances Foundation’s mission from the outset was to support public health. In 1999, it chose to focus on supporting the fight against pain among people of all ages. Ten years later, it decided to add a second area of outreach, first aid to heart attack victims. After becoming a corporate foundation in 2011, it was given a €4 million budget over five years to fulfil its missions. In 2013, after 20 years of engagement, the Foundation’s areas of outreach are being reassessed in light of the changes in society and our new vision of the personal insurance business. Two invitations to submit projects led to 66 funding applications being received, of which 37 were selected.

Saving lives

First-aid for heart attack victims is the Foundation’s second area of outreach. It is providing funding to local communities for the installation of defibrillators in public places and for the organisation of training for local inhabitants on life-saving gestures. In 2013, defibrillators were installed in 42 communities, such as Astille, Méricourt-sur-Somme and Salon-de-Provence, raising to over 2,100 the number of defibrillators installed in the past five years.

Bringing back laughter

The CNP Assurances Foundation helps medical teams and charities to improve pain management both in hospitals and for out-patients. In 2013, it supported clinical research into osteoarthritis pain and pain in pre-term babies, and renewed its support for the “Nez à Nez” charity. Every Thursday, Nez à Nez clowns invade the rooms and corridors of the paediatric haemato-oncology unit of the Centre Hospitalier Charles Nicolle in Rouen, making the children laugh and forget their pain for the duration of the visit.

Involving employees

The Foundation encourages CNP Assurances’s employees to become involved by supporting their pet projects. In 2013, four projects were selected that have had a major local impact. “Pour le Village de Samaane” was set up in 2005 by a CNP Assurances employee to help the inhabitants of this bush village in Senegal to build a future. Since then, the Foundation has financed two health projects and around fifty CNP Assurances

employees have joined the charity. Last summer, thanks to the Foundation’s support, a group of eight students visited Samaane to teach villagers to read and raise awareness about good hygiene practices, as well as helping them to build a toilet block at the school. Another initiative was submitted by an employee who volunteers for the “Santiago Accessible” charity set up to help people with disabilities to enter the job market and enjoy improved mobility. The unusual project consisted of taking 12 disabled people on a pilgrimage to Santiago de Compostela during the summer of 2013 and raise public awareness of accessibility issues at all of the stopping points on the way.

Acquiring a taste for competition

CNP Assurances has supported Handi Equi’ Compet since it was created in 2007. In 2013, it made a €102,000 grant to supply horses and provide physical and moral support for riders with a mobility and/or sensory disability who take part in high level national and international equestrian events. For example, riders from twelve countries took part in the Deauville CPEDI*** International Para-Equestrian Dressage Competition in

the spring of 2013 which raised the profile of para-equestrian sport.

Thinking about the challenges of the future

CNP Assurances has acted as a pioneer in personal insurance for the past 160 years and will continue to do so, by supporting advanced research into the major challenges facing the industry. As a supporter of the Fondation du Risque, it finances the “Demographic Transitions, Economic Transitions” university chair, whose professor leads 38 economists in exploring the relationship between the ageing process and poor health, and how people can successfully live together in an ageing society. To encourage open thinking about the future political and economic challenges, CNP Assurances is helping to finance the activities of the Fondation Jean Jaurès and Institut Montaigne. Lastly, CNP Assurances helps finance the Change Chair at the Essec business school, which leads a research laboratory and forum for sharing best change management practices.



The CNP Assurances Foundation’s areas of outreach are being reassessed in light of the changes in society and our new vision of the personal insurance business.

THE NEW CAIXA SEGUROS SOCIAL INSTITUTE

The Brazilian subsidiary has decided to place its programmes to support disadvantaged children and teenagers under the aegis of an institute. The institute supports three types of programme: social programmes, with *Jovem de Expressão* for example, which aims to combat youth violence in the suburbs of Brasília, environmental programmes, notably with *Carbono Seguro* which aims to reduce carbon emissions and protects biodiversity, and cultural programmes, to support Franco-Brazilian projects such as the film *Rouge Brésil*. The first institute in Brazil to enjoy the backing of an insurance company, the Caixa Seguros Social Institute raises the profile of the subsidiary’s outreach programmes and strengthens its determination to work even harder.



Visit our new website www.cnp.fr

Rediscover CNP Assurances, its businesses, its commitments and performance, read its latest news, find out about its innovations, obtain answers to your questions about life insurance, pensions and personal risk insurance.

Whether you're an individual, a professional, a candidate, a journalist, a shareholder or an analyst, the new site has a space dedicated to your specific information needs.

The site, in French and English, complies with computer accessibility standards and can also be viewed on tablets and smartphones, reflecting CNP Assurances's commitment to **insuring all our futures**.



Read our publications

Available on request in both French and English* and available for download from www.cnp.fr or www.cnp-finances.fr

* Except for the 2014 shareholder guide which is only available in French.



2013 Corporate social responsibility report our indicators

The corporate social responsibility policy puts into practice CNP Assurances's commitment to stakeholders. This commitment is measured by CSR indicators aligned with the Company's core challenges that have been published since 2006. The CSR Report published every year since 2011 presents the progress made in addressing the full range of stakeholder concerns and discloses comprehensive socially responsible investing information.

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CNP ASSURANCES

is a société anonyme (public limited company)
incorporated in France with fully paid up
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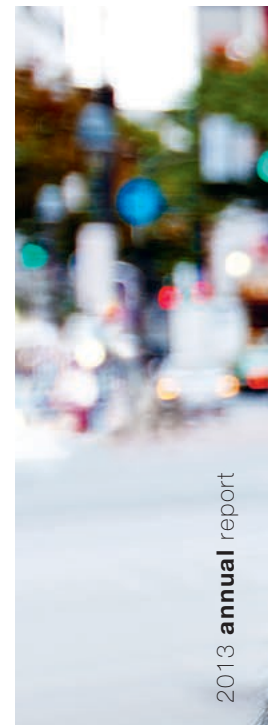
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Take a look at the new website
and the new CNP Assurances video.



2013 **annual report**