

2016



## CNP ASSURANCES

assurer tous  
les avènements





## Disclaimer

Some of the statements contained in this document 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's 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.

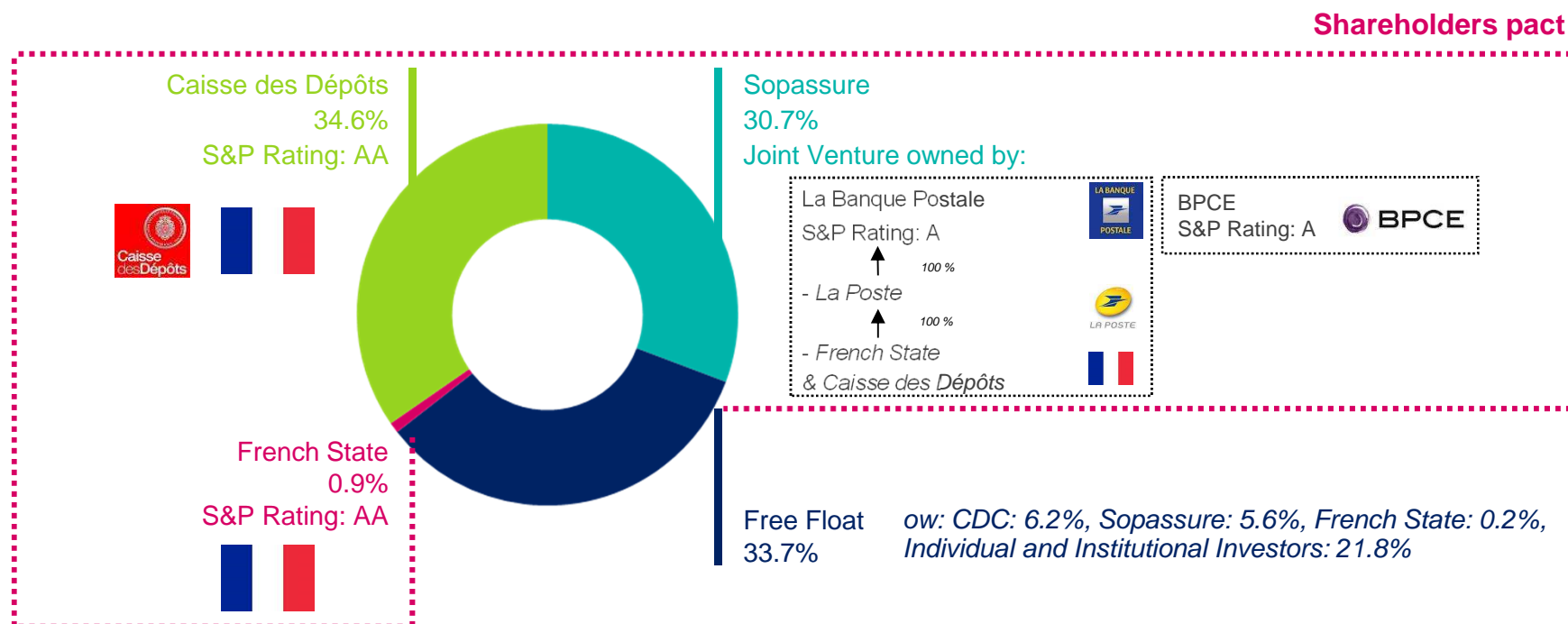


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1.

**A resilient and  
balanced business  
model**

# CNP ASSURANCES OWNERSHIP STRUCTURE



- The French State sits at the supervisory board of CNP Assurances
- Shareholders pact ends in December 2017

## **A CORNERSTONE OF THE FRENCH PUBLIC FINANCIAL SECTOR...**

**CNP Assurances is a central pillar of the savings and pension system in France and underwrites:**

- ▶ **Savings and protection guarantees of mass-market retail customers through the networks of La Banque Postale\*, BPCE \* (Caisses d'Epargne, Banques Populaires, Crédit Foncier) and Ametis (in-house network of 300 insurance advisors)**
- ▶ **Savings and protection guarantees of high-net worth customers through Private Banks and Financial Advisors on an open-model**
- ▶ **Pension funds of French civil servants (Prefon) and French local authorities' employees**
- ▶ **Group death, disability and health insurance of French local authorities, mutual insurers and numerous companies, from SMEs to Blue Chips**

\* Please refer to p.13 for a description of the distribution agreements with La Banque Postale and BPCE

## **... AND A LEADING POSITION IN FRANCE AND BRAZIL**

### **Market Leader in France Life**

- ▶ **16.5%\* market share of the French life insurance market**
- ▶ **Significant market share of the term creditor insurance market (death & disability of the borrowers)**
- ▶ **Stable earnings and cash-flows**
- ▶ **France represents 78% of Group premium income, 73% of Group profit and 90% of Group SCR**

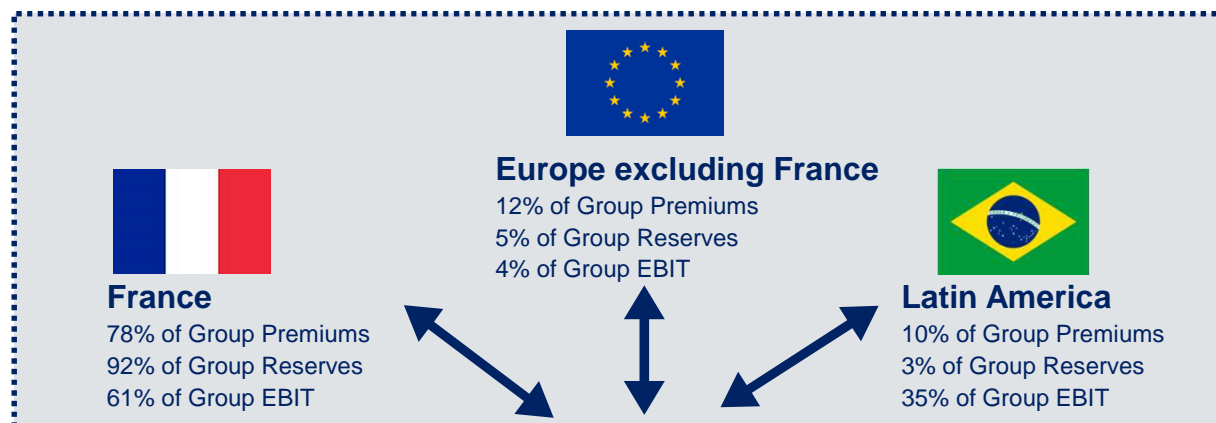
### **Strong track record in Brazil with Caixa Seguradora**

- ▶ **Acquisition of Caixa Seguradora in July 2001**
- ▶ **Exclusive distribution agreement with the public bank Caixa Econômica Federal, 3<sup>rd</sup> Brazilian bank by assets**
- ▶ **5<sup>th</sup> insurer in Brazil, market share of 5.4%\***
- ▶ **Self-funded subsidiary with good cash generation (€174m upstreamed dividend in 2015 after €156m in 2014)**
- ▶ **Brazil represents 10% of Group premium income, 23% of Group profit and only 6% of Group SCR**

\* Company data as of 31.12.2015

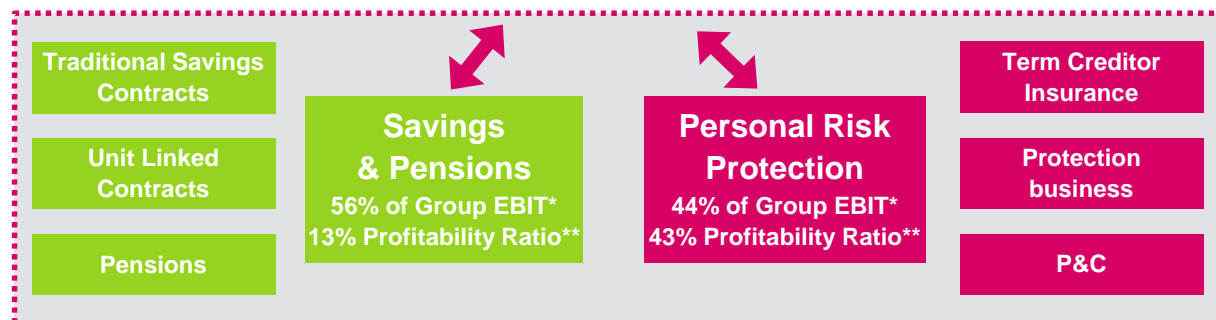
# A BALANCED MIX OF BUSINESSES

## Main markets



## Main businesses

As of 31.12.2015



\* EBIT generated by own funds assets has been allocated to the various segments based on their respective solvency capital requirements

\*\* Profitability is computed as follow: EBIT / Solvency Capital Requirement.



# CAIXA SEGURADORA: THE BRAZILIAN SUCCESS STORY

## Ownership structure



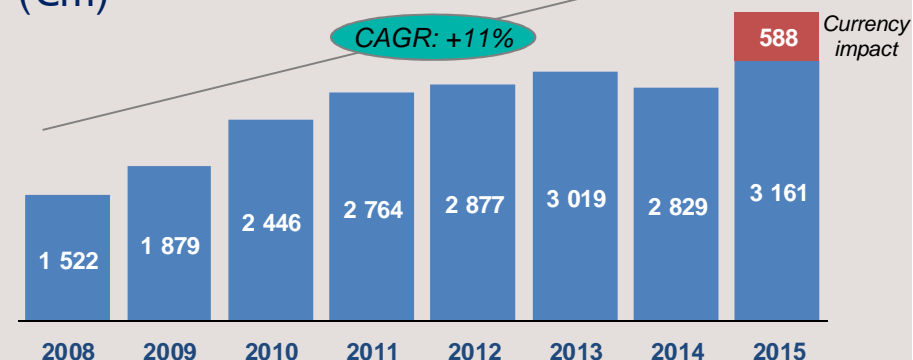
### Policyholders

- 2.9 million Savings/Pensions policyholders
- 7.3 million Personal Risk/Protection policyholders

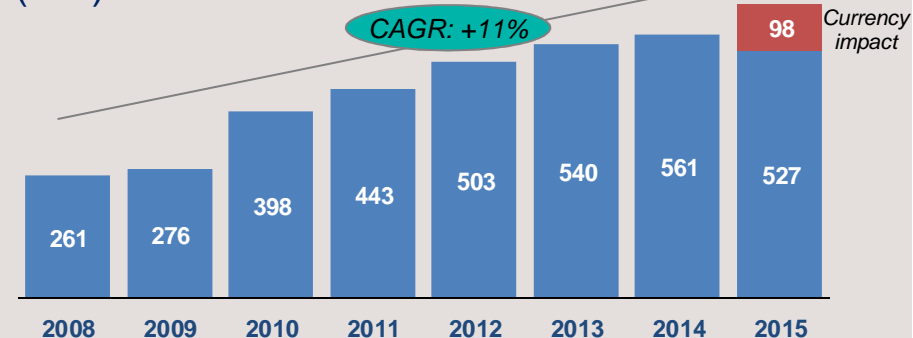
### Distribution partners

- 55,000 points of sales
- More than 4,000 bank agencies
- 13,000 points of sales of lottery tickets
- 15,000 banking correspondents

## Premium income (€m)



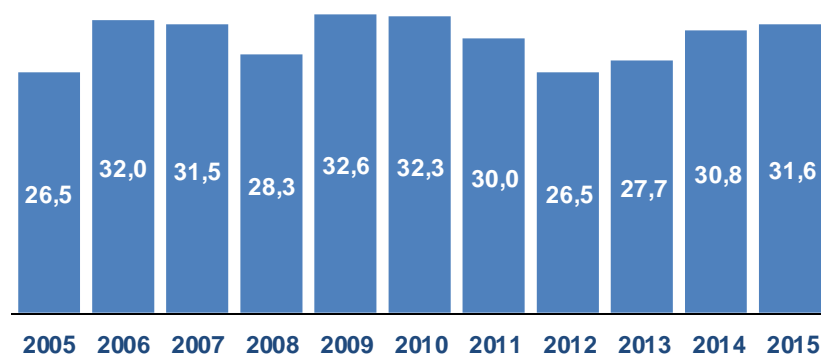
## Recurring profit before minority interest (€m)



# FINANCIAL OVERVIEW

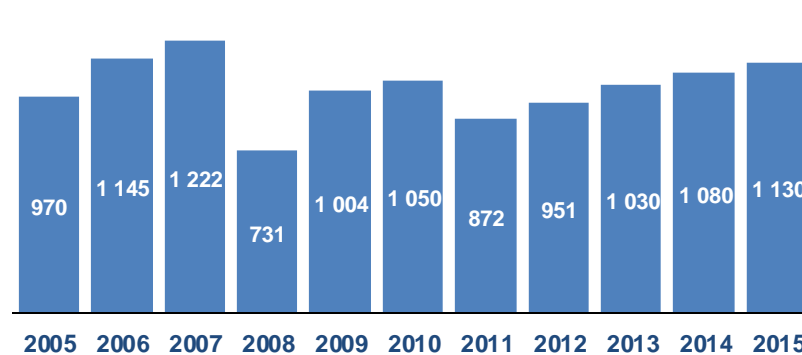
## Premium income

(€bn)



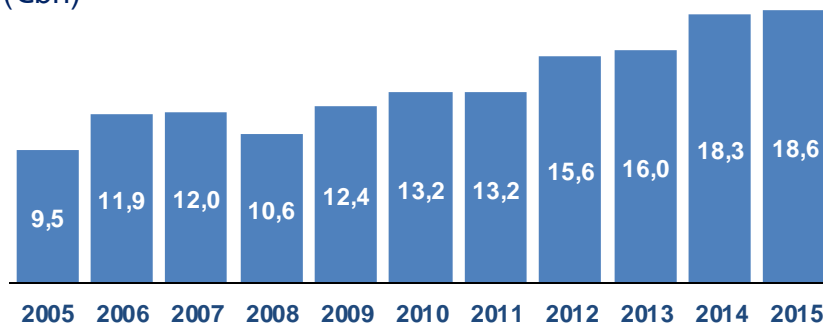
## Net income

(€m)



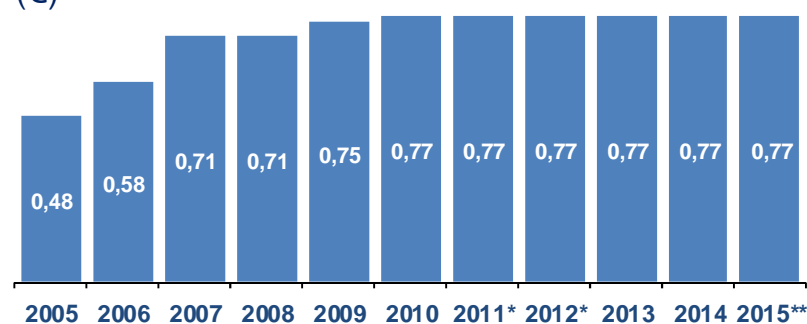
## Total IFRS Equity

(€bn)



## Dividend per share

(€)

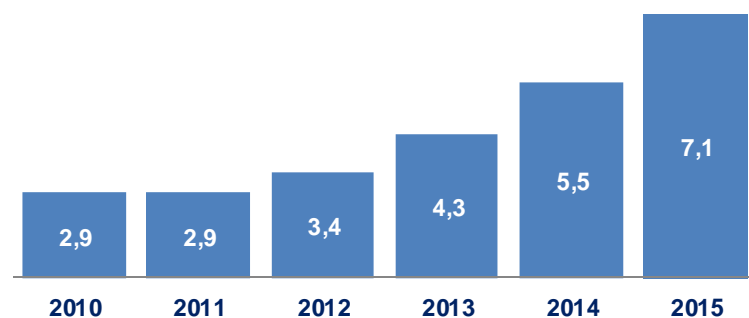


\* Scrip dividend

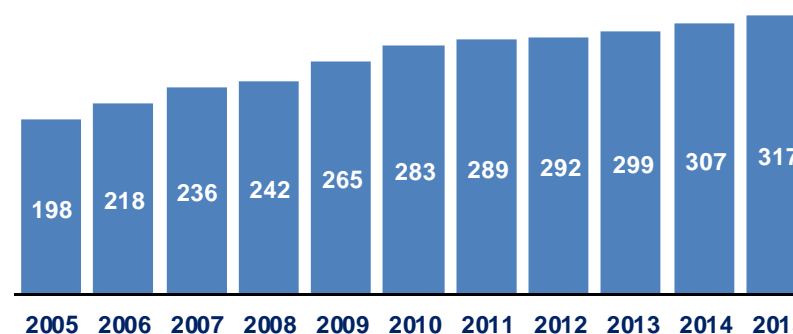
\*\* Recommended at the Annual General Meeting of 28 April 2016

## A STRONG BALANCE SHEET DESPITE THE RECENT CRISIS

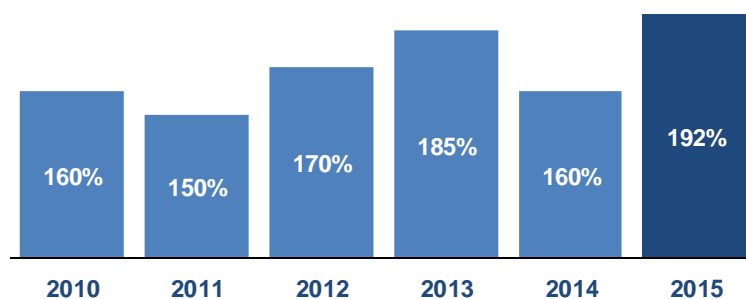
**Policyholders' surplus reserve**  
**Buffer included in the TAC by S&P**  
 (€bn)



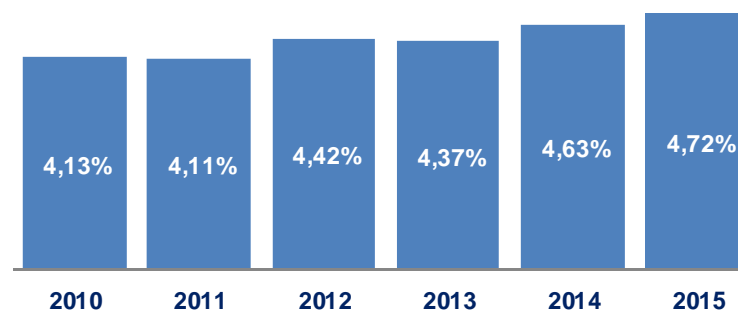
**Average technical reserves**  
 (€bn)



**Solvency 2 ratio\***



**IFRS equity** (as % of total assets)



(\*) Standard Formula. No transitional measures except for grandfathering of subordinated debt.  
 31 Dec 2015 is the first-time application of the new regulatory framework

## **ONGOING TRANSFORMATION OF THE GROUP IN LINE WITH THE STRATEGY ANNOUNCED IN EARLY 2013**

**Distribution  
agreements with  
BPCE and  
La Banque Postale**

**First year of  
Santander Consumer  
Finance partnership**




**Agreement with AG2R  
La Mondiale to create  
leader in group  
pensions**

**Expansion of  
unit-linked  
business in France,  
Italy and Brazil**

**Ongoing strong growth  
dynamic in Brazil**

**Improved  
underwriting results  
in group health and  
death/disability  
insurance**

# RENEWED PARTNERSHIPS ALIGNED WITH THE GROUP'S STRATEGY

	BPCE	La Banque Postale
 <b>Duration</b>	<ul style="list-style-type: none"> <li>▶ 7 years, renewable for successive 3-year periods</li> </ul>	<ul style="list-style-type: none"> <li>▶ 10 years</li> </ul>
 <b>Savings/ Pensions</b>	<ul style="list-style-type: none"> <li>▶ CNP Assurances to continue managing in-force savings and pension contracts distributed by the Caisses d'Epargne and future instalments on these contracts</li> <li>▶ Savings and pension contracts reinsured by Natixis Assurances under a 10% quota-share treaty</li> <li>▶ New business underwriting gradually taken over by Natixis Assurances. Full-year effect on premium income visible in 2017</li> <li>▶ CNP Assurances high-end life insurance offer marketed via the Banque Privée 1818 platform</li> </ul>	<ul style="list-style-type: none"> <li>▶ Renewal of the life insurance distribution agreement</li> <li>▶ Extension of the distribution agreement to include BPE, La Banque Postale's wealth management subsidiary, for high-end life insurance contracts</li> </ul>
 <b>Personal Risk/ Protection Insurance</b>	<ul style="list-style-type: none"> <li>▶ Expansion of the term creditor insurance business to include the Banques Populaires and Crédit Foncier networks</li> <li>▶ Partnership in group health insurance and employee benefit plans</li> <li>▶ Partnership in individual long-term care and renters' insurance</li> </ul>	<ul style="list-style-type: none"> <li>▶ Direct distribution by LBP and BPE of CNP Assurances term creditor insurance for home buyers, with 5% of the risk reinsured by La Banque Postale Prévoyance</li> <li>▶ Transfer by CNP Assurances to La Banque Postale of its 50% stake in their joint venture, La Banque Postale Prévoyance</li> </ul>

# RENEWED PARTNERSHIPS ALIGNED WITH THE GROUP'S STRATEGY

	MAIN EXPECTED IMPACTS FROM RENEWED PARTNERSHIP WITH BPCE AND LA BANQUE POSTALE
<b>Premium income</b>	<ul style="list-style-type: none"> <li>▶ Decline in savings premium income, because the Group will no longer receive premiums from new business generated by BPCE</li> <li>▶ Increase in term creditor insurance premiums, following extension of distribution to include Banque Populaires and Crédit Foncier networks and direct distribution by La Banque Postale and BPE of term creditor insurance for home buyers</li> </ul>
<b>New business premiums and margin</b>	<ul style="list-style-type: none"> <li>▶ Overall improvement in profitability and new business margin led by the shift in business mix towards personal risk/protection business and away from traditional savings business</li> </ul>
<b>Administrative costs</b>	<ul style="list-style-type: none"> <li>▶ Not material</li> </ul>
<b>EBIT</b>	<ul style="list-style-type: none"> <li>▶ No abrupt increase or decrease</li> </ul>
<b>Solvency II coverage rate (standard formula)</b>	<ul style="list-style-type: none"> <li>▶ Gradual reduction in capital requirement due to decrease in BPCE in-force business</li> <li>▶ Development of personal risk/protection products with lower required capital</li> </ul>

## **2016: FASTER CHANGE IN MULTI-PARTNER BUSINESS MODEL**

### **➤ Development of personal risk/protection insurance business**

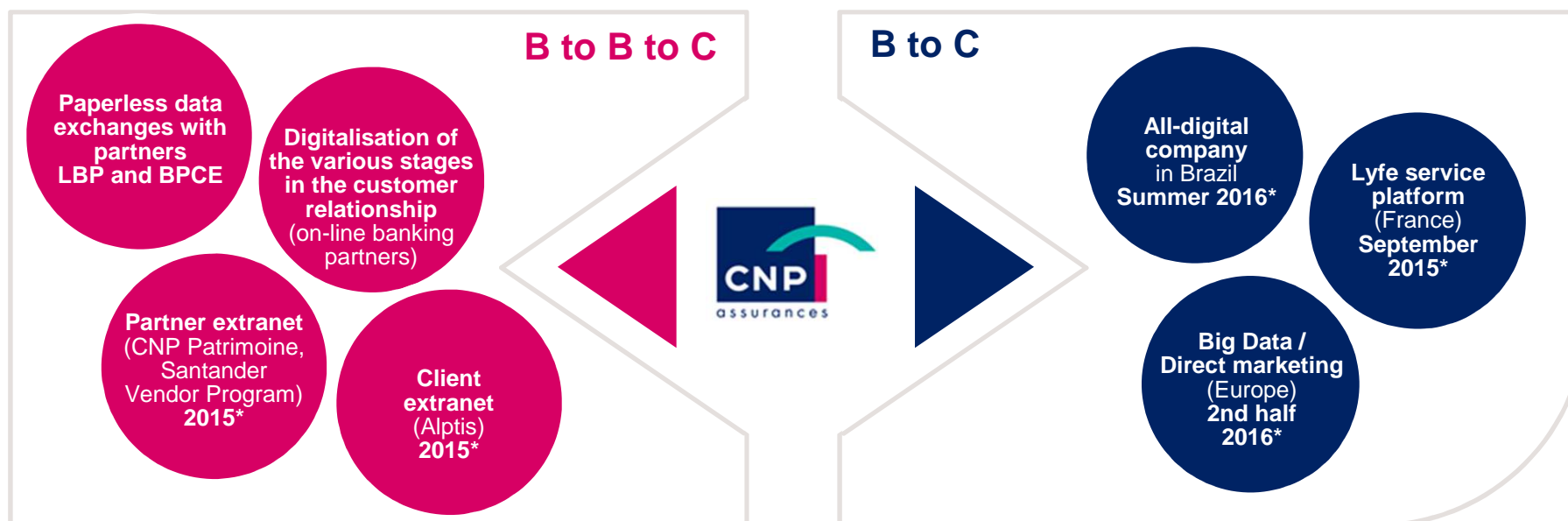
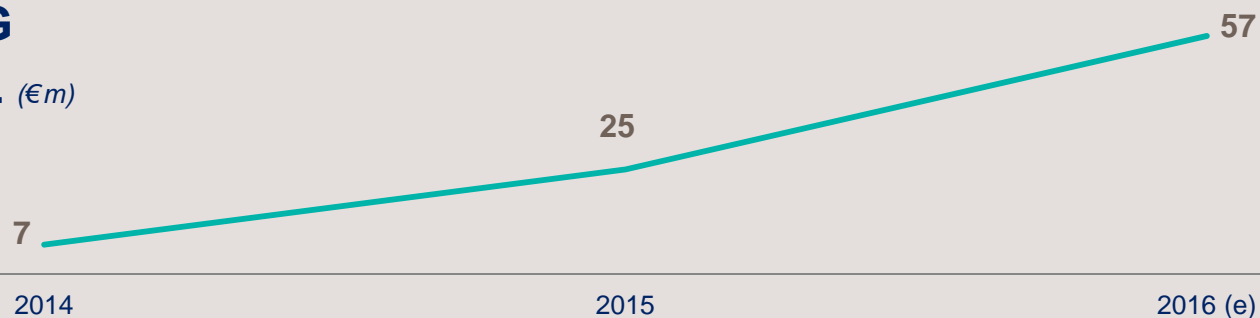
- Deployment in 2016 of renewed term creditor insurance partnerships with BPCE and La Banque Postale
- Ramp-up of all-channel employee benefit plan distribution system (Amétis in-house network, Alptis multi-channel platform) in operation since last autumn
- Launch of employee benefit plan partnership with BPCE in late 2015, earlier than scheduled
- Ramp-up of partnership with Santander Consumer Finance in Europe (10 countries) and open model distribution in Southern Europe (CNP Partners)

### **➤ Development of high-end savings business**

- Deployment in 2016 of enhanced partnerships with BPCE and La Banque Postale in high-end savings
- New CNP Patrimoine multi-partner distribution system fully up and running with launch of Luxembourg subsidiary on 1 January 2016

# AN AMBITIOUS DIGITAL STRATEGY OPENING UP NEW GROWTH OPPORTUNITIES

## INVESTING IN DIGITAL (€m)



\* Launch date



## **ROADMAP: AGILITY, INNOVATION, OPERATIONAL PERFORMANCE AND GROWTH**

- **With its 5,000 employees, the Company is undergoing a process of change driven by the Cap Digital\* internal transformation programme (launched in May 2015)**
- **With its partners and the Open CNP\* programme start-ups (launched in September 2015), the Company is inventing new digital services and customer experiences**
- **An Operational Excellence Programme has been launched to improve customer and employee satisfaction rates, and reduce the cost base in France by €60m over a full year by 2018**
- **In line with the Group's strategy, CNP Assurances' objective is to deliver average organic EBIT growth of at least 5% per year over three years**

\* Please refer to p.59 in the Appendix

**2.**

**Strong risk  
management and  
investment policy**

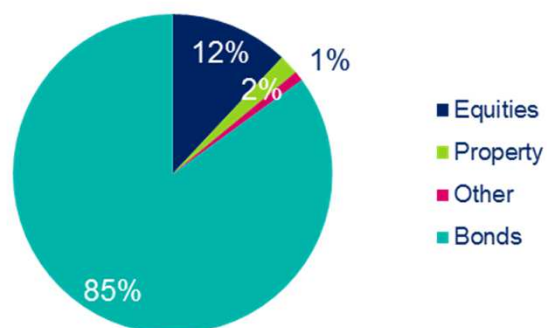
## 2015 : ATTRIBUTABLE NET PROFIT UP 4.7%

(€m)	2015	2014	CHANGE (%)
<b>EBIT</b>	<b>2,426</b>	2,442	-0.6
Finance costs	(192)	(178)	+8.1
Share of profit of associates	3	3	+0.1
Income tax expense	(811)	(824)	-1.5
Non-controlling interests	(303)	(323)	-6.0
<b>Recurring profit</b>	<b>1,124</b>	1,121	+0.2
Net realised gains on equities and invest. property, AFS, impairment	295	83	n.m.
Fair value adjustments to trading securities	24	77	n.m.
Non-recurring items	(312)	(201)	n.m.
<b>Attributable net profit</b>	<b>1,130</b>	1,080	+4.7

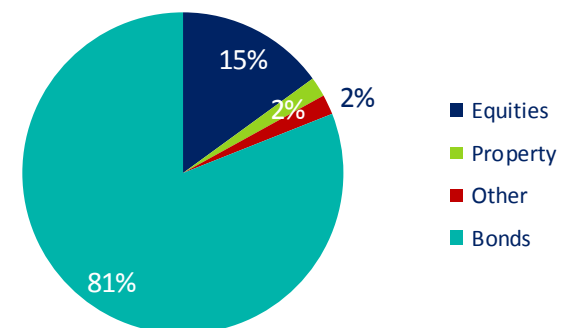
- **Realised gain on disposal of CNP BVP** (€231.8m after tax)
- **Impact of BRL hedges** (€18.6m before tax)
- **Policyholders' surplus reserve: €7.1bn at end-2015, representing 3% of savings/pensions technical reserves** (excluding linked liabilities)
- **Net profit up 4.7% to €1,130m**

## ASSET ALLOCATION

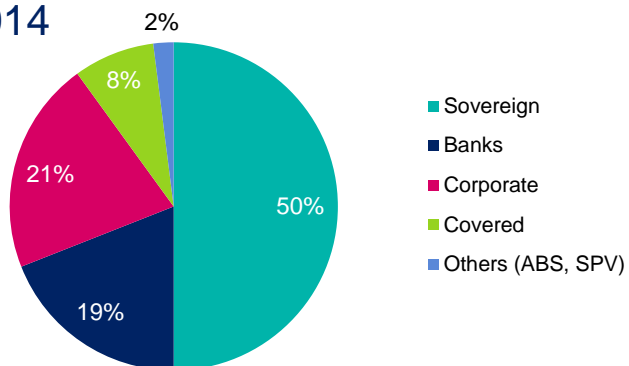
€323bn of AUM excluding UL  
FY 2014



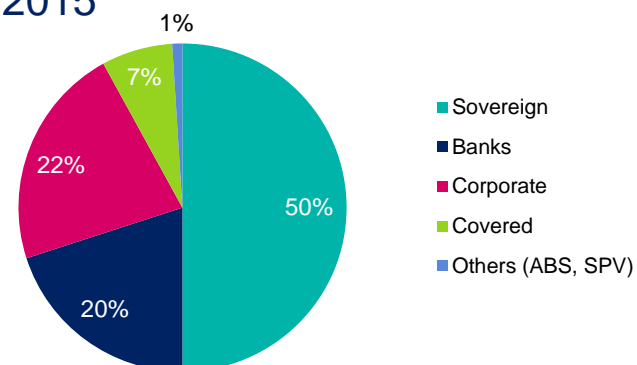
€326bn of AUM excluding UL  
FY 2015



Bond portfolio by type of issuer  
FY 2014

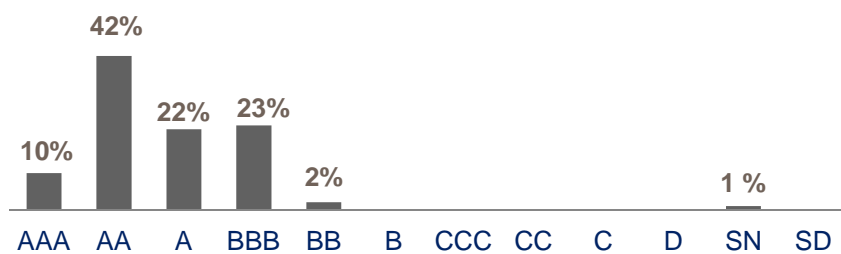


Bond portfolio by type of issuer  
FY 2015

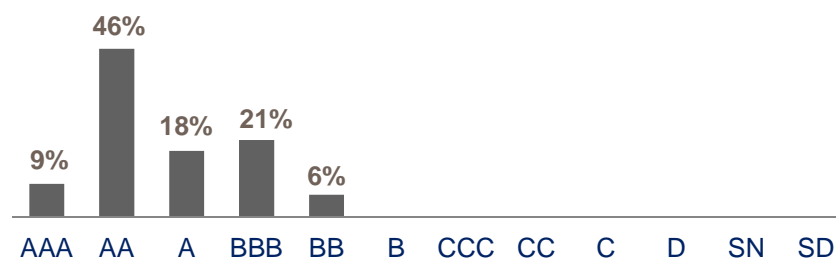


## DEFENSIVE BOND PORTFOLIO

**Bond portfolio by credit rating <sup>(1)</sup>**  
FY 2014

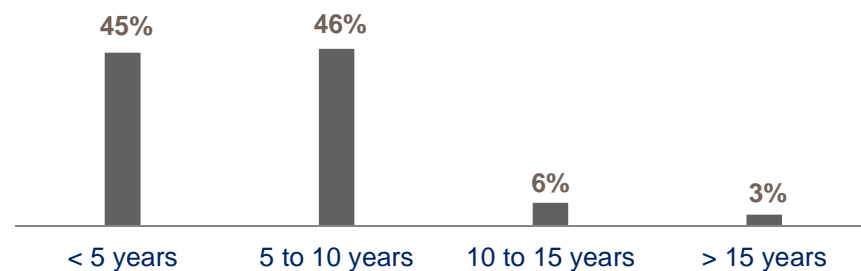


**Bond portfolio by credit rating <sup>(1)</sup>**  
FY 2015

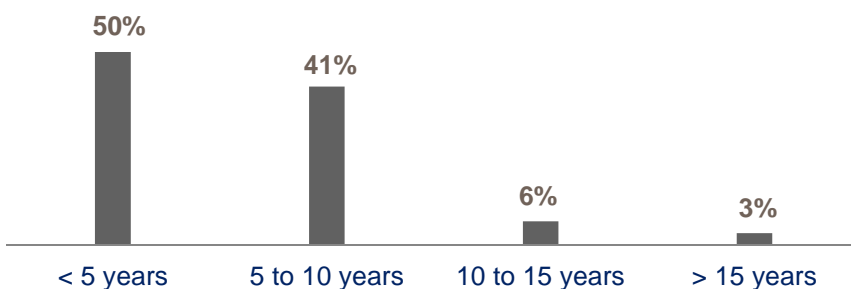


(1) Second best rating: method consisting of using the second best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch

**Bond portfolio by maturity band**  
FY 2014

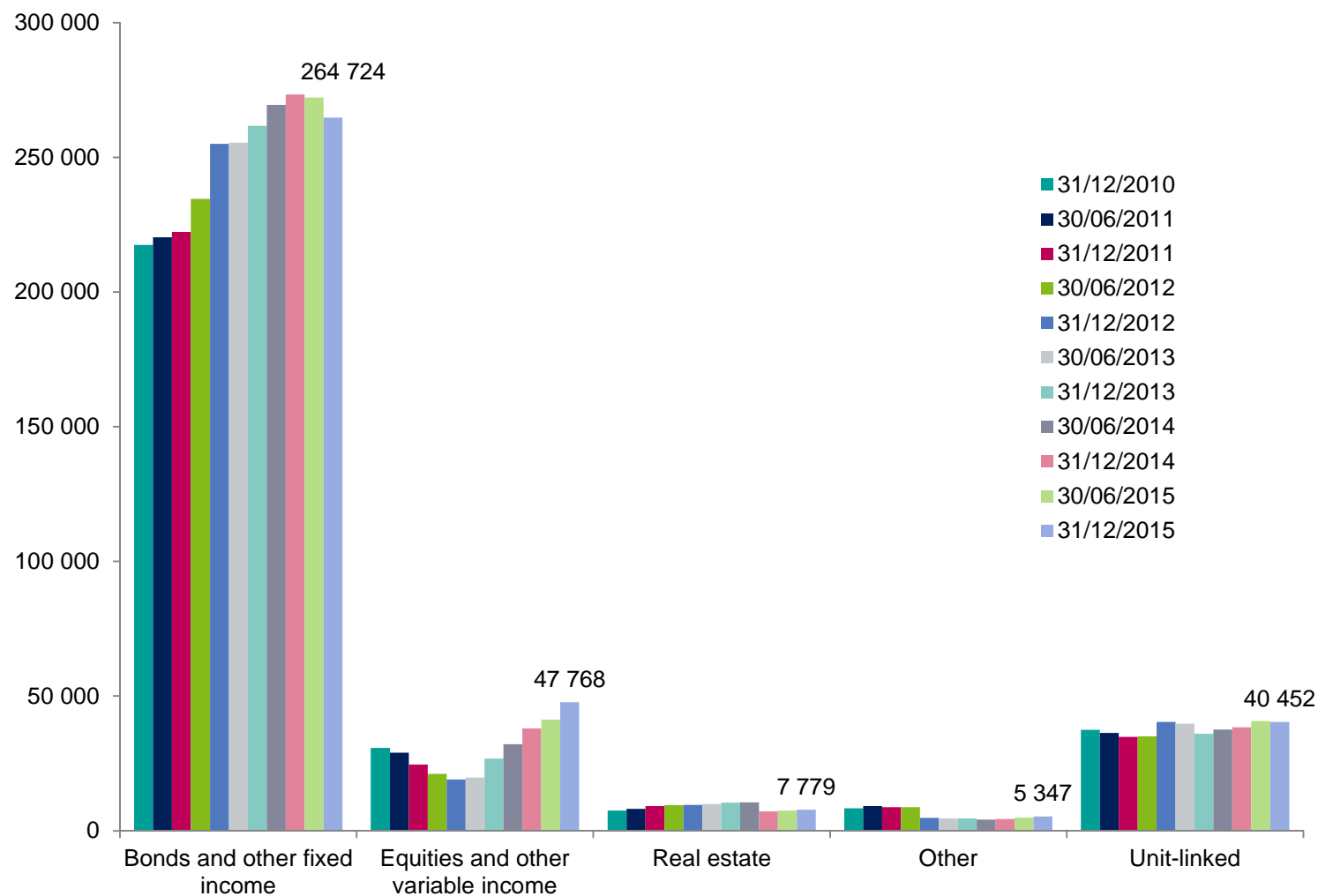


**Bond portfolio by maturity band**  
FY 2015



# PORTFOLIO ANALYSIS BY ASSET CLASS

Market value (€m)



# UNREALISED GAINS BY ASSET CLASS

## IFRS Gaap

(€m)	31 Dec. 2013	31 Dec. 2014	31 Dec. 2015	Change (%) 2015 vs. 2014
Bonds	15,654	29,511	23,725	(19,6%)
Equities	8,687	10,030	12,564	+25,3%
Property	3,250	2,420	2,740	+13,2%
Other	(814)	(1,249)	(1,154)	-
<b>TOTAL</b>	<b>26,777</b>	<b>40,713</b>	<b>37,876</b>	<b>(7,0%)</b>

# INVESTMENT STRATEGY ALIGNED WITH ECONOMIC ENVIRONMENT

## ➤ Increased investment in equities

- Traditional equities and defensive stocks  
(convertible bonds, low-volatility funds, funds hedged against a fall of equity market)
- With a strong geographic focus on Europe

## ➤ Fixed income investment strategy

- Corporate bonds, with focus on 5 to 8-year maturities
- Sovereign debt, with focus on 10 to 15-year maturities

## ➤ Increased investment in private equity and private debt

- Real estate funds: €1.9bn in equity and €260m in debt
- Infrastructure funds: €400m in equity (Meridiam Transition, GéoSud, etc.) and €290m in debt
- Private equity: €900m in equity



## EXPANDED HEDGING STRATEGY IN 2015

### ➤ BRL hedging strategy

- Use of puts to limit impact of a fall in the real on net profit and on dividends received from the local subsidiary

### ➤ Equity portfolio hedging strategy

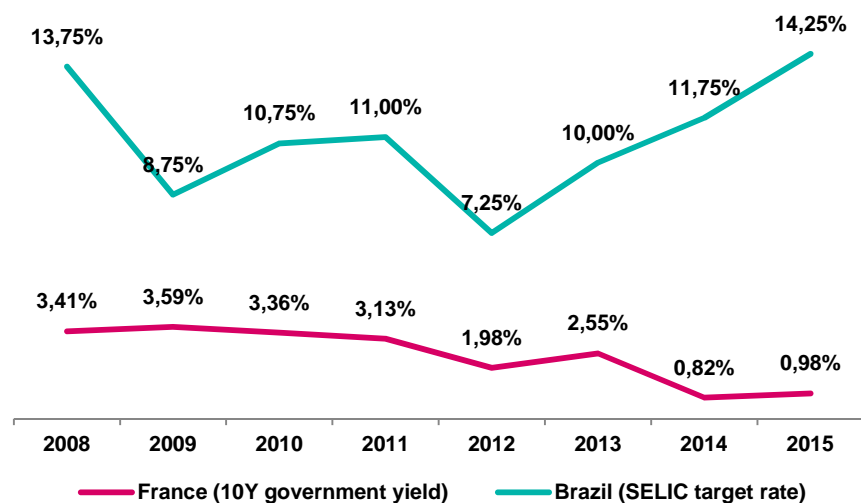
- Purchases of out-of-the-money long puts to protect the equity portfolio against the risk of a fall in stock market prices and reduce the solvency capital requirement generated by the portfolio

### ➤ Fixed income portfolio hedging strategy

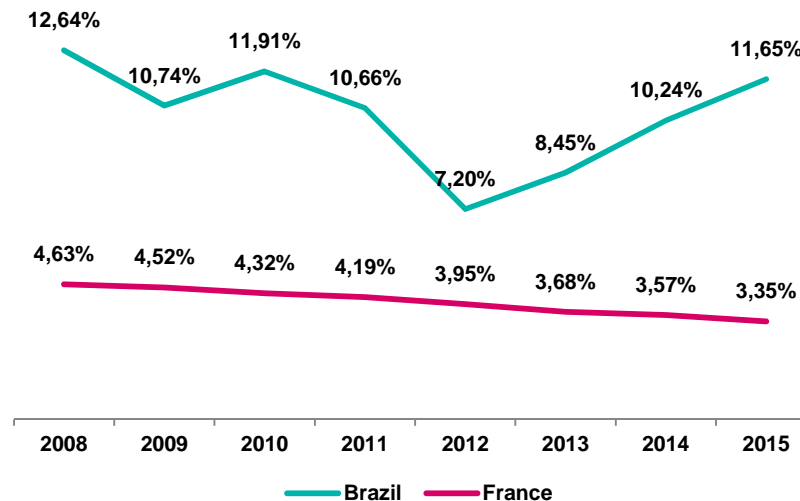
- Ongoing purchases of long caps to limit the risk in the event of a future increase in interest rates

# INTEREST RATES ENVIRONNEMENT ON OUR TWO MAIN MARKETS

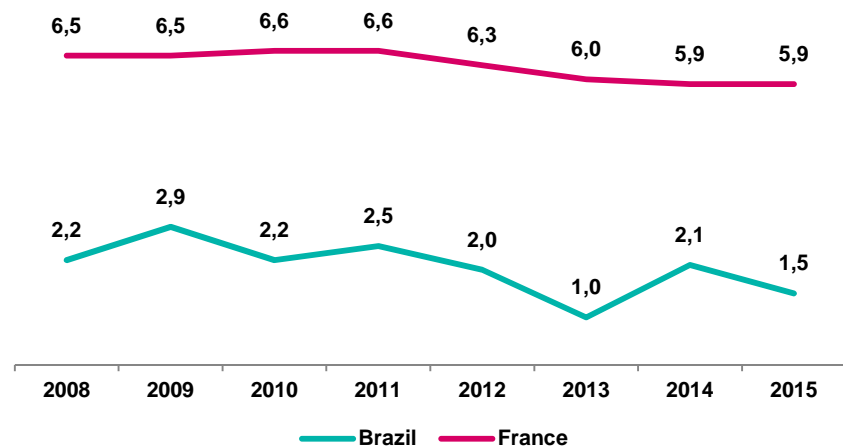
## Sovereign interest rates



## Fixed-rate bond portfolio current yield by country

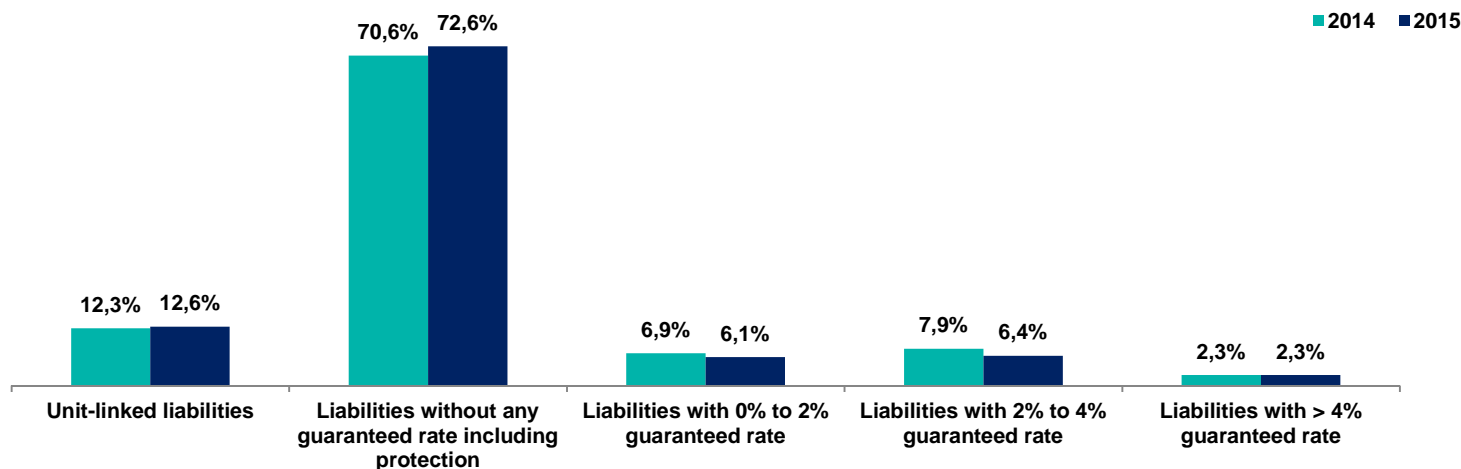


## Weighted average remaining life of bonds (years)

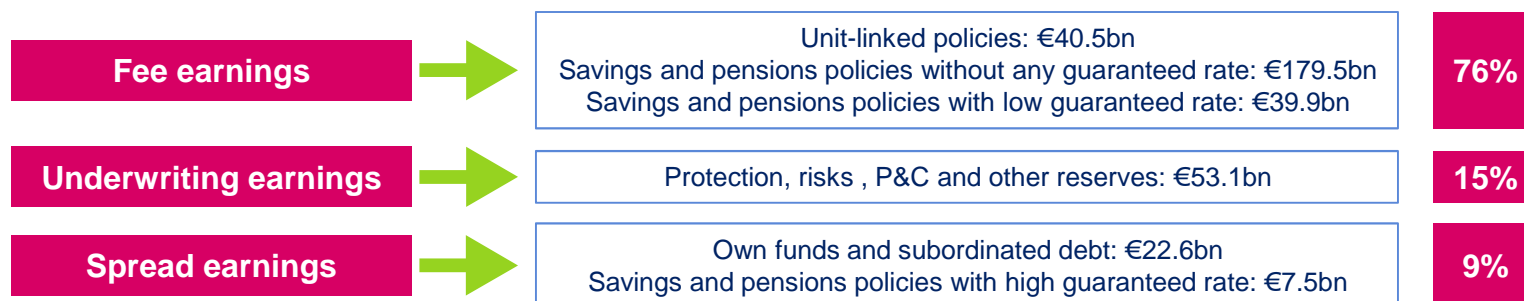


## LOW GUARANTEED RATE ON LIABILITIES

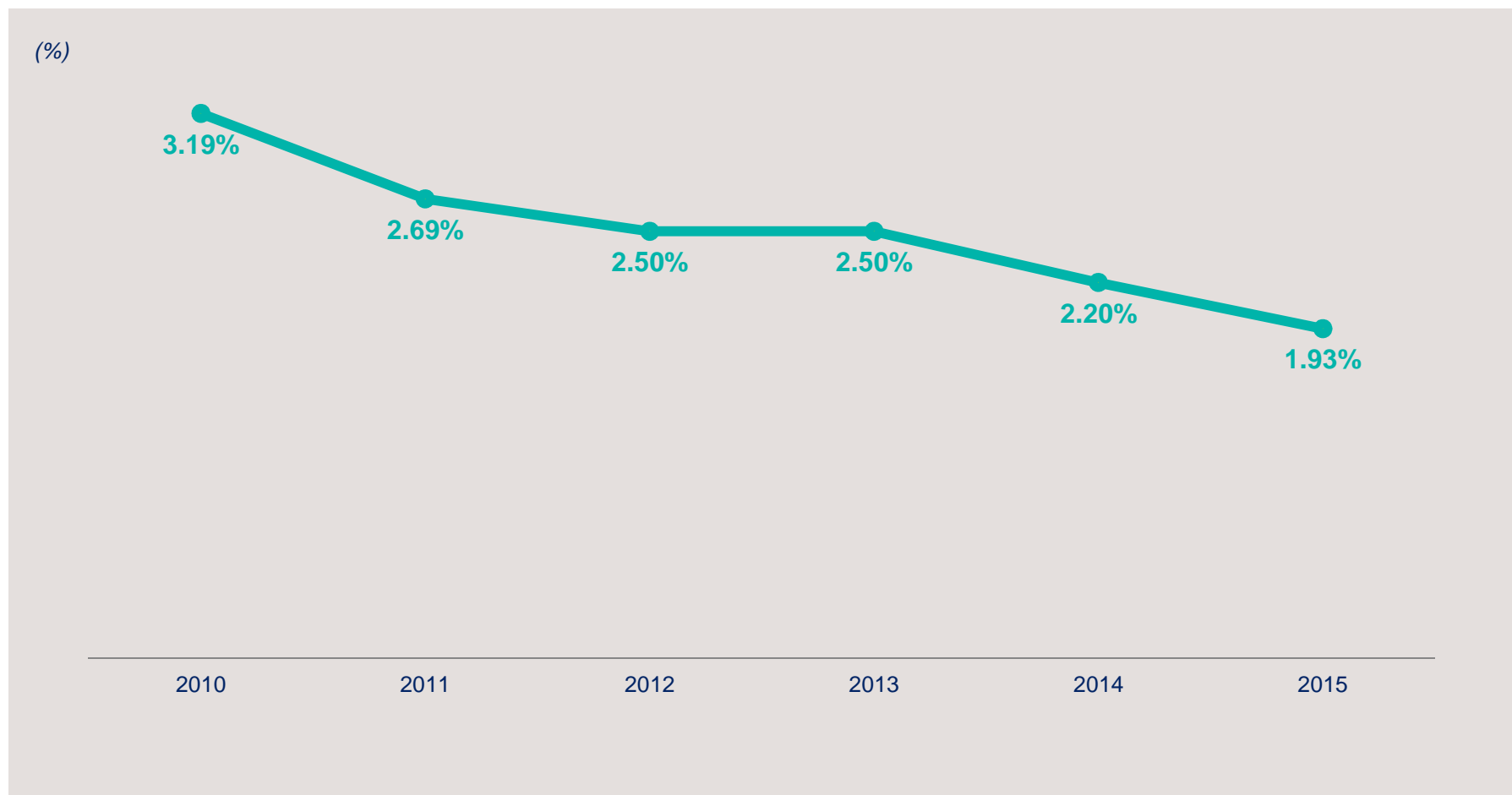
### ► Breakdown of CNP Assurances liabilities by guaranteed rate:



### ► CNP Assurances business model is mainly based on fee and underwriting earnings, as reflected by the breakdown of liabilities as of December 2015:



## CNP ASSURANCES POLICYHOLDER YIELDS IN FRANCE\*

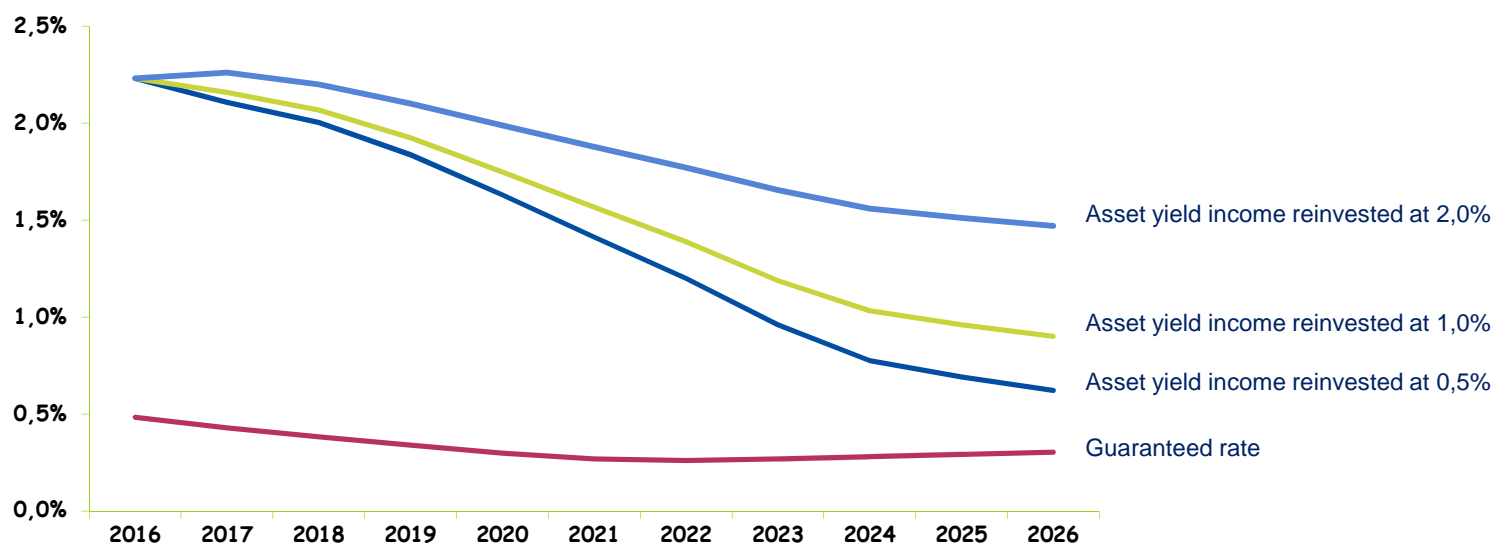


\* Source: CNP Assurances, traditional savings contracts

## LOW GUARANTEED RATES PROVIDE A PROTECTION AGAINST ADVERSE INTEREST RATE MOVEMENTS

### Managing a sharp rate fall:

- Asset portfolio yield projected over 10 years with redemptions reinvested in 0.5%, 1% or 2% fixed rate bonds
- Equity and real estate assumptions: 0% revenue and flat prices
- Under this stressed scenario, the asset portfolio yield would be 2.23% in 2016 vs. current average guaranteed rate of 0.48%



Notes: Based on CNP Assurances full perimeter. In-force business as of end-2015, surrenders and payments taken into account

### Protection against rising interest rates

- As of end 2015, CNP Assurances has a portfolio of €54bn nominal long-term interest rate derivatives (caps) to protect the balance sheet against rising interest rates

## STRONG RESILIENCE IN SPITE OF A CHALLENGING ENVIRONMENT

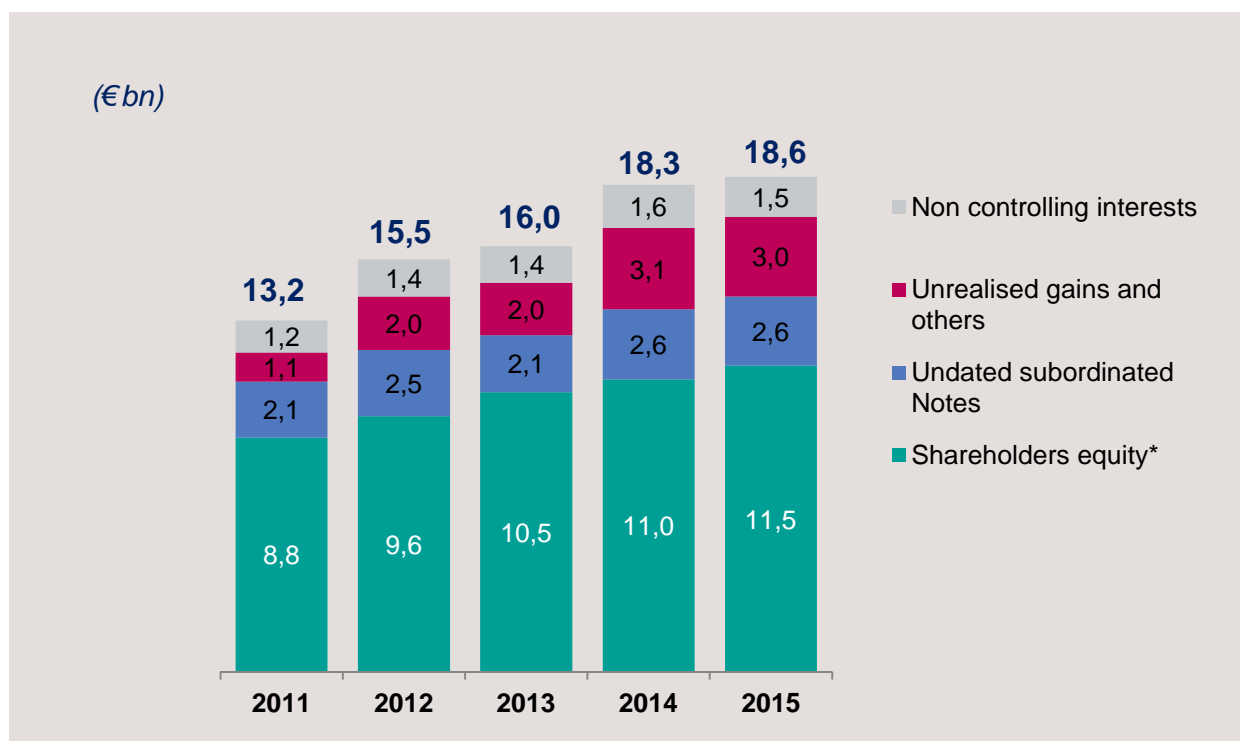
- ▶ Despite severe market shocks, CNP Assurances' fundamentals have remained strong over time
- ▶ Since its IPO in 1998, CNP Assurances has continuously posted 17 years of positive annual and quarterly net income

		Subprimes crisis & Lehman Brothers default FY 2008	Eurozone crisis FY 2011	Very low interest rate & disinflation FY 2014	Emerging markets slowdown & weakening of Brazilian real FY 2015
Market YoY Variations	Euro Stoxx 50	(44%)	(17%)	1%	4%
	10Y French government yield	(88 bps)	(19 bps)	(173 bps)	16bp
	EUR-BRL	25%	10%	(1%)	(25%)
CNP Assurances key figures	Net income (€bn)	0,73	0,87	1,08	1,13
	Shareholders equity (€bn)	10,6	13,2	18,3	18,6
	Policyholder Surplus Reserve (€bn)	2,2	2,9	5,5	7,1

**3.**

**Solvency, rating  
and funding policy**

# TOTAL IFRS EQUITY STRUCTURE



► **Solid capital generation thanks to:**

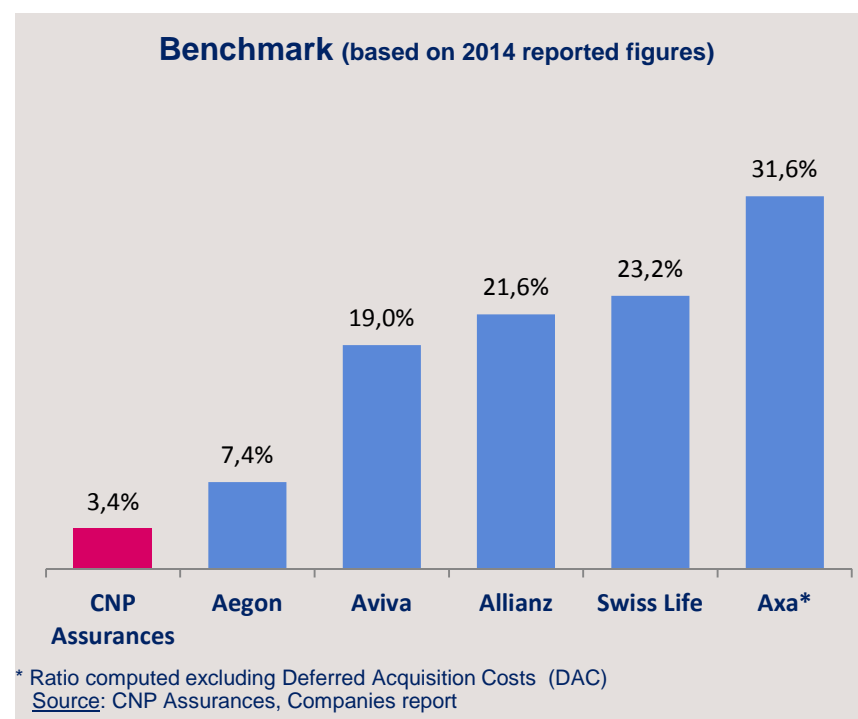
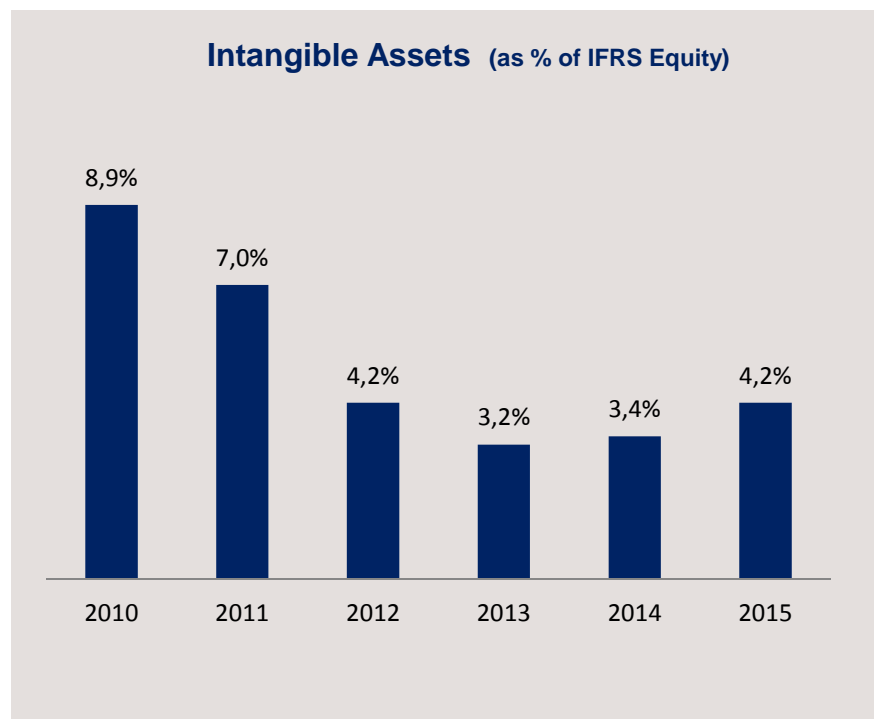
- retained earnings (up from €6.3bn in 2011 to €8.0bn in 2015)
- conservative dividend policy (payout ratio down from 56% in 2011 to 47% in 2015)

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

\*of which equity represents €2.4bn, retained earnings €8.0bn and profit for the period €1.1bn in 2015.

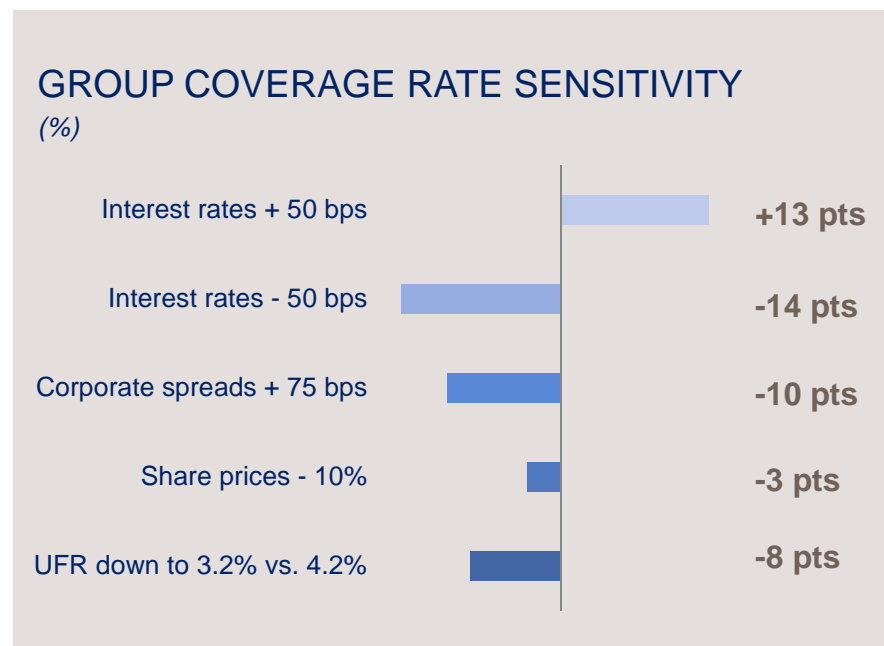
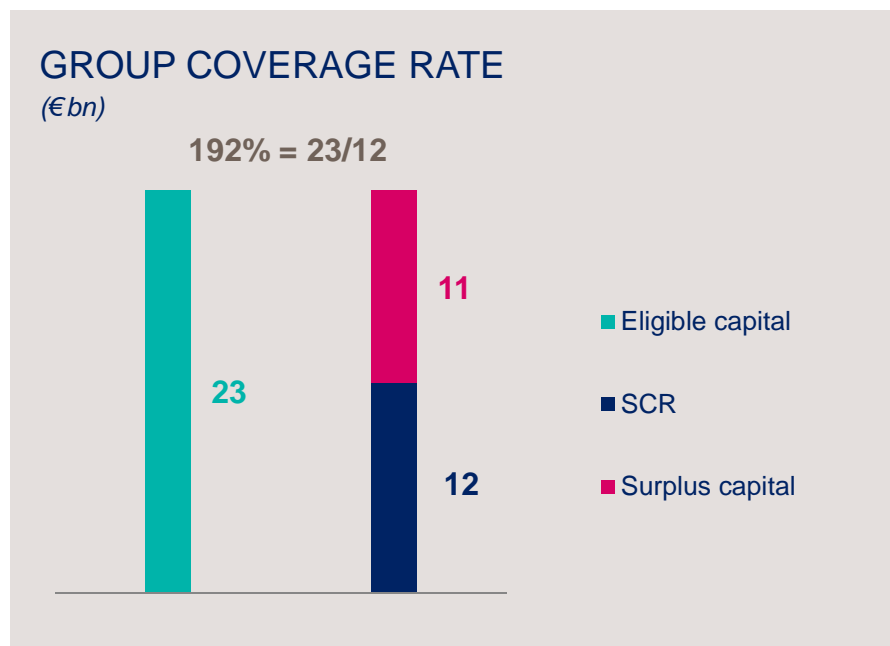


## VERY LIMITED INTANGIBLE ASSETS ON THE BALANCE SHEET



- **Since 2010, CNP Assurances ratio of intangible assets to IFRS equity has strongly decreased due to:**
- solid growth of IFRS equity
  - cautious M&A policy
  - impairment of goodwill on the Italian and Cypriot businesses

## SOLVENCY II COVERAGE RATE OF 192% AT END-2015



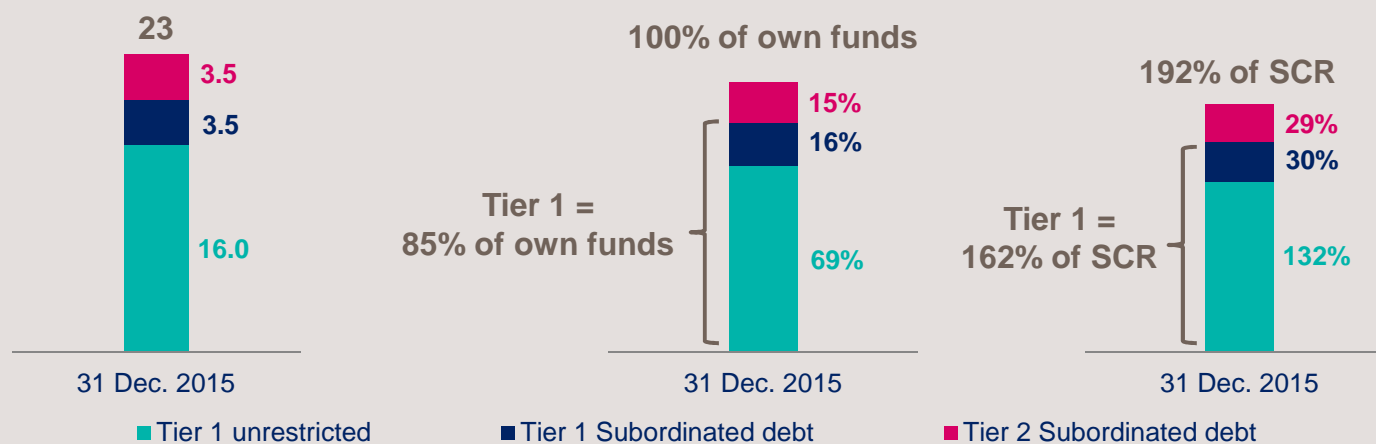
### ➤ CNP Assurances calculates its Solvency II coverage rate as follows:

- Standard formula
- No transitional measures\*

\* Except for grandfathering of subordinated debt

## GROUP CAPITAL STRUCTURE UNDER SOLVENCY II

### ELIGIBLE CAPITAL (€bn)

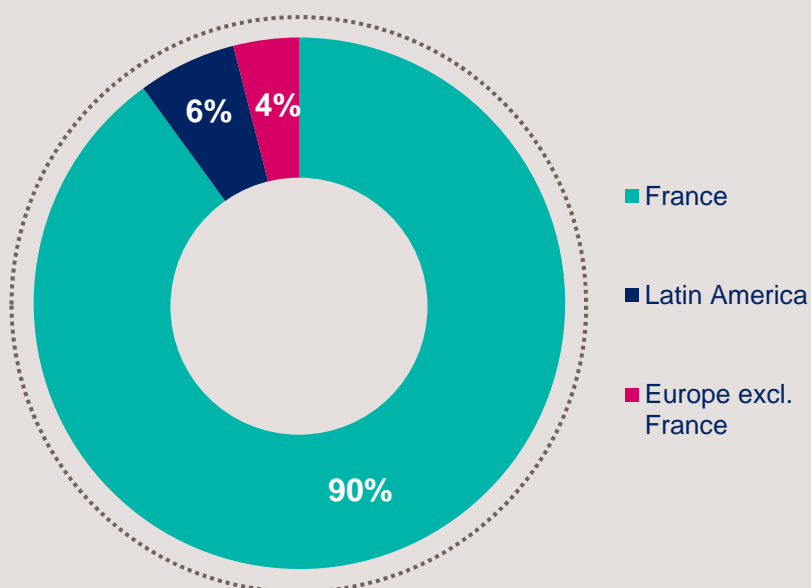


### ► The Group's financial flexibility is based on:

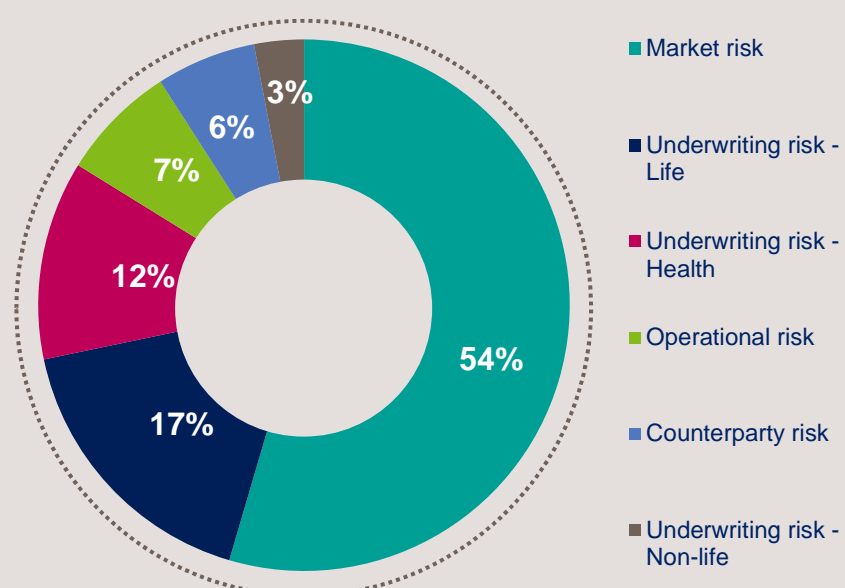
- high quality eligible capital (85% of own funds are Tier 1, no Tier 3, no ancillary own funds)
- subordinated debt issuance capacity: €2.4bn Tier 2 and €0.3bn Tier 1 at end-December 2015

## BREAKDOWN OF GROUP SCR

SCR BY GEOGRAPHIC AREA  
(%)



SCR BY RISK \*  
(%)



**26% diversification benefit \*\***

\* Breakdown presented before diversification

\*\* Diversification benefit = [sum of net SCR excluding Operational Risk SCR - net BSCR]/sum of net SCR excluding Operational Risk SCR

## TWO SOLVENCY ASSESSMENT MODELS

- ▶ **CNP Assurances has a strong loss absorption capacity due to its liabilities structure (with-profit contracts and unit-linked policies accounts for 80% of consolidated liabilities)**
- ▶ **These features are taken into account with an economic balance sheet approach**

	<b>S&amp;P rating agency</b> <i>based on IFRS Balance Sheet</i>	<b>Solvency II</b> <i>based on Regulatory Balance Sheet</i>
<b>Eligible capital</b>		
Core Equity net of intangibles	Yes	Yes
Subordinated debt	Yes	Yes
Policyholders' surplus reserve	Yes	Yes, partly included in VIF
Value of In Force (VIF)	50%	100%
Unrealized gains (equity and real estate portfolio)	100%	Yes, partly included in VIF
Unrealized gains (bond portfolio)	No	Yes, partly included in VIF
<b>Required capital</b>		
Function of balance sheet size and premium volume	Yes	Yes
Function of asset allocation	Yes	Yes
Function of loss absorption capacity of with-profit contracts	No	Yes
Function of minimum guaranteed rate on liabilities	No	Yes
Function of derivatives and hedging strategy	No	Yes
Function of reinsurance	Yes	Yes
Diversification benefit	Yes	Yes
<b>CNP Assurances FY2015 Solvency</b>	<b>Close to 'A' rating</b>	<b>192%</b>

## STANDARD & POOR'S RATING

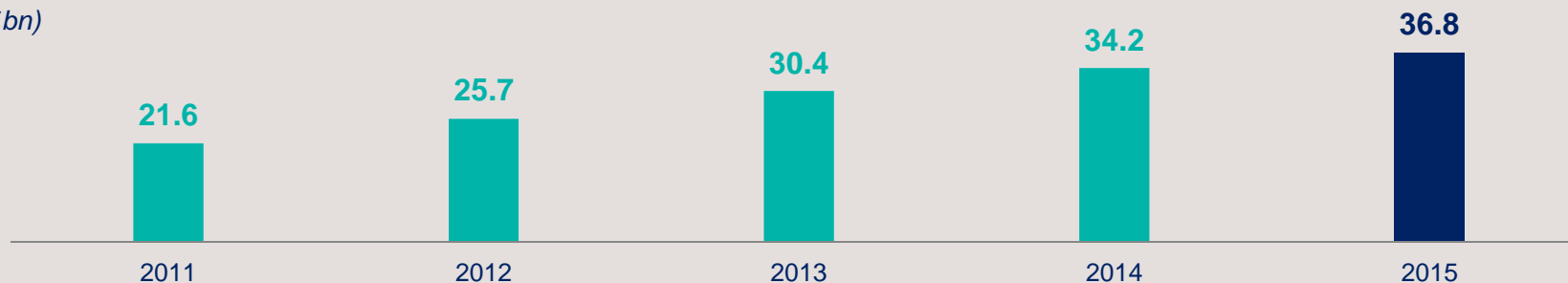
➤ **CNP Assurances is rated A, with a stable outlook, by Standard & Poor's:**

	June 2013	February 2014	February 2015	January 2016
Standard & Poor's Rating	A+ / Negative	A / Stable	A / Stable	A / Stable
Business Risk Profile	Very Strong	Strong	Strong	Strong
Financial Risk Profile	Moderately Strong	Strong	Strong	Strong

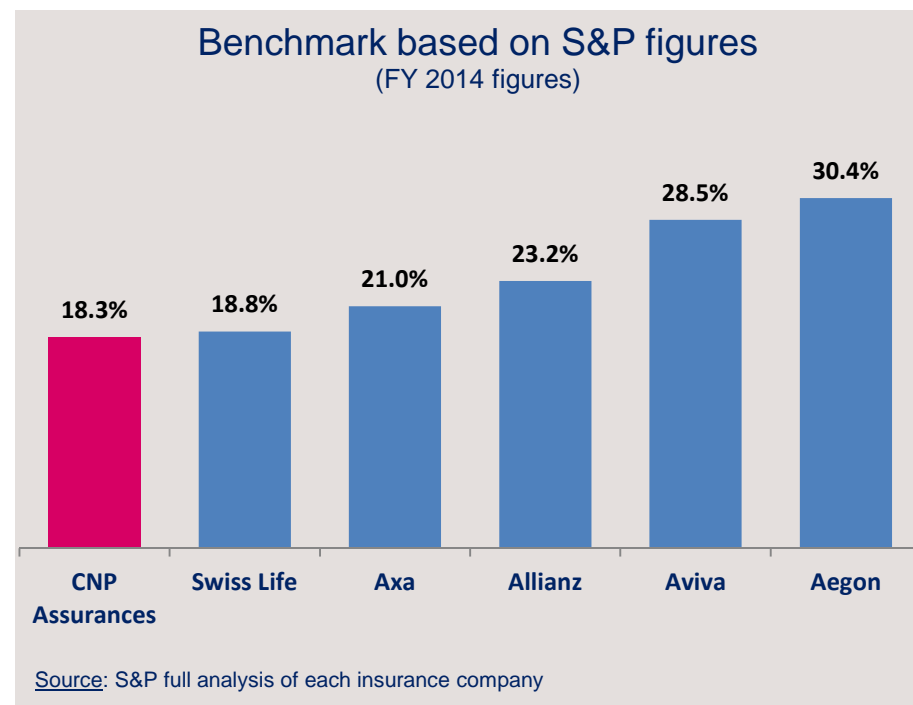
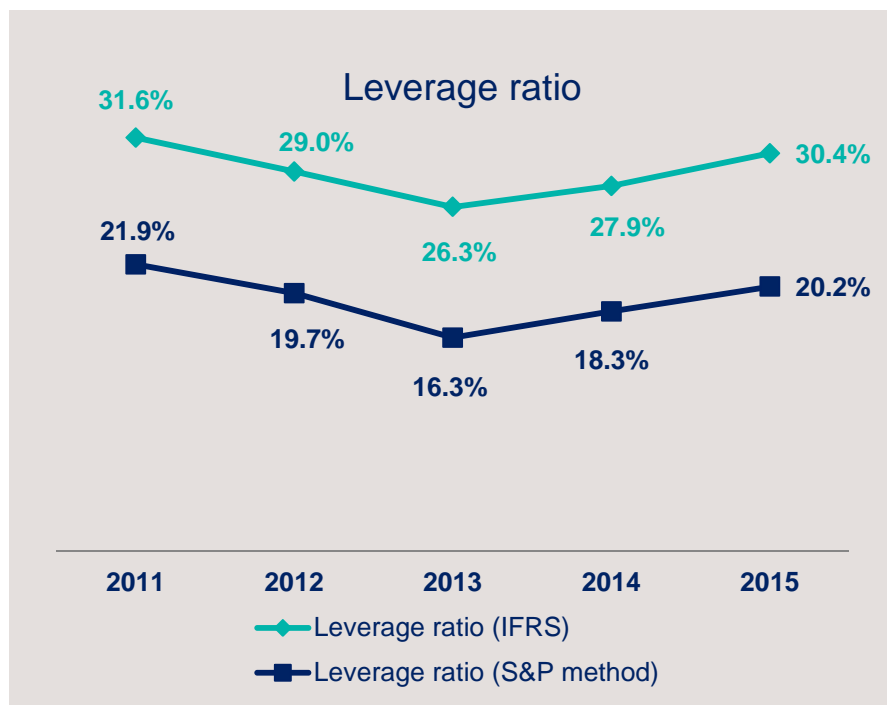
➤ **At 31 December 2015, Total Adjusted Capital (TAC) amounted to €36.8 billion, up 8% from end-2014.**

### TOTAL ADJUSTED CAPITAL

(€bn)

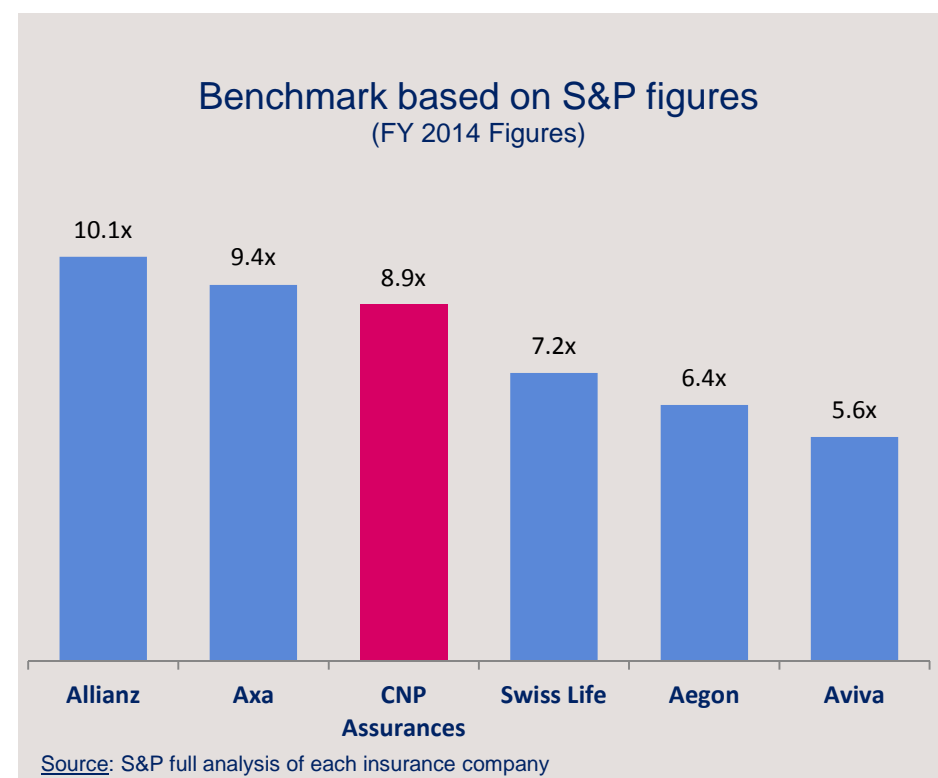
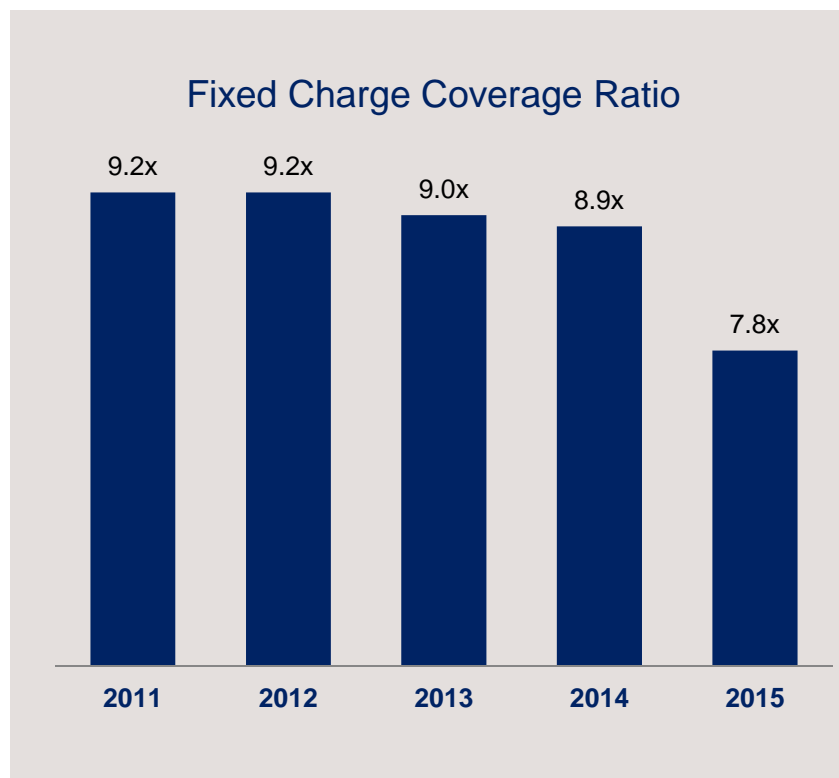


## LEVERAGE IN LINE WITH PRUDENT STRATEGY



Leverage Ratio (IFRS Standard)	Leverage Ratio (S&P Standard)
Debt / (Equity – Intangible assets + Debt)	Debt / (Economic Capital Available + Debt)
	< 20% = positive [20% ; 40%] = neutral > 40% = negative

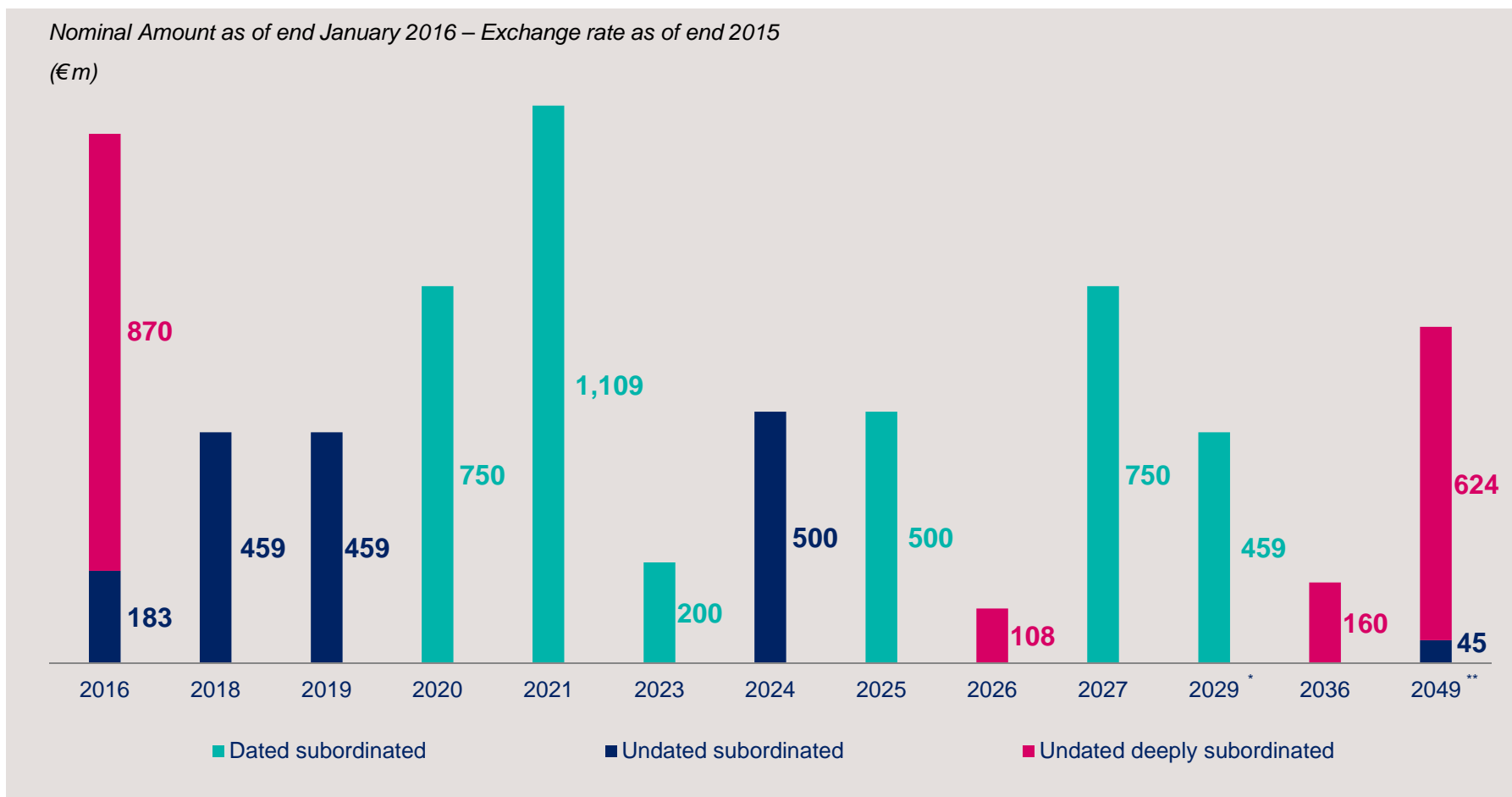
## FIXED CHARGE COVERAGE RATIO REMAINS AT A HIGH LEVEL



Fixed Charge Coverage Ratio (S&P Standard)
EBIT / Interest paid
> 8x = positive
[4x ; 8x] = neutral
< 4x = negative



# MATURITIES OF CNP ASSURANCES SUBORDINATED DEBT



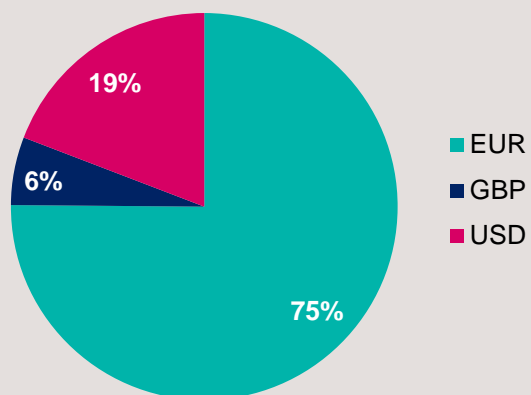
\* January 2016 issue

\*\* First call date already passed

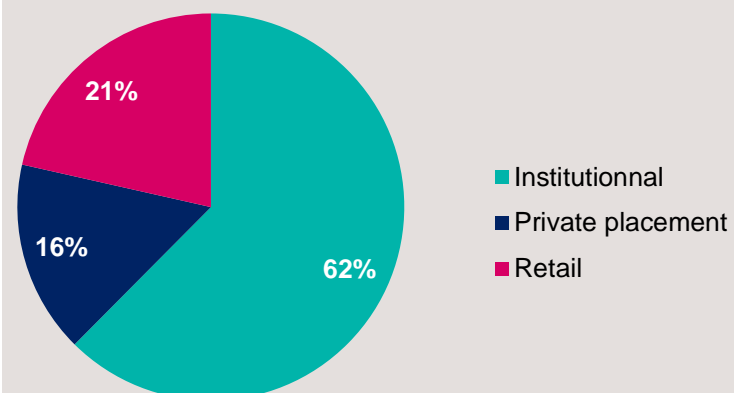
# BREAKDOWN OF CNP ASSURANCES SUBORDINATED DEBT

Nominal Amount as of end January 2016 – Exchange rate as of end 2015

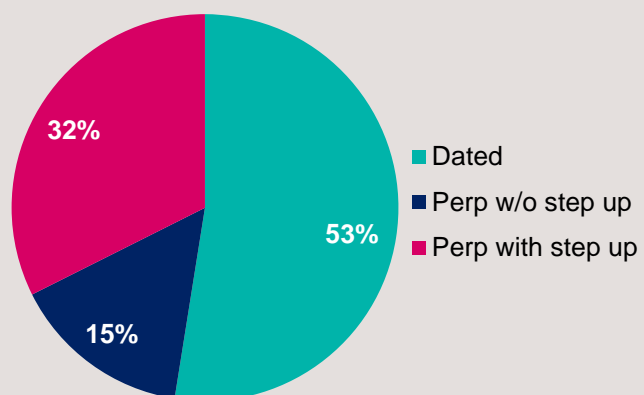
## Subordinated debt by currency



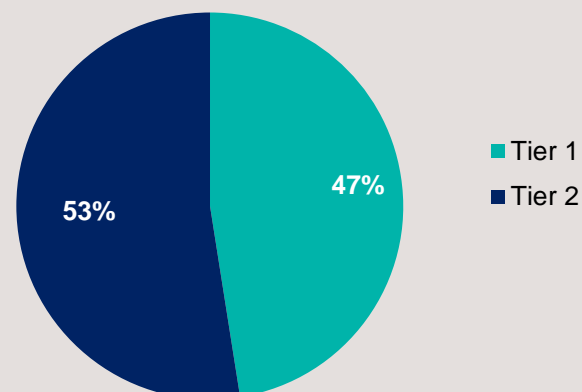
## Subordinated debt by distribution



## Subordinated debt by tenor



## Subordinated debt by Solvency II Tiering



# NEXT RESULTS ANNOUNCEMENT: FIRST-QUARTER 2016 RESULTS INDICATORS - 11 MAY

## 2016 INVESTOR CALENDAR

	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016
Annual General Meeting				28 April 2:30 pm								
Q1 2016 results indicators					11 May 7:30 am							
HY 2016 premium income and profit							28 July 7:30 am					
Q3 2016 results indicators											09 Nov. 7:30 am	

### Equities Investor and Analyst Relations

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

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

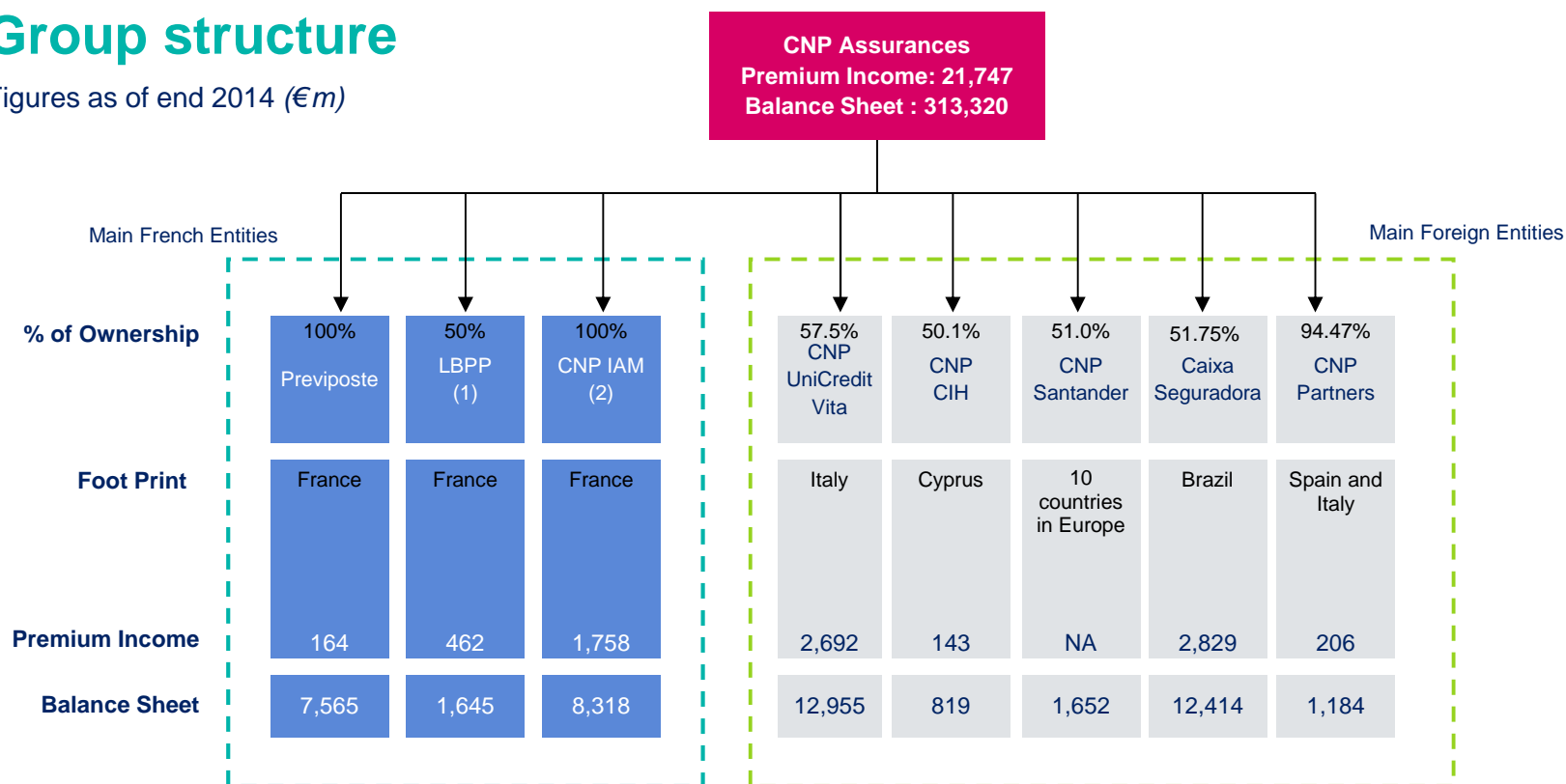
debtIR@cnp.fr

**4.**

## **Appendices**

# Group structure

Figures as of end 2014 (€m)



- ▶ The Group issue bonds through CNP Assurances SA which is the listed entity and the main Operating Company of the Group (~80% of the consolidated balance sheet and ~€8bn of core equity)
- ▶ Bonds are not issued through a Holding Company nor a SPV
- ▶ No senior debt outstanding within the capital structure

(1) Subject to signature of the final agreements and lifting of the conditions precedent, LBPP will be sold to La Banque Postale by CNP Assurances in 2016.

(2) CNP IAM was merged in 2015 into CNP Assurances, following the contribution of the "other property damage and miscellaneous financial loss" insurance and reinsurance businesses and associated assets and liabilities to CNP Caution.

## SOVEREIGN EXPOSURES

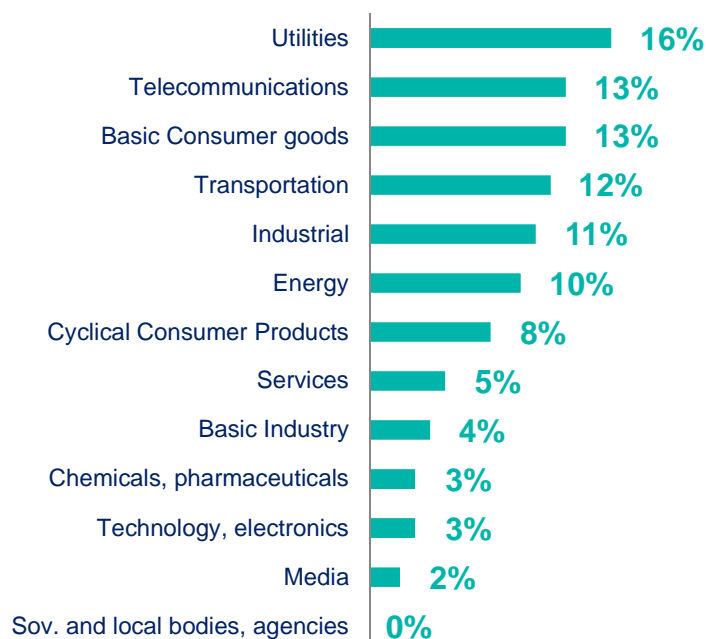
(€m)	31 December 2015			31 December 2014			31 December 2013		
List of countries (for information)	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value
France	66,951.5	77,735.6	4,941.1	67,676.2	81,013.0	4,344.1	67,575.7	74,204.3	3,719.2
Italy	9,134.8	10,708.0	1,234.7	9,644.9	11,117.8	1,093.0	9,801.7	10,187.0	1,026.2
Belgium	7,402.4	8,621.0	494.4	8,201.0	9,617.8	417.3	8,411.4	9,292.5	342.9
Spain	3,751.0	4,390.8	344.9	3,695.8	4,378.1	304.9	4,462.5	4,604.1	261.4
Austria	4,434.0	5,197.8	219.3	4,793.8	5,739.5	202.1	4,913.9	5,553.6	173.0
Brazil	1,448.8	1,265.6	759.5	1,628.0	1,528.5	917.7	1,885.5	1,720.4	1,032.9
Portugal	271.4	310.8	7.6	431.7	468.5	11.7	766.4	734.8	18.4
Netherlands	179.5	204.2	15.5	124.8	154.0	10.4	133.5	152.3	14.0
Ireland	617.1	724.3	31.8	608.5	724.4	18.2	661.4	717.4	15.4
Germany	2,481.7	2,823.0	240.8	2,637.4	3,031.1	217.7	2,995.1	3,298.9	216.0
Greece	3.9	2.2	0.1	4.3	4.6	0.2	4.3	6.8	0.3
Finland	16.3	19.7	3.2	34.4	38.6	4.3	32.7	35.5	3.0
Poland	346.7	391.9	43.1	337.2	391.1	31.4	374.8	413.4	19.7
Luxembourg	50.4	56.3	20.8	34.1	39.0	15.4	34.4	37.2	14.6
Sweden	11.4	12.4	0.3	1.2	2.4	1.1	3.2	4.4	2.4
Denmark	45.2	60.1	4.5	45.2	49.2	3.3	204.6	210.6	7.8
Slovenia	140.6	158.7	3.5	237.9	269.4	14.2	250.3	252.0	4.4
United Kingdom	78.1	233.0	0.0	78.1	213.6	0.0	78.1	158.1	0.0
Canada	649.0	710.8	85.9	548.1	625.7	61.9	496.9	555.9	58.2
Cyprus	16.6	18.5	6.1	15.7	16.2	4.0	23.9	22.2	11.0
Other <sup>(1)</sup>	6,401.8	7,459.8	735.2	6,414.2	7,617.0	650.0	6,463.2	7,108.0	561.2
TOTAL	104,072.3	121,104.4	9,192.0	107,192.3	127,039.4	8,322.9	109,573.6	119,269.3	7,502.0
(1) Of which supra	6,003.5	7,042.0		6,095.5	7,265.6		6,257.4	6,877.4	

\* Carrying amount, including accrued coupon

## CORPORATE EXPOSURES (EXCLUDING BANKS)

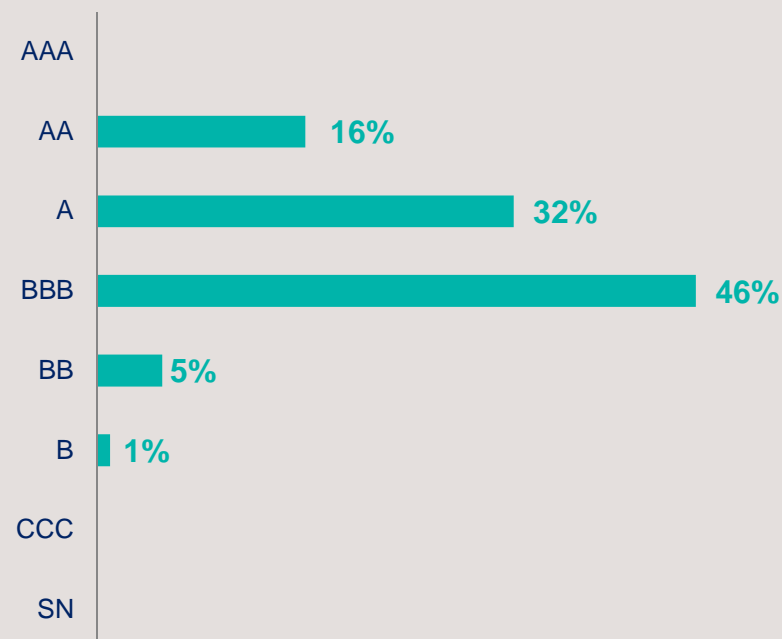
### CORPORATE EXPOSURES (EXCL. BANKS) BY INDUSTRY

(% of Group portfolio)



### CORPORATE EXPOSURES (EXCL. BANKS)

BY RATING\* (% of Group portfolio)



\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch

## LIMITED ENERGY SECTOR EXPOSURE

### ➤ Direct energy sector exposure – bonds

- 9.7% of the corporate bond portfolio (excluding banks)
- 2.1% of the total bond portfolio
- Maximum exposure to a single issuer: €682m (BP)

### ➤ Direct energy sector exposure – equities

- 5.7% of the total equity portfolio
- Maximum exposure to a single issuer: €530m (Total)

### ➤ Direct energy sector exposure - infrastructure

- Total exposure: €700m
- Maximum exposure to a single issuer: €408m (GRT Gaz)

### ➤ Direct energy sector exposure - private equity

- Total exposure: €65m spread between several funds



## LIMITED MINING AND METALS SECTOR EXPOSURE

### ➤ Direct mining and metals sector exposure – bonds

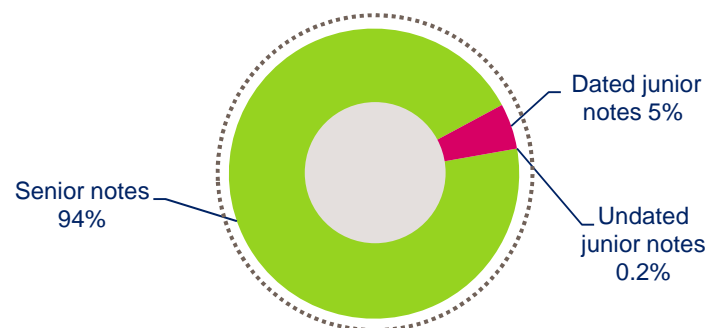
- 2.3% of the corporate bond portfolio (excluding banks)
- 0.5% of the total bond portfolio
- Maximum exposure to a single issuer: €340m (BHP Billiton)

### ➤ Direct mining and metals sector exposure – equities

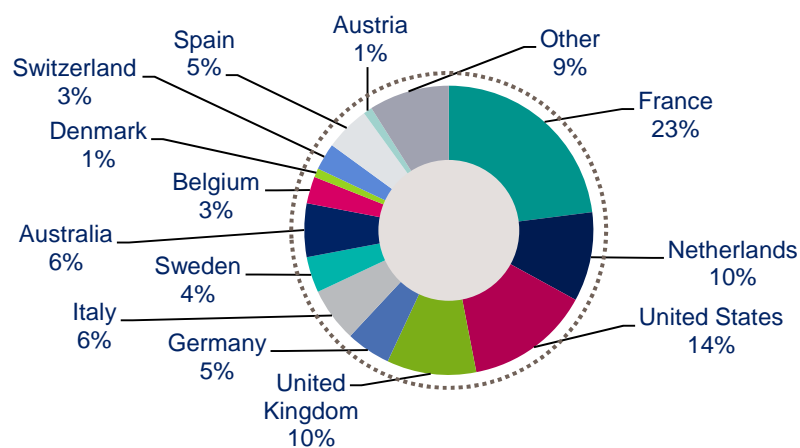
- 0.3% of the total equity portfolio
- Maximum exposure to a single issuer: €33m (ArcelorMittal)

## BANK EXPOSURES (EXCLUDING COVERED BONDS)

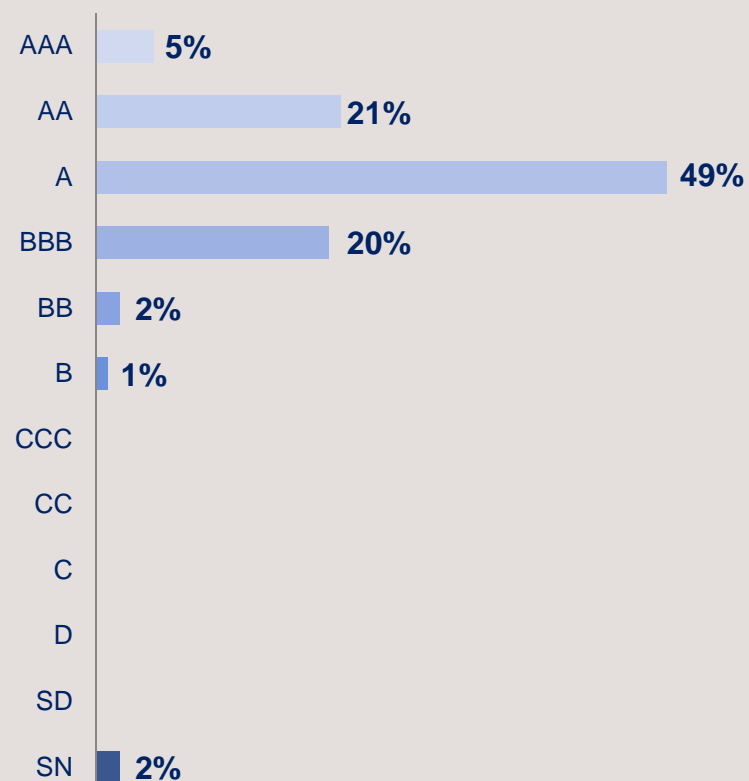
### BANK EXPOSURES BY TYPE OF SECURITY (% of Group portfolio)



### BANK EXPOSURES BY COUNTRY (%)

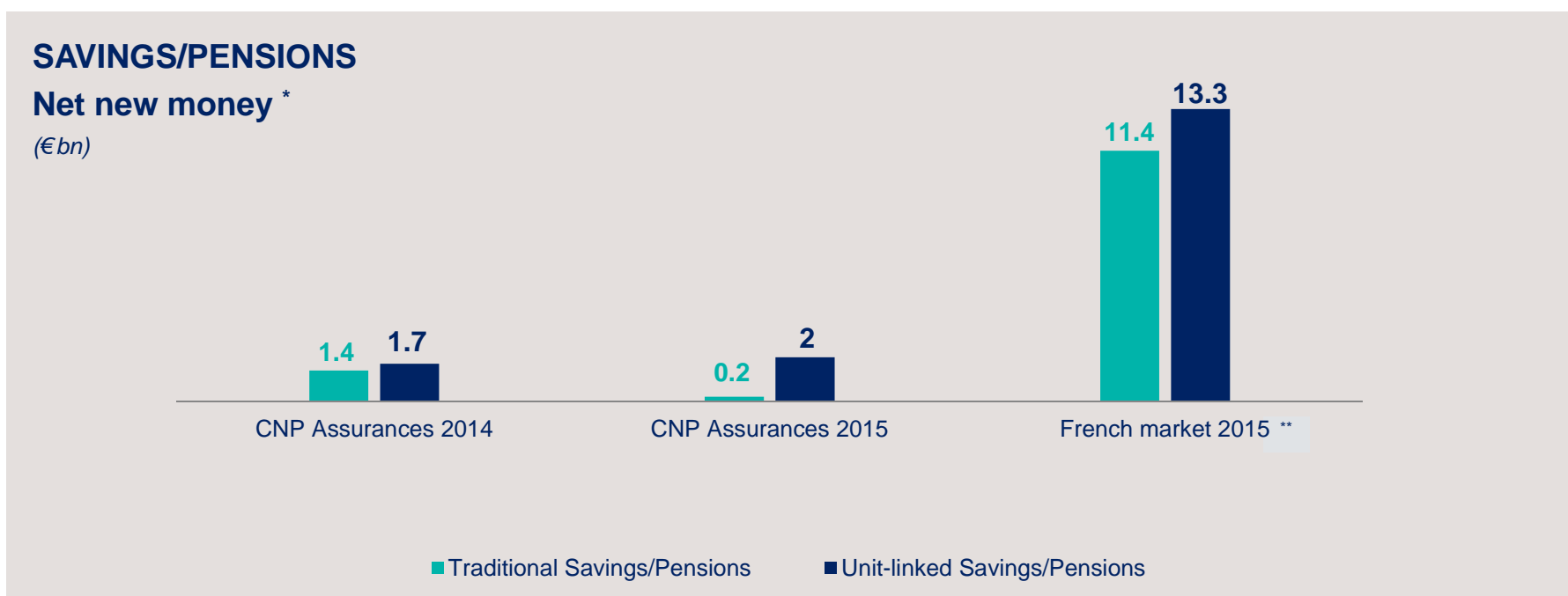


### BANK EXPOSURES BY RATING\* (% of Group portfolio)



\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch

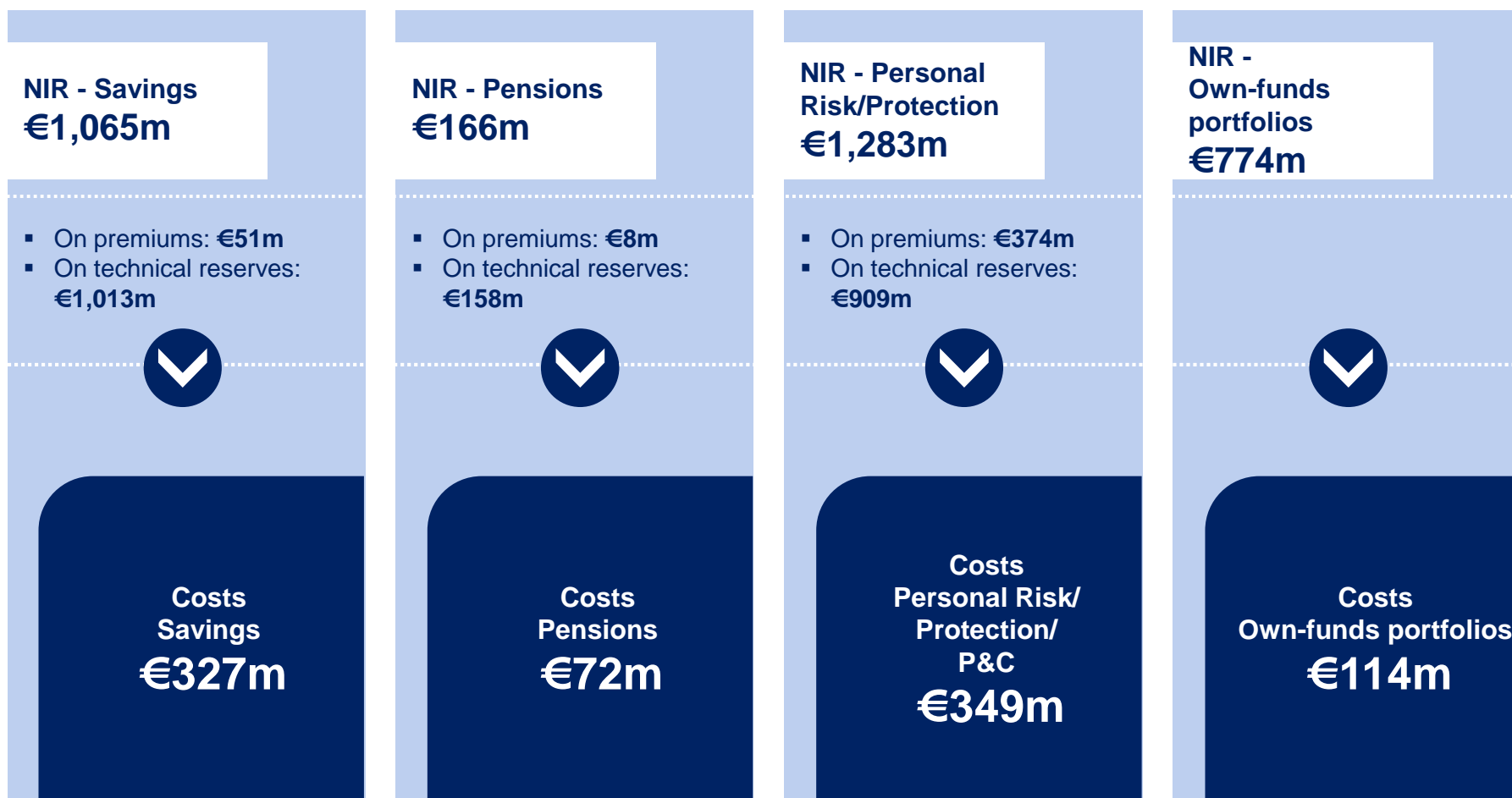
## STRONG UNIT-LINKED DYNAMICS IN FRANCE



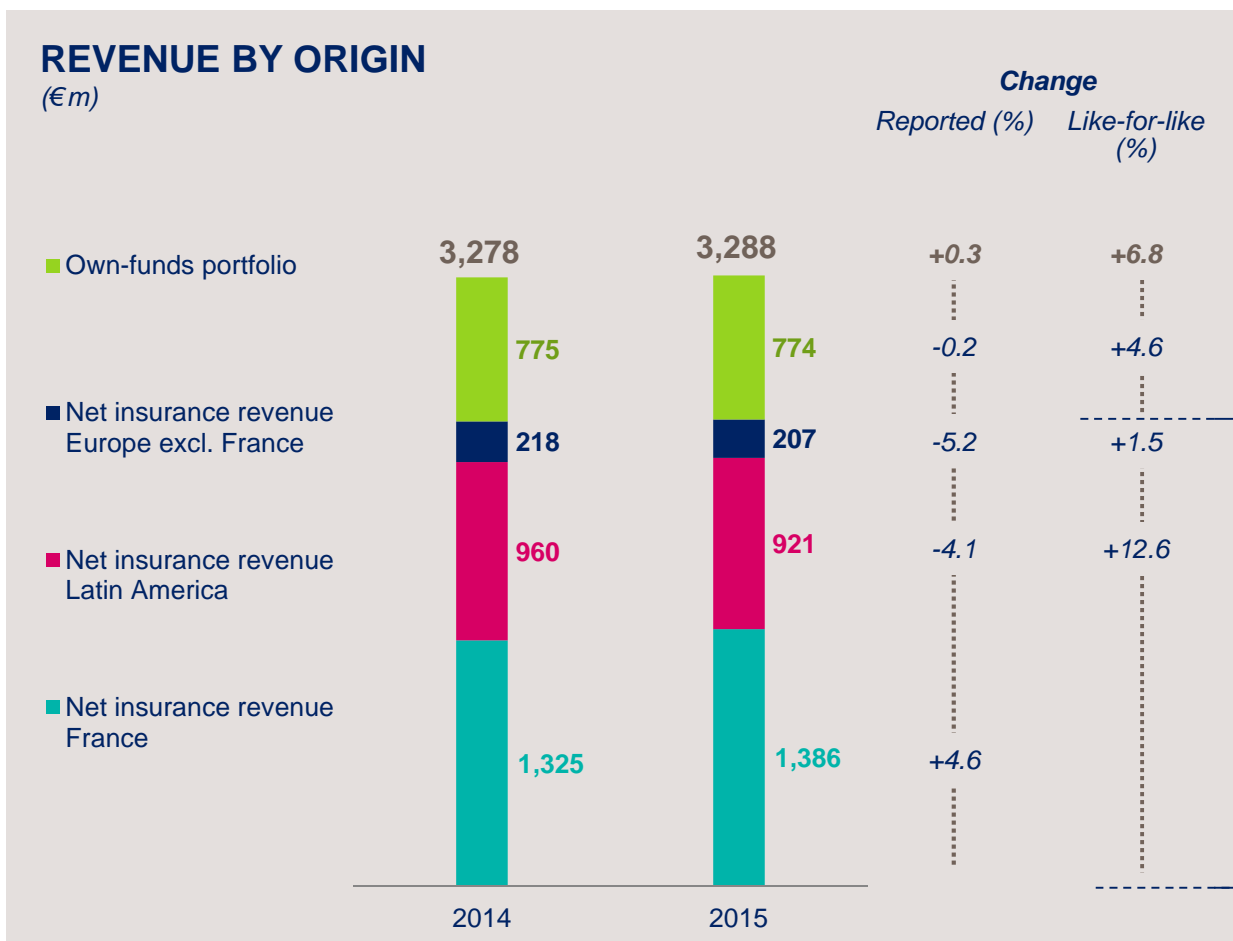
\* French GAAP

\*\* Source: FFSA

## NET INSURANCE REVENUE BY BUSINESS LINE

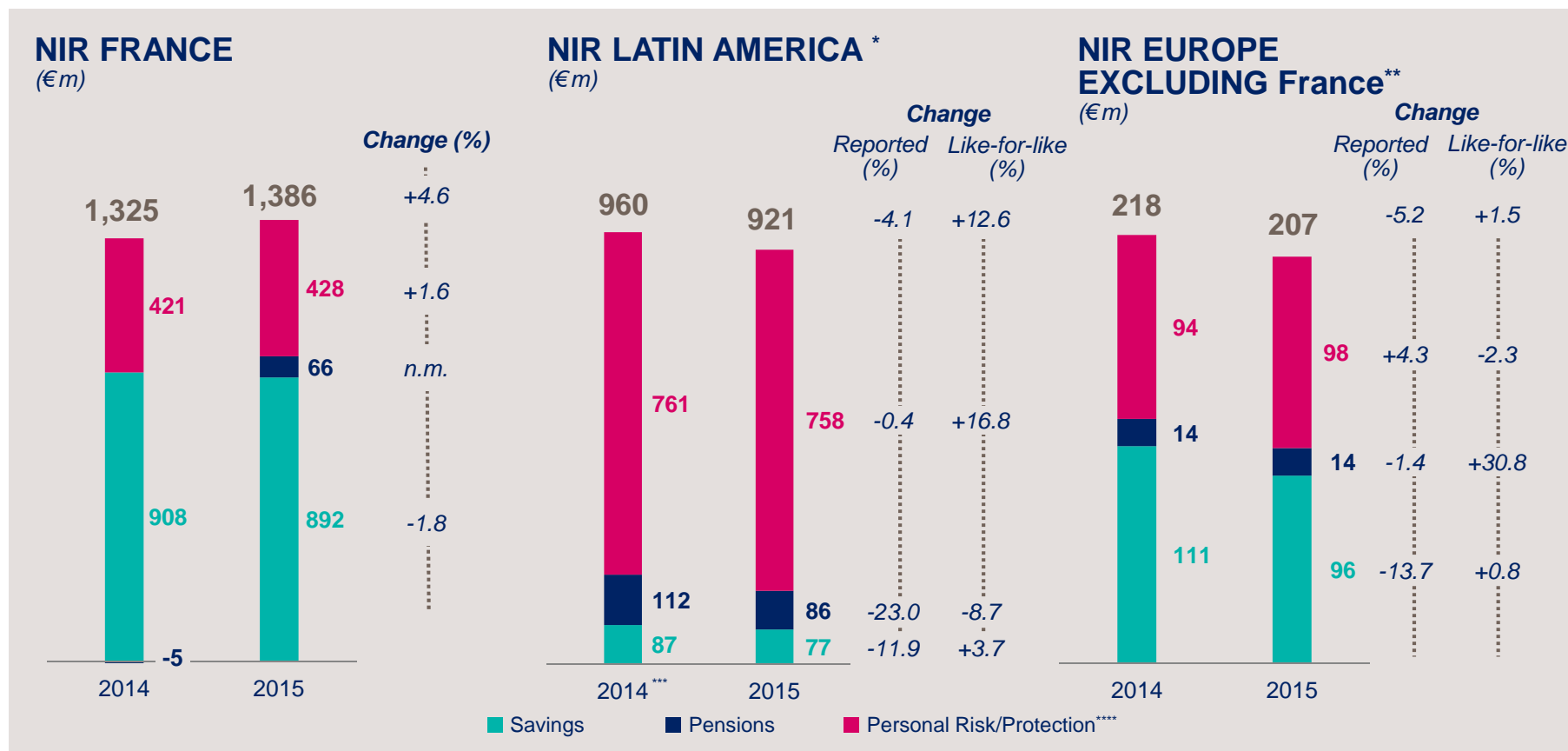


## GROUP REVENUE



**Total net  
insurance  
revenue**  
**€2,514m**  
up 0.4% (€11m)  
as reported,  
7.5% like-for-like

## NET INSURANCE REVENUE BY SEGMENT AND ORIGIN



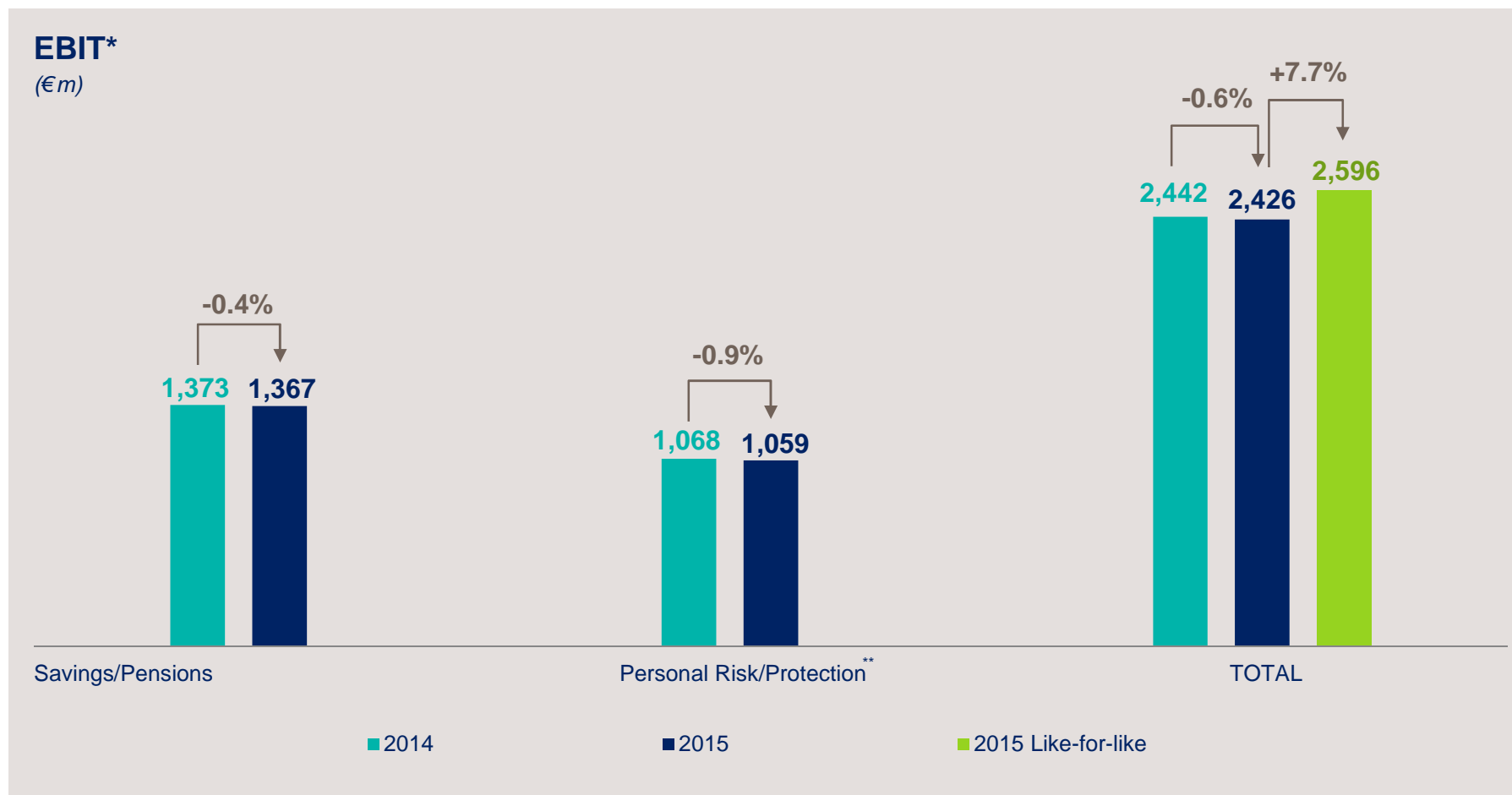
\* Brazil and Argentina

\*\* Italy, Spain, Portugal, Ireland and Cyprus

\*\*\* Pro forma data adjusted for the reclassification in 2015 of Brazilian social integration and contribution taxes (PIS/COFINS) from administrative expenses to net insurance revenue (€59m)

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

## EBIT BY SEGMENT



\* EBIT generated by own-funds transactions is allocated to the various segments based on their respective solvency capital requirements

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

# OVERVIEW OF CNP ASSURANCES CONSOLIDATED BALANCE SHEET

(€m)	2015	2014	2013*	2012	2011
<b>Assets</b>	<b>393,732</b>	<b>395,401</b>	<b>365,429</b>	<b>353,216</b>	<b>321,011</b>
Intangible assets	789	617	518	647	923
Insurance investments	370,904	367,141	344,840	333,470	302,903
Reinsurers' share of insurance and financial liabilities	11,291	10,951	9,795	8,927	8,258
Cash and cash equivalent	1,328	796	1,069	955	703
Non-current assets held for sale	178	3,041	0	0	0
Other assets	9,242	12,854	9,208	9,217	8,224
<b>Liabilities</b>	<b>393,732</b>	<b>395,401</b>	<b>365,429</b>	<b>353,216</b>	<b>321,011</b>
Equity	18,570	18,299	15,994	15,588	13,217
Subordinated debt	3,996	3,175	2,614	2,560	2,551
Insurance and financial liabilities	349,807	344,354	320,086	314,856	289,304
Liabilities related to assets held for sale	0	2,658	0	0	0
Other liabilities	21,115	26,915	26,735	20,212	15,938

(\*) Restated under IFRS 10, IFRS 11 and IFRS 12



## AVERAGE TECHNICAL RESERVES BY SEGMENT, EXCLUDING DEFERRED PARTICIPATION

(€m)		SAVINGS	PENSIONS	PERSONAL RISK/ PROTECTION	TOTAL
2014	France	239,826	33,062	9,975	282,864
	Europe excluding France	12,334	1,809	1,202	15,345
	Latin America	816	7,158	1,226	9,200
	<b>TOTAL</b>	<b>252,977</b>	<b>42,029</b>	<b>12,403</b>	<b>307,408</b>
2015	France	246,488	35,339	10,157	291,984
	Europe excluding France	12,179	1,736	1,804	15,719
	Latin America	730	7,280	1,226	9,237
	<b>TOTAL</b>	<b>259,397</b>	<b>44,355</b>	<b>13,187</b>	<b>316,939</b>

## SENSITIVITIES AS OF 31.12.2015

### ► Sensitivities of shareholders equity and VIF to a change in value of assets

	Interest rates + 100 bps	Interest rates - 100 bps	Share prices - 10%
Impact on shareholders equity (€m)	(913)	904	(371)
Impact on shareholders equity (%)	(5%)	5%	(2%)
Impact on value of in-force (€m)	1 386	(1 900)	(809)
Impact on value of in-force (%)	21%	(28%)	(12%)

### ► Sensitivities of shareholders equity to a 20% impairment on Italian, Spanish or Portuguese sovereign bonds

	Italy	Spain	Portugal
Impact on shareholders equity (€m)	(247)	(69)	(2)
Impact on shareholders equity (%)	(1.3%)	(0.4%)	(0.0%)

# THE CAP #DIGITAL PROGRAMME

1

**CUSTOMER CENTRE**  
THE CUSTOMER EXPERIENCE  
INTEGRATED INTO THE COMPANY

## → Giving customers a voice throughout the organisation

- Gathering data on customer interactions across all channels
- Defining a unified vision that allows for comprehensive knowledge of the customer
- Recommending actions to achieve an improved, coherent customer journey
- Supporting the creation and management of a customer community
- Committing to ethical use of personal data

2

**DIGITAL ACCELERATOR**  
CONCEPTION & PROTOTYPING

## → Experimenting to rapidly transition from ideas to action

- Developing and testing ideas each month and providing the means to implement them within the Company
- Setting up an area with a team and resources (equipment/methods) for collaborative teamwork during projects
- Promoting agile methods and open, shared developments

3

**#DIGITAL AMBITION**  
TRANSFORMATION & CULTURE  
TO CREATE A DIGITAL COMPANY

## → Raising awareness of the digital culture to promote cooperation and accelerate the transformation process

- Supporting changes in management practices and the sharing of information, skills and behaviours
- Developing new knowledge and skills (conferences, MOOCs, reverse mentoring)
- Promoting cross-functional practices (crowdfunding, crowdsourcing, coworking)

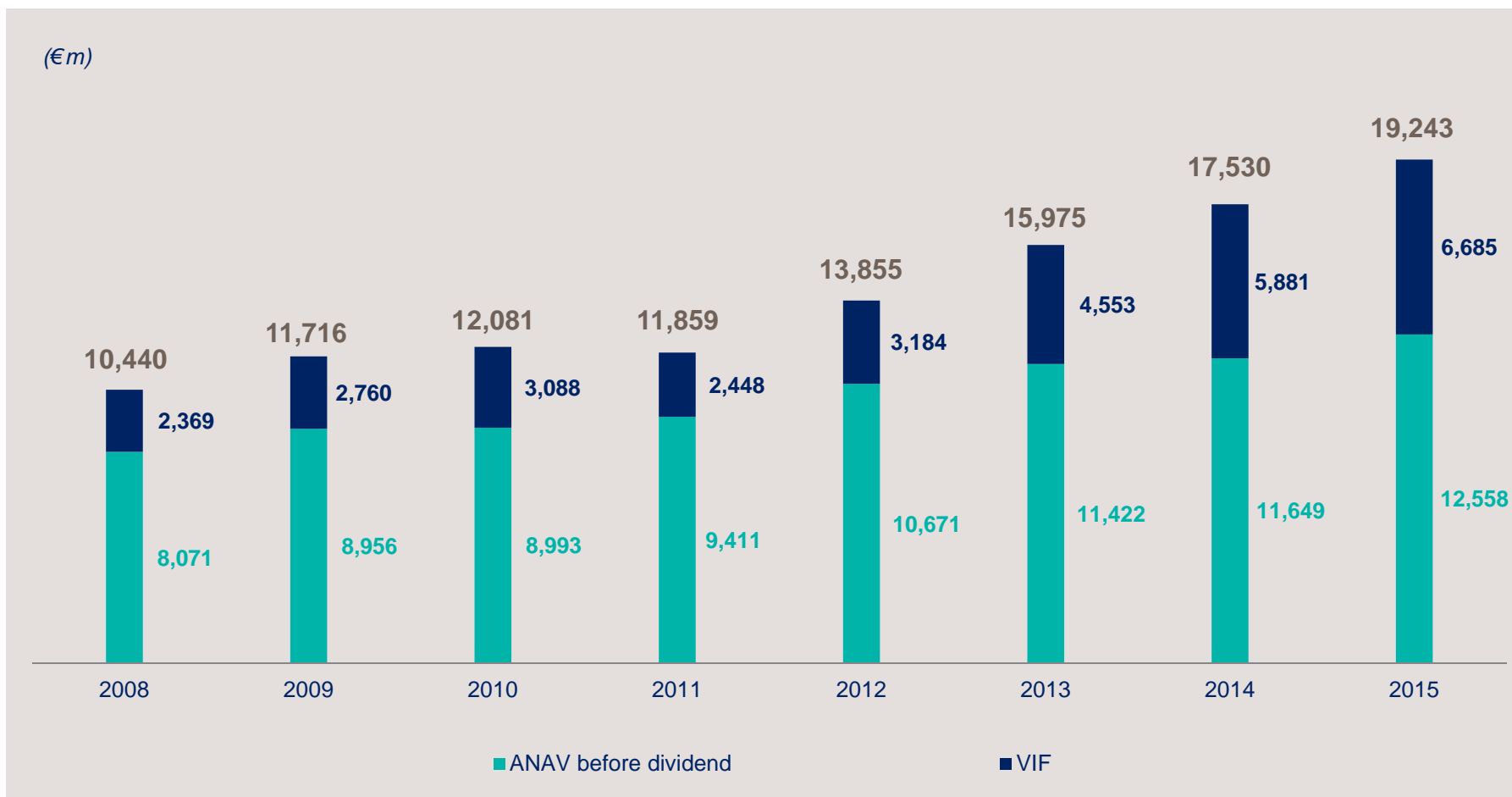
4

**OPEN CNP**  
NEW GROWTH  
DRIVERS

## → Creating an open enterprise to stimulate innovation and develop new growth drivers

- Investing in start-ups by combining business development and financing
- Organising open innovation drives: hackathon, schools/universities
- Entering into contact with potential partners with a culture of innovation in the area of digital solutions

## GROUP MCEV<sup>©</sup>



# WE ARE NOT IN THE SAME SITUATION AS JAPANESE LIFE INSURERS IN THE 1990S

<b>Scenario that led to the bankruptcy of 7 Japanese life insurers in the 1990s</b>	<ul style="list-style-type: none"> <li>Decline in interest rates</li> </ul>	=	<ul style="list-style-type: none"> <li>Decline in interest rates</li> </ul>	<b>CNP Assurances environment</b>
	<ul style="list-style-type: none"> <li>Large duration mismatch</li> </ul>	≠	<ul style="list-style-type: none"> <li>Duration gap is less than one year</li> </ul>	
	<ul style="list-style-type: none"> <li>High guaranteed rate on savings portfolio, even higher than JGB<sup>1</sup> yields until the mid 1990s, leading to negative spreads</li> </ul>	≠	<ul style="list-style-type: none"> <li>Since 1995, the French supervisor has prohibited guaranteed rate higher than 60% or 75% of FGB<sup>1</sup> yield</li> <li>0.48% average guaranteed rate on the back book</li> <li>No guaranteed rate on the new business</li> </ul>	
	<ul style="list-style-type: none"> <li>Decline in Japanese equity markets</li> <li>Large exposure to equities (&gt;20% of portfolio)</li> </ul>	≠	<ul style="list-style-type: none"> <li>European equities do not seem overvalued<sup>2</sup></li> <li>Exposure to equities is limited to 15% of portfolio (excluding unit-linked)*</li> <li>Increased equity portfolio hedging</li> </ul>	
	<ul style="list-style-type: none"> <li>Yen appreciation</li> <li>Large exposure to unhedged foreign assets (up to 10% of portfolio)</li> </ul>	≠	<ul style="list-style-type: none"> <li>Euro is below 10 year average vs. main developed markets currencies</li> <li>No material exposure to unhedged foreign assets (less than 5% of portfolio)</li> </ul>	
	<ul style="list-style-type: none"> <li>Low profitability as large part of the business was savings and not protection</li> </ul>	≠	<ul style="list-style-type: none"> <li>44% of group EBIT comes from underwriting earnings (mortality, morbidity) of protection business</li> </ul>	

Sources : JP Morgan « European and Japanese Life insurance » Feb 2015 / ACPR « Bankruptcies in the life insurance industry in Japan in the 1990s and 2000s » May 2014

(1) JGB: Japanese Government Bond. FGB: French Government Bond

(2) Japanese equities average PER was 54.3 in 1988 (source K.R. French and J.M. Poterba « Are Japanese Stock Prices Too High? »). French equities average PER was 13.0 in February 2016

# FRENCH LIFE INSURANCE SAVINGS DESCRIPTION

## The basics

- ▶ **A long-term savings vehicle for French Households**
- ▶ **Key benefit: The attractive tax treatment of life insurance savings**
  - Cash in before year 4: 35% income tax
  - Cash in between year 4 and year 8: 15% income tax
  - Cash in after year 8: 7.5% income tax
  - Only applicable to annual interests above €4,600 for a single person and €9,200 for a couple

## CNP Assurances' obligations extend to

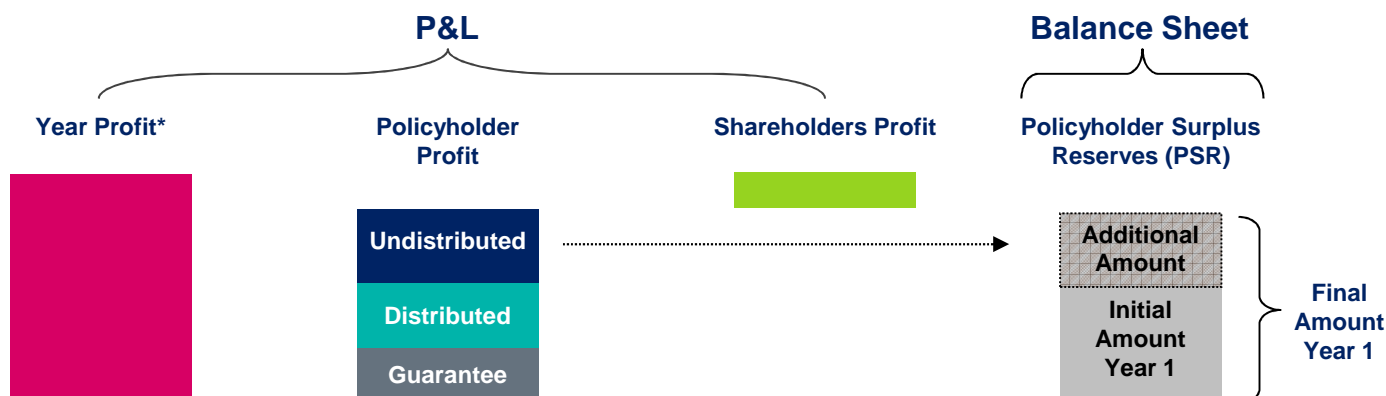
- ▶ **Guaranteeing the return of premiums paid**
- ▶ **Paying annually a minimum guaranteed yield (can be zero)**
- ▶ **Committing to paying a share of the investment yield generated above and beyond the guarantee**

## Policyholder Surplus Reserves (PSR)

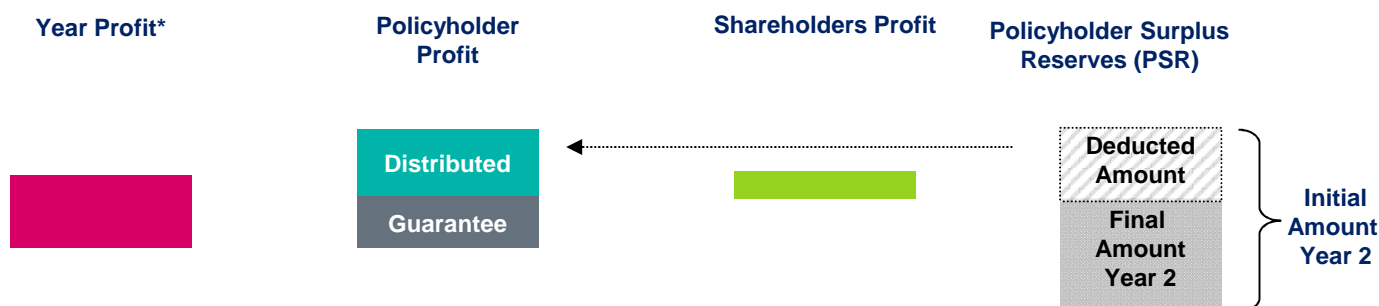
- ▶ **This balance sheet reserve reflects policyholders' share of underwriting profits and investment income generated by CNP Assurances over and above guarantees**
- ▶ **Amounts have been realised and attributed to policyholders but have not yet been paid over to them via bonuses (at which point they become guaranteed by CNP Assurances)**
- ▶ **Reserves have to be paid to clients within 8 years of being earned**
- ▶ **If necessary, amounts in the surplus reserves can be clawed back by CNP Assurances and used to absorb investment losses**

# FRENCH LIFE INSURANCE SAVINGS LOSS ABSORPTION MECHANISM

## Year 1



## Year 2



**French life insurance savings have loss absorption mechanism that gives flexibility to manage policyholders yield through the cycle without impacting dividend yield**

\* underwriting profits and investment income generated by CNP Assurances

## MAIN CHARACTERISTICS OF FRENCH SAVINGS PRODUCTS

	Deposits and Taxable Passbook Savings	Tax Free Passbook Savings e.g. Livret A	Specific Savings Plans e.g. PEL*	Securities e.g. PEA**	Life Insurance
<b>% of French household savings (€4,259bn in 2014)</b>	<b>15%</b>	<b>10%</b>	<b>7%</b>	<b>31%</b>	<b>37%</b>
Maximum amount	Unlimited	€22,950	€61,200	€150,000	Unlimited
Crediting rate before taxes	[0.0% to 1,0%]	0,75%	1,5%	Depends on stocks performance	[1,8% to 3,6%]
Possibility to convert into annuities	No	No	No	Yes	Yes
Income tax (from 0% to 45%)	Yes	Immediate attractive tax treatment	Attractive tax treatment after 4 years	Attractive tax treatment after 5 years	Attractive tax treatment after 8 years
Social security tax (15,5%)	Yes	No	Yes	Yes	Yes
Inheritance tax	Yes	Yes	Yes	Yes	None under €152,500 per beneficiary
Guarantee on the principal amount	Yes	Yes	Yes	No	Yes (excluding unit-linked)
Liquidity	Fully liquid	Fully liquid	Withdrawal closes the Savings Plan	Withdrawal before 8 years closes the Plan	Tax penalty if withdrawal before 8 years

Simplified description for illustration purpose only.

\* PEL: Plan d'Epargne Logement

\*\* PEA: Plan d'Epargne en Actions





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