

2019 Annual Results

Attributable net profit up 3.3% at €1,412 million

Consolidated SCR coverage ratio of 227%

Recommended dividend of €0.94 per share⁽¹⁾

HIGHLIGHTS

- Premium income of €33.5 billion, up 3.5% (up 4.0% like-for-like⁽²⁾)
 - 42.3% of Savings/Pensions premiums represented by unit-linked contracts
 - Term Creditor Insurance premiums up 5.6%, with all host regions and the Group's main partners contributing to growth
 - €3.3 billion net inflow to unit-linked contracts and €3.0 billion net outflow from traditional products in France
- EBIT of €3,041 million, up 4.0% (up 5.0% like-for-like)
- Attributable net profit of €1,412 million, up 3.3% (up 4.0% like-for-like)
- APE margin of 17.1%
- Consolidated SCR coverage ratio of 227%⁽³⁾
- Recommended dividend up 5.6% to €0.94 per share

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

"CNP Assurances' 2019 results are an illustration of our business model's robustness, rooted in our diverse business base and our relationships with partners around the world.

The Group's financial strength is now recognised in its solvency ratio, with the inclusion of the policyholders' surplus reserve that has been accrued on a conservative basis.

The lasting negative interest rate environment requires CNP Assurances to continue actively revamping its policyholder service offer.

By maintaining a high level of financial strength and assertively contributing to the fight against climate change, CNP Assurances is helping to give momentum to the new public financial entity."

¹ Recommended at the Annual General Meeting of 17 April 2020

² Average exchange rates:

At 31 December 2019: Brazil: €1 = BRL 4.41; Argentina: €1 = ARS 53.88

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

³ Including the policyholders' surplus reserve, in accordance with the calculation method recommended by the insurance supervisor (ACPR) pursuant to the Ministerial Order on life insurance companies' surplus funds published in the Journal Officiel dated 28 December 2019, which applies to all organisations governed by France's Insurance Code.

1. 2019 premium income and new business margin

The Group's consolidated premium income for the year totalled €33.5 billion, up 3.5% (up 4.0% like-for-like).

In France, premium income rose slightly by 0.3% to €21.6 billion.

Savings/Pensions premium income was 0.4% higher, at €17.5 billion (€8.3 billion for LBP and €5.2 billion for BPCE). In the Savings segment, strong growth of 42% at CNP Patrimoine offset a 14% decline in premium income generated by the BPCE network that was mainly due to lower Fourgous transfers by the banking group's customers. The contribution of unit-linked contracts to Savings/Pensions premiums stood at 20.1%. Savings/Pensions net new money reflected a €3.3 billion net inflow to unit-linked contracts and a €3.0 billion net outflow from traditional products.

Personal Risk/Protection premium income was virtually stable (down 0.1%) at €4.1 billion, with 4.5% growth in term creditor insurance premiums (generated mainly by the BPCE network) almost entirely offsetting the decline in premiums from group insurance that was due to a more selective underwriting approach.

The new business margin slipped to 12.3% in 2019 from 19.7% the previous year due to unfavourable economic conditions (higher cost of capital guarantees in the Savings segment, in the low interest rate environment).

In Europe excluding France, premium income amounted to €5.1 billion, a modest decrease of 3.8%.

Savings/Pensions premium income contracted by 5.8% due to a decline in sales following the withdrawal from the market of certain tax-advantaged products in Italy. CNP Luxembourg reported premiums up 29% at €793 million, of which 45% came from unit-linked contracts.

Personal Risk/Protection premiums came to €1.1 billion, an increase of 4.5% that was led by CNP Santander (notably in Poland, Spain, Italy and Austria).

The new business margin rose to 21.4% from 16.9% in 2018, reflecting the higher contribution of CNP Santander and the increase in the Group's interest in CIH.

In Latin America, premium income totalled €6.8 billion, up 23.3% as reported (up 26.5% at constant exchange rates).

Savings/Pensions premium income was 30.4% higher (up 33.6% at constant exchange rates) at €5.2 billion, with Caixa Seguradora going from strength to strength in this segment, which is a strategic priority for Caixa Econômica Federal. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.7%.

Personal Risk/Protection premiums totalled €1.5 billion, up 4% as reported (up 7% at constant exchange rates). The solid growth was attributable to higher sales of consumer finance credit insurance (*Prestamista*). The increase in premiums from home loan credit insurance (*Hipotecario*) was due for the most part to a low basis of comparison. The new business margin held firm, at 29.7% in 2019 versus 30.1% in 2018,

The **Value of New Business (VNB)** written by the Group¹ was €543 million in 2019, breaking down as follows between the main partners and subsidiaries: 51% from the partnership with BPCE, 37% from Caixa Seguradora, 8% from CNP Santander Insurance, 7% from the partnership with La Banque Postale, and -3% from other networks.

Average consolidated net technical reserves totalled €320.8 billion at 31 December 2019, compared with €313.0 billion the year before, an increase of 2.4%.

¹ The Value of New Business is calculated on a group share basis

2. 2019 results

Net insurance revenue (NIR) came to €3,220 million, up 3.4% (up 4.4% like-for-like).

In France, net insurance revenue rose by 0.6% to €1,814 million. The Savings/Pensions business grew while the Personal Risk/Protection business contracted slightly.

In Europe excluding France, net insurance revenue was up a strong 20.0% at €289 million, driven by excellent momentum in the Personal Risk/Protection business.

In Latin America, net insurance revenue came to €1,117 million, an increase of 4.5% as reported (up 7.4% at constant exchange rates) that reflected the impact of rapid growth in the pensions, consumer finance term creditor insurance and personal risk businesses.

Revenue from own-funds portfolios was up 2.0% as reported (up 2.9% like-for-like) at €747 million, lifted by higher realised capital gains in France on the equity portfolio.

Total revenue rose 3.1% as reported (up 4.1% like-for-like) to €3,967 million.

Administrative costs amounted to €926 million, up 0.4% as reported (up 1.4% like-for-like). Administrative costs in France were stable at €611 million. As of end-2019, the recurring cost base had been reduced by €14 million on a full-year basis (compared with the 2018 baseline). This was in line with the objective of recurring savings of €45 million by 2021.

The **cost/income ratio** improved by 0.9 points to 28.8%.

At €3,041 million, **EBIT** was up 4.0% as reported and up 5.0% like-for-like. The Group total breaks down as follows: 30.2% from the partnership with BPCE, 20.1% from Caixa Seguradora, 19.4% from the partnership with La Banque Postale, 1.5% from CNP Santander Insurance, 1.3% from CNP UniCredit Vita, 19.8% from the own funds portfolios and 7.7% from other businesses.

Attributable net profit came to €1,412 million, an increase of 3.3% as reported (up 4.0% like-for-like). **Earnings per share** rose 3.5% to €1.99.

At the Annual General Meeting on 17 April 2020, the Board of Directors will recommend increasing the **dividend** by 5.6% to €0.94 per share (from €0.89 for 2018). If the shareholders approve the dividend, the shares will trade ex-dividend from 23 April 2020 and the dividend will be paid on 27 April 2020.

Net operating free cash flow generated over the year totalled €1,350 million or €1.97 per share and covered the recommended dividend 2.0 times.

IFRS book value was €17.5 billion at 31 December 2019, representing €25.5 per share compared to €23.2 at 31 December 2018.

MCEV[®] was €20.6 billion at 31 December 2019, representing €29.9 per share compared to €31.8 at 31 December 2018. The 2019 figure takes into account the advance recognition of the BRL 7 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.

The **consolidated SCR coverage ratio** was 227% at 31 December 2019 versus 187% at end-2018. The 40-point improvement reflected the inclusion of the policyholders' surplus reserve, in line with the applicable regulations, and the reduction in interest rates. The increase between 2018 and 2019 breaks down as follows: creation of capital net of dividends for +4 points, effect of the addendum to the distribution agreement in Brazil for -3 points, subordinated notes issues in 2019 (€1 billion net of repayments) for +7 points, the effect of changes in the financial markets for -34 points, inclusion of the policyholders' surplus reserve in Tier 1 for +60 points and other effects for +6 points.

For 2020, CNP Assurances is targeting growth in attributable net profit of between 3% and 7%².

The 2019 financial statements of CNP Assurances were reviewed by the Board of Directors at its meeting on 19 February 2020 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 Investors section of the CNP Assurances website at <https://www.cnp.fr/en/the-cnp-assurances-group/investors/results/results-presentation/2019-results>.

² This projection is based on current market conditions. It may be revised by CNP Assurances, notably in the event of a downturn in economic conditions.

As of 31 December 2019, the Group had exceeded three of its 2021 targets related to the environmental and energy transition (EET). It made €7.0 billion worth of new green³ investments in the past two years versus a target of €5 billion for the period 2018-2021, lifting the amount invested in this asset class to over €14.4 billion at the end of 2019. The objective of reducing the equity portfolio's carbon footprint to 0.25 teqCO₂/€k invested⁴ by end-2021 had been exceeded as of 31 December 2019, with a rate of 0.23 teqCO₂/€k invested at that date. The objective of reducing the property portfolio's carbon footprint to 18 kgeqCO₂/sq.m. by end-2021 was on the verge of being met as of 31 December 2019, with a rate of 19 kgeqCO₂/sq.m. at that date. Lastly, CNP Assurances has fulfilled its commitment not to make any new investments in coal mining companies or coal-fired power plant operators that derive more than 10% of their revenue from thermal coal.

³ Forests, green bonds, high energy performance buildings, green infrastructure projects such as renewable energy projects and low-carbon transportation and mobility systems

⁴ CO₂-equivalent tonnes per thousand euros invested

	2019	2018	% change (reported)	% change (like-for-like)
Premium income	33,496	32,367	+3.5	+4.0
Average net technical reserves	320.792	313.035	+2.4	-
Total revenue	3,967	3,846	+3.1	+4.1
Net insurance revenue (NIR), of which:	3,220	3,113	+3.4	+4.4
France	1,814	1,804	+0.6	+0.6
Latin America	1,117	1,069	+4.5	+7.4
Europe excluding France	289	241	+20.0	+20.0
Revenue from own-funds portfolios	747	733	+2.0	+2.9
Administrative costs, of which:	926	922	+0.4	+1.4
France	611	611	0.0	0.0
Latin America	186	187	-0.3	+4.6
Europe excluding France	129	125	+3.2	+3.2
Earnings before interest and taxes (EBIT)	3,041	2,924	+4.0	+5.0
Finance costs	(251)	(248)	+0.9	+0.9
Non-controlling and net equity accounted interests	(546)	(504)	+8.3	+10.9
Attributable recurring profit	2,244	2,171	+3.4	+4.1
Income tax expense	(694)	(677)	+2.4	+3.2
Fair value adjustments and net gains (losses)	482	89	n.m.	n.m.
Non-recurring items	(620)	(216)	n.m.	n.m.
Attributable net profit	1,412	1,367	+3.3	+4.0

APPENDICES

Premium income by country

<i>(in € millions)</i>	2019	2018	% change (reported)	% change (like-for-like)
France	21,630	21,571	+0.3	+0.3
Brazil	6,733	5,452	+23.5	+26.5
Italy	3,261	3,638	-10.4	-10.4
Luxembourg	793	616	+28.8	+28.8
Germany	472	483	-2.2	-2.2
Spain	242	263	-8.1	-8.1
Cyprus	163	153	+6.5	+6.5
Poland	92	83	+11.2	+11.2
Denmark	20	22	-9.0	-9.0
Norway	21	21	-1.4	-1.4
Austria	21	13	+56.8	+56.8
Argentina	21	27	-22.8	+26.2
Portugal	5	5	+7.6	+7.6
Other International	21	17	+21.5	+21.5
Total International	11,866	10,795	+9.9	+11.6
Total	33,496	32,367	+3.5	+4.0

Premium income by segment

<i>(in € millions)</i>	2019	2018	% change (reported)	% change (like-for-like)
Savings	20,488	20,642	-0.7	-0.7
Pensions	6,273	5,089	+23.3	+25.7
Personal Risk Insurance	1,618	1,738	-6.9	-5.8
Term Creditor Insurance	4,305	4,075	+5.6	+6.1
Health Insurance	420	449	-6.3	-6.2
Property & Casualty	393	374	+5.1	+7.4
Total	33,496	32,367	+3.5	+4.0

Premium income by country and by segment

2019							
<i>(in € millions)</i>	Savings	Pensions	Personal Risk Insurance	Term Creditor Insurance	Health Insurance	Property & Casualty	Total
France	16,381	1,106	1,043	2,742	359	0	21,630
Brazil	58	5,152	504	655	24	340	6,733
Italy	3,050	12	27	171	0	0	3,261
Luxembourg	793	0	0	0	0	0	793
Germany	0	0	6	466	0	0	472
Spain	137	2	3	99	0	0	242
Cyprus	60	0	13	0	38	52	163
Poland	0	0	10	82	0	0	92
Denmark	0	0	0	20	0	0	20
Norway	0	0	0	21	0	0	21
Austria	0	0	0	21	0	0	21
Argentina	5	0	12	4	0	1	21
Portugal	0	0	0	5	0	0	5
Other International	2	0	0	17	0	0	21
Total International	4,107	5,167	575	1,563	62	393	11,866
Total	20,488	6,273	1,618	4,305	420	393	33,496

Premium income by region and by partner/subsidiary

<i>(in € millions)</i>	2019	2018	% change
La Banque Postale	8,543	8,530	+0.2
BPCE	6,444	7,129	-9.6
CNP Patrimoine	3,059	2,158	+41.8
Social protection partners (France)	2,094	2,194	-4.5
Financial institutions (France)	1,197	1,256	-4.7
Amétis	251	270	-7.2
Other France	41	34	+21.6
Total France	21,630	21,571	+0.3
Caixa Seguradora (Brazil)	6,733	5,452	+23.5
CNP UniCredit Vita (Italy)	3,051	3,369	-9.4
CNP Luxembourg (Luxembourg)	793	616	+28.8
CNP Santander Insurance (Ireland)	765	743	+3.0
CNP Partners (Spain)	272	378	-28.0
CNP Cyprus Insurance Holdings (Cyprus)	167	157	+6.1
CNP Assurances Compañía de Seguros (Argentina)	21	27	-22.8
Other International	64	52	+22.4
Total International	11,866	10,795	+9.9
Total	33,496	32,367	+3.5

Unit-linked sales
by region and by partner/subsidiary

<i>(in € millions)</i>	2019	2018	% change
La Banque Postale	1,273	1,399	-9.0
BPCE	845	1,441	-41.4
CNP Patrimoine	1,280	952	+34.5
Amétis	62	90	-30.7
Other France	46	33	+39.8
Total Unit-linked France	3,506	3,914	-10.4
Caixa Seguradora (Brazil)	5,150	3,945	+30.5
CNP UniCredit Vita (Italy)	2,168	2,436	-11.0
CNP Partners (Spain)	79	145	-45.7
CNP Luxembourg (Luxembourg)	354	280	+26.3
CNP Cyprus Insurance Holdings (Cyprus)	60	58	+3.6
Total Unit-linked International	7,811	6,864	+13.8
Total Unit-linked	11,317	10,778	+5.0

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

2019				
<i>(in € millions)</i>	Savings/Pensions	o/w Unit-linked	o/w Traditional	% Unit-linked
France	17,487	3,506	13,981	20.1
Latin America	5,216	5,150	66	98.7
Europe excluding France	4,058	2,661	1,397	65.6
Total	26,761	11,317	15,444	42.3

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	2019	2018	% change
Savings	7,980	7,945	+0.4
Pensions	364	405	-10.2
Personal Risk Insurance	18	17	+5.8
Term Creditor Insurance	181	162	+11.6
Total	8,543	8,530	+0.2

Premium income from partnership with BPCE

<i>(in € millions)</i>	2019	2018	% change
Savings	5,099	5,946	-14.2
Pensions	108	107	+1.0
Personal Risk Insurance	108	117	-7.2
Term Creditor Insurance	1,128	960	+17.6
Total	6,444	7,129	-9.6

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	2019	2018	% change
Savings	256	209	+22.4
Pensions	22,740	17,007	+33.7
Personal Risk Insurance	2,222	2,222	0.0
Term Creditor Insurance	2,893	2,390	+21.0
Health Insurance	105	272	-61.4
Property & Casualty	1,500	1,392	+7.8
Total	29,717	23,492	+26.5

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	2019	2018	% change
Savings	2,935	3,256	-9.9
Pensions	12	13	-4.4
Personal Risk Insurance	25	20	+24.2
Term Creditor Insurance	78	79	-1.2
Total	3,051	3,369	-9.4

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	2019	2018	% change
Germany	472.4	482.8	-2.2
Poland	92.4	83.1	+11.2
Spain	81.8	72.2	+13.2
Italy	38.7	34.6	+12.0
Denmark	20.2	22.2	-9.0
Norway	21.1	21.4	-1.4
Austria	21.1	13.4	+56.8
Sweden	10.1	8.1	+23.7
Finland	4.3	4.0	+8.3
Belgium	2.3	0.7	n.m.
Netherlands	0.1	0.0	n.m.
Total	765	743	+3.0

Investor Calendar

- Annual General Meeting: Friday, 17 April 2020
- First-quarter 2020 results indicators: Friday, 15 May 2020 at 7:30 a.m.
- First-half 2020 premium income and profit: Monday, 3 August 2020 at 7:30 a.m.
- Nine-month 2020 results indicators: Thursday, 19 November 2020 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 at www.cnp.fr/en/investor-analyst.

About CNP Assurances

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe and Latin America, with a significant presence in Brazil, its second largest market. Acting as an insurer, co-insurer and reinsurer, CNP Assurances develops innovative personal risk/protection and savings/pensions solutions. It has more than 37 million personal risk/protection insureds worldwide and more than 14 million savings/pensions policyholders. In line with its business model, the Group's solutions are distributed by multiple partners. The solutions are aligned with each partner's physical or digital distribution model, while also being tailored to local clients' needs in each country.

CNP Assurances has been listed on the Paris Stock Exchange since October 1998. The Group reported net profit of €1,412 million in 2019.

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