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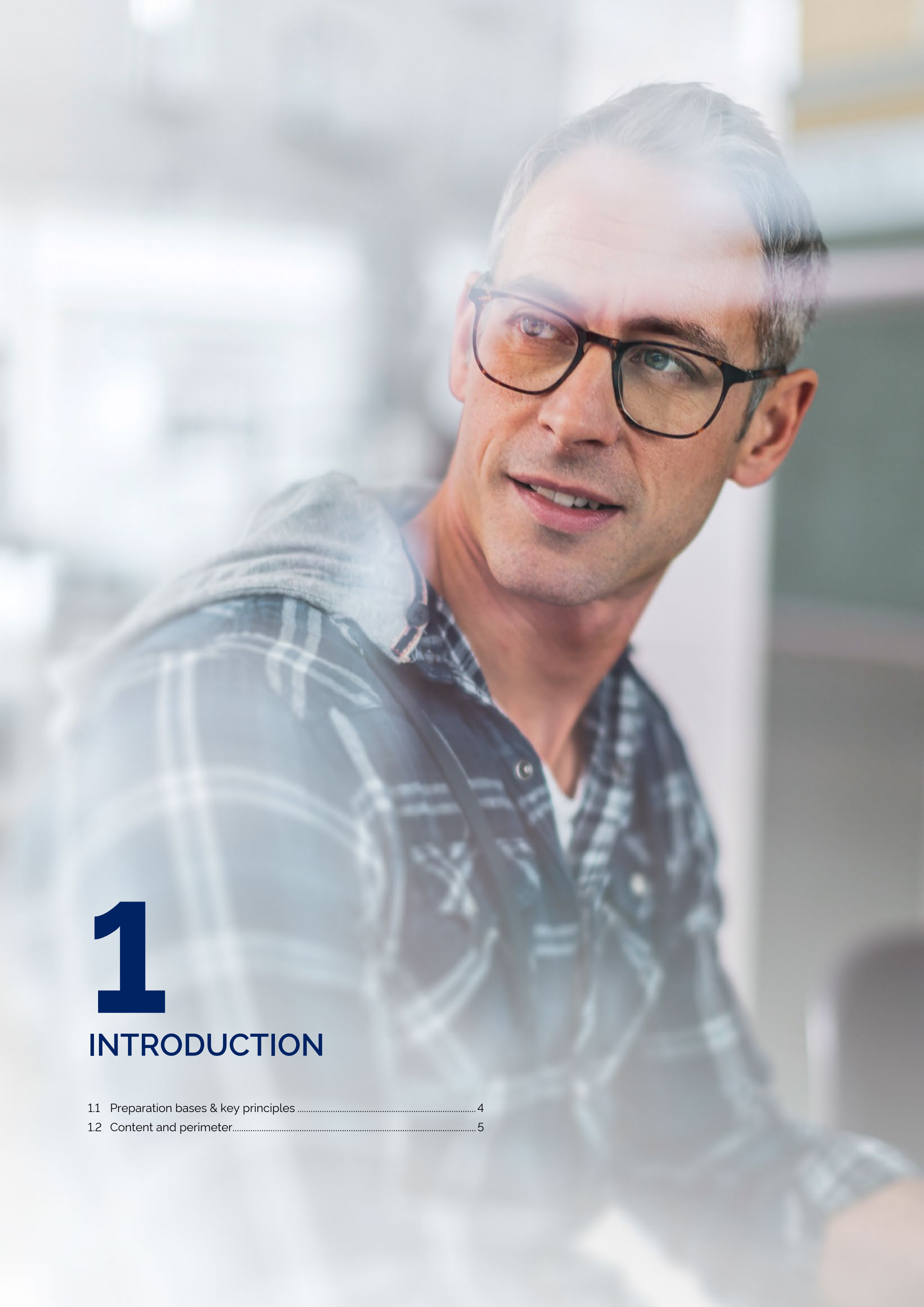
Market-Consistent Embedded Value Report

31 December 2021

SUMMARY



1
INTRODUCTION

1.1 PREPARATION BASES & KEY PRINCIPLES

Presentation of the report

This report presents the results, methods and assumptions used to determine the Embedded Value of the CNP Assurances Group (the "Group") at 31 December 2021. The Embedded Value (referred to variously by the terms "Market-Consistent Embedded Value", "MCEV©", "Embedded Value" or "EV") is established in accordance with the "European Insurance CFO Forum Market-Consistent Embedded Value© Principles" (the "MCEV© principles") published in June 2008, amended in October 2009 then updated in April 2016.

The report contains a reconciliation between the Group's IFRS equity and the Group's EV at 31 December 2021. However, the information contained in this report is not directly comparable to the financial information produced in accordance with the IFRS standards. It is not a valuation of the Group or of a part of the Group as might be established in the context of an acquisition: other valuation methods could then be used.

The Group nevertheless considers that the information on Embedded Value is such as to provide valuable components to analyse the Group's economic performance in the financial year.The different terms used in this report to analyse the Group's activities may differ from the definition used by other insurance companies or groups. A glossary at the end of the document (Appendix A) gives details on the definition of the main terms used in this report.

The methodology, assumptions and results of the 2021 MCEV© have been reviewed jointly by auditors PwC and Mazars, which also audit CNP Assurances's financial reports and whose opinion is appended at the end of the report.

Presentation of MCEV©

The Market-Consistent Embedded Value is a measure of the economic value of life insurance activities and related activities, on the basis of a fair value valuation of assets and liabilities. It comprises on the one hand the adjusted value of shareholders' equity and on the other hand the value of the portfolio of policies at the financial year-end. This last component is estimated using projection models and is the present value of future distributable profits after making sufficient allowance for risks and constraints related to insurance activities in a market-consistent financial environment. In particular, it takes into account:

- The Cost of Time Value of Options and Financial Guarantees given to policyholders ("TVOG") in addition to their embedded value;
- The Frictional Cost of Required Capital ("FCRC"), arising from the obligation to permanently maintain the Required Capital;
- The Cost of Residual Non-Hedgeable Risks not fully valued elsewhere ("CRNHR").

The Adjusted Net Asset Value ("ANAV") breaks down into Required Capital ("CR") and Free Surplus ("FS"). The Required Capital is the market value of the assets that the insurer must hold in respect of its business, whose distribution to shareholders is restricted. The Free Surplus refers to the surpluses available. The "Operating Free Cash-Flow" indicator ("OFCF") shows the release of Free Surplus related to operating activities. This release can be used to pay dividends and develop business via marketing New Business or through external growth operations.

The contribution to MCEV© from new policies in the current year (referred to variously by the terms "Value of New Business" or "VNB") is analysed specifically, and is a measure of the performance of the Group's underwriting activity.

The MCEV© and VNB are calculated net of minority interests, net of reinsurance and net of tax.

1.2 CONTENT AND PERIMETER

Description of the report

This report presents the results, methods and assumptions used to calculate the Group's Embedded Value at 31 December 2021. It is structured around the following sections:

Section 1	: Preparation bases & key principles
Section 2	: Group results at 31 December 2021
Section 3	: Results detailed by geographic area
Section 4	: Methodology
Section 5	: Assumptions
Section 6	: Changes in MCEV© since 2016
Section 7	: External opinion on Market-Consistent Embedded Value
Appendices	

Scope

The Group's business is concentrated on life insurance in the three geographic areas: France, Latin America and Europe excluding France. The main products are:

- Individual Traditional Savings and unit linked accounts;
- Capital accumulation products;
- Pension products including immediate and deferred annuities;
- Credit Insurance (Consumer Credit and Mortgage);
- Protection and health products;
- Other products linked to the above products.

The business covered by MCEV© concerns all Group entities' life insurance business and related business that contributes significantly to the value. The scope covered and changes to it compared to the MCEV© scope at 31 December 2020 are detailed in Appendix B.

2

RESULTS AT 31 DECEMBER 2021

2.1 INTRODUCTION

2.1.1 Main events in the year

The year 2021 was marked by several events which impacted the structure and the activities of CNP Assurances:

Capital partnership development with La Banque Postale

La Banque Postale signed a Memorandum of Understanding with the Groupe BPCE notably related to the sale by the latter to LBP of its entire shareholding in CNP Assurances. LBP launched a simplified tender offer with the Autorité des Marchés Financiers for CNP Assurances' minority shareholders at the rate of € 21.90 per share.

It is important to note that this change has no impact on the MCEV© results.

Acquisition of Aviva's life insurance business in Italy completed

On 30 November 2021, CNP Assurances completed its acquisition of Aviva's life insurance business in Italy. The purchase price was € 543 M and was financed by CNP Assurances from its Own Funds. The scope of the acquisition covers the 51 % of the life insurance company CNP Vita Assicura (ex Aviva SpA), with the remaining 49 % held by UniCredit, 100 % of the life insurance company CNP Vita Assicurazione (ex Aviva Life SpA), and the 92.99 % of CNP Vita SCARL (ex Aviva Italia Servizi S.c.a.r.l.), which provides support services to the two companies. This transaction will strengthen CNP Assurances' presence in Italy.

In view of the agreement's completion date, this new perimeter has not been integrated into the 2021 MCEV©, in particular, the Group[1] ANAV has been restated for the impact of the acquisition of these new entities (notably the result for the year and the intangible assets) in order to ensure consistency with the other indicators calculated in MCEV©.

Allianz and Génération Vie portfolio repurchase

After completing a regulated transfer, the Savings contract portfolio previously insured by Allianz Vie and Génération Vie was transferred to CNP Assurances with retroactive effect from 1st January. These run-off contracts are distributed to LBP customers.

The outstanding liabilities as of 31 December 2020 amounted to € 2.2 billion, with € 0.9 billion on the Saving euros side and € 1.3 billion on the unit-linked side. These portfolios were included in the MCEV© as at 31 December 2021 in the same way as the rest of the Savings segment.

Purchase of minority interests in MFPrévoyance

CNP Assurances has held 65% of the MFPrévoyance entity since 2010. On the 1st July, 2021 CNP Assurances purchased all the minority interests in MFPrévoyance.

Improved economic conditions and higher interest rates

Despite the rise this year, persistently low interest rates in the euro zone continue to affect the profitability of the Savings-Retirement business. The strategy of diversifying implemented in France by CNP Assurances continued in 2021, leading to maintain a high proportion of unit-linked product sales at Group level (37 % APE basis).

The health context

The arrival of vaccines has allowed business activity to return to pre-crisis levels. In Brazil, an increase in mortality was observed in the first three quarters of 2021, without calling into question the expected future mortality. With regard to forward-looking metrics, the technical and financial impacts of the COVID-19 crisis remain limited at a Group level.

[1] Group ANAV has been restated for the quote-share of the result, including the badwill of the new entities for an impact of - € 35.8 M as well as from the intangible assets representing the value of the business acquired (VOBA) for an impact of + € 217.4 M. Taking into account this acquisition would have led to a ANAV of € 15,034 M (€ 21.9 per share); the MCEV© would also have been impacted by the integration of the VIF of the acquired business (not estimated to date).

2.1.2 Overall results

The Group Value of New Business in 2021 comes to + € 437 M, up 54 % compared to 2020, or + € 153 M (+ € 165 M on a constant currency basis, or + 58 %). The increase in VNB is explained by the following elements:

- France had a strong increase VNB (+ € 144 M) with a positive economic effect (VNB + € 65 M), combined with an increase in sales volumes for Unit-linked Savings (APE + 42 %) and Credit Insurance (APE + 28 %). This was compounded by the improved Group Protection loss ratio (VNB + € 23 M);
- Despite the halt of sales for mortgage loans (new agreements), the VNB in Latin America is up (+ € 4 M at constant exchange rate), driven by the Pension segment. At current exchange rates, the VNB in Latin America is down € 8 M;
- The VNB in Europe excluding France is up + € 17 M, linked to improved economic conditions impacting the Savings segments (VNB + € 6 M), coupled with the review of the profit-sharing mechanism on CNP Santander (VNB + € 9 M).

The Group margin rate comes to 15.6 %, up + 3.4 points (+ 3.6 points at current currency basis). France (+ 6.3 points) offset the situation in Latin America (- 3.4 points at current exchange rates), thereby leading to this increase.

The Group Embedded Value comes to + € 20,566 M, an increase of € 4,310 M (+ 27 %) over the period including - € 618 M for opening adjustments (included dividends) detailed in section 2.3.2, + € 1,623 M for operating contribution, + € 3,285 M for economic impacts excluding exchange rate, and + € 20 M for updated corporate tax rates and exchange rates.

The Group ANAV comes to € 15,215 M, up to € 630 M compared to 2020. This increase is due to the growth in earnings, particularly in France.

It should be noted that all the items are presented excluding CNP Vita Assicura and CNP Vita Assicurazione contribution, which in particular required a restatement of the effects of the operation on the Group ANAV.

The main vectors for the change in VNB and MCEV© are given in the following sections, and components detailed by geographic area are given in Section 3 of the report.

The following tables give the main results in terms of VNB and MCEV©:

(€M, %)		2021	2020
VNB	**Value of New Business**	**437**	**284**
APE	Annual Premium Equivalent	2,804	2,332
PVNBP	Present Value of New Business Premiums	24,583	20,463
	Margin rate	**15.6 %**	**12.2 %**
	PVNBP ratio	1.8 %	1.4 %

(€M, %)		2021	2020
MCEV©	**Market-Consistent Embedded Value**	**20,566**	**16,256**
VIF	Value of In-Force	5,351	1,671
ANAV	Adjusted Net Asset Value	15,215	14,586
	Return on MCEV©	10.4 %	8.1 %
IDR	Implied Discount Rate	10.1 %	7.2 %
OFCF	**Operating Free Cash Flow**	**1,896**	**1,834**
Of which subordinated debts[1]		84	500

(1) Subordinated debts issued during the financial year, net of return

NB. The ministerial decree relating to surplus funds in life insurance published in the Official Journal of 28 December, 2019 allows insurance companies to recognize a part of the Profit Sharing Reserve (“PPE”) as elements eligible for SCR (“Solvency Capital Requirement”) coverage in the form of surplus funds, thus making it possible to improve their coverage rate. Among the methods proposed by the ACPR, the so-called full method has been used by CNP Assurances in the context of Solvency 2 calculations. However, no modification has applied for the MCEV© calculation, either for the estimation of the value of In Force, Required Capital or New Business.

2.2 VALUE OF NEW BUSINESS

The following table gives a detailed breakdown of Group VNB. VNB is valued using a marginal method that takes account of interactions between new products and stock of existing contracts (see Section 4.3.2). It is valued on the basis of assumptions reviewed at the yearend, after including taxes and minority shareholdings.

		2021		2020		Change	
		€M	€ per share (1)	€M	€ per share (1)	€M	%
PVFP	Present Value of Future Profits	820	1.19	609	0.89	212	35 %
TVOG	Time Value of Options and Guarantees	(245)	(0.36)	(193)	(0.28)	(52)	27 %
FCRC	Frictional Cost of Required Capital	(26)	(0.04)	(19)	(0.03)	(7)	35 %
CRNHR	Cost of Residual Non-Hedgeable Risks	(113)	(0.16)	(113)	(0.16)	(0)	0 %
VNB	**Value of New Business**	**437**	**0.64**	**284**	**0.41**	**153**	**54 %**
APE	Annual Premium Equivalent	2,804		2,332		473	20 %
PVNBP	Present Value of New Business Premiums	24,583		20,463		4,120	20 %
	Margin rate	**15.6 %**		**12.2 %**		**3.4 %**	**28 %**
	PVNBP ratio	1.8 %		1.4 %		0.4 %	28 %

(1) Number of shares at 31 December 2020 and at 31 December 2021: 686,618,477

The Group VNB is up by € 153 M (+ 54% on a current currency basis). This increase is due to the changes in the following components:

- The Present Value of Future Profits (“PVFP”) is up (+ 35 %) compared to 2020:
  - o In France the increase is explained on the one hand by the positive economic effects linked to the rise in rates and on the other hand by the operating effects linked to the increase in volumes in the Savings and Credit Insurance segments, the €/UL product mix, as well as the improvement in future mortality in Group Protection;
  - o In Brazil, the positive impact due to good momentum in Pension contracts is offset by the halt in sales of mortgage loans (new agreements) and by currency effects;
  - o In Europe excluding France, the favourable economic effects on the Savings segments are accompanied by positive effects linked to the review of the profit-sharing mechanism on CNP Santander.
- The Time Value of Options and Guarantees (“TVOG”) goes from - € 193 M in 2020 to - € 245 M in 2021 due to the volume growth on Savings segment.
- The Frictional Cost of Capital Required (“FCRC”), at - € 26 M, slightly impacted the Value of New Business.
- The Cost of Residual Non-Hedgeable Risks (CRNHR) comes to - € 113 M.

The Group APE volume (€ 2,804 M) is up 20 % compared to 2020, due to:

- Increased sales across all segments in France (APE at + € 1,987 M, or + 29 %), especially in the Unit-Linked Savings (+ 42 %), Euro Savings (+ 28 %), and Credit Insurance (+ 28 %) segments;
- Increased sales in Latin America (APE at + € 490 M, or + 14 % on a constant currency basis) mainly driven by the Pension segment (APE + 43 % on a constant currency basis) and Individual Protection (APE + 9 % on a constant currency basis) segments. A decrease in the Credit Insurance segment is observed (APE - 41 % on a constant currency basis), especially with the halt of sales of mortgage loans sales (new agreements); decrease in Consórcio too, whose new range has recently been marketed;
- Slightly increased sales in Europe excluding France (APE at + € 327 M, or + 2 %), driven by the Credit Insurance segment of CNP Santander, the Savings segment of CNP Partners and Cyprus, slightly offset by the decline in Savings sales in the CNP UniCredit Vita Savings segment.

The Group margin rate comes to + 15.6 % in 2021 versus + 12.2 % in 2020, up + 3.4 points. The increase in margin rate is essentially due to the improvement of economic conditions in France and in Europe excluding France.

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

(€M, %)	VNB	Change	Margin rate
Value of New Business 2020	**284**		**12.2 %**
Updated model and scope	308	24	13.0 %
Change in the APE volume	369	60	13.0 %
Change in the segment mix	331	(38)	11.6 %
Change in experience	378	48	13.3 %
Change in financial market conditions	441	63	15.5 %
Updated taxation	449	8	15.8 %
Change in the foreign exchange rate	437	(13)	15.6 %
Value of New Business 2021	**437**	153	**15.6 %**
Change	153		3.4 %

The VNB comes to + € 437 M at the end of 2021 against + € 284 M at the end of 2020. The main items explaining the change are as follows:

- Updated model and scope (+ € 24 M) is mainly explained by Latin America (+ € 26 M) to which the impacts on Europe excluding France (- € 3 M) and France (+ € 1 M) are added.
  - In Brazil, the main changes relate to the review of all the assumptions, especially regarding mortality and cancellations (+ € 27 M);
  - In Europe excluding France, several model changes have an impact on the value, notably the review of the profit-sharing mechanism for CNP Santander (- € 2 M);
  - In France, several changes offset each others (+ € 1 M): recalibration of the economic scenarios, the profit-sharing modelling and the update of the final volumes in the Risk perimeter ;
- Change in the APE volume (+ € 60 M) basically represents the effects of change in the overall volume of premiums received by Group companies, without including changes in the distribution per segment and per product. The volumes taken into account are the APE volumes.
  - In France (+ € 17 M): increased volumes in the Credit Insurance and Savings segment, with a unit-link rate increasing to 30 % (APE basis) and the proportion of contracts with gross guarantees going from 10 % to 19 %, due to the continued transformation of outstanding liabilities in the Savings segment;
  - In Brazil (+ € 17 M): increased volumes in the Pension and Individual Protection segments offsetting a decrease in the Credit Insurance and Consórcio segments following the renewal of partnership agreements;
  - In Europe excluding France (+ € 1 M): increased volumes in the Credit Insurance segment, mainly driven by good sales momentum for CNP Santander after the impact of health crisis, compounded by the increased sales for Credit Insurance products of CNP UniCreditVita. Overall, sales in the Savings segment remained stable, with offsetting effects between countries.
- Change segment mix (- € 38 M) takes into account the difference in the distribution of sales between different segments. Brazil contribution to the segment mix is negative (- € 29 M), due on the one hand to the high increase in Pension volumes and on the other hand to the drop in Credit Insurance volumes. Segment mix is positive in France due to the decline in € Savings products in favor of Credit Insurance and Unit Linked Savings products.
- Change in experience (+ € 48 M) is mainly related to France (+ € 47 M) and reflects the changes in non-economic assumptions, primarily mortality assumptions (+ € 23 M), and on roll forward on Savings products (+ € 33 M), offset by changes in cost (- € 14 M).
- Change in financial market conditions (+ € 63 M) mainly reflects impacts from the rise in the interest rate curve, offset by the rise in volatility in France (+ € 57 M). Financial effect is not material in Latin America (- € 1 M) and positive in Savings in Europe excluding France (+ € 6 M).
- The updated tax rate (+ € 8 M) and the Frictional Cost of Capital mainly reflect the impact of the unrealized gains or losses variation on the assets benefiting from reduced rates.
- Change in foreign exchange rate (- € 13 M) reflects changes in average exchange rates for the Brazil Real and Argentina Pesos against the Euro since the last VNB reference calculations.

The following table gives the duration of New Business:

Duration (years)	2021	2020
Savings & Pension	14.4	14.0
Risk & Protection	6.3	6.3

2.3 MCEV© AT 31 DECEMBER 2021

The following table gives a breakdown of the various components of the Group MCEV© at 31 December 2021 and a comparison with the MCEV© at 31 December 2020:

	MCEV© 2021 before payment of 2021 dividend		MCEV© 2020 after payment of 2020 dividend		Change before payment of 2021 dividend		MCEV© 2020 before payment of 2020 dividend	
	€M	€ per share*	€M	€ per share*	€M	%	€M	€ per share*
ANAV – Adjusted Net Asset Value	**15,215**	**22.2**	**13,508**	**19.7**	**1,707**	**13 %**	**14,586**	**21.2**
Required Capital	8,294	12.1	10,628	15.5	(2,334)	(22) %	10,628	15.5
Free Surplus	6,922	10.1	2,880	4.2	4,042	140 %	3,958	5.8
VIF – Value of In Force	**5,351**	**7.8**	**1,671**	**2.4**	**3,680**	**220 %**	**1,671**	**2.4**
Present Value of Future Profits	13,528	19.7	9,875	14.4	3,653	37 %	9,875	14.4
Time Value of Options & Guarantees	(6,332)	(9.2)	(6,078)	(8.9)	(254)	4 %	(6,078)	(8.9)
Frictional Cost of Required Capital	(462)	(0.7)	(575)	(0.8)	114	(20) %	(575)	(0.8)
Cost of Residual Non-Hedgeable Risks	(1,384)	(2.0)	(1,552)	(2.3)	168	(11) %	(1,552)	(2.3)
MCEV© - Market- Consistent Embedded Value	**20,566**	**30.0**	**15,179**	**22.1**	**5,387**	**35 %**	**16,256**	**23,7**

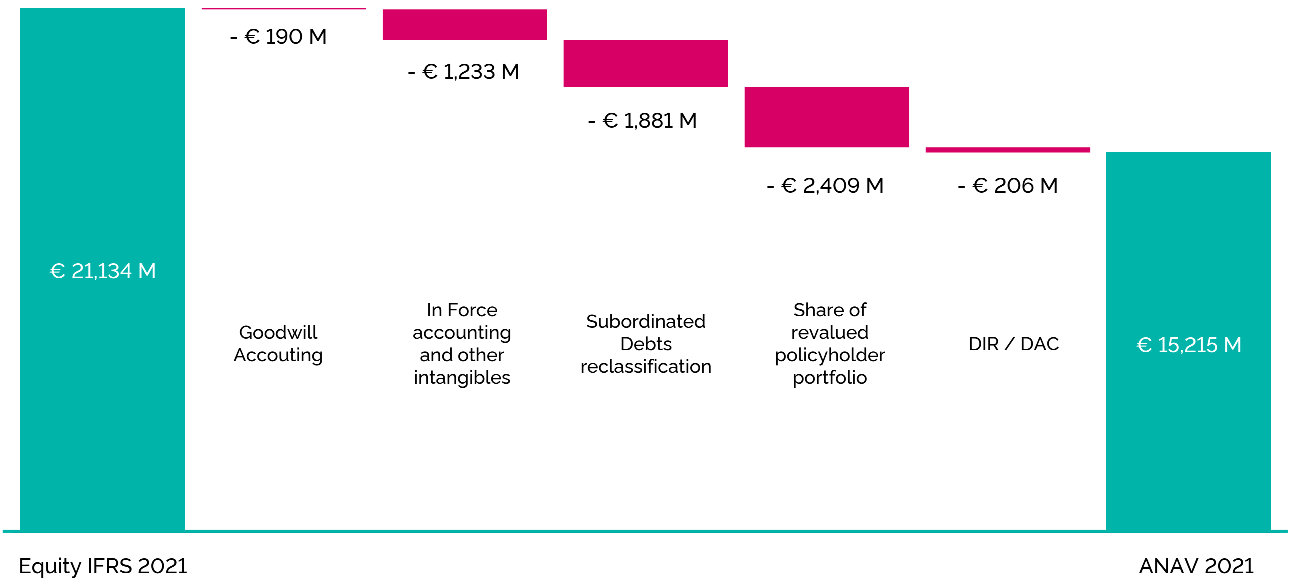
** Number of shares at 31 December 2020 and at 31 December 2021: 686,618,477*

The MCEV© consists of (i) Adjusted Net Asset Value ("ANAV"), in other words the market value of assets not backing insurance liabilities, and (ii) the Value of In-Force ("VIF"), in other words the value of future profits emerging from insurance liabilities and back assets less by the time value of options and guarantees and costs relating to residual non-hedgeable risks and capital required.

2.3.1 Adjusted Net Asset Value

Adjusted Net Asset Value ("ANAV") is the market value of assets that do not back insurance liabilities. It is derived from the IFRS shareholders' book equity after deducting intangible assets, subordinated liabilities and the share of revalued policyholder portfolio. The ANAV is determined at the valuation date at consolidated level, excluding minority interests and breaks down into the Required Capital and the Free Surplus.

The following diagram gives the reconciliation of the IFRS shareholders' book equity with the ANAV at 31 December 2021:



The Equity IFRS is an accounting data used as the basis for the calculation of the ANAV MCEV©. This value as at 31 December 2021 includes the equity contribution from the new entities CNP Vita Assicura and CNP Vita Assicurazione. As regard the Group ANAV at 31 December 2021, the restatement of the impacts of the acquisition of these new entities is taken into account in the In Force accounting and other intangible assets.

2.3.2 Analysis of change in MCEV©

The following table gives an analysis of variances, distinguishing VIF and ANAV, itself broken down between Free Surplus and Required Capital.

(€M)	ANAV	Free Surplus	Required Capital	VIF	MCEV©
MCEV© 2020	**14,586**	**3,958**	**10,628**	**1,671**	**16,256**
Opening adjustments	(1,060)	(1,085)	25	442	(618)
Adjusted opening MCEV© 2020	**13,525**	**2,872**	**10,653**	**2,112**	**15,638**
Value of New Business	(64)	(849)	785	430	366
Expected existing business contribution	47	47	0	1,479	1,526
Transfers from the VIF and required capital to Free Surplus	1,341	2,779	(1,438)	(1,341)	0
Experience variances	241	(44)	285	(268)	(28)
Changes in assumptions relating to operating activities	0	(122)	122	(242)	(242)
Other operating variance	0	84	(84)	0	0
Operating MCEV© Earnings	**1,565**	**1,896**	**(331)**	**58**	**1,623**
Economic variances	82	2,113	(2,031)	3,184	3,266
Other non-operating variance	31	31	0	(11)	19
Total MCEV© earnings	**1,677**	**4,039**	**(2,362)**	**3,231**	**4,908**
Closing adjustments	12	10	2	8	20
MCEV© 2021	**15,215**	**6,922**	**8,294**	**5,351**	**20,566**

The MCEV© opening adjustments cover:

- The decrease in the ANAV (- € 1,060 M) mainly corresponds to the payment of dividends (- € 1,077 M). It is important to note that the ANAV has been calculated without taking into account the impact of the new Italians entities' acquisition, mainly by restating the result for the year and the other intangible assets.
- The increase in the VIF of + € 442 M, mainly due to the following model and scope changes:
  - In France: improved modelling of profit-sharing (+ € 240 M);
  - In Latin America: updated assumptions for mortality and cancellations (+ € 109 M);
  - In Europe excluding France: the main change is related to the update of experience law for CNP UniCredit Vita (- € 3 M).
- Opening adjustments have an impact on the Required Capital (+ € 25 M) due to restatement on VIF and Solvency 2 Required Capital.

The contribution of the Value of New Business to the change in MCEV© is + € 437 M. The Analysis of Change table shows a new business contribution of + € 366 M, hereafter calculated according to the economic assumptions at the beginning of the year. This value includes the net profit income generated in 2021 by New Business (- € 64 M), allocated to the ANAV, and the year-end VIF contribution. The corresponding Required Capital increase is + € 785 M.

The expected existing business contribution (+ € 1,526 M) results from the VIF capitalization (+ € 1,479 M) calculated as at 31 December 2021, and the projected yield of the Free Surplus (+ € 47 M) at 31 December 2021. Furthermore, the 2021 result attached to the 31 December 2020 VIF is transferred to the ANAV without impact on the MCEV© and increases the Free Surplus both because of externalized profits from the VIF and the reduction in Required Capital.

Other operating variance correspond to Subordinated Debts ("SD") of an amount of + € 84 M issued in 2021.

It results in a **contribution from operational activity** of + € 1,623 M on the MCEV©.

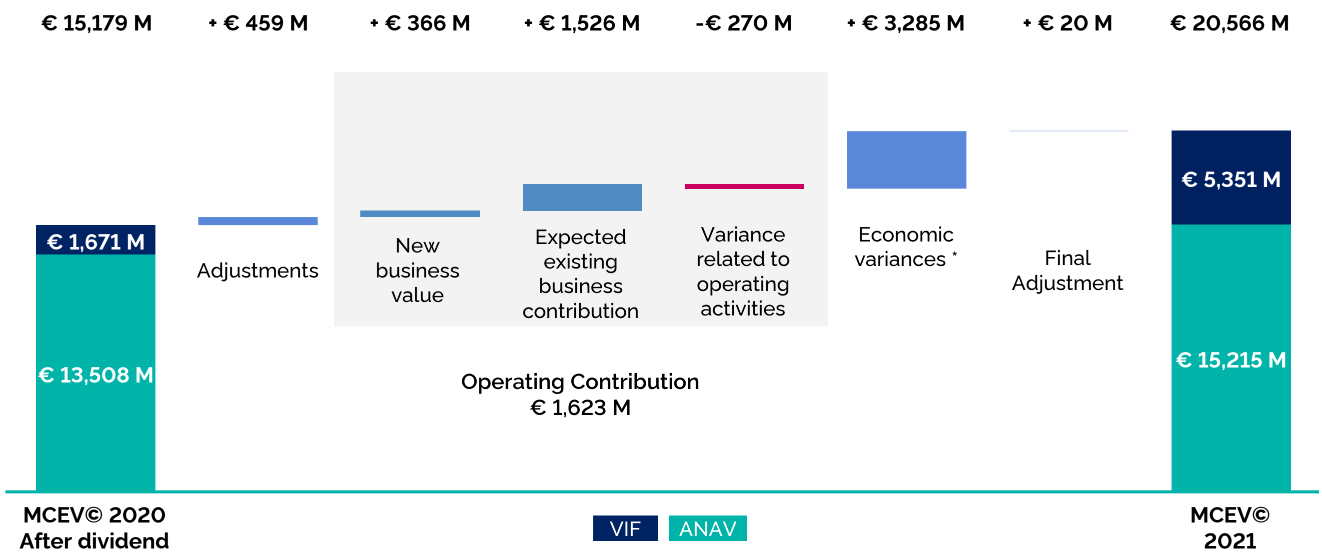
As regards Free Surplus, the available Cash-flow of + € 1,811 M (excluding Subordinated Debts) freed up by operational activities is the "Operating Free Cash-Flow" indicator. Its interpretation and details of its changes are given in paragraph 2.3.3.

In addition to the operating contribution, the annual variations are mainly explained by the economic effects:

- **Economic variances** had an impact on the MCEV of + € 3,266 M which is mainly due to the change in rates over the year (+ € 2,872 M) as well as the increase of the equity market (+ € 676 M), partially offset by the increase in equity volatility (- € 776 M), impacting the VIF in France. The decrease in Required Capital (- € 2,031 M) is partially explained by the decrease in Solvency 2 Required Capital due to the economic assumptions updates but also with the increase in the VIF, as a component of the eligible own funds for covering regulatory requirements. The New Business contribution to economic variances (included updated tax rate) in 2021 is + € 70 M.
- **Other non-operating variances** (+ € 19 M) are linked to tax differences.
- **Closing adjustments** (+ € 20 M) are due to exchange rates, essentially those of the Brazil Real (BRL).

A detailed analysis by geographic area is given in Section 3.

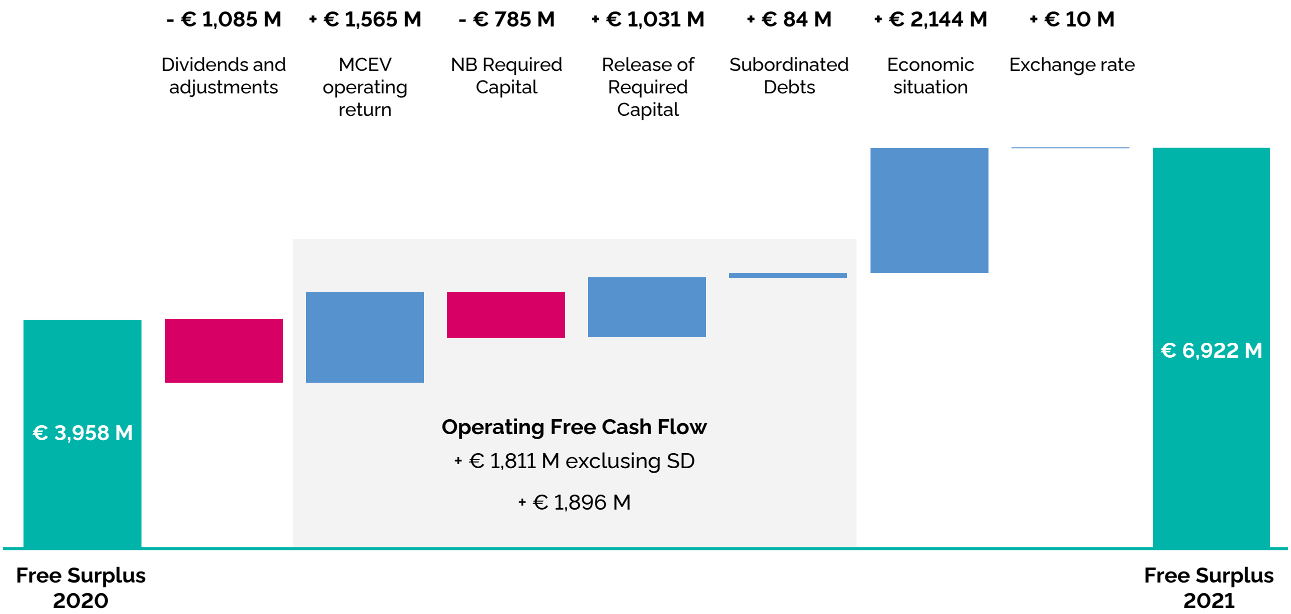
The following graph details the change in value between MCEV© and its components (VIF and ANAV) for 31 December 2020 and 31 December 2021 grouping the different impacts together:



** including other non-operating variances*

2.3.3 Analysis of change in Free Surplus

The following graph shows the change in Free Surplus for 31 December 2021 and 31 December 2020, grouping the different impacts together:



The Free Surplus comes to + € 6,922 M, up € 2,964 M compared to 2020.

The opening adjustment is - € 1,085 M, and is mainly due to the payment of dividends (- € 1,077 M).

The operational contribution comes to + € 1,896 M (+ € 1,811 M excluding SD):

- A 2021 MCEV operating return of + € 1,565 M, up € 128 M (+ 9 %) compared to 2020, mainly driven by an increased result, particularly in France;
- An higher release of required capital of + € 311 M (+ € 1,031 M in 2021 vs + € 720 M in 2020) due to an higher initial capital; a lower New Business required capital compared to 2020 for + € 39 M (- € 785 M in 2021 vs - € 823 M in 2020) linked to the lower exposure to Euro Savings in favour of less capital-intensive products;
- Subordinated debts of + € 84 M.

The OFCF shows the Group's ability to generate the Free Surplus to pay its dividends and develop through commercialization of New Business or external growth operations.

The economic contribution is + € 2,144 M results mainly of higher rates which have a positive impact on Required Capital, and more specifically on the VIF.

The final adjustment is mainly due to exchange rate effects.

The following table gives an analysis of the OFCF, distinguishing its different components at 31 December 2021 and 31 December 2020:

(€M)	2021	2020
VIF transfers to Free Surplus	1,341	1,298
Financial income from Free Surplus	47	169
Release of required capital to Free Surplus	1,438	730
Experience variances	(82)	571
Expected contribution of In-Force	**2,744**	**2,767**
Capital required for New Business	(785)	(823)
Earnings attributable to New Business	(64)	(110)
Capital required for New Business	**(849)**	**(934)**
Operating Free Cash Flow	**1,896**	**1,834**
of which subordinated debts	84	500

At 31 December 2021, Operating Free Cash Flow is € 1,896 M (€ 1,811 M excluding SD).

2.4 IMPLIED DISCOUNT RATE

In an alternative way to the traditional approach in which the VIF and VNB result from an update of future distributable revenue with a discount rate, the MCEV© approach can also be used to deduce an implied discount rate to directly value the VIF. The implied discount rate (IDR), is defined as the discount rate as such, when used with a traditional model of Embedded Value, the values produced are equal to those that result from a market-consistent valuation. This IDR is thus a result of the valuation work rather than a basic MCEV© assumption. The IDR calculation requires a deterministic projection of future profits resulting from stock of existing contracts on a “real world” basis as for a traditional Embedded Value.

At 31 December 2021, the IDR for the Group’s subsidiaries is calculated based of a spread of 20 bps. Shares and property benefit from a risk premium of 310 bps and 230 bps (the same as at 31 December 2020) respectively.

The IDR is + 10.1 % for the Group at 31 December 2021 against + 7.2 % at 31 December 2020. This increase in the IDR is linked to the improvement in economic conditions favourably impacting the VIF.

2.5 SENSITIVITIES

MCEV© sensitivities are based both on the economic and underlying non-economic assumptions. It should be noted that sensitivities are often correlated, so it is unlikely that the impact of two events occurring simultaneously would be equal to the sum of the individual sensitivities for each event. For events whose impact is considered symmetrical, only sensitivities in one sense are presented.

The meaning of the different sensitivities is described in the comments beneath the table below which gives the results of sensitivities:

(€M)	ANAV	VIF	MCEV©	VNB
MCEV© - Market-Consistent Embedded Value	**15,215**	**5,351**	**20,566**	**437**
Interest rate curve + 50 bps	(423)	2,178	1,755	100
Interest rate curve - 50 bps	428	(2,741)	(2,313)	(172)
No volatility adjustment (VA = 0)		(237)	(237)	(9)
25 % decrease in equity capital values	(1,152)	(2,149)	(3,301)	
Surrenders - 10 %		50	50	26
Costs - 10 %		513	513	39
Required Capital		41	41	3
Claims rates - 5 % - Risk of longevity		(215)	(215)	0
Claims rates - 5 % - Risk of mortality & disability		161	161	50
25 % increase in swaption implied volatilities		(1,176)	(1,176)	(71)
25 % increase in equity implied volatilities		(1,316)	(1,316)	(43)

In each of the sensitivity calculations, all other assumptions remain unchanged. No specific additional management action has been included in the sensitivities above (given the current interest rate levels, the management action applied in 2020 on interest rate has not been renewed).

3

RESULTS DETAILED BY GEOGRAPHIC AREA

3.1 OVERVIEW

The following section gives an analysis of the main indicators and main vectors for change by geographic area.

The following tables give the overall results and the contribution of the different geographic areas to the CNP Group's MCEV© and VNB results. Detailed analyses for each area follow.

			France	Latin America	Europe excluding France	Group
		2020	63	165	55	284
VNB (€M)		2021	207	157	72	437
	change		144	(8)	17	153
Share in Group VNB (%)		2020	22 %	58 %	19 %	100 %
		2021	47 %	36 %	17 %	100 %
		2020	1,544	466	322	2,332
APE (€M)		2021	1,987	490	327	2,804
	change		443	24	5	473
		2020	4.1 %	35.5 %	17.2 %	12.2 %
Margin rate (%)		2021	10.4 %	32.1 %	22.1 %	15.6 %
	change		6.3 %	(3.4 %)	4.9 %	3.4 %

			France	Latin America	Europe excluding France	Group
		2020	13,446	1,418	1,393	16,256
MCEV© (€)M		2021	17,531	1,571	1,464	20,566
	change		4,086	153	71	4,310
Share in Group MCEV© (%)		2020	83 %	9 %	9 %	100 %
		2021	85 %	8 %	7 %	100 %
		2020	534	803	333	1,671
VIF (€M)		2021	3,993	975	382	5,351
	change		3,459	172	49	3,680
		2020	12,912	614	1,059	14,586
ANAV (€M)		2021	13,538	595	1,082	15,215
	change		626	(19)	23	630

The following table gives VIF sensitivities by geographic area:

(€M)	France	Latin America	Europe excluding France	Group
VIF 2021	**3,993**	**975**	**382**	**5,351**
Interest rate curve + 50 bps	2,163	(11)	26	2,178
Interest rate curve - 50 bps	(2,713)	11	(39)	(2,741)
No volatility adjustment (VA = 0)	(235)		(2)	(237)
25 % decrease in equity capital values	(2,089)		(60)	(2,149)
Surrenders - 10 %	(14)	53	10	50
Costs - 10 %	483	9	20	513
Required Capital	41	0	0	41
Claims rates - 5 % - Risk of longevity	(213)		(2)	(215)
Claims rates - 5 % - Risk of mortality & disability	134	18	9	161
25 % increase in swaption implied volatilities	(1,172)		(4)	(1,176)
25 % increase in equity implied volatilities	(1,313)		(3)	(1,316)

The following table gives VNB sensitivities by geographic area:

(€M)	France	Latin America	Europe excluding France	Group
VNB 2021	**207**	**157**	**72**	**437**
Interest rate curve + 50 bps	95	(1)	6	100
Interest rate curve - 50 bps	(166)	1	(7)	(172)
No volatility adjustment (VA = 0)	(9)		(0)	(9)
Surrenders - 10 %	6	17	3	26
Costs - 10 %	31	3	5	39
Required Capital	3	0	0	3
Claims rates - 5 % - Risk of longevity	(1)		1	0
Claims rates - 5 % - Risk of mortality & disability	45	2	2	50
25 % increase in swaption implied volatilities	(71)		(0)	(71)
25 % increase in equity implied volatilities	(42)		(1)	(43)

No specific additional management action by has been included in the sensitivities above.

3.2 FRANCE

Business in France is split into several segments: Savings-Pension, Credit Insurance and Protection products.

The year 2021 is marked by the increase in volumes on Credit Insurance and Savings, with a unit-linking rate rising to 30 % (APE basis) linked to the continued transformation of outstandings on Savings.

€ 207 M VNB 2021

10.4 % MARGIN RATE ON NEW BUSINESS

47.4 % OF GROUP VNB

3.2.1 Value of New Business

The following table gives the breakdown of VNB:

		2021	2020	Change	
(€M, %)				€M	%
PVFP	Present Value of Future Profits	559	348	211	61 %
TVOG	Time Value of Options and Guarantees	(241)	(191)	(51)	27 %
FCRC	Frictional Cost of Required Capital	(15)	(11)	(5)	42 %
CRNHR	Cost of Residual Non-Hedgeable Risks	(95)	(83)	(12)	14 %
VNB	**Value of New Business**	**207**	**63**	**144**	**227 %**
APE	Annual Premium Equivalent	1,987	1,544	443	29 %
PVNBP	Present Value of New Business Premiums	18,609	14,570	4,040	28 %
	Margin Rate	**10.4 %**	**4.1 %**	**6.3 %**	**154 %**
	PVNBP ratio	1.1 %	0.4 %	0.7 %	156 %

The following table gives a detailed analysis of the main factors of changes in the Value of New Business:

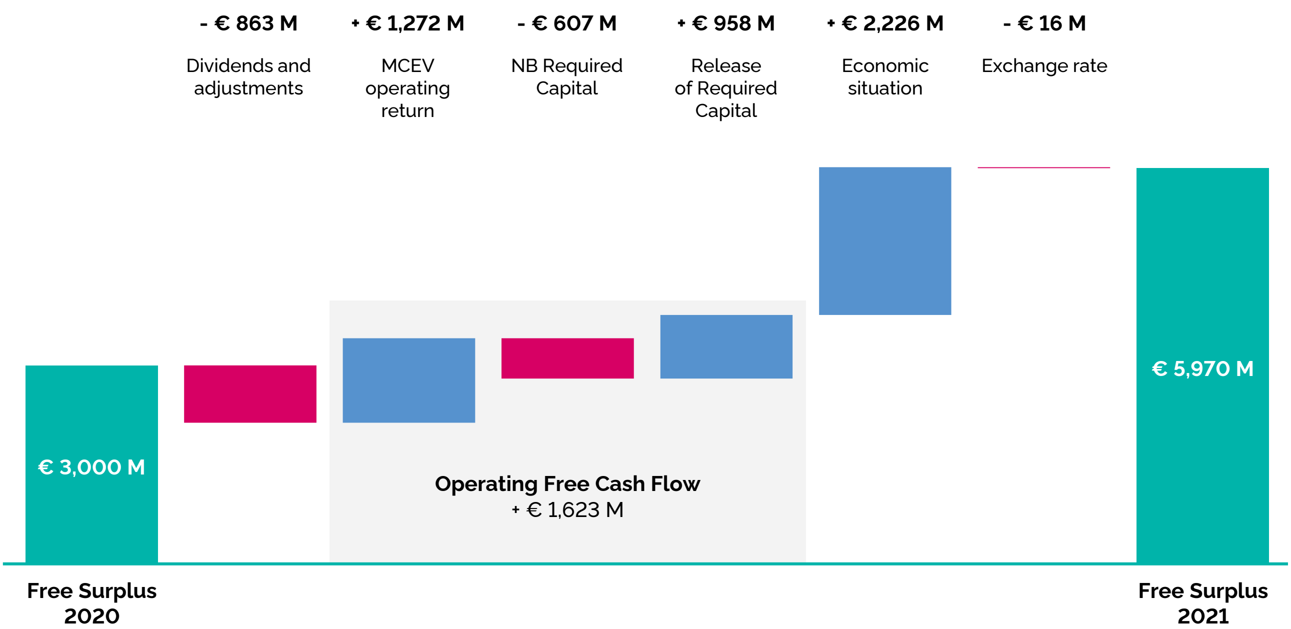
(€M, %)	VNB	Change	Margin rate
Value of New Business 2020	**63**		**4.1 %**
Updated model and scope	65	1	4.1 %
Change in the APE volume	82	17	4.1 %
Change in the segment mix	95	13	4.8 %
Change in experience	142	47	7.1 %
Change in financial market conditions	199	57	10.0 %
Updated taxation	207	8	10.4 %
Change in the foreign exchange rate	207	0	10.4 %
Value of New Business 2021	**207**	144	**10.4 %**
Change	144		6.3 %

The increase in the VNB and the margin rate is mainly explained by the market effect (increase in interest rates for + € 89 M and increase in volatilities for - € 40 M), combined with the growth in volumes on Unit-Linked and Credit Insurance products. Added to this is the improvement in the loss ratio for Group Protection, partially offset by the increase in expenses.

The following table gives the duration of New Business:

Duration (years)	2021	2020
Savings & Pension	14.4	14.1
Risk & Protection	6.4	6.5

3.2.2 Operating Free Cash Flow



OFCF comes to + € 1, 623 M (+ € 1,538 M excluding SD), up € 120 M compared to 2020, with:

- A MCEV© operating return of + € 1,272 M, up € 192 M compared to 2020, driven by the increase in result;
- A release of free required capital IF of + € 958 M (+ € 1,074 M in 2020);
- A New Business capital required of - € 607 M (- € 650 M in 2020), linked to a lower exposure to Euro Savings in favor of less capital-intensive products.

MCEV© (Operating MCEV© Return of + 9.9 %).

France	2021	2020
Adjusted opening MCEV© n-1	12,859	17,716
Operating MCEV© Earnings	1,273	1,226
Operating MCEV© Return	9.9 %	6.9 %

3.3 LATIN AMERICA

The Latin America area covers the activities of CNP Seguros Holding Brasil, the new joint-ventures Caixa Vida e Previdência (CVP), Consórcios Brésil and CNP Assurances Compañia de Seguros in Argentina.

The year 2021 was marked by the increase in volumes of Pension and Individual Risk segment, offsetting by the decline in volumes of Credit Insurance products due to the renewal of the partnership agreements.

€ 157 M	VNB 2021
32.1 %	MARGIN RATE ON NEW BUSINESS
36.0 %	OF GROUP VNB

3.3.1 Value of New Business

The following table gives a breakdown of VNB and the main volume and profitability indicators:

		2021	2020	Change	
(€M, %)				**€M**	**%**
PVFP	Present Value of Future Profits	176	194	(18)	(10 %)
TVOG	Time Value of Options and Guarantees	0	0	0	0 %
FCRC	Frictional Cost of Required Capital	(10)	(8)	(2)	19 %
CRNHR	Cost of Residual Non-Hedgeable Risks	(8)	(20)	12	(60 %)
VNB	**Value of New Business**	**157**	**165**	**(8)**	**(5 %)**
APE	Annual Premium Equivalent	490	466	24	5 %
PVNBP	Present Value of New Business Premiums	2,990	2,969	22	1 %
	Margin Rate	**32.1 %**	**35.5 %**	**(3.4 %)**	**(10 %)**
	PVNBP ratio	5.3 %	5.6 %	(0.3 %)	(6 %)

The following table gives a detailed analysis of the main factors for change in the Value of New Business:

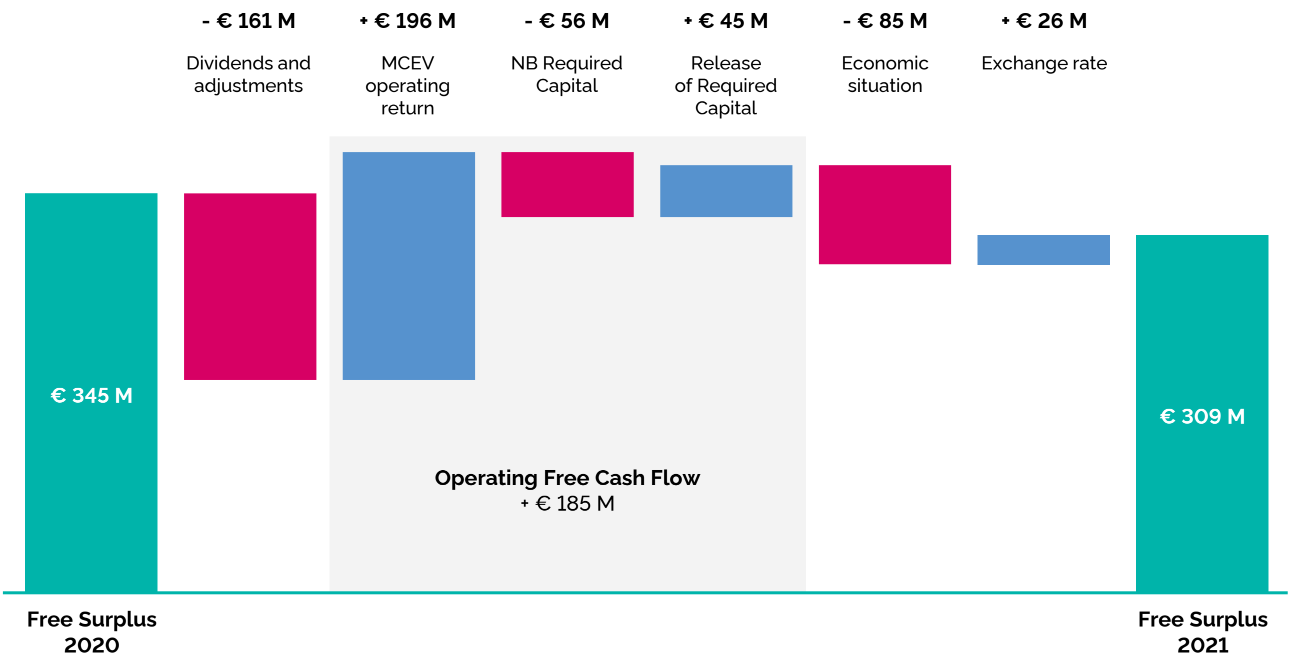
(€M, %)	VNB	Change	Margin rate
Value of New Business 2020	**165**		**35.5 %**
Updated model and scope	191	26	39.4 %
Change in the APE volume	209	18	39.4 %
Change in the segment mix	180	(30)	33.8 %
Change in experience	171	(9)	32.1 %
Change in financial market conditions	170	(1)	32.0 %
Updated taxation	170	0	32.0 %
Change in the foreign exchange rate	157	(13)	32.1 %
Value of New Business 2021	**157**	(8)	**32.1 %**
Change	(8)		(3.4 %)

Despite a decline in Credit Insurance sales, the VNB at constant exchange rates increased due to the good momentum on Pension products (APE + 43 % at constant exchange rates) and opening adjustments (updated assumptions for mortality and cancellations).

The following table gives the duration of New Business:

Duration (years)	2021	2020
Savings & Pension	7.6	7.7
Risk & Protection	4.9	4.4

3.3.2 Operating Free Cash Flow



OFCF comes to + € 185 M, down € 48 M compared to 2020, with:

- A MCEV© operating return of + € 196 M, down € 75 M compared to 2020;
- A release of free required capital IF of + € 45 M (+ € 37 M in 2020), related to the roll-forward of the in stock portfolio as of December 31, 2021;
- A New Business capital required of - € 56 M (- € 77 M in 2020).

MCEV© (Operating MCEV© Return of + 14.0 %).

Latin America	2021	2020
Adjusted opening MCEV© n-1	1,470	1,517
Operating MCEV© Earnings	206	344
Operating MCEV© Return	14.0 %	22.7 %

3.4 EUROPE EXCLUDING FRANCE

The Europe excluding France geographic area covers CNP UniCredit Vita, CNP Santander Insurance (with business in Germany, Italy, Spain, Poland, Belgium, the Scandinavian countries and Austria), CNP Luxembourg, CNP Partners and CNP Cyprus Insurance Holdings. New business for the new entities CNP Vita Assicura et CNP Vita Assicurazione are not taken into account.

The year 2021 is characterised by higher sales for Risk segment of CNP Santander and CNP UniCreditVita. Sales for Savings segment remained broadly stable.

€ 72 M VNB 2021

22.1 % MARGIN RATE ON NEW BUSINESS

16.5 % OF GROUP VNB

3.4.1 Value of New Business

The following table gives a breakdown of the VNB:

		2021	2020	Change	
(€M, %)				**€M**	**%**
PVFP	Present Value of Future Profits	86	67	19	29 %
TVOG	Time Value of Options and Guarantees	(3)	(2)	(1)	56 %
FCRC	Frictional Cost of Required Capital	(0)	0	(1)	(220 %)
CRNHR	Cost of Residual Non-Hedgeable Risks	(10)	(9)	(1)	6 %
VNB	**Value of New Business**	**72**	**55**	**17**	**31 %**
APE	Annual Premium Equivalent	327	322	5	2 %
PVNBP	Present Value of New Business Premiums	2,983	2,924	59	2 %
	Margin Rate	**22.1 %**	**17.2 %**	**4.9 %**	**28 %**
	PVNBP ratio	2.4 %	1.9 %	0.5 %	28 %

The following table gives a detailed analysis of the main factors in the change in Value of New Business:

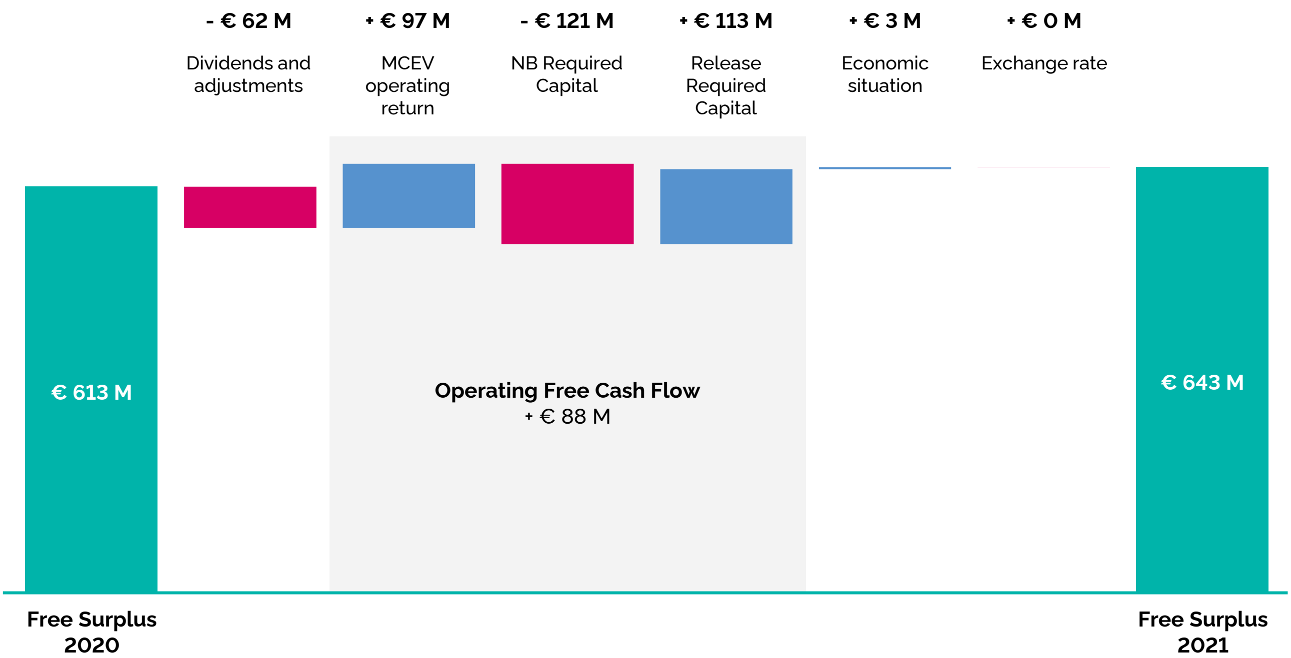
(€M, %)	VNB	Change	Margin rate
Value of New Business 2020	**55**		**17.2 %**
Updated model and scope	52	(3)	16.2 %
Change in the APE volume	53	1	16.2 %
Change in the segment mix	56	3	17.1 %
Change in experience	66	10	20.1 %
Change in financial market conditions	72	6	22.1 %
Updated taxation	72	0	22.1 %
Change in the foreign exchange rate	72	(0)	22.1 %
Value of New Business 2021	**72**	17	**22.1 %**
Change	17		4.9 %

The VNB and the margin rate are up due to the improvement in economic conditions and the review of the profit-sharing mechanism on CNP Santander. The Unit-Linked rate is 85% (APE basis).

The following table gives the duration of New Business:

Duration (years)	2021	2020
Savings & Pension	6.2	6.7
Risk & Protection	3.1	2.8

3.4.2 Operating Free Cash Flow



OFCF comes to + € 88 M, up € 9 M compared to 2020, with:

- A MCEV© operating return of + € 97 M, up € 9 M compared to 2020;
- A release of free required capital IF of + € 113 M (+ € 107 M in 2020), related to the roll-forward of the in stock portfolio as of December 31, 2021, driven by CNP Santander;
- A New Business capital required of - € 121 M (- € 96 M in 2020).

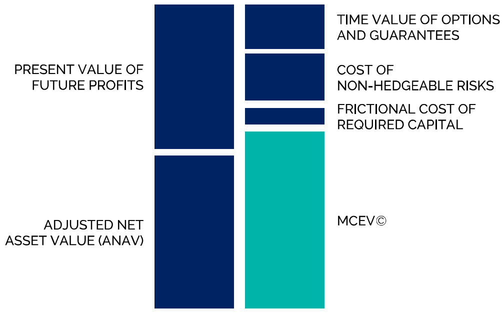
MCEV© (Operating MCEV© Return of + 11.0 %).

Europe excluding France	2021	2020
Adjusted opening MCEV© n-1	1,309	1,301
Operating MCEV© Earnings	144	103
Operating MCEV© Return	11.0 %	7.9 %

4
METHOD

4.1 ADJUSTED NET ASSET VALUE

The Embedded Value represents the consolidated value of shareholders' interests generated by insurance business in portfolio on the date of valuation. It is calculated before the payment of dividends and taxes related to such dividends. This value excludes any incorporation of future business, in other words policies incepted after the valuation date (except for Group Protection). The method used by the CNP Assurances Group is based on the MCEV© principles. This chapter provides information on the way in which those principles are applied by the CNP Assurances Group.



Adjusted Net Asset Value ("ANAV") represents the fair value of assets that do not back insurance liabilities minus the fair value of liabilities other than insurance liabilities. The ANAV is reconciled with the IFRS shareholders' equity as follows:

- **Cancellation of intangible assets**: the various intangible assets whose amortisation is not projected in the VIF are restated. These intangible assets do not have a commercial value and they are assigned a nil value for the needs of determining the ANAV. It concerns:
  - **Accounting goodwills** which represents a book entry in accordance with the IFRS standards related to the acquisition cost of an entity;
  - **Value of business acquired** representing the VIF crystallised on the acquisition date of an external portfolio and amortised over time.
- **Share of revalued policyholder portfolio**: fraction of the unrealized gains or losses on financial assets is deemed to belong to the shareholders under the IFRS standards in accordance with specific keys whereas the residual part is deemed to belong to the policyholders. Modelling in MCEV© results in a more accurate approach in determining the part due to shareholders, which is reincorporated into the portfolio value modelling.
- **Deferred acquisition costs (DIR/DAC)** being the non-amortized part of acquisition costs incurred at inception of insurance policies;
- **Contingent Liabilities**: CNP Assurances considers that anticipation of the payment relative to some specific operations already engaged cannot be incorporated into available surplus, as such payment represents a firm commitment by the Group and is not an insurance commitment. Consequently, such early payment is deducted from the ANAV. No contingent Liabilities is recognized as at 31 December 2021.
- **Reclassification of subordinated debts**: the part of subordinated debts considered as a shareholder's equity in the IFRS standards do not belong to the shareholders. So their value is not included when determining the ANAV.

The ANAV is determined at the date of valuation for consolidated figures and for each of the subsidiaries by excluding minority interests and is split into Required Capital and Free Surplus.

4.1.1 Required capital

The Required Capital corresponds to the market value of assets representing equity that the insurer must immobilize as regards its business and the distribution of which to shareholders is restricted.

The Required Capital reflects the level of capital that the Group sets to attain a target rating and control of its own risks as well as all other fixed components.

For European countries, the Required Capital is 110 % of the regulatory solvency Required Capital in accordance with the Solvency 2 standard, net of all other sources of funding such as subordinated securities and future profits on policies in stock valued in a Solvency 2 universe. The Required Capital for each entity is calculated on the basis of its individual SCR. The decree of 28 December 2019, which allows surplus funds to be taken into account in the solvency ratio, has no change on this assumption.

For Latin America, the Required Capital chosen by the CNP Assurances Group is 110 % of the solvency Required Capital under the local standard, which also includes a component linked to market risk.

4.1.2 Free Surplus

The Free Surplus is the value of the ANAV minus the Required Capital.

4.2 VALUE OF IN FORCE (VIF)

The VIF consists of the Present Value of Future Profits (PVFP) minus the following components:

- The Time Value of Options and Guarantees (TVOG);
- The Frictional Cost of Required Capital (FCRC);
- The Cost of Residual Non-Hedgeable Risks (CRNHR).

4.2.1 Present Value of Future Profits (PVFP)

The PVFP is the present value of Future Profits net of tax generated by policies in portfolio at the date of valuation and with a central assumption of changes in financial markets aligned with the reference rate curve on the basis of a market-consistent method. The Group's choice as regards the reference rate curve is described in the "Assumptions" section of this report.

The PVFP includes the intrinsic value of options and financial guarantees on policies in portfolio. The main options and financial guarantees included are as follows:

- Credited rate guarantees (Minimum Guaranteed Rate);
- Floor guarantees on Unit-Linked policies;
- Technical rate guarantees on annuities being paid and guarantees resulting from the point acquisition tariff for the Préfon portfolio and other L.441 products;
- Profit sharing options;
- Surrender options.

The Time Value of Options and Financial Guarantees is incorporated separately in the TVOG.

4.2.2 Time Value of Options and Guarantees (TVOG)

The Time Value of Options and Financial Guarantees ("TVOG") is generated by the asymmetry of risk sharing between shareholders and policyholders in accordance with the diverse changes on financial markets. Stochastic calculations are used, on the basis of multiple simulations, to scan the field of possibilities in terms of changes on financial markets and so capture the cost linked to financial options held by policyholders.

The valuation is based on a stochastic model itself based on a neutral-risk approach. This approach consists of setting the price of an asset as the expected future yield discounted at the reference rate. The economic generator Moody's Analytics is used to generate 1,000 scenarios projecting:

- The change in equities indices;
- The change in the property index;
- The actual rate curves for whole maturities between 1 year and 50 years;
- The nominal rate curve for whole maturities between 1 year and 50 years;
- The corporate credit spread curves (AAA to CCC ratings) for whole maturities between 1 year and 50 years.

Inflation is obtained by the difference between actual rates and nominal rates for 1 year maturity. For European entities, the share dividend rate and property rent rate are set at 2.5 % of the fair value of shares and property assets respectively and are supposed constant.

The lack of market depth (in particular the interest rate option) introduce an uncertainty regarding the consistency of asset prices on financial markets. This situation led CNP Assurances to use in 2019 the technique of path freezing (PPF) on the most extremes downside scenarios. This adjustment has been disabled for the 2020 annual closing, in the line with the Solvency 2 calculations.

The techniques used by the Group to calibrate the economic generator are described in the "Assumptions" section of this report. In addition, the projection model incorporates a competitive surrender component that represents the propensity of policyholders to surrender their policies when the actual return deteriorates compared to a market reference.

4.2.3 Frictionnal Cost of Required Capital (FCRC)

The need to block the Required Capital in respect of business covered results in a carry cost to be allocated to the value of Embedded Value and New Business. In market-consistent modelling, Frictional Costs are the cost of taxation friction and financial costs related to backing that capital.

The cost of interest paid to holders of subordinated debt is included in the value of business in portfolio. The approach used is as follows: the reference value of subordinated securities is determined in reference to the method given in the article 75 of Solvency 2 directive and the 5th orientation paper by EIOPA. It consists of using a valuation of subordinated securities taking account of the spread on issue and the exact characteristics of the securities.

The Frictional Cost of Required Capital also includes the charge linked to funding a part of the Required Capital by subordinated securities; this charge is valued as the difference between the economic value of subordinated securities and their nominal. The CNP Assurances Group defines this economic value as being the present value net of future amounts paid to holders of securities calculated taking account, in the discount rate, of the spread on issue of each security. The Required Capital for new production is deemed to be funded by subordinated securities in the same proportions as the stock of policies; the funding is achieved by newly issued securities, for which the economic value is equal to the nominal.

4.2.4 Cost of Residual Non-Hedgeable Risks (CRNHR)

The cost allocated to residual non-hedgeable financial and non financial risks results from:

- The inclusion of risks also not valued in the PVFP or TVOG such as the counterparty default risks and operational risks.
- The asymmetrical impact of particular non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses or the the uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

The Group has used a cost of capital approach to value these residual non-hedgeable risks, whose quantile and parameters have been standardizes in 2020. The capital allocated as regards these risks is defined as the contribution of each of the specified risks to a level of capital and according to Solvency 2.

4.3 VALUE OF NEW BUSINESS (VNB)

4.3.1 Definition of New Business

Projections made to estimate the value of a year's new production are based on the profile and volume of New Business done in 2021.

Individual traditional and Unit-Linked Savings and Pension:

New production consists of new policies and unscheduled payments on existing policies, without assumption on the recurrence of premiums.

Collective Pension:

New production of Collective Pension policies consists of new policies and unscheduled payments on existing policies. It concerns L.441 and corporate Pension policies in France.

Individual Protection:

New production consists only of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

Collective Protection:

As Collective Protection policies are annual from 1st January to 31 December with a inception date prior to 1st January, new production in a year consists policies whose cover period is the year following the current year.

Credit Insurance:

New production consists of new policies and future premiums attached to those policies. Future periodic premiums on existing policies are valued in the value of stock.

Other Products:

New production consists only of new policies and future premiums attached to those policies, projected periodically and split as annual, monthly or one-off policies. Future periodic premiums on existing policies are valued in the value of stock for the year.

4.3.2 Valuation method

The approach retained for the valuation of New Business consists in determining aggregates identical to those of the value of stock: it is defined as the present value of projected results for polices written in the year after deducting of the Time Value of Financial Options and Guarantees, Frictional Cost of Required Capital, and the Cost of Residual Non-hedgeable Risks. The Value of New Business is based on a projection of its contribution to results as from the date of sales.

Traditionally, there are two methods of measuring its contribution:

- **The "stand alone" method:** the value of new business is measured without taking into account the pooling effect with policies in stock and a part of the unrealised gains or losses on assets representing stock;
- **The "marginal" method:** the value of new business is measured taking into account pooling between new policies and policies in stock, and taking into account part of the unrealised gains or losses on assets representing stock.

The Group uses a marginal method for valuing its VNB but that varies operationally depending on the products:

- For all portfolios excluding Traditional Savings and for Group Protection in France, no unrealized gains and losses is taken into account in determining the VNB, and premiums on New Business are deemed to be invested in new assets available at the date of valuation in accordance with the investment policy applied in the year; because there are no significant interactions between New Business and stock, using a "stand alone" is method equivalent for these products to using a "marginal" method and is preferred operationally;
- For Traditional Savings portfolios, in France, Italy and Spain, and for Group protection in France since 2020, the revaluation of policies does not distinguish different generations of identical policies, and depends on the financial performance linked to financial assets representing generations overall without distinction: a "marginal" method is applied operationally. For those portfolios, the method consists of taking into account a fraction of the unrealised capital gains or losses of the assets to which the participatory contracts are backed and supposing that it is used for New Business alone.

4.4 SENSITIVITIES

Interest rate curve +/- 50 bps:

This sensitivity is a translation of the swap rate curve by 50 bps up or down. In particular, it results in:

- A revaluation of the market value of bonds;
- An adjustment of reinvestment rates for all classes of assets of 50 bps;
- And an update of the discount rate.

The impact on the initial mathematical provisions for Unit- Linked policies is not valued.

Only the liquid part of the yield curve is subject to translation with a stable ultimate forward rate (UFR), in line with its definition under Solvency 2.

Because of the asymmetrical, non-linear impact of options and financial guarantees on MCEV©, the drop in financial markets usually has a bigger impact on MCEV© than the rise in interest rates, the impact gets greater with every additional drop.

No volatility adjustment (VA):

This sensitivity is used to value the impact where there is no correction for volatility ("volatility adjustment") on activities where such a correction is used.

25 % decrease in equity capital values:

This sensitivity makes it possible to assess the impact on the value of immediate drop in the level of equity indices of 25 %. This shock results in a 25 % fall in the market value of financial assets in equity, and a decrease in the mathematical provisions on Unit-Linked policies for their share invested in those assets.

25 % increase in swaption/equity implied volatilities:

These sensitivities are used to value the impact on Time Value of Options and financial Guarantees of the 25 % increase in swaption and equity volatility.

Surrenders - 10 %:

This sensitivity measures the impact of a 10 % decrease in total and partial annual surrender rates.

Costs - 10 %:

This sensitivity is used to value the impact of a 10 % decrease in all costs: acquisition, management, claim and structure costs.

Claims - 5 %:

This sensitivity measures the impact of a fall in claims: the incidence rate, loss ratios, disability and incapacity rate and mortality tables have been reduced by 5 %. Sensitivities to longevity risk, mortality risk and long term disability risk are measured separately.

Required Capital:

This sensitivity consists of defining Required Capital as 100 % of the required regulatory solvency margin, considering as stable the share of subordinated securities, and of measuring the impact of this change of assumption on value.

5

ASSUMPTIONS

5.1 ECONOMIC ASSUMPTIONS

Embedded Value calculations are based on financial assumptions determined from market conditions at 31 December 2021:

5.1.1 Interest rate reference curve

The MCEV© principles state that the reference rate curve can be determined from the swap rate curve, potentially adjusted and especially to enable convergence with the Solvency 2 regulatory requirements.

The swap rate curves minus the "credit risk adjustment" in euros and Brazilian reals used for determining the reference rate curves for France, Europe excluding France and Latin America are given in the following table.

Terms	€ rate 12/31/2021	€ rate 12/31/2020	BRL rate 12/31/2021	BRL rate 12/31/2020
1	(0.58 %)	(0.62 %)	11.23 %	2.60 %
2	(0.40 %)	(0.62 %)	9.86 %	3.92 %
5	(0.08 %)	(0.56 %)	8.32 %	5.73 %
10	0.21 %	(0.37 %)	9.71 %	7.01 %
15	0.40 %	(0.17 %)	10.46 %	7.41 %
20	0.46 %	(0.09 %)	10.21 %	7.34 %
30	1.08 %	0.69 %	9.18 %	6.97 %
Ultimate forward rate	3.6 %	3.75 %	5.5 %	5.5 %
Point of entry of the extrapolation	20 years	20 years	10 years	10 years
Convergence	40 years	40 years	50 years	50 years

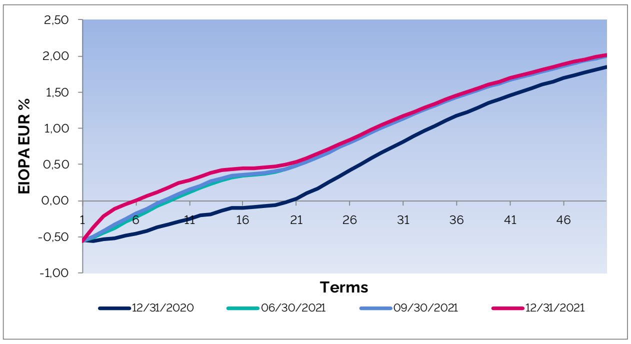
For the Eurozone, the rate curve is extrapolated with an entry point at 20 years which converges on 40 years according to the Smith-Wilson technique, to the ultimate forward rate which comes to 3.6 % (down 0.15 % from 12/31/2020). For Brazil, the entry point is at 10 years and the rate curve converges on 50 years to the ultimate forward rate of 5.5 %.

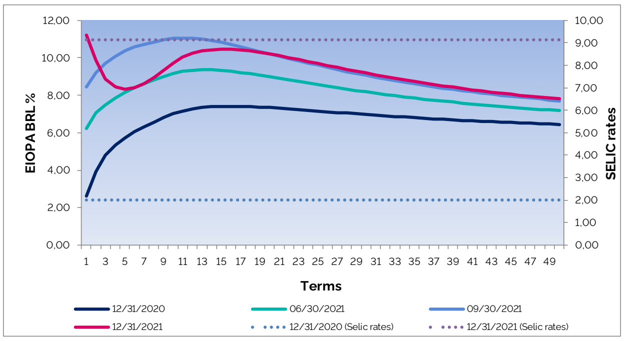
To determine the reference rate curve, the Group has chosen to align itself with the Solvency 2 prudential regulatory requirements, and to use EIOPA curves.

The levels of volatility adjustment for the different zones within the Eurozone at 12/31/2021 are equals to 12/31/2020; the levels of credit risk adjustment have been updated. Details are given in the following table:

Adjustements (bps)	France	Italy	Spain	Ireland	Luxembourg	Cyprus	Brazil
CRA	10	10	10	10	10	10	35
VA	3	3	3	-	3	-	n/a

For operational reasons, the application of a "volatility adjustment" is not applied across the Group. This adjustment has not been taken into account for certain countries, in particular for those for which this application depends on the specificities of local supervisors.





5.1.2 Calibrating the rate model

The generation model used for nominal rates is based on the two factor Libor Market Model Plus (LMM+). The calibration is based on the swaptions volatilities of in-the-money and out-of-the-money (source Bloomberg) of which the market 10Y ATM swaption volatilities are as follow:

Terms	1 year	2 years	5 years	10 years	15 years	20 years	25 years	30 years
MCEV© 12/31/2020 (normal)	0.37 %	0.41 %	0.49 %	0.53 %	0.53 %	0.52 %	0.50 %	0.48 %
MCEV© 12/31/2021 (normal)	0.64 %	0.64 %	0.62 %	0.60 %	0.57 %	0.54 %	0.51 %	0.48 %

Actual rates are generated by means of the two factor Vasicek mode, which has been calibrated on Treasury bonds indexed on the inflation.

5.1.3 Calibrating the equity model

A different level of volatility for each projection horizon between 1 and 10 years was used to generate the equity index (determinist volatility model). The levels used are given in the following table.

The volatility parameters were calibrated using ATM forward implied volatilities on the Eurostoxx 50 index as of 31 December 2021.

Terms	1 year	2 years	5 years	10 years
MCEV© 12/31/2020	19.2 %	19.4 %	19.9 %	20.5 %
MCEV© 12/31/2021	19.3 %	19.4 %	19.2 %	20.9 %

The correlation coefficients between the different factors (equity, actual interest rates and nominal interest rates) are determined by Moody's Analytics from econometric analyses and experts' opinions.

5.1.4 Calibrating the other diversified index

Two additional diversification index have been calibrated in the projection model: mortgage loans index and Equity Minimum Variance index whose volatilities are 9 % and 15.04 % respectively.

The amandement called « Moment Matching Adjustement » is applied to all the diversification index in order to ensure a martingale projection.

5.1.5 Calibrating the corporate credit spread model

In 2015 the CNP Assurances Group added a corporate credit spread diffusion model, the Credit G2 (JLT) model. The model's parameters are calibrated so as to reproduce the spread of an A rated bond of 7 years maturity (45 bps at 31 December 2021) with the following historic transition matrix:

	AAA	AA	A	BBB	BB	B	CCC	DEFAULT
AAA	94.2 %	5.6 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
AA	2.1 %	89.8 %	7.5 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
A	1.1 %	3.2 %	90.2 %	4.8 %	0.2 %	0.2 %	0.2 %	0.2 %
BBB	1.1 %	1.2 %	4.9 %	89.4 %	2.7 %	0.3 %	0.3 %	0.4 %
BB	0.4 %	0.4 %	0.8 %	6.9 %	82.6 %	7.0 %	0.3 %	1.5 %
B	0.4 %	0.4 %	0.8 %	1.6 %	5.9 %	80.8 %	6.4 %	3.9 %
CCC	0.3 %	0.4 %	0.8 %	1.5 %	2.5 %	7.8 %	77.4 %	9.4 %
DEFAULT	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	100.0 %

5.1.6 Exchange rate

The following table gives the exchange rates for the CNP Assurances Group business zones outside the Eurozone:

	Spot		Average	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Brazil (BRL/€)	6.3101	6.3735	6.3779	5.8943
Argentina (ARS/€)	116.7277	102.8603	112.5108	81.0439
Norway (NOK/€)	9.9888	10.4703	n.a.	n.a.
Sweden (SEK/€)	10.2503	10.0343	n.a.	n.a.
Poland (PLN/€)	4.5969	4.5597	n.a.	n.a.
Denmark (DKK/€)	7.4364	7.4409	n.a.	n.a.

The spot rate is a period-end rate, it is applied to VIF calculations. The average rate is the average daily rate for the year, it is applied for VNB calculations.

5.1.7 Tax rate

The tax rate used in the Embedded Value is the standard rate in the country in which Group is operating. The tax rate is down in France in accordance with the degressivity of corporate tax rates following the 2017 to 2020 finance law. The table below shows the tax rates of all the countries of the Group:

Terms	France	Italy	Luxembourg	Spain	Cyprus	Brazil	Argentina	Ireland
MCEV© 12/31/2020	26.19 %	30.82 %	24.94 %	25 %	12.50 %	40 % (1)	30 %	12.50 %
MCEV© 12/31/2021	25.82%	30.82 %	24.94 %	25 %	12.50 %	40 % (1)	35 % (2)	12.50 %

(1) Except for CAIXA Consórcio and Odonto whose tax rate is 34%.
(2) The tax rate for the first half 2021 has momently increased of 5 % going from 40 % to 45 % over the period July 2021 to December 2021.

5.1.8 Cost of capital allocated to Residual Non-Hedgeable risks

Following the methodological review of the CRNHR calculation, two groups of risks are included in the CRNHR calculation: all the risks that are not projected in the PVFP or in the TVOG and all of the risks that are uncertain and / or asymmetric, but which are considered in the calculation of the PVFP / TVOG. The same capital cost rate is applied to these two groups, set at 5 % at the end of 2021.

5.1.9 Subordinated securities finance rate

Those cover 78.5 % (average for the Group) of the Solvency Required Capital at 31 December 2021 for the CNP Assurances entity.

5.2 NON ECONOMIC ASSUMPTIONS

5.2.1 Expenses assumptions

Every year-end, the Group produces an analysis of expenses by object: acquisition, management, claims, investment costs and other technical and non technical charges as well as a breakdown by company, product family and network. These expenses bases are then projected by means of relevant drivers. At 31 December 2021, an annual rate of inflation between 1 % and 1.5 % was used for European entities for the drivers not already containing implicit inflation. In Latin America an inflation curve is used in line with the local market situation.

5.2.2 Claims and persistence assumptions

Non-economic assumptions, mortality experience, surrender laws and claims assumptions are determined by each entity on the basis of their best estimate at the date of valuation. They derive from an analysis of actual and past experience seen on each of the portfolios valued.

5.2.3 Future management decisions

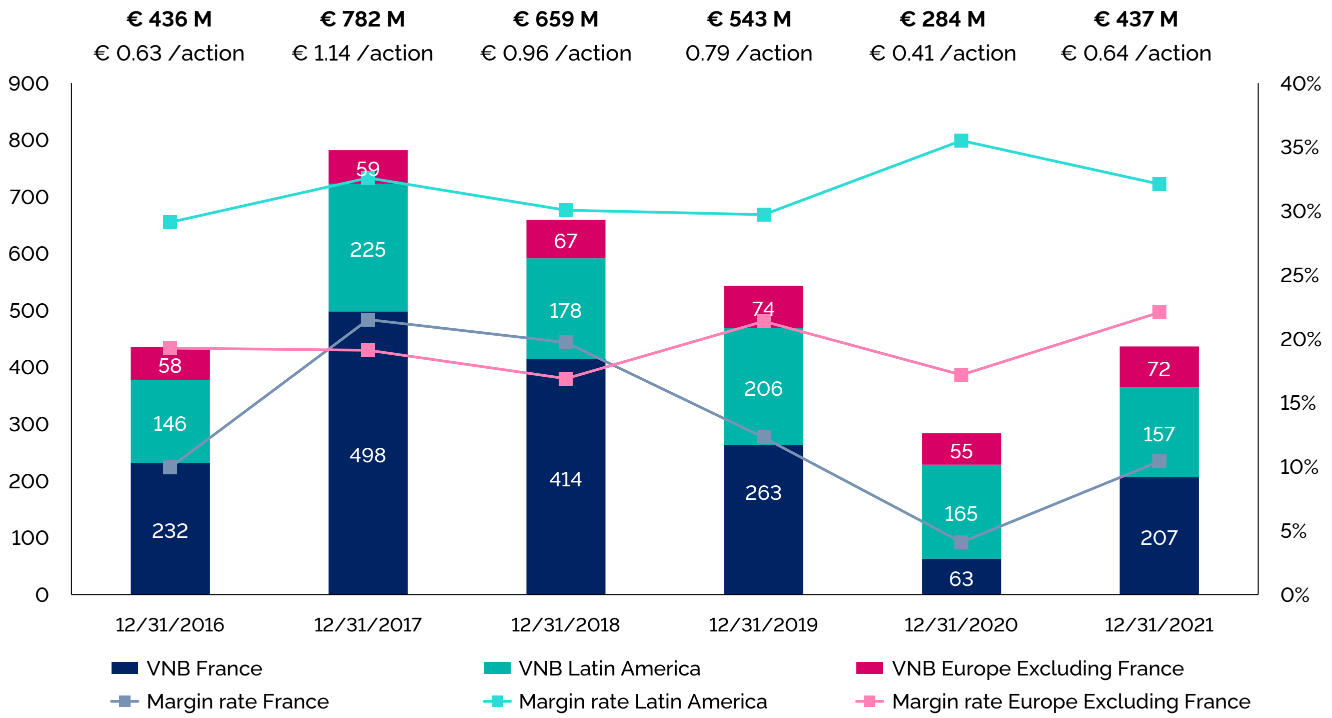
The calculation of MCEV© metrics needs the incorporation of future management actions. Enabling management of the company to be tailored according to the financial and economic situation, they are represented in particular by the strategies on investment and the revaluation of amounts outstanding and specific actions on liabilities.

In 2021, no specific management action has been included in the MCEV© sensitivities. Given the current interest rate levels, the management action applied in 2020 on interest rate has not been renewed.

6

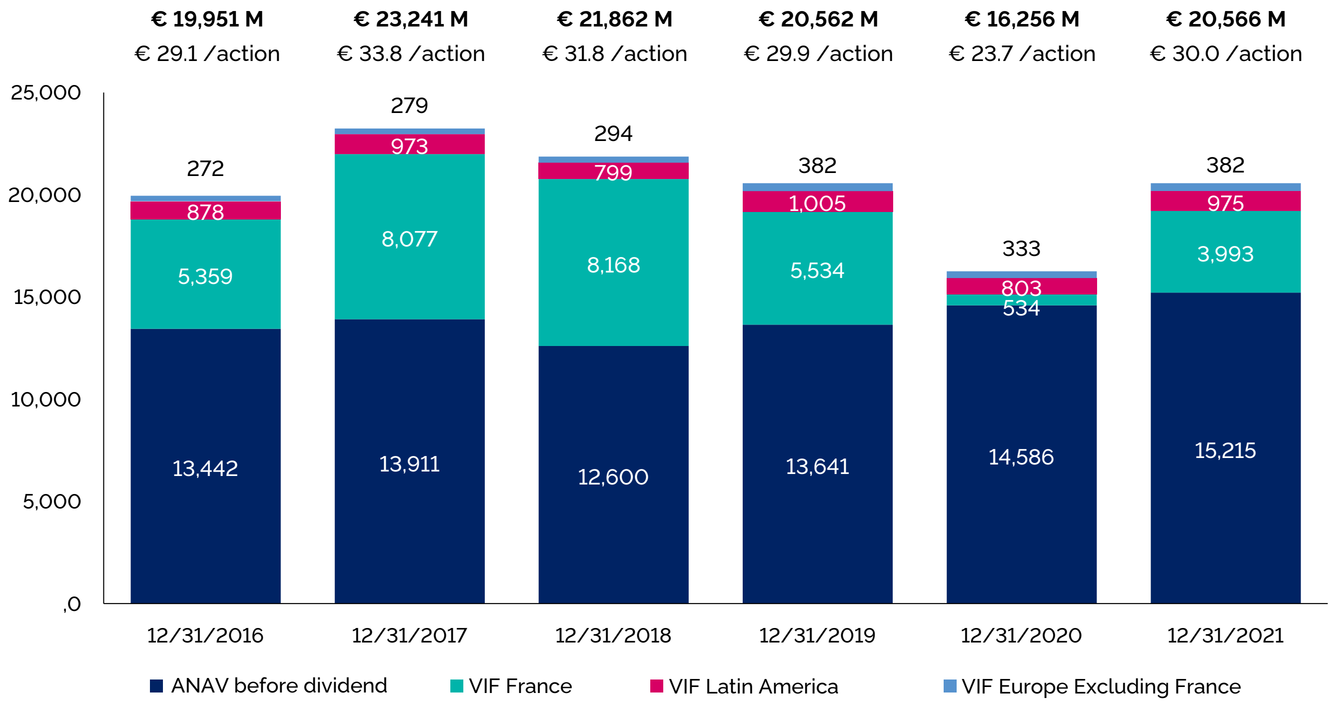
CHANGES IN MCEV© SINCE 2016

6.1 VNB HISTORY (€M AND MARGIN RATE AS %)



The above graph shows changes over time in the Group's VNB, compiled in accordance with the CFO Forum principles. Since 2014 the VNB has benefitted from pooling the unrealized gains in stock, with use of the marginal method.

6.2 MCEV© HISTORY (€M)



7

EXTERNAL OPINION ON MARKET-CONSISTENT EMBEDDED VALUE

EXTERNAL OPINION

CNP ASSURANCES
4 PLACE RAOUL DAUTRY
75716 PARIS CEDEX 15

To the Group Financial Director of CNP Assurances

As Statutory Auditors of CNP Assurances and in accordance with your request, we have examined the Market Consistent Embedded Value (MCEV©) information regarding MCEV© and its components, the value of new business, the analysis of movements in MCEV© and MCEV© sensitivities at 31 December 2021 of the CNP Assurances Group (hereinafter referred to as "the MCEV© Information"), presented in the attached document ("Embedded Value Report at 31 December 2021", hereinafter referred to as "the EV Report").

The EV report, the MCEV© Information and the underlying assumptions upon which the information relies have been established under the responsibility of management of CNP Assurances. The methods and significant assumptions adopted are detailed in the EV Report.

We are required, based on our work, to express a conclusion on the consistency of the results of the MCEV© Information with the methodology and assumptions adopted by management, with the MCEV© principles and the guidance published by the CFO Forum in April 2016, as well as on the consistency of the accounting information used with the consolidated financial statements of CNP Assurances as at 31 December 2021.

Our work, which does not constitute an audit, nor a limited review, has been performed in accordance with the professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors, and aims at forming a conclusion based on appropriate procedures.

Our work included the following procedures:

- Understanding the process used by management to prepare the MCEV© Information;
- Checking the "market consistent" approach used by management and described in the EV Report, in respect of its consistency with the MCEV© principles and guidance published by the CFO Forum, revised in April 2016;
- Checking the compliance of the methodology applied to establish the MCEV© Information with that described in the EV Report;
- Checking the economic assumptions used and their consistency with observable market data;
- Checking the consistency of the operational assumptions used in respect of past, current and expected future experience;
- Checking the consistency of the results presented in the MCEV© Information with the methodology and assumptions described in the EV Report;
- Checking the consistency of the accounting data used in preparing the MCEV© Information with the annual consolidated financial statements and underlying accounting records at 31 December 2021;
- Obtaining the information and explanations deemed necessary to deliver our conclusion.

We note that the Embedded Value calculation is based on a number of assumptions and expectations, notably regarding future management actions and policyholder's behavior, thus by nature includes an element of uncertainty and might evolve in accordance with the changes of environment. As a result, actual outcomes may differ significantly from those expected in the MCEV© Information. We do not express any conclusion relating to the possibility of such outcomes.

We draw your attention to section 2.1.1 "Main events in the year" which refers to the exclusion, from the MCEV© report, of the contribution of CNP acquisitions in CNP Vita Assicura, CNP Vita Assicurazione and CNP Vita SCARL.

Based on our work, we do not have any observations regarding:

- The consistency of the results of the MCEV© Information at 31 December 2021 as presented in the EV Report with the methodology and assumptions adopted by management, which are consistent with MCEV© principles 1 to 16, with the guidance published by the CFO Forum in April 2016;
- The consistency of the accounting information used with the CNP Assurances Group's consolidated financial statements at 31 December 2021, upon which we expect to issue our audit report by early March 2022.

This report is governed by the French law.

Neuilly-sur-Seine and Courbevoie, 17 February 2022
PricewaterhouseCoopers Audit / Mazars

Frédéric Trouillard-Mignen - Guillaume Bénéteau - Jean-Claude Pauly - Grégory Boutier

8 APPENDICES

8.1 APPENDIX A : GLOSSARY

Adjusted Net Asset Value (ANAV)

Calculated by subtracting from the Group shareholders' equity the subordinated debt classed as shareholders' equity, intangible assets and other components also valued in the Value of In-Force. This indicator is net of minority interests. The Adjusted Net Assets Value are composed of Required Capital and Free Surplus.

Annual Premium Equivalent (APE)

Indicator of production volume in the period, being one tenth of the sum of unique premiums and unscheduled payments to which is added the amount of periodic premiums subscribed in the year. This indicator is net of minority interests and net of reinsurance.

Frictional Cost of Required Capital (FCRC)

The need to block the Required Capital results in a carry cost to be allocated to the value of the Embedded Value and New Business. In market-consistent modelling, the Frictional Costs are the cost of taxation friction and financial costs related to blocking that capital.

Cost of Residual Non-Hedgeable Risks (CRNHR)

The cost allocated as regards non-hedgeable financial and non financial risks results from:

- The inclusion of non valued risks in addition in the PVFP or TVOG such as counterparty default risks and operational risks.
- The asymmetrical impact of certain non-hedgeable risks on value and especially mortality, longevity and morbidity risks included in policyholders' with-profits clauses.
- The uncertainty underlying the establishment of assumptions on non-hedgeable risks concerning claims, surrenders and costs, that are estimated using a "best estimate" approach.

EIOPA

European Insurance and Occupational Pension Authority.

Change at constant exchange rates

In the comparison at constant exchange rates, the exchange rate for the previous period is applied to the current period. This indicator is used to measure changes in the main indicators excluding exchange rate effects.

Change at constant perimeter

In the comparison at constant perimeter, the contribution from activities disposed of or ceased is removed from the perimeter of the previous period, and the contribution from new activities is removed from the perimeter of the current period. This indicator is used to measure changes in the main indicators on a comparable perimeter of activity.

Free Surplus

Is the portion of the Adjusted Net Asset Value that can be freely used by management to pay dividends and develop activity through marketing New Business or by means of external growth operations. This indicator is net of minority interests.

IFRS

International Financial Reporting Standards.

Market-Consistent Embedded Value (MCEV©)

Method of valuing a life insurance company that is broken down into Adjusted Net Asset Value and the Value of In-Force, namely the value insurance policies in portfolio at the date of valuation, determined using a market-consistent asset and liability valuation method. This indicator is net of minority interests.

Operating Free Cash-Flow (OFCF)

Measures the release of Free Surplus, which can be used to pay dividends and develop activity through marketing New Business or by means of external growth operations. This indicator is net of minority interests. The Operating Free Cash-Flow can be calculated gross or net of issues and repayments of subordinated debt.

Return on MCEV©

Measures the weight of the operating income of the year divided by the adjusted opening MCEV© for the past year.

Solvency Required Capital (SCR)

Level of eligible equity enabling an insurer to absorb significant losses, and give reasonable assurance that commitments to policyholders and beneficiaries will be honoured when they are due. The SCR is defined by the Solvency 2 directive as the value-at-risk of the insurer's basic equity, with a 99.5% level of confidence at a one year horizon. CNP Assurances has opted to calculate its SCR in accordance with a standard formula without transitory measurements, except grandfathering subordinated debt issued before the entry in force of Solvency 2.

Margin rate on New Business or APE ratio

Is calculated by dividing the Value of New Business by the APE. This indicator is used to measure the future profitability of insurance policies written in the period.

TVOG (Time Value of Options and Financial Guarantees)

The time value of options and financial guarantees represents the additional cost of options and guarantees beyond their intrinsic value that is included in the determinist scenario. The time value of costs of options and financial guarantees is calculated by the difference between the average value of future Cash-flows updated using stochastic and determinist scenarios.

Ultimate Forward Rate (UFR)

Used to update insurers' long term liabilities (Pension, death, life assurance, public liability, etc.) in the absence of relevant market data. Beyond the last liquid point (LLP) (20 years in the Eurozone) market rates are extrapolated and converge over a 40 year period on an ultimate rate (the UFR).

Value of New Business (VNB)

Assessment of the value of insurance policies written in the period, determined in accordance with a market-consistent asset and liabilities valuation method. It is calculated as the Present Value of Future Profits estimated on insurance policies written in the period, minus the time value of options and financial guarantees, frictional cost of capital and the cost of nonhedgeable risks. This indicator is net of minority interests and tax on profits.

Value of In-Force (VIF)

Assessment of the value of insurance policies in portfolio at the date of valuation, determined in accordance with a marketconsistent assets and liabilities valuation method. It is calculated as the estimated present value of future profits on insurance policies in portfolio at the date of valuation, minus the time value of options and financial guarantees, frictional cost of capital and the cost of non-hedgeable risks. This indicator is net of minority interests and tax on profits.

8.2 APPENDIX B : PERIMETER

Geographic Area	Country	Entity	Shares Owned
France	France	CNP Assurances	Consolidating Entity
	France	CNP Caution	100.00 %
	France	MFPrévoyance	100.00 %
	France	Arial CNP Assurances	40.00 %
Latin America	Brazil	Caixa Vida e Previdência	40.00 %
	Brazil	CNP Consórcio	25.00 %
	Brazil	CNP Seguros Holding Brasil	51.75 %
	Argentina	CNP Assurances Compañia de Seguros	76.47 %
Europe excluding France	Italy	CNP UniCredit Vita	57.50 %
	Italy	CNP Assurances Italian Branch	100.00 %
	Spain	CNP Partners	100.00 %
	Luxembourg	CNP Luxembourg	100.00 %
	Cyprus / Greece	CNP Cyprus Insurance Holdings	100.00 %
	Ireland	CNP Santander Insurance	51.00 %

A change of share impacted some perimeters of the Brazil entity due to the conclusion of a commitment agreement: Vida, Prestamista and Previdência : the share goes from 51.75 % to 40 % at the 1st January 2021; Consórcio : the share goes from 51.75 % to 25 % at the 29 July 2021 For the remaining perimeter, the share of 51.75 % is keeped. Following the acquisition of minority interests in MFPrévoyance, the share increases from 65.00% to 100.00%

Entities not covered have been valued on the basis of their ANAV.

CNP Vita Assicura and CNP Vita Assicurazione have not been included in the Group MCEV© as at 12/31/2021.

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Insuring
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