

Quarterly indicators – First nine months of 2020

Premium income of €18.6 billion
Attributable net profit of €918 million
SCR coverage ratio of 203%

Highlights

- Premium income of €18.6 billion, down 25.7% as reported (down 21.0% at constant exchange rates)
 - Strong commercial momentum in the third quarter, across all geographies
 - In France, €5.7 billion net outflow from traditional savings contracts and €0.9 billion net inflow to unit-linked contracts
 - At Group level, 50.7% of Savings/Pensions new money from unit-linked contracts (24.4% in France)
- EBIT of €1,943 million, down 14.7% as reported (down 6.7% like-for-like)
- Attributable net profit of €918 million, down 7.0% as reported (down 4.5% like-for-like)
- APE margin of 12.2%, down in France, up in international markets
- Consolidated SCR coverage ratio of 203%, reflecting impact of lower interest rates

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

"CNP Assurances demonstrated its resilience over the first nine months of 2020, ending the period with very high third quarter business volumes, especially in Brazil. The Covid-19 financial and public health crisis has had limited impact at this stage.

Decisive measures were taken to implement the Group's transformation strategy. In France, this led to a decrease in the traditional savings business and a transformation of the in-force portfolio. Across all geographies, commercial efforts continued to focus on modern products suited to the current economic environment.

The Group's robustness is reflected in its SCR coverage ratio, which remains very high."

The results indicators for the first nine months of 2020, on which CNP Assurances' Statutory Auditors do not provide an opinion, were reviewed by the Board of Directors at its meeting on 18 November 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>.

Covid-19 impacts

The Covid-19 financial and public health crisis had limited impact on the Group's business in the third quarter of 2020, thanks in particular to reinvigorated performances in Brazil and by CNP UniCredit Vita in Italy. All in all, the crisis trimmed €3.5 billion from consolidated premium income, including €2.4 billion in France, €0.8 billion in Latin America and €0.4 billion in Europe excluding France. Covid-related costs stand at an equivalent – and in some cases, slightly lower – level compared with the first half of the year:

In France:

- *The estimated cost of exceptional commercial measures that went beyond the Group's contractual obligations, such as paying daily allowances to policyholders who were unable to work because they were shielding or had childcare obligations, was unchanged compared with first-half 2020 at €50 million.*
- *Other negative effects on Personal Risk/Protection revenue were also unchanged at €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 adversely affected investment income for the period. Dividend income for the first nine months was down €230 million, causing a €50 million reduction in revenue from own-funds portfolios, and requiring €9 million (net of hedging) to be set aside in the guaranteed yield reserve.*
- *The voluntary contribution to the government's solidarity fund set up in support of very small enterprises and the self-employed was unchanged compared with first-half 2020 at €25 million.*

In Latin America, revenue for the first nine months was not materially affected by the first-half decline in business volumes because revenue in this region is derived mainly from in-force business. Added to that, loss ratios remained under control and the business rebounded in the third quarter. In addition, the cost-saving plan launched in June 2020 delivered €5 million worth of savings in general operating expenses.

In Europe excluding France, revenue was reduced by €17 million.

1. Premium income and APE margin for the first nine months of 2020

Consolidated premium income for the period came to €18,649 million, down 25.7%¹ as reported (down 21.0%² at constant exchange rates), mainly as a result of the Covid-19 crisis.

In France, premium income fell 30.5% to €11,402 million.

Savings/Pensions premium income was down 37.0%, at €8,315 million (with €4,290 million generated by La Banque Postale and €2,470 million by BPCE), despite an upturn in Savings business in the third quarter. In this segment, the cumulative decline in new money over the first nine months of the year primarily reflected the Covid-19 impact, CNP Patrimoine's strategic decision to limit sales of traditional savings products (decrease of €1.5 billion) and the other networks' marketing focus on 'PACTE Act' transfers which are not recognised in premium income (in the first nine months of 2020, these transfers amounted to €2.5 billion). The contribution of unit-linked contracts to Savings/Pensions premiums rose to 24.4% (from 20.2% for the prior-year period). Savings/Pensions net new money in France reflected a €0.9 billion net inflow to unit-linked contracts and a €5.7 billion net outflow from traditional products.

Personal Risk/Protection premium income dipped 3.4% to €3,087 million, buoyed by strong demand for the major distribution networks' new term creditor insurance offers despite lockdown measures. The decline in Personal Risk premiums was due to the Covid-19 crisis and to the measures taken to protect margins on group insurance business.

The APE margin narrowed to 3.2% at end-September 2020 from 12.3% for 2019, reflecting the low interest rate environment.

In Europe excluding France, premium income amounted to €3,409 million, a decrease of 8.8%.

Savings/Pensions premium income contracted by 10.1% due to the Covid-19 crisis, but also as a result of CNP Luxembourg's strategic decision to limit sales of traditional savings contracts. These effects were attenuated by CNP UniCredit Vita's very good commercial performance over the first nine months (Savings/Pensions premiums grew 10.9%) and especially in the third quarter. The pure unit-linked product *My Selection* was a big success, helping to drive 24.2% growth in the Italian subsidiary's unit-linked sales. All told, in the Europe excluding France region, unit-linked contracts accounted for 80.1% of Savings/Pensions premium income for the first nine months (versus 62.1% in the year earlier period).

Personal Risk/Protection premium income contracted by 3.8% to €750 million. Sales of CNP Santander's protection insurance products increased during the period, with successful telemarketing campaigns in Germany and the late-2019 launch of new products in Poland helping to offset the decline in term creditor insurance business in Italy.

The APE margin remained high at 21.8% (21.4% at 31 December 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 22.8% in euros, at €3,838 million, but was up 1.1% in local currency. The Covid-19 impact was offset by the record surge in written premiums observed as from mid-June.

Savings/Pensions premium income amounted to €2,911 million, down 23.5% as reported but up 0.1% at constant exchange rates. The flow of new money was stable overall (excluding the currency effect), supported by the business recovery that began in mid-June and gathered momentum in the third quarter. The recovery was strong enough to fully offset the impact of the Covid-19 crisis on first-half performance. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 98.9%.

¹ Premium income for the first nine months of 2019 has been restated to exclude the top line contribution of Fourgous and Eurocroissance transfers, which are no longer recognised in premium income. The total restatement of €788 million breaks down as €371 million for the BPCE network (of which €117 million in unit-linked premiums) and €416 million for the La Banque Postale network (of which €75 million in unit-linked premiums).

² Average exchange rates: First nine months of 2020: Brazil: €1 = BRL 5.71; Argentina: €1 = ARS 76.16.
First nine months of 2019: Brazil: €1 = BRL 4.36; Argentina: €1 = ARS 49.92.

Personal Risk/Protection premium income amounted to €927 million, down 20.4% as reported but up 4.3% at constant exchange rates. The increase in local currency reflected growth in consumer finance term creditor insurance business (*Prestamista*), which lifted the Brazilian subsidiary to the leadership position in this market segment.

The APE margin widened to 33.1% from 29.7% at the end of 2019.

The **Value of New Business (VNB)** written by the Group³ was €201 million at 30 September 2020.

Average consolidated technical reserves net of reinsurance totalled €323.9 billion for the first nine months of 2020, compared with €319.6 billion in the year-earlier period, an increase of 1.3%.

2. Quarterly indicators – First nine months of 2020

Net insurance revenue (NIR) came to €2,163 million, down 7.3% as reported but up 1.4% like-for-like.

In France, net insurance revenue dipped 0.4% to €1,293 million. The Covid-19 impact – mainly on the group protection segment – was partly offset by 6.5% growth in net insurance revenue from Savings business (reflecting last year's increase in technical reserves in this segment).

In Europe excluding France, the strong growth in unit-linked Savings business helped to lift net insurance revenue by 0.3% to €219 million.

In Latin America, net insurance revenue came to €651 million, down 20.3% as reported but up 4.4% in local currency thanks to increases in pensions technical reserves and a positive volume effect in consumer finance term creditor insurance.

Revenue from own-funds portfolios of €407 million was down 34.5% as reported (down 32.0% at constant exchange rates). Factors underpinning the decline included lower yields on proprietary bond portfolios in France, and a reduced contribution from equity portfolios following the decision by many issuers to cancel their dividend in light of the financial and economic impact of the Covid-19 crisis. Added to this, the prior-period basis of comparison was unfavourable due to the high level of profit-taking on equity portfolios in the third quarter of 2019.

Total revenue came to €2,570 million, down 13.0% as reported (down 5.6% at constant exchange rates).

Administrative costs of €627 million were down 7.3% as reported (down 2.2% at constant exchange rates), helped by a 3.5% reduction in France.

The **cost/income ratio** of 29.0% was stable compared with the year-earlier period.

At €1,943 million, **EBIT** was down 14.7% as reported (down 6.7% at constant exchange rates). EBIT rose by 6.5% in local currency in Latin America and by 6.6% in Europe excluding France.

Attributable net profit came in at €918 million, down 7.0% as reported and down 4.5% at constant exchange rates.

IFRS book value was stable compared with 30 September 2019, at €17.4 billion or €25.3 per share.

The **consolidated SCR coverage ratio** was 203% at 30 September 2020 versus 227% at end-2019. Movements for the first nine months were as follows: 10-point increase following inclusion of the policyholders' surplus reserve in Solvency II capital (in line with the simplified economic approach recommended by the regulator), 3-point increase from the creation of capital, net of dividends; 37-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, which had a positive impact of 15 points on the calculation); 1-point decrease linked to the 15 bps reduction in the ultimate forward rate to 3.75% and 1-point increase attributable to other impacts.

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

	9 months 2020	9 months 2019	% change (reported)	% change (like-for-like)
Premium income	18,649	25,111	-25.7	-21.0
Average net technical reserves	323,913	319,605	+1.3	-
Total revenue	2,570	2,954	-13.0	-5.6
Net insurance revenue (NIR), of which:	2,163	2,333	-7.3	+1.4
France	1,293	1,298	-0.4	-0.4
Latin America	651	817	-20.3	+4.4
Europe excluding France	219	218	+0.3	+0.3
Revenue from own-funds portfolios	407	621	-34.5	-32.0
Administrative costs, of which:	627	676	-7.3	-2.2
France	428	443	-3.5	-3.5
Latin America	107	140	-23.9	+0.5
Europe excluding France	92	93	-0.3	-0.3
Earnings before interest and taxes (EBIT)	1,943	2,279	-14.7	-6.7
Finance costs	(194)	(189)	+2.4	+2.4
Non-controlling and net equity accounted interests	(325)	(403)	-19.4	+2.1
Attributable recurring profit	1,425	1,686	-15.5	-9.8
Income tax expense	(448)	(544)	-17.6	-10.5
Fair value adjustments and net gains (losses)	109	273	-60.0	-72.5
Non-recurring items	(168)	(429)	-60.9	-60.8
Attributable net profit	918	987	-7.0	-4.5

APPENDICES

Attributable net profit by operating segment

	Savings/Pensions	Personal Risk/Protection insurance	Own-funds portfolios
Premium Income	13,886	4,763	-
Total revenue	1,096	1,067	407
Administrative costs	273	286	67
Earnings before interest and taxes (EBIT)	823	781	340
Attributable recurring profit	747	536	142
Attributable net profit	523	357	38

Premium income by country

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)	% change (like-for-like)
France	11,402	16,403	-30.5	-30.5
Brazil	3,824	4,953	-22.8	+1.0
Italy	2,367	2,214	+6.9	+6.9
Germany	349	351	-0.7	-0.7
Cyprus	126	119	+6.4	+6.4
Spain	101	185	-45.1	-45.1
Luxembourg ^(d)	328	736	-55.5	-55.5
Poland	68	69	-1.7	-1.7
Austria	18	17	+6.7	+6.7
Norway	16	16	+2.3	+2.3
Denmark	16	13	+21.5	+21.5
Argentina	14	17	-16.0	+28.1
Portugal	3	4	-27.5	-27.5
Other International	17	15	+15.6	+15.6
Total International	7,247	8,708	-16.8	-3.2
Total	18,649	25,111	-25.7	-21.0

Premium income by segment

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)	% change (like-for-like)
Savings	10,326	15,405	-33.0	-33.0
Pensions	3,560	4,566	-22.0	-2.6
Personal Risk Insurance	1,161	1,275	-8.9	-1.6
Term Creditor Insurance	3,039	3,243	-6.3	-2.3
Health Insurance	319	327	-2.5	-1.6
Property & Casualty	244	295	-17.3	+4.0
Total	18,649	25,111	-25.7	-21.0

Premium income by country and by segment

<i>(in € millions)</i>	Savings	Pensions	Personal Risk	Term Creditor Insurance	Health	Property & Casualty	Total
France	7,645	669	812	1,995	280	0	11,402
Brazil	26	2,881	290	414	10	204	3,824
Italy	2,248	8	22	90	0	0	2,367
Germany	0	0	9	340	0	0	349
Cyprus	48	0	10	0	28	40	126
Spain	25	1	3	72	0	0	101
Luxembourg ⁽¹⁾	328	0	0	0	0	0	328
Poland	0	0	8	59	0	0	68
Austria	0	0	0	18	0	0	18
Norway	0	0	0	16	0	0	16
Denmark	0	0	0	16	0	0	16
Argentina	4	0	8	1	0	0	14
Portugal	0	0	0	3	0	0	3
Other International	2	0	0	15	0	0	17
Total International	2,681	2,891	350	1,044	38	244	7,247
Total	10,326	3,560	1,161	3,039	319	244	18,649

Premium income by region and by partner/subsidiary

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
La Banque Postale	4,452	6,154	-27.7
BPCE	3,382	4,730	-28.5
CNP Patrimoine	1,067	2,753	-61.2
Social protection partners (France)	1,490	1,606	-7.2
Financial institutions (France)	847	926	-8.6
Amétis	136	201	-32.6
Other France	29	33	-12.8
Total France	11,402	16,403	-30.5
Caixa Seguradora (Brazil)	3,824	4,953	-22.8
CNP UniCredit Vita (Italy)	2,246	2,058	+9.1
CNP Luxembourg (Luxembourg)	328	736	-55.5
CNP Santander Insurance (Ireland)	573	567	+1.1
CNP Partners (Spain)	100	214	-53.4
CNP Cyprus Insurance Holdings (Cyprus)	129	121	+6.2
CNP Assurances Compañía de Seguros (Argentina)	14	17	-16.0
Other International	34	42	-18.0
Total International	7,247	8,708	-16.8
Total	18,649	25,111	-25.7

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

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
La Banque Postale	835	899	-7.1
BPCE	443	546	-18.8
CNP Patrimoine	685	1,150	-40.4
Amétis	35	49	-28.1
Other France	27	26	+5.3
Total Unit-linked France	2,026	2,671	-24.1
Caixa Seguradora (Brazil)	2,880	3,754	-23.3
CNP UniCredit Vita (Italy)	1,771	1,426	+24.2
CNP Partners (Spain)	48	59	-18.6
CNP Luxembourg (Luxembourg)	264	311	-15.1
CNP Cyprus Insurance Holdings (Cyprus)	48	42	+13.8
Total Unit-linked International	5,010	5,592	-10.4
Total Unit-linked	7,037	8,263	-14.8

**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	8,315	2,026	6,288	24.4
Latin America	2,911	2,880	31	98.9
Europe excluding France	2,660	2,130	529	80.1
Total	13,886	7,037	6,849	50.7

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
Savings	4,048	5,733	-29.4
Pensions	242	272	-11.0
Personal Risk Insurance	14	14	-0.2
Term Creditor Insurance	147	135	+8.9
Total	4,452	6,154	-27.7

Premium income from partnership with BPCE

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
Savings	2,406	3,726	-35.4
Pensions	63	76	-16.9
Personal Risk Insurance	85	88	-2.8
Term Creditor Insurance	827	840	-1.5
Total	3,382	4,730	-28.5

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	9 months 2020	9 months 2019	% change (reported)
Savings	146	196	-25.4
Pensions	16,452	16,393	+0.4
Personal Risk Insurance	1,655	1,681	-1.6
Term Creditor Insurance	2,362	2,145	+10.2
Health Insurance	57	85	-33.2
Property & Casualty	1,163	1,116	+4.1
Total	21,835	21,616	+1.0

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
Savings	2,187	1,971	+11.0
Pensions	8	8	-4.0
Personal Risk Insurance	20	19	+4.5
Term Creditor Insurance	31	61	-48.8
Total	2,246	2,058	+9.1

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	9 months 2020	9 months 2019	% change (reported)
Germany	348.6	351.1	-0.7
Poland	67.6	68.8	-1.7
Spain	61.3	60.4	+1.6
Italy	30.7	28.6	+7.4
Austria	17.9	16.8	+6.7
Norway	16.5	16.1	+2.3
Denmark	15.8	13.0	+21.5
Sweden	8.8	7.4	+19.7
Finland	3.7	3.4	+8.6
Belgium	2.1	1.7	n.m.
Netherlands	0.2	0.1	n.m.
Total	573	567	+1.1

Investor Calendar

- 2020 premium income and profit: Wednesday, 17 February 2021 at 07:30 a.m.
- Annual General Meeting: Friday, 16 April 2021 at 2:30 p.m.
- First-quarter 2021 results indicators: Wednesday, 12 May 2021 at 5:45 p.m.
- First-half 2021 premium income and profit: Wednesday, 28 July 2021 at 07:30 a.m.
- Nine-month 2021 results indicators: Friday, 19 November 2021 at 07:30 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.

Press contacts

Florence de Montmarin +33 (0)1 42 18 86 51
Tamara Bernard +33 (0)1 42 18 86 19
Caroline Ceintrey +33 (0)1 42 18 85 73

servicepresse@cnp.fr

Follow us on:



Investors and analysts

Nicolas Legrand +33 (0)1 42 18 65 95
Jean-Yves Icole +33 (0)1 42 18 86 70
Typhaine Lissot +33 (0)1 42 18 83 66
Julien Rouch +33 (0)1 42 18 94 93

infofi@cnp.fr



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