

First-Half 2020 Results

Premium income of €11.5 billion
Attributable net profit of €629 million
SCR coverage ratio of 214%

Significant events

- Premium income of €11.5 billion, down 32.3% as reported (down 29.2% at constant exchange rates) excluding PACTE Act transfers (€1.5 billion)
 - In France, €4.3bn net outflow from traditional savings contracts and €0.6bn net inflow to unit-linked contracts
 - At Group level, 48.7% of Savings/Pensions new money from unit-linked contracts (24.7% in France)
 - Resilient term creditor insurance business
- EBIT of €1,312 million, down 16.2% as reported (down 9.5% like-for-like)
- Attributable net profit of €629 million, down 8.5% as reported (down 3.5% like-for-like)
- APE margin of 11.1%, down in France, up in international markets
- Consolidated SCR coverage ratio of 214%

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

"CNP Assurances has demonstrated the resilience of its business model and the quality of its financial and insurance risk management and is pursuing its strategy to transform its assets in France.

The Group's solid performance is reflected in its SCR coverage ratio, which remains very high, and in the A+ rating awarded by Fitch.

I would like to personally thank all of our teams for their continued hard work and commitment in serving our policyholders and partners."

Covid-19 impacts

The Covid-19 financial and public health crisis had a significant impact on CNP Assurances' operations in first-half 2020:

- Product distribution was severely curtailed as points of sale closed to the public, with the resulting "lost" premium income estimated at €3.6 billion for the Group, including €2.4 billion in France, €0.8 billion in Latin America and €0.4 billion in Europe excluding France.
- The business was re-organised, with nearly 98% of the workforce working from home. The various home-working initiatives deployed in recent years and tried and tested during the strikes of December 2019 and January 2020 meant operations were largely uninterrupted.

and the risk mitigation measures set in place helped to limit the extent of the costs linked to the crisis while still allowing the Group to contribute substantially to various solidarity initiatives.

In France:

- *The adoption of exceptional commercial measures that go beyond the Group's contractual obligations*, such as paying daily allowances for vulnerable policyholders who were unable to work because they were shielding or had childcare obligations, represented an estimated €50 million in first-half 2020.
- *Other negative impacts on Personal Risk/Protection revenue* totalled €17 million, including the €6 million extra cost of the increased incidence of "sick leave" claims and the €11 million opportunity cost represented by lower personal risk sales.
- *Movements in the financial markets* affected investment income for the period. Dividends received were down €283 million, causing a €60 million reduction in revenue from own-funds portfolios, and requiring €17 million (net of hedging) to be set aside in the guaranteed yield reserve.
- *The voluntary contribution made to the government's solidarity fund* set up in support of very small enterprises and the self-employed amounted to €25 million in first-half 2020.

In Latin America, curtailed distribution in the first half did not have a material impact on revenue, as it is derived mainly from in-force business and loss ratios remained under control.

In Europe excluding France, revenue fell by €18 million.

1. First-half 2020 premium income and APE margin

Consolidated premium income for the period came to €11,492 million, down 32.3%¹ as reported (down 29.2%² at constant exchange rates), mainly as a result of the Covid-19 crisis.

In France, premium income fell 36.5% to €7,185 million.

Savings/Pensions premium income was down 44.2%, at €5,154 million (with €2,591 million generated by La Banque Postale and €1,571 million by BPCE). In Savings, the decline in new money collected by the historical distribution networks was notably due to the "low interest rate environment" action plan focused on promoting transfers to unit-linked funds (first-half 2020 transfers totalled €1.5 billion, including €1.1 billion generated by La Banque Postale). It also reflected the application of tighter underwriting policies and the impact of the Covid-19 crisis on the distribution networks. The contribution of unit-linked contracts to Savings/Pensions premiums rose to 24.7% (from 20.1% in first-half 2019). Savings/Pensions net new money in France reflected a €0.6 billion net inflow to unit-linked contracts and a €4.3 billion net outflow from traditional products.

Personal Risk/Protection premium income dipped 2.8% to €2,031 million, mainly due to a high prior-period basis of comparison in term creditor insurance, a segment that was less affected by the Covid-19 crisis because of the large volume of in-force contracts.

The APE margin narrowed to 1.8% in first-half 2020 from 12.3% for 2019, reflecting the low interest rate environment.

In Europe excluding France, premium income amounted to €2,134 million, a decrease of 13.9%.

Savings/Pensions premium income contracted by 16.5% due to the Covid-19 crisis, but also as a result of the strategic decision to limit sales of traditional savings contracts by CNP Luxembourg and CNP Partners. CNP UniCredit Vita's premium income in this segment was stable, with unit-linked new money up by a strong 10%. Unit-linked premiums accounted for 77.8% of total premiums in first-half 2020 versus 60.6% in the year-earlier period.

Personal Risk/Protection premium income contracted by 3.9% to €504 million. CNP Santander's buoyant protection insurance business helped to offset the decline in term creditor insurance business in Italy.

The APE margin widened to 22.4% from 21.4% in 2019.

The contribution of **Latin America** to consolidated premium income was adversely affected by the real's weakness against the euro. Premium income for the period was down 31.8% as reported, at €2,173 million (down 14.9% at constant exchange rates).

Savings/Pensions premium income came in at €1,530 million, down 36.5% as reported and down 20.9% at constant exchange rates. The decline was due to the closure of CEF's bank branches and the priority given to making emergency payments to people on low incomes. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.5%.

Personal Risk/Protection premium income amounted to €643 million, down 17.2% as reported but up 3.5% at constant exchange rates, reflecting growth in consumer finance term creditor insurance business (*Prestamista*).

The APE margin widened to 30.8% from 29.7% in 2019.

¹ First-half 2019 premium income has been restated to exclude the top line contribution of Fourgous and Eurocroissance transfers for a total of €589 million, breaking down as: €315 million for the BPCE network (of which €101 million in unit-linked premiums) and €274 million for the La Banque Postale network (of which €49 million in unit-linked premiums). Fourgous and Eurocroissance transfers in the first half of 2020 were not material.

² Average exchange rates: First-half 2020: Brazil: €1 = BRL 5.41; Argentina: €1 = ARS 71.17
First-half 2019: Brazil: €1 = BRL 4.34; Argentina: €1 = ARS 46.83

The **Value of New Business (VNB)** written by the Group³ was €112 million in first-half 2020.

Average consolidated technical reserves net of reinsurance totalled €323.6 billion in first-half 2020, compared with €318.3 billion in the year-earlier period, an increase of 1.7%.

2. First-half 2020 results indicators

Net insurance revenue (NIR) came to €1,442 million, down 10.3% as reported (down 3.1% like-for-like).

In France, net insurance revenue contracted by 8.9% to €838 million. The Covid-19 crisis had a negative impact of €83 million, mainly corresponding to benefit payments in excess of the Group's contractual obligations and an increase in the amount set aside in the minimum yield reserve.

In Europe excluding France, net insurance revenue amounted to €143 million, a decrease of 3.5% that stemmed from lower Personal Risk/Protection premium income, partly offset by an increase in the fees deducted from unit-linked funds.

In Latin America, net insurance revenue totalled €461 million, down 14.5% as reported but up 6.7% in local currency thanks to the build-up of in-force pensions policies (up 23% over 12 months) and term creditor insurance policies.

Revenue from own-funds portfolios of €291 million was down 28.2% as reported (down 25.6% at constant exchange rates), due to lower yields on proprietary bond portfolios in France and lower dividend income from the equity portfolio.

Total revenue came to €1,733 million, down 13.9% as reported (down 7.7% at constant exchange rates).

Administrative costs of €421 million were down 5.6% as reported (down 1.3% at constant exchange rates), helped by a 2.7% reduction in France.

The cost/income ratio was slightly higher, at 29.2% versus 27.8% in first-half 2019.

At €1,312 million, **EBIT** was down 16.2% as reported (down 9.5% at constant exchange rates). EBIT rose in local currency in Latin America and held firm in Europe excluding France.

Attributable net profit came in at €629 million, down 8.5% as reported (down 3.5% at constant exchange rates).

IFRS book value was €17 billion, representing €24.8 per share compared to €24.9 per share at 30 June 2019.

The consolidated SCR coverage ratio at 30 June 2020 was 214%, calculated using the new simplified economic approach recommended by the regulator, which consists of including the policyholders' surplus reserve in excess own funds. Application of this calculation method led to a 10-point improvement compared with the reported ratio of 227% at 31 December 2019. First-half 2020 movements were as follows: 2-point increase from the creation of capital, net of dividends; 30-point decrease due to unfavourable market movements (mainly reductions in risk-free interest rates and equity prices, with the wider sovereign and corporate spreads partly neutralised by the volatility adjustment); and 5-point increase from the €750 million subordinated notes issue in June 2020.

The results indicators for the first half of 2020, on which CNP Assurances' Statutory Auditors do not provide an opinion, were reviewed by the Board of Directors at its meeting on 31 July 2020. 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/2020-results>.

³The Value of New Business is calculated on a group share basis.

	H1 2020	H1 2019	% change (reported)	% change (like-for-like)
Premium income	11,492	16,981	-32.3	-29.2
Average net technical reserves	323,647	318,345	+1.7	-
Total revenue	1,733	2,012	-13.9	-7.7
Net insurance revenue (NIR), of which:	1,442	1,607	-10.3	-3.1
France	838	919	-8.9	-8.9
Latin America	461	539	-14.5	+6.7
Europe excluding France	143	149	-3.5	-3.5
Revenue from own-funds portfolios	291	405	-28.2	-25.6
Administrative costs, of which:	421	446	-5.6	-1.3
France	283	291	-2.7	-2.7
Latin America	75	92	-19.1	+2.0
Europe excluding France	63	63	+0.7	+0.7
Earnings before interest and taxes (EBIT)	1,312	1,566	-16.2	-9.5
Finance costs	(128)	(128)	-0.2	-0.2
Non-controlling and net equity accounted interests	(224)	(270)	-16.8	+1.6
Attributable recurring profit	960	1,168	-17.8	-13.1
Income tax expense	(303)	(370)	-18.2	-12.0
Fair value adjustments and net gains (losses)	112	124	-10.0	-8.5
Non-recurring items	(140)	(235)	-40.4	-40.2
Attributable net profit	629	687	-8.5	-3.5

APPENDICES

Premium income by country

<i>(in € millions)</i>	H1 2020	H1 2019	% change (reported)	% change (like-for-like)
France	7,185	11,319	-36.5	-36.5
Brazil	2,163	3,173	-31.8	-15.0
Italy	1,421	1,428	-0.5	-0.5
Germany	234	233	+0.6	+0.6
Cyprus	85	78	+8.4	+8.4
Spain	70	143	-51.4	-51.4
Luxembourg	231	501	-53.9	-53.9
Poland	46	45	+0.8	+0.8
Austria	13	12	+6.3	+6.3
Norway	11	12	-8.6	-8.6
Denmark	11	12	-11.5	-11.5
Argentina	10	11	-15.6	+28.3
Portugal	2	3	-31.7	-31.7
Other International	11	10	+13.7	+13.7
Total International	4,307	5,662	-23.9	-14.4
Total	11,492	16,981	-32.3	-29.2

Premium income by segment

<i>(in € millions)</i>	H1 2020	H1 2019	% change (reported)	% change (like-for-like)
Savings	6,354	10,684	-40.5	-40.5
Pensions	1,961	2,908	-32.6	-19.8
Personal Risk Insurance	783	823	-4.9	+1.5
Term Creditor Insurance	2,001	2,162	-7.4	-4.2
Health Insurance	224	208	+7.4	+8.3
Property & Casualty	169	196	-13.8	+4.1
Total	11,492	16,981	-32.3	-29.2

Premium income by country and by segment

<i>(in € millions)</i>	Savings	Pensions	Personal Risk Insurance	Term Creditor Insurance	Health Insurance	Property & Casualty	Total
France	4,709	445	541	1,293	197	0	7,185
Brazil	19	1,509	202	284	8	142	2,163
Italy	1,340	5	14	62	0	0	1,421
Germany	0	0	6	229	0	0	234
Cyprus	32	0	7	0	19	26	85
Spain	20	1	2	47	0	0	70
Luxembourg	231	0	0	0	0	0	231
Poland	0	0	6	40	0	0	46
Austria	0	0	0	12	0	0	13
Norway	0	0	0	11	0	0	11
Denmark	0	0	0	11	0	0	11
Argentina	3	0	6	1	0	0	10
Portugal	0	0	0	2	0	0	2
Other International	1	0	0	10	0	0	11
Total International	1,646	1,515	242	708	27	169	4,307
Total	6,354	1,961	783	2,001	224	169	11,492

Premium income by region and by partner/subsidiary

<i>(in € millions)</i>	H1 2020	H1 2019	% change
La Banque Postale	2,700	4,279	-36.9
BPCE	2,145	3,417	-37.2
CNP Patrimoine	667	1,846	-63.9
Social protection partners (France)	1,011	1,001	+1.1
Financial institutions (France)	558	604	-7.7
Amétis	82	153	-46.4
Other France	23	19	+19.8
Total France	7,185	11,319	-36.5
Caixa Seguradora (Brazil)	2,163	3,173	-31.8
CNP UniCredit Vita (Italy)	1,340	1,356	-1.2
CNP Luxembourg (Luxembourg)	231	501	-53.9
CNP Santander Insurance (Ireland)	385	381	+1.2
CNP Partners (Spain)	69	133	-47.6
CNP Cyprus Insurance Holdings (Cyprus)	87	80	+8.2
CNP Assurances Compañía de Seguros (Argentina)	10	11	-15.6
Other International	23	27	-16.9
Total International	4,307	5,662	-23.9
Total	11,492	16,981	-32.3

Unit-linked sales
by region and by partner/subsidiary

<i>(in € millions)</i>	H1 2020	H1 2019	% change
La Banque Postale	493	610	-19.3
BPCE	294	413	-28.7
CNP Patrimoine	437	771	-43.4
Amétis	22	44	-49.7
Other France	25	16	+59.6
Total Unit-linked France	1,271	1,854	-31.5
Caixa Seguradora (Brazil)	1,508	2,374	-36.5
CNP UniCredit Vita (Italy)	1,014	915	+10.8
CNP Partners (Spain)	34	32	+7.7
CNP Luxembourg (Luxembourg)	188	209	-10.2
CNP Cyprus Insurance Holdings (Cyprus)	32	27	+17.9
Total Unit-linked International	2,776	3,557	-22.0
Total Unit-linked	4,046	5,411	-25.2

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

<i>(in € millions)</i>	Savings/Pensions	o/w Unit-linked	o/w Traditional	% Unit-linked
France	5,154	1,271	3,883	24.7
Latin America	1,530	1,508	23	98.5
Europe excluding France	1,631	1,268	363	77.8
Total	8,315	4,046	4,269	48.7

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	H1 2020	H1 2019	% change
Savings	2,433	3,987	-39.0
Pensions	157	192	-18.1
Personal Risk Insurance	11	10	+4.5
Term Creditor Insurance	98	90	+9.2
Total	2,700	4,279	-36.9

Premium income from partnership with BPCE

<i>(in € millions)</i>	H1 2020	H1 2019	% change
Savings	1,530	2,726	-43.9
Pensions	41	57	-27.7
Personal Risk Insurance	54	59	-8.9
Term Creditor Insurance	519	575	-9.7
Total	2,145	3,417	-37.2

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	H1 2020	H1 2019	% change
Savings	101	132	-23.8
Pensions	8,162	10,314	-20.9
Personal Risk Insurance	1,093	1,111	-1.6
Term Creditor Insurance	1,536	1,413	+8.7
Health Insurance	41	66	-38.3
Property & Casualty	771	739	+4.3
Total	11,703	13,775	-15.0

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	H1 2020	H1 2019	% change
Savings	1,300	1,295	+0.4
Pensions	5	5	+0.5
Personal Risk Insurance	13	12	+2.1
Term Creditor Insurance	22	44	-48.9
Total	1,340	1,356	-1.2

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	H1 2020	H1 2019	% change
Germany	234.4	233.0	+0.6
Poland	45.6	45.3	+0.8
Spain	40.7	39.3	+3.4
Italy	20.4	18.7	+8.8
Norway	11.0	12.1	-8.6
Denmark	10.8	12.2	-11.5
Austria	12.6	11.8	+6.3
Sweden	5.7	4.9	+16.9
Finland	2.4	2.3	+5.7
Belgium	1.4	1.0	n.m.
Netherlands	0.1	0.1	n.m.
Total	385	381	+1.2

Investor Calendar

- 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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