

Paris – 21 February 2019

2018 Annual Results

Attributable net profit up 6.4% at €1,367 million
Dividend up 6.0% at €0.89 per share ⁽¹⁾

HIGHLIGHTS

- Premium income up 0.7% at €32.4 billion (up 4.1% like-for-like), reflecting very strong business momentum in Europe and Latin America
- EBIT of €2,924 million, up 1.2% (up 7.2% like-for-like ⁽²⁾)
- Attributable net profit of €1,367 million, up 6.4% (up 8.6% like-for-like)
- New business margin at a high 21.3%
- Consolidated SCR coverage ratio of 187% ⁽³⁾ (versus 190% at 31 December 2017)
- The Board of Directors recommends increasing the dividend to €0.89 per share (up 6.0%) and announces the adoption of a dividend policy

Antoine Lissowski, CNP Assurances' Chief Executive Officer, said:

“During 2018, we successfully implemented our strategy to refocus the product mix and bedded in the Group’s digital transformation. The three pillars of our strategy concern customer service quality, development of our partnerships and investor returns.”

The 2018 financial statements of CNP Assurances were reviewed by the Board of Directors at its meeting on 20 February 2019 and are subject to completion of the audit by CNP Assurances' Statutory Auditors. This press release includes a certain number of alternative performance measures (APMs). These APMs and their calculation method are presented in the Investor/Analyst section of the CNP Assurances website www.cnp.fr/en/Investor-Analyst (2018 Results).

(1) To be recommended at the Annual General Meeting of 18 April 2019

(2) Average exchange rates:

At 31 December 2018: Brazil: €1 = BRL 4.31; Argentina: €1 = ARS 32.99

At 31 December 2017: Brazil: €1 = BRL 3.61; Argentina: €1 = ARS 18.75

In the like-for-like comparatives, the contributions of Holding d'Infrastructures Gazières (the vehicle for the investment in GRTgaz), Filassistance and Assuriance have been excluded from the 2018 figures

(3) 194% excluding the advance recognition of the payment due under the new distribution agreement in Brazil

1. 2018 premium income and new business margin

The Group's consolidated premium income for the year totalled €32.4 billion, up 0.7% (up 4.1% like-for-like).

In France, premium income declined 5.5% to €21.6 billion, with Savings/Pensions premiums accounting for €17.4 billion and Personal Risk/Protection premiums accounting for €4.1 billion.

Savings/Pensions premium income contracted by 3.8% to €17.4 billion (including €8.4 billion for LBP and €6.1 billion for BPCE), mainly reflecting the €1.2 billion decrease in "Fourgous transfers" and transfers to *Croissance* contracts. The contribution of unit-linked contracts continued to grow, representing 22.5% of Savings/Pensions premiums in 2018 versus 20.7% in 2017. One of the main growth drivers was CNP Patrimoine's unit-linked offer, which accounts for 44.1% of this subsidiary's premium income. Savings/Pensions net new money reflected a €2.4 billion net inflow to unit-linked contracts and a €5.1 billion net outflow from traditional products. Personal Risk/Protection premium income amounted to €4.1 billion (including €0.2 billion for LBP and €1.1 billion for BPCE), a decline of 11.9% that was due for the most part to the impact of the new agreements with Crédit Agricole in the term creditor insurance segment.

The new business margin narrowed slightly, to 19.7% from 21.5% in 2017, as a result of lower term creditor insurance volumes.

In Latin America, premium income totalled €5.5 billion, up 3.3% as reported (up 23.8% at constant exchange rates).

Savings/Pensions premiums increased 13.0% (up 35.2% at constant exchange rates) to €4.0 billion, with Caixa Seguradora accounting for 99% of premium income as it went from strength to strength in this segment, which is a strategic priority for Caixa Econômica Federal to record net new money of €2.3 billion. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.6%. Personal Risk/Protection premium income amounted to €1.5 billion (with Caixa Seguradora accounting for 99%), contracting 16.1% as reported and rising just 1.0% at constant exchange rates as a result of Caixa Econômica Federal's application of stricter lending criteria.

The new business margin dropped marginally to 30.1% in 2018 compared with 32.6% in 2017. The decline was notably due to advance recognition of the reduction in CNP Assurances' right to a share of *prestamista*, *vida*, and *previdência*⁴ business under the new distribution agreement signed at end-August 2018, from 51.75% to 40%.

In Europe excluding France, premium income amounted to €5.3 billion, an increase of 32.7%.

Savings/Pensions premium income rose by a strong 40.7% to €4.3 billion (including €3.3 billion for CNP UniCredit Vita). This dynamic performance was mainly attributable to CNP UniCredit Vita, which achieved 30% growth, and CNP Luxembourg. Net new money was positive, at a solid €1.8 billion, reflecting net inflows of €1.6 billion to unit-linked contracts and €0.2 billion to traditional products. Personal Risk/Protection premium income amounted to €1.0 billion, up 6.8%, with growth led by CNP Santander (up 7.3% to €0.7 billion) and CNP UniCredit Vita (with Personal Risk/Protection premiums up 15.1% to €0.1 billion).

The new business margin declined to 16.9% from 19.1% in 2017. This was due to an unfavourable change in segment mix, with Savings/Pensions volumes growing at a faster rate than Personal Risk/Protection volumes.

The **Value of New Business (VNB)** written by the Group⁵ was €659 million in 2018, breaking down as follows between the main partners and subsidiaries: 44.9% from the partnership with BPCE, 26.3% from Caixa Seguradora, 20.6% from the partnership with La Banque Postale, 6.4% from CNP Santander Insurance and 3.7% from CNP UniCredit Vita.

⁴ Death/disability insurance, consumer finance term creditor insurance, pensions

⁵ The Value of New Business is calculated on a group share basis

Average consolidated net technical reserves totalled €313.0 billion in 2018 compared with €310.1 billion the year before, an increase of €3.0 billion or 1.0%.

2. 2018 results

Net insurance revenue (NIR) for 2018 came to €3,113 million, up 2.1% (up 9.2% like-for-like).

In France, net insurance revenue rose by 5.2% to €1,804 million. Savings/Pensions net insurance revenue was boosted by higher unit-linked new money, while the Personal Risk/Protection business benefited from improved loss ratios for previous claim years.

In Latin America, net insurance revenue came to €1,069 million, down 0.6% as reported but up 19.4% at constant exchange rates. Growth factors included sharply higher technical reserves in the Pensions business, improved loss ratios in the Personal Risk/Protection business, and a one-off reversal from term creditor insurance reserves following a change in local regulations concerning the calculation of insurance liabilities for mortgage insurance.

In Europe excluding France, net insurance revenue contracted by 6.8% to €241 million. As explained previously, during the initial three-year term of the new distribution agreement with UniCredit, which came into effect on 1 January 2018, the joint subsidiary CNP UniCredit Vita will pay higher commission to UniCredit than under the previous agreement. CNP Santander enjoyed strong growth in net insurance revenue, which rose 21.8% on the back of rapid business expansion in Poland, Spain, Italy and Scandinavia.

Revenue from own-funds portfolios amounted to €733 million, representing a decline of 5.9% (down 6.0% like-for-like) that was due to lower interest rates in Europe and Brazil.

Total revenue rose 0.5% as reported (up 6.1% like-for-like) to €3,846 million.

Administrative costs amounted to €922 million, down 1.6% as reported (up 2.7% like-for-like). In France, administrative costs were reduced by 0.1% to €611 million. As of end-2018, the measures implemented under the Operational Excellence Programme had delivered a recurring reduction in the cost base of €78 million (on a full year basis), representing considerably more than the original target of €60 million.

The **cost/income ratio** improved by 1.1 points to 29.6%, reflecting the Group's strong cost discipline and dynamic revenue performance.

EBIT⁶ for 2018 amounted to €2,924 million, up 1.2% as reported. The Group total breaks down as follows between the main partners and subsidiaries: 30.9% from Caixa Seguradora, 24.0% from the partnership with BPCE, 17.4% from the partnership with La Banque Postale, 2.3% from CNP Santander Insurance and 1.6% from CNP UniCredit Vita. The like-for-like increase of 7.2% exceeded the target of 5% announced at the beginning of the year. Over the period 2016-2018, EBIT grew by an average 9.1% like-for-like, compared with the initial objective of at least 5% per year.

Attributable net profit came to €1,367 million, an increase of 6.4% (up 8.6% like-for-like). **Earnings per share** rose 6.6% to €1.92.

At the Annual General Meeting on 18 April 2019, the Board of Directors will recommend increasing the **dividend** by 6.0% to €0.89 per share (from €0.84 for 2017). If the shareholders approve the dividend, the shares will trade ex-dividend from 26 April 2019 and the dividend will be paid on 30 April 2019.

Net operating free cash flow generated over the year totalled €1,462 million or €2.13 per share and covered the recommended dividend 2.4 times.

IFRS book value was €15.9 billion at 31 December 2018, representing €23.2 per share compared to €24.0 at 31 December 2017. The decrease was due to the fall in the Brazilian real and the reduction in the revaluation reserve for available-for-sale financial assets following the late-2018 market correction. **MCEV**[®] was €21.9 billion at 31 December 2018, representing €31.8 per share compared to €33.8 at 31 December 2017. The 2018 figure takes into account the advance recognition of the BRL 4.65 billion payment that will be due by CNP Assurances when the various conditions precedent applicable to the new distribution agreement in Brazil have been fulfilled.

⁶ 100% of EBIT is taken into account in the scope of full consolidation. Minority interests are not deducted from the EBIT

The **consolidated SCR coverage ratio** was 187% at 31 December 2018 versus 190% at end-2017. The decline in this ratio was also mainly due to advance recognition of the payment due under the new distribution agreement in Brazil referred to above.

Green investments at 31 December 2018 exceeded the Group's target of €3 billion ⁷. In addition, holding firm to its commitment in favour of France's energy and environmental transition (EET) ⁸, the Group is on track to meet the objective of making €5 billion worth of EET investments over the period 2018-2021. As of 31 December 2018, the objective had been 61%-met, with over €10 billion invested in this asset class at that date. The objective of reducing the equity portfolio's carbon footprint to 0.25 teqCO₂/€k invested ⁹ by end-2021 had been 91%-met as of 31 December 2018, with a rate of 0.27 teqCO₂/€k invested.

3. Dividend policy

At its meeting on 20 February 2019, the Board of Directors approved the following dividend policy:

“The Company's dividend policy is determined by the Board of Directors after reviewing the Group's results, financial position and solvency ratios, the economic environment and any other factors that are considered relevant. When determining its dividend recommendation, the Board of Directors takes into consideration the need to prudently manage the Group's capital, the investments required to develop the business, and the recommended dividend's attractiveness for shareholders.

The Company's priority aim is to match or increase the dividend per share from year to year. CNP Assurances also aims to maintain a payout ratio – defined as the ratio between the dividend per share and earnings per share – of between 40% and 50%” ¹⁰.

⁷ Green bonds, infrastructure investments and private equity

⁸ Green bonds, infrastructure investments, private equity, property and forestry assets, SRI funds

⁹ CO₂-equivalent tonnes per thousand euros invested

¹⁰ This dividend policy may change in the future. Dividends are decided by the Board of Directors and by the shareholders in General Meeting.

<i>(in € millions)</i>	2018	2017	% change (reported)	% change (like-for-like)
Premium income	32,367	32,127	+0.7	+4.1
Average net technical reserves	313,036	310,068	+1.0	-
Total revenue	3,846	3,827	+0.5	+6.1
Net insurance revenue (NIR), of which:	3,113	3,048	+2.1	+9.2
France	1,804	1,715	+5.2	+5.2
Latin America	1,069	1,075	-0.6	+19.4
Europe excluding France	241	258	-6.8	-6.8
Revenue from own-funds portfolios	733	779	-5.9	-6.0
Administrative costs, of which:	922	938	-1.6	+2.7
France	611	612	-0.1	-0.1
Latin America	187	209	-10.9	+8.7
Europe excluding France	125	117	+6.9	+6.9
Earnings before interest and taxes (EBIT)	2,924	2,889	+1.2	+7.2
Finance costs	(248)	(247)	+0.7	+0.7
Non-controlling and net equity accounted interests	(281)	(329)	-14.7	+5.9
Income tax expense	(901)	(1,001)	-10.0	-1.8
Fair value adjustments and net gains (losses)	89	200	n/a	n/a
Non-recurring items	(216)	(227)	n/a	n/a
Attributable net profit	1,367	1,285	+6.4	+8.6

APPENDICES

Premium income by country

<i>(in € millions)</i>	2018	2017	% change (reported)	% change (like-for-like)
France	21,571	22,820	-5.5	-5.5
Brazil	5,452	5,261	+3.6	+23.8
Italy	3,638	2,851	+27.6	+27.6
Luxembourg	616	180	+243.0	+243.0
Germany	483	469	+2.9	+2.9
Spain	263	221	+18.9	+18.9
Cyprus	153	143	+7.4	+7.4
Poland	83	67	+23.4	+23.4
Argentina	27	41	-32.9	+18.0
Denmark	22	18	+22.5	+22.5
Norway	21	24	-11.9	-11.9
Austria	13	12	+14.0	+14.0
Portugal	5	6	-22.5	-22.5
Other International	17	12	-12.4	+42.8
Total International	10,795	9,307	+16.0	+27.6
Total	32,367	32,127	+0.7	+4.1

Premium income by segment

<i>(in € millions)</i>	2018	2017	% change (reported)	% change (like-for-like)
Savings	20,642	19,728	+4.6	+4.7
Pensions	5,089	4,984	+2.1	+17.6
Personal Risk Insurance	1,738	1,958	-11.2	-5.6
Term Creditor Insurance	4,075	4,393	-7.2	-4.6
Health Insurance	449	676	-33.6	-31.8
Property & Casualty	374	389	-3.8	+12.5
Total	32,367	32,127	+0.7	+4.1

Premium income by country and by segment

2018							
<i>(in € millions)</i>	Savings	Pensions	Personal Risk	Term Creditor Insurance	Health Insurance	Property & Casualty	Total
France	16,296	1,128	1,172	2,624	352	0	21,571
Brazil	49	3,947	516	555	63	323	5,452
Italy	3,449	13	22	155	0	0	3,638
Luxembourg	616	0	0	0	0	0	616
Germany	0	0	1	482	0	0	483
Spain	167	2	0	94	0	0	263
Cyprus	58	0	12	0	33	50	153
Poland	0	0	3	81	0	0	83
Argentina	5	0	13	9	0	1	27
Denmark	0	0	0	22	0	0	22
Norway	0	0	0	21	0	0	21
Austria	0	0	0	13	0	0	13
Portugal	0	0	0	5	0	0	5
Other International	3	0	0	13	0	0	17
Total International	4,346	3,962	566	1,451	97	374	10,795
Total	20,642	5,089	1,738	4,075	449	374	32,367

Premium income by geography and by partner/subsidiary

<i>(in € millions)</i>	2018	2017	% change
La Banque Postale	8,530	9,208	-7.4
BPCE	7,129	7,990	-10.8
CNP Patrimoine	2,158	940	+129.7
Companies and local authorities	1,709	2,262	-24.4
Financial institutions (France)	1,256	1,533	-18.0
Mutual insurers	485	524	-7.5
Amétis	270	317	-14.6
Other France	34	48	-29.5
Total France	21,571	22,820	-5.5
Caixa Seguradora (Brazil)	5,452	5,261	+3.6
CNP UniCredit Vita (Italy)	3,369	2,606	+29.3
CNP Santander Insurance (Ireland)	743	692	+7.3
CNP Luxembourg (Luxembourg)	616	180	+243.0
CNP Partners (Spain)	378	331	+14.4
CNP Cyprus Insurance Holdings (Cyprus)	157	145	+8.4
CNP Assurances Compañía de Seguros (Argentina)	27	41	-32.9
Other International	52	51	+2.5
Total International	10,795	9,307	+16.0
Total	32,367	32,127	+0.7

**Unit-linked sales
by geography and by partner/subsidiary**

(in € millions)			
	2018	2017	% change
BPCE	1,441	1,785	-19.3
La Banque Postale	1,399	1,453	-3.7
CNP Patrimoine	952	401	+137.7
Amétis	90	90	-1.0
Other France	33	29	+14.1
Total Unit-linked France	3,914	3,757	+4.2
Caixa Seguradora (Brazil)	3,945	3,484	+13.2
CNP UniCredit Vita (Italy)	2,436	1,945	+25.2
CNP Luxembourg (Luxembourg)	280	74	+280.0
CNP Partners (Spain)	145	157	-7.9
CNP Cyprus Insurance Holdings (Cyprus)	58	51	+14.3
Total Unit-linked International	6,864	5,710	+20.2
Total Unit-linked	10,778	9,468	+13.8

**Unit-linked sales as a proportion of Savings/Pensions premiums
by geography**

2018				
(in € millions)	Savings/Pensions	o/w Unit-linked	o/w Traditional	% Unit-linked
France	17,424	3,914	13,510	22.5
Latin America	4,001	3,945	55	98.6
Europe excl. France	4,307	2,919	1,388	67.8
Total	25,731	10,778	14,953	41.9

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	2018	2017	% change
Savings	7,945	8,568	-7.3
Pensions	405	464	-12.7
Personal Risk Insurance	17	23	-26.1
Term Creditor Insurance	162	152	+6.6
Total	8,530	9,208	-7.4

Premium income from partnership with BPCE

<i>(in € millions)</i>	2018	2017	% change
Savings	5,946	6,821	-12.8
Pensions	107	126	-15.1
Personal Risk Insurance	117	126	-7.1
Term Creditor Insurance	959	917	+4.6
Total	7,129	7,990	-10.8

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	2018	2017	% change
Savings	209	166	+25.8
Pensions	17,007	12,573	+35.3
Personal Risk Insurance	2,222	2,135	+4.1
Term Creditor Insurance	2,390	2,446	-2.3
Health Insurance	272	433	-37.1
Property & Casualty	1,392	1,217	+14.4
Total	23,492	18,970	+23.8

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	2018	2017	% change
Savings	3,256	2,504	+30.0
Pensions	13	15	-17.4
Personal Risk Insurance	20	15	+32.4
Term Creditor Insurance	79	71	+12.3
Total	3,369	2,606	+29.3

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	2018	2017	% change
Germany	483	470	+2.8
Poland	83	67	+23.4
Spain	72	60	+19.7
Italy	35	31	+10.7
Norway	21	24	-11.9
Denmark	22	18	+22.5
Austria	13	12	+14.0
Sweden	8	6	+40.9
Finland	4	4	+9.6
Others	1	0	n.m.
Total	743	692	+7.3

INVESTOR CALENDAR

- Annual General Meeting: Thursday, 18 April 2019
- First-quarter 2019 results indicators: Thursday, 16 May 2019 at 7:30 a.m.
- First-half 2019 premium income and profit: Monday, 29 July 2019 at 7:30 a.m.
- Nine-month 2019 results indicators: Friday, 15 November 2019 at 7:30 a.m.

This press release, along with all of CNP Assurances' regulated information published in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' General Regulations, is available on the Group's investor information website www.cnp.fr/en/investor-analyst.

About CNP Assurances

CNP Assurances is France's leading personal insurer, with net profit of €1,367 million in 2018. The Group has operations in other European countries and in Latin America, with a significant presence in Brazil, its second largest market.

It has more than 37 million personal risk/protection insureds worldwide and more than 14 million savings/pensions policyholders. Acting as an insurer, co-insurer and reinsurer, CNP Assurances develops innovative personal risk insurance and savings solutions. These solutions are distributed by many partners and are tailored to their distribution methods, ranging from physical networks to full online, and to policyholders' needs in each country.

CNP Assurances has been listed on the Paris Stock Exchange since October 1998 and has a stable core shareholder base (Caisse des Dépôts, La Banque Postale, Groupe BPCE and the French State).

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