



L'assureur de toute une vie

Paris, 22 February 2013

## Press Release

### 2012 Results

#### **Positive Life and Pensions net new money in France (€145m)**

**Net insurance revenue: €3,167m, up 1.2%**

**Attributable net profit: €951m, up 9.1%**

**Solvency margin at a high 298.2% including unrealised gains**

**Recommended dividend of €0.77 per share**

CNP Assurances, the leading personal insurer in France, with operations in the rest of Europe and in Latin America, has announced its 2012 revenue and results. These indicators were approved for publication by the Board of Directors at its meeting on 21 February 2013.

#### HIGHLIGHTS

- **Positive net new money (€145 million) in a narrower French Life and Pensions market (€3.4 billion net outflow)**
- **Net insurance revenue up 1.2%:**
  - **France: down 6.5% (but up 8.6% excluding the impact of non-recurring technical factors)**
  - **Latin America: up 11.3% as reported and 18.9% at constant exchange rates, reflecting sustained momentum**
  - **Europe excluding France: up 1.4%**
- **Cost/income ratio stable at 36.7%**
- **EBIT up 1.6% to €2,278 million**
- **Attributable net profit up 9.1% to €951 million**
- **MCEV<sup>®</sup> at €21.6 per share, up 17.5%.**
- **Solvency I<sup>1</sup>: 298.2% (112.2% excluding unrealised gains)**
- **Solvency II<sup>1</sup>: 170%**

<sup>1</sup> CNP Assurances estimate

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**Frédéric Lavenir, CNP Assurances's Chief Executive Officer, said:**

*"CNP Assurances has reported a solid set of results for 2012, reflecting a resilient revenue performance in France and sustained growth momentum in Brazil. The Group has ended the year stronger and well equipped to leverage its business's growth potential in Europe and Latin America."*

## 1. 2012 Business Review <sup>2</sup>

New money for the year amounted to €27.4 billion, down 11.2% on 2011. On an IFRS basis and at current exchange rates, revenue was down 11.8% at €26.5 billion.

Revenue in France was down 10.0% on an IFRS basis (9.4% under French GAAP), reflecting a 12.9% decline in Savings and Pensions revenue to €17.0 billion, that was partly offset by 3.2% growth in Personal Risk and Protection (personal risk, health and term creditor insurance) business.

Life and Pensions net new money was a positive €145 million in 2012, representing a remarkable performance in a market that experienced a €3.4 billion net outflow of funds during the year (source: FFSA).

In Latin America, revenue continued to grow rapidly, led by Brazil where Caixa Seguros reported revenue up 4.1% despite a worse-than-expected economic environment, with GDP growth at just 0.9% and an unfavourable currency effect.

In the Europe excluding France region, revenue fell 38.9% as a result of depressed economic conditions in Italy and Spain and active derisking.

	Group Revenue by Country (IFRS)			
(in € millions) Policyholders' country of residence	2012	2011	% change (reported)	% change (like-for-like <sup>(1)</sup> )
<b>France</b>	<b>21,487.5</b>	<b>23,864.0</b>	<b>- 10.0</b>	<b>- 10.0</b>
Brazil	2,876.9	2,764.2	+ 4.1	+ 11.3
Argentina	53.1	31.7	+ 67.6	+ 71.6
Italy <sup>(2)</sup>	1,374.3	2,062.3	- 33.4	- 33.4
Portugal <sup>(3)</sup>	60.2	224.0	- 73.1	- 73.1
Spain <sup>(4)</sup>	367.9	397.6	- 7.5	- 7.5
Cyprus <sup>(5)</sup>	176.9	210.4	n.m.	n.m.
Ireland <sup>(5)</sup>	1.4	449.9	n.m.	n.m.
Other <sup>(5)</sup>	61.9	1.0	n.m.	n.m.
<b>International</b>	<b>4,972.6</b>	<b>6,141.0</b>	<b>- 19.0</b>	<b>- 15.8</b>
<b>TOTAL</b>	<b>26,460.1</b>	<b>30,005.1</b>	<b>- 11.8</b>	<b>- 11.1</b>

(1) Average exchange rate for the Brazilian real

2012: €1 = BRL 2.51

2011: €1 = BRL 2.35

(2) CNP Italia branch, CNP UniCredit Vita, CNP BVP Italia and CNP Europe Life business written under the EU freedom of services directive

(3) CNP BVP Portugal

(4) CNP España branch, CNP Vida, CNP BVP Spain

(5) Including Greece since 2012 (€11.9 million) and CNP Europe Life (€50 million)

<sup>2</sup> New money = French GAAP, revenue = IFRS

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	Revenue by Business Segment (IFRS)			
(in € millions)	2012	2011	% change (reported)	% change (like-for-like <sup>(1)</sup> )
Savings	17,170.4	20,420.0	- 15.9	- 15.9
Pensions	3,357.1	3,720.3	- 9.8	- 6.5
Personal Risk	1,904.8	1,917.5	- 0.7	+ 0.9
Term Creditor Insurance	3,149.0	3,140.9	+ 0.3	+ 1.0
Health Insurance	514.0	465.7	+ 10.4	+ 10.5
Property & Casualty	364.7	340.5	+ 7.1	+ 13.0
<b>TOTAL</b>	<b>26,460.1</b>	<b>30,005.1</b>	<b>- 11.8</b>	<b>- 11.1</b>

(1) Average exchange rate for the Brazilian real  
2012: €1 = BRL 2.51  
2011: €1 = BRL 2.35

Consolidated net new money for the year totalled €600 million.

**These performances drove further growth in average technical reserves to €292 billion, an increase of 2.2%.**

## 2. 2012 Results

	2012	2011	% change (reported)
(in € millions)			
<b>Revenue (IFRS)</b>	<b>26,460</b>	<b>30,005</b>	<b>- 11.8</b>
Average technical reserves excl. deferred participation	292,423	286,156	+2.2
<b>Net insurance revenue</b>	<b>3,167</b>	<b>3,129</b>	<b>+ 1.2</b>
- Administrative expenses	(889)	(886)	+ 0.4
<b>EBIT</b>	<b>2,278</b>	<b>2,243</b>	<b>+ 1.6</b>
- Finance costs	(157)	(150)	+ 4.9
- Income tax expense	(744)	(720)	+ 3.3
- Minority interests	(310)	(264)	+ 17.5
<b>Recurring profit before capital gains and losses</b>	<b>1,067</b>	<b>1,109</b>	<b>- 3.8</b>
Net gains on equities, property and AFS, CNP UniCredit Vita goodwill impairment, fair value adjustments	155	(236)	n.m.
Non-recurring items	(271)	(1)	n.m.
<b>Net profit attributable to equity holders of the parent</b>	<b>951</b>	<b>872</b>	<b>+ 9.1</b>

**Net insurance revenue grew by 1.2% in 2012 to €3,167 million.**

Total net insurance revenue generated in France was down 6.5% due to non-recurring technical factors, notably the impact of a reduction in regulatory valuation rates of interest. Excluding these non-recurring factors, the year-on-year change was an increase of 8.6%, reflecting higher average technical reserves, improved loss ratios and more favourable financial market conditions.

Net insurance revenue from International operations rose 8.9%, lifted by growth in Brazil where volumes and margins continued to trend upwards.

**Administrative expenses were broadly stable, rising by just 0.4%.** The cost/income ratio was also flat at 36.7%.

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**Consolidated EBIT rose 1.6% to €2,278 million**, with France contributing 57.1% of the total and Brazil 35.2%.

**A dividend of €0.77 per share** will be recommended at the Annual General Meeting, with a scrip option. The signatories of the shareholders' agreement have stated that they intend to exercise this option.

Firm financial markets led to a €156 million net positive contribution, taking into account a €170 million impairment loss recognised on CNP UniCredit Vita goodwill.

**Non-recurring items** represented a net expense of €271 million. This amount corresponds mainly to the €162 million net transfer for the year to the policyholders' surplus reserve and to the €102 million accrual booked for tax payable on the capitalisation reserve.

In all, the policyholders' surplus reserve was increased to €3,372 million from €2,886 million at 31 December 2011, representing 1.55% of technical reserves versus 1.34% at end-2011.

**Net profit amounted to €951 million, an increase of 9.1% on 2011.**

### 3. MCEV<sup>®</sup>

2012 MCEV<sup>®</sup> (before the 2012 dividend) amounted to €13.9 billion or €21.6 per share. The 17.5% increase compared with 2011 (after the 2011 dividend and dilution) reflects growth in ANAV (up 14.2%) and in-force business (up 30.1%).

### 4. Solvency capital

Solvency capital represented 298.2% of required capital under Solvency I at 31 December 2012, an increase of 167 points versus end-2011.

Solvency capital excluding unrealised capital gains (i.e. Tier 1 capital and subordinated debt) stood at 112.2% of Solvency I required capital versus 113.8% in 2011.

Under Solvency II, the estimated coverage ratio was approximately 170%, representing a 20-point improvement.

### 5. Investment policy

In an investing environment shaped by historically low interest rates and measures to resolve the euro zone crisis, CNP Assurances repositioned its asset portfolio while pursuing conservative investment strategies.

Action was taken to wind down euro zone sovereign debt portfolios considered as high risk, and by the end of the year, the sums invested in Irish, Portuguese, Italian and Spanish sovereign debt by CNP Assurances France had been reduced to €10.5 billion<sup>3</sup>.

At the same time, corporate debt portfolios were increased, with €9.7 billion invested in this asset class at end 2012, and liquid assets were kept high at 9.2% of the total portfolio, including short-term securities and units in money market funds.

*CNP Assurances's regulated information can be downloaded from the Group's investor information website [www.cnp-finances.fr](http://www.cnp-finances.fr)*

<sup>3</sup> Cost basis

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## 6. Detailed business review

### 6.1. France: revenue by distribution network

- **La Banque Postale**

La Banque Postale delivered a resilient performance, with life insurance business generating positive net new money. The network's contribution to CNP Assurances's revenue amounted to €9,624 million, a decline of 5.5% in a market down 8.0%. Growth in term creditor insurance business remained strong despite the slowdown in new lending. The network maintained its momentum in personal risk insurance, selling 10% more contracts than in 2011. Growth drivers included *Sérénia*, a high-end term life insurance contract, and *Prévialys*, a personal accident insurance contract.

- **Caisses d'Epargne**

The revenue contribution of the Caisses d'Epargne network contracted by 20.4% to €7,012 million, due mainly to the network's focus on selling the bank's own products. In addition, unit-linked sales fell by 55.9%, reflecting a voluntarily reduced emphasis on selling unit-linked bond funds compared with 2011. However, the network nearly doubled its contribution to personal risk revenues, with over 240,000 policies sold during the year. Term creditor insurance business also continued to grow.

- **CNP Trésor**

In 2012, the CNP Trésor network outperformed the market and successfully built up sales of PERP personal pension plans. In a market that saw a steep fall in new money, the network reported revenue down 9.8% at €604 million. The local organisation was changed during the year to better meet the needs of mass market and affluent customers and more effectively target these segments, giving priority to regional initiatives.

- **Financial Institutions**

The wait-and-see attitude among home buyers in France led to an overall decline in home purchases during the year. Despite this challenging environment, the revenue contribution of the Financial Institutions partnership centre rose by 2.7% to €1,488 million. The year-on-year growth was mainly due to the fact that new business accounts for only a small proportion of total revenue. It also reflected the maturity of the partners' main portfolios.

- **Companies and Local Authorities**

Revenue generated with companies and local authorities amounted to €1,807 million, an increase of 6.5%. CNP Assurances held firm to its strategy of preserving margins by raising premium rates for all of its contracts.

- **Mutual Insurers**

At €885 million, revenue generated with mutual insurance partners was down 9.2% on 2011 which represented a high basis of comparison due to certain non-recurring items. In 2012, revenue was sustained by increased personal risk and long-term care insurance business.

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## 6.2. Latin America: revenue by subsidiary

- **Caixa Seguros (Brazil)**

Caixa Seguros contributed €2,877 million to consolidated revenue, an increase of 4.1% despite an unfavourable currency effect. Revenue in local currency was up 11.3%, with all business lines except Savings recording strong gains.

The Pension and Term Creditor Insurance businesses, which are the main contributors to the subsidiary's earnings, rose 9.6% and 24.6% respectively, while Property & Casualty revenues grew 12.2%, led by strong demand for comprehensive homeowners insurance. Marketing of health insurance contracts did not get underway until the end of the year and their revenue contribution was BRL 24 million.

- **CNP Seguros de Vida (Argentina)**

Business in Argentina grew by a very strong 67.6% to €53.1 million, reflecting vibrant demand for term creditor insurance. Revenue from this business line nearly doubled in 2012, following the signature of several non-exclusive agreements with new distribution networks.

## 6.3. Europe excluding France: revenue by subsidiary

- **CNP UniCredit Vita (Italy)**

After a strong first half, CNP UniCredit Vita experienced a severe loss of momentum, with the result that revenue for the year was down 31.7%. This was due to the extremely depressed Italian savings market. Pensions revenue was up by a modest 0.8%.

- **CNP Barclays Vida y Pensiones (Portugal, Spain, Italy)**

CNP BVP's revenue fell by 41.1% to €428 million. The decline was mainly due to the very challenging economic situation in Southern Europe, but it also reflected the high basis of comparison in 2011 when revenue grew by nearly 20%. The only area of growth was in personal risk insurance, with revenue up 3.7%; however, this business is still fairly modest.

- **CNP Laiki Insurance Holdings<sup>4</sup> (Cyprus, Greece)**

Revenues were down 9.8% at €190 million. The business is focused mainly on Cyprus, where non-life premiums rose 16% and became the largest contributor to revenue. The life business was weakened by the challenging economic environment and by competition from bank deposit accounts.

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<sup>4</sup> Following the partner's name change, CNP Marfin Insurance Holdings (CNP MIH) was renamed CNP Laiki Insurance Holdings (CNP LIH)

## Revenue by Region and by Partnership Centre/Subsidiary

	IFRS			French GAAP		
(in € millions)	2012	2011	% change	2012	2011	% change
La Banque Postale	9,624.2	10,183.1	- 5.5	9,625.9	10,185.8	- 5.5
Caisses d'Epargne	7,011.8	8,807.8	- 20.4	7,013.2	8,809.5	- 20.4
CNP Trésor	604.0	669.6	- 9.8	604.0	669.6	- 9.8
Financial Institutions	1,487.9	1,448.3	+ 2.7	1,487.9	1,448.3	+ 2.7
Mutual Insurers	885.2	974.4	- 9.2	885.2	974.4	- 9.2
Companies and Local Authorities	1,806.5	1,696.6	+ 6.5	2,028.5	1,793.3	+ 13.1
Other networks	68.0	84.1	- 19.2	68.1	84.1	- 19.0
<b>TOTAL FRANCE</b>	<b>21,487.5</b>	<b>23,864.0</b>	<b>- 10.0</b>	<b>21,712.7</b>	<b>23,965.0</b>	<b>- 9.4</b>
CNP Seguros de Vida (Argentina) <sup>(1)</sup>	53.1	31.7	+ 67.6	53.1	31.7	+ 67.6
Caixa Seguros (Brazil) <sup>(1)</sup>	2,876.9	2,764.2	+ 4.1	3,286.6	3,177.0	+ 3.5
CNP Vida (Spain)	148.3	172.6	- 14.1	148.9	172.6	- 13.7
CNP UniCredit Vita (Italy)	1,160.3	1,698.8	- 31.7	1,380.6	1,982.5	- 30.4
CNP Laiki Insurance Holdings (Cyprus)	189.7	210.4	- 9.8	190.9	220.5	- 13.4
CNP Europe (Ireland)	59.0	449.9	- 86.9	59.0	449.9	- 86.9
CNP BVP (Portugal-Spain-Italy)	428.2	727.1	- 41.1	530.5	800.4	- 33.7
Financial Institutions <sup>(2)</sup>	0.0	3.5	- 99.5	0.0	3.5	- 99.5
Branches	57.1	82.8	- 31.1	57.1	82.8	- 31.1
<b>TOTAL INTERNATIONAL</b>	<b>4,972.6</b>	<b>6,141.0</b>	<b>- 19.0</b>	<b>5,706.6</b>	<b>6,920.9</b>	<b>- 17.5</b>
<b>TOTAL</b>	<b>26,460.1</b>	<b>30,005.1</b>	<b>- 11.8</b>	<b>27,419.4</b>	<b>30,885.9</b>	<b>- 11.2</b>

(1) Average exchange rates: Argentina: €1 = ARS 5.85 – Brazil: €1 = BRL 2.51

(2) The business of writing term creditor insurance for Cofidis under the EU freedom of services directive was discontinued on 1 January 2011 and the related contracts no longer generate any revenues.

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## INVESTOR CALENDAR

- Annual General Meeting: Thursday, 25 April 2013 at 2:30 pm
- First quarter 2013 revenue and profit indicators: Thursday, 16 May 2013 at 7:30 am
- First-half 2013 revenue and profit: Friday, 26 July 2013 at 7:30 am

### About CNP Assurances

CNP Assurances is France's leading personal insurer, with net profit of €951 million in 2012. The Group also has operations in other European countries and in Latin America, with a significant presence in Brazil. It has 23 million savings and personal risk policyholders worldwide and 17 million insureds under term creditor insurance contracts.

CNP Assurances's business is to promote confidence in the future by offering products that protect against the risks of everyday life. The Group designs and manages life insurance, pension, term creditor insurance and personal risk insurance products. The products are distributed by partners that have a strong market presence.

- In France, CNP Assurances distributes its individual insurance products through La Banque Postale and the Caisses d'Epargne, as well as through its own CNP Trésor network.
- In group insurance, CNP Assurances and its international subsidiaries design term creditor insurance products for a large number of financial institutions. They also craft bespoke pension and employee benefits contracts for local authorities, companies and mutual insurance partners.

Listed on the first market of the Paris Bourse since October 1998, CNP Assurances enjoys the backing of a core group of four major shareholders (Caisse des Dépôts et Consignations, La Banque Postale, Groupe BPCE and the French State) united by a shareholders' agreement.

**Disclaimer:** Some of the statements contained in this press release may be forward-looking statements referring to projections, future events, trends or objectives that, by their very nature, involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, legal or regulatory decisions or changes, changes in the frequency and amount of insured claims, particularly as a result of changes in mortality and morbidity rates, changes in surrender rates, interest rates, foreign exchange rates, the competitive environment, the policies of foreign central banks or governments, legal proceedings, the effects of acquisitions and the integration of newly-acquired businesses, and general factors affecting competition.

Further information regarding factors which may cause results to differ materially from those projected in forward-looking statements is included in CNP Assurances' filings with the Autorité des Marchés Financiers. CNP Assurances does not undertake to update any forward-looking statements presented herein to take into account any new information, future event or other factors.

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