

2020 Annual Results

Attributable net profit of €1,350 million

SCR coverage ratio of 208%

Recommended dividend of €1.57 per share⁽¹⁾

HIGHLIGHTS

- Premium income⁽²⁾ of €27.0 billion, down 17.3% as reported (down -11.5% at constant exchange rates⁽³⁾)
 - Strong commercial momentum in the second half, across all geographies
 - 51.8% of Savings/Pensions premiums represented by unit-linked contracts
 - €5.9 billion net inflow to unit-linked contracts and €7.2 billion net outflow from traditional products at Group level
- EBIT of €2,614 million, down 14.0% as reported (down 5.7% at constant exchange rates)
- Attributable net profit of €1,350 million, down 4.4% as reported (down 2.1% at constant exchange rates)
- APE margin of 12.2%
- Consolidated SCR coverage ratio of 208%
- The Board of Directors recommends paying a dividend of €1.57 per share, comprising an ordinary dividend of €0.77 and a special dividend of €0.80, representing a 40% payout ratio for the years 2019 and 2020.

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

"In spite of the Covid-19 health crisis which affected Life insurance sales in France in the first half of the year, CNP Assurances began transforming its business and in-force portfolio in response to the negative interest rate environment. Written premiums were particularly strong in Italy and Brazil, where activity is heavily weighted towards unit-linked products.

The Group's financial results and solvency ratio were robust despite the effects of the economic slowdown.

Now an integral part of La Banque Postale group, CNP Assurances is fully engaged in the process to reshape its business model."

¹ Recommended at the Annual General Meeting of 16 April 2021

² 2019 premium income has been restated to exclude the top line contribution of Fourgous and Eurocroissance transfers for a total of €914 million.

³ Average exchange rates:

At 31 December 2020: Brazil: €1 = BRL 5.89; Argentina: €1 = ARS 81.04

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

1. 2020 premium income and APE margin

Consolidated premium income for the period came to €27.0 billion, down 17.3% as reported (down 11.5% at constant exchange rates), mainly as a result of the Covid-19 health crisis.

In **France**, premium income declined 21.4% to €16.3 billion.

Savings/Pensions premium income was down 26.3%, at €12.2 billion (with €6.1 billion generated by La Banque Postale and €3.5 billion by BPCE), despite an upturn in business in the second half of the year. In this segment, the decline in new money primarily reflected the Covid-19 impact, Group strategic decision to limit CNP Patrimoine's sales of traditional savings products (decrease of €1.5 billion) and the other networks' commercial focus on 'PACTE Act' transfers which are not recognised in premium income (€3.4 billion at end-December). The contribution of unit-linked contracts to Savings/Pensions premiums rose to 26.6% (from 19.8% for the prior-year period). Savings/Pensions net new money in France reflected a €1.9 billion net inflow to unit-linked contracts and a €7.2 billion net outflow from traditional products.

Personal Risk/Protection premium income dipped by just 2.0% to €4.1 billion, buoyed by strong demand for the major distribution networks' new term creditor insurance offers. This performance was achieved despite the successive lockdowns and the negative impact of portfolios managed on a run-off basis. The decline in Personal Risk premiums was due to the Covid-19 crisis and the more selective approach to new group insurance business.

The APE margin slipped to 4.1% in 2020 from 12.3% 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 very modest decrease of 0.6%.

Savings/Pensions premium income inched up 0.7% to €4.1 billion, thanks to the very dynamic performance of CNP UniCredit Vita, led by successful product launches and marketing campaigns in the unit-linked segment (My Selection) and new products on the traditional savings segment (Calybra). CNP Luxembourg also actively promoted unit-linked products but strong sales in this segment failed to offset the contraction of traditional savings business, leading to a 17.6% decline in premium income. All told, unit-linked products accounted for 76.7% of total Savings/Pensions premiums in the Europe excluding France region (vs 65.6% in 2019).

Personal Risk/Protection premium income contracted by 5.3% to €998 million. The decline in term creditor insurance premiums was mainly due to regulatory restrictions in the Italian market which acted as a brake on new business. Sales of CNP Santander's protection insurance products increased during the year, led by successful telemarketing campaigns in Germany and the late-2019 launch of new products in Poland.

The APE margin slipped to 17.2% from 21.4% at the end of 2019.

In **Latin America**, premium income totalled €5.6 billion, down 17.2% as reported (up 10.7% at constant exchange rates).

Savings/Pensions premium income amounted to €4.4 billion, down 16.1% as reported but up 12.1% at constant exchange rates. The flow of new money rose sharply (excluding the currency effect), supported by the business recovery that began in mid-June and gathered momentum in the second half. The recovery was strong enough to fully offset the impact of the Covid-19 crisis on performance in the early part of the year. The proportion of Savings/Pensions premiums represented by unit-linked contracts remained very high, at 99.1%. Caixa Seguradora is still the third largest pensions provider in Brazil, with 18.6% of the market at end-2020.

Personal Risk/Protection premium income amounted to €1.2 billion, down 20.7% as reported but up 6% at constant exchange rates thanks to solid growth in term creditor insurance, led by demand for consumer finance insurance (*Prestamista*), which lifted the Brazilian subsidiary to the leadership position in this market segment.

The APE margin widened to 35.5% from 29.7% at the end of 2020.

The **Value of New Business (VNB)** written by the Group¹ amounted to €284 million (€339 million at constant exchange rates) in 2020. The contributions of the main partners and subsidiaries were as follows: 70% from the partnership with BPCE, 58% from Caixa Seguradora, 11% from CNP Santander Insurance, -26% from the partnership with La Banque Postale, and -13% from other networks.

Average consolidated net technical reserves totalled €326.0 billion at 31 December 2020, compared with €320.8 billion the year before, an increase of 1.6%.

2. 2020 Annual Results

Net insurance revenue (NIR) came to €2,943 million, down 8.6% as reported but up 0.2% at constant exchange rates.

In France, net insurance revenue came to €1,801 million, down 0.7%. Savings/Pensions net insurance revenue contracted by 4.1%, while Personal Risk/Protection net insurance revenue rose by 6.6%, primarily helped by non-recurring items.

In Europe excluding France, net insurance revenue was up 3.4% at €298 million, reflecting a decrease in costs related to the renewal of the Italian partnership agreement.

In Latin America, net insurance revenue came to €844 million, down 24.4% as reported but up 1.0% at constant exchange rates thanks to increases in pensions technical reserves and a positive volume effect in term creditor insurance.

Revenue from own-funds portfolios of €516 million was down 31.0% as reported and down 28.7% 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 second half of 2019.

Total revenue fell 12.8% as reported (down 5.2% at constant exchange rates) to €3,459 million.

Administrative costs amounted to €845 million, down 8.7% as reported (down 3.6% like-for-like). In France, administrative expenses were down by 5.4%. In Latin America, administrative expenses were stable in local currency.

The **cost/income ratio** was unchanged from 2019 at 29%.

At €2,614 million, **EBIT** was down 14.0% as reported (down 5.7% at constant exchange rates). The Group total (after non-controlling interests) breaks down as follows: 31.2% from the partnership with BPCE, 22.8% from the partnership with La Banque Postale, 17.7% from Caixa Seguradora, 2.0% from CNP UniCredit Vita, 1.7% from CNP Santander Insurance, 18.1% from the own-funds portfolios and 6.4% from other businesses.

Attributable net profit came in at €1,350 million, down 4.4% as reported and down 2.1% at constant exchange rates. **Earnings per share** fell 3.9% to €1.91.

At the Annual General Meeting on 16 April 2021, the Board of Directors will recommend increasing the **dividend** to €1.57 per share, including an ordinary dividend of €0.77 and a special dividend of €0.80. If the shareholders approve the dividend, the shares will trade ex-dividend from 21 April 2021 and the dividend will be paid on 23 April 2021.

Net operating free cash flow generated over the year totalled €1,334 million or €1.94 per share and covered the recommended dividend 1.2 times.

IFRS book value was €18.8 billion at 31 December 2020, representing €27.4 per share compared to €25.5 per share at 31 December 2019.

MCEV[®] was €16.3 billion at 31 December 2020, representing €23.7 per share compared to €29.9 per share at 31 December 2019.

The **consolidated SCR coverage ratio** was 208% at 31 December 2020 versus 227% at end-2019. The increase between 2019 and 2020 breaks down as follows: +17-point pro forma impact of the change to the full economic value method for the

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

policyholders' surplus reserve included in Solvency II own funds for €12.6 billion, +4 points corresponding to the inclusion of net profit for 2020 less the dividend, -40 points due to unfavourable changes in market prices (mainly the decline in 10-year interest rates), -5 points due to the change in asset allocation, +3 points from the issuance of Tier 3 debt (€500 million issued in December 2020) and +2 points from other effects.

3. Covid-19 impacts

The Covid-19 financial and public health crisis had only a limited impact on the Group's business in 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, €0.7 billion in Latin America and €0.4 billion in Europe excluding France. Risk mitigation measures helped to keep Covid-related costs for the period at an equivalent – and in some cases, slightly lower – level compared with the first half of the year.

In France:

- the provision for the cost of *exceptional commercial measures adopted by the Group above and beyond its contractual obligations* (such as paying daily allowances for vulnerable policyholders and for childcare costs), was reduced to €30 million from an original amount of €50 million based on estimations received from the distribution partners;
- *the impact on net investment income was a negative €80 million, breaking down as follows: €30 million reduction in net insurance revenue and a €50 million decline in income from own-funds portfolios, attributable to lower dividend income from equities;*
- *underwriting margins were reduced by €13 million;*
- *the voluntary contribution to the government's solidarity fund set up in support of very small enterprises and the self-employed represented a cost of €25 million.*

In Latin America, net insurance revenue held firm in 2020, with the effects of the first-half slowdown in business cancelled by second-half performance. Loss ratios were kept under control and the impact on profit was limited. In addition, the cost-saving plan launched in June 2020 delivered €8 million worth of savings in general operating expenses.

In Europe excluding France, net insurance revenue grew 3.4% despite the €17 million negative impact of the Covid-19 crisis on underwriting margins.

	2020	2019	% change (reported)	% change (like-for-like)
Premium income	26,956	32,582	-17.3	-11.5
Average net technical reserves	326,038	320,792	+1.6	-
Total revenue	3,459	3,967	-12.8	-5.2
Net insurance revenue (NIR), of which:	2,943	3,220	-8.6	+0.2
France	1,801	1,814	-0.7	-0.7
Latin America	844	1,117	-24.4	+1.0
Europe excluding France	298	289	+3.4	+3.4
Revenue from own-funds portfolios	516	747	-31.0	-28.7
Administrative costs, of which:	845	926	-8.7	-3.6
France	578	611	-5.4	-5.4
Latin America	138	186	-25.5	+0.1
Europe excluding France	128	129	-0.3	-0.3
Earnings before interest and taxes (EBIT)	2,614	3,041	-14.0	-5.7
Finance costs	(252)	(251)	+0.3	+0.3
Non-controlling and net equity accounted interests	(421)	(546)	-23.0	+1.4
Attributable recurring profit	1,942	2,244	-13.5	-8.1
Income tax expense	(594)	(694)	-14.4	-7.3
Fair value adjustments and net gains (losses)	247	482	-48.8	-55.6
Non-recurring items	(245)	(620)	-60.6	-59.7
Attributable net profit	1,350	1,412	-4.4	-2.1

The 2020 financial statements of CNP Assurances were reviewed by the Board of Directors at its meeting on 16 February 2021 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 at www.cnp.fr/en/Investor-Analyst.
<https://www.cnp.fr/en/the-cnp-assurances-group/investors/results/results-presentation/2020-results>

APPENDICES

Premium income by country

<i>(in € millions)</i>	2020	2019	% change	% change (like-for-like)
France	16,278	20,716	-21.4	-21.4
Brazil	5,577	6,733	-17.2	+10.6
Italy	3,469	3,261	+6.4	+6.4
Germany	466	472	-1.4	-1.4
Cyprus	175	163	+7.1	+7.1
Spain	136	242	-43.8	-43.8
Luxembourg ⁽¹⁾	653	793	-17.6	-17.6
Poland	90	92	-3.0	-3.0
Austria	24	21	+12.5	+12.5
Norway	22	21	+4.2	+4.2
Denmark	21	20	+3.2	+3.2
Argentina	18	21	-14.3	+28.9
Portugal	4	5	-25.0	-25.0
Other International	24	21	+15.3	+15.3
Total International	10,678	11,866	-10.0	+5.8
Total	26,956	32,582	-17.3	-11.5

Premium income by segment

<i>(in € millions)</i>	2020	2019	% change	% change (like-for-like)
Savings	15,301	19,574	-21.8	-21.8
Pensions	5,379	6,273	-14.2	+9.0
Personal Risk Insurance	1,490	1,618	-7.9	+0.3
Term Creditor Insurance	4,057	4,305	-5.7	-1.4
Health Insurance	408	420	-2.9	-1.9
Property & Casualty	320	393	-18.6	+4.1
Total	26,956	32,582	-17.3	-11.5

Premium income by country and by segment

2020							
<i>(in € millions)</i>	Savings	Pensions	Personal Risk Insurance	Term Creditor Insurance	Health Insurance	Property & Casualty	Total
France	11,193	1,026	1,032	2,668	358	0	16,278
Brazil	32	4,338	378	552	12	265	5,577
Italy	3,310	13	29	117	0	0	3,469
Germany	0	0	12	454	0	0	466
Cyprus	70	0	13	0	38	54	175
Spain	34	2	4	97	0	0	136
Luxembourg	653	0	0	0	0	0	653
Poland	0	0	11	78	0	0	90
Austria	0	0	0	23	0	0	24
Norway	0	0	0	22	0	0	22
Denmark	0	0	0	21	0	0	21
Argentina	6	0	10	2	0	0	18
Portugal	0	0	0	4	0	0	4
Other International	2	0	0	21	0	0	24
Total International	4,107	4,353	458	1,390	50	320	10,678
Total	15,301	5,379	1,490	4,057	408	320	26,956

Premium income by region and by partner/subsidiary

<i>(in € millions)</i>	2020	2019	% change
La Banque Postale	6,320	8,050	-21.5
BPCE	4,709	6,023	-21.8
CNP Patrimoine	1,871	3,059	-38.8
Social protection partners (France)	2,022	2,094	-3.5
Financial institutions (France)	1,131	1,197	-5.6
Amétis	185	251	-26.1
Other France	39	41	-4.6
Total France	16,278	20,716	-21.4
Caixa Seguradora (Brazil)	5,577	6,733	-17.2
CNP UniCredit Vita (Italy)	3,294	3,051	+8.0
CNP Luxembourg (Luxembourg)	653	793	-17.6
CNP Santander Insurance (Ireland)	764	765	-0.1
CNP Partners (Spain)	149	272	-45.2
CNP Cyprus Insurance Holdings (Cyprus)	179	167	+6.9
CNP Assurances Compañía de Seguros (Argentina)	18	21	-14.3
Other International	44	64	-31.8
Total International	10,678	11,866	-10.0
Total	26,956	32,582	-17.3

Unit-linked sales
by region and by partner/subsidiary

<i>(in € millions)</i>	2020	2019	% change
La Banque Postale	1,207	1,184	+1.9
BPCE	669	711	-6.0
CNP Patrimoine	1,285	1,280	+0.4
Amétis	48	62	-22.1
Other France	37	46	-18.8
Total Unit-linked France	3,247	3,284	-1.1
Caixa Seguradora (Brazil)	4,337	5,150	-15.8
CNP UniCredit Vita (Italy)	2,515	2,168	+16.0
CNP Partners (Spain)	67	79	-14.8
CNP Luxembourg (Luxembourg)	479	354	+35.3
CNP Cyprus Insurance Holdings (Cyprus)	70	60	+16.1
Total Unit-linked International	7,467	7,811	-4.4
Total Unit-linked	10,714	11,094	-3.4

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

2020				
<i>(in € millions)</i>	Savings/Pensions	o/w Unit-linked	o/w Traditional	% Unit-linked
France	12,220	3,247	8,973	26.6
Latin America	4,376	4,337	39	99.1
Europe excluding France	4,084	3,131	953	76.7
Total	20,680	10,714	9,966	51.8

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	2020	2019	% change
Savings	5,746	7,487	-23.2
Pensions	362	364	-0.6
Personal Risk Insurance	16	18	-9.2
Term Creditor Insurance	195	181	+8.2
Total	6,320	8,050	-21.5

Premium income from partnership with BPCE

<i>(in € millions)</i>	2020	2019	% change
Savings	3,403	4,679	-27.3
Pensions	101	108	-6.7
Personal Risk Insurance	97	108	-10.3
Term Creditor Insurance	1,109	1,128	-1.7
Total	4,709	6,023	-21.8

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	2020	2019	% change
Savings	186	256	-27.4
Pensions	25,572	22,740	+12.5
Personal Risk Insurance	2,227	2,222	+0.2
Term Creditor insurance	3,251	2,893	+12.4
Health Insurance	73	105	-30.0
Property & Casualty	1,564	1,500	+4.3
Total	32,874	29,717	+10.6

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	2020	2019	% change
Savings	3,213	2,935	+9.5
Pensions	13	12	+3.4
Personal Risk Insurance	27	25	+5.7
Term Creditor Insurance	42	78	-46.0
Total	3,294	3,051	+8.0

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	2020	2019	% change
Germany	465.8	472.4	-1.4
Poland	89.6	92.4	-3.0
Spain	80.7	81.8	-1.4
Italy	40.7	38.7	+5.0
Austria	23.7	21.1	+12.5
Norway	22.0	21.1	+4.2
Denmark	20.8	20.2	+3.2
Sweden	12.0	10.1	+19.2
Finland	4.9	4.3	+13.4
Belgium	3.0	2.3	n.m.
Netherlands	0.3	0.1	n.m.
Total	764	765	-0.1

Investor Calendar

- 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 7:30 a.m.
- Nine-month 2021 results indicators: Friday, 19 November 2021 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 36 million personal risk/protection insureds worldwide and more than 12 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 €1,350 million in 2020.

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

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

infofi@cnp.fr

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