

# CNP ASSURANCES CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2020

DRAFT

# Contents

<b>2020 CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>4</b>
Consolidated Balance Sheet	4
Consolidated Income Statement	6
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	11
<b>SIGNIFICANT EVENTS OF THE PERIOD AND SUBSEQUENT EVENTS</b>	<b>14</b>
Note 1 Significant events of the period	14
Note 2 Subsequent events	16
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	<b>17</b>
Note 3 Summary of significant accounting policies	17
<b>SCOPE OF CONSOLIDATION</b>	<b>23</b>
Note 4 Scope of consolidation	23
<b>ANALYSIS OF THE MAIN COMPONENTS OF THE BALANCE SHEET</b>	<b>35</b>
Note 5 Equity	35
Note 6 Intangible assets	38
Note 7 Owner-occupied property and other property and equipment	43
Note 8 Insurance investments	45
Note 9 Insurance and financial liabilities	69
Note 10 Subordinated debt	83
Note 11 Insurance and reinsurance receivables	85
Note 12 Provisions for liabilities and charges	86
Note 13 Liabilities arising from insurance and reinsurance transactions	87

## ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT 92

Note 14	Premium income	92
Note 15	Claims and benefits expenses	97
Note 16	Administrative expenses and business acquisition costs	98
Note 17	Reinsurance result	101
Note 18	Investment income	102
Note 19	Income tax expense	106
Note 20	Segment information	109

## OTHER ANALYSES 113

Note 21	Application of IAS 29	113
Note 22	Contingent liabilities	113
Note 23	Related party information	113
Note 24	Financial risks	116
Note 25	Liquidity risk and asset/liability management	122
Note 26	Risks related to insurance and financial liabilities	124
Note 27	Commitments given and received	132

# 2020 CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

(In € millions)	Notes	31.12.2020	31.12.2019
Goodwill	6	188.9	229.9
Value of In-Force business	6	12.2	16.4
Other intangible assets	6	3,436.4	426.6
<b>Total intangible assets</b>		<b>3,637.5</b>	<b>672.9</b>
Investment property	8	2,411.0	2,315.3
Held-to-maturity investments	8	144.6	236.5
Available-for-sale financial assets	8	305,704.9	303,254.4
Securities held for trading	8	90,933.2	92,769.8
Loans and receivables	8	5,123.1	4,698.5
Derivative instruments	8	530.6	525.9
<b>Insurance investments</b>		<b>404,847.3</b>	<b>403,800.4</b>
<b>Other investments</b>		<b>3.5</b>	<b>5.6</b>
<b>Investments in equity-accounted companies</b>	4	<b>526.6</b>	<b>487.9</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	9	<b>21,082.6</b>	<b>21,409.7</b>
Insurance or reinsurance receivables	11	2,624.5	3,123.2
Current tax assets		693.5	490.7
Other receivables	11	4,881.7	5,831.2
Owner-occupied property and other property and equipment	7	152.3	175.4
Other non-current assets		2,176.6	2,360.9
Deferred participation asset	9	0.0	0.0
Deferred tax assets	19	180.2	200.9
<b>Other assets</b>		<b>10,708.7</b>	<b>12,182.3</b>
<b>Non-current assets held for sale and discontinued operations</b>		<b>0.0</b>	<b>0.0</b>
<b>Cash and cash equivalents</b>		<b>1,734.0</b>	<b>1,807.6</b>
<b>TOTAL ASSETS</b>		<b>442,540.1</b>	<b>440,366.3</b>

(In € millions)	Notes	31.12.2020	31.12.2019
Share capital	5	686.6	686.6
Share premium account		1,736.3	1,736.3
Revaluation reserve		4,362.2	3,866.2
Cash flow hedge reserve	8	(15.9)	8.1
Undated subordinated notes reclassified in equity	5	1,881.3	1,881.3
Retained earnings		11,837.2	10,383.7
Profit for the period		1,350.0	1,411.7
Translation reserve		(1,157.6)	(580.7)
<b>Equity attributable to owners of the parent</b>		<b>20,680.2</b>	<b>19,393.3</b>
Non-controlling interests		3,319.2	1,794.7
<b>Total equity</b>		<b>23,999.3</b>	<b>21,188.0</b>
Insurance liabilities (excluding unit-linked)	9	171,903.1	170,190.6
Insurance liabilities (unit-linked)	9	57,293.2	56,649.0
<b>Insurance liabilities</b>		<b>229,196.3</b>	<b>226,839.6</b>
Financial liabilities - financial instruments with DPF (excluding unit-linked)	9	106,260.8	112,776.2
Financial liabilities - financial instruments without DPF (excluding unit-linked)	9	494.1	635.8
Financial liabilities - unit-linked financial instruments	9	9,559.5	8,806.5
<b>Financial liabilities</b>		<b>116,314.4</b>	<b>122,218.5</b>
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	9	31,587.0	29,254.7
<b>Insurance and financial liabilities</b>		<b>377,097.7</b>	<b>378,312.8</b>
<b>Provisions</b>	12	<b>286.6</b>	<b>325.0</b>
Subordinated debt	10	6,824.2	6,380.7
Other financing liabilities		0.0	4.8
<b>Financing liabilities</b>		<b>6,824.2</b>	<b>6,385.5</b>
Operating liabilities represented by securities		13,957.7	12,599.1
Operating liabilities due to banks		117.3	192.4
Liabilities arising from insurance and reinsurance transactions	13	13,270.1	13,842.9
Current taxes payable		184.0	272.2
Current account advances		81.8	74.6
Liabilities towards holders of units in controlled mutual funds		399.7	699.3
Derivative instruments	8	912.3	1,132.0
Deferred tax liabilities	19	983.0	753.1
Miscellaneous payables	13	4,426.4	4,589.3
<b>Other liabilities</b>		<b>34,332.3</b>	<b>34,155.0</b>
<b>Liabilities related to assets held for sale and discontinued operations</b>		<b>0.0</b>	<b>0.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>442,540.1</b>	<b>440,366.3</b>

## CONSOLIDATED INCOME STATEMENT

(In € millions)	Notes	31.12.2020	31.12.2019
Premiums written		27,116.9	33,671.9
Change in unearned premiums reserve		(194.5)	(235.6)
<b>Earned premiums</b>	14	<b>26,922.4</b>	<b>33,436.4</b>
<b>Revenue from other activities</b>	14	<b>121.8</b>	<b>147.8</b>
<b>Other operating revenue</b>		<b>0.0</b>	<b>0.0</b>
Net investment income		5,714.2	6,274.9
Gains and losses on disposal of investments		389.4	1,795.7
Change in fair value of financial assets at fair value through profit or loss		1,609.7	5,863.5
Change in impairment losses on financial instruments		(5.6)	1,054.5
<b>Investment income before finance costs</b>	18	<b>7,707.8</b>	<b>14,988.6</b>
<b>Income from ordinary activities</b>		<b>34,752.0</b>	<b>48,572.7</b>
Claims and benefits expenses	15	(27,686.0)	(40,853.8)
Reinsurance result	17	141.5	95.7
Expenses of other businesses		(2.9)	(4.7)
Acquisition costs	16	(3,905.7)	(4,017.6)
Amortisation of value of In-Force business and distribution agreements	6	(23.2)	(23.9)
Contract administration expenses	16	(227.7)	(239.6)
Other recurring operating income and expense, net	16	(515.4)	(752.8)
<b>Total other recurring operating income and expense, net</b>		<b>(32,219.5)</b>	<b>(45,796.6)</b>
<b>Recurring operating profit</b>		<b>2,532.5</b>	<b>2,776.1</b>
Other non-recurring operating income and expense, net		(25.9)	(26.9)
<b>Operating profit</b>		<b>2,506.6</b>	<b>2,749.2</b>
Finance costs	18	(251.7)	(250.8)
Change in fair value of intangible assets	6	0.0	(23.1)
Share of profit of equity-accounted companies	4	51.8	44.5
Income tax expense	19	(688.9)	(784.2)
Profit (loss) from discontinued operations, after tax		0.0	0.0
<b>Net profit for the period</b>		<b>1,617.9</b>	<b>1,735.7</b>
Non-controlling interests		(267.9)	(324.0)
<b>Net profit attributable to owners of the parent</b>		<b>1,350.0</b>	<b>1,411.7</b>
Basic earnings per share (in €)		1.91	1.99
Diluted earnings per share (in €)		1.91	1.99

## CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED IN EQUITY – 2020

	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
<i>(In € millions)</i>			
<b>Net profit for the period</b>	<b>1,350.0</b>	<b>267.9</b>	<b>1,617.9</b>
<b>Income and expense recognised directly in equity</b>			
<b>Amounts recycled through profit or loss</b>	<b>(151.2)</b>	<b>(141.7)</b>	<b>(292.8)</b>
<b>Available-for-sale financial assets</b>	<b>460.1</b>	<b>1.1</b>	<b>461.1</b>
Change in revaluation reserve during the period	2,148.2	37.9	2,186.0
Reclassification of proceeds from disposals to profit or loss	(610.1)	(21.3)	(631.5)
Reclassification of impairment losses to profit or loss	383.3	1.9	385.2
<i>Sub-total including deferred participation and deferred taxes</i>	<i>1,921.4</i>	<i>18.4</i>	<i>1,939.7</i>
Deferred participation including deferred taxes	(1,295.4)	(16.8)	(1,312.3)
Deferred taxes	(165.9)	(0.5)	(166.4)
Of which, change in revaluation reserve for non-current assets held for sale	0.0	0.0	0.0
<i>Sub-total net of deferred participation and deferred taxes</i>	<i>460.1</i>	<i>1.1</i>	<i>461.1</i>
<b>Cash flow hedge reserve</b>	<b>(23.9)</b>	<b>0.0</b>	<b>(23.9)</b>
Change in cash flow hedge reserve during the period	(75.6)	0.0	(75.6)
Cash flow hedge reserve recycled through profit or loss during the period	56.5	0.0	56.5
Deferred taxes	(4.8)	0.0	(4.8)
<b>Translation differences</b>	<b>(587.3)</b>	<b>(142.7)</b>	<b>(730.0)</b>
<b>Amounts not recycled through profit or loss</b>	<b>(15.5)</b>	<b>0.0</b>	<b>(15.5)</b>
Actuarial gains and losses	(15.5)	0.0	(15.5)
Other movements	0.0	0.0	0.0
<b>Total income and expense recognised directly in equity</b>	<b>(166.6)</b>	<b>(141.7)</b>	<b>(308.3)</b>
<b>TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY</b>	<b>1,183.3</b>	<b>126.2</b>	<b>1,309.6</b>

## CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED IN EQUITY – 2019

(In € millions)	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
<b>Net profit for the period</b>	<b>1,411.7</b>	<b>324.0</b>	<b>1,735.7</b>
<b>Income and expense recognised directly in equity</b>			
<b>Amounts recycled through profit or loss</b>	<b>837.0</b>	<b>43.0</b>	<b>880.0</b>
<b>Available-for-sale financial assets</b>			
Change in revaluation reserve during the period	9,572.8	151.8	9,724.6
Reclassification of proceeds from disposals to profit or loss	(2,630.4)	(1.6)	(2,632.1)
Reclassification of impairment losses to profit or loss	442.9	20.3	463.2
<i>Sub-total including deferred participation and deferred taxes</i>	<i>7,385.4</i>	<i>170.4</i>	<i>7,555.8</i>
Deferred participation including deferred taxes	(6,266.6)	(78.4)	(6,345.0)
Deferred taxes	(268.3)	(33.8)	(302.1)
<i>Of which, change in revaluation reserve for non-current assets held for sale</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Sub-total net of deferred participation and deferred taxes</i>	<i>850.5</i>	<i>58.3</i>	<i>908.8</i>
<b>Cash flow hedge reserve</b>	<b>25.8</b>	<b>0.0</b>	<b>25.8</b>
Change in cash flow hedge reserve during the period	(10.3)	0.0	(10.3)
Cash flow hedge reserve recycled through profit or loss during the period	27.9	0.0	27.9
Deferred taxes	8.2	0.0	8.2
<b>Translation differences</b>	<b>(39.3)</b>	<b>(15.2)</b>	<b>(54.5)</b>
<b>Amounts not recycled through profit or loss</b>	<b>(27.2)</b>	<b>(0.0)</b>	<b>(27.2)</b>
Actuarial gains and losses	(27.2)	(0.0)	(27.2)
Other movements	0.0	0.0	0.0
<b>Total income and expense recognised directly in equity</b>	<b>809.8</b>	<b>43.0</b>	<b>852.8</b>
<b>TOTAL INCOME AND EXPENSE RECOGNISED IN EQUITY</b>	<b>2,221.5</b>	<b>367.0</b>	<b>2,588.5</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Equity at 01.01.2020 - IFRS</b>	<b>686.6</b>	<b>1,736.3</b>	<b>3,866.2</b>	<b>8.1</b>	<b>1,881.3</b>	<b>11,795.3</b>	<b>(580.7)</b>	<b>19,393.2</b>	<b>1,794.8</b>	<b>21,188.0</b>
<b>Net profit and unrealised and deferred gains and losses for the period</b>			<b>460.1</b>	<b>(23.9)</b>	<b>0.0</b>	<b>1,334.5</b>	<b>(587.3)</b>	<b>1,183.3</b>	<b>126.2</b>	<b>1,309.6</b>
· Dividends paid								0.0	(571.2)	(571.2)
· Changes in capital/Merger premium								0.0		0.0
· Subordinated notes, net of tax						(41.8)		(41.8)		(41.8)
· Treasury shares, net of tax						0.6		0.6		0.6
· Changes in scope of consolidation			35.9			111.0	10.3	157.3	1,969.2	2,126.5
· Other movements						(12.5)		(12.5)	0.1	(12.4)
<b>Equity at 31.12.2020</b>	<b>686.6</b>	<b>1,736.3</b>	<b>4,362.2</b>	<b>(15.9)</b>	<b>1,881.3</b>	<b>13,187.2</b>	<b>(1,157.6)</b>	<b>20,680.2</b>	<b>3,319.2</b>	<b>23,999.3</b>

(In € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>Equity at 01.01.2019 - IFRS</b>	<b>686.6</b>	<b>1,736.3</b>	<b>3,015.7</b>	<b>(17.7)</b>	<b>1,881.3</b>	<b>11,019.6</b>	<b>(541.4)</b>	<b>17,780.5</b>	<b>1,740.4</b>	<b>19,520.9</b>
<b>Net profit and unrealised and deferred gains and losses for the period</b>			<b>850.5</b>	<b>25.8</b>	<b>0.0</b>	<b>1,384.5</b>	<b>(39.3)</b>	<b>2,221.5</b>	<b>367.0</b>	<b>2,588.5</b>
· Dividends paid						(610.8)		(610.8)	(218.4)	(829.1)
· Changes in capital/Merger premium								0.0		0.0
· Subordinated notes, net of tax						(49.6)		(49.6)		(49.6)
· Treasury shares, net of tax						2.3		2.3		2.3
· Changes in scope of consolidation						(0.8)		(0.8)	(94.1)	(94.8)
· Other movements <sup>(1)</sup>						50.0		50.0	(0.1)	49.9
<b>Equity at 31.12.2019</b>	<b>686.6</b>	<b>1,736.3</b>	<b>3,866.2</b>	<b>8.1</b>	<b>1,881.3</b>	<b>11,795.3</b>	<b>(580.7)</b>	<b>19,393.2</b>	<b>1,794.8</b>	<b>21,188.0</b>

<sup>(1)</sup> including IFRIC 23.

## CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows includes:

- cash flows of fully consolidated companies;
- cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for using the equity method.

### Definition of cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in “ordinary” money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued jointly by the French accounting standards setter (*Autorité des normes comptables* - ANC) and the French financial markets authority (*Autorité des marchés financiers* - AMF) for the application of Regulation (EU) 2017/1131. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

Cash and cash equivalents reported in the statement of cash flows are stated net of bank overdrafts used for cash management purposes.

### Definition of cash flows from operating activities

Cash flows from operating activities correspond essentially to the cash flows of the Group’s revenue-generating activities.

### Definition of cash flows from investing activities

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, owner-occupied property and equipment and intangible assets.

### Definition of cash flows from financing activities

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- share issues and cancellations;
- debt issues and repayments;
- purchases and sales of treasury shares;
- dividends paid to owners of the parent and non-controlling shareholders of subsidiaries.

## CONSOLIDATED STATEMENT OF CASH FLOWS

(In € millions)	31.12.2020	31.12.2019
<b>Operating profit before tax</b>	<b>2,506.6</b>	<b>2,749.2</b>
Gains and losses on disposal of investments	(397.9)	(1,602.6)
Depreciation and amortisation expense, net	101.6	137.3
Change in deferred acquisition costs	(45.6)	(91.8)
Impairment losses, net	24.9	(1,084.5)
Charges to technical reserves for insurance and financial liabilities	3,620.8	14,515.7
Charges to provisions, net	5.4	154.6
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(1,587.5)	(5,553.6)
Other adjustments	295.7	209.4
Dividends received from equity-accounted companies	40.4	58.2
<b>Total adjustments</b>	<b>2,057.8</b>	<b>6,742.7</b>
Change in operating receivables and payables	787.9	(732.2)
Change in securities sold and purchased under repurchase and resale agreements	1,358.6	1,190.1
Change in other assets and liabilities	(54.6)	(30.8)
Income taxes paid, net of reimbursements	(880.8)	(1,000.0)
<b>Net cash provided by (used by) operating activities</b>	<b>5,775.5</b>	<b>8,919.1</b>
Acquisitions of subsidiaries and joint ventures, net of cash acquired	12.5	(97.5)
Divestments of subsidiaries and joint ventures, net of cash sold	(0.0)	393.0
Acquisitions of associates	(54.4)	0.0
Divestments of associates	0.0	0.0
<b>Net cash provided by (used by) divestments and acquisitions</b>	<b>(41.9)</b>	<b>295.5</b>
Proceeds from the sale of financial assets	75,763.9	111,224.3
Proceeds from the sale of investment properties	65.6	196.4
Proceeds from the sale of other investments	0.0	0.0
<b>Net cash provided by (used by) sales and redemptions of investments</b>	<b>75,829.5</b>	<b>111,420.7</b>
Acquisitions of financial assets	(79,716.6)	(119,402.1)
Acquisitions of investment properties	(187.8)	(227.1)
Acquisitions of other investments	0.0	0.0
<b>Net cash provided by (used by) acquisitions of investments</b>	<b>(79,904.4)</b>	<b>(119,629.3)</b>
Proceeds from the sale of property and equipment and intangible assets	12.7	308.0
Purchases of property and equipment and intangible assets	(1,256.9)	(108.7)
<b>Net cash provided by (used by) sales and purchases of property and equipment and intangible assets</b>	<b>(1,244.2)</b>	<b>199.3</b>
<b>Net cash provided by (used by) investing activities</b>	<b>(5,361.0)</b>	<b>(7,713.8)</b>

(In € millions)	31.12.2020	31.12.2019
Issuance of equity instruments	0.0	0.0
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	(0.3)	2.2
Dividends paid	(571.1)	(834.5)
<b>Net cash provided by (used by) transactions with owners</b>	<b>(571.4)</b>	<b>(832.2)</b>
New borrowings	1,250.0	1,500.0
Repayments of borrowings	(754.8)	(428.2)
Interest paid on borrowings	(313.2)	(326.5)
<b>Net cash provided by (used by) other financing activities</b>	<b>182.0</b>	<b>745.3</b>
<b>Net cash provided by (used by) financing activities</b>	<b>(389.4)</b>	<b>(86.9)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,237.0</b>	<b>17,938.1</b>
Net cash provided by (used by) operating activities	5,775.5	8,919.1
Net cash provided by (used by) investing activities	(5,361.0)	(7,713.8)
Net cash provided by (used by) financing activities	(389.4)	(86.9)
Effect of changes in exchange rates	(24.8)	(5.1)
Effect of changes in accounting policies and other changes <sup>(1)</sup>	227.5	185.6
<b>CASH AND CASH EQUIVALENTS AT THE REPORTING DATE</b>	<b>19,464.7</b>	<b>19,237.0</b>

<sup>(1)</sup> The amount reported under "Effect of changes in accounting policies and other changes" corresponds to reclassifications of cash equivalents as "Ordinary money market funds".

### Reconciliation of cash flows from financing activities to the amounts reported in the financial statements

This table reconciles cash flows from financing activities to the amounts reported in the other financial statements. Other movements correspond to changes in deferred taxes and fair value adjustments to the cash flow hedge reserve recognised directly in equity.

#### 31.12.2020

(In € millions)	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Subordinated debt	Other financing liabilities	TOTAL
<b>31.12.2019</b>	<b>8.1</b>	<b>1,881.3</b>	<b>6,380.7</b>	<b>4.8</b>	<b>8,274.9</b>
Issue	0.0	0.0	1,250.0	0.0	1,250.0
Redemption	0.0	0.0	(750.0)	(4.8)	(754.8)
<b>Total cash items</b>	<b>0.0</b>	<b>0.0</b>	<b>500.0</b>	<b>(4.8)</b>	<b>495.2</b>
Translation adjustments	0.0	0.0	0.0	0.0	0.0
Fair value adjustments	5.8	0.0	(56.5)	0.0	(50.8)
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0
Other movements	(29.7)	0.0	0.0	0.0	(29.7)
<b>Total non-cash items</b>	<b>(23.9)</b>	<b>0.0</b>	<b>(56.5)</b>	<b>0.0</b>	<b>(80.5)</b>
<b>31.12.2020</b>	<b>(15.9)</b>	<b>1,881.3</b>	<b>6,824.2</b>	<b>0.0</b>	<b>8,689.6</b>

## 31.12.2019

(In € millions)	Cash flow hedge reserve	Undated subordinated notes reclassified in equity	Subordinated debt	Other financing liabilities	TOTAL
<b>31.12.2018</b>	<b>(17.7)</b>	<b>1,881.3</b>	<b>5,336.7</b>	<b>4.8</b>	<b>7,205.2</b>
Issue	0.0	0.0	1,500.0	0.0	1,500.0
Redemption	0.0	0.0	(428.2)	0.0	(428.2)
<b>Total cash items</b>	<b>0.0</b>	<b>0.0</b>	<b>1,071.8</b>	<b>0.0</b>	<b>1,071.8</b>
Translation adjustments	0.0	0.0	0.0	0.0	0.0
Fair value adjustments	24.2	0.0	(27.9)	0.0	(3.6)
Changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0
Other movements	1.6	0.0	(0.0)	0.0	1.6
<b>Total non-cash items</b>	<b>25.8</b>	<b>0.0</b>	<b>(27.9)</b>	<b>0.0</b>	<b>(2.1)</b>
<b>31.12.2019</b>	<b>8.1</b>	<b>1,881.3</b>	<b>6,380.7</b>	<b>4.8</b>	<b>8,274.9</b>

(In € millions)	31.12.2020	31/12/2019
Cash and cash equivalents (reported in the consolidated balance sheet)	1,734.0	1,807.6
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(117.3)	(192.4)
Securities held for trading	17,848.0	17,621.8
<b>TOTAL (REPORTED IN THE CONSOLIDATED STATEMENT OF CASH FLOWS)</b>	<b>19,464.7</b>	<b>19,237.0</b>

Cash and cash equivalents reported in the consolidated statement of cash flows correspond to:

- cash and cash equivalents reported in the consolidated balance sheet under assets;
- operating liabilities due to banks corresponding to short-term bank loans and overdrafts other than financing liabilities, reported in the consolidated balance sheet under liabilities;
- securities held for trading, consisting of money market mutual funds reported in the consolidated balance sheet under “insurance investments”.

# SIGNIFICANT EVENTS OF THE PERIOD AND SUBSEQUENT EVENTS

## Note 1 Significant events of the period

### Changes in CNP Assurances' ownership structure

The Company's ownership structure changed significantly on 4 March 2020, as a result of various exchanges and transfers of CNP Assurances shares between the French State, Caisse des Dépôts, La Poste and La Banque Postale. These transactions represented a key phase of the project to create a large state-owned financial group announced by CNP Assurances' public sector shareholders on 30 August 2018.

CNP Assurances' post-4 March 2020 ownership structure is as follows:

- La Banque Postale<sup>(1)</sup>: 62.13%
- BPCE<sup>(2)</sup>: 16.11%
- Free float<sup>(3)</sup>: 21.76%

<sup>(1)</sup> Wholly-owned by La Poste Group, which in turn is 66%-owned by the French State.

<sup>(2)</sup> Following the exercise of La Banque Postale's call option on 13,833,334 CNP Assurances shares held by BPCE.

<sup>(3)</sup> Including treasury shares (505,717 shares at 31 December 2019).

### €750 million Tier 2 subordinated notes issue

On 30 June 2020, the Group issued €750 million worth of subordinated notes due 30 June 2051 and paying interest at 2.5% until 30 June 2031. The issue qualifies as debt under IFRS and as Tier 2 capital under Solvency II. The notes are rated BBB+ by Standard & Poor's and A3 by Moody's.

### Financial impacts of the Covid-19 pandemic

The financial impacts of the Covid-19 pandemic are as follows:

- CNP Assurances made a €25.0 million exceptional contribution to the €400.0 million solidarity fund set up by the industry federation, Fédération Française de l'Assurance (FFA), in support of French government funding to help SMEs, micro-enterprises and self-employed workers. This contribution is reported in the consolidated income statement under "Other non-recurring operating income and expenses".
- The Group also increased its support for insureds covered by group death/disability/health insurance and reinsurance plans by setting aside a €30.0 million budget at the end of 2020 to expand coverage beyond its contractual obligations. This amount is reported under "Claims and benefits expenses". The final cost of the expanded coverage will depend on the proportion of insureds who cannot do their jobs from home or who have applied to be placed on sick leave in order to shield themselves from the risk of infection or to care for their children.
- Distribution activities were limited in the first half due to the temporary closure of bank branches and post offices during lockdown. The overall impact on 2020 premium income was a decrease of €3.5 billion.
- The Group did not identify any material effect on its intangible assets or overall solvency, except for the indirect effect of persistently low interest rates.

The various home-working measures deployed in recent years ensured that the Group maintained a high level of operational efficiency during lockdown.

The consequences of Covid-19 are set out in more detail in the report of the Board of Directors for the year ended 31 December 2020.

### Partnership agreement reached in Brazil between CNP Assurances and Caixa Seguridade in the consórcio segment

CNP Assurances has concluded a framework agreement which will result in the signing of an exclusive twenty-year distribution agreement with Caixa Seguridade to use the Caixa Econômica Federal banking network in Brazil to distribute the *consórcio* product, in particular for real property and automobiles. This new agreement is in addition to that signed in August 2018 (and amended in September 2019) on personal risk, consumer loan insurance and pension products (*vida, prestamista, previdência*).

The new distribution agreement will be operated through a company formed for this purpose which will have shared management and governance between CNP Assurances and Caixa Seguridade. The former will hold 50.01% of the common shares with voting rights, the latter 49.99% of the common shares with voting rights and 100% of the preferred shares without voting rights, which will represent economic rights of 25% and 75% for each party respectively.

The agreement stipulates that CNP Assurances is to pay a fixed sum of R\$250 million on completion of the deal.

Completion of the deal still depends on various conditions being met first, including the obtaining of the necessary approvals from the relevant regulatory authorities for banking and competition. Subject to these approvals being obtained, it is expected the deal will be finalised no later than 30 March 2021.

### Successful €500 million Tier 3 notes issue

On 8 December 2020, CNP Assurances announced that it had successfully placed €500 million worth of notes due 8 March 2028 and paying interest at 0.375%. The issue qualifies as debt under IFRS and as Tier 3 capital under Solvency II.

### Implementation of the agreement dated 29 August 2018 between CNP Assurances and Caixa Seguridade

The new exclusivity perimeter in the Caixa Econômica Federal (CEF) network includes life insurance, consumer credit life insurance and private pension plans.

In line with the contractual provisions, the new distribution agreement has been implemented through a newly formed insurance joint venture between CNP Assurances and Caixa Seguridade, the holding company for CEF's insurance operations.

CNP Assurances and Caixa Seguridade own respectively 51% and 49% of the voting rights in the joint venture and 40% and 60% of the economic rights.

In line with the contractual terms, on 30 December 2020 Caixa Seguros Holding (CSH) transferred to the new joint venture the in-force insurance portfolios for the products included in the scope of the agreement.

The agreement's main provisions are as follows:

- the Group has an exclusive right to distribute life insurance, consumer credit life insurance and private pension plans in Brazil in the CEF network until 13 February 2046;
- in exchange for this right, on 30 December 2020, the Group paid an upfront fee of R\$7 billion (€1.1 billion);
- the agreement also includes incentives to outperform the first five years' volume and margin objectives, in the form of additional payments capped at R\$0.8 billion (Group share) based on 31 December 2020 values.

The transaction was closed on 30 December 2020.

The agreement's impacts on the Group's consolidated financial statements at 31 December 2020 are as follows:

- recognition of an intangible asset of €3.0 billion, to be amortised on a straight-line basis over the life of the agreement;
- recognition of non-controlling interests in liabilities for €1.8 billion;
- full consolidation of the new joint venture;
- no provision for contingent consideration was recorded at 31 December 2020.

Expiry of the current agreements had no impact on the goodwill previously recognised in respect of the Latin America cash-generating unit.

## Note 2 Subsequent events

No significant changes occurred after the financial year-end.



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## Note 3 Summary of significant accounting policies

CNP Assurances SA, the parent company of the Group, is a *société anonyme* (joint-stock company) with a Board of Directors, governed by the French Insurance Code (*Code des assurances*). It has fully paid-up share capital of €686,618,477. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

The registered office is located at 4, place Raoul-Dautry, 75015 Paris.

The Group's principal business is the writing of personal insurance. CNP Assurances' corporate purpose is to:

- write life and endowment insurance;
- write bodily injury insurance covering accident and health risks;
- hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2020 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 16 February 2021.

### 3.1 Statement of compliance

In accordance with EU directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRS standards adopted by the European Union on 31 December 2020.

The subsidiaries all apply Group accounting policies, as presented in these notes.

#### 3.1.1 New accounting standards adopted since 1 January 2020

The amendments to IFRS 9, IAS 39 and IFRS 7 resulting from Phase 1 of the IBOR reform, the amendments to IFRS 3, IAS 1 and IAS 8 applicable for annual reporting periods beginning on or after 1 January 2020 and the amendments to IFRS 16 applicable from 1 June 2020, have no material impact on the consolidated financial statements.

#### 3.1.2 Deferred application of IFRS 9 (IFRS 4 amendment)

The final version of IFRS 9 – Financial Instruments was published on 24 July 2014 and was adopted by the European Union on 22 November 2016. It is effective for accounting periods beginning on or after 1 January 2018.

However, the Group has elected to apply the option of deferring application until 1 January 2023 (see below).

IFRS 9, which replaces IAS 39 – Financial Instruments, sets down accounting principles and disclosure requirements for financial assets and liabilities.

The final version consolidates the three core phases, i.e., classification and measurement, impairment and hedge accounting.

#### 3.1.2.1 Main provisions of IFRS 9

##### 3.1.2.1.1 Classification and measurement

IFRS 9 introduces a standard approach to classification and measurement of financial assets and contains only three classification categories: amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

As far as debt instruments are concerned, the assessment is based around two criteria that determine how a financial asset should be classified and measured:

- the business model that the entity uses for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

IFRS 9 introduces two types of business model as follows:

- the financial asset is held within a business model whose objective is to collect the contractual cash flows. If this is the case, the financial asset is measured at amortised cost;
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. If so, the financial asset must be measured at FVTOCI.

All other financial assets must be measured at FVTPL. An entity may designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an inconsistency in valuation methods or accounting treatment (sometimes referred to as an accounting mismatch).

Equity instruments are always measured at FVTPL with the exception of those not held for trading. An entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading (including realised gains and losses). Only dividends received from such investments are to be recognised in profit or loss.

IFRS 9 retains the accounting treatment of financial liabilities but adds guidance on certain issues, notably the impact of changes in own credit risk in profit or loss when non-trading financial liabilities are measured at fair value.

#### 3.1.2.1.2 Impairment

IFRS 9 also introduces a new debt instrument impairment model that involves writing off expected credit losses at initial recognition. Under IAS 39, impairment losses were only taken if there was a recognised risk due to the existence of one or more objective indicators of impairment.

Under the new model, assets move through three stages:

- at investment: the entity recognises 12-month expected credit losses and interest income is calculated on the gross carrying amount of the instrument;
- stage 2: if there has been a significant increase in credit risk since initial recognition, lifetime expected credit losses are recognised, but interest income is still calculated on the gross carrying amount of the asset;
- stage 3: if a credit event affects the issuer, lifetime expected credit losses are recognised and interest income is calculated on the net carrying amount.

#### 3.1.2.1.3 Hedge accounting

IFRS 9 broadens hedge accounting eligibility criteria in exchange for greater transparency in risk management disclosure.

The new model marks an important change that aligns hedge accounting more closely with risk management and enables entities to disclose these activities more effectively in their financial statements. For example, IFRS 9 allows entities to hedge the risk components of non-financial items and homogeneous groups of items for all types of risk on a net basis.

IFRS 9 changes certain aspects relating to hedging instruments. In particular, changes in the fair value of the time value of an option used as a hedging instrument may be recognised in other comprehensive income (OCI). Eligibility also extends to the forward element of a forward contract or the foreign currency basis spread, thus reducing volatility in the income statement.

The standard also makes hedge effectiveness testing less rigid. Retrospective and prospective testing (using the 80% to 125% bright line) is replaced by a single prospective test based on three effectiveness requirements: there is “an economic relationship” between the hedged item and the hedging instrument; the effect of credit risk does not “dominate the value changes” that result from that economic relationship; and the hedge ratio is consistent with the entity’s risk management approach.

### *3.1.2.2 IFRS 9 transition arrangements under the deferral approach*

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2018. However, the Group has deferred application until 2023 as its activities are predominantly related to insurance.

The publication on 12 September 2016 by the IASB of an amendment to IFRS 4 - Insurance Contracts stipulates how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. This amendment, which was adopted by the European Commission on 3 November 2017, was issued in response to the need to align first-time adoption of IFRS 9 with that of the new insurance standard (IFRS 17), and provided an optional temporary exemption from applying IFRS 9 until 1 January 2021 (the “deferral approach”). An amendment to IFRS 4 published on 25 June 2020 extends the optional temporary exemption from applying IFRS 9 until 1 January 2023.

Deferral of application is granted to companies whose activities are predominantly related to insurance so that IFRS 9 be implemented concomitantly with the new IFRS Insurance Contracts standard.

The IASB has also introduced an option to simplify the application of IFRS 9 by allowing associates and joint ventures accounted for by the equity method to continue to prepare their consolidation packages in accordance with IAS 39 if they are not required to adopt IFRS 9 in their separate financial statements. Application of this option enables the Group to continue accounting for financial assets in accordance with IAS 39 until 2023.

CNP Assurances fulfils the eligibility criteria for adopting the deferral approach:

- as of 31 December 2015, its insurance business represented more than the 90% threshold for applying this approach;
- it is accounted for using the equity method in the consolidated financial statements of its three main shareholders which are financial institutions and which apply IFRS 9 as from 2018. As a result, it will not be required to prepare its consolidation package in accordance with IFRS 9;
- the amendment to IFRS 4 requires additional disclosures in the notes during the transition period, concerning the classification of assets and the reporting entity’s exposure to credit risk on assets meeting the criteria in IFRS 9 (assets for which the contractual cash flows consist solely of payments of principal and interest). These disclosures are made on an annual basis.

### *3.1.3 Main accounting standards and interpretations approved by the European Union but not yet in force*

An amendment to IFRS 4 published on 25 June 2020 and applicable from 1 January 2021 extends the optional temporary exemption from applying IFRS 9 until 1 January 2023, so that IFRS 9 and IFRS 17 are applied from the same date.

### *3.1.4 Main standards and interpretations published but not yet approved by the European Union*

#### *3.1.4.1 IFRS 17 – Insurance contracts*

IFRS 17 – Insurance Contracts was published on 18 May 2017, and an amended version was published on 25 June 2020. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It replaces IFRS 4 for annual reporting periods beginning on or after 1 January 2023 (with comparative information for 2022 to be presented on the same basis).

IFRS 17 will apply to:

- written insurance and reinsurance contracts;
- all reinsurance contracts giving rise to a significant insurance risk;
- investment contracts with a discretionary participation feature.

The new standard requires the insurance component of each contract to be recognised separately from the other components, such as:

- certain embedded derivatives;
- separate investment components;
- other performance obligations, for example a promise to transfer non-insurance goods or services.

These components will be recognised and measured separately in accordance with the standard that would apply to them if they were separate contracts.

When an insurance or reinsurance contract is written, the liability will be measured according to the Building Block Approach (BBA), based on the following blocks:

- discounted present value of future cash flows that relate directly to the fulfilment of the contractual obligations (fulfilment cash flows);
- a risk margin reflecting the uncertainty about the amount and timing of these cash flows;
- a Contractual Service Margin (CSM).

The CSM represents the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. It is included in deferred revenue on the liabilities side of the balance sheet and recognised in income as the services are provided. If the group of insurance contracts is expected to generate a loss, rather than recording a negative CSM the expected loss is recognised immediately in profit or loss when the contracts are written.

A second model – the Variable Fee Approach (VFA) – is applicable to insurance contracts with direct participation features that contain the following conditions:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay the policyholder an amount equal to a substantial share of the fair value of returns from the underlying items;
- a substantial proportion of the cash flows the entity expects to pay to the policyholder are expected to vary in line with changes in the fair value of the underlying items.

In addition to the General Model (BBA), IFRS 17 also includes an optional simplified measurement approach – the Premium Allocation Approach (PAA) – which may be applied to:

- all insurance contracts other than those with direct participation features, provided that the PAA produces a measurement of the liability that would not be materially different from that produced applying the BBA;
- contracts with a short duration (coverage period of one year or less).

For the purpose of applying the PAA, the initial liability corresponds to the premiums received at initial recognition and no CSM is calculated. Acquisition costs may be deferred in assets or recognised as an expense.

Under IFRS 17, insurance liabilities will be measured at a more granular level. Specifically, they will be divided into portfolios, as follows:

- each portfolio will comprise contracts subject to similar risks that are managed together. A portfolio will not contain contracts written more than one year apart;
- each portfolio will be divided into three accounting groups when the contracts are initially recognised, for the calculation and tracking of the contractual service margin (CSM). The groups are as follows:
  - contracts that are onerous at initial recognition;
  - contracts that at initial recognition have no significant possibility of becoming onerous;
  - other contracts.

Application of IFRS 17 will have a significant impact on the Group's consolidated financial statements:

- it will modify the presentation of the balance sheet and the notes;
- the consolidated income statement will be renamed the statement of financial performance and will comprise two key indicators:
  - insurance service result, corresponding to insurance revenue less amortisation of the CSM and the risk adjustment, the experience adjustment (difference between expected claims and expenses and paid claims and expenses) and expenses on onerous contracts,
  - investment income or expense;
- it will also lead to a major reorganisation of management processes, including statutory accounting, account closing, management accounting and internal and external reporting systems;
- actuarial modelling tools will also be affected;
- in addition, the internal organisation of accounting processes will need to be adjusted, with the introduction of new measurement, consolidation and reporting processes.

The effects of applying IFRS 17 are currently being analysed by the Group. IFRS 9 – Financial Assets replaces IAS 39 as from the same dates and the effects of applying these two new standards are being analysed jointly.

IFRS 17 is in the process of being adopted by the European Union. The Group is contributing actively to the review of its implications by the accounting and insurance authorities in France and the European Union.

#### *3.1.4.2 Amendments to the following standards*

The amendments to IFRS 9, IAS 39 and IFRS 7 resulting from Phase 2 of the IBOR reform are applicable from 1 January 2021.

The other published amendments are applicable from 1 January 2022 or 1 January 2023.

The Group is currently studying the potential impact of the amendments not applicable from 1 January 2020.

### 3.2 Basis of preparation of the consolidated financial statements

The following information is incorporated by reference in the Universal Registration Document, in accordance with Article 28 of European Commission Regulation 809/2004/EC dated 29 April 2004:

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2019 and the related Statutory Auditors' report, as presented on pages 120 to 233, and pages 234 to 238, respectively, of the Registration Document filed with the AMF on 16 March 2020;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2018 and the related Statutory Auditors' report, as presented on pages 126 to 238, and pages 239 to 244, respectively, of the Registration Document filed with the AMF on 28 March 2019.

Unless otherwise stated the consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for (i) insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature (DPF) which are measured in accordance with Group accounting policies, and (ii) financial assets at fair value through profit or loss (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss), available-for-sale financial assets, investment property held in unit-linked portfolios and derivative instruments separated from their host contracts, which are measured using the fair value model.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of deferred tax assets, assets generated by employee benefits, financial assets, investment property measured at fair value, biological assets and assets arising under insurance contracts, all of which are measured using their own specific valuation basis.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet headings concerned by such estimates and assumptions include goodwill (particularly with regard to impairment testing), the value of In-Force business, assets measured at fair value not quoted in an active market, insurance-related assets and liabilities (technical reserves, deferred participation assets and deferred participation reserves) and deferred taxes.

These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances and they are subject to sensitivity analyses when this is required by regulations or when such tests back up the assumptions made by the Group.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effects of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

They have been applied uniformly by all Group entities.

# SCOPE OF CONSOLIDATION

## Note 4 Scope of consolidation

### 4.1. Scope of consolidation and associated companies

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates. Other than the regulatory capital requirements of the insurance subsidiaries, the Group does not have any restrictions limiting its access to assets or settling the liabilities of the entities within its scope of consolidation.

#### Subsidiaries

A subsidiary is an entity controlled by the Company. Control is a function of three elements: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns.

Power results from existing rights that give the current ability to direct an investee's relevant activities. The rights that confer power may differ depending on the investee's purpose and design, structure, the nature of its relevant activities or the way in which decisions about the investee are taken. It is generally voting or similar rights that give an investor power, either individually or in combination with other arrangements. If contractual arrangements have a bearing on the relevant activities, they need to be analysed to determine whether rights held are sufficient to confer power. In circumstances where it is difficult to determine whether an investor's rights are sufficient to give it power over an investee, it may be necessary to consider evidence of whether it has the practical ability to direct the relevant activities unilaterally.

Exposure or rights to variable returns from involvement with the investee are assessed based on the investor's returns from existing arrangements which have the potential to vary as a result of the investee's performance. An investor assesses whether returns from an investee are variable and how variable those returns are on the basis of the substance of the arrangement and regardless of the legal form of the returns.

Control results not merely from power over the investee and exposure to variable returns, but from the ability to use power over the investee to affect the amount of the investor's returns from its involvement with the investee. Thus, an investor with decision-making rights must determine whether it is acting as a principal or an agent.

Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date when control is relinquished.

Non-controlling interests represent the interests of minority shareholders in the Group's subsidiaries. The materiality of these non-controlling interests is assessed based on the percentage interest in the share capital of the subsidiary, as well as their impact on the consolidated financial statements.

#### Jointly-controlled entities (joint arrangements)

A jointly-controlled entity is a contractual arrangement whereby the Group and one or more other parties exercise joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. There are two types of joint arrangement:

- joint operations: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Each joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in the joint operation and in accordance with the applicable IFRSs;
- joint ventures: a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Each joint party recognises its interest in the joint venture as an investment using the equity method.



The consolidated financial statements include the Group's interest in the joint venture, recognised using the equity method, from or up to the date when the Group exercises or ceases to exercise joint control.

### Associates

An associate is an entity over which the Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate.

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the criteria used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the Board of Directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised using the equity method, from or up to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless the Group has incurred legal or constructive obligations to bear a portion of future losses or to make payments on behalf of the associate.

This exemption provided for in paragraph 18 of IAS 28 is used on a case-by-case basis when the value of an investment in a company over which the Group exercises significant influence is determined on the basis of participatory contracts (see Note 9.2).

## 4.2. Business combinations and other changes in scope of consolidation

Business combinations in which the Group acquires control of one or more businesses are recognised using the purchase method.

Business combinations carried out prior to 1 January 2010 are recognised in accordance with the accounting principles used to prepare the financial statements for the year ended 31 December 2009. Non-controlling interests (also known as minority interests) are measured at the Group's proportionate share in the acquiree's net revalued assets, while adjustments to contingent consideration are treated as an adjustment to the cost of the combination.

Business combinations that took place after 1 January 2010 are recognised and measured in accordance with revised IFRS 3. Consideration transferred (acquisition cost) is measured at the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the buyer. The acquiree's identifiable assets and liabilities are measured at fair value at the acquisition date. Costs directly attributable to the business combination are expensed as incurred.

Any excess of the consideration transferred over the Group's proportionate share in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. Non-controlling interests may be measured at fair value (full goodwill method) on a case-by-case basis.

Goodwill is calculated at the date control is obtained and is not adjusted after the end of the measurement period. No additional goodwill is recognised on subsequent acquisitions of non-controlling interests.

Acquisitions and disposals of non-controlling interests are recognised directly in equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquiree measured at fair value, the difference is recognised directly in profit or loss for the period.

The initial accounting for a business combination must be completed within 12 months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and non-controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss, unless they concern errors whose correction leads to an adjustment of the purchase price allocation.



### 4.3. Intragroup transactions

All transactions and balances between fully consolidated companies and all intragroup income and expenses are eliminated in full. Losses resulting from the impairment of an asset transferred in an intragroup transaction are not eliminated.

### 4.4. Foreign currency translation into the Group's presentation currency

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of international operations – mainly international subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros, i.e., the Group's presentation currency, at the closing exchange rate.

Income and expenses of international operations are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

Translation differences between the exchange rates used to translate assets and liabilities, and those used to translate income and expenses are recognised separately in equity as a translation adjustment.

Draft

## 4.5. Consolidated companies and percentage of voting rights at 31 December

Company	Consolidati on method	Country/City	Business	31.12.2020		31.12.2019	
				% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Caution	Full	France/Paris	Insurance	100.00%	100.00%	100.00%	100.00%
Arial CNP Assurances	Equity method	France/ Mons-en-Baroeul	Insurance	40.00%	40.00%	40.00%	40.00%
MFPrévoyance SA	Full	France/Paris	Insurance	51.00%	65.00%	51.00%	65.00%
Assuristance	Equity method	France/Paris	Insurance	66.00%	66.00%	66.00%	66.00%
Filassistance International	Equity method	France/Paris	Insurance	66.00%	66.00%	66.00%	66.00%
CNP Assurances Compañia de Seguros	Full	Argentina/Buenos Aires	Insurance	76.47%	76.47%	76.47%	76.47%
CNP SA de Capitalización y Ahorro p/ fines determinados	Full	Argentina/Buenos Aires	Insurance	65.38%	50.00%	65.38%	50.00%
CNP Holding Brasil	Full	Brazil/Brasília	Insurance	100.00%	100.00%	100.00%	100.00%
Caixa Seguros Holding SA	Full	Brazil/Brasilia	Insurance	51.75%	51.75%	51.75%	51.75%
Caixa Seguros Participações Securitárias Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Seguradora	Full	Brazil/Brasília	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Capitalização	Full	Brazil/Brasilia	Insurance	51.00%	26.39%	51.00%	26.39%
Caixa Consórcios	Full	Brazil/Brasília	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Assessoria e Consultoria	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
Caixa Saúde	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Previsul	Full	Brazil/Porto Alegre	Insurance	100.00%	51.75%	100.00%	51.75%
Wiz Soluções e Corretagem de Seguros S.A.	Equity method	Brazil/Brasilia	Brokerage	25.00%	12.94%	25.00%	12.94%
Odonto Empresas Convênios Dentários Ltda	Full	Brazil/São Paulo	Insurance	100.00%	51.75%	100.00%	51.75%
Holding Caixa Seguros Participações em Saúde Ltda	Full	Brazil/Brasilia	Insurance	100.00%	51.75%	100.00%	51.75%
CNP UniCredit Vita	Full	Italy/Milan	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Partners	Full	Spain/Madrid	Insurance	100.00%	100.00%	100.00%	100.00%
Montparvie V <sup>(1)</sup>	Full	France/Paris	Holding	100.00%	100.00%	-	-
CNP Cyprus Insurance Holdings	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Cyprus Properties	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Cyprus Tower Ltd	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Zois	Full	Greece/Athens	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Praktoriaki	Full	Greece/Athens	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Cyprialife	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Asfalistiki	Full	Cyprus/Nicosia	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Luxembourg	Full	Luxembourg	Insurance	100.00%	100.00%	100.00%	100.00%
CNP Santander Insurance Life Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Santander Insurance Europe Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Santander Insurance Services Ireland Ltd	Full	Ireland/Dublin	Insurance	51.00%	51.00%	51.00%	51.00%
CNP Europe Life	Full	Ireland/Dublin	Insurance	100.00%	100.00%	100.00%	100.00%
Sogestop K <sup>(1)</sup>	Full	France/Paris	Holding	100.00%	100.00%	-	-

Company	Consolidation method	Country/City	Business	31.12.2020		31.12.2019	
				% rights	% interest	% rights	% interest
HOLDING XS 1 S.A. <sup>(2)</sup>	Full	Brazil	Holding	51.00%	40.00%	-	-
XS2 VIDA E PREVIDENCIA S.A. <sup>(2)</sup>	Full	Brazil	Insurance	100.00%	40.00%	-	-
Caixa Vida e Previdência <sup>(3)</sup>	Full	Brazil/Brasília	Insurance	100.00%	40.00%	100.00%	51.75%
CNP Assurances Participações Ltda	Full	Brazil/Brasília	Insurance	100.00%	100.00%	100.00%	100.00%
<b>2. Mutual fund units</b>							
Univers CNP 1 FCP	Full	France/Paris	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP OSTRUM ISR OBLI 12 MOIS <sup>(4)</sup>	Full	France/Paris	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP Assur Trésorerie Plus	Full	France/Paris	Mutual fund units	98.13%	98.13%	98.82%	98.82%
Ecureuil Profil 90	Full	France/Paris	Mutual fund units	56.83%	56.83%	56.91%	56.91%
Vivaccio ISR actions <sup>(4)</sup>	Full	France/Paris	Mutual fund units	100.00%	100.00%	83.28%	83.28%
OPCVM Caixa Seguradora SA	Full	Brazil/Brasília	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Caixa Capitalização SA	Full	Brazil/Brasília	Mutual fund units	100.00%	26.39%	100.00%	26.39%
OPCVM Caixa Vida e Previdência <sup>(3)</sup>	Full	Brazil/Brasília	Mutual fund units	100.00%	40.00%	100.00%	51.75%
OPCVM Caixa Consórcios	Full	Brazil/Brasília	Mutual fund units	100.00%	51.75%	100.00%	51.75%
OPCVM Holding Caixa Seguros Holding SA	Full	Brazil/Brasília	Mutual fund units	100.00%	51.75%	100.00%	51.75%
<b>3. Property companies and others</b>							
AEP3 SCI	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
CIMO	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
AEP4 SCI	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
SICAC	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
Assurimmeuble	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France/Paris	Real estate	100.00%	99.70%	100.00%	99.59%
OPCI AEW Imcom 1	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI AEP247	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
LBP Actifs Immo	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
SAS Allera	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI Raspail	Full	France/Paris	Real estate	100.00%	99.85%	100.00%	99.81%
Outlet Invest	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
OPCI Renda Corporativa Angico <sup>(3)</sup>	Full	Brazil/São Paulo	Real estate	100.00%	42.47%	51.75%	51.75%
Assurbaill Patrimoine	Full	France/Paris	Real estate	100.00%	100.00%	100.00%	100.00%
Ecureuil Vie Développement	Equity method	France/Paris	Brokerage	49.00%	49.00%	49.00%	49.00%
Coentreprise de Transport d'Electricité <sup>(5)</sup>	FV	France/Paris	Energy	20.00%	20.00%	20.00%	20.00%
Infra-Invest <sup>(2)</sup>	Full	Luxembourg	Infrastructure	100.00%	100.00%	-	-
Holding d'Infrastructures Gazières	Equity method	France/Paris	Energy	54.41%	54.41%	54.41%	54.41%

<sup>(1)</sup> Montparvie V and Sogestop K, owned by CNP Assurances, have been consolidated for the first time at 30 June 2020.

<sup>(2)</sup> HOLDING XS 1 S.A., XS2 VIDA E PREVIDENCIA S.A. and Infra-Invest, owned by CNP Assurances, have been consolidated for the first time at 31 December 2020.

<sup>(3)</sup> The decreases in the percentage interests in Caixa Vida e Previdência, the Caixa Vida e Previdência investment fund and the Renda Corporativa Angico property fund result from the new distribution agreement with Caixa Econômica Federal and Caixa Seguridade.

<sup>(4)</sup> LBPAM COURT TERME is now named CNP OSTRUM ISR OBLI 12 MOIS and Vivaccio ACT 5DEC is now named Vivaccio ISR actions.

<sup>(5)</sup> The investment in Coentreprise de Transport d'Electricité (CTE) is mainly in representation of participatory contracts. For this reason, the Group has chosen to use the exemption from applying the equity method provided for in paragraph 18 of IAS 28 and to measure the CTE shares at fair value through profit or loss.

#### 4.6. *Non-consolidated companies*

		31.12.2020
Company	Country/City	% interest
1. Other subsidiaries		
23-25 Marignan SAS	France/Paris	100.00%
270 Investments	France/Paris	100.00%
36 MARBEUF SAS	France/Paris	100.00%
Age D'Or Expansion	France/Troyes	100.00%
Alpinvest Feeder (Euro) V C.V.	Netherlands/Amsterdam	99.98%
AVENIR SANTE	France/Paris	100.00%
AZIMUT	France/Paris	88.67%
Cartera Pbtamsi	Spain/Madrid	100.00%
CBPE CAPITAL VIII SPECIAL INVESTORS	United Kingdom/London	100.00%
CNP Formation	France/Paris	100.00%
CNP LOANS INFRA COMPARTMENT CLI 123 SOLEIL	France/Pantin	100.00%
CNP LOANS INFRA COMPARTMENT CLI N°7 SIROCO	France/Pantin	100.00%
CNP Private Equity for Personal Savings	France/Paris	100.00%
CNP SHORT TERM INFLATION	France/Paris	100.00%
Cnp Sviluppo Srl	Italy/Milan	100.00%
CNP TECHNOLOGIES DE L'INFORMATION	France/Paris	99.80%
CNP UC IMMO	France/Paris	99.94%
CŒUR MEDITERRANEE	France/Paris	70.00%
DIWISE	France/Paris	100.00%
Ecureuil Vie Investment	France/Paris	100.00%
EIG Energy Transition fund S.C.S.p.	Luxembourg	55.56%
Filassistance Services	France/Paris	100.00%
Filassistance solutions	France/Saint-Cloud	100.00%
FONCIERE HID	France/Paris	100.00%
FSN CAPITAL IV (B) L.P.	Norway/Oslo	100.00%
GCK	Luxembourg	80.00%
Geosud	France/Rueil Malmaison	98.00%
GF DE LA FORÊT DE NAN	France/Paris	100.00%
Green Quartz	France/Paris	99.99%
Immaucom	France/Paris	80.00%
INFRA INVEST HOLDING	France/Paris	99.90%
INFRA-INVEST 2	France/Paris	100.00%
Infra-Invest France	France/Paris	100.00%
Infrastructure Partners (Morgan Stanley)	France/Paris	64.94%
KLEBER 46 HOLDING	France/Paris	100.00%
Laiki Brokers (Insurance & Consultancy Services) Ltd	Cyprus/Nicosia	100.00%
Laiki Insurance Agencies Ltd	Cyprus/Nicosia	100.00%
LBPAM EUROPEAN INFRASTRUCTURE DEBT FUND 2	France/Paris	55.19%

Company	Country/City	31.12.2020
		% interest
LBPAM EUROPEAN REAL ESTATE DEBT FUND 2	France/Paris	50.00%
LBPAM EUROPEAN REAL ESTATE DEBT FUND 3	France/Paris	76.13%
LBPAM FCT EUROPEAN DEBT FUNDS COMPARTIMENT MONTARNASSE INFRASTRUCTURE DEBT	France/Paris	100.00%
LBPAM FCT EUROPEAN DEBT FUNDS COMPARTIMENT MONTARNASSE REAL ESTATE DEBT	France/Paris	100.00%
LBPAM PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	France/Paris	54.35%
LCYL Dramas Properties Limited	Cyprus/Nicosia	100.00%
LCYL Properties Limited	Cyprus/Nicosia	100.00%
Lux Gare	France/Paris	100.00%
Lyfe	France/Paris	100.00%
MONTAGU IV (SCOTS FEEDER)	United Kingdom/London	100.00%
MONTARNASSE DEBT FUND 2 - COMPARTIMENT INFRASTRUCTURE	France/Paris	100.00%
MONTARNASSE DEBT FUND 2 - COMPARTIMENT REAL ESTATE	France/Paris	100.00%
MONTARNASSE IV	France/Paris	100.00%
MONTPER ENTERPRISES LIMITED	Cyprus/Nicosia	100.00%
NATIXIS FCT MONTARNASSE DETTE PRIVEE COMPARTIMENT MONTARNASSE PLACEMENT PRIVE	France/Paris	100.00%
Naturim	France/Levallois-Perret	100.00%
Neuilly Pilot	France/Paris	100.00%
New Side	France/Paris	100.00%
Open CNP	France/Paris	100.00%
Pantin Logistique	France/Paris	100.00%
Pays-Bas Retail 2013 BV	Netherlands/Amsterdam	100.00%
Pial 34	France/Paris	100.00%
SCHRODER COMPARTMENT IALA	France/Paris	100.00%
SCI HOLDIHEALTH EUROPE	France/Paris	100.00%
SILK HOLDING	France/Paris	100.00%
SMCA	France/Paris	50.00%
THEEMIM	France/Paris	100.00%
Woodland Invest	France/Paris	100.00%
Ybry Pont de Neuilly	France/Paris	100.00%
Yellowalto	France/Puteaux	100.00%
YOUSE HOME	France/Paris	100.00%
Youse Seguradora S.A	Brazil/Brasilia	100.00%

## 2. Real estate business

5/7 Rue Scribe	France/Paris	100.00%
83 Avenue Bosquet	France/Paris	100.00%
Assurécureuil Pierre	France/Paris	99.99%
Assurécureuil Pierre 2	France/Paris	100.00%
Assurécureuil Pierre 5	France/Paris	100.00%
Assurécureuil Pierre 7	France/Paris	99.99%
Axe France	France/Paris	50.00%
Baudry Ponthieu	France/Paris	99.91%
Bercy Crystal	France/Paris	100.00%

Company	Country/City	31.12.2020
		% interest
LBPAM EUROPEAN REAL ESTATE DEBT FUND 2	France/Paris	50.00%
LBPAM EUROPEAN REAL ESTATE DEBT FUND 3	France/Paris	76.13%
LBPAM FCT EUROPEAN DEBT FUNDS COMPARTIMENT MONTARNASSE INFRASTRUCTURE DEBT	France/Paris	100.00%
LBPAM FCT EUROPEAN DEBT FUNDS COMPARTIMENT MONTARNASSE REAL ESTATE DEBT	France/Paris	100.00%
LBPAM PRIVATE DEBT SCS RAIF - LBPAM EUROPEAN RESPONSIBLE INFRASTRUCTURE DEBT FUND	France/Paris	54.35%
LCYL Dramas Properties Limited	Cyprus/Nicosia	100.00%
LCYL Properties Limited	Cyprus/Nicosia	100.00%
Lux Gare	France/Paris	100.00%
Lyfe	France/Paris	100.00%
MONTAGU IV (SCOTS FEEDER)	United Kingdom/London	100.00%
MONTARNASSE DEBT FUND 2 - COMPARTIMENT INFRASTRUCTURE	France/Paris	100.00%
MONTARNASSE DEBT FUND 2 - COMPARTIMENT REAL ESTATE	France/Paris	100.00%
MONTARNASSE IV	France/Paris	100.00%
MONTARNASSE ENTERPRISES LIMITED	Cyprus/Nicosia	100.00%
NATIXIS FCT MONTARNASSE DETTE PRIVEE COMPARTIMENT MONTARNASSE PLACEMENT PRIVE	France/Paris	100.00%
Naturim	France/Levallois-Perret	100.00%
Neuilly Pilot	France/Paris	100.00%
New Side	France/Paris	100.00%
Open CNP	France/Paris	100.00%
Pantin Logistique	France/Paris	100.00%
Pays-Bas Retail 2013 BV	Netherlands/Amsterdam	100.00%
Pial 34	France/Paris	100.00%
SCHRODER COMPARTIMENT IALA	France/Paris	100.00%
SCI HOLDIHEALTH EUROPE	France/Paris	100.00%
SILK HOLDING	France/Paris	100.00%
THEEMIM	France/Paris	100.00%
Woodland Invest	France/Paris	100.00%
Ybry Pont de Neuilly	France/Paris	100.00%
Yellowalto	France/Puteaux	100.00%
YOUSE HOME	France/Paris	100.00%
Youse Seguradora S.A	Brazil/Brasilia	100.00%
<b>2. Real estate business</b>		
5/7 Rue Scribe	France/Paris	100.00%
83 Avenue Bosquet	France/Paris	100.00%
Assurécureuil Pierre	France/Paris	99.99%
Assurécureuil Pierre 2	France/Paris	100.00%
Assurécureuil Pierre 5	France/Paris	100.00%
Assurécureuil Pierre 7	France/Paris	99.99%
Baudry Ponthieu	France/Paris	99.91%
Bercy Crystal	France/Paris	100.00%



Company	Country/City	31.12.2020
		% interest
CANOPEE	France/Paris	99.98%
Cicoge	France/Paris	100.00%
CL (Mesa Geitonia) Properties Ltd	Cyprus/Nicosia	100.00%
CL ARCHANGELOS PROPERTIES LTD	Cyprus/Nicosia	100.00%
Cottages du Bois aux Daims	France/Paris	100.00%
Domaine de Lancosme	France/Vendoeuvres	80.00%
EOLE RAMBOUILLET	France/Paris	100.00%
Equinox	France/Paris	99.99%
Europe Properties Investments	France/Neuilly-sur-Seine	100.00%
Farman	France/Paris	50.00%
Farmoric	France/Puteaux	100.00%
Foncière CNP	France/Paris	100.00%
Foncière ELBP	France/Paris	100.00%
FPIP	France/Paris	100.00%
GALAXIE 33	France/Paris	100.00%
Green Rueil	France/Paris	50.00%
Habimmo	France/Paris	99.99%
Holdipierre	France/Paris	100.00%
ICV	France/Paris	99.90%
Ireland Property Investment Fund	Ireland/Dublin	100.00%
ISSY ILOT 13	France/Paris	50.00%
Issy Vivaldi	France/Paris	100.00%
Jasmin	France/Paris	99.95%
Jesco	France/Paris	55.00%
Kureck	France/Paris	100.00%
LCYL KARPENISIOU PROPERTIES LIMITED	Cyprus/Nicosia	100.00%
LCYL KITI PROPERTIES LIMITED	Cyprus/Nicosia	100.00%
Lesly	France/Paris	100.00%
LIBERTE	France/Paris	50.00%
Ofelia	France/Paris	66.66%
ONE COLOGNE	France/Paris	100.00%
OREA	France/Paris	100.00%
Paris 08	France/Paris	100.00%
Passage du Faidherbe	France/Paris	100.00%
Pierre et Labruyère	France/Paris	100.00%
Pierre Quentin Bauchard	France/Paris	99.99%
Pyramides 1	France/Paris	100.00%
Residavout	France/Paris	100.00%
Residential	France/Paris	100.00%
RSS IMMO	France/Paris	99.99%
Rue du Bac	France/Paris	50.00%
Rueil Newton	France/Paris	50.00%
SA Le Marquis	France/Paris	60.00%
Saphirimmo	France/Paris	100.00%
SAS Pyramides 2	France/Paris	100.00%

Company	Country/City	31.12.2020
		% interest
SAS Richelieu Vivienne	France/Paris	50.00%
SCI Assurécureuil Pierre 8	France/Paris	100.00%
Sci De La Cnp	France/Paris	100.00%
SCI Lauriston	France/Paris	100.00%
SCI Les Chevrons	France/Paris	51.51%
SCI MAX	France/Paris	100.00%
Secrets et Boetie	France/Paris	100.00%
Sonne	France/Neuilly sur Seine	99.95%
Taunus	France/Paris	100.00%
Terre Neuve 4 Immo	France/Paris	100.00%
US Real Estate 270 SAS	France/Paris	100.00%
US Real Estate EVJ SAS	France/Paris	100.00%
Vendome Europe	France/La Défense	50.00%
Victor Hugo 147	France/Paris	99.98%
Wagram 92	France/Paris	100.00%

French standard ANC 2016-09 requires details of controlled companies that are excluded from the scope of consolidation to be disclosed in the notes to the consolidated financial statements. The table above presents companies that are over 50%-owned by the Group but whose key indicators do not exceed the materiality thresholds for inclusion in the scope of consolidation.

The materiality thresholds used by the Group are applied to companies that are over 50%-owned and to other companies that qualify as controlled entities based on the following criteria in IFRS 10: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. In addition, economic reality is taken into account when applying the thresholds, with the result that certain subsidiaries whose indicators are below the thresholds are nevertheless consolidated.

The list of non-consolidated companies and investments in which CNP Assurances holds a direct interest of more than 10% is presented in the Universal Registration Document (in Note 5.4.4 to the annual financial statements).



#### 4.7. Average number of employees of consolidated companies

(Headcount)	31.12.2020	31.12.2019
Management-grade	2,313	2,320
Non-management-grade	2,805	2,878
<b>Average headcount</b>	<b>5,118</b>	<b>5,198</b>

The above headcount does not include the headcount of the companies consolidated by equity method.

#### 4.8. Summary financial information: consolidated entities with material non-controlling interests

(In € millions)	New HoldCo Group*		Caixa Seguros Group*		CNP UniCredit Vita		CNP Santander Insurance		MFPrevoyance SA	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Earned premiums/Revenue	0.0	0.0	5,577.3	6,733.2	3,294.2	3,050.5	763.6	764.7	137.0	128.7
<b>Net profit (100%)</b>	<b>0.0</b>	<b>0.0</b>	<b>418.1</b>	<b>493.1</b>	<b>53.3</b>	<b>42.8</b>	<b>79.6</b>	<b>83.3</b>	<b>(10.6)</b>	<b>2.3</b>
Net profit – non-controlling interests	0.0	0.0	204.3	243.1	22.7	18.2	39.0	40.8	(3.7)	0.8
Other comprehensive income (100%)	17.3	0.0	34.5	57.9	43.4	33.3	8.3	11.8	13.7	12.2
<b>Comprehensive income (100%)</b>	<b>17.4</b>	<b>0.0</b>	<b>452.6</b>	<b>551.1</b>	<b>96.7</b>	<b>76.1</b>	<b>87.9</b>	<b>95.1</b>	<b>3.1</b>	<b>14.5</b>
Comprehensive income – non-controlling interests	10.4	0.0	222.9	273.0	41.1	32.3	43.1	46.6	1.1	5.1
Assets	19,127.6	0.0	2,581.1	22,802.1	18,089.2	16,360.5	2,400.4	2,428.8	721.9	685.3
Liabilities	15,662.5	0.0	1,837.2	20,759.8	17,115.4	15,450.2	1,925.2	2,029.8	504.4	458.7
<b>Net assets (100%)</b>	<b>3,465.1</b>	<b>0.0</b>	<b>743.9</b>	<b>2,042.3</b>	<b>973.8</b>	<b>910.4</b>	<b>475.2</b>	<b>399.0</b>	<b>217.5</b>	<b>226.6</b>
Net assets – non-controlling interests	2,079.1	0.0	375.2	1,009.5	413.9	386.9	232.8	195.5	76.1	79.3
Net cash provided by (used by) operating activities	0.0	0.0	2,934.2	3,579.1	1,291.1	911.4	89.4	196.5	22.9	6.6
Net cash provided by (used by) investing activities	(0.0)	0.0	(1,701.5)	(3,214.5)	(1,288.8)	(839.1)	(46.2)	(78.8)	(13.1)	18.7
Net cash provided by (used by) financing activities	(0.0)	0.0	(1,494.8)	(359.9)	0.0	(46.0)	0.0	(75.0)	0.4	0.3
Dividends paid to non-controlling interests	0.0	0.0	(19.1)	(15.5)	0.0	0.0	0.0	(36.8)	0.0	0.0

\* Changes in assets and liabilities result from the transfer of Caixa Vida e Previdência and the Caixa Vida e Previdência investment fund to the NewHoldCo group.

#### 4.9. Summary financial information: material joint arrangements

##### 4.9.1. Significant partnerships

At 31 December 2020, the Group has two material partnerships: Arial CNP Assurances and Holding d'Infrastructures Gazières.

CNP Assurances also holds 40% of the capital of Arial CNP Assurances (ACA) and controls this company jointly with AG2R-La Mondiale.

ACA's corporate purpose is the design, distribution and management of supplementary employee retirement savings plans and employee benefit plans.

It is accounted for using the equity method in CNP Assurances' consolidated financial statements.

The Group also holds 54.41% of the capital of Holding d'Infrastructures Gazières (HIG), which is controlled jointly with Caisse des Dépôts. Société d'Infrastructures Gazières (SIG), a wholly-owned subsidiary of HIG, in turn holds 25% of the capital of GRTgaz, a company specialised in transporting natural gas.

HIG is accounted for using the equity method in CNP Assurances' consolidated financial statements.

Financial information for ACA and HIG is provided in Note 4.11.1.

#### 4.9.2. Significant associates

At 31 December 2020, the Group owns one significant associate: Coentreprise de Transport d'Electricité (CTE).

CNP Assurances holds a 20% interest in CTE, which has a 100% equity interest in Réseau de Transport d'Electricité (RTE). CNP Assurances exercises significant influence over RTE. However, as the investment's value is determined almost entirely on the basis of participatory contracts, the Group has chosen to use the exemption from applying the equity method provided for in IAS 28, paragraph 18, and to measure the CTE shares at fair value through profit or loss.

The fair value of the CTE shares at 31 December 2020 was determined by an independent expert, and the value of the shares held by CNP Assurances amounts to €1,232 million.

(In € millions)	31.12.2019			
	Total assets	Equity	Premium income	Profit/(Loss)
Coentreprise de Transport d'Electricité (CTE)	8,275.7	5,297.9	0.0	312.6

The above data are extracted from the French GAAP accounts and concern 2019 as the 2020 financial statements were not yet available when these consolidated financial statements were drawn up. The amounts are presented before allocating profits and losses.

#### 4.10. Summary financial information: non-material joint arrangements

(In € millions)	Partnerships		Associates	
	2020	2019	2020	2019
Carrying amount of investments accounted for using the equity method in CNP Assurances' balance sheet	51.8	50.9	0.0	0.0
Contribution to CNP Assurances' net profit	9.6	9.9	0.0	0.0
Contribution to CNP Assurances' other comprehensive income	0.9	1.7	0.0	0.0
<b>Contribution to CNP Assurances' comprehensive income</b>	<b>10.5</b>	<b>11.6</b>	<b>0.0</b>	<b>0.0</b>

The Group's non-material joint arrangements are Assurance, Ecureuil Vie Développement, Filassistance International and Wiz Soluções e Corretagem de Seguros S.A.

#### 4.11. Information relating to entities accounted for using the equity method

##### 4.11.1. Summary financial information on a 100% basis

(In € millions)	31.12.2020			
	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances	25,611.0	118.5	840.0	0.9
Assurance	23.3	22.9	0.0	1.5
Ecureuil Vie Développement	20.7	0.4	0.0	0.0
Filassistance International	76.0	38.4	49.2	6.7
Holding d'Infrastructures Gazières	1,465.4	785.6	0.0	77.0
Wiz Soluções e Corretagem de Seguros S.A.	147.5	67.2	113.6	40.3

(In € millions)	31.12.2019			
	Total assets	Equity	Premium income	Profit/(Loss)
Arial CNP Assurances	23,952.8	117.4	2,149.0	2.0
Assuristance	21.8	21.4	0.0	(0.1)
Ecureuil Vie Développement	19.7	0.4	0.0	0.0
Filassistance International	67.4	32.8	47.7	5.2
Holding d'Infrastructures Gazières	1,310.6	716.7	0.0	61.2
Wiz Soluções e Corretagem de Seguros S.A.	145.9	65.8	125.6	50.2

#### 4.11.2. Investments accounted for using the equity method

(In € millions)	31.12.2020	31.12.2019
<b>At 1 January</b>	<b>487.8</b>	<b>516.9</b>
Increase in investment	0.0	0.0
Newly-consolidated companies	0.0	0.0
Increase in capital	54.4	0.0
Share of profit of equity-accounted companies	51.8	44.5
Share in identifiable net assets	(14.6)	(15.4)
Other movements	(12.4)	0.0
Dividends received	(40.4)	(58.2)
<b>At 31 December</b>	<b>526.6</b>	<b>487.8</b>

# ANALYSIS OF THE MAIN COMPONENTS OF THE BALANCE SHEET

## Note 5 Equity

### Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, adjustments to the capitalisation reserve and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (see Note 5.5).

### Capital management

Under European insurance directives, the Group is required to comply with certain Minimum Capital Requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at the consolidated level.

At 31 December 2020, the insurance subsidiaries and the Group as a whole complied with these minimum Solvency Capital Requirements.

Compliance with these requirements is regularly monitored, primarily through the Own Risk and Solvency Assessments (ORSA) conducted at Group level and at the level of the insurance subsidiaries in accordance with Solvency II. This information and the solvency capital calculations are reported to France's insurance supervisor (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*).

### Treasury shares

The Group may acquire treasury shares via the liquidity contract set up for the purpose of stabilising the CNP Assurances share price or shares under employee share grant plans (see Note 13.3.2). Treasury shares are recorded as a deduction from equity in the IFRS accounts.

### 5.1. Ownership structure

Shareholder	Number of shares	% interest
La Banque Postale <sup>(1)</sup>	431,489,340	62.84%
BPCE	110,590,585	16.11%
<b>Total shares held in concert</b>	<b>542,079,925</b>	<b>78.95%</b>
Private investors	144,538,552	21.05%
of which: CNP Assurances (treasury shares) *	497,753	0.07%
<b>TOTAL</b>	<b>686,618,477</b>	<b>100.00%</b>

<sup>(1)</sup> 42.70%-owned directly and 20.15%-owned indirectly through the SF2 holding company.

\* The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the draft resolutions submitted to the CNP Assurances Annual General Meeting included in the Universal Registration Document for the prior year.

## 5.2. Number of shares

Issued capital	Ordinary shares	
	31.12.2020	31.12.2019
Number of shares outstanding at the beginning of the period	686,618,477	686,618,477
Shares issued during the period	0	0
<b>Number of shares outstanding at the end of the period</b>	<b>686,618,477</b>	<b>686,618,477</b>

## 5.3. 2020 dividends

The recommended 2020 dividend amounts to €XXX per share, representing a total payout of €XXX million.

In accordance with French government guidelines on the matter, at its meeting on 30 March 2020, the Board of Directors decided to modify the agenda of the Annual General Meeting on 17 April 2020 in order to propose appropriating the total profit for 2019 to retained earnings and to waive the payment of a dividend.

The appropriation of the total profit for 2019 to retained earnings was approved by the Annual General Meeting on 17 April 2020.

## 5.4. Basic and diluted earnings per share

(In € millions)	31.12.2020	31.12.2019
Profit attributable to owners of the parent	1,350.0	1,411.7
Charge on deeply-subordinated notes, net of tax	(41.8)	(49.6)
<b>Profit attributable to ordinary shares</b>	<b>1,308.2</b>	<b>1,362.1</b>
Number of ordinary shares at 1 January	686,618,477.0	686,618,477.0
New shares (weighted number)	0.0	0.0
<b>Weighted average number of shares at end of reporting period</b>	<b>686,618,477.0</b>	<b>686,618,477.0</b>
Treasury shares	(667,390.4)	(453,391.2)
<b>Weighted average number of shares at end of reporting period</b>	<b>685,951,086.6</b>	<b>686,165,085.8</b>
Impact of instruments with a potential dilution impact	0.0	0.0
<b>Diluted profit attributable to ordinary shares (in euros per share)</b>	<b>1.91</b>	<b>1.99</b>

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the reporting period.

### 5.5. Undated subordinated notes reclassified in equity

Subordinated notes for which the contractual clauses do not stipulate any obligation to repay the nominal amount or pay any compensation are classified as equity instruments. All other dated and undated debt instruments, especially those with a repayment schedule, are classified as financing liabilities in accordance with IAS 32.

		31.12.2020		
(In € millions)	Issuance date	Interest rate	Currency	Amount
<b>Subordinated notes (attributable to owners of the parent)</b>				<b>1,881.3</b>
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	€	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	€	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including 100 bp step-up at call date)	€	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	€	108.0
	November 2014	4% until November 2024, then reset at the 5-year fixed swap rate +410 bp	€	493.6
	June 2018	4% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	€	496.0
<b>TOTAL</b>				<b>1,881.3</b>

		31.12.2019		
(In € millions)	Issuance date	Interest rate	Currency	Amount
<b>Subordinated notes (attributable to owners of the parent)</b>				<b>1,881.3</b>
CNP Assurances	June 2004	Tec 10 +10 bp, capped at 9%	€	300.0
	March 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	23.8
	June 2005	7% until June 2010, then 10-year CMS +30 bp	€	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bp (including 100 bp step-up at call date)	€	160.0
	December 2006	3-month Euribor +95 bp until 20 December 2026, then 3-month Euribor +195 bp	€	108.0
	November 2014	4% until November 2024, then reset at the 5-year fixed swap rate +410 bp	€	493.6
	June 2018	4% until 2028 then reset at the 5-year fixed swap rate +391.4 bp	€	496.0
<b>TOTAL</b>				<b>1,881.3</b>

## Note 6 Intangible assets

### 6.1. Intangible assets by category

(In € millions)	31.12.2020				
	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	597.1	0.0	(408.2)	0.0	188.9
Value of In-Force business	325.6	(154.6)	(158.8)	0.0	12.2
Distribution agreements	3,434.2	(118.1)	0.0	0.0	3,316.1
Software	379.1	(267.7)	0.0	0.0	111.4
Internally-developed software	155.6	(95.0)	0.0	0.0	60.6
Other software	223.6	(172.7)	0.0	0.0	50.8
Other	22.1	(13.2)	(0.1)	0.0	8.8
<b>TOTAL</b>	<b>4,758.2</b>	<b>(553.6)</b>	<b>(567.1)</b>	<b>0.0</b>	<b>3,637.5</b>

(In € millions)	31.12.2019				
	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	644.3	0.0	(414.4)	0.0	229.9
Value of In-Force business	345.3	(170.1)	(158.8)	0.0	16.4
Distribution agreements	389.8	(99.2)	0.0	0.0	290.6
Software	430.5	(300.9)	0.0	0.0	129.6
Internally-developed software	176.8	(124.8)	0.0	0.0	52.0
Other software	253.8	(176.1)	0.0	0.0	77.7
Other	19.1	(12.6)	(0.1)	0.0	6.4
<b>TOTAL</b>	<b>1,829.0</b>	<b>(582.8)</b>	<b>(573.3)</b>	<b>0.0</b>	<b>672.9</b>

### 6.2. Goodwill

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of the corresponding identifiable assets and liabilities. Negative goodwill is recognised directly in profit or loss.

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full consolidation method;
- included in investments accounted for using the equity method when it arises on the acquisition of an entity accounted for using the equity method;
- recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of an international entity (outside the Eurozone).

For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies developed within the scope of the business combination resulting from the acquisition. A CGU is defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Group identifies CGUs by entity or group of similar entities.

When goodwill is positive, it is stated in the balance sheet at cost less any accumulated impairment losses. It is no longer amortised but tested for impairment:

- each year on the same date, usually close to the reporting date; or

- more frequently if events or changing market conditions indicate that it may be impaired since it was last tested for impairment; or
- at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

An impairment loss is recognised if the recoverable amount of the CGU to which the goodwill has been allocated is less than its carrying amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

The Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future revenues from existing portfolios and new business. Projected future revenues are estimated by taking the embedded Value of In-Force insurance policies and financial instruments, and the Value of New Business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current agreements, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the weighted average cost of capital. The terminal values of subsidiaries do not assume growth to infinity.

### 6.2.1. Goodwill by company

(In € millions)	Original goodwill	Net goodwill at 31.12.2020	Net goodwill at 31.12.2019
Groupe Caixa Seguros	389.9	99.7	140.7
CNP UniCredit Vita	366.5	0.0	0.0
CNP Partners	7.2	0.0	0.0
CNP Cyprus Insurance holdings	81.6	34.8	34.8
CNP Santander Insurance	54.4	54.4	54.4
<b>TOTAL</b>	<b>899.6</b>	<b>188.9</b>	<b>229.9</b>

#### Caixa Seguros Group

Expected future cash flows have been calculated at 31 December 2020 based on projections in the 2021-2030 business plan, restated at zero for the period post-31 December 2020 for the life and consumer credit life insurance and private pension plan business lines (*vida, prestamista, previdência*) that are covered by a specific new distribution agreement for which the upfront payment was not taken into account in the calculation presented here.

#### CNP Cyprus Insurance Holdings

Expected future cash flows from the Life business have been calculated at 31 December 2020 based on projections in the 2021-2025 business plan, extrapolated over the period to 2030 using a 5% growth rate for individual life insurance premiums, 3% for group life insurance, 4.3% for accident/health insurance and 0% for term creditor insurance.

For the Non-Life business, projections have been extrapolated using a stable annual growth rate of 4%.

#### CNP Santander Insurance

Expected future cash flows have been calculated at 31 December 2020 based on projections in the 2021-2025 business plan, extrapolated over the period to the end of the shareholder agreement (2034) using a constant growth rate. The CNP Santander Insurance acquisition agreement includes an earn-out/earn-in clause based on the performance of the three entities included in the deal. The potential effect of applying this clause was not taken into account during the initial purchase price allocation.

For the above three entities, growth assumptions cover a period of 10 years or the duration of the partnership agreement, whichever is longer. The discount rate is calculated based on the local 10-year government bond rate net of tax plus a risk premium of 5%. The 2020 discount rate is below that applied in 2019 (6.5%). Sensitivity tests have



been performed to assess the effect of a 10% decline in business volume and increases of 2% and 4% in the risk premium.

At 31 December 2020, the recoverable amount of goodwill, as determined using the above assumptions, was greater than its carrying amount and no impairment loss was recognised.

#### *Changes in goodwill for the period*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Carrying amount at the beginning of the period</b>	<b>229.9</b>	<b>253.7</b>
Goodwill recognised during the period	0.0	0.0
Adjustments to provisional accounting	0.0	0.0
Translation adjustment on gross goodwill *	(41.0)	(2.1)
Other movements	0.0	0.0
Impairment losses recognised during the period	0.0	(21.7)
Translation adjustment on movements during the period	0.0	0.0
<b>Carrying amount at the end of the period</b>	<b>188.9</b>	<b>229.9</b>

\* Translation adjustments on gross goodwill concern the Brazilian companies Caixa Seguradora and Previsul.

### *6.3. Value of In-Force business and distribution agreements*

The fair value of insurance contracts and financial instruments with a discretionary participation feature acquired in a business combination or a separate transaction is split into two components, as follows:

- a liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature;
- an intangible asset ("Value of In-Force business") representing the difference between the fair value of these contracts and the amount described above.

The Value of In-Force business corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

The value of a distribution agreement represents the future cash flows expected to result from new business relating to a partner network falling within the scope of such an agreement. These intangible assets are estimated based on the terms and conditions specific to each agreement, and are amortised over the term of the agreement taking into account a residual value where appropriate.

#### *6.3.1. Value of In-Force business*

<i>(In € millions)</i>	<i>Original value</i>	<b>Carrying amount at 31.12.2020</b>	<b>Carrying amount at 31.12.2019</b>
Groupe Caixa Seguros	123.5	1.2	2.1
CNP UniCredit Vita	175.3	0.0	0.0
CNP Partners	24.0	2.3	4.0
CNP Assurances Compañía de Seguros	0.9	0.0	0.0
CNP Cyprus Insurance holdings	44.4	8.0	8.8
MFPprevoyance SA	8.3	0.0	0.0
CNP Santander Insurance	14.7	0.8	1.5
<b>TOTAL</b>	<b>391.0</b>	<b>12.2</b>	<b>16.4</b>

*6.3.2. Changes in the value of In-Force business*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Gross amount at the beginning of the period</b>	<b>345.3</b>	<b>344.6</b>
Newly-consolidated companies	0.0	0.0
Translation adjustments	(19.6)	(1.1)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	0.0	1.8
<b>Gross amount at the end of the period</b>	<b>325.6</b>	<b>345.3</b>
Accumulated amortisation and impairment at the beginning of the period	(328.9)	(325.8)
Translation adjustments	19.1	1.1
Amortisation for the period	(3.6)	(4.2)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Other movements	0.0	0.0
<b>Accumulated amortisation and impairment at the end of the period</b>	<b>(313.4)</b>	<b>(328.9)</b>
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>12.2</b>	<b>16.4</b>

*6.3.3. Carrying amount of distribution agreements*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Carrying amount at the beginning of the period</b>	<b>290.6</b>	<b>310.3</b>
Acquisitions for the period	3,045.2	0.0
Amortisation for the period	(19.6)	(19.7)
Impairment losses recognised during the period	0.0	0.0
Translation adjustments	(0.1)	(0.0)
Other movements	0.0	0.0
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>3,316.1</b>	<b>290.6</b>

The acquisition for the period corresponds to the new agreement with Caixa Econômica Federal (CEF) for the distribution in Brazil of life insurance, consumer credit life insurance and private pension plans (see Note 1). For recognition purposes, the distribution agreements have been valued at €3,045 million, of which €1,218 million is attributable to the Group. The intangible asset is being amortised by the straight-line method over the life of the agreement, i.e., 25 years.

In accordance with IFRS, at the end of each reporting period, the Group will assess whether there is any indication that the asset may be impaired. If any such indication exists, the asset's estimated recoverable amount will be calculated.

#### 6.4. Software and other intangible assets

Purchased software licences are recognised as an intangible asset at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable internal and external costs of developing software for internal use, integrating business applications and evolutive maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset and comply with the other provisions of IAS 38. Costs that do not fulfil the criteria for recognition as an asset are recorded in expenses for the period.

Software licences and development costs are generally amortised over periods of between five and eight years.

##### 6.4.1. Internally-developed software

(In € millions)	31.12.2020	31.12.2019
<b>Carrying amount at the beginning of the period</b>	<b>52.0</b>	<b>59.9</b>
Acquisitions for the period	25.2	24.7
Amortisation for the period	(11.8)	(14.4)
Disposals for the period *	(4.8)	(18.2)
Translation adjustments	0.0	0.0
Other movements	0.0	0.0
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>60.6</b>	<b>52.0</b>

\* Disposals also include assets scrapped during the year.

##### 6.4.2. Other software and other intangible assets

(In € millions)	31.12.2020	31.12.2019
<b>Carrying amount at the beginning of the period</b>	<b>84.0</b>	<b>89.5</b>
Newly-consolidated companies	16.5	30.1
Amortisation for the period	(20.6)	(40.9)
Disposals for the period *	(7.3)	9.0
Translation adjustments	(17.1)	(1.3)
Other movements	4.2	(2.4)
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>59.7</b>	<b>84.0</b>

\* Disposals also include assets scrapped during the year.

## Note 7 Owner-occupied property and other property and equipment

The Group has elected to measure owner-occupied property using the cost model, as allowed by IAS 16.

Under the cost model, properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs are included in the cost of the asset when they are directly attributable to acquisition or construction and are expensed once the building is in use.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:

- land;
- shell and roof structure;
- facades and roofing;
- fixtures;
- technical installations.

Maintenance costs are added to the cost of the part of the property to which they relate when it is probable that they will generate future economic benefits and they can be measured reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

### Depreciation

Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.

Due to the difficulty of reliably determining the residual value of property, investment and owner-occupied properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land which is not depreciated. These periods are as follows:

- shell: 50 years;
- facades and roofing: 30 years, except for warehouses, factories, shopping centres and cinemas: 20 years;
- technical installations: 20 years;
- fixtures: 10 years.

### Impairment

In accordance with IAS 36, owner-occupied properties are tested for impairment at the level of the cash-generating unit to which they belong and are therefore excluded from the scope of impairment tests on investment property.

### Equipment

Equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

Owner-occupied property (In € millions)	31.12.2020	31.12.2019
<b>Carrying amount at the beginning of the period</b>	<b>118.6</b>	<b>263.4</b>
Acquisitions	0.5	4.7
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals*	0.0	(149.0)
Depreciation for the period	(3.4)	(4.5)
Impairment losses recognised during the period	0.0	(0.4)
Impairment losses reversed during the period	0.2	0.2
Translation adjustments	(12.8)	(0.8)
Other movements	0.3	5.0
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>103.5</b>	<b>118.6</b>

\* In 2019 disposals included the sale of the headquarters building.

Other property and equipment (In € millions)	31.12.2020	31.12.2019
<b>Carrying amount at the beginning of the period</b>	<b>56.8</b>	<b>47.6</b>
Acquisitions for the period	26.6	49.1
Depreciation for the period	(20.4)	(26.5)
Disposals for the period	(6.0)	(13.7)
Translation adjustments	(3.2)	(0.2)
Other movements	(4.9)	0.5
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>48.9</b>	<b>56.8</b>

## Note 8 Insurance investments

### Classification

Financial assets are allocated among the following four categories, based on the type of portfolio, the type of financial assets, the specific features of certain financial assets and prioritised application of the criteria defining each category:

- financial assets at fair value through profit or loss, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit or loss in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by the Group's Brazilian subsidiary;
- loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale;
- available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

### Recognition

Financial assets are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit or loss.

### Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

### Valuation method

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently measured at fair value.

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with a discretionary participation feature (DPF) (in accordance with the shadow accounting principle, see Note 9.2) and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit or loss are recognised directly in profit or loss, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, see Note 9.2) and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Commissions and fees paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

Mutual funds and non-trading property companies are fully consolidated (in accordance with IFRS 10) or accounted for by the equity method (in accordance with IAS 28). The level of control of mutual funds is assessed separately for each fund based on the following criteria:

- the relationship between the principal and the agent;
- the Group's power over the fund manager;
- the Group's exposure to variable returns, as assessed by applying a specific threshold.

Non-controlling interests in fully consolidated mutual funds are reported on a separate line of the consolidated balance sheet, “Liabilities towards holders of units in controlled mutual funds”. Units in mutual funds are measured using the fund’s most recently published net asset value. The underlying financial assets are reported in the consolidated balance sheet under “Insurance investments” based on their contribution to the fund’s net asset value.

The fair value of financial instruments for which there is no active market is estimated using a valuation technique. Valuation techniques include using recent arm’s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

## **Impairment**

Financial assets other than those measured at fair value through profit or loss are tested for impairment at each reporting date. A financial asset has been impaired if there is objective evidence of impairment based on one or a number of events whose impact on the asset’s estimated future cash flows may be reliably determined.

### ***Assets measured at amortised cost and debt instruments available for sale***

For debt instruments held to maturity or available for sale, an impairment loss related to their fair value is recognised in the income statement if future cash flows are unlikely to be entirely recoverable due to the existence of one or more objective indicators of impairment.

However, downgrading by a rating agency or widening credit spreads do not in themselves constitute objective evidence of impairment. One or a combination of the following factors would constitute objective evidence of impairment:

- a credit event as defined by the International Swaps and Derivatives Association (ISDA), namely bankruptcy of the entity in question, failure to pay, or a reorganisation;
- knowledge of material financial difficulties being experienced by the counterparty that amount to a recognised risk, even in instances where the counterparty has not actually defaulted;
- the existence of certain facilities that would not have been granted to the counterparty in the absence of financial difficulties.

### ***Available-for-sale equity instruments***

At each reporting date, available-for-sale equity instruments are reviewed to determine whether there is any objective evidence that they are impaired. This is considered to be the case when there is:

- a prolonged decline in fair value: the market price is less than the average carrying amount over the three years preceding the reporting date; or
- a significant decline in fair value: the market price at the reporting date represents less than 50% of the average carrying amount.

When objective evidence of impairment is detected, the cumulative unrealised loss previously recorded directly in equity is recognised in profit or loss.

Moreover, in all cases where these thresholds have not been exceeded but the market price represents less than 70% of the average carrying amount over the previous six months, the Group systematically tests all equity instruments on an asset-by-asset basis to ascertain whether or not an impairment loss needs to be recognised.

This approach is based on both the materiality of the decline in fair value and the intrinsic underlying features of the valuation for each asset.

Any subsequent decline in fair value is recognised in profit or loss as an impairment expense.

A similar method is employed for unlisted variable-income securities.



## Reversals of impairment losses

### **Available-for-sale financial assets**

Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit or loss when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new circumstances, e.g., an improvement in the counterparty's credit rating, the impairment loss is reversed in profit or loss.

### **Loans and receivables, held-to-maturity investments**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The impairment loss is reversed in profit or loss.

### **Structured entities**

CNP Assurances' business involves investing in different types of financial assets both in policyholder and own-fund portfolios as part of asset allocation and financial risk diversification strategies.

Under IFRS 12, structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. In the Group's case, mutual funds and asset-backed security funds fulfil the criteria for classification as structured entities.

Details of CNP Assurances' investments in non-consolidated structured entities are disclosed in Note 8.2.4 of the annual financial statements, in compliance with paragraph 26 of IFRS 12 (*"An entity shall disclose qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed."*)

## **8.1. Investment property**

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The Group has elected to measure investment property using the cost model (see Note 7 for details), as allowed by IAS 40, except for properties held in unit-linked portfolios which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the ACPR. In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

## **Impairment**

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the building concerned.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the Group's entire property portfolio.

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit or loss in respect of property and the captions impacted by the movements.

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- a reconciliation of the carrying amounts of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of an international transaction into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes;
- the fair value of investment properties held in unit-linked portfolios.

Carrying amount of investment property (In € millions)	31.12.2020	31.12.2019
<b>Investment property measured by the cost model</b>		
Gross value	961.2	982.2
Accumulated depreciation	(251.4)	(243.2)
Accumulated impairment losses	(4.0)	(4.6)
<b>Carrying amount</b>	<b>705.7</b>	<b>734.4</b>
<b>Investment property measured by the fair value model</b>		
Gross value	1,705.2	1,580.8
<b>TOTAL INVESTMENT PROPERTY</b>	<b>2,411.0</b>	<b>2,315.3</b>

Investment property at amortised cost (In € millions)	31.12.2020	31.12.2019
<b>Valeur nette comptable à l'ouverture</b>	<b>734.4</b>	<b>1,029.8</b>
Acquisitions	16.5	38.6
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(16.3)	(27.2)
Depreciation for the period	(21.8)	(26.7)
Impairment losses recognised during the period	(0.2)	(1.2)
Impairment losses reversed during the period	0.8	0.8
Translation adjustments	(8.1)	(0.6)
Other movements	0.4	(279.0)
<b>CARRYING AMOUNT AT THE END OF THE PERIOD</b>	<b>705.7</b>	<b>734.4</b>

Investment property measured by the fair value model (In € millions)	31.12.2020	31.12.2019
<b>Carrying amount at the beginning of the period</b>	<b>1,580.8</b>	<b>1,510.2</b>
Acquisitions	171.4	188.5
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(12.8)	(56.6)
Net gains arising from remeasurement at fair value	(29.7)	(21.7)
Translation adjustments	0.0	0.2
Other movements	(4.5)	(39.8)
<b>VALEUR NETTE COMPTABLE À LA CLÔTURE</b>	<b>1,705.2</b>	<b>1,580.8</b>

As explained in the description of significant accounting policies, investment properties backing linked liabilities are measured at fair value, while other investment properties are measured using the cost model.

Draft

## 8.2. Investments by category

The following tables show the fair value of securities held by the Group, by category and intended holding period.

### 8.2.1. Investments at 31 December 2020

(In € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
<b>Assets at fair value through profit or loss</b>	Fixed-rate bonds					11,405.5	
	Variable-rate bonds					21,433.0	
	TCNs (money market securities)					1,007.6	
	Equities					5,616.5	
	Investment funds					46,624.2	
	Shares in non-trading property companies					1,725.5	
	Other (including lent securities and repos)					3,120.9	
	<b>Total</b>					<b>90,933.2</b>	
<b>Derivative instruments</b>	Derivative instruments (positive fair value)					530.6	
	Derivative instruments (negative fair value)					(912.3)	
	<b>Total</b>					<b>(381.7)</b>	
<b>Available-for-sale financial assets</b>	Fixed-rate bonds	158,525.5	2,404.4	(5.9)	15,397.9	176,321.9	
	Variable-rate bonds	16,480.8	644.9	(16.1)	1,907.9	19,017.4	
	TCNs (money market securities)	4,155.5	0.0	0.0	(5.4)	4,150.1	
	Equities	12,911.1	0.0	(1,940.8)	6,987.7	17,958.0	
	Investment funds	48,079.5	0.0	(422.2)	4,392.8	52,050.2	
	Shares in non-trading property companies	8,369.5	0.0	(456.7)	3,200.2	11,113.0	
	Non-voting loan stock	369.1	0.0	(5.8)	39.2	402.5	
	Other (including lent securities and repos)	23,054.5	(706.5)	0.0	2,343.8	24,691.7	
	<b>Total</b>	<b>271,945.5</b>	<b>2,342.7</b>	<b>(2,847.4)</b>	<b>34,264.1</b>	<b>305,704.9</b>	
<b>Held-to-maturity investments</b>	Fixed-rate bonds	21.4				21.4	0.0
	Variable-rate bonds	123.2				123.2	19.6
	Other (including lent securities and repos)	0.0				0.0	0.0
	<b>Total</b>	<b>144.6</b>				<b>144.6</b>	<b>19.6</b>
<b>Loans and receivables</b>	Loans and receivables	5,140.2		(17.1)		5,123.1	0.0
	<b>Total</b>	<b>5,140.2</b>		<b>(17.1)</b>		<b>5,123.1</b>	<b>0.0</b>
<b>Investment property</b>	Investment property at amortised cost	961.2	(251.4)	(4.0)	0.0	705.7	1,027.5
	Investment property measured by the fair value model	1,705.2	0.0			1,705.2	0.0
	<b>Total</b>	<b>2,666.4</b>	<b>(251.4)</b>	<b>(4.0)</b>	<b>0.0</b>	<b>2,411.0</b>	<b>1,027.5</b>
<b>TOTAL</b>				<b>(2,868.5)</b>	<b>34,264.1</b>	<b>403,935.0</b>	<b>1,047.1</b>

**Traditional savings and unit-linked portfolios at fair value through profit or loss at 31 December 2020**

<i>(In € millions)</i>	Carrying amount		Total
	Unit-linked	Traditional savings	
Fixed-rate bonds	6,426.1	4,979.4	11,405.5
Variable-rate bonds	14,995.5	6,437.4	21,433.0
TCNs (money market securities)	0.0	1,007.6	1,007.6
Equities	1,052.8	4,563.7	5,616.5
Investment funds	38,122.6	8,501.6	46,624.2
Shares in non-trading property companies and investment property <sup>(1)</sup>	3,389.6	41.1	3,430.7
Other	3,018.4	102.5	3,120.9
<b>TOTAL</b>	<b>67,005.0</b>	<b>25,633.4</b>	<b>92,638.4</b>

<sup>(1)</sup> Investment properties and shares in non-trading property companies are reported together in an amount of €1,705.2 million.

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

## 8.2.2. Investments at 31 December 2019

(In € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Plus ou moins-values nettes latentes
<b>Assets at fair value through profit or loss</b>	Fixed-rate bonds					14,853.9	
	Variable-rate bonds					23,278.7	
	TCNs (money market securities)					667.7	
	Equities					5,432.7	
	Investment funds					43,653.9	
	Shares in non-trading property companies					1,515.2	
	Other (including lent securities and repos)					3,367.7	
	<b>Total</b>					<b>92,769.8</b>	
<b>Derivative instruments</b>	Derivative instruments (positive fair value)					525.9	
	Derivative instruments (negative fair value)					(1,132.0)	
	<b>Total</b>					<b>(606.1)</b>	
<b>Available-for-sale financial assets</b>	Fixed-rate bonds	162,306.9	2,214.5	(5.4)	13,536.3	178,052.2	
	Variable-rate bonds	16,988.3	733.9	(17.0)	1,940.4	19,645.5	
	TCNs (money market securities)	3,680.8	0.0	0.0	(3.1)	3,677.7	
	Equities	12,692.7	0.0	(2,105.7)	7,803.2	18,390.2	
	Investment funds	45,154.9	0.0	(331.6)	3,650.3	48,473.6	
	Shares in non-trading property companies	7,496.2	0.0	(358.7)	3,191.8	10,329.4	
	Non-voting loan stock	42.3	0.0	(5.1)	23.3	60.5	
	Other (including lent securities and repos)	23,099.1	(572.2)	(23.3)	2,121.8	24,625.3	
	<b>Total</b>	<b>271,461.2</b>	<b>2,376.1</b>	<b>(2,846.7)</b>	<b>32,263.9</b>	<b>303,254.4</b>	
<b>Held-to-maturity investments</b>	Fixed-rate bonds	29.4				29.4	2.3
	Variable-rate bonds	183.5				183.5	34.8
	Other (including lent securities and repos)	23.6				23.6	0.6
	<b>Total</b>	<b>236.5</b>				<b>236.5</b>	<b>37.7</b>
<b>Loans and receivables</b>	Loans and receivables	4,715.7		(17.1)		4,698.5	0.0
	<b>Total</b>	<b>4,715.7</b>		<b>(17.1)</b>		<b>4,698.5</b>	<b>0.0</b>
<b>Investment property</b>	Investment property at amortised cost	982.2	(243.2)	(4.6)	0.0	734.4	1,034.2
	Investment property measured by the fair value model	1,580.8	0.0			1,580.8	0.0
	<b>Total</b>	<b>2,563.0</b>	<b>(243.2)</b>	<b>(4.6)</b>	<b>0.0</b>	<b>2,315.3</b>	<b>1,034.2</b>
<b>TOTAL</b>				<b>(2,868.4)</b>	<b>32,263.9</b>	<b>402,668.4</b>	<b>1,071.9</b>

## Traditional savings and unit-linked portfolios at fair value through profit or loss at 31 December 2019

(In € millions)	Carrying amount		Total
	Unit-linked	Traditional savings	
Fixed-rate bonds	9,050.7	5,803.2	14,853.9
Variable-rate bonds	14,897.0	8,381.7	23,278.7
TCNs (money market securities)	30.6	637.1	667.7
Equities	842.6	4,590.0	5,432.7
Investment funds	35,010.4	8,643.5	43,653.9
Shares in non-trading property companies and investment property (*)	3,054.6	41.4	3,096.1
Other	3,048.9	318.8	3,367.7
<b>TOTAL</b>	<b>65,934.8</b>	<b>28,415.8</b>	<b>94,350.6</b>

(1) Investment properties and shares in non-trading property companies are reported together in an amount of €1,580.8 million.

Derivative instruments with a positive fair value are recorded as assets and those with a negative fair value are recorded as liabilities.

*8.2.3. Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 8.2.1 and 8.2.2*

<i>(In € millions)</i>	31.12.2020	31.12.2019
Analysis of investments	403,935.0	402,668.4
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(912.3)	(1,132.0)
Balance sheet – Assets – Insurance investments	404,847.3	403,800.4
<b>VARIANCE</b>	<b>0.0</b>	<b>(0.0)</b>

*8.2.4. Non-consolidated structured entities*

*8.2.4.1. Non-consolidated structured entities at 31 December 2020*

<i>(In € millions)</i>	Securitisation vehicles and asset-backed financings (excluding unit-linked)					
	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period
Securities held for trading	10,806.3	71.2	190.3	3.7	0.0	0.0
Financial assets designated on initial recognition as being at fair value through profit or loss	3.6	(5.1)	1.0	(0.3)	35,835.2	545.6
Available-for-sale financial assets	47,365.2	74.3	4,890.6	60.2	2.6	0.0
<b>Total assets</b>	<b>58,175.2</b>	<b>140.4</b>	<b>5,081.8</b>	<b>63.7</b>	<b>35,837.8</b>	<b>545.6</b>

*8.2.4.2. Non-consolidated structured entities at 31 December 2019*

<i>(In € millions)</i> <i>Pro forma</i>	Securitisation vehicles and asset-backed financings (excluding unit-linked)					
	Investment funds (excluding unit-linked)		Securitisation vehicles and asset-backed financings (excluding unit-linked)		Structured entities held in unit-linked portfolios	
	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period	Carrying amount	Gains/losses over the period
Securities held for trading	11,081.3	187.7	340.3	1.0	0.0	0.0
Financial assets designated on initial recognition as being at fair value through profit or loss	9.9	(0.5)	2.2	(0.1)	32,575.8	3,550.1
Available-for-sale financial assets	44,580.9	913.0	4,047.2	80.5	0.0	0.0
<b>Total assets</b>	<b>55,672.1</b>	<b>1,100.1</b>	<b>4,389.7</b>	<b>81.4</b>	<b>32,575.8</b>	<b>3,550.1</b>



### *8.3. Measurement of assets recognised at fair value*

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis. The main criteria used in determining whether or not a market is active is how recent the quoted prices actually are as well as the liquidity of the securities traded. The market in question will be considered inactive if one or more of the following indicators is observed: a sharp fall in the number of transactions, a major increase in settlement costs or volatility, or a rapid widening in Z-spreads.

In the case of financial instruments whose price is not quoted in an active market (i.e., no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products), fair value prices are estimated using valuation techniques. These are based on:

- prices not freely available provided upon demand by the arrangers or pricing services, or prices provided by an external agency that are freely available but where the market on which the assets are traded is not always active;
- internal models that maximise the use of observable market data to measure financial assets.

#### **Structured product valuation principles**

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs, and hedging costs and risks.

The valuation techniques used:

- make maximum use of market inputs;
- incorporate all factors that market participants would consider in setting a price; and
- are consistent with accepted economic methodologies for pricing financial instruments.

The prices established by the counterparties are obtained in principle every month, in particular following the signature of a liquidity letter. The valuations communicated by the counterparties correspond to an economic value of the securities.

The CNP Assurances Group verifies the reliability of these data from an evaluation whenever possible (estimated future cash flows for example) or questions counterparties as to the methodologies used if necessary. The values of the counterparties examined so far have been confirmed by the CNP Assurances Group, which ensures both the quality of the counterparty valuation methods and the quality of the ratings of the issues and the absence of a credit incident.

### Fair value hierarchies

Financial instruments are classified in three categories based on the fair value hierarchy, as follows:

**Level 1:** financial instruments measured using quoted prices in active markets.

The fair value of most financial instruments held by the Group is determined based on the quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. The active market for such transactions is the market in which the most recent prices were quoted along with the largest volumes of transactions. The following financial assets are measured at their quoted market price:

- equities, measured on the basis of quoted prices on their reference market;
- mutual fund units, measured at their net asset value;
- bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows), taking into account liquidity factors in the choice of market;
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivatives listed on an organised market.

**Level 2:** financial instruments measured by standard valuation techniques using mainly observable inputs.

These include:

- certain structured products measured using an internal model and mainly market parameters.
- derivative instruments purchased over-the-counter that are measured using an internal model and mainly market parameters;
- TCN money-market securities other than BTANs that are no longer listed and are measured based on the zero coupon price curve plus a spread;
- investment property measured based on prices recorded for similar recent transactions or the rental value of equivalent-type properties;
- any other over-the-counter financial instruments.

Structured products held by the Group consist of financial instruments for which income is indexed to indices, baskets of equities, hedge funds, interest rates and credits. They may also comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group uses valuations of its complex products prepared internally, or by an external valuer, acting as a delegate. They include structured products and derivative instruments used for hedging purposes. Due to their complexity, the valuation process involves using sophisticated models and methods, generally based on a probabilistic approach.

Overall, these two product categories are valued using market models and the market data required for each model at the calculation date (see table below).

<u>Structured products</u>	<u>Models/Methods</u>
Interest-rate linked structured notes	4-Factor Libor Market Model (LMM) Hybrid Equity Black-FX Model Hull-White 1-Factor Model
Equity linked structured notes	Dupire model Heston model Dupire hybrid equation - Hull-White 1-Factor Model
Inflation-indexed complex structured products	Jarrow-Yildirim model

<u>Asset class</u>	<u>Financial instruments</u>	<u>Models/Methods</u>
Inflation derivatives	Inflation swaps	Future cash flows discounted using bi-curve model
	Swaps with an embedded option	Black model
	Caps/floors	SABR smile model Hull-White One-Factor Model (stochastic volatility) CMS replication
Inflation derivatives	Swap inflation	Black model SABR smile model
Credit derivatives	CDS options	Black-Scholes formula (Markit volatilities)
Equity derivatives	Floors	Heston model calibrated across the SX5E's entire implicit volatility surface and Black-Scholes using historical volatility for the EMTXGC and QW1M funds
	CAC and SX5E puts	Black-Scholes model with volatility surface developed based on option prices quoted on Bloomberg
JPY swaps (with currency option at each swaplet)	JPY swaps (with currency option at each swaplet)	FX Basket (FXBA) model with Black-Scholes (Reuters volatilities)
Funds	Fund options (Quattro)	Black Basket model with historical volatility

**Level 3:** financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date.

This category includes CNP Assurances' investments in unlisted companies and certain asset-backed securities. Unlisted securities are measured using information not available on an active market. The main valuation techniques are the market multiples method, comparisons with recent market transactions and the discounted dividends method, corresponding to the techniques commonly used to manage these instruments.

In addition, some complex structured securities and for which valuation is obtained through the counterparty are classified in this category.

## 8.3.1. Valuation methods at 31 December 2020

(In € millions)	Category 1 : last available quotation of assets quoted in an active market	Category 2 : estimated market value using valuation model based on observable market inputs	Category 3 : estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss *	81,123.1	8,236.9	2,103.7	91,463.8
Available-for-sale financial assets	276,752.5	17,946.5	11,005.9	305,704.9
<b>TOTAL FINANCIAL ASSETS</b>	<b>357,875.6</b>	<b>26,183.4</b>	<b>13,109.6</b>	<b>397,168.6</b>
Investment property at amortised cost	0.0	1,733.3	0.0	1,733.3
Investment property measured by the fair value model	0.0	1,705.2	0.0	1,705.2
<b>TOTAL INVESTMENT PROPERTY</b>	<b>0.0</b>	<b>3,438.5</b>	<b>0.0</b>	<b>3,438.5</b>
Financial liabilities at fair value through profit or loss				0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	494.1	0.0	0.0	494.1
Financial liabilities (linked liabilities) – financial instruments without DPF	3,439.0	0.0	0.0	3,439.0
Derivative financial instruments (liabilities)	0.0	912.3	0.0	912.3
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>3,933.1</b>	<b>912.3</b>	<b>0.0</b>	<b>4,845.4</b>

\* Includes derivative financial instruments (assets).

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

(en millions d'euros)	31.12.2020
Debt securities	9,319.5
<i>O/w Structured bonds</i>	61.0
Shares in non-trading property companies	10,683.0
Investment funds	714.7
Unit-linked portfolios	4,902.9
Other (including derivative instruments)	563.3
<b>Total "level 2" financial assets</b>	<b>26,183.4</b>

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(in € millions)	31.12.2020
Debt securities	3,168.5
<i>O/w Structured bonds</i>	208.9
Shares in non-trading property companies	0.2
Investment funds	8,518.2
Unit-linked portfolios	39.9
Other (including derivative instruments)	1,382.8
<b>Total "level 3" financial assets</b>	<b>13,109.6</b>

## 8.3.2. Valuation methods at 31 December 2019

(In € millions)	Category 1 : last available quotation of assets quoted in an active market	Category 2 : estimated market value using valuation model based on observable market inputs	Category 3 : estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss *	80,705.6	10,274.7	2,315.4	<b>93,295.7</b>
Available-for-sale financial assets	276,742.3	17,129.4	9,382.6	<b>303,254.4</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>357,447.9</b>	<b>27,404.1</b>	<b>11,698.0</b>	<b>396,550.1</b>
Investment property at amortised cost	0.0	1,768.6	0.0	<b>1,768.6</b>
Investment property measured by the fair value model	0.0	1,580.8	0.0	<b>1,580.8</b>
<b>TOTAL INVESTMENT PROPERTY</b>	<b>0.0</b>	<b>3,349.4</b>	<b>0.0</b>	<b>3,349.4</b>
Financial liabilities at fair value through profit or loss				<b>0.0</b>
Financial liabilities – financial instruments without DPF (excluding unit-linked)	635.8	0.0	0.0	<b>635.8</b>
Financial liabilities (linked liabilities) – financial instruments without DPF	3,643.7	0.0	0.0	<b>3,643.7</b>
Derivative financial instruments (liabilities)	0.0	1,132.0	0.0	<b>1,132.0</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>4,279.4</b>	<b>1,132.0</b>	<b>0.0</b>	<b>5,411.4</b>

\* Includes derivative financial instruments (assets).

Financial assets classified as level 2 in the fair value hierarchy can be analysed as follows by type:

(en millions d'euros)	31.12.2019
Debt securities	10,857.8
<i>O/w Structured bonds</i>	80.1
Shares in non-trading property companies	9,697.9
Investment funds	468.6
Unit-linked portfolios	5,792.5
Other (including derivative instruments)	587.4
<b>Total "level 2" financial assets</b>	<b>27,404.1</b>

Financial assets classified as level 3 in the fair value hierarchy can be analysed as follows by type:

(in € millions)	31.12.2019
Debt securities	2,369.6
<i>O/w Structured bonds</i>	312.6
Shares in non-trading property companies	0.0
Investment funds	7,705.4
Unit-linked portfolios	92.9
Other (including derivative instruments)	1,530.1
<b>Total "level 3" financial assets</b>	<b>11,698.0</b>

The Group's derivative instruments are collateralised and the counterparty risk is therefore limited. In addition, the credit value adjustment ("CVA") is not material, due to the nature of the Group's forward financial instruments and the calculation base.

**8.3.3. Reconciliation of movements for the period in securities measured using a valuation model not based solely on observable market inputs**

(en millions d'euros)	31.12.2020												
	Opening carrying amount	Scope entry	Acquisition	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	2,315.4		64.7	(16.5)	0.0	(249.4)	(14.4)	0.0	0.0	3.9	0.0	0.0	2,103.7
Available-for-sale financial assets	9,382.5	600.6	2,996.4	(366.1)	150.8	(547.5)	0.0	(932.7)	(263.3)	0.0	(11.5)	(3.4)	11,005.9
<b>TOTAL FINANCIAL ASSETS</b>	<b>11,697.9</b>	<b>600.6</b>	<b>3,061.1</b>	<b>(382.6)</b>	<b>150.8</b>	<b>(796.9)</b>	<b>(14.4)</b>	<b>(932.7)</b>	<b>(263.3)</b>	<b>3.9</b>	<b>(11.5)</b>	<b>(3.4)</b>	<b>13,109.6</b>
Investment property at fair value	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment property at amortised cost	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL INVESTMENT PROPERTY</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

	31.12.2019											
(in € millions)	Opening carrying amount	Acquisition	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at fair value through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	1,698.5	176.2	(56.8)	467.4	(0.2)	(129.1)	0.0	0.0	159.3	0.0	0.0	2,315.4
Available-for-sale financial assets	7,620.5	1,603.6	(376.4)	1,255.2	(87.7)	0.0	(793.8)	118.7	0.0	42.7	(0.3)	9,382.6
TOTAL FINANCIAL ASSETS	9,319.0	1,779.9	(433.2)	1,722.6	(87.9)	(129.1)	(793.8)	118.7	159.3	42.7	(0.3)	11,698.0
Investment property at fair value	27.1	0.0	0.0	0.0	(27.2)	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Investment property at amortised cost	13.4	0.0	0.0	0.0	(13.5)	0.0	0.0	0.0	0.0	0.0	0.1	0.0
TOTAL INVESTMENT PROPERTY	40.5	0.0	0.0	0.0	(40.8)	0.0	0.0	0.0	0.0	0.0	0.3	0.0
TOTAL FINANCIAL LIABILITIES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

#### 8.4. Repurchase agreements/Lent securities

Repurchase and securities lending transactions are part of the Group's portfolio optimisation strategy.

The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership.

They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in "Operating liabilities represented by securities".

The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period:

(in € millions)		Carrying amount	
		31.12.2020	31.12.2019
Available-for-sale financial assets	Fixed-rate bonds	13,861.2	12,695.9
	Equities	0.0	0.0
<b>TOTAL</b>		<b>13,861.2</b>	<b>12,695.9</b>

The following table analyses the carrying amount of lent securities, by asset category and intended holding period:

(in € millions)		Carrying amount	
		31.12.2020	31.12.2019
Available-for-sale financial assets	Fixed-rate bonds	10,815.1	11,675.0
	Equities (quoted)	0.0	0.0
<b>TOTAL</b>		<b>10,815.1</b>	<b>11,675.0</b>



## 8.5. Movements for the period

### 8.5.1. 2020

(In € millions)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment *	Reversals of provisions for impairment *	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	92,769.8	37,504.1	(34,417.1)	923.2	0.0	0.0	0.0	(5,846.8)	90,933.2
Derivative instruments	(606.1)	(4.4)	(290.7)	519.4	0.0	0.0	0.0	0.0	(381.7)
Available-for-sale financial assets	303,254.4	119,038.3	(117,531.7)	2,038.8	(385.2)	379.0	501.0	(1,589.7)	305,704.9
Held-to-maturity investments	236.5	35.6	(75.7)	0.0	0.0	0.0	0.0	(51.8)	144.6
Loans and receivables	4,698.5	782.7	(549.1)	0.0	0.0	0.0	0.0	191.0	5,123.1
Investment property	2,315.3	165.8	(29.0)	(29.7)	0.0	0.8	0.0	(12.2)	2,411.0
<b>TOTAL</b>	<b>402,668.4</b>	<b>157,522.1</b>	<b>(152,893.3)</b>	<b>3,451.6</b>	<b>(385.2)</b>	<b>379.8</b>	<b>501.0</b>	<b>(7,309.4)</b>	<b>403,935.0</b>

\* See Note 18.3.

### 8.5.2. 2019

(en millions d'euros)	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment *	Reversals of provisions for impairment *	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	81,602.9	51,215.2	(47,452.8)	6,401.8	0.0	0.0	188.9	813.7	92,769.8
Derivative instruments	94.4	11.0	(170.4)	(541.0)	0.0	0.0	0.0	0.0	(606.1)
Available-for-sale financial assets	289,342.7	140,714.2	(133,274.8)	7,558.6	(463.6)	1,518.6	0.0	(2,141.2)	303,254.4
Held-to-maturity investments	396.3	26.8	(184.3)	0.0	0.0	0.0	0.0	(2.4)	236.5
Loans and receivables	4,891.3	1,533.0	(1,179.1)	0.0	0.0	0.0	0.0	(546.7)	4,698.5
Investment property	2,540.0	200.2	(99.5)	(17.8)	(1.0)	0.0	(307.4)	0.8	2,315.3
<b>TOTAL</b>	<b>378,867.7</b>	<b>193,700.3</b>	<b>(182,360.9)</b>	<b>13,401.6</b>	<b>(464.7)</b>	<b>1,518.6</b>	<b>(118.5)</b>	<b>(1,875.8)</b>	<b>402,668.4</b>

\* See Note 18.3.

## 8.6. Derivative instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying");
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit or loss except for instruments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) contract is not measured at fair value with changes in fair value recognised in profit or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit or loss.

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity:

(in € millions)	31.12.2020											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
	JV +	JV -	JV +	JV -	JV +	JV -	JV +	JV -	JV +	JV -	JV +	JV -
Swap	2.7	(46.0)	12.0	(269.0)	12.3	(267.8)	0.0	(82.8)	67.7	(170.1)	94.7	(835.7)
Cap/floor	0.0	0.0	9.7	0.0	24.0	0.0	2.7	0.0	0.0	0.0	36.4	0.0
Equity	89.5	(13.9)	302.1	(62.7)	7.9	0.0	0.0	0.0	0.0	0.0	399.5	(76.6)
<b>TOTAL DERIVATIVE</b>	<b>92.1</b>	<b>(59.8)</b>	<b>323.9</b>	<b>(331.7)</b>	<b>44.2</b>	<b>(267.8)</b>	<b>2.7</b>	<b>(82.8)</b>	<b>67.7</b>	<b>(170.1)</b>	<b>530.6</b>	<b>(912.3)</b>

(en millions d'euros)	31.12.2019											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due in ≥ 15 years		Total	
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	7.1	(206.3)	18.5	(365.6)	5.9	(286.8)	0.0	(85.9)	45.9	(138.3)	77.4	(1,082.9)
Cap/floor	0.0	0.0	14.4	0.0	74.6	0.0	3.7	0.0	0.0	0.0	92.7	0.0
Equity	11.1	(12.2)	336.9	(36.9)	7.8	0.0	0.0	0.0	0.0	0.0	355.8	(49.1)
<b>TOTAL DERIVATIVE</b>	<b>18.2</b>	<b>(218.5)</b>	<b>369.8</b>	<b>(402.5)</b>	<b>88.3</b>	<b>(286.8)</b>	<b>3.7</b>	<b>(85.9)</b>	<b>45.9</b>	<b>(138.3)</b>	<b>525.9</b>	<b>(1,132.0)</b>

## 8.7. Derivative instruments qualifying for hedge accounting

Derivatives designated as hedging instruments are accounted for in accordance with IAS 39 if they are part of a designated hedging relationship as defined by the standard.

For all hedging instruments, the Group (i) documents the hedging relationship and the risk management objective and strategy for undertaking the hedge, and (ii) assesses the effectiveness of the hedge at inception and over the life of the hedge by demonstrating the effectiveness of the hedging relationship both retrospectively and prospectively.

Cash flow hedge accounting consists of recognising the effective portion of changes in the fair value of the derivative in equity. The gain or loss on the ineffective portion of the hedge is immediately recognised in profit or loss. The cumulative gains or losses recognised in equity are recycled to the income statement over the period in which the hedged item impacts profit or loss. If the hedging instrument expires, is sold or no longer qualifies for hedge accounting, cumulative gains or losses recognised in equity are recycled to the income statement either immediately or as and when the transaction initially hedged is completed.

The fair values of derivatives designated as hedging instruments are as follows:

(en millions d'euros)	Currency derivatives	
	31.12.2020	31.12.2019
<b>Notional amount *</b>	<b>741.2</b>	<b>1,452.7</b>
<b>Cash flow hedge reserve</b>	<b>(23.9)</b>	<b>25.8</b>
Change in cash flow hedge reserve during the period	(76.3)	(10.3)
Cash flow hedge reserve recycled through profit or loss during the period	56.5	27.9
Deferred taxes	(4.2)	8.2

\* At 31 December 2019, the notional amount includes currency hedges covering the payment due upon renewal of the agreements in Brazil.

Two types of derivatives used by the Group are designated as part of a hedging relationship and qualify for hedge accounting.

a) Currency swaps

Derivative instruments correspond to two currency swaps used to hedge against fluctuations in the exchange rate that could impact annual interest payments and principal repayments on two issues denominated in foreign currencies:

- the first concerns sterling-denominated subordinated notes issued in 2011 and hedges payments on the notes through to 30 September 2021 against fluctuations in the sterling-euro exchange rate;
- the second concerns subordinated notes issued in US dollars in January 2016 and hedges payments on the notes through to 22 January 2029.

These instruments qualify for hedge accounting as cash flow hedges (see above).

b) Currency options

In 2019, the Group purchased currency options to hedge the impact of a possible increase in the exchange rate for the Brazilian real against the euro on cash flows related to the renewal of the agreements with Caixa Econômica Federal in Brazil. These options qualified for hedge accounting as cash flow hedges. The hedges covered part of the payment to be made on the closing date for the distribution agreements with the Group's local partner, Caixa Seguridade.

During 2020, the options' notional amount, expiry date and exchange rate were adjusted to take account of ongoing negotiations. All the options were cancelled in December 2020, when the hedged payments were made.

The accounting impact of the adjustments was recognised:

- in the cash flow hedge reserve for the amount corresponding to the payment made to cancel the options that were replaced by new ones; the reserve was subsequently reclassified to the income statement to offset part of the hedged payment;
- in the income statement, for the premiums paid during the year and the unamortised balance of the premiums paid in prior years.

## 8.8. Credit risk

### 8.8.1. Analysis of the bond portfolio at 31 December 2020 by issuer rating

Rating (In € millions)	Bond portfolio at fair value	%
AAA	15,576.7	6.0%
AA	121,848.6	47.2%
A	51,565.2	20.0%
BBB	49,281.6	19.1%
< BBB	17,319.3	6.7%
NR	2,686.1	1.0%
<b>TOTAL</b>	<b>258,277.5</b>	<b>100.0%</b>

### 8.8.2. Analysis of the bond portfolio at 31 December 2019 by issuer rating

Rating (In € millions)	Bond portfolio at fair value	%
AAA	17,707.1	6.7%
AA	124,372.9	46.9%
A	49,894.4	18.8%
BBB	48,739.0	18.4%
< BBB	21,911.5	8.3%
NR	2,489.5	0.9%
<b>TOTAL</b>	<b>265,114.4</b>	<b>100.0%</b>

## 8.9. Classification of investments by category and by geographic region

### 8.9.1. Classification of investments by category and by geographic region at 31 December 2020

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	96,507.2	10,527.0	12,020.7	41,655.2	18,919.7	2,122.9	17,736.8	199,489.5
	Investment funds	41,095.8	345.4	18.7	9,987.1	597.9	0.0	5.2	52,050.2
	Equities	11,249.2	3,366.6	310.8	2,307.3	0.0	0.0	724.1	17,958.0
	Other	31,949.3	111.7	0.0	3,897.2	210.5	8.0	30.5	36,207.2
Held-for-trading and FVO	Debt securities	11,653.8	810.6	1,464.4	3,120.3	1,188.9	14,172.9	1,435.2	33,846.1
	Investment funds	33,845.1	68.9	50.4	12,027.6	164.0	390.8	77.4	46,624.2
	Equities	2,187.6	524.8	445.6	955.4	783.0	348.5	371.6	5,616.5
	Other	4,576.8	0.0	113.6	54.6	0.0	101.3	0.0	4,846.4
Held-to-maturity investments	Debt securities	0.0	0.0	0.0	0.0	0.0	144.6	0.0	144.6
Loans and receivables		5,006.4	0.0	0.0	112.8	0.0	0.0	4.0	5,123.1
Derivative instruments		(372.2)	0.0	0.0	(9.5)	0.0	0.0	0.0	(381.7)
Investment property		2,334.6	0.0	0.0	57.7	0.0	18.6	0.0	2,411.0
<b>TOTAL</b>		<b>240,033.5</b>	<b>15,755.1</b>	<b>14,424.2</b>	<b>74,165.7</b>	<b>21,864.0</b>	<b>17,307.6</b>	<b>20,384.8</b>	<b>403,935.0</b>

### Sovereign debt exposure by geographic region

List of countries (for information)	31.12.2020			31.12.2019		
	Gross exposure – carrying amount (*)	Gross exposure – fair value	Net exposure – fair value	Gross exposure – carrying amount (*)	Gross exposure – fair value	Net exposure – fair value
France	78,073.1	89,384.4	8,189.2	79,165.8	89,245.0	6,490.3
Brazil	14,231.8	14,343.5	1,386.0	16,918.5	17,097.6	2,023.4
Spain	9,697.1	10,964.3	1,261.2	10,089.5	11,162.1	1,041.2
Belgium	8,087.4	8,936.6	772.8	8,052.9	8,818.2	517.2
Italy	7,729.3	8,771.6	597.1	8,861.8	9,851.4	669.8
Germany	4,035.2	4,519.3	276.8	3,889.6	4,264.9	214.1
Austria	1,993.5	2,093.5	80.9	3,713.0	3,948.1	139.0
Canada	468.1	501.2	59.1	707.7	741.9	88.9
Portugal	457.9	499.2	64.6	415.5	455.6	50.2
Poland	347.4	375.4	79.9	358.5	387.4	78.1
Ireland	295.6	303.0	35.1	887.4	915.7	49.7
Netherlands	170.3	188.3	14.5	365.2	398.0	26.4
Finland	82.4	91.8	7.3	131.6	137.1	5.9
Cyprus	66.6	74.0	51.8	82.4	96.3	43.8
Slovenia	52.8	53.0	2.4	78.6	81.5	2.6
Greece	6.8	11.3	0.0	6.6	10.3	0.0
Luxembourg	5.6	6.4	2.0	36.7	37.7	16.7
United Kingdom	1.5	2.5	0.0	0.9	1.5	0.0
Sweden	1.2	1.9	0.3	1.2	2.0	0.4
Other	6,868.3	7,534.6	914.4	7,857.7	8,458.7	846.8
<b>TOTAL</b>	<b>132,671.7</b>	<b>148,656.0</b>	<b>13,795.6</b>	<b>141,621.1</b>	<b>156,111.0</b>	<b>12,304.4</b>

\* Carrying amount, including accrued coupon.

At 31 December 2020, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €148.7 billion, representing an estimated exposure net of deferred participation and deferred taxes of €13.8 billion. Virtually all of the securities concerned are classified as available-for-sale financial assets. The Group's exposure is calculated based on asset values and before non-controlling interests.

The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles. In accordance with these principles, a change in the deferred participation reserve is recorded to offset unrealised gains or losses on financial assets taking into account contractual participation obligations and the Group's policyholder bonus policy (see Note 9.2). The relatively low weighting of contracts with a guaranteed yield and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 9.3% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 70.5% corresponding to the impact of the weighted average tax rate on the Group's entities) and a deferred participation impact (13.2% factor, supplementing the effective participation rate taking into account the exclusion of assets held in unit-linked funds, which corresponds to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a net exposure to gross exposure ratio of 9.3% (70.5% multiplied by 13.2%).

The difference between gross and net exposure does not necessarily represent the loss that would be borne by policyholders. The recoverability of successive losses on sovereign debt is limited by the following:

- the Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.18% for a projected DPF rate of around 0.94% at end-2020;
- unrealised gains, especially on property (€4.6 billion) and on equities (€12.1 billion). These amounts would be taken into account when testing any deferred participation assets for recoverability.

In the absence of an incurred loss, no other sovereign debt securities have been impaired.

### 8.9.2. Classification of investments by category at 31 December 2019

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other	Total
Available-for-sale financial assets	Debt securities	94,794.1	10,510.7	13,812.9	44,723.3	15,990.5	3,017.1	18,525.8	201,374.4
	Investment funds	39,203.2	348.3	51.6	8,137.3	667.4	0.0	65.7	48,473.6
	Equities	11,293.9	3,440.5	438.6	2,576.2	0.0	0.0	641.0	18,390.2
	Other	31,386.1	54.4	51.3	3,237.1	10.7	10.9	265.7	35,016.2
Held-for-trading and FVO	Debt securities	13,208.4	782.2	1,435.4	3,476.0	1,289.3	17,090.6	1,518.5	38,800.3
	Investment funds	32,625.6	54.5	64.2	9,805.9	192.8	846.0	65.0	43,653.9
	Equities	2,292.0	428.5	426.9	904.9	778.5	218.2	383.6	5,432.7
	Other	1,366.5	152.0	158.4	54.1	0.2	311.8	2,840.0	4,882.9
Held-to-maturity investments	Debt securities	23.6	0.0	41.8	0.0	0.0	171.1	0.0	236.5
Loans and receivables		4,400.7	0.0	0.0	106.9	0.0	178.2	12.8	4,698.5
Derivative instruments		(598.4)	0.0	0.0	(7.7)	0.0	0.0	0.0	(606.1)
Investment property		2,225.6	0.0	0.0	61.4	0.0	28.2	0.0	2,315.3
<b>TOTAL</b>		<b>232,221.2</b>	<b>15,771.1</b>	<b>16,481.1</b>	<b>73,075.3</b>	<b>18,929.3</b>	<b>21,872.1</b>	<b>24,318.2</b>	<b>402,668.4</b>

### 8.10. Foreign currency balances

The individual Group entities translate foreign currency transactions into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, the last available exchange rate for the month preceding the transaction date is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each reporting date, monetary balance sheet items (excluding available-for-sale financial assets) are translated using the closing rate, and the resulting exchange differences are recognised in profit or loss unless hedge accounting is used as described in Note 8.6 above.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, e.g., when a non-monetary asset is classified as available-for-sale, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit or loss, the translation difference is also recognised in profit or loss.

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) and which are not covered by foreign exchange derivatives represented less than 0.5% of consolidated assets and liabilities in 2017, 2019 and 2020.

With the United Kingdom's exit from the European Union, the Group identified all of its exposures to sterling-denominated assets held directly or through funds. The review showed that less than 1% of total assets (€403.9 billion) were exposed to a risk of changes in the euro/sterling exchange rate.

### 8.11. Temporary exemption from applying IFRS 9

IFRS 9 was adopted on 22 November 2016 for use in the European Union for accounting periods beginning on or after 1 January 2019. On 03 November 2017, the European Commission also adopted an amendment to IFRS 4 – Insurance Contracts that was published by the IASB on 12 September 2016 and describes how insurance undertakings should apply IFRS 9 in conjunction with IFRS 4. The amendment provides for two approaches to applying IFRS 9:

- an “overlay approach”, to be applied by insurance companies that choose to apply IFRS 9 as from 1 January 2019;
- a “deferral approach” whereby adoption of IFRS 9 is deferred.

The Group qualifies to apply the deferral approach and has elected to defer application of IFRS 9.

It will be required to publish certain additional information during the transition period, concerning the classification of assets and the Group's exposure to credit risk on the assets that fulfil the criteria set out in IFRS 9 (financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding).



## 8.11.1. Fair value of financial assets by class of asset

(in € millions)		Fair value	
		31.12.2020	31.12.2019
<b>Financial assets that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding</b>	Fixed-rate bonds	177,311.5	179,301.4
	Variable-rate bonds	18,668.3	19,633.7
	TCNs (money market securities)	4,150.1	3,677.7
	Other	24,778.8	24,684.5
	<b>Total</b>	<b>224,908.7</b>	<b>227,297.2</b>
<b>Other financial assets</b>	Equities	23,574.6	23,822.9
	Shares in non-trading property companies	12,838.5	11,844.6
	Investment funds	98,674.4	92,127.5
	Fixed-rate bonds	10,437.3	13,635.4
	Variable-rate bonds	21,924.9	23,508.8
	TCNs (money market securities)	1,007.6	667.7
	Other	3,436.3	3,394.3
	Derivative financial instruments (assets)	530.6	525.9
	Derivative financial instruments (liabilities)	(912.3)	(1,132.0)
	<b>Total</b>	<b>171,511.9</b>	<b>168,395.1</b>
<b>Loans and receivables</b>	Loans and receivables	5,123.1	4,698.5
<b>Investment property</b>	Investment property at amortised cost	1,733.3	1,768.6
	Investment property measured by the fair value model	1,705.2	1,580.8
	<b>Total</b>	<b>8,561.6</b>	<b>8,048.0</b>
<b>TOTAL</b>		<b>404,982.1</b>	<b>403,740.3</b>

IFRS 9/IAS 39 do not apply to investment property which is accounted for in accordance with different standards.

## 8.11.2. Breakdown by credit risk of debt instruments that give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding

(in € millions)		31.12.2020		31.12.2019	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets for which the credit risk is low</b>	AAA	13,798.5	15,090.9	15,678.8	17,026.2
	AA	106,094.4	119,630.5	109,573.1	121,974.5
	A	40,195.9	42,401.8	37,801.1	39,603.1
	BBB	32,914.1	34,887.7	33,686.7	35,659.3
	<b>Total</b>	<b>193,003.0</b>	<b>212,010.8</b>	<b>196,739.7</b>	<b>214,263.1</b>
<b>Assets for which the credit risk is not low</b>	<BBB	10,994.5	11,929.8	11,265.6	11,934.5
	NR	644.2	968.0	1,049.7	1,099.6
	<b>Total</b>	<b>11,638.7</b>	<b>12,897.9</b>	<b>12,315.4</b>	<b>13,034.2</b>
<b>TOTAL</b>		<b>204,641.7</b>	<b>224,908.7</b>	<b>209,055.1</b>	<b>227,297.2</b>

None of the Group entities applied IFRS 9 as of the date of publication of the consolidated financial statements.

## Note 9 Insurance and financial liabilities

### 9.1. Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- insurance contracts (see definition below) that cover a risk for the insured. Examples include personal risk contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element;
- financial instruments with DPF, comprising both traditional savings contracts with DPF and unit-linked contracts including a traditional savings component with DPF.

Financial instruments without DPF are recognised and measured in accordance with IAS 39. This category corresponds to unit-linked savings contracts that do not have any traditional savings component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts or financial instruments without DPF fall within the scope of:

- IFRS 15, when they correspond to the provision of services; or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

### 9.2. Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with Group accounting policies, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each reporting date, the Group assesses whether its recognised insurance liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

#### Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more variables such as a specified interest rate, financial instrument price, commodity price, foreign exchange rate or other variable. In the case of a non-financial variable, if the variable is not specific to a party to the contract, the risk is financial; otherwise it is an insurance risk. Surrender risk, extension risk or the risk of higher-than-expected administrative expenses are not insurance risks, unless they are risks originally incurred by the policyholder that are transferred to the Group under an insurance contract.

For each group of contracts with similar characteristics, the significance of the insurance risk is assessed based on a single representative contract. Under this approach, the insurance risk may be considered significant although the probability of the group of contracts generating a loss that has a material adverse effect on the financial statements is remote due to the pooling of risks.

## Financial instruments with DPF

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as financial instruments when they give rise to a financial asset or liability. Contracts are qualified as financial instruments with DPF when they incorporate a contractual or regulatory entitlement to receive, as a supplement to guaranteed benefits, additional benefits:

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the Group's discretion; and
- that are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the Company, fund or other entity that issues the contract.

## Hybrid contracts

Certain contracts written by the Group comprise both an insurance component and a deposit component. These two components are unbundled only when the deposit component can be measured separately and, under the Group's accounting policies, the rights and obligations arising from the deposit component would not be recognised if the contract was not unbundled. The insurance component of an unbundled contract is accounted for under IFRS 4 and the deposit component under IAS 39.

In line with the policy described above, the components of traditional savings contracts written by the Group are not unbundled.

## > Life insurance and savings contracts

### *Premiums*

Premiums on contracts in force during the period are recognised in revenue. In the case of group policies that include death insurance, the recognised amount is adjusted to include the estimated earned portion of premiums not yet written.

### *Technical and mathematical reserves*

Reserves for contracts with death cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for traditional savings contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Life premium reserves are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

Insurance liabilities are discounted at a rate that is equal to or less than the contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

The general contract administration expense reserve mentioned in Article R. 343-3.4 of the French Insurance Code is designed to cover the insurer's commitment to administer its policies for as long as they remain in force. It is determined by the method and using the assumptions specified in Article 142 6 of ANC Regulation 2015-11.

The reserve corresponds to a prospective estimate of contract administration expenses that will not be covered by the premium and investment income loading. It is calculated by group of contracts with similar characteristics, based mainly on policyholder profiles, contract terms and experience-based assumptions concerning, for example, costs, surrenders and investment income. The estimation process includes a financial assessment of the options affecting administration expenses for certain contracts.

At 31 December 2020, the general administration expense reserve for savings and pensions contracts amounted to €281.5 million.

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserves.

This reserve also includes the deferred policyholders' participation resulting from the use of shadow accounting.

An outstanding claims reserve is set up to cover claims and benefits outstanding at the reporting date.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit or loss, to offset the impact of changes in the related technical reserves.

Reserves for guaranteed yields are determined using the Black & Scholes method.

#### **> Disability, accident and health insurance**

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

- estimated earned premiums not yet written at the period-end;
- the change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

A reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

The escalating risks reserve for term creditor insurance business amounted to €276.5 million at 31 December 2020. This reserve is calculated prospectively and covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation uses regulatory valuation rates of interest and takes into account experience-based biometric risk assumptions (incidence of death and disability risk, and/or disability persistency risk) and behavioural assumptions (surrenders) based on historical data for the portfolio concerned.

The escalating risk reserve for lifetime long-term care contracts totalled €434.8 million at 31 December 2020. This reserve also covers the difference between the present values of the respective future commitments of the insurer and the insured. The calculation takes into account experience-based biometric risk assumptions (incidence of long-term care risk and persistency risk) based on historical data for the portfolio concerned, regulatory mortality tables and a discount rate determined by reference to the structure of the asset portfolio held to cover these commitments.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNR).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A deferred participation reserve is recorded for participating contracts, based on shadow accounting principles.

A reserve is also recorded for claims handling expenses.

#### **> Liability adequacy test**

In drawing up its annual and interim financial statements, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset, deferred acquisition costs and insurance-related intangible assets), are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.), administrative costs and decisions made by management in response to economic and financial conditions. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset or liability), less related deferred acquisition costs and related intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in profit or loss.

#### **> Shadow accounting**

Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or the Value of In-Force business is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gains or losses in financial assets. Deferred participation is accounted for in the same way as the underlying, i.e., by adjusting either profit or the revaluation reserve.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder bonus policy. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments for the purpose of determining deferred participation.

The portion of gains or losses attributable to policyholders is determined based on the terms of participating contracts. Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve or in assets as a deferred participation asset.

#### **> Testing deferred participation assets for recoverability**

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised profits and will not result in liability inadequacy vis-à-vis the Group's economic obligations. Recoverability testing uses the same methods as liability adequacy testing described above and testing is performed at the level of each group of contracts in order to factor portfolio segregation arrangements into the assessment.

Pursuant to the recommendation of the French National Accounting Board (*Conseil National de la Comptabilité* – CNC) of 19 December 2008 concerning the recognition of deferred participation assets in the consolidated accounts of insurance companies, the recoverability of these amounts is enhanced by the Group's conservative assessment of its ability to continue to hold its assets. In particular, no future retained fund flows have been taken into account. Moreover, the Group has demonstrated the recoverability of the deferred participation assets using unprecedented surrender rates.

#### **> Reinsurance**

##### ***Outward reinsurance***

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under the "Reinsurance result" line item of the income statement.

Ceded technical reserves are tested for impairment at each reporting date. If there is objective evidence that these reserves are impaired, as a result of an event that occurred after initial recognition, the carrying amount of the asset is reduced by recording an impairment loss in the income statement. For reinsurance assets secured by collateral, the estimated discounted cash flows from the asset take into account cash flows from the sale of the collateral, net of the estimated cost of obtaining execution of the guarantee, regardless of whether or not such sale is considered probable.

**Inward reinsurance**

Inward reinsurance contracts give rise to a significant insurance risk and are therefore accounted for in the same way as insurance contracts.

*9.3. Financial instruments without DPF (IAS 39)*

Financial instruments without DPF are initially recorded at fair value. Loading on premiums is recognised in “Revenue from other activities”.

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Traditional savings investment contracts are subsequently measured at fair value, corresponding to their surrender value.

*9.4. Deferred participation asset/reserve*

The adjustments made in application of IFRS 4 lead to the recognition of deferred policyholder participation in assets or liabilities.

There are two types of deferred participation:

*9.4.1. Unconditional participation*

All differences in the calculation base of future rights between the separate financial statements and the consolidated financial statements are recognised in the deferred participation reserve.

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit or loss of fair value adjustments and restatements.

*9.4.2. Conditional participation*

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 9.2.

### 9.5. Analysis of insurance and financial liabilities

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS:

#### 9.5.1. Analysis of insurance and financial liabilities at 31 December 2020

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Non-life technical reserves</b>	<b>7,999.0</b>	<b>7,516.3</b>	<b>482.6</b>
Unearned premium reserves	953.8	935.0	18.8
Outstanding claims reserves	5,303.3	4,908.8	394.5
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	37.0	32.5	4.6
Other technical reserves	1,704.8	1,640.0	64.8
Liability adequacy test reserves	0.0	0.0	0.0
<b>Life technical reserves</b>	<b>221,197.4</b>	<b>203,985.7</b>	<b>17,211.6</b>
Unearned premium reserves	1,899.4	1,896.7	2.7
Life premium reserves	209,015.0	192,169.4	16,845.7
Outstanding claims reserves	3,117.2	2,945.2	172.0
Policyholder surplus reserves	6,823.2	6,640.4	182.8
Other technical reserves	342.5	334.0	8.5
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments with DPF</b>	<b>112,381.3</b>	<b>109,237.6</b>	<b>3,143.7</b>
Life premium reserves	103,141.2	100,236.0	2,905.1
Outstanding claims reserves	2,367.7	2,275.3	92.3
Policyholder surplus reserves	6,872.4	6,726.2	146.2
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments without DPF</b>	<b>3,933.1</b>	<b>3,688.5</b>	<b>244.6</b>
<b>Derivative financial instruments separated from the host contract</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred participation reserve</b>	<b>31,587.0</b>	<b>31,587.0</b>	<b>0.0</b>
<b>Total insurance and financial liabilities</b>	<b>377,097.7</b>	<b>356,015.1</b>	<b>21,082.6</b>
<b>Deferred participation asset</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## 9.5.2. Analysis of insurance and financial liabilities at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Non-life technical reserves</b>	<b>8,014.7</b>	<b>7,568.0</b>	<b>446.7</b>
Unearned premium reserves	1,004.5	975.7	28.8
Outstanding claims reserves	5,236.8	4,881.4	355.4
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	32.1	25.5	6.7
Other technical reserves	1,741.3	1,685.5	55.8
Liability adequacy test reserves	0.0	0.0	0.0
<b>Life technical reserves</b>	<b>218,824.9</b>	<b>201,615.8</b>	<b>17,209.1</b>
Unearned premium reserves	1,998.8	1,986.0	12.8
Life premium reserves	207,072.1	190,174.7	16,897.4
Outstanding claims reserves	2,893.6	2,712.7	180.9
Policyholder surplus reserves	6,746.5	6,638.0	108.5
Other technical reserves	113.8	104.4	9.4
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments with DPF</b>	<b>117,939.1</b>	<b>114,441.6</b>	<b>3,497.5</b>
Life premium reserves	109,069.9	105,887.2	3,182.8
Outstanding claims reserves	2,061.2	1,973.0	88.2
Policyholder surplus reserves	6,808.0	6,581.4	226.6
Other technical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments without DPF</b>	<b>4,279.4</b>	<b>4,023.0</b>	<b>256.4</b>
<b>Derivative financial instruments separated from the host contract</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred participation reserve</b>	<b>29,254.7</b>	<b>29,254.7</b>	<b>0.0</b>
<b>Total insurance and financial liabilities</b>	<b>378,312.8</b>	<b>356,903.1</b>	<b>21,409.7</b>
<b>Deferred participation asset</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



## 9.6. Change in technical reserves

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

### 9.6.1. Changes in mathematical reserves – life insurance

#### 9.6.1.1. Changes in mathematical reserves – life insurance – at 31 December 2020

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>315,918.1</b>	<b>295,837.9</b>	<b>20,080.2</b>
Premiums	22,888.9	22,216.3	672.7
Extinguished liabilities (benefit payments)	(23,918.4)	(22,744.9)	(1,173.5)
Locked-in gains	4,589.0	4,197.8	391.2
Change in value of linked liabilities	650.0	652.0	(2.0)
Changes in scope (acquisitions/divestments)	72.8	97.3	(24.5)
Outstanding fees	(1,907.6)	(1,835.8)	(71.8)
Surpluses/deficits	(2.3)	(2.3)	0.0
Currency effect	(5,176.3)	(5,176.3)	0.0
Changes in assumptions	2.3	1.6	0.7
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(968.0)	(845.8)	(122.2)
<b>Mathematical reserves at the end of the period</b>	<b>312,148.5</b>	<b>292,397.7</b>	<b>19,750.8</b>

#### 9.6.1.2. Changes in mathematical reserves – life insurance – at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>304,559.7</b>	<b>284,489.6</b>	<b>20,070.0</b>
Premiums	29,008.6	28,338.7	669.8
Extinguished liabilities (benefit payments)	(25,516.3)	(24,350.8)	(1,165.5)
Locked-in gains	5,967.9	5,541.5	426.5
Change in value of linked liabilities	4,335.8	4,336.1	(0.3)
Changes in scope (acquisitions/divestments)	18.9	19.9	(1.0)
Outstanding fees	(1,974.4)	(1,895.5)	(78.9)
Surpluses/deficits	(4.1)	(4.1)	0.0
Currency effect	(309.6)	(309.6)	0.0
Changes in assumptions	9.6	1.7	7.9
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(178.0)	(329.6)	151.7
<b>Mathematical reserves at the end of the period</b>	<b>315,918.1</b>	<b>295,837.9</b>	<b>20,080.2</b>

## 9.6.2. Changes in technical reserves – non-life insurance

### 9.6.2.1. Changes in technical reserves – non-life insurance – at 31 December 2020

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Outstanding claims reserves at the beginning of the period</b>	<b>5,228.7</b>	<b>4,873.3</b>	<b>355.4</b>
Claims expenses for the period	1,556.2	1,449.0	107.1
Prior period surpluses/deficits	(0.1)	(0.0)	(0.0)
<b>Total claims expenses</b>	<b>1,556.1</b>	<b>1,449.0</b>	<b>107.1</b>
Current period claims settled during the period	(1,432.0)	(1,375.0)	(56.9)
Prior period claims settled during the period	(15.9)	(13.3)	(2.6)
<b>Total paid claims</b>	<b>(1,447.8)</b>	<b>(1,388.4)</b>	<b>(59.5)</b>
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(41.7)	(33.7)	(8.0)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(0.5)	0.0	(0.6)
<b>Outstanding claims reserves at the end of the period</b>	<b>5,294.8</b>	<b>4,900.4</b>	<b>394.5</b>

### 9.6.2.2. Changes in technical reserves – non-life insurance – at 31 December 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Outstanding claims reserves at the beginning of the period</b>	<b>5,165.1</b>	<b>4,731.2</b>	<b>433.9</b>
Claims expenses for the period	1,526.8	1,511.0	15.8
Prior period surpluses/deficits	0.0	(0.0)	0.0
<b>Total claims expenses</b>	<b>1,526.8</b>	<b>1,511.0</b>	<b>15.8</b>
Current period claims settled during the period	(1,445.4)	(1,354.2)	(91.2)
Prior period claims settled during the period	(15.6)	(13.0)	(2.6)
<b>Total paid claims</b>	<b>(1,461.0)</b>	<b>(1,367.2)</b>	<b>(93.8)</b>
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(2.3)	(1.7)	(0.5)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	0.0	0.0	0.0
<b>Outstanding claims reserves at the end of the period</b>	<b>5,228.7</b>	<b>4,873.3</b>	<b>355.4</b>

9.6.3. *Changes in mathematical reserves – financial instruments with DPF*

(in € millions)	31.12.2020		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>4,279.4</b>	<b>4,023.0</b>	<b>256.4</b>
Premiums	252.3	251.9	0.5
Extinguished liabilities (benefit payments)	(512.1)	(507.4)	(4.6)
Locked-in gains	11.2	11.2	0.0
Change in value of linked liabilities	130.3	127.6	2.7
Changes in scope (acquisitions/divestments)	(35.3)	(35.3)	0.0
Currency effect	(188.2)	(188.2)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(4.6)	5.7	(10.3)
<b>Mathematical reserves at the end of the period</b>	<b>3,933.1</b>	<b>3,688.5</b>	<b>244.6</b>

  

(in € millions)	31.12.2019		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>4,173.4</b>	<b>3,859.6</b>	<b>313.9</b>
Premiums	348.0	347.1	0.9
Extinguished liabilities (benefit payments)	(503.7)	(501.4)	(2.4)
Locked-in gains	11.0	11.0	0.0
Change in value of linked liabilities	540.2	616.0	(75.8)
Changes in scope (acquisitions/divestments)	(250.0)	(250.0)	0.0
Currency effect	(10.6)	(10.6)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Deconsolidated companies	0.0	0.0	0.0
Non-current liabilities related to assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(29.1)	(48.8)	19.8
<b>Mathematical reserves at the end of the period</b>	<b>4,279.4</b>	<b>4,023.0</b>	<b>256.4</b>

### 9.7. Deferred participation (shadow accounting adjustments)

This note breaks down the sources of deferred participation arising from the use of shadow accounting. The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset (see Note 9.2).

Deferred participation asset/reserve (In € millions)	31.12.2020			31.12.2019		
	DPA	DPR	Total	DPA	DPR	Total
Deferred participation on remeasurement of assets at fair value through profit or loss	0.0	3,016.7	(3,016.7)	0.0	2,077.5	(2,077.5)
Deferred participation on remeasurement of assets at fair value through equity	0.0	28,570.3	(28,570.3)	0.0	27,177.2	(27,177.2)
Deferred participation on adjustment of claims equalisation reserves	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>31,587.0</b>	<b>(31,587.0)</b>	<b>0.0</b>	<b>29,254.7</b>	<b>(29,254.7)</b>

The following table analyses year-on-year changes:

(In € millions)	31.12.2020		31.12.2019	
	DPA	DPR	DPA	DPR
<b>Deferred participation at the beginning of the period</b>	<b>0.0</b>	<b>29,254.7</b>	<b>0.0</b>	<b>22,107.3</b>
Deferred participation on remeasurement of securities at fair value through profit or loss	0.0	939.2	0.0	802.5
Deferred participation on remeasurement of securities at fair value through equity	0.0	1,393.1	0.0	6,345.0
Other movements	0.0	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0	0.0	0.0
<b>Deferred participation at the end of the period</b>	<b>0.0</b>	<b>31,587.0</b>	<b>0.0</b>	<b>29,254.7</b>

## 9.8. Changes in financial liabilities – linked liabilities

### 9.8.1. Changes in 2020

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Linked liabilities at the beginning of the period</b>	<b>61,811.9</b>	<b>59,752.0</b>	<b>2,059.8</b>
Entries (new contracts, transfers between contracts, replacements)	10,630.1	10,570.9	59.2
Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,014.1	1,013.4	0.7
Exits (paid benefits and expenses)	(4,725.1)	(4,656.3)	(68.8)
Entries/exits related to portfolio transfers	(211.4)	(177.0)	(34.4)
Outstanding fees deducted	(436.5)	(425.1)	(11.5)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	0.0	0.0	0.0
Translation adjustment	(5,103.5)	(5,103.5)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	434.1	441.4	(7.3)
<b>Linked liabilities at the end of the period *</b>	<b>63,413.7</b>	<b>61,415.9</b>	<b>1,997.8</b>

\* Refer to reconciliation table in Note 9.8.3.

### 9.8.2. Changes in 2019

(In € millions)	Before reinsurance	Net of reinsurance	Reinsurance
<b>Linked liabilities at the beginning of the period</b>	<b>52,589.7</b>	<b>50,564.7</b>	<b>2,025.0</b>
Entries (new contracts, transfers between contracts, replacements)	11,235.3	11,147.6	87.7
Revaluation (fair value adjustments, incorporation of policyholder surplus)	5,436.6	5,511.6	(75.0)
Exits (paid benefits and expenses)	(4,936.2)	(4,859.2)	(77.0)
Entries/exits related to portfolio transfers	(2,037.9)	(1,940.8)	(97.1)
Outstanding fees deducted	(415.1)	(402.4)	(12.6)
Surpluses/deficits	0.0	0.0	0.0
Effect of changes in assumptions	0.0	0.0	0.0
Translation adjustment	(298.3)	(298.3)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Other	237.7	28.8	208.8
<b>Linked liabilities at the end of the period *</b>	<b>61,811.9</b>	<b>59,752.0</b>	<b>2,059.8</b>

\* Refer to reconciliation table in Note 9.8.3.

### 9.8.3. Balance sheet reconciliation

(In € millions)	31.12.2020	31.12.2019
<b>Financial liabilities – linked liabilities – balance sheet</b>	<b>66,852.7</b>	<b>65,455.5</b>
Changes in financial liabilities – linked liabilities other than IAS 39	63,413.7	61,811.9
Changes in financial liabilities – linked liabilities – IAS 39	3,439.0	3,643.7
<b>Variance</b>	<b>0.0</b>	<b>0.0</b>

### 9.9. Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer:

- Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+.
- For quota-share treaties where the asset is not held by CNP Assurances, the breakdown of ceded insurance liabilities by reinsurer is as follows:

#### 9.9.1. Credit risk on reinsured business at 31 December 2020

##### Ceded technical reserves

Credit rating	Amount (in € millions)	%
AAA	-	0.00%
AA+	4.5	0.02%
AA	-	0.00%
AA-	22.1	0.10%
A++	-	0.00%
A+	11,542.9	54.75%
A	9,331.2	44.26%
A-	11.2	0.05%
BBB+	0.0	0.00%
BBB	-	0.00%
-	170.6	0.81%
<b>Total ceded technical reserves</b>	<b>21,082.6</b>	<b>100.00%</b>

## 9.9.2. Credit risk on reinsured business at 31 December 2019

**Ceded technical reserves**

<b>Credit rating</b>	<b>Amount</b> (in € millions)	<b>%</b>
AAA	2.6	0.01%
AA+	2.1	0.01%
AA	1.0	0.00%
AA-	1,499.0	7.00%
A++	0.0	0.00%
A+	39.5	0.18%
A	19,748.8	92.24%
A-	2.8	0.01%
BBB+	0.0	0.00%
BBB	0.4	0.00%
-	113.4	0.53%
<b>Total ceded technical reserves</b>	<b>21,409.7</b>	<b>100.00%</b>

## Note 10 Subordinated debt

### 10.1. Subordinated debt at 31 December 2020

(In € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value *
<b>Dettes subordonnées remboursables</b>					<b>6,641.2</b>	<b>0.0</b>	<b>1,200.0</b>	<b>1,250.0</b>	<b>0.0</b>	<b>4,191.2</b>	<b>0.0</b>	<b>7,220.5</b>
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		736.4
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300.0	GBP	333.7					333.7		350.0
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0		200.0					207.2
CNP Assurances	June 2014	4.25% until June 2025 then reset at the 5-year fixed swap rate +360 bps		EUR	500.0					500.0		575.2
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		904.7
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	407.5					407.5		465.3
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,034.6
CNP Assurances	Feb. 2019	2.75% until 2029		EUR	500.0			500.0				576.7
CNP Assurances	Nov. 2019	2.00% until June 2030 then 3-month Euribor +300 bp		EUR	750.0					750.0		798.8
CNP Assurances	Dec. 2019	0.80% until 2027		EUR	250.0			250.0				256.1
CNP Assurances	June 2020	2.50% until June 2031 then 3-month Euribor + 365 bp		EUR	750.0					750.0		815.9
CNP Assurances	Déc. 2020	0.375% until March 2028		EUR	500.0			500.0				499.7
<b>Undated (perpetual) subordinated debt</b>					<b>183.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>183.0</b>	<b>181.2</b>
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	89.1
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	92.1
<b>TOTAL</b>					<b>6,824.2</b>	<b>0.0</b>	<b>1,200.0</b>	<b>1,250.0</b>	<b>0.0</b>	<b>4,191.2</b>	<b>183.0</b>	<b>7,401.7</b>

\* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been €1.5 million before tax at 31 December 2020.

The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 9.5) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 17 regarding the fair value of these instruments.

#### None of the Group's subordinated debt issues are subject to financial covenants.

The Group has contracted two cash flow hedges on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2016.



## 10.2. Subordinated debt at 31 December 2019

(In € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value *
<b>Dated subordinated debt</b>					<b>6,197.7</b>	<b>0.0</b>	<b>1,200.0</b>	<b>750.0</b>	<b>0.0</b>	<b>4,247.7</b>	<b>0.0</b>	<b>6,775.1</b>
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bp		EUR	700.0					700.0		783.3
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bp	300.0	GBP	352.6					352.6		389.2
CNP Assurances	Sept. 2010	6% until Sept. 2020, then 3-month Euribor +447.2 bp		EUR	750.0					750.0		783.0
CNP Assurances	June 2003	4.7825% until 2013, then 3-month Euribor +200 bp from 24 June 2013		EUR	200.0		200.0					210.3
CNP Assurances	June 2014	4.25% until June 2025 then reset at the 5-year fixed swap rate +360 bps		EUR	500.0					500.0		584.3
CNP Assurances	Dec. 2015	4.5% until June 2027, then 3-month Euribor +460 bp		EUR	750.0					750.0		909.8
CNP Assurances	Jan. 2016	6% throughout the life of the notes	500.0	USD	445.1					445.1		495.0
CNP Assurances	Oct. 2016	1.875% throughout the life of the notes		EUR	1,000.0		1,000.0					1,047.0
CNP Assurances	Feb. 2019	2.75% until 2029		EUR	500.0			500.0				562.3
CNP Assurances	Nov. 2019	2.00% until June 2030 then 3-month Euribor +300 bp		EUR	750.0					750.0		759.1
CNP Assurances	Dec. 2019	0.80% until 2027		EUR	250.0			250.0				251.9
<b>Undated (perpetual) subordinated debt</b>					<b>183.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>183.0</b>	<b>184.6</b>
CNP Assurances	Nov. 2004	4.93% until 2016, then 3-month Euribor +160 bp from 15 Nov. 2016		EUR	90.0						90.0	90.8
CNP Assurances	Nov. 2004	3-month Euribor +70 bp until 2016, then 3-month Euribor +160 bp		EUR	93.0						93.0	93.8
<b>TOTAL</b>					<b>6,380.7</b>	<b>0.0</b>	<b>1,200.0</b>	<b>750.0</b>	<b>0.0</b>	<b>4,247.7</b>	<b>183.0</b>	<b>6,959.7</b>

\* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit or loss instead of at amortised cost, the impact would have been €(301.0) million before tax at 31 December 2019.

The fair values of linked liabilities are presented in Note 9.8. The fair values of financial instruments without DPF (Note 9.5) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 17 regarding the fair value of these instruments.

**None of the Group's subordinated debt issues are subject to financial covenants.**

At 31 December 2019, the Group had contracted two cash flow hedges on sterling-denominated subordinated notes issued in 2011 and on US dollar-denominated subordinated notes issued in 2016.

## Note 11 Insurance and reinsurance receivables

### 11.1. Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 31 December 2020 and 31 December 2019.

(In € millions)	31.12.2020	31.12.2019
Earned premiums not yet written	1,770.9	1,992.7
Other insurance receivables	692.1	958.4
Reinsurance receivables	161.4	172.1
<b>TOTAL</b>	<b>2,624.5</b>	<b>3,123.2</b>
Of which, doubtful receivables	5.7	5.4

### Analysis by maturity

(In € millions)	31.12.2020		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,770.9	0.0	0.0
Other insurance receivables	633.3	55.4	3.3
Reinsurance receivables	161.4	0.0	0.0
<b>TOTAL</b>	<b>2,565.7</b>	<b>55.4</b>	<b>3.3</b>

(In € millions)	31.12.2019		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,992.7	0.0	0.0
Other insurance receivables	945.5	12.3	0.6
Reinsurance receivables	172.1	0.0	0.0
<b>TOTAL</b>	<b>3,110.4</b>	<b>12.3</b>	<b>0.6</b>

### 11.2. Other receivables

(In € millions)	31.12.2020	31.12.2019
Receivables from employees	1.0	1.5
Prepaid payroll charges and other taxes	399.9	562.9
Sundry receivables	4,480.8	5,266.8
<b>TOTAL</b>	<b>4,881.7</b>	<b>5,831.2</b>

## Note 12 Provisions for liabilities and charges

Provisions cover commercial, employee-related and tax risks resulting in obligations that will most likely give rise to an outflow of resources, the amount of which may be reliably determined.

### 12.1. Provisions for liabilities and charges – 2020

(In € millions)	Provisions for claims and litigation	Other	Total
<b>Carrying amount at 1 January 2020</b>	<b>161.6</b>	<b>163.2</b>	<b>324.8</b>
New provisions set up during the period and increases in existing provisions	126.9	19.8	146.8
Amounts utilised during the year	(3.8)	(25.8)	(29.5)
Surplus provisions released during the period	(109.1)	(2.7)	(111.8)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(43.0)	(1.0)	(44.0)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.3	0.2	0.5
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
<b>Carrying amount at 31 December 2020</b>	<b>132.9</b>	<b>153.8</b>	<b>286.6</b>

### 12.2. Provisions for liabilities and charges – 2019

(In € millions)	Provisions for claims and litigation	Other	Total
<b>Carrying amount at 1 January 2019</b>	<b>100.5</b>	<b>73.4</b>	<b>173.9</b>
New provisions set up during the period and increases in existing provisions	147.6	100.2	247.8
Amounts utilised during the year	(1.1)	(6.8)	(7.9)
Surplus provisions released during the period	(82.6)	(2.7)	(85.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(2.9)	(0.1)	(3.0)
Changes in scope of consolidation	0.0	(0.7)	(0.7)
Reclassifications	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0	0.0
<b>Carrying amount at 31 December 2019</b>	<b>161.6</b>	<b>163.2</b>	<b>324.8</b>

## Note 13 Liabilities arising from insurance and reinsurance transactions

### 13.1. Liabilities arising from insurance and reinsurance transactions

This note discloses details of insurance and reinsurance liabilities at 31 December 2020 and at 31 December 2019.

(In € millions)	31.12.2020	31.12.2019
Cash deposits received from reinsurers	11,369.1	11,770.4
Liabilities arising from insurance transactions	1,361.2	1,483.0
Liabilities arising from reinsurance transactions	531.7	569.3
Deferred acquisition costs	8.2	20.2
<b>TOTAL</b>	<b>13,270.1</b>	<b>13,842.9</b>

### ANALYSIS BY MATURITY

(In € millions)	31.12.2020			31.12.2019		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	11,367.7	1.4	0.0	11,743.2	27.3	0.0
Liabilities arising from insurance transactions	1,361.2	0.0	0.0	1,483.0	0.0	0.0
Liabilities arising from reinsurance transactions	531.7	0.0	0.0	569.3	0.0	0.0
Deferred acquisition costs	3.0	4.9	0.4	4.2	14.7	1.3
<b>TOTAL</b>	<b>13,263.5</b>	<b>6.3</b>	<b>0.4</b>	<b>13,799.6</b>	<b>42.0</b>	<b>1.3</b>

### 13.2. Miscellaneous payables

(In € millions)	31.12.2020	31.12.2019
Wages, salaries and bonuses payable	402.3	414.1
Accrued payroll charges and other taxes	975.7	1,147.4
Sundry payables	3,048.4	3,027.9
<b>TOTAL</b>	<b>4,426.4</b>	<b>4,589.3</b>

### 13.3. Employee benefits – IAS 19

Employee benefit obligations are recognised in full in the balance sheet in accordance with IAS 19, except for share grants which are recognised and measured in accordance with IFRS 2.

Short-term benefits are benefits that are expected to be settled in full within 12 months of the end of the annual reporting period in which the employees render the related services. They therefore consist mainly of wages, social security contributions, profit-sharing and bonuses, paid annual leave and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services).

### 13.3.1. Employee benefit plans

#### Time-savings accounts and employee retirement savings plans

A time-savings account system has been set up for CNP Assurances' employees, entitling them to save up their rights to paid leave or to monetise these rights immediately or at a future date.

Internal agreements stipulate that rights accumulated in the time-savings account may be credited to a PERCO employee retirement savings plan and qualify for a matching employer contribution.

In addition, employees whose working time is calculated based on a number of hours worked per week, month or year may have built up a "time credit". This credit is used in the form of paid time off.

#### Post-employment benefits

Post-employment benefits include:

- (a) pension plans;
- (b) other post-employment benefits.

They are classified as defined contribution or defined benefit plans based on their main terms.

#### Defined benefit pension plan

The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country in which the plan has been set up.

#### Pension plans in the international entities

Several defined contribution plans and a limited number of defined benefit plans have been set up throughout the different Group entities. The related obligations are non-material from a Group perspective.

#### Length-of-service awards payable to employees on retirement and jubilees

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

#### Discount rate

The discount rate corresponds to the yield on investment grade corporate bonds that are traded in an active market (or the government bond rate if no active market exists) with maturities that match the duration of the benefit obligation.

#### Accounting treatment

Assets of funded plans are segregated and managed separately from the Group's assets, and any funding surplus or deficit is recognised in the balance sheet.

Liabilities under unfunded plans are recognised in the balance sheet.

The Group recognises gains and losses on post-employment defined benefit plans directly in equity. Actuarial gains and losses on other long-term benefits are recognised directly in profit or loss.

Actuarial losses recognised in current profit for defined-benefit plans comprise two elements:

- current service cost and past service cost;
- interest cost (reflecting the unwinding of any discounting to present value) less the expected return on plan assets.

### 13.3.2. Share-based payment

#### Accounting treatment of employee share grants

The shares held for allocation when the share grants vest are recorded as a deduction from equity. The difference between the average cost of the shares and their fair value at the grant date is recognised in equity, with no impact on profit or loss. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit or loss takes into account the estimated number of grantees at each reporting date and the cost of managing the shares.

### 13.3.3. Main assumptions

#### Discount rate

The discount rate is determined at each reporting date based on the interest rate for investment grade (AA) corporate bonds and the plan's duration, in accordance with IAS 19.

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	11.79	0.19%	1.70%	Included in salary increases	n/a
Jubilees	8.50	-0.01%	1.70%	Included in salary increases	n/a
Article 39 of the french Tax Code	4.85	-0.25%	1.70%	Included in salary increases	0.02%
Time-savings account plan	5.76	-0.20%	1.70%	Included in salary increases	n/a
Time credits	3.26	-0.34%	1.70%	Included in salary increases	n/a
Other plans : Italy	24	0.30%	1.50%	0,80%	n/a

#### Mortality tables

The Group based its calculations on prospective mortality tables by generation, particularly table TGH05-TGF05 for obligations in France.

13.3.4. *Recognised benefit obligations*

(In € millions)	Post-employment benefit plans	
	31.12.2020	31.12.2019
Projected benefit obligation	195.8	198.7
Fair value of plan assets	0.1	0.3
<b>Projected benefit obligation net of plan assets</b>	<b>195.7</b>	<b>199.0</b>
Unrecognised past service cost		0.0
<b>Liability recognised in the balance sheet – defined benefit plans</b>	<b>195.7</b>	<b>199.0</b>
Liability recognised in the balance sheet – defined contribution plans	48.5	50.9
<b>Total liability recognised in the balance sheet for post-employment benefit plans</b>	<b>244.3</b>	<b>249.9</b>
Other long-term benefit obligations	54.2	55.4
Of which length-of-service and jubilee awards	23.9	23.9
<b>Total liability recognised in the balance sheet for long-term benefit obligations*</b>	<b>298.5</b>	<b>305.3</b>

\* Benefit obligations are mainly carried in the books of the French and Italian entities (€295.0 million and €1.4 million, respectively)

13.3.5. *Analysis of long-term benefit costs*

(In € millions)	Post-employment benefit plans	
	31.12.2020	31.12.2019
<b>Current service cost (net of employee contributions)</b>	<b>9.1</b>	<b>8.0</b>
Interest cost	0.6	1.7
Expected return on plan assets for the period	0.0	0.0
Curtailments and settlements	0.0	0.0
Amortisation of past service cost		0.0
<b>Post-employment benefit expense – defined benefit plans</b>	<b>9.7</b>	<b>9.7</b>
Post-employment benefit expense – defined contribution plans	14.4	12.9
<b>Total post-employment benefit expense</b>	<b>24.2</b>	<b>22.6</b>

### 13.3.6. Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

(In € millions)	Post-employment benefit plans	
	31.12.2020	31.12.2019
<b>At 1 January <sup>(1)</sup></b>	<b>199.0</b>	<b>209.1</b>
Effect of changes in exchange rates	0.0	0.0
Post-employment benefit expense <sup>(2)</sup>	9.7	9.7
Employer's contributions <sup>(3)</sup>	7.0	(2.7)
Benefits paid <sup>(4)</sup>	(21.8)	(8.3)
Actuarial gains and losses recognised directly in equity	1.9	17.2
Reclassifications	0.0	(26.0)
<b>At 31 December</b>	<b>195.7</b>	<b>199.0</b>

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans.

(2) Defined benefit plan (costs)/income.

(3) Management fees paid on plan assets.

(4) Fees paid by the Group (or rebilled by Caisse des Dépôts).

### 13.3.7. Change in actuarial losses and gains

(In € millions)	Post-employment benefit plans	
	31.12.2020	31.12.2019
<b>Actuarial gains and losses recognised in equity at the beginning of the period</b>	<b>195.3</b>	<b>157.1</b>
Actuarial gains and losses related to changes in discount rates	11.0	34.1
Actuarial gains and losses related to changes in retirement age assumptions	(0.0)	(1.0)
Actuarial gains and losses related to changes in technical rates	0.0	2.2
Actuarial gains and losses related to annuity contributions	0.0	0.0
Actuarial gains and losses related to changes in staff turnover rate assumptions	0.3	(1.1)
Actuarial gains and losses related to changes in payroll tax assumptions	2.9	0.0
Actuarial gains and losses related to historical loss adjustments	0.4	3.8
<b>Actuarial gains and losses recognised in equity at the end of the period</b>	<b>209.9</b>	<b>195.3</b>

### 13.3.8. Sensitivity analysis

In accordance with IAS 19, the Group analyses the sensitivity of its employee benefit obligations in relation to changes in discount rates, employee turnover rates, rate of salary increases, valuation rates of interest and mortality tables. Employee benefit obligations are most sensitive to a change in the discount rate: A 25-bp change in this rate, for the French entities, would result in a 2% increase or decrease in employee benefit obligations.



# ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

## Note 14 Premium income

Premium income comprises:

- earned premiums;
- loading on premiums on financial instruments without DPF (IAS 39), reported under "Revenue from other activities".

The definition of premium income was revised in 2020 to exclude Fourgous and Eurocroissance transfers effective from 1 January of that year.

This change of method was decided to improve the comparability of the Group's financial information with that presented by most other market players and thereby make it more relevant.

These transfers represented €913.9 million in 2019 and €3,358.6 million in 2020.

### Service contracts

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IFRS 15, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the reporting date, provided that the transaction's outcome can be estimated reliably.

### 14.1. Earned premiums and revenue from other activities

Business segment and contract type (In € millions)	31.12.2020	31.12.2019
<b>Insurance contracts</b>	<b>23,101.1</b>	<b>28,563.8</b>
· Life	20,510.7	25,858.6
Pure premiums	18,904.4	23,965.0
Loading	1,606.4	1,893.6
· Non-life	2,590.3	2,705.2
Pure premiums	1,792.8	1,816.9
Loading	797.5	888.3
<b>Financial instruments with DPF</b>	<b>3,821.3</b>	<b>4,872.6</b>
Pure premiums	3,794.9	4,838.3
Loading	26.3	34.3
<b>Earned premiums</b>	<b>26,922.4</b>	<b>33,436.4</b>

Revenue from other activities (In € millions)	31.12.2020	31.12.2019
<b>Financial instruments without DPF</b>	<b>40.8</b>	<b>69.0</b>
Premium loading on financial instruments without DPF (IAS 39)	33.3	60.0
Loading on technical reserves for financial instruments without DPF	7.6	9.0
<b>IFRS 15</b>	<b>74.3</b>	<b>76.9</b>
<b>Other activities</b>	<b>6.7</b>	<b>1.9</b>
<b>TOTAL</b>	<b>121.8</b>	<b>147.8</b>

### 14.2. Reconciliation to reported premium income

(In € millions)	31.12.2020	31.12.2019
Earned premiums	26,922.4	33,436.4
Premium loading on financial instruments without DPF (IAS 39)	33.3	60.0
<b>TOTAL</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers amounted to €32,582.5 million in 2019.

### 14.3. Premium income by partner

(In € millions)	31.12.2020	31.12.2019
La Banque Postale	6,320.0	8,542.9
BPCE	4,709.5	6,444.0
CNP Patrimoine	1,871.3	3,059.5
Companies and local authorities	1,262.0	1,280.9
Provident institute	301.3	320.4
Financial institutions	1,130.5	1,197.4
Mutual insurers	458.8	493.1
Amétis	185.3	250.9
International subsidiaries	10,677.9	11,866.3
Other	39.1	40.9
<b>Total premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers with La Banque Postale and BPCE amounted to €8,049.8 million and €6,023.3 million in 2019, respectively.

#### 14.4. Premium income by business segment

(In € millions)	31.12.2020	31.12.2019
<b>Savings</b>	<b>15,300.5</b>	<b>20,487.9</b>
<b>Pensions</b>	<b>5,379.3</b>	<b>6,272.7</b>
Personal Risk	1,490.4	1,617.6
Term creditor insurance	4,057.3	4,304.7
Health insurance	408.4	420.4
Property & Casualty	319.8	392.9
<b>Sub-total Personal Risk and other</b>	<b>6,275.8</b>	<b>6,735.7</b>
<b>Other business segments</b>	<b>0.0</b>	<b>0.0</b>
<b>Total premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers for the Savings segment amounted to €19,574.0 million in 2019.

#### 14.5. Premium income by company

(In € millions)	31.12.2020	31.12.2019
CNP Assurances	16,097.0	21,478.2
Groupe Caixa Seguros	5,577.3	6,733.2
CNP UniCredit Vita	3,294.2	3,050.5
Groupe CNP Santander Insurance	763.6	764.7
CNP Luxembourg	653.0	792.9
CNP Partners	149.4	272.4
Groupe CNP Cyprus Insurance	178.5	167.1
MFPrévoyance SA	137.0	128.7
CNP Caution	87.5	87.4
CNP Assurances Compañía de Seguros	18.2	21.2
<b>Total premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers for CNP Assurances amounted to €20,564.3 million in 2019.

*14.6. Premium income by country*

(in € millions)	Under IFRS		Under French GAAP	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
France	16,277.7	21,630.2	16,305.4	22,927.9
Brazil	5,577.3	6,733.2	5,774.1	7,031.5
Italy	3,468.9	3,260.7	3,485.9	3,284.9
Luxembourg	653.0	792.9	653.0	792.9
Germany	465.8	472.4	465.8	472.4
Spain	135.7	241.7	135.7	241.7
Cyprus	175.0	163.4	178.0	167.8
Poland	89.6	92.4	89.6	92.4
Argentina	18.2	21.2	18.2	21.2
Denmark	20.8	20.2	20.8	20.2
Norway	22.0	21.1	22.0	21.1
Austria	23.7	21.1	23.7	21.1
Portugal	4.0	5.3	4.0	5.3
Other	23.7	20.5	24.3	21.3
<b>Total premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>	<b>27,200.8</b>	<b>35,121.8</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers for France amounted to €20,716.3 million under IFRS and €22,014.0 million under French GAAP in 2019. The impact of restating Fourgous and Eurocroissance transfers is the same under both IFRS and French GAAP.

*14.7. Direct and inward reinsurance premiums*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
Direct business premiums	24,874.6	30,917.9
Inward reinsurance premiums	2,081.1	2,578.4
<b>Total premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers for Direct business amounted to €30,004.0 million in 2019.

*14.8. Reconciliation of net new money (French GAAP) to premium income (IFRS)*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Net new money (French GAAP)</b>	<b>27,200.8</b>	<b>35,121.8</b>
Restatement of net new money (French GAAP) from financial instruments without DPF (IAS 39)	(278.4)	(1,685.4)
IFRS premium loading on financial instruments without DPF (IAS 39)	33.3	60.0
<b>IFRS premium income</b>	<b>26,955.6</b>	<b>33,496.4</b>

In the interests of comparability with the market, Fourgous and Eurocroissance transfers have not been included in premium income since 1 January 2020. Premium income excluding Fourgous and Eurocroissance transfers amounted to €32,582.5 million under IFRS and €34,207.9 million under French GAAP in 2019. The impact of restating Fourgous and Eurocroissance transfers is the same under both IFRS and French GAAP.

French GAAP net new money includes the total deposit component of financial instruments without DPF (IAS 39) while IFRS premium income includes only the premium loading on these instruments. The Group's performance and new business for the period is measured using a French GAAP indicator that does not make any distinction between the different types of contract and their respective measurement methods under IFRS based on their separate components.

## Note 15 Claims and benefits expenses

This note shows assets, liabilities, income and expenses generated by insurance contracts.

IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF (In € millions)	31.12.2020	31.12.2019
Incurred claims	11,801.4	11,269.4
Endowments due	77.9	118.2
Benefits due	1,089.5	1,042.9
Surrenders	12,355.5	13,941.3
Credited interest and policyholder dividends included in paid benefits	(113.3)	(158.1)
Benefit and claim handling expenses	138.2	151.7
<b>Claims and benefits</b>	<b>25,349.2</b>	<b>26,365.3</b>
Change in technical reserves – insurance contracts	2,115.2	11,254.6
Change in technical reserves – financial instruments with DPF	(5,219.0)	(4,675.4)
Change in other technical reserves	(30.1)	(106.2)
<b>Change in technical reserves</b>	<b>(3,133.9)</b>	<b>6,473.0</b>
Credited interest	566.6	806.5
Policyholder dividends	4,904.1	7,209.0
<b>Credited interest and policyholder dividends</b>	<b>5,470.8</b>	<b>8,015.5</b>
<b>Claims and benefits expenses</b>	<b>27,686.0</b>	<b>40,853.8</b>

In the interests of comparability with most other market players, Fourgous and Eurocroissance transfers have not been included in surrenders since 1 January 2020. Claims and benefits and claims and benefits expenses excluding Fourgous and Eurocroissance transfers amounted respectively to €25,462.8 million and €39,951.3 million in 2019.

## Note 16 Administrative expenses and business acquisition costs

### **Acquisition costs and operating expenses**

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative expenses incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing In-Force business;
- investment management costs include all internal and external costs of managing asset portfolios and financial expenses;
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions;
- non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

- operating expenses are initially recognised by nature and are then reallocated by function;
- costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

- corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data;
- operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

### *16.1. Expenses analysed by function*

(In € millions)	31.12.2020	31.12.2019
Commissions	(3,759.6)	(3,911.6)
Expenses analysed by function	(146.1)	(106.0)
<b>Acquisition costs</b>	<b>(3,905.7)</b>	<b>(4,017.6)</b>
<b>Contract administration expenses</b>	<b>(227.7)</b>	<b>(239.6)</b>
Other underwriting income and expenses	(345.4)	(398.1)
Other income and expenses	(138.6)	(319.6)
Employee profit-sharing	(31.5)	(35.2)
<b>Other recurring operating income and expense, net</b>	<b>(515.4)</b>	<b>(752.8)</b>
<b>Total</b>	<b>(4,648.9)</b>	<b>(5,010.0)</b>

*16.2. Expenses analysed by nature*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
Depreciation and amortisation expense and impairment losses	(55.3)	(58.8)
Employee benefits expense	(461.0)	(474.6)
Taxes other than on income	(45.3)	(56.2)
Other *	(313.1)	(359.1)
<b>TOTAL</b>	<b>(874.7)</b>	<b>(948.7)</b>

\* Details of fees paid to the Statutory Auditors are presented in Note 16.5.

As these tables only include line item disclosures required under IAS 1, total expenses analysed by nature do not tie back to total expenses analysed by function.

*16.3. Administrative expenses, net*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Administrative expenses *</b>		
• Excluding international subsidiaries and other businesses	578.2	611.1
• Including international subsidiaries and other businesses	845.1	925.9

\* Excluding Amétis network expenses

*16.4. Analysis of commission expense*

<i>(In € millions)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
BPCE	934.1	1,100.2
La Banque Postale	616.8	658.1
Other	2,208.7	2,153.3
<b>TOTAL</b>	<b>3,759.6</b>	<b>3,911.6</b>



## 16.5. Fees paid to the Statutory Auditors

### 31 December 2020

(In € thousands)	MAZARS		PWC	
	Amount <sup>(2)</sup>	%	Amount <sup>(2)</sup>	%
<b>Audit</b>				
Audit of the financial statements of the Company and the Group	1,972	83%	2,477	81%
<i>Issuer</i>	1,312	55%	1,321	43%
<i>Fully consolidated companies</i>	660	28%	1,156	38%
Other audit and special engagements <sup>(1)</sup>	404	17%	576	19%
<i>Issuer</i>	328	14%	368	12%
<i>Fully consolidated companies</i>	76	3%	208	7%
<b>TOTAL</b>	<b>2,376</b>	<b>100 %</b>	<b>3,053</b>	<b>100 %</b>

<sup>(1)</sup> "Other duties and services directly related to the assignment carried out by the Statutory Auditors" include services relating to the issue of debt securities, review of MCEV<sup>®</sup> calculations, review of Solvency II disclosures, review of the English translation of the Universal Registration Document and other reports, and review of the Non-Financial Performance Statement.

<sup>(2)</sup> Excluding recoverable taxes.

### 31 December 2019

(In € thousands)	MAZARS		PWC	
	Amount <sup>(2)</sup>	%	Amount <sup>(2)</sup>	%
<b>Audit</b>				
Audit of the financial statements of the Company and the Group	1,911	77%	2,626	82%
<i>Issuer</i>	1,244	50%	1,251	39%
<i>Fully consolidated companies</i>	667	27%	1,375	43%
Other audit and special engagements <sup>(1)</sup>	557	23%	583	18%
<i>Issuer</i>	452	18%	512	16%
<i>Fully consolidated companies</i>	105	4%	71	2%
<b>TOTAL</b>	<b>2,467</b>	<b>100 %</b>	<b>3,209</b>	<b>100 %</b>

<sup>(1)</sup> "Other audit and special engagements" mainly concern the issue of subordinated notes, the review of MCEV<sup>®</sup>, the review of the English translation of the Registration Document, the review of sustainable development indicators and the review of internal control processes linked to the processing of unclaimed life insurance settlements.

<sup>(2)</sup> Excluding recoverable taxes.

## Note 17 Reinsurance result

<i>(In € millions)</i>	31.12.2020	31.12.2019
Ceded premiums	(749.3)	(1,074.8)
Change in ceded technical reserves	904.9	1,430.9
Reinsurance commissions received	154.5	167.7
Investment income	(168.6)	(428.1)
<b>Total</b>	<b>141.5</b>	<b>95.7</b>

Draft

## Note 18 Investment income

### 18.1. Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or loss or directly in equity for 2020 and 2019.

(In € millions)		31.12.2020	31.12.2019
<b>Available-for-sale financial assets</b>	Income from debt securities	(24.5)	(484.5)
	Interest income	4,499.9	4,874.1
	Income from other financial assets	1,475.0	1,743.8
	Capital gains and losses on disposals	258.6	1,368.7
	Impairment	(6.2)	1,055.0
	<b>Net income from available-for-sale financial assets</b>	<b>6,202.8</b>	<b>8,557.1</b>
<b>Held-to-maturity investments</b>	Income from debt securities	0.0	0.0
	Interest income	36.2	32.4
	Other income & charges	(0.0)	0.0
	Impairment	0.0	0.0
	<b>Net income from held-to-maturity investments</b>	<b>36.2</b>	<b>32.4</b>
<b>Loans and receivables</b>	Interest income	49.0	96.0
	Other income	(0.5)	(0.3)
	Impairment	0.0	0.0
	<b>Net income from loans and receivables</b>	<b>48.5</b>	<b>95.7</b>
<b>Financial assets at fair value through profit or loss</b>	Profit (loss) on securities held for trading	1,666.3	6,979.9
	Profit (loss) on derivative instruments held for trading and hedging	12.7	(952.8)
	Capital gains and losses on disposals	(24.2)	207.0
	<b>Net income (expense) from financial assets at fair value through profit or loss</b>	<b>1,654.7</b>	<b>6,234.1</b>
<b>Investment property</b>	Rent and other revenue	50.1	85.2
	Fair value adjustments	22.8	16.9
	Capital gains and losses on disposals	155.8	221.4
	<b>Net income from investment property</b>	<b>228.8</b>	<b>323.5</b>
<b>Other investment expenses</b>		<b>(463.1)</b>	<b>(253.1)</b>
<b>Dilution gain</b>		<b>0.0</b>	<b>0.0</b>
<b>Total investment income</b>		<b>7,707.8</b>	<b>14,989.7</b>
Interest on subordinated debt at amortised cost		(256.1)	(263.6)
Interest on subordinated debt at fair value		0.0	0.0
Finance costs - Cash flow hedges		4.3	12.7
<b>Total finance costs</b>		<b>(251.7)</b>	<b>(250.9)</b>
<b>Total investment income net of finance costs</b>		<b>7,456.1</b>	<b>14,738.8</b>

### Reconciliation of investment income and expenses to the amounts reported in the income statement

(in € millions)		31.12.2020	31.12.2019
Investment income before finance costs		7,707.8	14,989.7
Finance costs		(251.7)	(250.9)
<b>TOTAL</b>		<b>7,456.1</b>	<b>14,738.8</b>

## 18.2. Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2019 and 2018.

### 18.2.1. Fair value adjustments to assets – 2020

(In € millions)		Investments held at 31.12.2020	Investments held at 31.12.2019	Movements in 2020
<b>Assets at fair value through profit or loss</b>	Fixed-rate bonds	11,405.5	14,853.9	(3,448.4)
	Variable-rate bonds	21,433.0	23,278.7	(1,845.7)
	TCNs (money market securities)	1,007.6	667.7	339.9
	Equities	5,616.5	5,432.7	183.9
	Investment funds	46,624.2	43,653.9	2,970.3
	Shares in non-trading property companies	1,725.5	1,515.2	210.2
	Other (including lent securities and repos)	3,120.9	3,367.7	(246.8)
	<b>Total</b>	<b>90,933.2</b>	<b>92,769.8</b>	<b>(1,836.6)</b>
<b>Derivative instruments</b>	Derivative instruments (positive fair value)	530.6	525.9	4.7
	Derivative instruments (negative fair value)	(912.3)	(1,132.0)	219.7
	<b>Total</b>	<b>(381.7)</b>	<b>(606.1)</b>	<b>224.4</b>
<b>Available-for-sale financial assets</b>	Fixed-rate bonds	176,321.9	178,052.2	(1,730.3)
	Variable-rate bonds	19,017.4	19,645.5	(628.1)
	TCNs (money market securities)	4,150.1	3,677.7	472.5
	Equities	17,958.0	18,390.2	(432.2)
	Investment funds	52,050.2	48,473.6	3,576.5
	Shares in non-trading property companies	11,113.0	10,329.4	783.6
	Non-voting loan stock	402.5	60.5	342.0
	Other (including lent securities and repos)	24,691.7	24,625.3	66.4
	<b>Total</b>	<b>305,704.9</b>	<b>303,254.4</b>	<b>2,450.5</b>
<b>Held-to-maturity investments</b>	Fixed-rate bonds	21.4	31.7	(10.3)
	Variable-rate bonds	142.8	218.3	(75.6)
	Other (including lent securities and repos)	0.0	24.2	(24.2)
	<b>Total</b>	<b>164.2</b>	<b>274.2</b>	<b>(110.1)</b>
<b>Loans and receivables</b>	Loans and receivables	5,123.1	4,698.5	424.6
	<b>Total</b>	<b>5,123.1</b>	<b>4,698.5</b>	<b>424.6</b>
<b>Investment property</b>	Investment property at amortised cost	1,733.3	1,768.6	(35.4)
	Investment property measured by the fair value model	1,705.2	1,580.8	124.4
	<b>Total</b>	<b>3,438.5</b>	<b>3,349.4</b>	<b>89.0</b>
<b>TOTAL</b>		<b>404,982.1</b>	<b>403,740.3</b>	<b>1,241.8</b>

## 18.2.2. Fair value adjustments to assets – 2019

(In € millions)		Investments held at 31.12.2019	Investments held at 31.12.2018	Movements in 2019
<b>Assets at fair value through profit or loss</b>	Fixed-rate bonds	14,853.9	11,951.4	2,902.5
	Variable-rate bonds	23,278.7	20,824.4	2,454.3
	TCNs (money market securities)	667.7	443.7	224.0
	Equities	5,432.7	4,492.0	940.6
	Investment funds	43,653.9	39,920.0	3,733.9
	Shares in non-trading property companies	1,515.2	1,206.2	309.0
	Other (including lent securities and repos)	3,367.7	2,765.2	602.5
	<b>Total</b>	<b>92,769.8</b>	<b>81,602.9</b>	<b>11,166.8</b>
<b>Derivative instruments</b>	Derivative instruments (positive fair value)	525.9	1,287.7	(761.8)
	Derivative instruments (negative fair value)	(1,132.0)	(1,193.3)	61.3
	<b>Total</b>	<b>(606.1)</b>	<b>94.4</b>	<b>(700.4)</b>
<b>Available-for-sale financial assets</b>	Fixed-rate bonds	178,052.2	171,685.9	6,366.3
	Variable-rate bonds	19,645.5	23,186.4	(3,540.9)
	TCNs (money market securities)	3,677.7	2,808.4	869.2
	Equities	18,390.2	15,400.9	2,989.3
	Investment funds	48,473.6	47,154.8	1,318.8
	Shares in non-trading property companies	10,329.4	9,494.1	835.3
	Non-voting loan stock	60.5	61.3	(0.8)
	Other (including lent securities and repos)	24,625.3	19,550.9	5,074.5
	<b>Total</b>	<b>303,254.4</b>	<b>289,342.7</b>	<b>13,911.7</b>
<b>Held-to-maturity investments</b>	Fixed-rate bonds	31.7	98.6	(67.0)
	Variable-rate bonds	218.3	204.1	14.2
	Other (including lent securities and repos)	24.2	130.6	(106.4)
	<b>Total</b>	<b>274.2</b>	<b>433.2</b>	<b>(159.0)</b>
<b>Loans and receivables</b>	Loans and receivables	4,698.5	4,891.3	(192.8)
	<b>Total</b>	<b>4,698.5</b>	<b>4,891.3</b>	<b>(192.8)</b>
<b>Investment property</b>	Investment property at amortised cost	1,768.6	1,937.5	(168.9)
	Investment property measured by the fair value model	1,580.8	1,510.2	70.6
	<b>Total</b>	<b>3,349.4</b>	<b>3,447.8</b>	<b>(98.4)</b>
<b>TOTAL</b>		<b>403,740.3</b>	<b>379,812.3</b>	<b>23,928.0</b>

## 18.2.3. Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

(In € millions)	31.12.2020	31.12.2019
Fair value of investments	404,982.1	403,740.3
Unrealised gains and losses, net	(1,047.1)	(1,071.9)
<b>Carrying amount of investments</b>	<b>403,935.0</b>	<b>402,668.4</b>

### 18.3. Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit or loss, by significant category of financial assets.

(In € millions)	31.12.2020	31.12.2019
<b>Available-for-sale financial assets</b>	<b>(385.2)</b>	<b>(463.6)</b>
Fixed-rate bonds	(0.3)	0.0
Variable-rate bonds	0.0	(1.2)
TCNs (money market securities)	0.0	0.0
Equities	(135.6)	(24.0)
Equity investment funds	(63.9)	(64.8)
Non-voting loan stock	(0.7)	0.0
Other (including mutual fund units)	(184.7)	(373.6)
<b>Held-to-maturity investments</b>	<b>0.0</b>	<b>0.0</b>
<b>Loans and receivables</b>	<b>0.0</b>	<b>0.0</b>
<b>Total impairment expense</b>	<b>(385.2)</b>	<b>(463.6)</b>
<b>Available-for-sale financial assets</b>	<b>379.0</b>	<b>1,518.6</b>
Fixed-rate bonds	0.7	0.0
Variable-rate bonds	0.0	4.8
TCNs (money market securities)	0.0	0.0
Equities	300.6	1,151.0
Equity investment funds	4.2	50.0
Non-voting loan stock	0.0	0.0
Other (including mutual fund units)	73.6	312.9
<b>Held-to-maturity investments</b>	<b>0.0</b>	<b>0.0</b>
<b>Loans and receivables</b>	<b>0.0</b>	<b>0.0</b>
<b>Total impairment reversals</b>	<b>379.0</b>	<b>1,518.6</b>
<b>Net change in impairment provisions</b>	<b>(6.2)</b>	<b>1,055.0</b>

## Note 19 Income tax expense

### French tax group

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The main companies in the tax group are CNP Assurances and its subsidiaries CNP Caution, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Ecureuil Vie Investment, 270 Investment, US Real Estate EVJ, US Real Estate 270, PIAL 34, Passage du Faidherbe, Alleray, Yellowalto, FPIP, Lyfe, Sogestop K, Foncière HID, Pierre et Surene, 23-25 Marignan, 36 Marbeuf, 46 Kleber, 46 Kleber Holding, Infra Invest France, Neuilly Pilot, Ybry Pont Neuilly, Geosud, Friedensallee, Montparvie IV, Montparvie V, QIS Group, QIS France and Youse Home.

The companies in the tax group have signed agreements with CNP Assurances, which is liable towards the French Treasury for the payment of the tax due by the tax group. These agreements specify how the total tax liability is allocated among the tax group members, and stipulate that any unallocated balance will be borne by CNP Assurances.

### Current and deferred taxes

Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. In accordance with IAS 12, a deferred tax liability is recognised for all taxable temporary differences between the carrying amount and tax base of investments in subsidiaries, associates and branches and interests in joint arrangements, except where the following conditions are met:

- (a) CNP Assurances, as the parent, investor, joint operator is able to control the timing of the reversal of the temporary difference; and
- (b) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax losses carried forward when it is probable that sufficient taxable profit will be available to permit their realisation within five years. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

The following table discloses the main components of income tax expense.

(In € millions)	31.12.2020	31.12.2019
Current tax	620.5	859.9
Deferred tax	68.4	(75.6)
<b>Income tax expense</b>	<b>688.9</b>	<b>784.2</b>
Profit for the period	1,617.9	1,735.7
Tax rate	29.86%	31.12%
<b>Income tax expense</b>	<b>688.9</b>	<b>784.2</b>

Tax proof (In € millions)	31.12.2020		31.12.2019	
	Rate	Amount	Rate	Amount
Profit before tax		2,306.8		2,519.9
Income tax at the standard French tax rate <sup>(1)</sup>	32.02%	(738.6)	34.43%	(867.6)
Permanent differences	-2.49%	57.5	-3.77%	94.9
Effects of changeover to the equity method <sup>(2)</sup>	-0.47%	10.8	-0.61%	15.3
Capital gains and losses taxed at reduced rate	-1.08%	24.8	-0.81%	20.4
Effects of changes in tax rates <sup>(3)</sup>	1.59%	(36.6)	1.91%	(48.1)
Tax credits and tax loss carryforwards used	-0.91%	20.9	-1.07%	27.0
Other	1.20%	(27.7)	1.04%	(26.2)
<b>Total</b>	<b>29.86%</b>	<b>(688.9)</b>	<b>31.12%</b>	<b>(784.2)</b>

<sup>(1)</sup> In France, the corporate income tax rate was 32.02% in 2020. Going forward, under the 2020 Finance Act, the cuts in the corporate tax rate payable by companies with revenues in excess of €250 million is being implemented more slowly than originally planned, to 27.5% in 2021 (28.41% including the 3.3% contribution) and 25% in 2022 (25.82% including the 3.3% contribution).

<sup>(2)</sup> Inclusion of companies accounted for by the equity method had a positive effect on income tax expense, with:

- i) on the one hand, revenue that had already been taxed and was therefore recognised on a net-of-tax basis; and
- ii) on the other hand, tax-deductible policyholder rights generated by this revenue, recorded on a before-tax basis.

<sup>(3)</sup> This item is affected by:

- i) differences between the statutory tax rate in France and the tax rates applicable to foreign subsidiaries. As an example, the tax rate in Brazil was 40% for 2019 and 2020;
- ii) changes in statutory tax rates. The effects of the changes in the French tax rate introduced in successive Finance Acts are taken into account in the consolidated financial statements and are therefore also included under this caption.

Deferred taxes on: (In € millions)	31.12.2020	31.12.2019
Fair value adjustments to financial assets held for trading	193.1	121.6
Deferred participation asset/reserve	(171.2)	(144.1)
Fair value adjustments to other financial assets	3.1	(22.3)
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0
Timing differences	0.0	0.0
Other	43.4	(30.9)
<b>Total</b>	<b>68.4</b>	<b>(75.6)</b>



This table presents total deferred tax assets and liabilities by type of temporary difference.

Sources of temporary differences (In € millions)	31.12.2020		
	Assets	Liabilities	Net
Goodwill	0.0	(40.5)	(40.5)
Value of In-Force business	0.0	0.0	0.0
Distribution agreements	0.0	(30.1)	(30.1)
Other intangible assets	0.1	(1.7)	(1.6)
Investment property	12.9	(76.4)	(63.5)
Financial assets	0.0	(9,276.3)	(9,276.3)
Investments in equity-accounted companies	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property and other property and equipment	0.0	(0.5)	(0.5)
Deferred acquisition costs	35.4	(52.4)	(17.0)
Other assets	127.5	(4.5)	123.1
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	1.5	0.0	1.5
Provisions for liabilities and charges	193.3	0.0	193.3
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	51.9	(7.4)	44.5
Deferred participation asset/reserve	7,988.0	152.9	8,140.9
Other liabilities	154.2	47.1	201.3
Credit from tax loss carryforwards	(78.0)	0.0	(78.0)
Asset-liability netting	(8,306.7)	8,306.7	0.0
<b>Net deferred tax asset or liability</b>	<b>180.2</b>	<b>(983.0)</b>	<b>(802.8)</b>

Sources of temporary differences (In € millions)	31.12.2019		
	Assets	Liabilities	Net
Goodwill	0.0	(40.3)	(40.3)
Value of In-Force business	0.0	0.0	0.0
Distribution agreements	0.0	(32.6)	(32.6)
Other intangible assets	0.0	(1.1)	(1.1)
Investment property	(2.7)	(50.2)	(52.9)
Financial assets	0.0	(8,541.2)	(8,541.2)
Investments in equity-accounted companies	0.0	(151.7)	(151.7)
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property and other property and equipment	0.0	(0.6)	(0.6)
Deferred acquisition costs	46.7	(55.3)	(8.5)
Other assets	114.5	(4.3)	110.2
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	6.7	0.0	6.7
Provisions for liabilities and charges	256.8	0.0	256.8
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	44.3	(7.1)	37.2
Deferred participation asset/reserve	7,572.3	163.7	7,735.9
Other liabilities	170.7	(21.6)	149.1
Credit from tax loss carryforwards	(44.9)	0.0	(44.9)
Asset-liability netting	(7,994.5)	7,994.5	0.0
<b>Net deferred tax asset or liability</b>	<b>200.9</b>	<b>(753.1)</b>	<b>(552.2)</b>

## Note 20 Segment information

In accordance with IFRS 8, the Group's reportable business segments are based on the internal reporting system approved by the Group's Executive Committee, regarded as the chief operating decision maker as defined by IFRS 8. The choice of geographical segmentation is based on a multi-criteria organisation linked to the Group's strategic priorities (geography, activities, networks) and the allocation of goodwill to mainly geographical cash-generating units. It has been adopted in order to present geographic segments as the Group's operating segments based on the definitions in IFRS 8 paragraphs 8 and 10.

The three geographic segments are:

- France;
- Latin America;
- Europe excluding France.

The Group's internal reporting system is based on the following indicators:

- premium income and revenue from other activities: earned premiums and revenue from other activities, including non-controlling interests and ceded premiums. Premium income and revenue from other activities is an indicator of underwriting volume;
- total revenue: net insurance revenue plus revenue from own fund portfolios, including non-controlling interests but net of ceded premiums. It is the margin before deducting administrative expenses;
- net insurance revenue: sum of insurance loading, underwriting results and reinsurance results, net of commission paid to distribution partners, including non-controlling interests but net of ceded premiums. It is the margin generated by the insurance business before deducting administrative costs;
- administrative costs: costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. This indicator includes non-controlling interests;
- earnings before interest and taxes (EBIT): attributable net profit before finance costs, income tax expense, non-controlling and equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. It is the margin generated by the insurance business after deducting administrative expenses;
- underlying attributable profit: attributable net profit before income tax expense, non-recurring items, fair value adjustments and net gains (losses). This indicator is calculated net of non-controlling interests and is gross of income tax expense. It is the margin after finance costs and non-controlling and equity-accounted interests.

## 20.1. Income statement by business segment at 31 December 2020

(In € millions)	France	Latin America	Europe excl. France	Total IFRS
Premium income*	16,277.7	5,595.5	5,082.4	26,955.6
<b>Total revenue</b>	<b>2,271.8</b>	<b>888.7</b>	<b>298.5</b>	<b>3,459.0</b>
Administrative expenses	(578.2)	(138.5)	(128.4)	(845.1)
<b>EBIT</b>	<b>1,693.5</b>	<b>750.2</b>	<b>170.1</b>	<b>2,613.9</b>
Finance costs				(251.7)
Share of profits and losses of equity-accounted companies				12.4
Non-controlling interests				(433.0)
<b>Recurring profit attributable to owners of the parent</b>				<b>1,941.6</b>
Income tax expense				(593.8)
Fair value adjustments and net gains (losses)				246.8
Non-recurring items				(244.7)
<b>Profit attributable to owners of the parent</b>				<b>1,350.0</b>

\* A reconciliation of earned premiums to premium income is presented in Note 14. The top line contribution of Fourgous and Eurocroissance transfers to premium income in France was €913.9 million in 2019.

### Reconciliation of EBIT to operating profit

(In € millions)	31.12.2020
<b>EBIT</b>	<b>2,613.9</b>
Net fair value adjustments	94.5
Net gains/(losses) on equities and property	198.1
Non-recurring items	(360.4)
Transactions with equity-accounted entities	(39.4)
<b>Operating profit</b>	<b>2,506.6</b>

### Reconciliation of desensitised income tax expense to reported income tax expense

(In € millions)	31.12.2020
<b>Income tax expense (desensitised income statement)</b>	<b>(593.8)</b>
<i>Tax on the following items:</i>	
Net fair value adjustments	(22.4)
Net gains/(losses) on equities and property	(15.5)
Non-recurring items	99.2
Associates	(156.4)
<b>Income tax expense (reported)</b>	<b>(688.9)</b>

**Reconciliation of desensitised non-controlling interests to reported non-controlling interests**

<i>(In € millions)</i>	<b>31.12.2020</b>
<b>Non-controlling interests (desensitised income statement)</b>	<b>(433.0)</b>
<i>Impact of non-controlling interests on the following items:</i>	
Net fair value adjustments	(1.0)
Net gains/(losses) on equities and property	(7.0)
Non-recurring items	16.6
Income tax expense	156.4
<b>Non-controlling interests (reported)</b>	<b>(267.9)</b>

*20.2. Income statement by business segment at 31 December 2019*

<i>(In € millions)</i>	France	Latin America	Europe excl. France	Total IFRS
Premium income*	21,630.2	6,754.4	5,111.8	33,496.4
<b>Total revenue</b>	<b>2,518.9</b>	<b>1,168.7</b>	<b>279.3</b>	<b>3,966.9</b>
Administrative expenses	(611.1)	(185.9)	(128.8)	(925.9)
<b>EBIT</b>	<b>1,907.8</b>	<b>982.8</b>	<b>150.5</b>	<b>3,041.1</b>
Finance costs				(250.8)
companies				12.8
Non-controlling interests				(559.1)
<b>Recurring profit attributable to owners of the parent</b>				<b>2,244.1</b>
Income tax expense				(693.8)
Fair value adjustments and net gains (losses)				481.8
Non-recurring items				(620.4)
<b>Profit attributable to owners of the parent</b>				<b>1,411.7</b>

\* A reconciliation of earned premiums to premium income is presented in Note 14. The top line contribution of Fourgous and Eurocroissance transfers to premium income in France was €913.9 million in 2019.

**Reconciliation of EBIT to operating profit**

<i>(In € millions)</i>	<b>31.12.2019</b>
<b>EBIT</b>	<b>3,041.1</b>
Net fair value adjustments	(19.3)
Net gains/(losses) on equities and property	729.9
Non-recurring items	(970.7)
Transactions with equity-accounted entities	(31.7)
<b>Operating profit</b>	<b>2,749.2</b>

**Reconciliation of desensitised income tax expense to reported income tax expense**

<i>(In € millions)</i>	31.12.2019
<b>Income tax expense (desensitised income statement)</b>	<b>(693.8)</b>
<i>Tax on the following items:</i>	
Net fair value adjustments	21.6
Net gains/(losses) on equities and property	(236.0)
Non-recurring items	327.9
Associates	(203.9)
<b>Income tax expense (reported)</b>	<b>(784.2)</b>

**Reconciliation of desensitised non-controlling interests to reported non-controlling interests**

<i>(In € millions)</i>	31.12.2019
<b>Non-controlling interests (desensitised income statement)</b>	<b>(559.1)</b>
<i>Impact of non-controlling interests on the following items:</i>	
Net fair value adjustments	(2.3)
Net gains/(losses) on equities and property	11.0
Non-recurring items	22.6
Income tax expense	203.9
<b>Non-controlling interests (reported)</b>	<b>(324.0)</b>

# OTHER ANALYSES

## Note 21 Application of IAS 29

Argentina has been qualified as a hyperinflationary economy since 1 July 2018.

As a result, IAS 29 – Financial Reporting in Hyperinflationary Economies, requires the financial statements of entities whose functional currency is the Argentine peso to be restated.

CNP Assurances has two subsidiaries in Argentina, CNP Assurances Compañía de Seguros and CNP SA de Capitalización, whose functional currency is the Argentine peso.

The analysis of the impacts related to the application of this standard enables the Group to ensure that its accounting policies do not need to be modified.

## Note 22 Contingent liabilities

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.

Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

## Note 23 Related party information

Two parties are related if one controls or exercises significant influence over the policy decisions of the other, or if both parties are subject to significant influence from the same third-party entity or person.

Related parties are determined based on their relationship with CNP Assurances, the parent company of the Group, and mainly consist of its shareholders and entities controlled by these shareholders or by CNP Assurances (including the entities accounted for using the equity method) and members of senior management (see Note 23.5).

Transactions and outstanding amounts between the parent company and its fully-consolidated subsidiaries are eliminated in full and do not appear in the consolidated financial statements.

For information, CNP Assurances received a total of €600.5 million in dividends from subsidiaries during the period, comprising €178.2 million from its French subsidiaries, €406.3 million from its Brazilian subsidiaries and €15.9 million from its Spanish subsidiary.

The list of subsidiaries, associates and joint ventures is provided in Note 4.

### 23.1. Transactions with shareholders and their subsidiaries

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	1,325.8	0.0	6,028.3
Outward reinsurance – Claims and benefits, technical reserves	372.9	0.0	11,517.5	0.0
Commissions	0.0	1,551.0	0.0	461.2
Service fees	13.4	2.9	5.2	1.3
Employee benefits expense	0.0	4.9	0.0	0.9
Rent	0.0	2.2	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	132.1	1.0	68.9	0.0
Financial expenses and borrowings	0.0	366.4	0.0	11.9
Dividends	73.4	0.0	0.0	0.0

Based on the IAS 24 definition, the Group's direct or indirect shareholders who have control or exercise significant influence, their subsidiaries and joint ventures and the companies over which they exercise significant influence are all related parties.

Commissions correspond to revenue received by BPCE and La Banque Postale on the sale of products managed by CNP Assurances.

Claims and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances and the costs of managing service contracts reinvoiced to La Banque Postale Prévoyance in accordance with IFRS 15.

### 23.2. Transactions with equity-accounted entities

The insurance undertakings accounted for using the equity method are Arial CNP Assurances, Assuristance, Filassistance International and Wiz Soluções e Corretagem de Seguros SA.

(In € millions)	Income	Expenses	Assets	Liabilities
Inward reinsurance – Claims and benefits, technical reserves	0.0	436.1	0.0	6,420.9
Outward reinsurance – Claims and benefits, technical reserves	0.0	0.0	0.0	0.0
Commissions	0.0	18.8	0.0	18.8
Service fees	8.2	0.0	14.1	0.0
Employee benefits expense	6.7	0.3	1.6	2.8
Rent	0.0	0.0	0.0	0.0
Provision expense	0.0	0.0	0.0	0.0
Financial income and loans	0.0	0.0	0.0	0.0
Financial expenses and borrowings	0.0	0.0	0.0	0.0
Dividends	37.3	0.0	0.0	0.0

### 23.3. Transactions with associates

The Group received €73.4 million in dividends from the Coentreprise de Transport d'Electricité (CTE) joint venture, which is accounted for as an associate.

### 23.4. Terms and conditions of guarantees given and received

Guarantees given to related and equity-accounted companies mainly concern reinsurance transactions (cash deposits) and pledges:

- Aerial CNP Assurances
  - Cash deposits received: €2,795.0 million
  - Pledges given: €4,295.3 million
- BPCE
  - Cash deposits paid: €11,202.4 million
  - Cash deposits received: €160.4 million
  - Pledges given: €5,519.8 million
- LBP:
  - Pledges received: €130.0 million
  - Pledges given: €6.6 million

### 23.5. Management remuneration

The total remuneration paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

#### **In 2020**

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officer and the members of the Board of Directors amounted to €2,399,921.97.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the Deputy Chief Executive Officer totalled €8,842,196. No amounts were provided for or recognised in respect of pension or other retirement benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the Deputy Chief Executive Officer totalled €966,166. No amounts were provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Share-based payments: no share-based payments were made in 2020 to the Chief Executive Officer, the Deputy Chief Executive Officer or the members of the Board of Directors.

#### **In 2019**

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the two Deputy Chief Executive Officers and the members of the Board of Directors amounted to €2,380,095.69.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €10,924,548. No amounts were provided for or recognised in respect of pension or other



retirement benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.

- Termination benefits: the termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective agreement. The cumulative amounts provided for or recognised in respect of termination benefits for the Chief Executive Officer (corresponding to the vested rights of the current Chief Executive Officer during his period as an employee prior to his appointment as Chief Executive Officer) and the two Deputy Chief Executive Officers totalled €1,377,171. No amounts were provided for or recognised in respect of termination benefits for the Chairman or the Chief Executive Officer because the Group had no payment obligations towards them in this regard.
- Share-based payment: no share-based payments were made in 2019 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

## Note 24 Financial risks

### 24.1. Credit risk

The Group's credit risk policies are presented in section 3 of the Universal Registration Document on Corporate Governance.

Note 8.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

### 24.2. Currency risk

Most portfolios covering insured liabilities are invested in assets denominated in the insurance company's functional currency. As a result, portfolio exposure to currency risks is limited (e.g., net-of-hedging exposure to a currency other than the euro represents less than 5% of the investments of French companies of the CNP Assurances Group).

In addition, the Group performs currency stress tests to assess the impact on profit and equity of a 10% increase in the euro-dollar and euro-sterling exchange rates as it is marginally exposed on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 2% of recurring operating profit.

The impact of the euro's appreciation against the dollar and sterling is analysed at half-yearly intervals and commented on when the amounts involved are material.

The Group is also exposed to currency risk on its operations in Brazil and on the translation of the financial statements of its local subsidiaries.

Simulations are performed of the impact of a 20% decline in the Real exchange rate. In the absence of hedging, this scenario would have a negative impact of less than 5% on profit attributable to owners of the parent. The hedging policy consists of purchasing currency options as protection against the risk of a fall in the Brazilian currency. The impact of a 20% decline in the Real exchange rate after hedging would be less than 2% of profit attributable to owners of the parent.

Lastly, exchange differences on translating the financial statements of the Brazilian subsidiaries may have an impact on equity.

### 24.3. Interest rate risk on financial assets

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

#### 24.3.1. Caps and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2020 and 31 December 2019.

##### 24.3.1.1. Caps and floors at 31 December 2020

(In € millions)	Residual life										Total
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	
≥ 0% and < 1%	1,138.5	21.5	44.0	35.1	53.5	26.0	75.6	16.8	34.6	12.2	1,457.9
≥ 1% and < 2%	2.9	0.0	0.0	3,600.0	0.0	0.0	4.8	3.0	2.2	0.0	3,612.8
≥ 2% and < 3%	8,770.5	6,850.0	6,000.0	2,454.0	5,081.5	10,326.5	152.7	0.0	0.0	19.5	39,654.7
≥ 3% and < 4%	4,900.1	0.0	1,596.9	10,176.0	23,069.0	2,375.0	0.0	59.0	151.0	729.3	43,056.2
≥ 4% and < 5%	2,360.0	3,821.0	0.0	5,724.0	5,565.0	0.0	0.0	81.0	77.0	727.0	18,355.0
≥ 5% and < 6%	300.0	1,850.0	1,910.0	0.0	0.0	0.0	0.0	0.0	19.3	0.0	4,079.3
≥ 6% and < 7%	0.0	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	1.7
<b>TOTAL</b>	<b>17,472.0</b>	<b>12,542.5</b>	<b>9,550.9</b>	<b>21,989.1</b>	<b>33,770.7</b>	<b>12,727.5</b>	<b>233.1</b>	<b>159.8</b>	<b>284.0</b>	<b>1,488.0</b>	<b>110,217.6</b>

##### 24.3.1.2. Caps and floors at 31 December 2019

(In € millions)	Residual life										Total
	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	
≥ 0% and < 1%	1,560.9	406.7	8.9	14.3	19.3	33.2	2.7	2.3	5.8	9.8	2,063.9
≥ 1% and < 2%	1.2	0.0	0.0	1.0	2.0	9.1	3.0	1.2	0.0	18.6	36.1
≥ 2% and < 3%	0.7	8,770.0	6,851.0	6,000.0	54.0	1,271.0	10,326.5	124.0	0.0	0.0	33,397.2
≥ 3% and < 4%	4,900.1	0.0	0.0	1,594.0	10,176.0	23,069.0	2,375.8	0.0	59.0	808.0	42,982.0
≥ 4% and < 5%	600.0	2,260.0	3,820.0	0.0	5,724.0	5,565.9	0.0	0.0	81.0	804.0	18,854.9
≥ 5% and < 6%	602.5	0.0	1,850.0	1,910.0	0.0	0.0	0.0	0.0	0.0	19.5	4,382.1
≥ 6% and < 7%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>7,665.5</b>	<b>11,436.7</b>	<b>12,530.0</b>	<b>9,519.3</b>	<b>15,975.3</b>	<b>29,948.2</b>	<b>12,708.1</b>	<b>127.5</b>	<b>145.8</b>	<b>1,659.9</b>	<b>101,716.2</b>

#### 24.3.2. Effective interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the purchase date and at the end of the reporting period.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France;
- Italy;
- Brazil;
- Spain.

24.3.2.1. *Effective interest rates at purchase*

	31.12.2020		31.12.2019	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	2.13%	EUR	2.35%
Italy	EUR	1.98%	EUR	2.50%
Brazil	BRL	7.53%	BRL	7.87%
Spain	EUR	2.11%	EUR	2.18%

24.3.2.2. *Effective interest rates at balance sheet date*

	31.12.2020		31.12.2019	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	-0.25%	EUR	-0.03%
Italy	EUR	2.00%	EUR	2.45%
Brazil	BRL	3.60%	BRL	5.30%
Spain	EUR	0.00%	EUR	0.31%

24.3.3. *Carrying amounts by maturity*24.3.3.1. *Carrying amounts by maturity at 31 December 2020*

Type of instrument (In € millions)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	30,932.6	20,600.3	24,383.8	10,407.3	13,606.4	86,676.9	186,607.3
Zero coupon bonds	806.9	778.4	2,256.8	723.7	1,522.8	12,959.3	19,047.9
Adjustable-rate bonds	0.0	1.5	3.0	2.0	1.0	4.7	12.3
Variable-rate bonds	1,670.4	1,277.1	1,496.1	1,570.5	1,342.3	4,173.7	11,530.0
Fixed-rate inflation-indexed bonds	911.2	203.0	3,037.1	675.3	0.0	4,623.5	9,450.2
Other bonds	1,285.8	1,686.3	950.8	1,051.1	794.3	14,875.4	20,643.8
<b>Total</b>	<b>35,606.9</b>	<b>24,546.7</b>	<b>32,127.6</b>	<b>14,430.0</b>	<b>17,266.8</b>	<b>123,313.5</b>	<b>247,291.5</b>

24.3.3.2. *Carrying amounts by maturity at 31 December 2019*

Type of instrument (In € millions)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	29,812.9	23,879.2	21,497.9	24,389.0	9,692.9	83,137.4	192,409.4
Zero coupon bonds	685.2	720.2	746.0	2,242.3	759.4	13,333.5	18,486.5
Adjustable-rate bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variable-rate bonds	1,796.0	2,534.6	1,499.9	1,613.2	1,631.7	3,642.1	12,717.6
Fixed-rate inflation-indexed bonds	1,446.9	939.6	208.4	3,140.6	690.8	4,639.1	11,065.4
Other bonds	2,645.2	1,092.9	1,702.7	1,003.7	1,075.6	11,011.4	18,531.4
<b>Total</b>	<b>36,386.1</b>	<b>29,166.5</b>	<b>25,654.9</b>	<b>32,388.8</b>	<b>13,850.4</b>	<b>115,763.5</b>	<b>253,210.3</b>

#### 24.3.4. Carrying amounts by maturity – held-to-maturity investments

##### 24.3.4.1. Carrying amount at 31 December 2020

Carrying amount of financial instruments measured at amortised cost (In € millions)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	81.2	0.0	0.0	0.0	0.0	63.3	144.6
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>81.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>63.3</b>	<b>144.6</b>

##### 24.3.4.2. Carrying amount at 31 December 2019

Carrying amount of financial instruments measured at amortised cost (In € millions)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	41.8	96.7	0.0	0.0	0.0	74.5	212.9
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>41.8</b>	<b>96.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>74.5</b>	<b>212.9</b>

#### 24.3.5. Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

##### 24.3.5.1. Average life of securities – 31 December 2020

Average life of securities (Period N)			
France	Italy	Brazil	Spain
6.53	5.13	1.43	4.40

##### 24.3.5.2. Average life of securities – 31 December 2019

Average life of securities (Period N-1)			
France	Italy	Brazil	Spain
6.26	4.04	2.05	4.38

#### 24.4. Sensitivity of MCEV<sup>®</sup> to market risks

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV<sup>®</sup>) to market and insurance risks.

The Group's embedded value reporting is based on European Insurance CFO Forum Market Consistent Embedded Value<sup>®</sup> Principles (MCEV Principles) introduced in June 2008, as amended in October 2009 and updated in April 2016.

The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees. The valuation techniques used to measure financial options are based on market consistent financial assumptions at 31 December 2020.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other factors, many of which are beyond the Company's control. Actual future experience may vary from that assumed in the calculation of the embedded value.

MCEV<sup>®</sup> is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business. Adjusted net asset value is determined on the valuation date at consolidated level excluding non-controlling interests and breaks down into Required Capital and Free Surplus;
- the value of In-Force business, corresponding to the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. MCEV<sup>®</sup> principles state that the reference yield curve may be determined based on the swap curve, as adjusted if appropriate to achieve alignment with Solvency II requirements. For the euro zone, the yield curve is extrapolated using the Smith-Wilson method from a last liquid point at 20 years with convergence on the ultimate forward rate of 3.75% at 40 years. For Brazil, the last liquid point is at 10 years with convergence on the ultimate forward rate of 5.50% at 50 years. The Group has chosen to comply with Solvency II requirements by using the yield curves published by EIOPA as the reference yield curves. The credit risk and volatility adjustments applied at 31 December 2020 for the Group's various host countries in the euro zone are unchanged from 31 December 2019.

The market risk sensitivity of MCEV<sup>®</sup> is tested to measure the impact of interest rate and equity volatilities. MCEV<sup>®</sup> principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the rest of Europe and Latin America. The sensitivities analysed in 2018 were aligned with Solvency II requirements and were as follows:

- the impact of an immediate positive or negative 50-basis point change in the swap curve. This would result in:
  - remeasuring the market value of fixed income assets in the portfolio,
  - a 50-basis point adjustment to the reinvestment rate for all categories of assets, and
  - a change in discount rates.

The impact on mathematical reserves for unit-linked portfolios is not measured;

- the impact of an immediate 25% fall in equity and property prices. This shock implies a 25% fall in the market value of equities and property assets, as well as a decrease in unit-linked mathematical reserves invested in equity and property.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

(1) Copyright © Stichting CFO Forum Foundation 2008

#### Sensitivity of MCEV® to interest rate and equity volatilities at 31 December 2020:

(In € millions)	50 bp increase in interest rates	50 bp decrease in interest rates	25% decrease in equity prices
Impact on MCEV <sup>®</sup> *	2,576.7	(3,120.3)	(3,265.2)

\* The calculation of the impact on MCEV<sup>®</sup> is based on estimated data.

#### Sensitivity of MCEV® to interest rate and equity volatilities at 31 December 2019:

(In € millions)	50 bp increase in interest rates	50 bp decrease in interest rates	25% decrease in equity prices
Impact on MCEV <sup>®</sup> *	2,960.6	(3,272.1)	(3,056.1)

\* The calculation of the impact on MCEV<sup>®</sup> is based on estimated data.

Sensitivity to insurance risks is presented in Note 26.

## Note 25 Liquidity risk and asset/liability management

### 25.1. Liquidity risk

#### 25.1.1. Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

##### 25.1.1.1. Future cash flows from assets at 31 December 2020

Intended holding period (In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	35,796	83,116	60,977	42,975
Assets held for trading and assets measured at FV	2,053	4,465	1,775	1,114
Held-to-maturity investments	66	0	0	63
Loans and receivables	0	0	0	0

##### 25.1.1.2. Future cash flows from assets at 31 December 2019

Intended holding period (In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Beyond 10 years
Available-for-sale financial assets	33,184	95,547	57,797	41,606
Assets held for trading and assets measured at FV	3,136	5,609	1,920	1,309
Held-to-maturity investments	65	97	0	74
Loans and receivables	0	0	0	0

#### 25.1.2. Payment projections by maturity

This note discloses estimated future payments on savings, pension and property and casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

##### 25.1.2.1. Payment projections by maturity at 31 December 2020

(In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Due in 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	27,589.0	77,962.1	63,499.5	43,446.5	102,169.2

##### 25.1.2.2. Payment projections by maturity at 31 December 2019

(In € millions)	Less than 1 year	1 to 5 years	5 to 10 years	Due in 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	23,690.6	70,018.7	63,275.8	44,834.2	123,077.6

*25.1.3. Contracts with immediate surrender option*

(In € millions)	31.12.2020	31.12.2019
Contracts with immediate surrender option	265,466.3	278,814.8
Contracts with no immediate surrender option	80,044.4	70,243.3

Contracts with an immediate surrender option represented a total liability of €265.4 billion at 31 December 2020 (€278.8 billion at 31 December 2019). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing for their surrender or transfer by the policyholder. Term creditor products, group employee benefits products, certain annuity products and “Madelin Act” pension products do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 25.1.2.

*25.2. Asset/Liability management*

The Group's ALM policy is presented in section 3 of the Universal Registration Document on Corporate Governance.

*25.3. Reconciliation of unit-linked assets and liabilities*

(In € millions)	31.12.2020	31.12.2019
Investment properties held to cover linked liabilities	1,672.4	1,543.5
Financial assets held to cover linked liabilities	65,332.7	64,391.3
Investments accounted for using the equity method held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by consolidated non-trading property companies)	0.0	0.0
<b>Total assets held to cover linked liabilities – carrying amount</b>	<b>67,005.0</b>	<b>65,934.8</b>
Linked liabilities – financial instruments without DPF	9,559.5	8,806.5
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	57,293.2	56,649.0
<b>Total linked liabilities</b>	<b>66,852.7</b>	<b>65,455.5</b>
Guaranteed capital reserves	2.0	2.5
<b>Total linked liabilities</b>	<b>66,854.7</b>	<b>65,458.0</b>

The asset/liability mismatch on unit-linked contracts mainly relates to outstanding claims reserves and other reserves included in linked liabilities for which no related assets are included in the above table.



## Note 26 Risks related to insurance and financial liabilities

### *26.1. Management of risks related to insurance and financial liabilities*

CNP Assurances' insurance businesses expose it to a number of risks, particularly those relating to product development, calculating adequate reserves and devising its reinsurance strategy.

The Group has established management information systems designed to ensure that it fulfils its objectives.

These management information systems:

- analyse risk-adjusted profitability during the product launch process;
- roll down Group objectives to the level of the individual businesses;
- analyse the components of profit and value creation and the basis used for underwriting and pricing decisions, as well as determining the appropriate pricing and reserving strategies;
- analyse changes in risk exposures;
- optimise reinsurance strategies;
- define the process for monitoring and escalating information about any positions that exceed risk appetite limits.

These routine analyses are supported by stress tests performed on key economic and technical assumptions to measure their impact on the Group's performance indicators.

Asset and liability projections are produced annually and are used to calculate policyholder dividend rates for the year, as well as to produce budgets and multi-year business plans.

The Group's risk management policy is presented in section 3 of the Universal Registration Document on Corporate Governance.

### *26.2. Contract terms and conditions*

#### *26.2.1. Types of insured risk by class of business*

The Group offers a full range of insurance products in France, in several other European countries and in Latin America.

The main individual insurance products are savings products, deferred annuity contracts paying a regular income, with or without the option of receiving a lump sum, and return-of-premium life insurance policies. Premiums on these products may be invested in traditional and/or unit-linked funds.

Group policies are mainly defined contribution pension plans, points-based pay-as-you-go group pension plans, employee benefits plans and term creditor insurance.

In addition, the Group's subsidiaries in Brazil (Caixa Seguradora) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property & casualty and liability insurance. As commitments under property & casualty and liability insurance are marginal in relation to those arising from the life and protection insurance written by the Group, no details are provided here of the specific risks associated with these contracts.

Insurer risks differ depending on the type of policy:

### **Savings contracts give rise to mainly financial risks**

Savings contracts fall into two broad categories:

- traditional savings contracts where the insurer may offer a capital guarantee plus a share of the investment yield. The capital guarantee offered with savings contracts exposes the insurer to a risk in a low interest rate environment. The insurer may also commit to paying a guaranteed yield topped up with a share of the investment yield. The yield guarantee is for a fixed period. These guarantees give rise to financial risks (see section 4.1.1 – Risk factors linked to the financial markets and Note 26.4 – Risk associated with guaranteed yields on insurance and financial liabilities of the Universal Registration Document). Most savings contracts include an early surrender option for a contractually fixed amount. The policy surrender rate will depend on stock market performance, the performance of contracts being marketed by the competition, policyholder behaviour (e.g., a need to raise cash), customer confidence, and tax-related matters. A wave of surrenders could materially impact earnings or even solvency in extreme conditions. Traditional savings products are exposed to surrender risk in the event of a sharp and rapid increase in interest rates. Traditional savings products are exposed to surrender risk in the event of a sharp and rapid increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity, thus impacting both earnings and solvency (see section 4.1.1 – Interest rate risk of the Universal Registration Document);
- unit-linked contracts, where the policyholder bears the financial risk and the insurer's commitment is limited to guaranteeing the liquidity of the underlying assets. If the underlying assets cannot be sold on the market, this may result in a loss for the insurer who would have an obligation to settle the amount due to the policyholder (in the event of death, surrender of the policy or otherwise) without being able to finance the payout using the proceeds from the sale of the assets. In addition, because the policyholder bears the financial risk, the presentation of the product is governed by detailed rules. Lastly, the insurer is also exposed to a financial risk to the extent that a fall in value of the assets held in the unit-linked portfolio reduces the calculation base for the asset loading. The various risks have been identified and unit-linked products are subjected to an internal analysis and selection process before being marketed. Unit-linked contracts also expose the Group to the surrender risk described above, to the extent that surrenders also reduce the calculation base for the asset loading. For this type of contract, the insurer's commitment is limited to the additional cover provided under the contract, consisting generally of a guaranteed death benefit. A bear market combined with higher-than-expected losses could severely hit earnings on savings products.

### **Pension products give rise to mainly financial and underwriting risks**

Risks associated with annuity-based pension portfolios concern:

- the benefit payment period, which is not known in advance;
- the interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions. Technical reserves are generally calculated using regulatory mortality tables based on statistical data on population trends. In certain cases, experience-based data is also used. Earnings or equity are potentially exposed to the risk that actual demographic trends may turn out to be significantly different to those predicted in the mortality tables or to the risk that returns on plan assets will fall significantly short of the valuation rate of interest used in the pricing model.

### **Personal risk policies give rise to mainly underwriting risks**

Personal risk/protection contracts comprise various types of guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment.

The Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios. In addition, products are subject to regular pricing reviews based on loss experience to ensure that margins remain adequate.

Asymmetric information available to policyholders and insurers gives rise to a risk of anti-selection, although this is attenuated by the use of medical questionnaires, deferred periods and/or other measures.

The Group's business may be affected by the occurrence of natural or man-made catastrophes. Aside from the immediate effects of a wave of global climate related disasters, acts of terrorism, the spread of pandemics, or fallout from global warming, such events could also significantly impact the results of certain personal insurance businesses.

The increase in the legal retirement age in France has also had an adverse impact as benefits are payable until the policyholder retires.

In term creditor insurance, surrender risk includes the risk of a contract being surrendered due to the early repayment or renegotiation of the underlying loan (which is more likely in a period of falling interest rates) or the loan's cancellation. An unexpectedly high surrender rate would modify the average contract duration and could adversely affect the business's profitability.

In addition, death/disability policies with potentially long benefit payment periods, such as long-term care insurance, give rise to financial risks because part of the related profit is derived from the investment income generated during the benefit payment period and may be adversely affected by unfavourable financial market trends (such as declining interest rates).

Although the main risks to which the Group is exposed are set out above, the list is by no means exhaustive and other risks that are currently unknown or are considered minor or not material may prove to have a material impact on the Group in the future. The Group may also be exposed to emerging risks, corresponding to new or continually evolving risks whose impact is very difficult to measure.

### *26.2.2. Description of the main policyholder guarantees*

**Traditional savings contracts** give rise to a commitment to pay a capital sum. These contracts generally pay a minimum yield plus policyholder dividends.

**Unit-linked savings contracts** do not involve any capital guarantee for the insurer as only the number of units is guaranteed. The exception is contracts that also include death and/or disability cover. For these contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

**Pension contracts** – which give rise to a commitment to pay a life annuity – include group defined contribution and defined benefit contracts and individual contracts.

Depending on the type of contract, the insured's vested rights may be expressed as a lump sum, as units, or as a points-based or cash-based benefit amount payable over the remaining life of the insured. The benefit may be paid as a lump sum or as a life annuity or pension.

**Personal risk contracts** comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

- term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled;
- contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured;
- death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period;
- term creditor contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. In France, death cover is compulsory and the loan will not be paid out until evidence of cover is provided;
- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured;
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Brazil (Caixa Seguros) and in Cyprus and Greece (CNP Cyprus Insurance Holdings) write property & casualty and liability insurance. The cover provided under these contracts is determined in

accordance with local insurance regulations. Commitments under property & casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

### *26.2.3. Participation clauses*

Traditional savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by investing the funds corresponding to the contract's technical reserves and, in some cases, part of the underwriting result.

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has not yet been allocated is accumulated in the policyholders' surplus reserve.

Participation rates are determined based on the local accounts.

## *26.3. Valuation of insurance liabilities (assumptions and sensitivities)*

### *26.3.1. Technical reserve models*

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under life insurance contracts;
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
- general administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered;
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts;
- unearned premium reserves cover the portion of written and accrued premiums for the period between the reporting date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts;
- premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the reporting date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve;
- outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

### *26.3.2. Modelling objectives*

Technical reserves are modelled based on current accounting standards. In particular, mortality tables, discount rates and investment yield assumptions may be selected based on a Solvency II approach.

### *26.3.3. Procedure for determining the main assumptions*

The assessment of technical reserves is supported by:

- detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years;
- the creation of files at each period-end to check the consistency of reserves with technical flows;
- recurring audits of management system calculations, based on random tests and detailed repeat calculations;
- detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

### *26.3.4. Assumptions used to calculate reserves*

Technical reserves for non-life insurance do not have to be discounted under French insurance regulations (with the exception of the annuity component).

Mathematical reserves for individual savings products are stated net of deferred participation and withdrawals, in accordance with the applicable regulations.

Mathematical reserves for individual and group pension plans (with the exception of “Article L.441” plans) are calculated using the discount rate applicable at the contractual date (i.e., the contractual rate) or the premium payment date or benefit settlement date, depending on the type of policy.

Reserves for group personal risk products and term creditor insurance are generally calculated based on discount rates.

All other assumptions are determined by reference to internal experience-based data.

### *26.3.5. Use of different assumptions*

Certain assumptions use data extrapolated from past experience or prospective data that draw upon:

- economic, demographic, social, legislative, regulatory or financial trends;
- policyholder behaviour (surrender rate, renewal/non-renewal rate, etc.);
- factors specific to life insurance such as mortality, morbidity or longevity.

While the assumptions used appear reasonable at the measurement date, actual future experience may be significantly different.

The keys used to allocate unrealised gains between technical reserves and own funds were recalibrated in 2020. A method has been developed based on historical payments to insureds and referral agents, representing a robust and simple approach that is consistent with the Group’s practices.

In addition, the related documentation has been enhanced to provide a better audit trail.

#### 26.3.6. Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

#### 26.3.7. Sensitivity of MCEV® to changes in surrender rates and loss ratios

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

At 31 December 2020, a 10% fall in surrender rates would have a positive impact of €3 million on MCEV®. At the same date, a 5% fall in observed losses would have a positive impact of €142 million on MCEV® for mortality and disability risks, and a negative impact of €242 million for longevity risks.

### 26.4. Risk associated with guaranteed yields on insurance and financial liabilities

Traditional savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

- contracts offering a guaranteed minimum yield and a guaranteed profit participation when the contract matures;
- contracts offering an enhanced yield (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed minimum yield representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables.

Guaranteed yield (In € millions)	31.12.2020	
	Technical reserves	%
0% <sup>(1)</sup>	202,941.9	58.7%
]0%-2%]	5,249.2	1.5%
]2%-3%]	540.5	0.2%
]3%-4%]	2,045.0	0.6%
]4%-4.5%]	4,978.4	1.4%
> 4.5% <sup>(2)</sup>	975.0	0.3%
Unit-linked	66,852.7	19.4%
Other <sup>(3)</sup>	61,928.0	17.9%
<b>TOTAL</b>	<b>345,510.7</b>	<b>100.0%</b>

<sup>(1)</sup> Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

<sup>(2)</sup> Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern subsidiaries in Brazil, where bond rates are above 7% (see Note 24.3).

<sup>(3)</sup> Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves.

Guaranteed yield (In € millions)	31.12.2019	
	Technical reserves	%
0% <sup>(1)</sup>	200,691.7	57.5%
]0%-2%]	10,819.4	3.1%
]2%-3%]	1,650.5	0.5%
]3%-4%]	2,088.1	0.6%
]4%-4.5%]	5,045.4	1.4%
> 4.5% <sup>(2)</sup>	1,288.0	0.4%
Unit-linked	65,455.5	18.8%
Other <sup>(3)</sup>	62,019.4	17.8%
<b>TOTAL</b>	<b>349,058.1</b>	<b>100.0%</b>

<sup>(1)</sup> Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

<sup>(2)</sup> Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern subsidiaries in Brazil, where bond rates are above 7% (see Note 24.3).

<sup>(3)</sup> Comprises all other technical reserves, except for mathematical reserves and linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves.

## 26.5. Concentration of insurance risk

### 26.5.1. Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which are geared to the size of the Group and provide excess-of-loss cover per occurrence (catastrophe risk) and excess-of-loss per insured and excess mortality cover (pandemic risk);
- to share risks on large-scale new business.

### 26.5.2. Loss exposure per catastrophe and per occurrence

All portfolios are covered by catastrophe/accident excess-of-loss reinsurance obtained from professional reinsurers.

- individual policies: accidental death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP Assurances for its CNP UniCredit Vita and CNP Partners subsidiaries) are reinsured on the market;
- group policies:
  - a) accidental death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by employee benefits institutions and mutual insurers) are covered through the Bureau Commun des Assurances Collectives pool ("Décès-IPA3" policy). The system provides successively for the retention of the two largest claims per insurer, €600 million in market co-insurance cover (of which CNP Assurances' share is 30%) and reinsurance cover purchased by the pool from external reinsurers. A reinsured event is defined as involving three or more victims;
  - b) risks insured by CNP Assurances for employee benefits institutions and mutual insurers are fully reinsured on the market.

All term creditor insurance and employee benefits portfolios are also covered beyond €2 million for high capital payouts in the case of IPA3 accidental death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations;

- the number, size and cause of paid claims, including a detailed analysis of the largest claims;
- underwriting and reinsurance results.

All term creditor insurance portfolios are reinsured against pandemic risks under a treaty set up with a pool of reinsurers. The treaty covers a 0.05% increase in the mortality rate beyond an average rate of 0.15% (based on number of deaths), subject to a 0.05% deductible. The reinsurers' commitment amounts to €155 million. The treaty covers the pandemic risk excluded from the coverage of accidental death/disability resulting from catastrophic events.

Effective from 1 January 2021, pandemic cover has been extended through the purchase of an additional tranche covering a 0.05% increase in the mortality rate beyond a 0.10% deductible. The reinsurers' commitment in the amount of €160 million more than doubles the original cover to €315 million.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

#### *26.5.3. Counterparty risk on reinsurance balances*

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating. In addition, reinsurers must be domiciled in a country approved by the Compliance department.

Excess-of-loss contracts have been placed with reinsurers who are rated between BBB+ and AA+. (see Note 9.9).

#### *26.5.4. Insurance-related legal risks*

The Group's insurance-related legal risks and its risk management policy are presented in section 3 of this Universal Registration Document on Corporate Governance.



## Note 27 Commitments given and received

Under IFRS, forward financial instruments are recognised in the balance sheet.

Reported commitments given and received now include the value of collateralised debt obligations transferred under securities lending/borrowing and repurchase/resale transactions.

### COMMITMENTS GIVEN

(In € millions)	31.12.2020	31.12.2019
Financing commitments	2,709.5	1,579.6
Guarantees	566.1	2,261.1
Securities commitments	13,071.2	11,296.8

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

The framework agreement in Brazil between CNP Assurances and Caixa Seguridade concerning *consórcio* business (see Note 1) provides for the payment by CNP Assurances of R\$250 million on the closing date of the distribution agreement (€39 million at the exchange rate on 13 August 2020, the date the framework agreement was announced).

This future payment has been recorded as a financing commitment. At the exchange rate as of 31 December 2020, the commitment amounted to €39 million.

### COMMITMENTS RECEIVED

(In € millions)	31.12.2020	31.12.2019
Financing commitments	0.0	0.0
Guarantees	14,817.5	16,632.7
Securities commitments	11,448.1	11,003.4

Securities commitments correspond to securities pledged by ceding insurers under the terms of inward reinsurance contracts.