Insuring
a more
open world

# 2024
# SFCR report

Solvency and Financial Condition Report

**CNP Assurances group**

# Foreword

This Solvency and Financial Condition Report (SFCR) has been prepared in accordance with the public disclosure requirements of Articles 51 to 56 and 256 of Directive 2009/138/EC of the European Parliament and of the Council dated 25 November 2009 and the implementing rules contained in the Delegated Regulation dated 17 January 2015.

This report discloses the information referred to in Articles 292 to 298 and 359 to 371 of the Delegated Regulation and follows the structure set out in the Delegated Regulation's Annex 20.

The report presents CNP Assurances from a Group perspective, i.e. consolidating the activity of:

- CNP Assurances SA, its main subsidiaries outside France and in France;
- CNP Assurances IARD;
- CNP Assurances Prévoyance;
- CNP Assurances Santé Individuelle;
- CNP Assurances Protection Sociale.

In the rest of this report, unless otherwise stated, "CNP Assurances", "CNP Assurances Holding", "the Holding Company", "the Group" and "the CNP Assurances Group" refer to the CNP Assurances Group.

This document covers the period from 1 January 2024 to 31 December 2024.

The report includes an executive summary, five sections (business and performance, system of governance, risk profile, valuation for solvency purposes and capital management) and a set of quantitative reports in the appendix.

The report, relating to the 2024 financial year, has been approved by the Board of Directors of CNP Assurances at its meeting of 25 March 2025.

It has been submitted to France's insurance supervisor (ACPR).

A glossary of key terms is provided at the end of this document.

# Contents

# Executive summary

As a responsible insurer and investor, driven by the community values of the Group, CNP Assurances works with its partners to create an inclusive and sustainable society, by providing solutions to as many people as possible to protect and support them on their chosen paths. These solutions allow its customers to cope with unexpected life events or finance their projects. The Group's expertise in personal insurance includes personal risk insurance, term credit insurance, long-term care and health insurance, as well as savings with life insurance policies and supplementary pension solutions.

The operation with La Banque Postale and the creation of the holding company, CNP Assurances, allowed the Group to expand its activities to property insurance in France. CNP Assurances is also present in property and casualty insurance (fire, accidents and miscellaneous risks) in Brazil.

CNP Assurances manages policyholders' risks by pooling them and invests the proceeds from their premiums over time. Its investment horizon reflects this: long-term government debt, major national infrastructure projects (electricity transmission, fibre optic and water distribution networks, for example), and equities and bonds in companies covering a wide range of regions and sectors. Driven by its community values, CNP Assurances selects and manages its assets according to environmental, social and governance (ESG) criteria. This strategy is driven by its commitment to increasing the positive impact of its investments on society and the planet and reducing its adverse impacts. It applies an exclusion policy for companies involved in coal, oil, gas, tobacco and weapons, and ensures respect for human rights and gender equality in the companies in which it invests.

### Key figures for CNP Assurances Holding

| *(In € billion)* | 2024 | 2023 | Change |
|---|---|---|---|
| Premium income | 37.4 | 35.6 | +5.0% |
| Insurance margin | 2.87 | 3.12 | -8.1% |
| Attributable net profit | 1.58 | 1.55 | +2.1% |
| Technical provisions (gross of reinsurance) | 344.9 | 339.1 | +1.7% |
| Eligible own funds covering the SCR | 38.3 | 38.1 | +0.4% |
| SCR | 16.2 | 15.1 | +7.5% |
| SCR coverage ratio | 237% | 253% | -16 pts |
| Eligible own funds covering the MCR | 30.6 | 32.0 | -4.2% |
| MCR | 8.3 | 7.7 | +8.4% |
| MCR coverage ratio | 368% | 417% | -49 pts |

### Business and performance

Marie-Aude Thépaut, Chief Executive Officer of CNP Assurances, said:
"*CNP Assurances achieved an excellent financial and non-financial performance in 2024, reflecting the success of its multi-partner model. Business with La Banque Postale accounted for a significant portion of the Group's premium income.*
*Overall, inflows increased in all regions and we actively pursued our customer acquisition strategy. The creation of CNP Assurances Protection Sociale and the signing of new partnerships under the open model strengthened the Group's resilience.*
*The rating agency MSCI recognised our non-financial performance by awarding us its highest rating, AAA. We remain pioneers with the elimination of surcharges and exclusions for breast cancer survivors.*
*Once again this year, we reaffirmed our commitments to our stakeholders through our two businesses as an insurer and responsible investor.*"

To achieve its ambition, CNP Assurances is executing the strategic transformation plan launched in 2024, based on three strategic pillars**:**

- Developing growth and diversification drivers: by accelerating growth in the social protection and affinity segments, by continuing to win customers in the high-end segment and by leveraging additional growth drivers in Latin America;
- Strengthening fundamentals: by drawing on the strength of the partnership with La Banque Postale, a shareholder and distributor, and adapting insurance products to the macroeconomic environment;
- Transforming the business model by embodying the corporate mission: as a responsible investor financing the green, demographic, regional and digital transitions, and a responsible insurer pushing the limits of insurability, developing the model to serve the Group's stakeholders.

## System of governance

The current governance structure of the CNP Assurances Group separates the powers of the Chief Executive Officer of CNP Assurances Holding, the Board of Directors and the sole shareholder (La Banque Postale), in order to promote long-term value creation for the company, determine the Group's strategy and oversee its implementation.

The holders of the four key functions (risk management, compliance, actuarial and internal audit) report to the Chief Executive Officer or Deputy Chief Executive Officer of CNP Assurances Holding.
The process of continuous improvement of risk management and internal control systems is carried out in cooperation with partner networks. CNP Assurances considers that these systems are appropriate for its business model.

With regard to the governance system, 2024 saw the appointment of Marie-Aude Thépaut, previously Head of the Europe excluding France business unit, as Chief Executive Officer of CNP Assurances. Other appointments are described in Section B1.

## Risk profile

CNP Assurances' risk profile shows that the Group's primary exposure is to market risk, which accounts for nearly half of the Solvency Capital Requirement (SCR). However, its broad and diverse range of products has a significant risk diversification effect.

The Group is particularly sensitive to risks related to changes in interest rates, surrender risk, and the value of shares on the stock markets. Accordingly, for several years, CNP Assurances has implemented an equity and fixed income hedging programme.

Market fluctuations had an adverse effect in 2024, contributing to a 16-point decrease in the coverage ratio.

The monitoring of surrender risk was strengthened in Italy due to intense competition from government bond issuance. Surrender rates fell sharply in 2024 compared with 2023.

## Valuation of assets and liabilities

Assets and liabilities in CNP Assurances' Solvency II balance sheet are measured in accordance with valuation and reserving policies approved by the Board of Directors. The main methods and assumptions used for the valuations are presented in section D.
Where appropriate, assets are measured at the value reported in the IFRS balance sheet audited each year by the Statutory Auditors.
Solvency II consolidated technical provisions gross of reinsurance amounted to €344.9 billion at 31 December 2024.

### Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR) coverage ratios

Efficient capital management is essential to ensure that CNP Assurances Group meets its capital requirements. For this reason, as part of the annual ORSA strategic planning process, a five-year medium-term capital management plan is prepared each year and is submitted to the Board of Directors.
CNP Assurances' Solvency II own funds eligible for inclusion in the SCR coverage ratio, based on the Solvency II balance sheet, amounted to €38.3 billion at 31 December 2024. This total included €30 billion in basic own funds, classified as unrestricted Tier 1 capital, and €8.3 billion in subordinated liabilities (of which a portion is covered by the grandfathering clause).

The €30 billion in basic own funds includes part of the policyholders' surplus reserve, in accordance with the calculation method recommended by the insurance supervisor (ACPR) pursuant to the Ministerial Order on life insurance companies' surplus own funds published in the Journal Officiel dated 28 December 2019. The portion of the policyholders' surplus reserve eligible for inclusion in solvency capital at 31 December 2024 was calculated by the flat rate method recommended by the ACPR.

CNP Assurances' Solvency Capital Requirement, calculated using the Solvency II standard formula, was €16.2 billion at 31 December 2024.

The Group SCR coverage rate was 237% at 31 December 2024, down -16 pts compared with 31 December 2023. This decrease can notably be attributed to adverse market trends, in particular on French sovereign spreads (-16 pts) over the period, the integration of profit for the period net of expected dividends (+6 pts), a reversal of the profit-sharing reserve (-6 pts), an update of the financial strategy (-3 pts), a reduction in the capping of subordinated debt issued by CNP Assurances SA not available at the level of the CNP Assurances Group (+5 pts), and the integration of CNP Assurances Protection Sociale (-1 pt).

CNP Assurances' Solvency II own funds eligible for inclusion in the MCR coverage ratio, based on the Solvency II balance sheet, amounted to €30.6 billion at 31 December 2024. This total included €26.7 billion in basic own funds classified as unrestricted Tier 1 capital and €3.8 billion in subordinated liabilities.

CNP Assurances' Minimum Capital Requirement was €8.3 billion at 31 December 2024.

The Group's MCR coverage ratio at that date was therefore 368%, down 49 points on the previous year.

# A

## Business & performance

# A1 Business review

## 1. General information

### Name, headquarters, Trade and Companies Registry number

CNP Assurances Holding
4, promenade Cœur de Ville
92130 Issy-les-Moulineaux
514 080 407 Nanterre Trade and Companies Register

### Legal form

A public limited company with share capital of €4,000,256,320.

### Governing law

CNP Assurances Holding's activities are supervised by France's insurance supervisory authority, Autorité de Contrôle Prudentiel et de Résolution (ACPR, 4 Place de Budapest CS 92459, 75436 Paris Cedex 09, France).

## 2. Statutory Auditors

| Statutory Auditors of CNP Assurances | First appointed | Appointment ends |
|---|---|---|
| KPMG S.A.<br>Tour EQHO<br>2 Avenue Gambetta<br>CS 60055<br>92066 Paris La Défense cedex<br>represented by Pierre Planchon* and Anthony Baillet** | 2023 | AGM to be held to approve the 2028 financial statements |
| Forvis Mazars<br>61 rue Henri-Regnault – Tour Exaltis<br>92400 Courbevoie<br>represented by Jean-Claude Pauly*** | 2023 | AGM to be held to approve the 2028 financial statements |

** Member of the Compagnie régionale des Commissaires aux Comptes de Paris.*

*** Member of the Compagnie régionale des Commissaires aux Comptes de Versailles et du Centre.*

**** Member of the Compagnie régionale des Commissaires aux Comptes de Versailles.*

## 3. Ownership structure

At 31 December 2024
Number of shares: 400,025,632
Total theoretical number of voting rights (gross): 400,025,632
Total number of voting rights exercisable at General Meetings (net): 400,025,632

| Shareholders | Number of shares | % of capital | % in voting rights exercisable at General Meetings |
|---|---|---|---|
| La Banque Postale (France) | 400,025,632 | 100% | 100% |
| **TOTAL CNP ASSURANCES HOLDING SHARES** | **400,025,632** | **100.00%** | **100.00%** |

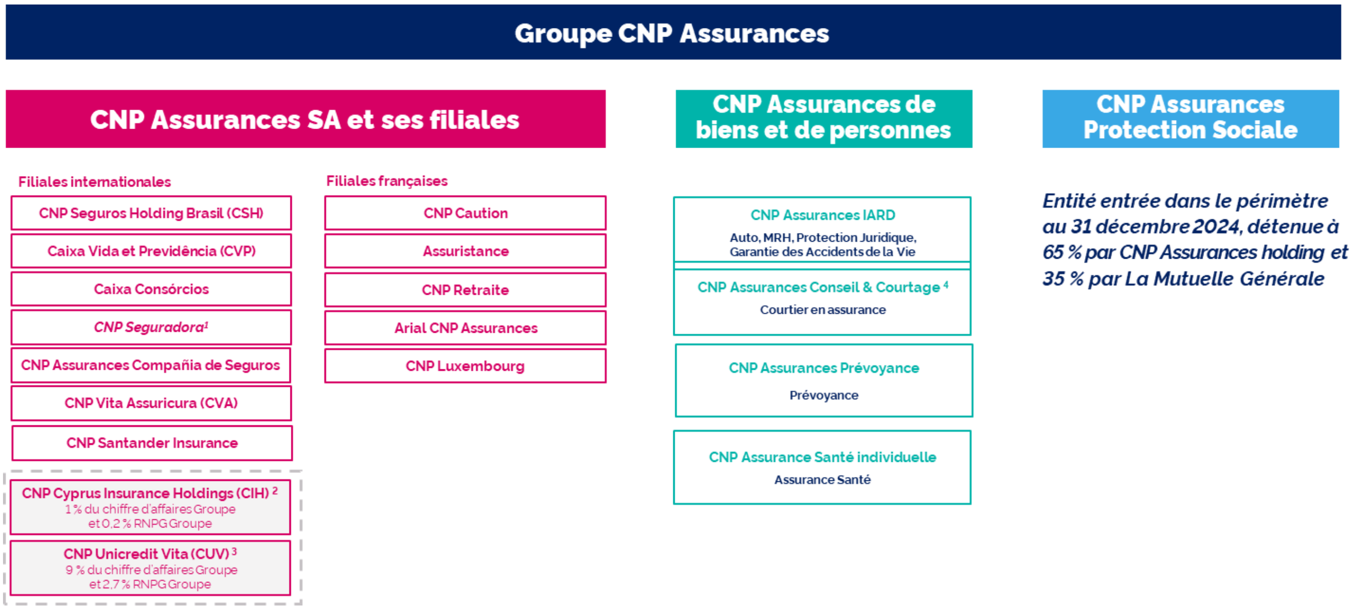
## 4. Material subsidiaries and other related companies

Group solvency under Solvency II is calculated by consolidating data for undertakings meeting the criteria in Article 335 of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

The undertakings included in the consolidation scope of the prudential group CNP Assurances at 31 December 2024 are described in the CNP Assurances Group's consolidated financial statements (*4.5 Companies included in the consolidation scope and percentage of control*).

# 5. CNP Assurances Group organisation

Simplified organisational structures of CNP Assurances' main subsidiaries in Europe and Latin America as at 31 December 2024:




*1/ CNP Seguradora is the trading name of the open model in Brazil.*

*2/ On 10 July 2024, CNP Assurances announced the signing of an agreement to sell its subsidiary CNP Cyprus Insurance Holdings to Hellenic Bank Public Company Ltd.*

*3/ End of partnership on 31 December 2024 after the partner exercised the option to purchase the outstanding stock, with the effective sale planned for 2025.*

# 6. Significant events in 2024

## 6.1 Economic and financial environment

### Moderate and varied growth

2024 followed on from 2023, with global growth still moderate (around +3.3%) and varied, with a strong performance in the United States (around +3%) and sluggish economies in Europe (around 0.5%) and China (< 5% penalised by the real estate crisis). These differences reflect marked divergences in local consumption trends. The solid performance of employment (low unemployment rates in Europe and the United States) was reflected in higher income, reflected in sustained final demand in the United States and increased savings in Europe.

### A gradual normalisation of inflation, paving the way for monetary easing

Inflation continued to normalise towards 2% but at a slower pace than markets had expected at the end of 2023. The central banks therefore postponed their monetary easing cycle to the second half of the year (-100 bp for the ECB and the Fed in 2024), which caused a rapid rise in bond yields in the first half (+80 bp for 10-year yields). After falling in the summer on fears of a slowdown in the United States, long-term yields rose once again after Donald Trump's election, ending the year up sharply, at 3.20% for the 10-year OAT (+65 bp with a political risk premium following the dissolution of parliament), 2.35% for the German Bund (+35 bp) and 4.57% for the US T-bond (+70 bp).

### Renewed yield curve steepening and credit spread tightening

The year was marked by the steepening of yield curves (+135 bp on the 2-10 year OAT, +70 bp on the swap curve), and the continued tightening of credit spreads despite a sharp increase in primary issuance. This was explained by investors' search for absolute return in a context of falling money market rates.

### A continued equity rally but marked performance disparities

The equity markets benefited from this context of moderate, non-inflationary growth and monetary easing. Despite a downward revision of earnings expectations, the stock market indices continued the rally that began in autumn 2022. However, there were considerably disparities in performance. US markets, led by technology stocks, rose by 25%. Emerging markets stayed in the black thanks to the strength of China (boosted by government measures), which helped offset the correction in Latin America. European markets (+8.5%) posted mixed performances, impacted by the fall in the CAC 40 (-2%) and sectors exposed to Chinese consumer spending (luxury goods, beverages, automotive).

### Dominance of the dollar and gold

Persistent political and geopolitical instability benefited the dollar and gold (+26%), while oil prices fell.

## 6.2 Significant events of 2024

### Changes in governance

In 2024, the governance of CNP Assurances Holding underwent two major changes. On 11 January 2024, the Board of Directors of CNP Assurances Holding appointed Marie-Aude Thépaut as Chief Executive Officer of CNP Assurances Holding. She succeeded Stéphane Dedeyan, who was appointed Chairman of the Management Board of La Banque Postale on 18 October 2023. The composition of the Board of Directors changed in 2024. New independent directors were appointed: Nathalie Collin (La Poste group) in January, Dario Moltrasio (Zurich Insurance) and Frédéric Tardy (Microsoft France) in May, and Stéphanie Berlioz (La Poste group) and Jean-Louis Laurent Josi (Sukoon Insurance Company) in July. The Board of Directors of CNP Assurances has 17 members, six of whom are independent directors, and one non-voting director. Amélie Breitburd was appointed Chair of the Audit and Risk Committee on 31 May 2024.

### A development strategy in all regions

In 2024, CNP Assurances continued to develop its multi-partner model in response to society's concerns, in France and internationally.

#### In France

On 1 January, CNP Assurances strengthened its position in the insurance of the Préfon Retraite pension scheme via its 100%-owned subsidiary, CNP Retraite, increasing its share of the reinsured policy from 37% to 58%. This change in the reinsurance structure broadens the prospects of the Préfon Retraite scheme, which has 400,000 members, including 150,000 retirees. On the same day, CNP Assurances internalised the management of the insurance policies previously entrusted to the GIE GPA (Groupement de Partenariats Administratifs) economic grouping. This enhanced the activities and expertise of the Retirement Solutions Department.

In May, CNP Assurances SA joined the French Federation of Affinity Protection and Insurance (FG2A), which brings together the major players in this fast-growing market. Affinity insurance products are taken out on an additional and optional basis on the sale of a product or service. They meet new consumer insurance coverage needs such as the loss or theft of equipment or purchase value insurance. Membership of the federation confirms the Group's growth ambitions in this buoyant market.

CNP Assurances Holding and La Mutuelle Générale announced the creation of CNP Assurances Protection Sociale on 31 December. With 1.4 million health and personal risk insurance policyholders and more than €900 million in estimated premium income at its launch (adding to the €1.3 billion in health and personal risk insurance premium income of CNP Assurances SA in France), CNP Assurances Protection Sociale aims to rank among the top five in health and personal protection - a market at the heart of societal issues and customer concerns.

**Internationally**

In Brazil, CNP Assurances diversified its presence in the country by signing an exclusive 20-year distribution agreement with Banco de Brasília in July. The open model brand, CNP Seguradora, will distribute its *consórcio* and savings products to the 7.8 million customers of this new partner, the main financial institution in the Federal District of Brasília.

Growth momentum continues in Italy via the 100%-owned subsidiary, CNP Vita Assicura (CVA), bolstered by the renewal of existing partnerships and the signing of new partnerships in 2024. CVA generated premium income of €3,200 million in 2024.

Also in Italy, in September, the partner bank UniCredit exercised its call option on the shares held by CNP Assurances (51%) in their joint venture CNP UniCredit Vita (CUV), as provided for in the shareholders' agreement. CUV generated premium income of €3,458 million in 2024.

In Cyprus, the sale of CNP Cyprus Insurance Holdings to Hellenic Bank Public Company Ltd was announced in July. In 2024, this subsidiary's life and non-life insurance activities accounted for less than 1% of total premium income. The final sale is expected to be completed in Q1 2025.

### An inclusive and innovative insurer

CNP Assurances was the first insurer to facilitate access to insurance for women who have overcome breast cancer. They can now complete their real estate or professional project by taking out term creditor insurance without surcharges or exclusions as soon as their treatment protocol ends and without waiting for the legal five-year period for the right to forget. These policies are distributed by La Banque Postale, Groupe BPCE and BoursoBank, partners of CNP Assurances.

In 2023, CNP Assurances was also the first insurer to extend its term creditor insurance policies with "family assistance" cover at no additional cost. This cover is intended for parents obliged to stop working to care for their sick or disabled child. It covers up to half of home loan repayments over a renewable 14-month period. In 2024, this cover was included in the new term creditor insurance policies of the Banque Populaire banks and the Caisses d'Epargne.

To improve the assessment and measurement of climate risks over the long term, CNP Assurances provides the sector with a French actuarial climate index. Repeated climate events pose a threat to the sustainability of insurance programs. The CNP Assurances research team and the DIALog academic chair of excellence have adapted the Climate Actuarial Index used in North America and Australia to French data.

Since 2023, CNP Assurances has obtained a gender equality score of 100/100 and confirmed its leadership in this area with scores higher than government targets for all indicators of the presence of women on management bodies. 40/40 for equal pay, 20/20 for individual pay rise rates, 15/15 for promotions, 10/10 for the gender breakdown of the ten highest-paid employees, 43% women in senior management and 40% women on the Executive Committee in the second half of 2024.

CNP Assurances has signed the 50+ Charter for the employment of over-50s and confirms its long-term commitment to promoting the role of older workers in the company and combat age-related stereotypes. CNP Assurances is committed to taking action on recruitment, training, retention in employment, career support and retirement, well-being at work and opening up all employees to this difference.

CNP Assurances is committed to LGBT+ people. In June, CNP Assurances organised its first Pride Month, an opportunity to mobilise and raise employee awareness of a fair, equitable and inclusive work environment for LGBT+ people. In September, CNP Assurances signed the Autre Cercle LGBT+ Charter alongside La Banque Postale.

As a sponsor of the Foundation for Medical Research, CNP Assurances supports its fight against neurodegenerative diseases. In 2024, it renewed its support for three years with a donation of nearly €600,000 to fund an innovative research project on Alzheimer's disease, in line with its historic action on long-term care issues. To foster the independence of patients with this disease, CNP Assurances is also investing in the BRAINWAVES research project of the Rothschild Foundation Hospital. Nearly one million people are affected in France. By 2050, more than 1.8 million French people could have a neurodegenerative disease, or 9.6% of those over 65. On World Alzheimer's Day, on 21 September 2024, the Rothschild Foundation Hospital launched a clinical trial breaking with conventional therapeutic approaches, aimed at blocking and combating inflammation of the brain, with the support of CNP Assurances.

To mark the extension of its activity, the CNP Assurances Foundation announced its new strategic focus: "For young people's health". The Foundation has been committed to public health since its creation and this focus continues its action and marks a new chapter in its history.

### A responsible investor

As a responsible investor, CNP Assurances is pursuing a committed transition financing strategy based on three pillars: the environment, health and ageing well, and access to essential goods and services. For several years, CNP Assurances has made the fight against global warming and the protection of biodiversity a priority. In the ShareAction 2024 ranking, CNP Assurances ranks number one worldwide for life insurers. In its Insuring Disaster 2024 report, the UK NGO analyses the responsible investment policies of the world's 23 leading life insurers from all angles: climate, biodiversity, social, governance and engagement. CNP Assurances topped this ranking. Directly holding an equity portfolio of €15 billion, CNP Assurances published its shareholder engagement policy in 2024 and is one of the few insurers to have published its votes on all 2023 Say on Climate resolutions as well as its criteria for analysing companies' climate transition plans.

In line with its commitments under the Global Compact, the Principles for Responsible Investment (PRI), the Net-Zero Asset Owner Alliance (NZAOA) and the Finance for Biodiversity Pledge, CNP Assurances has set ambitious targets, such as excluding new fossil fuel projects from its investment scope, decarbonising its portfolios or improving biodiversity in its forest assets.

2024 saw several pioneering advances.

Support for the Nature Impact initiative launched by WWF France in 2023. This initiative aims to protect the biodiversity of 15,000 hectares of forests in France while capturing 400,000 tonnes of $CO_2$ equivalent over 30 years. It involves an investment of €40 million over 10 years.

CNP Seguradora's support for the Amazon Institute of Conservation and Sustainable Development. Convinced that it will not be possible to preserve the Amazon rainforest without investing in training and creating sources of income for the region's inhabitants, CNP Assurances will invest BRL 2.5 million (approximately €500,000) for the benefit of nearly 500 Amazonian communities engaged in the production of vegetable oils, nuts and wood furniture. This support will also allow more than 5,000 trees to be planted in degraded areas.

CNP Assurances is committed to combating the use of pesticides and deforestation. It has a crucial role to play in the green transition. It is accelerating its withdrawal from thermal coal each year through an exclusion and dialogue policy. It prohibits any new investment in companies that generate more than 20% of their revenues from the manufacture or sale of pesticides (herbicides, fungicides, insecticides), and in companies that exploit or trade sensitive resources (cocoa, coffee, soy, beef, leather, rubber, palm oil, wood and paper pulp) without a recognised policy for the prevention of deforestation.

# 7. Business review

## 7.1 Premium income

Details of premium income are provided in section A2 of this report.

## 7.2 An international multi-partner business model

Created 175 years ago, CNP Assurances is a solid and international group with many strengths:

- Strong positions with 35 million policyholders in property and personal protection;
- 8,479 employees with in-depth expertise;
- Long-term banking partnerships beyond 2040;
- Diversified partners under an open model;
- Part of the major public financial centre and strategic alignment with our distributor shareholder La Banque Postale.

The breakdown of offers by segment is as follows:

| Offers by segment | |
|---|---|
| SAVINGS/PENSIONS | SAVINGS Traditional life insurance and life insurance with a unit-linked or "Croissance" (growth fund) formula |
| | PENSIONS Private and company-sponsored plans |
| PERSONAL RISK INSURANCE/PROTECTION | PERSONAL RISK INSURANCE<br>Death, temporary and permanent disability insurance, long-term care insurance, unemployment insurance, loss of income insurance, support and assistance services |
| | TERM CREDITOR INSURANCE and GUARANTEES<br>Home loans, consumer finance and business loans |
| | HEALTH INSURANCE |
| | PROPERTY & CASUALTY |

CNP Assurances works closely with each distribution partner to build offers tailored to the profiles of its respective clients in terms of age, appetite for risk and income level.

### Long-term banking partners in France and abroad

In its development, the CNP Assurances Group partners with banking players boasting extensive distribution networks to ensure its solutions are accessible to as many people as possible.

In France, its products are widely distributed by La Banque Postale and Groupe BPCE (Banque Populaire and Caisse d'Epargne), long-standing partners of CNP Assurances. The merger with LBP enabled CNP Assurances to become an all-round insurer in France and to increase its growth ambitions with the deployment of a multi-product strategy.

In Brazil, the CNP Assurances Group has partnered with Caixa Econômica Federal since 2005 and renewed its partnerships in 2021, beyond 2040.

In Italy, UniCredit announced the end of the partnership in 2024. The effective sale will take place in 2025.

#### Multiple partners in France

As the preferred insurer of the social protection sector (serving over 100 mutual insurance companies, employee benefits institutions and other non-profit organisations), CNP Assurances designs solutions that enhance their purpose and strengthen their unique positioning. In line with these commitments, the CNP Assurances Group continues to develop growth and diversification drivers, for example with La Mutuelle Générale, to create a major player in social protection in France.

More than 200 residential mortgage providers and 40 wealth managers also place their trust in CNP Assurances.

#### Continued development of the open model in Italy and Brazil

In Italy, CNP Assurances continued to develop its open model in 2024 by signing eight new partnerships with CNP Vita Assicura.

In Brazil, the 100% acquisition of five insurance companies (Holding Seguros, Previsul, CNP Cap, Odonto Empresas, CNP Consórcios), initially co-owned with Caixa Econômica Federal, provides a foundation for the development of the open model in the country. In 2024, the CNP Assurances Group continued its development in Brazil, particularly with the CNP Seguradora brand and by entering into new partnerships, such as those announced with Banco de Brasília and with the broker XP.

The Group is refocusing its activities in Europe and has announced the signing of an agreement to sell its activities in Cyprus and Greece.

## 7.3 Intra-group transactions

Intra-group transactions fall into several different categories:

- Transactions involving equity instruments and asset and liability transfers: In 2024, CNP Assurances Holding received €2.409.8 million in dividends from its consolidated subsidiaries: €2,352.2 million from CNP Assurances, €33.5 million from CNP Assurances IARD, €21.2 million from CNP Assurances Prévoyance and €2.8 million from CNP Assurances Santé Individuelle;
- Intra-group reinsurance transactions: CNP Assurances provides reinsurance cover for its subsidiaries under proportional and non-proportional treaties. The main treaties in force during the period were as follows:

| Ceding insurer | Reinsurer | Type | Segment | Ceded technical provisions (at 31/12/2024 *in € million*) |
|---|---|---|---|---|
| CNP Luxembourg | CNP Assurances | Proportional | Savings/Pensions | 2,199 |

- Internal cost-sharing transactions, amounts due and receivable in respect of group tax relief, current account advances, related-party transactions, etc.
- Transactions related to off-balance sheet items, in particular reinsurance pledges with CNP Luxembourg.

# A2 Underwriting performance

## 1. Background information and market trends

Business performance is tracked using various indicators, some of which are described below:

- Premium income, an indicator of underwriting volume;
- The insurance margin is used to measure the insurance profit generated by contracts falling within the scope of IFRS 17.

## 2. Premium income

### 2.1. Change in premium income

| Premium income (*non-GAAP indicator*) *(In € million)* | | 2024 | 2023 | % change (reported) | % change (like-for-like) |
|---|---|---|---|---|---|
| France | Savings/Pensions | 18,464 | 17,409 | +6.1% | +6.1% |
| | Personal Risk/Protection | 4,457 | 4,536 | -1.7% | -1.7% |
| | P&C | 707 | 668 | +5.8% | +5.8% |
| | **Total** | **23,627** | **22,612** | **+4.5%** | **+4.5%** |
| Latin America | Savings/Pensions | 4,793 | 5,083 | -5.7% | +2.0% |
| | Personal Risk/Protection | 1,100 | 1,201 | -8.4% | +0.8% |
| | P&C | 220 | 246 | -10.8% | -3.6% |
| | **Total** | **6,112** | **6,530** | **-6.4%** | **+1.6%** |
| Europe excluding France | Savings/Pensions | 6,559 | 5,377 | +22.0% | +22.0% |
| | Personal Risk/Protection | 940 | 959 | -2.0% | -2.0% |
| | P&C | 171 | 158 | +8.8% | +8.8% |
| | **Total** | **7,671** | **6,494** | **+18.1%** | **+18.1%** |
| **Group** | **Total** | **37,410** | **35,636** | **+5.0%** | **+6.4%** |

**Consolidated premium income** for the year came to €37.4 billion, up +1.8%. Growth was driven by France (+€1 billion, +6%) and Europe excluding France (+€1.2 billion, +22%), and mainly by the savings/pensions business in these two regions.

### France

In France, premium income amounted to €23.6 billion, up +4.5% from 31 December 2023. The increase was mainly due to the **Savings/Pensions** segments:

- In **Savings/Pensions**, premium income increased by +€1.1 billion (+6.6%). The La Banque Postale network, which accounts for nearly 50% of the total in France, grew by 10% thanks to the success of various sales campaigns. The high-end segment had an excellent year with growth of +30%, explained by highly competitive offers with a recovery in the Luxembourg market. Progress in the LBP network and the high-end segment helped offset the natural decline in inflows from the BPCE network, in run-off;
- **Personal Risk/Protection** was relatively stable at €79 million (-1.7%);
- The **P&C** segment was up +€39 million, mainly due to the growth of CNP ABP (+€33 million; +5.4%), which recorded solid sales momentum and price rises.

### Latin America

Premium income totalled €6.1 billion, down 6.4% at current exchange rates and up 1.6% at constant exchange rates:

- In **Savings/Pensions**, premium income increased by 2.0% at constant exchange rates to €5.2 billion. The Pensions business, which accounted for 90% of the total, increased by 2.7%;
- **Personal Risk/Protection** premium income came to €1.1 billion, stable at +0.8% at constant exchange rates. At €682 million, term creditor insurance premium income was up +3% despite high interest rates in Brazil and the impact of the run-off of CSH (€315 million, -€12 million). The personal risk insurance business was virtually stable at €409 million, down 2%. The decrease at CVP was offset by the increase at CNP Argentina (inflationary environment);
- **P&C** activity was down (-€9 million; -3.6% at constant exchange rates).

### Europe excluding France

Europe excluding France had a very good year with premium income of €7.7 billion, up +18.1% compared with 2023.

**Savings/Pensions** inflows rose by +22.0% to €6.6 billion. CUV contributed €3.13 billion, +23.4% vs. 2023 thanks to the new euro fund and the market recovery. CVA inflows totalled €3.1 billion, up +21.0%, driven by sales campaigns:

- Premium income from **Personal Risk/Protection** fell very slightly by -€19 million (-2.0%). Santander was resilient with stable premium income of €657 million. The decrease in term creditor insurance was fully offset by growth in the personal risk insurance business;
- The **Property and Casualty** segment also increased by 8.8%.

# 3. Insurance margin

## 3.1. Change in insurance margin

| **IFRS 17 insurance margin** *(In € million)* | **2024** | 2023 | Change | % change |
|---|---|---|---|---|
| France | 1,809 | 2,092 | -283 | -13.5% |
| Latin America | 690 | 720 | -30 | -4.2% |
| Europe excluding France | 367 | 305 | +62 | +20.3% |
| **Group** | **2,866** | **3,118** | **-252** | **-8.1%** |

The **insurance margin** was €2,866 million, down -8.1% or -€252 million:

- In **France**, the insurance margin stood at €1,809 million at 31 December 2024, (-€283 million, -13.5%) with less significant experience variance in 2024 (+€13 million in losses on premiums and claims in term creditor insurance and the integration of the Italian branch and MFP in the head office model, offset by the AR review) than in 2023 (+€258 million in exceptional surpluses in personal risk/protection including the negative impact of the review of projected claims in term creditor insurance) and less adverse markets (+€89 million) thanks in particular to the change in the recognition of unrealised gains or losses in the protection model;
- In **Latin America,** the insurance margin amounted to €690 million at 31 December 2024, down -€30 million (-4.2%) due to negative experience effects (-€72 million), mainly as a result of the strong surpluses recorded in 2023 before the review of projection rules and an allocation to provisions for late claims of -€62 million, as well as an unfavourable market effect (-€63 million) driven by the foreign exchange effect. These effects were offset by an increase in the expected margin (+€92 million) linked to the increase in the CSM in 2023;
- In **Europe excluding France**, the insurance margin amounted to €367 million at 31 December 2024, up +€62 million (+20.3%), due to an improvement in experience effects (+€68 million), mainly as a result of surpluses related to the renegotiation of asset manager fees and the decrease in surrenders at CVA.

# A3 Investment performance

## 1. Description of the asset portfolio

The IFRS balance sheet value of assets in the CNP Assurances Group's investment portfolio was €401 billion at December 31, 2024, including €92 billion in unit-linked products. Substantially all assets are held by the following entities:

- CNP Assurances SA, the parent company;
- Caixa Vida e Previdência, a Brazilian subsidiary;
- CNP Seguros Holding, a Brazilian subsidiary;
- CNP Vita Assicura, an Italian subsidiary;
- CNP Retraite, a French subsidiary.

### 1.1. Asset allocation

The CNP Assurances Group's asset portfolio breaks down as follows, based on assets under management and IFRS measurement principles:

| Total assets[1] (In %) | 31/12/2024 | 31/12/2023 | Change (points) |
|---|---|---|---|
| Bonds and other fixed income | 53.0% | 53.4% | -0.4 |
| Equities | 5.3% | 5.1% | 0.2 |
| Investment funds | 15.2% | 14.6% | 0.6 |
| Investment properties and shares in non-trading property companies | 3.4% | 3.4% | 0 |
| Other (mainly derivatives)[2] | 0.1% | 0.2% | -0.1 |
| Unit-linked products | 23.0% | 23.2% | -0.2 |
| **TOTAL** | **100.0%** | **100.0%** | **-** |

*[1] Source: IFRS annual consolidated financial statements of CNP Assurances Group.*

*[2] Net amounts of derivative liabilities.*

## Management strategy

### CNP Assurances SA

Exposure to equities increased slightly thanks to a positive market effect and net investor portfolios over the year. The international diversification strategy continued in order to reduce the concentration on the eurozone.

In fixed income, the proportion of government bonds increased to the detriment of corporate debt in order to extend duration at attractive long-term rates and due to the tightening of credit risk premiums over the year, which made corporate debt a little less attractive in relative terms, especially compared with the OAT.

The weighting of unlisted assets was stable with continued investments in infrastructure and private equity (no change in real estate strategy) but a negative valuation effect.

### CNP Retraite

Fixed income investments were significant to take advantage of the rise in yields. Purchases were split between sovereigns and similar issuers and corporate bonds, with a clear preference for financial issuers. A few investments in inflation-indexed bonds supplemented those made mainly at fixed rates.

In equities, the good performance of the markets was taken advantage of in the first half of the year to lock in part of the capital gains for the year. In the second half of the year, market volatility following the dissolution of the French National Assembly and fears about the US economy enabled a return to buying, both directly and via global UCIs.

In real estate, the transfer of the last directly-owned building to a non-trading property company (SCI) generated a significant capital gain.

In terms of portfolio structure, exposure to the diversification segment was increased slightly, and exposure to sovereign rates was significantly reduced in favour of credit, which offered better yields.

### Caixa Vida e Previdencia

The beginning of 2024 saw a steady decline in interest rates in Brazil. However, the deterioration in inflation expectations for the monetary policy horizon in question, as well as persistent pressure on service prices and the resilience of economic activity and the labour market resulted in a new monetary tightening cycle, with the SELIC rate raised to 12.25% at the December 2024 meeting.

Caixa Vida e Previdencia's bond portfolio is diversified across multiple maturities to minimise reinvestment risk and improve liquidity to support dividend payments, and fixed rate bonds are mostly spread across maturities up to 2027.

In this context of volatility in the Brazilian market and with a changing outlook throughout 2024, BRL 2.6 billion were invested in fixed-rate assets at an average yield of 12% per year. Investments in green assets totalled BRL 32.3 million.

As a result, at the end of December 2024, the fixed-rate portfolio included 58% fixed-rate bonds and 26% variable-rate bonds. A new phase of monetary tightening could present opportunities for allocation to higher yields.

### CNP Vita Assicura

The strategic allocation of the financial asset portfolio, invested to cover technical provisions, was determined by an approach aimed at preserving its value over the long term, taking into account its characteristics through an asset/liability management (ALM) analysis.

During the year, in a market with high interest rate volatility and a high level of defaults with negative net inflows, investment choices were mainly oriented towards a selection of assets to be divested to create the liquidity needed to cope with capital outflows.

The expected investment results reflect the approved allocation strategy for 2024 and other management actions defined based on the Group's discussions. The reinvestment of cash was mainly allocated to short-dated government bonds and investment grade corporate bonds. The assumptions used are consistent with the objectives of capital management and protection and with the aim of reducing adverse impacts on the target rates of euro funds.

In 2024, CNP Vita Assicura created a new euro fund with an objective of achieving a return aligned with interest rates over a medium-term horizon. The strategic asset allocation of this new portfolio was supported by ALM analysis with the aim of reducing market and liquidity risk.

### CNP UniCredit Vita

The market value of the entire investment portfolio increased by approximately +0.6% in 2024. There was an increase (+12.4%) in the market value of the "Class C" portfolio, represented by unit-linked and open-ended funds (which can be defined as the portion of investments whose risk and return are borne by the insurer). This increase was linked to:

- Better financial market performance; and
- Positive net inflows on dedicated funds launched in 2023.

The value of the unit-linked portfolio decreased (-6.4%), due to negative net inflows on these products, only partially offset by a positive market effect, in line with the market conditions observed during the year.

Excluding the unit-linked portfolio, the main changes in the various asset classes were:

- The bond portfolio, which rose in 2024, in line with:
    - Positive inflows from the new dedicated fund launched in 2023 (CNP GS Utile, +€1 billion in cash flow in 2024);
    - Partially offset by negative inflows on existing dedicated funds; and
    - The strategy adopted: decrease in diversification/funds and increase in fixed income assets.

  Italian government bonds (BTPs) were preferred, followed by investment grade bonds and other sectors. Fixed income asset selection also considered ESG criteria and a large proportion of fixed income investments were allocated to green bonds.

- Diversification was reduced overall during 2024 in favour of direct investment in debt instruments. The portfolio was restricted by a significant portion of UCITS while investing in listed equities.

## 1.2. Asset-backed securities

CNP Assurances now reports direct holdings, unlike previous years, which also included products sold under repurchase agreements.

At 31 December 2024, the outstanding non-amortised nominal value of asset-backed securities held by the CNP Assurances Group stood at €5.3 billion (for a market value of €4.7 billion). At 31 December 2023, the non-amortised nominal value of asset-backed securities held directly (excluding repurchase agreements) amounted to €4.8 billion (for a market value of €4.2 billion).

The portfolio includes asset-backed securities (ABS), credit linked notes (CLN) and special purpose vehicles (SPV), broken down as follows:

| **Type of asset-backed security** [3] *(In € million)* | **Nominal** | **Market value** |
|---|---|---|
| Prime student loan ABS | 48 | 9 |
| CLN | 50 | 48 |
| SPV | 3,671 | 3,604 |
| State-guaranteed SPVs/securities | 1,558 | 991 |
| **Total asset-backed securities** | **5,327** | **4,652** |

## 1.3. Unlisted asset classes (private equity, property and infrastructure)

Most investments in unlisted assets are made by CNP Assurances SA.

**Private equity**

In 2024, CNP Assurances committed to investing €465 million in 16 private equity funds in France, Europe and the United States. These funds invest mainly in SMEs and midcaps operating in various economic sectors.

At 31 December 2024, the private equity portfolio represented:

- A net commitment of €5.3 billion for a carrying amount of €3.5 billion for CNP Assurances SA;
- A net commitment of €0.1 billion for a carrying amount of €0.1 billion for CNP Retraite.

[3] *Source: Group Financial Instruments Modelling and Position Keeping Unit.*

#### Property & forestry assets

In line with its corporate mission, CNP Assurances kept up the drive to continuously improve the property portfolio's energy performance, promote biodiversity and sustainably manage its assets in line with ESG considerations. Two restructuring programmes totalling €46 million were approved by the Investment Committee in 2024.

In real estate, no major new commitments were made in 2024. As a general principle, the Group invests directly in property and forestry assets, rather than through funds. Nearly €400 million in disposals were completed in 2024.

#### Infrastructure

The development of infrastructure investments continued in 2024 with four new commitments approved by the committee:

- €130 million in two Article 9 funds;
- €25 million in co-investment with a fund targeting assets that contribute to the energy transition;
- £30 million in a fund dedicated to the production of green hydrogen in the United Kingdom.

#### Property and infrastructure debt

After 2023 saw very significant investments in real estate and infrastructure debt to finance the energy transition, there were no new commitments on this asset class in 2024.

At 31 December 2024, the carrying amount of the real estate and infrastructure debt portfolio was €3.7 billion.

#### Corporate debt

€159 million was invested in corporate debt in 2024, bringing the balance sheet value of the portfolio to €4.8 billion for CNP Assurances SA. The CNP Retraite portfolio has a balance sheet value of €36 million. No investments were made in corporate debt in 2024.

### 1.4. Portfolio hedging

Hedging of various risks (interest rate, exchange rate, etc.) is set up and monitored by the CNP Assurances SA head office teams on behalf of the CNP Assurances Group entities.

CNP Assurances uses forward financial instruments to hedge its asset portfolios. The purpose of the hedges is to reduce the risks associated with the underlying assets.

Hedges on a notional amount of €36.9 billion were outstanding at 31 December 2024.

Hedged risks include the risk of an increase in interest rates, which is hedged using spread caps on long-term rates. In 2024, hedges were acquired for a notional amount of €18.6 billion. CVA also purchased spread caps for a hedged notional amount of €1 billion in 2024.

High interest rates enabled the implementation of a hedge against a fall in interest rates with the purchase of floors indexed to the 10-year CMS rate. CNP Assurances SA hedged a notional amount of €14.2 billion against falling interest rates in 2024.

To lock in unrealised gains and reduce sensitivity, equity risk hedges were purchased on a notional amount of €3.1 billion in 2024.

Independently of interest rate and equity hedges and due to its presence in Brazil, CNP Assurances SA is exposed to changes in the exchange rate of the Brazilian real (BRL). To protect against a BRL depreciation, Asian options with annual maturity were set up to hedge the contribution of subsidiaries to the Group's consolidated income, for a notional amount of BRL 1,469 million.

## 1.5. Sustainable development commitments and indicators

CNP Assurances continued to invest in socially responsible investment (SRI) funds and green transition funds, in line with the following objectives:

- Reaching €30 billion in "green" investments for the energy and ecological transition by 31 December 2025 (scope: CNP Assurances France + foreign subsidiaries);

  At 31 December 2024, green investments totalled €29.4 billion, or 98% of the target.
- Reaching €1 billion in investments with an environmental or social impact (within the meaning of the definition adopted by the France Invest association and excluding green bonds recorded in the previous indicator) by the end of 2025, combining criteria in terms of:
  - Intentionality (explicit objective of ex ante impact, considered in investment decisions),
  - Additionality (in particular through a commitment to financed companies),
  - The measurability of the social or environmental externalities pursued (CNP Assurances France scope).

  At 31 December 2024, these investments totalled €1.7 billion, or 174% of the target.
- Carbon footprint reduction target: to reduce the scope 1 and 2 carbon footprint of the equity, corporate bond and infrastructure portfolio held directly by CNP Assurances SA and its French subsidiaries by 53% compared with 2019, i.e. to reach 50 kg$CO_2$/€k by the end of 2029: 44.69 kg$CO_2$/€k, i.e. a 61% reduction.

## 2. Investment income and expenses

| **Net investment income**[4] *(In € million)* | **2024** | **2023** | **Change** |
|---|---|---|---|
| Investment income | 6,972 | 7,107 | -135 |
| Non-assignable expenses on securities | -50 | -46 | -4 |
| Investment expenses and other financial liabilities excluding cost of debt | -1,054 | -1,255 | 200 |
| **Net investment income** | **5,868** | **5,806** | **62** |
| Gains and losses on disposal of investments | -739 | -2,372 | 1,633 |
| Foreign exchange gains or losses on financial assets or liabilities | 82 | -59 | 141 |
| Change in investment impairment | -20 | -72 | 53 |
| Gains/losses on derecognition of assets at amortised cost | 0 | 0 | 0 |
| Change in fair value of investments recognised at fair value through profit or loss | 9,322 | 7,609 | 1,712 |
| Change in fair value of investments recognised at fair value through other comprehensive income | 398 | 13,011 | -12,613 |
| Interest calculated using the effective interest rate method | -85 | 750 | -835 |
| **Investment income (recognised in profit or loss and OCI)** | **14,825** | **24,672** | **-9,847** |
| *o/w recognised directly in OCI* | *920* | *13,618* | *-12,698* |
| *o/w recognised in profit or loss* | *13,905* | *11,054* | *2,851* |

Net investment income under IFRS amounted to €5.9 billion in 2024, stable against 2023.

Investment performance, recognised in profit or loss and other comprehensive income, amounted to €14.8 billion in 2024, compared with €24.7 billion in 2023. This decrease was mainly due to changes in the fair value of financial assets, due to the macroeconomic and financial environment described in Section A1.

The €14.8 billion in investment income recorded in 2024 breaks down as follows:

- €0.9 billion recognised directly in other comprehensive income;
- €13.9 billion recognised in profit or loss.

[4] *Source: IFRS annual consolidated financial statements of CNP Assurances Group.*

# A4 Other income and expenses

The CNP Assurances Group recognises the income tax expense and financing costs reported in the financial statements as “Other income and expenses”.

# B

## System of governance

This section presents the CNP Assurances Group's system of governance.

It begins with a general description of the system of governance and the fit and proper policy applicable to the persons responsible for the system.

This is followed by a description of each of the key functions defined in Solvency II, with particular emphasis on internal risk and solvency assessments, which are a critical part of the risk management function, and internal assessments of the internal control system and the outsourcing management process.

CNP Assurances Holding's priority is to constantly improve the quality of service provided to its insurance subsidiaries' policyholders as well as the overall quality of internal control and risk management in liaison with its subsidiaries' partners. Wherever possible, risk assessment and management processes are adapted in response to changes in the Group's business environment and new identified risks.

CNP Assurances Holding considers that its system is appropriate for its business model and provides reasonable assurance that its objectives are met in a satisfactory manner.

# B1 Information on the system of governance

## 1. Organisation of powers

The current governance structure of CNP Assurances Holding separates the powers of the Executive Management team of CNP Assurances Holding, the Board of Directors and its shareholder, in order to promote long-term value creation for the company, determine the Group's strategy and oversee its implementation.

### 1.1 Board of Directors

#### 1.1.1. Main roles and responsibilities of the Board of Directors

The Board of Directors determines the business strategy of the CNP Assurances Group and ensures its implementation. It exercises permanent control over the management of the Company and its subsidiaries through the Chief Executive Officer and the completion of all measures giving rise to prudential supervision.

Subject to the powers expressly awarded to shareholders and within the limits of its corporate purpose, it considers all issues affecting the smooth running of the Company and rules on all matters that concern it. The Board of Directors carries out any checks and verifications it deems appropriate.

The Board of Directors rules on requests for prior authorisation relating to important decisions concerning the Company and, where applicable, any subsidiaries. The decisions concerned are listed in the Internal Rules of the Board of Directors (the "Important Decisions").

#### 1.1.2. Committees of the Board of Directors

Four specialised Board committees (the Audit and Risks Committee, the Strategy Committee, the Remuneration and Nominations Committee, and the CSR Committee) carried out their tasks in 2024 as part of the preparation for the Board's deliberations, facilitating the Board's decision-making in a business where the technical aspects require a specific review and in the particular context of the holding of entities active in life insurance and property and casualty insurance.

#### 1.1.3. The Chairwoman of the Board of Directors

The Board of Directors of CNP Assurances Holding has been chaired by Véronique Weill since 11 April 2023.
The Chairwoman of the Board of Directors organises and directs the Board's work and reports to the sole shareholder. She ensures the proper functioning of the Company's governance bodies and, in particular, that the directors are able to carry out their duties. In the course of her duties, she is kept regularly informed by the Chief Executive Officer of significant events and situations relating to the life of the Company and its subsidiaries and may request any information necessary to inform the Board and, where applicable, its specialised committees. To this end, she may consult the Statutory Auditors with a view to preparing the work of the Board and, where applicable, the Audit and Risks Committee.

The Chairwoman of the Board may request to attend meetings of the Audit and Risks Committee as an observer. She may also meet with the Head of the Internal Audit key function and freely discuss all matters within the Board's competence with him. During these free exchanges, the Chairwoman of the Board shall express her opinion without prejudice to the Board's collegiate powers. In her capacity as Chairwoman of the Board, she may be invited to participate in the Company's relations, in particular with its major partners and the public authorities, both nationally and internationally.
The Chairwoman of the Board helps promote the Company's values and image both within and outside the Group.

## 1.2 The Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in CNP Assurances Holding's name in all circumstances, except for those powers specifically assigned to shareholders in General Meetings and to the Board of Directors. The Chief Executive Officer may not take any important decisions without prior approval from the Board of Directors. These important decisions concerns in particular acquisitions (excluding portfolio management) exceeding certain amounts or that are not fully aligned with the strategy decided by the Board.

The Chief Executive Officer actively participates in Board Meetings and regularly keeps the Board abreast of CNP Assurances Holding's day-to-day management and all significant events affecting it. She helps devise and update the strategy decided by the Board.
The Chief Executive Officer is assisted in her managerial and operational duties by the Deputy Chief Executive Officer and the members of the CNP Assurances Holding Executive Committee.

## 1.3 Executive Committee

The Executive Committee leads CNP Assurances Holding's operations and implements the corporate strategy decided by the Board of Directors. As at 26 February 2025, the Executive Committee of CNP Assurances Holding included the Chief Executive Officer, the Deputy Chief Executive Officer and eight senior executives, who meet each week. It is a forum for reflection, coordination, the sharing of initiatives and monitoring of cross-functional projects. It combines a very broad range of technical, marketing, managerial and operational skills within an internal structure. The Executive Committee discusses cross-functional and strategic management issues for final decision by the Chief Executive Officer. The Executive Committee reviews budgets, long-term business projections, financial statements, financial investment strategies and profit forecasts by business segment. It also reviews proposed business acquisitions and the business plans of the main French and foreign subsidiaries.

It oversees the consistency of action plans implemented by the business units and subsidiaries. It monitors the Company's results and financial ratios and reviews the action plans to be implemented by the Company. It focuses on ensuring the efficiency of internal control, internal audit and risk management systems, which are key drivers of good internal governance. It pays particular attention to corporate social responsibility issues and their operational implementation within the company. Summary minutes are kept of each Executive Committee meeting.

## 2. Persons who hold the key functions in the CNP Assurances Group

Four key functions at Group level (risk management, compliance, actuarial and internal audit) are carried out by senior executives who report to the Chief Executive Officer or the Deputy Chief Executive Officer.

They are regularly invited to attend CNP Assurances Group Board Meetings to provide the Board with insight into the risks, responsibilities and challenges associated with these functions.

The **Risk Management function** is presented in section B3. It is run by the Group Risk Department, which is responsible for coordinating the risk management system. The department (i) applies the risk appetite defined in the Company's risk management strategy through risk policies and economic capital estimates; (ii) ensures that all risks are covered by the system and that the related surveillance measures are effective; (iii) rolls down the risk acceptance framework to the different businesses through such measures as underwriting policies, delegations of authority and investment guidelines and (iv) delivers a preliminary opinion on decisions with a significant impact on CNP Assurances' risk profile based on the four-eyes principle. Following La Banque Postale's acquisition of control of CNP Assurances, creating the need to set up an integrated risk management system at the level of the financial conglomerate, CNP Assurances' Chief Risk Officer has reported functionally to the La Banque Postale Group's Chief Risk Officer since 4 March 2020.

The **Compliance function** is presented in section B5. It is run by the Compliance Department. The department detects, identifies, assesses and prevents the occurrence of compliance risks, and provides advice and guidance in the following main areas: (i) governance (existence of appropriate committees, verification of independent advisors' professional qualifications); (ii) business ethics (professional secrecy and confidentiality, prevention of insider trading, anti-bribery and corruption measures); (iii) policyholder protection (know-your-client procedures, duty of advice, policyholder information, complaint processing procedures); (iv) marketing practices (advertising, sales and marketing documents, alignment of products with target clients, policy marketing rules); (v) procedures to combat money laundering and the financing of terrorism; (vi) procedures to combat insurance fraud and (vii) protection of personal data.

The **Actuarial function**, which is presented in section B7, is handled by a dedicated department reporting to the Chief Actuary. Its activities include coordinating technical provision calculations and analysing the underlying assumptions. These include analyses of reinsurance and underwriting measures, for which the Actuarial function is supported by the technical and innovation teams. The results of the actuaries' work, in terms of estimating the impact on the Group's earnings and risk profile, are systematically taken into account.

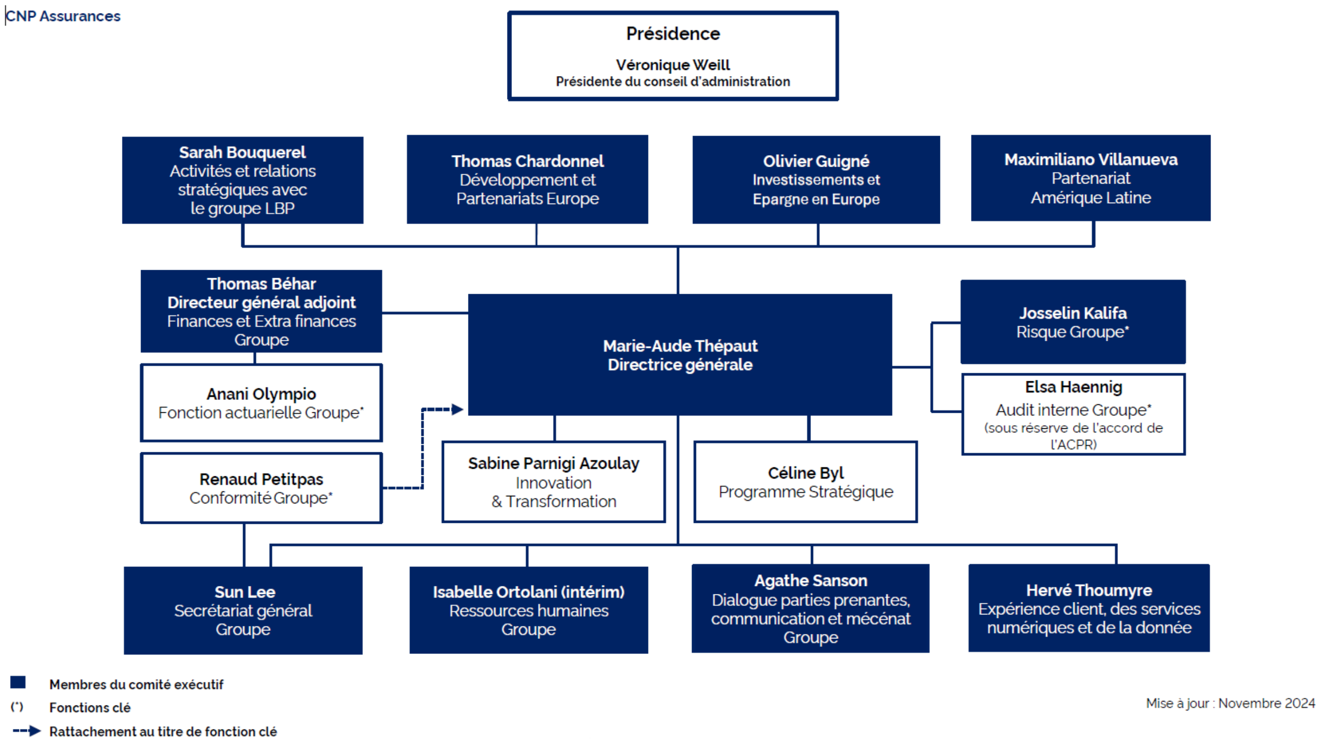
The **Internal Audit** function is presented in section B6. It is run by the Internal Audit Department, which assesses the relevance and robustness of the Group's overall system of controls. It also assesses the design and effectiveness of the risk management and internal control processes deployed in the audited activities or critical business processes and recommends quality and compliance improvements.

## 3. Delegations of authority

CNP Assurances Holding's internal delegation system is based on a delegation of authority from the Chief Executive Officer to the Deputy Chief Executive Officer so that he is empowered to deal with all matters affecting the Company, participate in decisions having a significant impact on the Company, and lead the entire Company to ensure the continuity of executive management, in particular in the event of the Chief Executive Officer's absence or impediment.

## 4. Organisation chart

As of November 2024, the functional organisation chart of CNP Assurances, taking into account the appointments made between 2024 and 2025, was as follows:




**Note:** the compliance, risk and audit key functions report to the Chief Executive Officer or the Deputy Chief Executive Officer.

# 5. Material changes in the system of governance during the reporting period

The following changes to the governance system occurred in 2024:

- The appointment of Marie-Aude Thépaut, previously Head of the Europe excluding France business unit, as Chief Executive Officer of CNP Assurances and CNP Assurances Holding;
- The appointment of Sun Lee as Group General Counsel and member of the Executive Committee of CNP Assurances;
- The appointment of Sarah Bouquerel as Deputy General Manager of La Banque Postale's retail banking division. In this capacity, she joined the Executive Committee of La Banque Postale in addition to her duties within CNP Assurances;
- The appointment of Céline Byl as Head of the CNP Assurances strategic programme, reporting directly to Executive Management;
- The appointment of Anani Olympio as Head of the AI actuarial and ethics function at CNP Assurances;
- The appointment of Elsa Haennig as Head of Internal Audit of CNP Assurances.

The composition of the Board of Directors of CNP Assurances changed as follows:

- Two new independent directors, Dario Moltrasio and Frédéric Tardy, were appointed. Nathalie Collin was appointed director and the terms of office of Christiane Marcellier and Sonia de Demandolx were renewed;
- Stéphanie Berlioz was appointed director. Jean-Louis Laurent Josi was appointed as an independent director.

The Board of Directors of CNP Assurances has 17 members, six of whom are independent directors, and one non-voting director.

# 6. Remuneration policies and practices

## 6.1. Remuneration policy applicable to employees of CNP Assurances

CNP Assurances Holding does not have any employees. As the employees of the CNP Assurances Group are mainly employees of CNP Assurances, the description of the remuneration policy below solely concerns CNP Assurances and its subsidiaries and branches.

The remuneration policy is designed to attract, retain and motivate employees of CNP Assurances and its subsidiaries and reward their contribution to business growth. It is consistent with the Group's strategic priorities and objectives, as well as its business and financial performance goals. It also observes the guiding principles set out in the La Banque Postale's Group Policy. To avoid encouraging risk-taking that exceeds CNP Assurances' risk tolerance limits, material risk-taker bonuses are flexible, deferred and adjustable.

The policy is submitted each year to the Remuneration and Nominations Committee before being approved by the Board of Directors of CNP Assurances. The latest version was approved by CNP Assurances' Board of Directors on 22 March 2024. A formal remuneration policy has been drawn up and distributed throughout CNP Assurances and its subsidiaries and branches.

The policy reflects CNP Assurances' culture of fair pay and gender equality, and is consistent with insurance and financial services industry practices. It is governed by French labour laws, collective bargaining agreements and the various internal agreements with employee representatives.

Total remuneration packages are determined by responsibility level. They reflect the requirements of the position concerned, external market data, internal management ratios and the overarching principle of fairness.

The main components of employees' remuneration are the salary, variable compensation, collective remuneration (discretionary and non-discretionary profit-sharing), and benefits in kind. Remuneration incorporates sustainability criteria (in accordance with EU Regulation 2019/2088).

Severance benefits are linked to performance over the entire period of employment and are designed so as not to reward failure.

### 6.1.1. Salary

Salary is a fixed amount of money paid to an employee in return for work performed that is determined based on their responsibilities and skills. Salary increases may result from:

- Across-the-board increases decided during the mandatory annual pay round;
- Personal pay rises awarded following the annual career review and performance appraisal, which may lead to an automatic increase or an increase decided on the recommendation of management;
- Pay rises awarded in recognition of an increase in the employee's responsibilities or workload, decided following a review of their personal situation.

### 6.1.2. A variable remuneration system for certain categories of employees

The bonus rewards individual or group performance in relation to objectives. The bonus system is used to roll down strategic priorities and incentivise and reward the employees who make the biggest contribution. In this way, it promotes a culture of managerial transformation based on annual performance objectives.

Eligibility for variable remuneration depends on the employee's contribution and responsibilities. Employees in sales positions are eligible for variable remuneration based on sales. A specific bonus system has been in place since 2016 for "material risk-takers" within the meaning of Solvency II (see paragraph below).

The annual budget dedicated to variable remuneration is decided by Executive Management in line with the Group's performance and the approved budgets. Variable remuneration is set individually based on the achievement of standardised objectives and broken down in concrete terms during the annual performance review. The objective nature of the variable component is based on a combination of collective and individual objectives, including sustainability objectives and a qualitative component based on the manager's assessment.

With the exception of the specific system for material risk-takers, requiring deferred payment, variable remuneration is paid annually.

In accordance with IDD 2016/97, the quantitative objectives of employees in sales functions are established in such a way as not to encourage employees to sell a specific product that does not meet the customer's needs or that has a negative effect on the quality of the service provided, to ensure the customer's interests are given priority at all times.

### 6.1.3. Across-the-board bonuses: discretionary and non-discretionary profit-sharing

The discretionary and non-discretionary profit-sharing systems in place at CNP Assurances give employees a stake in CNP Assurances' profits and growth. They also promote a sense of belonging and encourage employees to work together.

### 6.1.4. Integration of sustainability criteria

Pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, and in its capacity as an insurance company, CNP Assurances has updated its policy on the integration of sustainability risks and has published this information on its website.

Employee remuneration is aligned with CNP Assurances' sustainability challenges at several levels:

- In individual variable remuneration for eligible employees. The calculation is based on a balance between financial and sustainability criteria; sustainability criteria refer either to the CNP Assurances corporate mission and the commitments made to its stakeholders, or to material environmental, social or governance issues for CNP Assurances. These criteria are systematically incorporated into the individual objectives of all employees of CNP Assurances and its subsidiaries and branches. They are highly recommended for all other members of staff so that everyone works individually to meet CNP Assurances' sustainability challenges;
- In the individual variable remuneration of the material risk-takers of CNP Assurances and its subsidiaries and branches;
- In the collective variable remuneration of all employees of CNP Assurances and its subsidiaries and branches.

## 6.2. Remuneration policy and practices for corporate officers

Under the Solvency II governance system in force at CNP Assurances, the Board of Directors has approved a remuneration policy for the Chairwoman of the Board and the Chief Executive Officer that formally embodies a set of remuneration principles applicable to employees, material risk-takers and corporate officers.

The remuneration of corporate officers is subject to the decisions of the General Shareholders' Meeting and the Board of Directors of CNP Assurances Holding. Only the non-voting member received remuneration in 2024.

## 6.3. Specific material risk-taker bonus system set up in compliance with Solvency II rules

At CNP Assurances and its subsidiaries, material risk-takers are the persons who effectively run the undertaking and the holders of the four key functions, as well as persons whose activities have a material impact on the company's risk profile. The functions considered to be risk-takers are listed in the remuneration policy applicable to CNP Assurances and its subsidiaries.
The list of identified staff is drawn up and updated each year by the Group Human Resources Director in conjunction with the risk function and the Group Human Resources Director of La Banque Postale and is sent to the Remuneration and Nominations Committee of the CNP Assurances Board of Directors. The list of identified staff is reviewed annually. Employees are informed of their qualification as identified staff via a contract

amendment automatically renewed each year, which ends when they are no longer identified as material risk-takers.

A significant proportion of the total bonus payable to the material risk-takers is flexible, deferred and adjustable to ensure that it is in line with CNP Assurances' strategic priorities and promotes sound and effective risk management.

**Scope**

The persons considered as material risk-takers within the parent company CNP Assurances SA are listed in the remuneration policy. Each CNP Assurances Group subsidiary with the status of insurance or reinsurance company must draw up a list of its material risk-takers, taking into account the principle of proportionality and in compliance with local regulations. Each Group entity sends the list of positions identified as material risk-takers to the CNP Assurances Group Head of Human Resources. This list must include at least the executive officers and, where applicable, the holders of the four key functions.

**Description of the remuneration system**

**Performance assessment**

The process for determining bonuses, setting objectives and assessing performance for material risk-takers is the same as for all employees. Bonus criteria include "personal objectives, objectives for the individual's business unit and/or operating area and earnings objectives for the Group". Under no circumstances are the bonuses of holders of key functions determined by reference to the performance of the business units or operating areas that they control or for which they act as co-decision maker.
The Chief Executive Officer consults the Remuneration and Nominations Committee each year for its opinion on the level of compensation and the achievement of the objectives of the holders of key functions and the Deputy Chief Executive Officer of CNP Assurances SA.

**Characteristics of material risk-taker bonuses**

Material risk-taker bonuses are flexible, deferred and adjustable.

- Flexibility: the bonus clause in eligible employees' employment contracts specifically states that CNP Assurances operates a fully flexible variable remuneration policy, including the possibility of paying no bonus;
- Deferral: a significant proportion of the bonus awarded to material risk-takers is deferred as follows:
  - 40% of the portion of variable remuneration decided in year N that is in excess of €30,000 is deferred over three years;
  - The deferred payment is made as follows: 20% in year N+1, 10% in year N+2 and 10% in year N+3;
  - The €30,000 threshold does not apply to corporate officers.
- Adjustment: the bonus may be adjusted downwards for exposure to current and future risks, taking into account the Group's risk profile and cost of capital.

The conditions of the flexibility criterion are linked to:

- Compliance with rules internal or external to CNP Assurances relating to procedure, ethics, professional conduct, etc. In the event of a disciplinary sanction or equivalent measure, the employee will lose all or part of the deferred bonus. Employees subject to this system undertake not to use any individual hedging strategy or income or civil liability insurance that would compromise the risk alignment provided for in their remuneration scheme;
- Earnings performance (the Group must have reported a net profit);
- If the statutory profit of CNP Assurances (under French GAAP) is negative for a given financial year N, the payment of half of the deferred variable components that should have been paid in N+1 is carried forward to the following year; if the statutory profit of CNP Assurances (established under French GAAP) for financial year N+1 does not fully offset the loss recorded in N, the amounts carried forward are definitively lost.

If a material risk-taker leaves CNP Assurances, for whatever reason, the same conditions apply to the payment of their deferred bonus.

#### Characteristics of senior management and key executive supplementary pension plans

An “Article 39” supplementary pension plan was set up on 1 January 2006. The plan was closed to new participants with effect from 31 December 2013, and the salaries and years of service used to calculate future benefits were frozen.
This plan was restricted to the members of Executive Management covered by the collective bargaining agreement for executive personnel dated 3 March 1993.

## 6.4. Components of the remuneration awarded to the directors, Chairwoman of the Board of Directors and the Chief Executive Officer

No remuneration is allocated to the directors of CNP Assurances Holding, its Chief Executive Officer and the Chairwoman of its Board of Directors.

# B2 Fit and proper requirements

Fit and proper requirements apply to the persons responsible for the system of governance (directors, executive officers and persons holding other key functions). These persons must fulfil the following requirements:

- Their professional qualifications, knowledge and experience must be sufficient to enable sound and prudent management (fit);
- They must be of good repute and integrity (proper).

## 1. Specific requirements in terms of qualifications, experience and knowledge

### 1.1. Directors

The Remuneration and Nominations Committee obtains assurance that the members of the Board of Directors collectively possess the appropriate qualifications, experience and knowledge about (i) insurance and financial markets; (ii) CNP Assurances' business strategy and model; (iii) its system of governance; (iv) financial and actuarial analysis, and (v) the regulatory framework and requirements that are appropriate to the exercise of the responsibilities assigned to the Board of Directors of a company at the head of a prudential group reporting to the ACPR.

### 1.2. Persons who effectively run CNP Assurances

The committee also reviews the files of candidates for nomination by the Board of Directors as Deputy Chief Executive Officer and expresses an opinion based on a fit and proper file attesting that the candidate has the qualifications, experience and knowledge needed to effectively run the company.

### 1.3. Key functions

The assessment of whether a candidate has the qualifications, experience and knowledge needed to hold a key function is based on the following criteria:

- Professional qualifications;
- Training;
- Professional experience in the insurance industry or other finance sectors or other companies or organisations. Preference is given to candidates with experience in the insurance industry. In all cases, candidates' tasks and responsibilities in their previous positions are examined in detail;
- Cross-functional expertise (for example, holistic vision, analytical and deductive skills, strong interpersonal, outreach and communication skills);
- Behavioural skills (for example, natural authority, management skills and sense of responsibility);
- Reputation and integrity.

## 2. Fit and proper assessment process

### 2.1 System applicable to the directors and to the persons who effectively run CNP Assurances Holding

Prior to the nomination or renewal of directors and persons who effectively run the Group, the Remuneration and Nominations Committee ("the Committee") performs a fit and proper review based on the Nomination/Renewal file prepared by the committee secretary and presented by its Chairwoman. The file includes full biographical details, a document attesting that the person has no criminal convictions, a certificate of propriety and the notification form to be sent to the insurance supervisor (ACPR) where required.

The Committee also performs a prior fitness review of the Board as a whole, based on a file prepared for this purpose by the committee secretary.

The directors and persons who effectively run CNP Assurances are under the obligation to notify the Committee of any change in their situation in relation to the fit and proper requirements, in accordance with their signed sworn statement to this end.

The training of directors to update their knowledge is monitored by the secretariat of the Board of Directors in conjunction with the Group General Counsel. In 2024, the directors received training on IFRS 17 and anti-money laundering and counter-terrorist financing process and corruption risk management and compliance, as well as on exposure to international sanctions, with validation of their knowledge through a quiz.

### 2.2 System applicable to the persons who hold key functions in the Group and to the persons who hold key functions in and who effectively run the subsidiaries and branches

The persons who hold the key functions at Group level, the persons who effectively run the Group and the persons who hold the key functions within the subsidiaries and branches are also subject to fit and proper requirements.

The fit and proper assessment process for these persons is organised around the Remuneration and Nominations Committee for CNP Assurances Group, made up of the Group Human Resources Director, who chairs the committee and also serves as its secretary, the Chief Compliance Officer and the Group General Counsel.

For CNP Assurances subsidiaries, prior to any appointment, the CNP Assurances Human Resources Department compiles a Nomination and Renewal file in conjunction with the subsidiary's HR Department and reviews the candidate's fitness and propriety.

### 2.2.1. Role of the Fit and Proper Review Committee in the nomination/renewal process

*a) Persons who hold the key functions in the CNP Assurances Group*

For each nomination or renewal, the members of the Fit and Proper Review Committee check that the Nomination and Renewal file prepared by the Group Human Resources Department contains all necessary documents and has been properly prepared. The Committee assesses the candidate's disclosed qualifications, experience and knowledge, as well as his or her compliance with internal rules concerning professional qualifications, minimum grades to hold the function and relevant experience.

The Fit and Proper Review Committee's opinion is submitted to the Chief Executive Officer, who in turn seeks the opinion of the CNP Assurances Remuneration and Nominations Committee. The consultation process may be carried out electronically, with all members submitting their opinion by email. If the Remuneration and Nominations Committee's opinion is negative, the Chief Executive Officer makes the final decision after consulting the Deputy Chief Executive Officer.

*b) Persons who hold key functions or effectively run the subsidiaries and branches*

The director of the subsidiary or branch requests the appointment or renewal of a key function or executive officer. The candidate is proposed to the Human Resources Department which prepares a Nomination/Renewal file containing biographical details of the candidate, a certificate of propriety and various other documents. The file is submitted to a Fit and Proper Review Committee made up of the Head of the business unit and the Human Resources Director, the Chief Compliance Officer and the Group General Counsel.

The members of the Fit and Proper Review Committee check that the Nomination/Renewal file contains all necessary documents and has been properly prepared. The Committee assesses the candidate's disclosed qualifications, experience and knowledge, as well as his or her compliance with CNP Assurances' internal rules concerning professional qualifications, minimum grade to hold the function and relevant experience.

The Committee's assessment is included in the Nomination and Renewal file submitted to the head of the business unit to which the subsidiary or branch reports and to the subsidiary's Chief Executive Officer or the branch's legal representative.

The nomination is then approved by the subsidiary's Board of Directors.

The subsidiary or branch notifies the local insurance supervisor based on the above.

### 2.2.2. Responsibility for the process of continuous fit and proper assessments

The Fit and Proper Review Committee is informed the training programmes available to the persons concerned within CNP Assurances subsidiaries to update their knowledge about (i) insurance and financial markets; (ii) CNP Assurances' business strategy and model; (iii) its system of governance; (iv) financial and actuarial analysis; and (v) the regulatory framework and requirements.

### 2.2.3. Other responsibilities

The Fit and Proper Review Committee meets at least once a year to review:

- The compliance of the policies implemented by the subsidiaries with the Group's fit and proper policy;
- The application of the Group's fit and proper policy and propose adjustments in response to changes in regulations, industry practices and the policy's scope of application.

The Committee is informed without delay by the persons concerned of any audit of the Group's fit and proper policies by France's insurance supervisor (ACPR) or any foreign supervisor (as well as any nomination opposed by the supervisor). It is kept up to date about conversations with the supervisor on this subject.

## 2.3. Information about the Group's fit and proper policies and procedures

A fit and proper policy has been drafted, is reviewed each year and distributed within CNP Assurances Holding.

The latest version was approved by CNP Assurances Holding's Board of Directors on 22 March 2024.

The Fit and Proper Review Committee was set up to assess whether candidates fulfil the Group's fit and proper requirements.

A specific process has been set up to ensure that:

- The preliminary reviews have been performed and the opinions required at the beginning of the process have been obtained;
- All the people responsible for the governance of CNP Assurances Holding are aware of the information and changes that have a direct impact on the Group's operations.

# B3 Risk management system

## 1. Risk management principles

The objectives of the Group risk management system are to create secure decision-making and other processes and promote a culture of risk management and oversight among employees in order to maintain the Group's value.

The following risk management principles have been defined:

- The Board of Directors approves the Group's risk appetite and the annual calculation of the solvency requirement based on the proposal of Executive Management;
- The risk management policy must:
  - Provide for sound and prudent management of the business;
  - Limit and manage risk-taking;
  - Embed risk management in decision-making processes;
  - Establish procedures for escalating concerns and whistleblowing;
  - Provide for the formalisation and centralisation of risk management documentation.

## 2. Risk management framework

The risk management system forms part of the wider internal control system (see section B5 for details).

The overall system is organised around:

- The Group's Board of Directors, which is responsible for defining strategic priorities in the area of risk management based on input from the Audit and Risk Committee;
- Executive Management, which leads the risk management system;
- The Group Risk Committee, chaired by the Chief Executive Officer, which oversees risk governance with the support of sub-committees that deal with specific risks.

The process is headed up by the Group Risk Department, which has been assigned the Risk Management function under Solvency II. The Group Chief Risk Officer reports to the Chief Executive Officer. He reports functionally to the Chief Risk Officer of La Banque Postale.

The Group Chief Risk Officer is a permanent participant of the Audit and Risk Committee, which reports to each Board meeting. Each year, he presents to this committee, for approval by the Board of Directors, all the policies subject to Solvency II, the risk mapping and the risk appetite statement. He presents and makes available the quarterly risk reports and the monitoring of the risk appetite framework indicators, which enable the management, monitoring and description of the risks that may affect the Group's strategy and development with a six-month view in terms of trends or frequency and impact on the Group. An analysis of breaches of risk thresholds and limits and a review of the risk of deterioration of the situation and, if necessary, the proposal of an action plan are presented to the Audit and Risk Committee and the Board of Directors.

# 3. Overall risk management system

## 3.1 Risk management activities and processes

The risk management system is based on the risk tolerance limit set by the Board of Directors and four core components:

- Risk identification;
- The risk appetite statement covered by a dedicated document;
- Internal assessments of risks and Solvency Capital Requirements (see section B4);
- Risk management processes.

The risk management process is defined by:

- Governance rules (covering the work of committees);
- Delegation of authority rules;
- Standards and policies;
- Oversight and whistleblowing procedures.

It is supported by:

- A supervisory reporting process;
- A process to track regulatory developments and Solvency II compliance issues.

To support the establishment of an integrated risk management system within the La Banque Postale financial conglomerate, the following measures have been put in place:

- Information flows have been established to ensure that any information received from whistleblowers is reported to La Banque Postale's Group Risk Department as required. La Banque Postale's Group Risk Department is copied into any warnings issued by CNP Assurances' Group Risk Department;
- Close collaboration between the two Risk Departments (at LBP and CNP Assurances Holding) upstream of the CNP Assurances Holding Group Risk Committee, so that it is informed of La Banque Postale's opinion on the proposed decisions;
- CNP Assurances Group's risk monitoring indicators have been incorporated into La Banque Postale's Risk Appetite Dashboard.

## 3.2. Governance

### 3.2.1. The Group Risk Committee

The **Group Risk Committee** oversees risk governance and examines risk from a consolidated perspective. This committee is responsible for validating the risk-taking framework, the overall supervision of risks and the preparation of risk management files presented to the Board of Directors.

More specifically, it is responsible for overseeing the management of consolidated risks and setting high-level risk tolerance limits. It regularly tracks the Group's risk exposure, solvency capital, the allocation and use of economic capital and risk consolidation. As part of the overall risk management framework, it reports on the proper integration of the management of sustainability-related risks (whether they are of an ESG nature or related to climate change and the loss of biodiversity), as well as risks related to outsourcing and the security of information systems. It reviews the annual solvency assessment process and related financing requirements both at Group and subsidiary level. It also approves delegated exposure limits. It validates the risk assessment standards and methodologies. It validates the charters, policies, procedures and guidelines for monitoring and managing risks and solvency capital.

The committee relies on the work of the specialised committees responsible for managing risks on a daily basis using an operational approach.

### 3.2.2. The Commitments Committee and the Insurance Business Underwriting Committee

These committees oversee liability risk management.

The **Commitments Committee** is called upon in the event of an exception to the underwriting policy and/or a breach of limits and/or at the request of the head of the business unit or legal entity. It is tasked with validating insurance risk acceptance in line with the risk appetite and the strategic guidelines issued by Executive Management. It authorises the writing of new business and may be consulted when a new product is being launched and also as part of the in-force business management process. It also deals with any urgent business concerning insurance risk that arises between two Group Risk Committee meetings.

The **Insurance Business Underwriting Committee** ensures the risk profile remains consistent with the Group's risk appetite at all times and that profitability is in line with expectations. It examines regulatory and market developments, key figures, management, profitability and risk indicators and defines and monitors the associated action plans.

### 3.2.3. The Investment Committee, Asset Risk Monitoring Committee and ALM and Strategic Allocation Committee

These committees oversee the asset risk management framework.

The **Group Investment Committee** oversees the asset risk acceptance process and approves investment allocation files. The Investment Committee uses the files received from the Investment Department and the second-tier analysis performed by the Group Risk Department teams.

The **Group Asset Risk Monitoring Commission** is responsible for monitoring the financial assets held by CNP Assurances Group. It can also validate, for a credit issuer/counterparty, the opening, modification and suspension of individual limits (nature and duration) as well as the sale of exposures to this entity.

The **Group Asset Liability Management and Strategic Allocation Committee** validates the strategic guidelines of the business portfolios by activity in accordance with the Risk Appetite Statement limits. It determines asset allocations by asset class and sub-asset class, with regard to the risk appetite, the main asset risk indicators (market, concentration, credit, ESG risk, etc.) and approves the investment strategy and/or objectives for each asset class, in line with the Group's investment policy. It monitors the medium-term yield projections of significant portfolios. It validates and monitors the ESG objectives of the investments made. It validates investment management decisions within the risk appetite limits, validates and monitors the annual issuance programme and approves intra-group financing and/or refinancing transactions.

### 3.2.4. Operational risk monitoring

A number of committees and applications have been deployed to closely monitor operational risk. Operational risk management focuses on safeguarding the Group's asset portfolio and preventing/containing losses resulting from inadequate or failed processes, people and systems. It enhances customer service quality and the Group's ability to fulfil its commitments to customers.

An **Operational Risk and Internal Control Committee** has been set up for each business unit, corporate function or subsidiary to track the main operational risks and decide on appropriate action plans to contain these risks as effectively as possible. The Committee tracks key risk exposure indicators, studies the causes and impacts of the most significant reported incidents affecting the business unit or its subsidiaries (or the Group function), assesses the level of compliance with risk guidelines and policies and whether an incident or project has highlighted the need to revise the guidelines. It may submit the principle of such a revision to the Group Risk Committee if appropriate. It devises and monitors action plans and performs a review of any alerts issued during the period in response to major incidents.

The **Information System Security Committee** informs, alerts and rules on any issue relating to the security of the Group's information systems. It informs top management of changes in security risks and actions carried out and strengthens the management of these risks by prioritising and deciding on the measures to be implemented, while anticipating emerging and future risks.

### 3.2.5. Other risks

The purpose of the **Sustainability Risks Committee** is to share information and news (regulatory watch, regulator recommendations, benchmarking), promote interaction between departments and lines of defence and thus support the implementation of risk management systems with a view to strengthening the integration of sustainability into the overall risk management framework at the Group level in line with La Banque Postale.

The **Outsourcing Commitments and Qualification Committee** rules on major outsourcing/insourcing projects in accordance with Executive Management's Make or Buy strategic objectives. It ensures that any proposed outsourcing complies with the Group Outsourcing Policy. It ensures that the planned outsourcing creates financial value, improves the Customer Experience, delivers productivity gains and ensures the Group maintains control of the key stages of the value chain. It assesses the risks associated with outsourcing and positions itself on the sensitive, important or critical nature of the service.

The **Outsourcing Management Committee** supervises all the CNP Assurances Group's outsourced activities, their development prospects and validates any action plans or remediation action presented. Committees focused on a specific service provider may also be organised when it intervenes on a cross-functional basis in order to have an overall view of the activities entrusted to it.

### 3.2.6. Information and Communication Technology (ICT) risk management framework control function

To ensure the CNP Assurances Group's digital operational resilience, the Group Risk Department defines and then oversees the ICT risk management framework.

### 3.2. Standards and policies

Risk management is governed by a set of policies and standards that frame routine risk management and monitoring processes. These include:

- The risk management policies described in section C of this document (section D2 for the reserving policy):
  - The underwriting policies;
  - The reserving policy;
  - The investment risk policy and asset standards (including concentration, liquidity and currency risk standards);
  - The ALM risk management policy;
  - The operational risk management policy;
  - The reinsurance policy.
- General policies including the internal and forward-looking risk and solvency assessment policy (see section B4 of this document), the capital management policy (see section E1 of this document), the data quality policy, the model policy, the Group cybersecurity and Group cybersecurity governance policy, the outsourcing policy and the crisis management and business continuity policy.

### 3.3. Reporting

The Group Risk Department prepares quarterly risk reports for Executive Management. The reporting process involves identifying key risk indicators and setting up data collection procedures. This report is also sent to the members of the Audit and Risk Committee and to the Risk Department of La Banque Postale and Caisse des Dépôts.

The monthly Risk Appetite Dashboard presents risk monitoring indicators and includes an update of the Risk Appetite Statement. This dashboard is sent to La Banque Postale's Risk Department. It is presented monthly to the CNP Executive Committee.

The Group Risk Department also produces the ORSA report each year (see section B4).

### 3.4. Deployment of the risk management system throughout the Group

The Group's French and international subsidiaries also use this approach to risk management, adapting Group guidelines where necessary to comply with local regulations and the approaches proposed by partners in the case of jointly owned subsidiaries.

In particular:

- The Group Risk Department leads the risk governance team comprising the persons responsible for the Risk Management function in the various subsidiaries;
- The subsidiaries contribute to the Group's risk reporting system;
- The various committees examine the subsidiaries' risk exposures (based on information reported by the subsidiaries or through sub-committees set up in the subsidiaries);
- The Group Risk Department is responsible for reviewing local risk management policies;
- The Group Risk Department issues instructions to the subsidiaries covering their contribution to the Solvency II own funds and capital requirement calculations and the ORSA process;
- The Group has chosen not to apply equivalent Brazilian solvency standards, and the Brazilian subsidiaries therefore perform Solvency II calculations for pillar 1 and ORSA reporting purposes.

## 3.5. Risk culture

To provide support and raise awareness of risk management among Group employees, the Group Risk Department coordinates the risk culture programme at Group level in coordination with the Compliance, Sustainability and Human Resources Departments. This programme is based on four pillars: leadership, the risk management system, training, and incentives and sanctions. In 2024, the first survey assessing the Group's maturity in terms of risk culture was carried out in four languages alongside the risk management training provided annually, particularly on outsourcing, cyber security, compliance and sustainability-related training.

# B4 Own Risk and Solvency Assessment (ORSA)

The Own Risk and Solvency Assessment (ORSA) is a core component of the risk management system presented in section B3.

## 1. Overview of the ORSA process

ORSA is a continuous risk management process that coordinates and consolidates all Group processes for identifying, measuring, managing, overseeing and reporting risks. The purpose of ORSA is to:

- Deploy a strategic risk management process throughout the Group based on (i) the definition, implementation and monitoring of policies for managing underwriting, investment and other risks, and (ii) the execution of qualitative and/or quantitative risk analyses prior to any strategic risk acceptance decisions likely to significantly affect the risk profile, including:
    - Routine strategic decisions for which the ORSA is taken into account:
        - Macro-decisions defining the framework for the projection of business volumes, medium-term capital management planning, strategic asset allocation and hedging frameworks that are drawn up during the prospective ORSA process and are based *inter alia* on an analysis of ORSA impacts;
        - At a more granular level, decisions on product launches and upgrades and responses to calls for tenders are based on an analysis of the return on ORSA capital and underwriting policies that take profitability targets into account for each type of product. The Group Risk Department has developed and made various tools available to the business units, enabling them to independently measure the return on ORSA capital. These tools help them to take ownership of the metric in question, which is central to commitment decisions. Investment decisions also take into account the impact of financial instruments on ORSA capital where necessary;
    - One-off strategic decisions or events that significantly impact the Group's risk profile, such as acquisitions/divestments of insurance businesses and the launch of new businesses or major new products;
- Decisions designed to ensure compliance with the Group's risk tolerance limit through an ORSA capital allocation system and a system to regularly monitor the business using risk indicators and business reviews prepared in conjunction with the business units and subsidiaries.

The results of the ORSA process are summarised in the annual ORSA report. This report may be updated during the year in the event of a material change in the Group's risk profile.

## 2. Prospective own risk and solvency assessment framework

The Board of Directors has issued a written statement setting out the risk tolerance limit applicable to the entire prospective Group own risk and solvency assessment. The risk tolerance limit is set in response to the need to ensure that the Group's consolidated risks do not lead to the SCR coverage ratio falling below a certain threshold in the event of unfavourable developments affecting the main risk factors.

The unfavourable developments taken into account serve to measure the cumulative impact of stresses on the main financial, technical and operational risk factors to which the Group is exposed. These stresses are calibrated based for the most part on an analysis of historical data. Calibration of stresses on financial risk factors serves to define absolute stress levels in order to provide the stability needed to manage the Group's solvency over the medium-term.

The risk factors taken into account in the assessment include the Group's own risk factors over and above those identified for regulatory purposes, which are presented in the ORSA report.

The assessment of the CNP Assurances Group's overall solvency needs takes into account macro-economic forecasts and long-term business growth forecasts over the projection horizon. In this way, the Group's own risks are taken into account prospectively through the inclusion of projections and the risk tolerance limit.

Annual Solvency Capital Requirement calculations lead to an ORSA-based allocation of capital. This allocation is a core component of the Group's risk management system:

- It reflects the risk exposure of each entity/business unit/business segment;
- It provides an economic vision of risk diversification between the various business segments/entities;
- It provides a means of ensuring compliance with the Group's risk tolerance limit.

A system is in place to track uses of capital during the year to ensure that they do not exceed the capital allocated to the business unit or business segment concerned and also that CNP Assurances' risk tolerance is not exceeded.

To this end, the system is used to:

- Determine the ORSA solvency coverage ratio and capital use at quarterly intervals, taking into account:
  - The volume of insurance obligations recorded in liabilities by the business units;
  - The investments and hedging instruments purchased by the Investment Department;
  - Strategic decisions that have a material impact on the risk profile;
- Identify the source of any over/under-use of ORSA capital, in order to adjust allocations and coverage as necessary.

## 3. Prospective ORSA process

The prospective own risk and solvency assessment is performed annually as part of the business planning process for which the main priorities are set by Executive Management and then communicated to the various business units throughout the Group, covering both business development and investment strategy.

The results are presented for approval to Executive Management and to the units in charge of the Group's various businesses. The summarised data is included in the ORSA report submitted to the Board of Directors for approval and sent to the insurance supervisor (ACPR).

The assessment is based primarily on regulatory capital measurement tools and calculations, which are subject to data quality controls. The ORSA assumptions validation report is approved by the Actuarial function.

In the rare cases where the risk profile or strategic priorities change, the decision may be made to perform a new prospective ORSA.

# B5 Internal control system and Compliance function

## 1. Internal control system

### 1.1. Description of the internal control system

The main protagonists in risk management and internal control are, at the highest level in CNP Assurances, the Board of Directors, the Audit and Risk Committee and Executive Management.

The system is built around a reference framework comprising internal delegations of authority and the fundamental principles set out in documents such as the internal control policy and the Code of Conduct.

Controls are performed at several levels:

- Level one controls are set up by each operating or corporate department to manage the risks associated with their activities;
- Level two controls (risk oversight) cover the key functions identified in Solvency II (risk management, compliance and actuarial functions) and the permanent control system;
- Level three controls (periodic controls) are performed by the internal auditors.

Regular coordination meetings are organised between the control functions (Risk Management, Compliance, Actuarial and Internal Audit).

#### System of permanent controls

The permanent control system consists of continuously assessing operational risks and level one and two controls performed within each business process. It provides assurance that the policies defined by the Group are duly applied.

The cornerstones of the system, which interacts with the operational risk management policy, are as follows:

- The **operational risk map**, which highlights the risks representing permanent control priorities. This map **consolidates individual risks in the form of "group risks".** Group risks are determined by consolidating certain business line risks and risk types. They aim to cover the entire Group, including its subsidiaries, in a uniform manner;
- The CNP Assurances **process manual**, which is currently under review, and the description of the sequence of activities in each business process.

The system consists of an annual assessment of how well individual operational risks inherent in each process are managed. The assessment is based on regular reviews of controls over the risks inherent in the activities making up each process.

Two categories of risks are covered:

- **Non-critical risks and controls** identified by the businesses through a bottom-up approach, which are taken into account for operational management purposes;
- **Critical risks and controls** identified by Executive Management through a top-down approach, which are taken into account by the Management Committees of CNP Assurances' business units, subsidiaries and Group functions.

Data are input into the system by the operating departments (or businesses). The system is managed by the internal control teams, who are responsible for ensuring the completeness and integrity of the data.

Based on these identified risks and controls, the system of permanent controls is organised around an assessment cycle comprising four successive stages:


Chart 1: The four stages of the permanent control assessment cycle

The risk management assessment is organised around self-assessments performed by the businesses on level one controls and tests performed by the internal control teams. In principle, each control is assessed at least once a year and is subject to an annual review - a quality review for non-critical controls and a reliability or certification test for critical controls.

- **Control self-assessment**:
    - **A self-assessment** is performed by the first line of defence (the business lines) using a standard questionnaire to assess risk coverage from three angles: (i) the adequacy of the control with regard to the risk, (ii) the documentation of the control procedure and (iii) evidencing of the controls, including the resolution of any identified weaknesses, where applicable;
    - **A quality review** (for non-critical controls) and **reliability tests** (for critical controls) are carried out to check the consistency of the self-assessments, respectively by the first line of defence (internal control correspondents) and the second line of defence (group risk analysts);
    - **Certification tests** are conducted in accordance with an annual control plan. These tests, performed by the second line of defence, are intended to measure the efficiency of the self-assessment, the effectiveness of the risk management systems and provide assurance of the implementation of action plans in accordance with the results of the certification.
- **Residual risk rating**: risks are rated based on their potential impact and probability of occurrence. The four ratings are Critical, Major, Moderate and Low.
    - The gross risk corresponds to the "spontaneous" risk in the absence of any risk management measures;
    - Risk management measures are all the governance, organisation, reporting, IT, human resources and other measures deployed to reduce the gross risk;

  - The residual risk takes into account the effectiveness of existing control and risk management processes;
  - The target residual risk is the residual risk tolerated by the Group, beyond which risk management measures must be defined.

- **Actions to improve the effectiveness of the controls**: action plans targeting control weaknesses are drawn up by the business concerned. These actions are implemented jointly with the internal control teams (to determine the methodological framework, objectives and level of priority). The plans' status is reviewed on a quarterly basis. The businesses are encouraged to implement simplified stop-gap procedures addressing control weaknesses pending completion of the related action plans to improve control effectiveness.

Following the change in the shareholding structure of the CNP Assurances Group (now a subsidiary of La Banque Postale) and the creation of CNP Assurances Holding, including CNP Assurances SA and its subsidiaries as well as the La Banque Postale Assurances insurance entities, the current permanent control system is likely to change as part of a continuous improvement approach.

## 1.2. Deployment of the permanent control system in the CNP Assurances Group

The subsidiaries deploy a permanent control system aligned with the methodology adopted by CNP Assurances Group and, in the case of international subsidiaries, with local regulations and the recommendations of the local insurance supervisor.

They set up permanent control structures and undertake the work required to deploy the permanent control system in their organisation according to their size. The subsidiaries generally use the risk management and control system made available by CNP Assurances Group (NOMOS), which also provides support services. These services include help in deploying the system and the provision of training in the use of the system and the related methodology.

However, in accordance with a principle of proportionality, subsidiaries are not required to take into account critical and non-critical risk classes in their permanent control system.

Each subsidiary reports to its governance bodies and to the Group on the progress of the deployment of the system or the results of the risk management assessment when the system has already been deployed.

The subsidiaries also develop their own internal control policies, which must be consistent with the Group's internal policies. The European subsidiaries submit their internal control policy to CNP Assurances Group's Subsidiary and Branch Risk Coordination Department for approval following the annual review by their governance bodies.

With some adjustments, this policy applies to the following insurance entities owned by CNP Assurances Holding: CNP Assurances IARD, CNP Assurances Prévoyance, CNP Assurances Santé Individuelle, and CNP Assurances Conseil & Courtage. Policy convergence work is carried out on an ongoing basis. These entities use La Banque Postale Group's internal control tool, AGIR.

Responsibility for performing permanent controls at CNP Caution and CNP Retraite has been delegated to CNP Assurances.

Lastly, the Group Risk Department calls on the Subsidiary and Branch Risk Coordination division to:

- Ensure enhanced monitoring of the risks associated with the Group's international development according to the size and complexity of the activities;
- Improve coordination at the Group level to support the development of the Group's international activities;
- Facilitate adherence to the operational risk and control standards and policies of the CNP Assurances Group, while allowing for some flexibility in the organisation.

# 2. Compliance function

## 2.1 Structure, role and responsibilities

The Compliance organisation and control system are described in a Code of Conduct and a Group policy, both of which are based on industry best practices and aligned with the applicable regulations.

In 2024, the Group Risk Department continued to implement the transformation plan for its internal organisation at an operational level to respond to changes in its environment and continue to strengthen the permanent control system. There were three factors behind this transformation:

- Compliance with the requirements of the European Central Bank (ECB), which supervises the new financial conglomerate formed with La Banque Postale, and alignment with the recommendations of the European Banking Authority (EBA);
- Convergence with the organisation of La Banque Postale's permanent control system;
- The acceleration of the international development of the CNP Assurances Group.

Effectively managing compliance issues is key to earning the trust not only of policyholders and insureds, but also of distribution partners. Their trust is essential to drive business growth and promote shared values.

### Compliance policy and organisation

The Compliance policy applies to all the Group's life and non-life insurance companies and describes each company's roles and responsibilities. It is updated each year to take into account regulatory changes, changes in application scope and the updated Compliance plan for the coming year. The updated policy is submitted to the Board of Directors for approval. The policy complies with the compliance programmes of its associated groups (Caisse des Dépôts et Consignations group, La Poste and La Banque Postale).

The Group Compliance policy is distributed to managers and all compliance officers within CNP Assurances Group. It is also available for consultation by employees on the Group Compliance Department's intranet and is the subject of presentations whenever it is amended. It is also available in English and is distributed to the CNP Assurances Group's international subsidiaries.

The Compliance policy is supported by a set of specific policies on issues such as bribery and corruption, influence peddling, conflicts of interest, data protection, anti-money laundering and counter-terrorist financing, financial sanctions, gifts and inducements, product governance, competition and fraud.

The subsidiaries develop their own compliance policies, which must be consistent with Group policy. They submit their deviations from the Group policy, which are subject to approval by the CNP Assurances Group Chief Compliance Officer during the annual review by their governance bodies.

### Compliance function scope, role and responsibilities

The Compliance function is responsible for ensuring that the Group's insurance and reinsurance businesses comply with all applicable laws, regulations and standards, and with internal rules. It detects, identifies and assesses compliance risks, issues warnings about actual or potential breaches, and provides advice in the following areas:

- Governance:
  - Operational implementation of regulatory obligations;
  - Consideration of compliance aspects, particularly in the context of acquisitions;
- For all compliance areas:
  - Procedural corpus;
  - Risk mapping;
  - Design and execution of level two controls;
  - Monitoring of operational compliance incidents.
- Professional ethics: professional secrecy and confidentiality, prevention and management of conflicts of interest, insider trading, combating corruption and influence peddling, whistleblowing system, combating fraud and predicate offences: prevention, detection and management of potential fraud, investigations in the event of suspected fraud, determination of corrective measures in the event of proven fraud;
- Client protection: product governance and monitoring, duty to advise and inform customers, handling of complaints, remuneration and conflicts of interest, commercial communications, IDD training, unpaid policies, policy management rules;
- Anti-money laundering and counter-terrorist financing (AML-CFT), compliance with financial sanctions: risk classification, KYC and customer assessment with regard to AML-CFT risks, monitoring of customer transactions according to customer profiles, management of asset freezes and economic

sanctions or embargoes, opinion on complex new business relationships, implementation of additional due diligence and appropriate monitoring for customers who are Politically Exposed Persons (PEPs) or have ties with Financial Action Task Force/High-Risk Third Countries (FATF/HRTC), detection of unusual transactions, reporting of suspicious transactions to the local financial intelligence units (FIU), Tracfin for CNP Assurances Group's French entities;

- Personal data protection: approval of data collection documents and contracts, analysis of data protection risks associated with new computer applications, contract signing, management of data breaches, encryption of sensitive data, management of requests to access, rectify, delete or oppose the processing of personal data, etc.

Issues relating to financial communications, corporate life and labour laws are monitored by dedicated functions whose managers ensure that they have the necessary resources, expertise and independence. The Compliance function may nevertheless be asked to provide opinions on these issues.

To effectively fulfil the above responsibilities, the Compliance function also trains employees on key issues related specifically to CNP Assurances' businesses and skill sets, and conducts regular communication and awareness-raising initiatives.

The correct interaction between these activities ensure the compliance system's robustness.

### Compliance processes

The Group Compliance function coordinates and performs level two controls that complement the system of permanent controls. In order to ensure compliance, it oversees Compliance risks and related controls, contributing in this way to strengthening the risk management system. To avoid the occurrence of any conflicts of interests, the Group Compliance Department does not play any direct operational role in the company's business activities.

The Compliance Department drafts the Group Code of Conduct, Group policies, standards and compliance procedures. It supports line managers in structuring their own compliance rules and expresses an opinion on matters submitted to it for review.

As part of the reporting and advisory role, the Group Chief Compliance Officer submits regular reports to the Chief Executive Officer and the Chairwoman of the Board of Directors as well as to the Executive Committee. The Group Chief Compliance Officer reports directly and operationally to CNP Assurances Group's General Counsel and operationally to the La Banque Postale Group's Chief Compliance Officer.

The Group Chief Compliance Officer prepares an annual report on all compliance issues, which is presented to the Chief Executive Officer, the Chairwoman of the Board of Directors and the Audit and Risks Committee.

The Group Chief Compliance Officer is declared to the supervisor (ACPR) as being responsible for the compliance function. He is also responsible for the anti-money laundering and counter-terrorist financing control system, is the reporting person/correspondent of the French financial intelligence unit (Tracfin), and is authorised by the Chief Executive Officer to validate, for head office activities, new and ongoing business relationships with PEP clients or those having ties with an FATF/high-risk third country.

The Head of Financial Security is responsible for the implementation of the AML-CFT system and is also declared to the ACPR. He is also a reporting officer/correspondent with the French financial intelligence unit Tracfin, for the activities of the head office and the subsidiary CNP Retraite. He has a sub-delegation from the Chief Compliance Officer to approve, for head office activities and for CNP Retraite, where applicable, new and ongoing business relationships with PEP clients or those having ties with an FATF/high-risk third country.

The Group Chief Compliance Officer is also CNP Assurances Group's Ethics Officer and is responsible for the anti-corruption system.

The Group Compliance Department maintains close ties with the Legal Department, the Group Risk Department and the Group Internal Audit Department.

The European and international subsidiaries deploy an equivalent system aligned with the CNP Assurances Group's principles. The guidelines issued by the Group are adapted to address the specific compliance issues associated with each subsidiary's business and – in the case of international subsidiaries – local regulatory requirements. Each subsidiary reports to its governance structures at least once a year on the assessment of its compliance system's effectiveness, and issues immediate warnings about any identified weaknesses or major risks.

The Group Compliance Department is supported by a network of local compliance offers in the head office departments and subsidiaries. In addition, the subsidiaries' directors or compliance managers report functionally to the Group Chief Compliance Officer.

The Group Compliance Department's team is supported by local compliance officers in each business unit and head office corporate department and in each of the French and international subsidiaries. They are the first point of contact of the head office-based Group Compliance Department and cover three areas: compliance, financial security and data protection. As the interface between the Group Compliance Department and their local structure, they prepare descriptions of their unit's transaction processing procedures, and ensure that the procedures are communicated to employees and implemented in accordance with the applicable regulations and the Group's internal principles. They also draw up action plans to make any necessary improvements.

## 2.2. Significant events of 2024

In 2024, the work of the Group Compliance Department focused on:

- The implementation of the ACPR recommendation of 28 June 2024 on certain provisions of the Insurance Distribution Directive. To this end, the product governance and monitoring system was strengthened;
- Work to continuously improve value for money on unit-linked products accordance with the recommendations and instructions of EIOPA, the ACPR and France Assureurs;
- A review of the complaint handling systems following the new ACPR recommendation of 2 July 2024, to ensure their compliance and identify any actions to be taken with a view to continuous improvement;

- The implementation of the law of 23 October 2023 on green industry and in particular the review of investment mandates, the gradual introduction of unlisted units of account in contracts and the review of the duty to advise system, which must be aligned with the new ACPR recommendation of 21 November 2024 on the collection of customer information for the execution of the duty to advise and the provision of a personalised insurance recommendation service.

All of this work is accompanied by training programmes on the various compliance topics for staff based at the headquarters and in the subsidiaries.

In order to carry out its work and ensure that it complies with the directives issued by the supervisory authorities, the Compliance Department has regular discussions with them (AFA, CNIL, ACPR), particularly during the industry consultations organised by the supervisors. It also participates actively and regularly in the various open think tanks organised by the French Insurers' Federation, France Assureurs (FA).

# B6 Internal Audit function

## 1. Internal Audit function

### 1.1. Scope of the function's activities

The scope of the Group Internal Audit Department covers the activities and processes of CNP Assurances Holding and its majority-controlled subsidiaries, as well as Arial CNP Assurances in accordance with the shareholder agreement. This scope includes activities delegated to partners or outsourced by the Group or the audited subsidiaries.

The Group Internal Audit Department also carries out audits on behalf of entities that do not have their own team, namely: CNP Caution, CNP Luxembourg, Assuristance, CNP Retraite, CNP Assurances IARD, CNP Assurances Prévoyance, CNP Assurances Santé Individuelle, and Arial CNP Assurances.

The internal audit policies of these entities are consistent with the Group policy, while taking into account their specific characteristics.

The Group Internal Audit Department is certified by the French Institute of Internal Auditors and Controllers (IFACI). It therefore meets the requirements of the 2020 Internal Audit professional framework, structured into five major themes: positioning, management, assessment programme, professionalism and audit processes.

These standards evolved in 2024: the International Professional Practices Framework includes international internal audit standards, thematic requirements and international guidelines. The Internal Audit Department is committed to complying with these standards.

### 1.2. The Internal Audit function's independence and objectivity

The Group Head of Internal Audit reports hierarchically to the Chief Executive Officer of the CNP Assurances Group and functionally to the Inspector General of La Banque Postale. She reports to them on all the department's work and any needs.

The Group Head of Internal Audit reports periodically to the Board of Directors' Audit and Risk Committee. She presents the audit policy and the annual audit plan to this committee, for approval by the Board of Directors. She also presents the annual review of the audit activity.

The Chairwoman of the Board of Directors receives the audit reports. The Head of Internal Audit makes detailed audit reports available to the Audit and Risk Committee.

Internal auditors are assigned to audits in such a way as to avoid any conflict of interest or bias. The allocation of assignments is based on:

- The obligation for internal auditors to disclose any potential conflict of interest;

- Regular rotation of internal auditors, as far as possible, on the basis of the seniority of assignments, while respecting their areas of expertise.

At least one year must have elapsed before an internal auditor can be assigned to the audit of his or her previous area of responsibility.

In addition, the audit deliverables are systematically reviewed by the Head of Internal Audit before they are distributed to ensure the objectivity and quality of the work/tests carried out, which must be fully documented.

The internal auditors do not contribute to implementing their recommendations. The related action plans are prepared and implemented by the audited units under their managers' sole responsibility.

## 1.3. Group internal audit network

The Head of Internal Audit of the CNP Assurances Group is responsible for the Group's internal audit function. The internal audit directors of the subsidiaries report functionally to her.

The Group's key function charter sets out the operating principles for each key function, including internal audit, and specifies the responsibilities of the relevant persons.

As such, the Group Head of Internal Audit adapts the internal audit policy to the local entities and ensures it complies with Solvency II rules.

The subsidiaries' audit plans are prepared in coordination with the Group Internal Audit Department.

All the work carried out by the subsidiaries' Audit Departments, in particular for audit assignments or the follow-up of recommendations, is subject to regular reporting and structured discussions with the Group's Internal Audit Department.

The Group's internal audit team can thus ensure:
- The consolidation at Group level of major internal audit findings and the follow-up of recommendations;
- Consistency in regulatory reports on audit activities (Regular Supervisory Report: RSR and Solvency and Financial Condition Report: SFCR).

Internal audit is systematically informed of:
- Fraud and significant incidents in the Group;
- Reports issued by local control bodies and their monitoring;
- Difficulties encountered by local audit teams.

The local audit managers are subject to a formal annual assessment by the Group Head of Internal Audit.

The Group's internal audit function enables the integration of subsidiaries and the standardisation of methods, in accordance with the internal audit policy that has been put in place. A seminar bringing together local audit managers and the Group Audit Department is held annually with the aim of familiarising the subsidiaries with CNP Assurances' practices and harmonising audit methodologies.

The audit of the subsidiary CNP Santander Insurance is outsourced to Deloitte. This is the only outsourced local audit.

## 1.4. Process for preparing the annual internal audit plan

The internal audit plan is aligned with the Group's strategic objectives and its competitive environment.
It is drawn up using a three-stage approach:

1. **Construct the audit universe**

The audit universe consists of the risks inherent in the company's activities.

Activities are identified by cross-referencing the various entities (and/or departments).

The risks identified are assessed at four levels, from critical to low, and are listed in the Group risk mapping, which is under the responsibility of the Group Risk Department.

The risks identified are audit subjects to be covered over a period of five years.

To establish the audit plan for a given year, the audit universe is reduced by the inherent risks covered by audit assignments in the previous four years.

The audit subjects remaining to be covered as part of the five-year cycle are prioritised according to their rating and any external audits that may have been carried out.

At this stage, the audit universe is supplemented by the inherent risks that may have been identified by various stakeholders:

- The control entities operating within the Group:
    - The Statutory Auditors;
    - The supervisory authorities;
    - The CNP Assurances Group departments that carry out various controls: key functions, CISO, outsourcing control function;
    - The Group's periodic control bodies (Internal Audit of La Banque Postale, La Poste Group Audit Department, Caisse des Dépôts Audit Department).
- The Group's senior officers.

2. **Finalise the audit plan**

Once the audit universe has been defined, the resources available in the internal audit team are taken into account to determine the audit plan, while a projection of the five-year audit plan is made to provide a forward-looking view of the work to be carried out.
Audit assignments are planned after consultation with Group departments to determine the most appropriate period.

**3. Validate the audit plan**

After coordination with La Banque Postale's General internal auditors, the audit plan is proposed to the Chief Executive Officer and the Chair of the Board of Directors for discussion and prioritisation. It is then presented to the Executive Committee.

Finally, it is proposed to the Audit and Risk Committee before being submitted to the Board of Directors for approval.

The annual audit plan remains flexible to take into account changes in the company's resources, the economic, organisational and managerial context and risks.

Any changes made during the year are explained in the annual review presented to the Audit and Risk Committee of the Board of Directors of CNP Assurances Holding.

## 1.5. Execution of internal audits

The different phases in the internal audit process are as follows:

### 1.5.1. Engagement letter

The engagement letter signed by the Group Head of Internal Audit describes the scope, nature, objectives and expected duration of the audit. No internal audit may be performed without an engagement letter.

### 1.5.2. Performance of the audit

Internal audits are organised in three phases – preparation, execution and conclusion – devoted to identifying, analysing, assessing and documenting the internal auditors' observations, and drafting recommendations.
The assignment includes regular discussions with the audited structures to encourage dialogue and ensure that the assessment and corrective actions to be taken are understood. The review of recommendations made in previous audits is systematically included.

Deliverables from the process include:

- A draft report containing the internal auditors' observations and recommendations, classified according to the estimated residual risk for the audited unit, business process or information system;
- A final report that also includes:
    - The responses to the auditors' recommendations (description of the action plan, person responsible for its implementation and target completion date);
    - The internal auditors' comments on the proposed action plans (supporting documents expected).

An audit opinion on the degree of control of the audited scope is included in the final report and presented to the Audit and Risk Committee and the Board of Directors during the annual review. This opinion is expressed according to a four-level scale: Satisfactory, Adequate, With Reservations and Unsatisfactory.

Assignments carried out on subsidiaries give rise to an additional assessment of the residual risk borne by the Group, given the size of the subsidiary in question.

Critical, high and moderate risks are systematically addressed by priority recommendations 1, 2 and 3 respectively. The required action plans are defined by the auditees and monitored by the internal audit team.

Low criticality risks are the subject of a non-mandatory “recommendation” addressed to management, which directly manages their monitoring.

For the Brazilian and European subsidiaries, assignments are also carried out directly by the Group Internal Audit Department in addition to the supervised assignments.

**Methodology for subsidiaries**

Continuous discussions with the subsidiaries make it possible to address the points of attention identified by the head office team. For all international subsidiaries, the Group Internal Audit Department and local audit teams hold monthly meetings and organise monthly and quarterly reporting to monitor ongoing audits and the latest news from subsidiaries and on regulations.

**The Brazilian subsidiaries**

While all local audits are monitored by the head office in monthly meetings, certain audits “supervised” by the Internal Audit Department of CNP Assurances, mentioned as such in the local audit plans of the Brazilian subsidiaries, are subject to enhanced monitoring. Given the management method established for the three subsidiaries Caixa Vida & Previdencia, Caixa Consorcio and CNP Seguros Holding under shared governance with Caixa Economica Federal, the procedures for supervising the subsidiaries, validated by the co-shareholder, are as follows:

- Weekly or bimonthly follow-up meetings with the Internal Audit Department;
- A visit to the Brazilian subsidiaries if necessary by a dedicated supervisor, head of assignment or senior auditor depending on the issues addressed;
- Co-construction of the audit programme, sharing of analyses and test results;
- A review of findings, recommendations, action plans and the draft report before the final report is issued.

For the subsidiary CNP Seguradora, wholly-owned by CNP Assurances, assignments are also carried out directly by the Internal Audit Department in addition to the supervised assignments.

### 1.5.3. Follow-up of internal auditors’ recommendations

Implementation of the internal auditors’ recommendations is followed up based on the documents submitted by the unit concerned attesting to the action plan’s status.
A statement of recommendations is submitted to the Executive Committee each quarter and to the Audit and Risk Committee once a year (as part of the review of activities). These reports provide an update on the status of action plans to implement the internal auditors’ recommendations.
The Chief Executive Officer and the Executive Committee monitor progress each quarter. Any delays in implementing critical recommendations are explained.

The Internal Audit Department also monitors action plans to implement the recommendations/observations of the external auditors, the insurance supervisor and the Actuarial function.

**Recommendations issued by the Internal Audit Department:**
The Internal Audit Department assesses the entire audited process according to four rating levels for recommendations:

- **Critical**: Critical recommendations are those for which their non-implementation would incur an excessive risk for the entity and for which the development of the activity is conditional on the implementation of corrective action plans within the predefined timeframes (a risk whose occurrence may significantly and sustainably affect the continuity of the audited entity's operations, profitability, reputation or image).

  The audited entity cannot use budgetary constraints to justify a delay in implementing corrective action plans.

  The action plan must eliminate the risk or reduce it to a lower level of criticality within six months.

- **Major**: Major-level recommendations correspond to those that, without calling into question the entity's viability, must be implemented urgently (a risk whose occurrence may impede the development of the audited entity by significantly or permanently affecting its profitability, reputation or image).

  The action plan must eliminate the risk or reduce it to a lower level of criticality within 12 months.

- **Moderate**: Moderate-level recommendations aim to correct significant problems representing a weakness in the day-to-day control structure (a risk whose occurrence may hinder the development of the business by reducing its short-term profitability or harming its reputation or image).

  The action plan must eliminate the risk within 24 months.

- **Recommendation**: Internal Audit may also issue recommendations to the audited entity to improve its operational efficiency or productivity.

**Rating of recommendations at Group and subsidiary level**
The above-mentioned rating levels are applied at two levels:

- **Group level**: the rating of the recommendations adjusted to the level of risk for the CNP Assurances Group.
- **Subsidiary level**: the rating of the recommendations adjusted to the level of risk for a subsidiary of CNP Assurances.

The Group and subsidiary ratings are identical for recommendations made for CNP Assurances (Head Office).
A critical recommendation for a subsidiary is not critical for the Group unless the financial impact poses a critical risk for the Group.

**Group-wide Strong recommendations:**

Group-wide Strong recommendations may have a significant impact on Caisse des Dépôts Consignations and La Poste Group.

They are issued by:

- The Internal Audit Department for critical recommendations at Group level
- The supervisory authorities are all mandatorily referred to as “Group-wide Strong recommendations”, with the exception of those issued by the ECB whose rating level is critical or major.

The audit work feeds into the Group’s risk mapping.

### 1.5.4. Archiving

Once the final report has been issued, the documents and working papers are securely archived by the internal auditors.

The purpose of archiving is to ensure the traceability of audit files, to facilitate the consultation of documents by auditors during a subsequent assignment and to allow the external evaluation of files to ensure compliance with international professional standards (IFACI certification).

# B7 Actuarial function

## 1. Deployment of the Actuarial function

The Group has designated the person holding the key Actuarial function, the Group Chief Actuary, whose roles and responsibilities have been defined in close alignment with the requirements of the applicable regulations. Following the creation of CNP Assurances Holding, the Actuarial function of the CNP Assurances Group is positioned at the holding company level.

The principles and systems governing the function's work are presented in the Group Actuarial Policy. This document describes in particular:

- The function's role and responsibilities;
- The function's expected qualities;
- The function's position in the Group's committee structure;
- Relations with the Actuarial functions in the Group subsidiaries.

The Group's actuarial function policy applies to all actuarial functions of the Group and the entities, unless explicitly stated otherwise. The Group Chief Actuary is Anani Olympio, who is also in charge of AI (artificial intelligence) ethics. In carrying out his duties, he is supported by:

- The Actuarial functions in the various Group subsidiaries, which have similar responsibilities at the level of their respective scope: this function is held by an employee for all Group entities/subsidiaries;
- The Standards, Actuarial and AI Ethics Department, which falls within his remit, and whose employees are not involved in the operational activities related to the opinion they issue so as to avoid any risk of conflict of interest.

He reports directly to the Group's Deputy Chief Executive Officer and Chief Financial and Non-Financial Officer and has direct access to the decision-making bodies so as to be able to fulfil the reporting role.

The Chief Actuary's opinions are set out in the Actuarial Report submitted to the company's governing bodies and approved by the Board of Directors.

The roles of the Actuarial function, as defined in the relevant regulations, are described below.

## 1.1. Coordinate the calculation of technical provisions

The Group Chief Actuary coordinates the calculation of technical provisions in compliance with the regulatory requirements of Solvency II and validates the level of technical provisions.

The work related to technical provision calculations is subject to internal controls based on the “three lines of defence” model described in Solvency II:

- The first line of defence corresponds to level one controls performed by the teams who determine the amount to be set aside in technical provisions for the business under their responsibility;
- The second line of defence corresponds to the local Actuarial function’s review of the team’s technical provision calculations;
- The third line of defence is provided by the Group Actuarial function. At the CNP Assurances SA level, the second and third lines of defence are combined.

The Group and local Actuarial functions work closely together.

The local Actuarial functions and the Group Actuarial function deal directly with their respective supervisors as part of their duties relating to the calculation of technical provisions.

In addition to coordinating the calculation of technical provisions, the Group Chief Actuary expresses an opinion on their adequacy:

- The local Actuarial functions are required to express an opinion on the adequacy of technical provisions for their unit, based on the instructions received from the Group, the Group’s reserving policy, their line of business and the applicable regulations;
- The Group Actuarial function expresses an opinion on the adequacy of the total technical provisions set aside by the Group, based on the information received from the units after it has been duly checked.

## 1.2. Assess the completeness and quality of data

The Actuarial function is responsible for assessing the quality of the data used to calculate technical provisions, in terms of its accuracy, completeness and relevance. To fulfil this responsibility, it uses a data measurement and quality control plan aligned with the Group’s reserving policy and policy for managing data quality. This plan is monitored and implemented as part of a Group process coordinated by the Group Risk Management function.

The process is based on:

- A permanent file comprising a data register, a description of control procedures and a map of data flows;
- A certificate summarising the data quality assessment, which establishes a link with the operational controls;
- A continuous improvement plan to address weaknesses identified during previous analyses performed by the function and by external or internal auditors.

Material observed weaknesses or opportunities for improvement are described in the Group Actuarial Report, which also describes the main steps taken to guarantee data completeness and quality.

### 1.3. Ensure appropriateness of methods, underlying models and assumptions

The Actuarial function has established a process, committee procedures and deliverables that enable it to ensure the adequacy of the Group's technical provisions.

- Local actuarial functions transmit local technical provisions to the Group Actuarial function;
- The Group International Metrics Consolidation Department establishes and applies controls on consolidated reserves for the scope of international subsidiaries.

An appropriate governance system has been defined for the review of technical provision calculations. This system also enables the Actuarial function to express an opinion concerning the main model limits.

### 1.4. Opinion on the overall underwriting policy

The Actuarial function intervenes in the underwriting process to obtain assurance that the quality of new business is aligned with the Company's risk tolerance limit and will not lead to any future erosion of its own funds. It issues an overall opinion on the underwriting policy in the Actuarial function report, based on regular reviews of the underwriting process performed during the year and evidenced by formal recommendations and the function's own research. It also issues ad hoc opinions on cases presented to the Commitments Committee, where the final underwriting decision is taken by Executive Management in accordance with the principles defined by the underwriting policy.

## 1.5. Opinion on the adequacy of reinsurance arrangements

The Group Actuarial function intervenes in the outward reinsurance process to obtain assurance that purchased reinsurance cover is proportionate, justified and effective, taking into account the Group's risk tolerance limit. Its opinion on reinsurance programmes is based on regular reviews of the reinsurance process and research performed during the year.

## 1.6. Participation in the risk management system

The Actuarial function participates actively in the risk management system. Its contribution mainly concerns the following aspects:

- Coordinating the technical provision calculations, also used by the Risk Department;
- Participating in controls over the techniques used to prepare the ORSA;
- Making recommendations during meetings of the various committees that deal with risk-related issues.

# B8 Outsourcing

## 1. Outsourcing policy

### 1.1. Objectives and scope

The purpose of the CNP Assurances Group's outsourcing policy is to set out the main principles of outsourcing in line with the requirements of the Solvency II regulation (Directive 2009/138/EC) as well as its risk appetite in terms of outsourcing.

These main principles cover the entire outsourcing process: outsourcing strategy, definition of criticality, management procedures, supervision, reporting and the governance to be put in place.

CNP Assurances Group's outsourcing policy is approved by the Board of Directors. It is updated once a year to remain compliant with the latest requirements and regulations.

It applies to all outsourced services, including intra-group services, IT services, cloud-based services and services delegated to distributors of insurance products.

The policy complies with the measures approved by the European Parliament, which underscore the requirements for outsourced activities:

- *Article 38:* The insurer guarantees access by the supervisor to data on the outsourced activities so that the activities can be supervised;
- *Article 41:* The insurer has a formal outsourcing policy;
- *Article 49:* The insurer retains responsibility for compliance with the Directive's requirements of any outsourced activities.

It is also aligned with the European General Data Protection Regulation (GDPR), which requires contractors to fulfil a certain number of obligations, and with the "EIOPA-BoS-20-002" Guidelines of 31 January 2020 relating to outsourcing to cloud-based service providers, issued by EIOPA, which determines a framework of specific obligations for outsourcing to cloud-based service providers.

In Solvency II, outsourcing is defined as the execution by a third party of a service or activity that is part of the CNP Assurances Group's business model and would otherwise be performed in-house.
Outsourcing also covers certain specific cases:

- The delegation of management of insurance contracts, including in the event of a partnership relationship. This is the case for the management service entrusted to a distributor partner, a business provider or a legal entity. However, the simple act of collecting premiums is not considered to be outsourcing;
- Intra-group outsourcing: entrusting an activity or function to another Group entity.

Solvency II requires special care to be taken when outsourcing *critical* or *important*[5] *functions and activities*. The CNP Assurances Group considers the outsourcing of the following activities to be critical or important:

- The delegated management of any of the key functions defined in the Directive:
  - The Risk Management function;
  - The Compliance function;
  - The Internal Audit function;
  - The Actuarial function.

Outsourcing of operational functions and activities that are essential for the continued operation of the business, or could, if they were altered or quality standards were not met, have a serious adverse effect on the continued delivery of a satisfactory quality of service to insureds, policyholders and beneficiaries and to reinsured companies.

Based on the guidelines set out in the outsourcing policy, the Group's subsidiaries have rolled down the policy's principles, governance and management rules into their local outsourcing policies, after adapting them to their specific operating and regulatory environments.

The subsidiaries' policies describe their scope of application and define the "critical and important" functions and activities that may or may not be outsourced.

The international subsidiaries outside Europe, which are not subject to Solvency II rules, also have an outsourcing policy. This policy prohibits the outsourcing of "critical and important" functions and activities.

[5] Definitions based on Directive 2009/138/EC "Solvency II", Government Order 2015-378 dated 2 April 2015, Decree 2015-513 dated 7 May 2015, EIOPA guidelines, and Article L.311-2 of the French Insurance Code.

## 1.2. The bodies

### 1.2.1. Validation body for major outsourcing projects

Each subsidiary must identify a body whose mission will be to analyse and give an opinion on any project relating to the outsourcing or insourcing of an activity with a strong impact on the company. Its members must analyse a file produced by operational staff presenting the outsourcing project, check the compliance of the project with the company's strategy, outsourcing policy and risk appetite and issue an opinion on the project.

### 1.2.2 Body for validating the degree of criticality of a service

Each subsidiary must identify a body that will be responsible for validating the criticality of a service.

After the business line has presented the outsourcing file, the members of the body decide on the criticality of the service (critical or important, sensitive, normal).

The body may also meet to reassess the criticality or regulations applicable to a service.

### 1.2.3 The Outsourcing Risk Approval Committee

The Outsourcing Risk Approval Committee is a body of La Banque Postale whose remit covers the scope of the La Banque Postale Group as a whole. This committee is part of the outsourcing governance and risk management system.

The outsourcing files of certain entities of the CNP Assurances Group must be presented to it.

### 1.2.4 The Outsourcing Management Committee

Each subsidiary must identify a body that will be responsible for managing and conducting at least an annual review year of all critical or significant outsourcing within its scope.
This body supervises all outsourced activities for the scope concerned and reviews their development prospects.

### 1.2.5 The Operational Risk and Internal Control Committee

See section B5 for details concerning this Committee. The Committee's role includes monitoring outsourcing risks and changes in the coverage of outsourcing risks.

## 2. Map of outsourced critical and important functions and activities

The CNP Assurances Group has mapped its outsourced functions and activities and identified those qualified as critical and important.

The Group outsources (to a varying extent depending on the entity) certain critical or important functions and activities, as defined in Solvency II, in the areas of:

- Policy administration and customer relationship management;
- Asset management;
- Information systems management.

# C

# Risk profile

### Risk overview

The CNP Assurances Group's risks, as identified for the application of the Solvency II standard formula, are as follows:

| Solvency Capital Requirement (SCR) module at 31/12/2024 | | In € million | In %[6] |
|---|---|---|---|
| **Market risk** | Interest rate risk | 949 | 7% |
| | Equity risk | 5,455 | 42% |
| | Property risk | 1,662 | 13% |
| | Currency risk | 822 | 6% |
| | Spread risk | 4,048 | 31% |
| | Concentration risk | 0 | 0% |
| | *Market risk diversification* | *-2,499* | |
| | **Market risk** | **10,436** | **47%** |
| **Life underwriting risk** | Mortality risk | 932 | 10% |
| | Longevity risk | 369 | 4% |
| | Disability-morbidity risk | 46 | 1% |
| | Lapse (surrender) risk | 5,919 | 66% |
| | Life expense risk | 1,369 | 15% |
| | Life catastrophe risk | 377 | 4% |
| | Revision risk | 0 | 0% |
| | *Life underwriting risk diversification* | *-1,968* | |
| | **Life underwriting risk** | **7,043** | **31%** |
| **Health underwriting risk** | SLT Health[7] underwriting risk | 1,014 | 49% |
| | NSLT Health[8] underwriting risk | 960 | 46% |
| | Health catastrophe risk | 94 | 5% |
| | *Health underwriting risk diversification* | *-329* | |
| | **Health underwriting risk** | **1,739** | **8%** |
| **Non-life underwriting risk** | | **818** | **4%** |
| **Counterparty default risk** | | **1,097** | **5%** |
| **Intangible asset risk** | | **0** | **0%** |
| **Operational risk** | | **1,246** | **6%** |

*[6] Percentage of the sum of the SCRs by risk.*

*[7] SLT Health = health insurance obligations that are assigned to the lines of business for life insurance obligations.*

*[8] NSLT Health = health insurance obligations that are assigned to the lines of business for non-life insurance obligations.*

This risk profile shows the continued predominance of market risks, which now account for nearly half of the solvency capital requirements (47% in 2024 vs. 44% in 2023). There was a slight decrease in life underwriting risks (31% in 2024 vs. 34% in 2023), while health underwriting risks increased slightly (8% vs. 7%).

Diversification continues to have a significant positive effect. It is estimated at around 28% this year (calculated as [sum of net SCRs excluding operational risk SCR - net basic SCR] / sum of net SCRs excluding operational risk SCR), down slightly compared to the previous year (29%).

# C1 Underwriting risk

Underwriting risk, as identified for the application of the Solvency II standard formula, is as follows:

| | | Group SCR at 31/12/2024 (In € million) |
|---|---|---|
| **Life underwriting risk** | Mortality risk | 932 |
| | Longevity risk | 369 |
| | Disability-morbidity risk | 46 |
| | Lapse (surrender/cancellation) risk | 5,919 |
| | Life expense risk | 1,369 |
| | Life catastrophe risk | 377 |
| | Revision risk | 0 |
| | **Life underwriting risk** | **7,043** |
| **SLT Health underwriting risk** | SLT Health lapse (surrender) risk | 276 |
| | Health expense risk | 114 |
| | Health mortality risk | 8 |
| | Health longevity risk | 150 |
| | Health disability-morbidity risk | 854 |
| | Health revision risk | 91 |
| | **SLT Health underwriting risk** | **1,014** |
| **NSLT Health underwriting risk** | NSLT Health lapse (surrender) risk | 7 |
| | NSLT Health premium and reserve risk | 960 |
| | **NSLT Health underwriting risk** | **960** |
| **Health catastrophe risk** | **Health catastrophe risk** | **94** |
| **Health underwriting risk** | **Health underwriting risk** | **1,739** |
| **Non-life underwriting risk** | Non-life catastrophe risk | 358 |
| | Non–life premium and reserve risk | 626 |
| | Non–life lapse (surrender) risk | 190 |
| | **Non-life underwriting risk** | **818** |

# 1. Description of the main risks

## 1.1. Surrender or cancellation risk

Surrender risk is defined as the risk of loss or adverse change in the value of insurance liabilities resulting from a change in policyholder surrender behaviour (lapse, renewal, surrender). Savings products offer policyholders a surrender option at a contractually fixed value. The exercise of this option depends on the performance of the financial markets, the return of other competing financial investments, the behaviour and confidence of clients, as well as the applicable taxation.

For group pension policies, surrender risk mainly corresponds to the risk of the subscriber requesting the transfer of the policy, since the French PACTE law, which came into force in 2019, makes this type of transfer possible for each policy.

This risk is particularly high for the CNP Assurances Group. High surrender rates could have a significant impact on earnings or solvency in adverse environments.

In 2024, the risk rating of the CNP Assurances Group's risk map was stable overall compared to the previous year. In general, surrender risk is linked to the behaviour of the CNP Assurances Group's policyholders, which is inherently uncertain and partly depends on external factors. This risk is therefore considered critical and is closely monitored.

## 1.2. Morbidity risk (temporary and permanent disability, long-term care insurance)

Morbidity risk is defined as the risk of loss or of an adverse change in the value of insurance liabilities resulting from fluctuations affecting the level, trend or volatility of disability, sickness and morbidity rates.

Personal risk/protection and term creditor insurance contracts comprise various types of temporary or permanent disability and long-term care cover. These guarantees expose the Group to morbidity risks. Morbidity risk arises when there is an increase in the incidence or duration of sick leave or long-term care needs. It also includes the risk of an increase in healthcare costs.

## 1.3. Mortality risk

Mortality risk is defined as the risk of loss or of an adverse change in the value of insurance liabilities resulting from an increase in mortality rates compared to projections.

The Group is exposed to mortality risk on the death cover included in most of its personal risk and term creditor insurance policies.

In addition, an increase in the mortality rate would reduce future margins on the Savings business and could have an adverse impact on the Group's financial position. Some unit-linked contracts also include death cover.

The combination of less favourable financial market conditions and higher-than-expected mortality rates would erode margins on these contracts.

### 1.4. Longevity risk

Longevity risk is a risk of long-term loss, which corresponds to the financial risk on insurance liabilities associated with the fact that individuals live on average significantly longer than expected.
The Group is exposed to longevity risk, in particular on its portfolio of annuities in payment. Pension and long-term care contracts are logically and more specifically exposed to the risk of a lasting increase in policyholder longevity.

### 1.5. Expense risk

Expense risk is defined as the risk of loss or of an adverse change in the value of liabilities related to changes in expenses incurred for the management of insurance or reinsurance contracts.

Expense risk may materialise if costs deviate from the original budget. The main expense items are employee benefits, IT costs, office rent and sales commissions.

### 1.6. Catastrophe risk

Catastrophe risk is the risk of loss or of an adverse change in the value of insurance liabilities due to the occurrence of extreme, uncertain and irregular events causing serious harm to insured persons and/or property, the origin of which may be a natural phenomenon, human intervention or a combination of both.

Catastrophe scenarios (particularly pandemic risks) can have an adverse effect on death cover provided under all Group policies and disability cover provided under term creditor insurance, employee benefits and personal risk policies. Healthcare costs could also rise sharply, for example in the case of a pandemic. The P&C subsidiaries that sell home insurance policies are also exposed to natural catastrophe risk.

### 1.7. Premium and reserve risk

Premium and reserve risk is the risk of loss or of an adverse change in the value of insurance liabilities resulting from fluctuations affecting the date of occurrence, frequency, and severity of insured events and the amount of claims settlements.

These risks arise from cover provided under non-life policies such as vehicle insurance, home insurance or non-bank product cover provided by CNP Assurances IARD, healthcare cover from CNP Assurances Santé Individuelle and unemployment cover or guarantees issued by CNP Caution.

Exposure to unemployment risk covered by term creditor insurance contracts in France is limited.

## 1.8. Financial risk generated by underwriting activities

The insurance policies sold by the Group generate financial risks.
This is the case, in particular, for traditional savings contracts that include a capital guarantee and, even more so, for contracts with a guaranteed DPF. In the event of a decline in investment yields, the CNP Assurances Group would be exposed to a risk of being unable to fund these guarantees or even cover the policy administration costs.

Pension contracts present a risk of asset yields falling to below the valuation rate of interest used in the pricing model.

In addition, personal risk policies also create financial risks for cover with a relatively long benefit payment periods (e.g. long-term care) 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).

Lastly, the Group is exposed to a transformation risk, corresponding to the risk of not meeting the business plan targets with respect to the rise in the UL portion of new money, as well as the risk of delays in launching products in support of the transformation of euro assets.

# 2. Changes during the period

## 2.1. Business environment and development

The main changes in the underwriting activity are presented in section A2 of this report.

*Surrender risk*

European interest rates fell slightly during 2024. However, the Group maintained a strategy of protecting assets under management with the aim of limiting surrender risk and supporting savings inflows in France and Italy.

In 2024, the surrender rate decreased in France compared to 2023, especially in the high-end segment. This was due to a favourable economic environment and effective retention strategies. Customers now prefer stability and continuity in their investments, reducing the surrender rate.
The AuM transformation strategy continues with the expansion of the unit-linked offering, in particular by offering innovative and sustainable unit-linked products.

In term creditor insurance, unexpected surrenders can change the duration of contracts and affect their profitability. This is a significant risk for CNP Assurances, which is a major player in the sector. Surrenders may occur on prepayment of a loan following a renegotiation of the underlying loan, encouraged by periods of falling interest rates, or in the event of the termination of a loan insurance contract. Since the entry into force of the Lemoine Act on 1 June 2022, there was a peak in terminations in December 2022. In 2023 and 2024, termination rates fell but have stabilised at a higher level than before the law. In 2024, loan prepayments fell to their lowest level, with interest rates remaining high though they eased slightly during the year. Overall, in 2024, the surrender rate for term creditor policies was lower than in 2023.

In Italy, after a sharp increase in surrenders in 2023 due to the rise in interest rates, competition from government bonds (BTPs) and a crisis of confidence linked to the EuroVita affair, there was a significant decrease in the surrender rate at CVA in 2024. This was due to retention efforts on euro and multi-vehicle contracts and competition from BTP yields. This downward trend is expected to continue in 2025. However, at CUV, surrenders increased sharply in 2024, with a slight dip towards the end of the year.

In Brazil, in the subsidiaries CVP and CSH, pension and personal risk products, as well as those associated with mortgages and consumer loans also have a high termination risk. These rates were stable compared to last year for these different scopes.

*Health underwriting risk*

This risk is particularly high in France with term creditor, personal risk, health and long-term care policies.
The latest surveys point to a drop in the absenteeism rate in 2023, returning to the level of 2021 but remaining higher than before Covid. However, the length of absences from work is rising. Data from the French national health insurance agency, Ameli, for 2024 confirm this trend with a sharp increase in benefits for sick leave of more than three months. The main causes of sick leave are musculoskeletal and psychological disorders.

For healthcare costs, the measures taken at the national level in response to high inflation have had an impact on the level of obligations and led to an increase in benefits paid since 2024.

There was no particular portfolio drift in 2024 due to careful management.

*Mortality and other risks*

Mortality risk is high in France and is also present in Brazil and at Santander. There were no particular changes in mortality risk during 2024.

There was no significant change in other risks, which continue to be monitored.

## 2.2. Regulatory change in France: Green Industry Act

The Green Industry Act of 23 October 2023 includes certain provisions that have an impact on retirement savings plans. Several measures (possibility of transferring PERP commitments to a PER or FRPS plan, facilitation of transfers from Article 83 to PERO plans) came into force as soon as the law was enacted.

Other measures came into force on 24 October 2024:

- Elimination of the possibility of using gender-differentiated tables for group retirement contracts. Work is under way on the implementation of the new unisex table;
- Introduction of minimum investment constraints for certain asset classes (notably unlisted assets). Work to adapt the management grids by investment horizon is under way as well as for the selection and validation of unlisted unit-linked policies in order to meet the requirements of the Green Industry Act.

Underwriting policies have been adapted to take into account changes made by the law.

In 2025 and 2026, adaptation work on insurance-based company retirement savings plans (PERs) continued in order to comply with the requirements of the Green Industry Law in terms of minimum investments in UCIs invested in unlisted assets (for new policies and existing policies on their automatic renewal). The deadline for compliance is 30 June 2026.

## 2.3. Change in term creditor insurance products in France

Work has been carried out to adapt products to the new requirements of both clients (reduction of exclusions, adjustment of medical assessment, etc.) and regulators (review of the contingency clause). In addition to enhanced management of surrender risk, action was taken to improve access to term creditor insurance in line with the CNP Assurances Group's corporate mission to promote more inclusive and sustainable insurance. Various product changes related to the policyholder protection have been put in place, such as the elimination of level 2 AERAS surcharges (for persons with certain medical conditions) and the inclusion of family assistance cover in term creditor insurance policies.

## 2.4. Regulatory changes in Europe

EIOPA and the European regulators continue to pay increasing attention to credit insurance products, particularly with regard to commission levels, sales practices and customer satisfaction.

# 3. Underwriting policies and oversight system

## 3.1. Underwriting process

The underwriting process gives the various business units a clearly-defined, shared risk-taking framework. It facilitates individual decisions and the seamless use of delegations of underwriting authority.
Underwriting policies specify the risks that the Group has decided to insure or not to insure, and describe any specific conditions applicable in each case. The policies may set maximum underwriting volumes for certain risks or types of cover.

They stipulate the limits on underwriting volumes that may be entered into by the business units under the delegations of underwriting authority from the Underwriting Committee and the corporate functions, as well as the limits applicable to the units' own internal delegations of underwriting authority. Contracts can be underwritten at each level up to the limit of the related delegation of underwriting authority. Any departure from the rules specified in the underwriting policies must be submitted to the corporate functions so that it may be discussed at the next Underwriting Committee meeting.

The CNP Assurances underwriting policies include:

- Underwriting standards;
- Pricing standards;
- A description of the internal controls applied by the operating units to guarantee compliance with underwriting procedures;
- A description of the periodic reports required by the Risk Department to enable it to obtain assurance concerning compliance with underwriting policies.

In 2022, in reference to the Delegated Regulation (EU) 2021/1256 of the European Commission amending Delegated Regulation (EU) 2015/35, the request for analysis of sustainability risks was introduced in the Group's underwriting policy as part of the underwriting processes, for application in all operating entities.

## 3.2. Insurance Business Underwriting Committee

The Insurance Business Underwriting Committee is tasked with identifying and tracking underwriting risk. Its activities are described in detail in section B3.

## 3.3. Underwriting risk reporting

### Principles

Quarterly underwriting risk reports are prepared, covering the CNP Assurances Group's most material risks. These include surrender, morbidity (analysed by type of cover: temporary and permanent disability, health and long-term care), mortality, longevity and unemployment risks and risks related to savings/pensions financial options and guarantees (capital guarantees, guaranteed yield and transfer options). Focus reports may also be prepared on emerging risks, newly introduced products and strategic growth priorities. The market's view of topical issues or recent publications is also included.

The underwriting risk reports are used to detect any deviations from CNP Assurances' risk profile to be submitted to the Underwriting Risk Committee and also to commission detailed analyses from the business units and Group functions, which may be asked to step up their monitoring of certain risks and/or to make recommendations.

### Tracking indicators

The underwriting risk reporting system is organised by risk and includes:

- Risk measurement indicators, which notably include:
    - Surrender/cancellation rates, transfers between traditional and unit-linked funds, term creditor insurance cancellation rates;
    - Mortality rates, rate of reinvestment of savings following death;
    - Loss ratios, by claim year, by type of contract and by guarantee;
    - Number of claims, average claim settlement period.
- Risk profile tracking indicators, which break down premium income or mathematical reserves based on discriminating risk deviation factors. These discriminating factors may consist, for example in the Savings business, of the amount of the policyholder's savings, the age of the policy or the level of the capital guarantee.

# 4. Risk mitigation

## 4.1 Monitoring and corrective action

The underwriting process and oversight system described above represent the main risk mitigation factor, because they enable the Group to closely monitor risks, implement corrective action or adjust the levels of cover in order to keep loss ratios under control in the employee benefits plan, long-term care insurance and group pensions segments.

### 4.2 Reinsurance mechanisms

The Group's reinsurance programmes aim to support its development while protecting its balance sheet and solvency against technical, financial, political, climate and sustainability risks.

The Group reinsurance policy describes the governance of ceded risks. It also set out the roles and responsibilities of the departments involved in the CNP Assurances Group's reinsurance activities as well as specifying the decision-making bodies, in particular the Reinsurance Risk Committee, and setting the minimum standards in terms of ceded risks for all Group entities.

In France, the CNP Assurances Group's commitments are covered by proportional reinsurance, as is the share included in the natural disasters regime. They are also covered by non-proportional treaties, such as excess of loss per risk coverage for large insured amounts and excess of loss per occurrence cover such as that offered by the BCAC (Bureau Commun d'Assurances Collectives) catastrophe insurance pool.

With regard to the risk of a pandemic, cover for an excess mortality rate of up to 0.15% for a total commitment of €315 million has been renewed without amendment since 2021.
In Italy, the significant increase in surrenders on Savings products in 2023 due to the rise in rates in Italy and competition from government bonds (BTPs) required the placement of a mass lapse reinsurance treaty to optimise CVA's solvency ratio.

For the subsidiary CNP Assurances IARD, the reinsurance programme mainly aims to cover the risks associated with natural risks through excess of loss treaties for natural events and the CCR Natural Disaster Compensation Scheme combining quota share and excess of loss coverage. Among the other notable programmes, civil liability insurance is also covered by an excess of loss treaty.

CNP Assurances Prévoyance is mainly reinsured on a proportional basis for long-term care products and through a non-proportional programme combining protection per person and per event.

The reinsurance plan has been adapted for the Brazilian subsidiaries. For Caixa Vida Previdencia, the reinsurance structures were not renewed in 2024 as they no longer met a real need for the entity, given its risk appetite. For Caixa Seguradora Holding, insurance liabilities are reinsured under non-proportional treaties, such as excess of loss per risk (life and non-life) treaties, and life, non-life (Catastrophe XL) and umbrella excess of loss per occurrence treaties. The floods that occurred in May, which triggered reinsurance treaties, resulted in a significant increase in the market price of these structures.

## 5. Risk sensitivity

Changes in the risk profile are tracked using the quarterly SCR coverage ratio measurements.

# C2 Market risk

This section deals with the market risks (interest rate, equity, property and currency risks) that are the most likely to have a material adverse effect on the Group. Spread and concentration risks, which are also taken into account in market risk SCR calculations, are dealt with in section C3 Credit Risk.

| Market risk | SCR at 31/12/2024 *(In € million)* |
|---|---|
| Interest rate risk | 949 |
| Equity risk | 5,455 |
| Property risk | 1,662 |
| Currency risk | 822 |

Exposure to market risk is assessed based on the asset classifications used in the balance sheet, as follows:

**Assets under S2 valuation method excluding unit-linked portfolios**

| *(In € billion)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Corporate and government bonds | 170 | 175 |
| Investment funds (UCITS) | 67 | 67 |
| *Money-market funds* | *17* | *19* |
| *Bond funds* | *14* | *13* |
| *Equity funds* | *14* | *13* |
| *Other funds* | *22* | *21* |
| Equities | 23 | 24 |
| *Shares in property companies* | *9* | *9* |
| *Other equities* | *15* | *16* |
| Structured products | 22 | 22 |
| Collateralised securities | 3 | 3 |
| Property, plant and equipment | 1 | 1 |
| Cash and deposits | 3 | 3 |
| Loans and mortgages | 0 | 0 |
| Other investments | 8 | 7 |
| **Total** | **297** | **303** |

Allocations to financial assets are made in accordance with the investment policy and the risk appetite statement, which notably defines the investment limits.

# 1. Description

## 1.1 Interest rate risk

Interest rate risk corresponds to the risk of an increase or decrease in interest rates.

### 1.1.1 Risk of falling interest rates

During a period of falling interest rates, reinvestment yields decline, leading to a gradual erosion of bond portfolio yields. A prolonged fall in interest rates makes contractual loading more difficult to apply to savings and pension products and exposes the insurer to a risk of lower margins, especially on traditional life insurance products. In more extreme scenarios, despite the relatively low proportion of guaranteed-return policies, there is a risk that asset yields may be insufficient to cover contractually guaranteed yields, forcing the CNP Assurances Group to use its own funds portfolio to pay the guaranteed amount.

Euro-denominated savings and pension contracts are particularly exposed to a drop in interest rates.

### 1.1.2 Risk of rising interest rates

In the event of a rapid increase in interest rates, yields on investment portfolios may lag behind the market, generating a mismatch between the yields paid on products and those available on competing financial products. The CNP Assurances Group may then have to contend with an increase in life insurance policy surrenders as policyholders seek higher yields elsewhere. A spike in the surrender rate could force the CNP Assurances Group to sell off bonds at a loss. This could then trigger a negative spiral whereby such losses accentuate the mismatch between the yield being paid to policyholders and those offered by other players, thus pushing the surrender rate even higher.

The risk of a rise in interest rates mainly arises in a context of rising inflation.

In 2024, rates continued to decline, more markedly in the short term.

## 1.2 Equity risk

Equity risk measures the sensitivity of equities to changes in stock market prices. Volatility measures the extent of equity price changes and is used to quantify the yield and price risk. High volatility means high potential gains but also a higher risk of losses.

In the case of a prolonged fall in value of certain equities held in the portfolio, impairment provisions may have to be set aside for unrealised losses on these investments, with an adverse effect on earnings.

Gains on equity portfolios are used to boost policyholder yields in periods when bond yields are too low. A fall in equity prices would deprive the Group of this flexibility and could even reduce its ability to pay guaranteed yields.

The private equity portfolio also exposes the CNP Assurances Group to liquidity risk (see section C4).

Infrastructure investments represent an important portfolio diversification opportunity for CNP Assurances. They include direct investments in infrastructure projects and units in infrastructure funds, which provide an opportunity to invest in diversified portfolios of assets in this class. The portfolio is invested primarily in European infrastructure projects.

There are two types of risk inherent in private equity and infrastructure investments: the risk of a fall in the profitability of the underlying companies or projects and the risk associated with the lack of a liquid market for these assets which require a medium or long-term investment perspective.

### 1.3 Property risk

Property risk measures the sensitivity of property portfolio values to changes in real estate market prices.

This risk concerns operating property as well as investment property.

The rental income from a property portfolio is exposed to market risk (e.g. excess of supply over demand, increased vacancy rates and their impact on rental value) as well as to the risk of tenant default and declines in rent adjustment indices.

The value of properties owned directly or through a fund is exposed to the risk of changes in rental income and in the investment market itself, as well as to the potential risk that certain buildings will be rendered obsolete by new regulations (on energy use, for example) resulting in losses in the event of sale or additional costs to bring the assets back into compliance. Although property companies are rarely exposed to leverage risks, they must also be taken into consideration in an environment of rising interest rates.

### 1.4 Currency risk

The Group's presentation currency is the euro. Most of its currency risk arises from the consolidation of the Group's Brazilian subsidiaries, which present their financial statements in Brazilian real. The Brazilian subsidiaries make a substantial contribution to the Group's financial performance in terms of both premium income and net profit and changes in the BRL/€ exchange rate therefore have a material impact on consolidated net profit and cash flows. CNP Assurances implements an annual hedging programme to reduce foreign exchange risk when the results of the Brazilian subsidiaries are reported.

The bulk of the Company's asset portfolios are invested in the securities of eurozone issuers. As a result, the portfolios' exposure to currency risks is very limited.

## 2. Changes during the period

A description of the economic environment and financial market conditions in 2024 is provided in section A1.
In 2024, CNP Assurances' risk budget was overall stable. There was little change in the key financial risk metrics. Accordingly, the strategic allocation changed little.

The economic environment in France and Europe continued to stabilise in 2024. Equity markets overall continued their rally, with indices such as the Euro Stoxx 50 and the DAX posting significant gains. However, the CAC 40 fell slightly. The 10-year OAT ended 2024 at 3.19%, up from the end of 2023. The spread against German yields widened to 0.83% at the end of 2024, due to the increase in the risk premium on French government following the early general elections.

The BRL weakened against the main currencies in 2024, in particular due to the tax situation.
Financial risks remain the most significant for the company.

## 3. Investment policies, asset standards and monitoring processes

### 3.1. Investment policy and asset standards

Market risks are managed by implementing an investment policy. The policy reiterates the main principles of the risk management policy as it applies to asset risks through:

- Investment rules that require application of the "prudent person" and "policyholder best interests" principles;
- Investment decision-making processes that require application of the four-eyes principle;
- Integration of economic capital measurements in investment decision-making processes.

This policy applies to the Group and all of its subsidiaries. Where necessary, it may be adjusted to take into account local regulations, the subsidiary's growth objectives and any investment restrictions decided jointly with local partners. Any such adjustments are approved locally. The policy describes the overall organisation of the system for managing investment risks, which is based notably on:

- General asset allocation strategies developed and updated each year by the Strategic Asset Allocation Committee as part of the prospective ORSA process;
- Management of asset/liability matching organised by the ALM risks management policy;
- The investment process, which forms part of a multi-tier risk delegation system overseen by the Group Investment Committee;
- The monitoring process organised by the Asset Risk Monitoring Committee.

Asset risk management is governed by a set of policies and standards that frame routine risk management and monitoring processes.

### 3.2. Monitoring and reporting

Market and investment risk monitoring is organised around processes to verify compliance with asset standards and track ALM risks.
It requires the use of various reports, including:

- Monitoring Committee reports which track compliance with asset standards and the action taken to resolve any exposure limit overruns;
- ALM indicators, including asset/liability duration mismatch indicators, comparative yield analyses, etc.;
- Quarterly Group risk reports, including reports on the monitoring of hedging policies, as well as market risk indicators;
- The risk appetite statement, which includes financial and ALM indicators.

## 4. Risk mitigation

Each year, a hedging programme is set up based on purchases of derivative instruments.

Part of CNP Assurances' profit for the year is transferred to the policyholders' profit-sharing reserve in the French GAAP accounts. The purpose of this reserve is to smooth policyholders' returns over time by deferring payment of part of their profit participation.

# 5. Risk sensitivity

Numerous market risk sensitivity analyses are performed based on various metrics such as the Solvency II SCR coverage ratio. Special attention is paid to analysing sensitivity to changes in interest rates and equity prices.

These sensitivities are calculated for the CNP Assurances Group scope. The main results of sensitivity analyses at 31 December 2024 are as follows:

| | Value at 31/12/2024 | Sensitivity to a 100-bp increase in interest rates | Sensitivity to a 100-bp decrease in interest rates | Sensitivity to a 25% fall in equity prices |
|---|---|---|---|---|
| Solvency II coverage ratio | 237% | -4 pts | -5 pts | -12 pts |

Combined stress tests are performed as part of the ORSA process.

# C3 Credit risk

Credit risk, as identified for the application of the Solvency II standard formula, is as follows:

| Market risk | SCR at 31/12/2024 *(In € million)* |
|---|---|
| Spread risk | 4,048 |
| Concentration risk | 0 |

The counterparty risk SCR amounted to €1,097 million (out of a total market risk SCR of €10,436 million).

This section covers market spread and concentration risk, as well as counterparty default risk.

The exposure to spread risk on the bond portfolio is presented below:

**Bond portfolio by type of issuer,** *source: QRT S.06.02 List of assets*

| S2 value *(in %)* | 31/12/2024 | 31/12/2023 | Change (points) |
|---|---|---|---|
| Government bonds | 58% | 57% | 1 |
| Corporate bonds | 42% | 43% | -1 |
| *Financial services and insurance* | *20%* | *19%* | *0* |
| *Other sectors* | *22%* | *24%* | *-2* |
| **Total** | **100%** | **100%** | |

The bond portfolio by issuer rating breaks down as follows:

**Bond portfolio by issuer rating,** *source: QRT S.06.02 List of assets*

| S2 value *(in %)* | 31/12/2024 | 31/12/2023 | Change (points) |
|---|---|---|---|
| AAA | 8% | 6% | 2 |
| AA | 41% | 43% | -2 |
| A | 25% | 23% | 1 |
| BBB | 23% | 24% | -1 |
| Non-investment grade | 2% | 2% | 0 |
| Unrated | 1% | 1% | 0 |
| **Total** | **100%** | **100%** | |

The corporate bond portfolio is mostly invested in bonds with a rating higher than A.

The government bond portfolio breaks down by country as follows:

**Government bond portfolio by country,** *source: QRT S.06.02 List of assets*

| S2 value *(in %)* | 31/12/2024 | 31/12/2023 | Change (points) |
|---|---|---|---|
| France | 50% | 55% | -6 |
| Italy | 12% | 12% | 0 |
| Belgium | 11% | 8% | 3 |
| Spain | 9% | 9% | 0 |
| Luxembourg | 5% | 4% | 1 |
| Germany | 4% | 4% | 0 |
| Brazil | 2% | 3% | -1 |
| Other | 7% | 4% | 3 |
| **Total** | **100%** | **100%** | |

The Group's government bond portfolio is mostly invested in European sovereign debt, primarily French.

# 1. Description

## 1.1 Credit risk

The credit risk on a bond is the risk of partial or total issuer default. It concerns both corporate bonds and government bonds. This depends on the issuer's financial bill of health as generally reflected in agency financial ratings (which can range from AAA to D).

## 1.2 Counterparty default risk

Counterparty default risk is the risk of default by a counterparty other than an issuer of bonds held in the Group's portfolio. It mainly concerns derivative products, reinsurance transactions and securities lending (repo) transactions. It also concerns, to a lesser extent, Group insurance clients when earned premiums not yet written are recognised.

## 2. Changes during the period

The portfolio did not suffer any significant rating downgrades, due to its investment programme which mainly targets well-rated issuers and is oriented towards relatively resilient sectors.

The year was marked by political developments in France. The rating agencies took action from May 2024, downgrading France's ratings by one notch (*Standard & Poor's* in May, *Moody's* in December) and lowering the rating outlook to negative (*Fitch* in October). These downgrades were then passed on to entities linked to the government, including local authorities, agencies and public sector companies, as well as banks and other financial institutions. The CNP Assurances Group is highly exposed to this group of French counterparties, which nevertheless remained well rated overall.

## 3. Investment policies, asset standards and monitoring processes

The market risk policies and standards (see section C2) also apply to credit risk. In particular:

- The risk appetite statement governs credit risk through the monitoring of indicators defined by the Group;
- Investment targets (sovereign issuers, peripheral sovereign issuers, corporate issuers by rating band) are set each year in the annual strategic asset allocation;
- Annual hedging strategies may include hedges of widening credit spreads;
- Credit and concentration standards are applied. Reporting systems have been set up to monitor their application, including through indicators covering the breakdown by country, sector and credit rating and the top five exposures, for example.

Alongside the Investment Committee, the Group Asset Risk Monitoring Committee tracks emerging and growing asset risks, as well as possible breaches of credit standards and the measures taken to remedy them.

Credit standards set exposure limits by issuer.

In addition to exposure limits by issuer, limits are set at portfolio level by rating band. Standards address concentration risk by setting exposure limits by issuer group and by portfolio (except for the French sovereign debt portfolio).

## 4. Risk mitigation

In addition to the system of exposure limits described above, CNP Assurances sometimes mitigates the risk of losses on exposed investments by setting up hedging programmes to generate additional revenues if credit spreads widen beyond certain trigger points.

As regards counterparty default risk on hedging instruments, reinsurance transactions and securities lending transactions, Group policies and standards set clear rules concerning the selection of counterparties and collateral requirements.

## 5. Risk sensitivity

Sensitivity tests are performed for credit risk based on various metrics. In particular, the sensitivity of the Solvency II SCR ratio to a sharp increase in credit spreads (excluding sovereign spreads) is analysed each year. Sensitivity to the hedging rate supplements the measurement of the impacts of credit risk, analysing sensitivity to a one-notch rating downgrade for 20% of the bond portfolio.

These sensitivities are calculated for the CNP Assurances Group scope. The results of the sensitivity analysis at 31 December 2024 were as follows:

| Indicator | Value at 31/12/2024 | Sensitivity to a +50-bp corporate spread shock[9] | Sensitivity to a +50 bp sovereign spread shock[10] | Sensitivity to a -20% rating downgrade |
|---|---|---|---|---|
| Solvency II coverage ratio | 237% | -4 pts | -12 pts | -4 pts |

Combined stress tests are performed as part of the ORSA process.

[9] *After recalibration of the volatility adjustment.*

[10] *After recalibration of the volatility adjustment.*

# C4 Liquidity risk

## 1. Description

Liquidity risk is defined as the risk of the CNP Assurances Group being unable to pay its creditors due to the practical impossibility of selling assets, particularly following a wave of surrenders or a very large volume of benefit claims.

Liquidity risk is managed and measured locally in the various Group entities.

## 2. Changes during the period

Inflation returned to its target in 2024 and the European Central Bank cut its key interest rates at the end of the year.

CNP Assurances' liquidity position was monitored as closely as possible, for example with the introduction of new indicators for each time horizon (short, medium and long term).

**Update on Italy**
In 2024, new liquidity monitoring indicators were put in place in the subsidiary to provide a better view of liquidity. The Italian market experienced an improvement in economic conditions, particularly with a decrease in the BTP spread. CVA's liquidity therefore improved significantly.
Its solvency ratio was well above regulatory requirements at 264% as at 31 December 2024.

## 3. Investment policies, asset standards and monitoring processes

The market risk policies and standards (see section C2) also apply to liquidity risk.

## 4. Risk mitigation

Different courses of action are identified following the occurrence of a liquidity risk.

## 5. Risk sensitivity

The CNP Assurances Group remains largely in surplus in terms of liquidity and shows strong resilience.

## 6. Change in risks over the business projection period

The CNP Assurances Group does not expect any material change in its exposure to liquidity risk.

With its conservative investment policy, the CNP Assurances Group will continue to have sufficient high-quality assets and a comfortable cash position.

As interest rates fall, surrender risk loses some of its disruptive potential. CNP Assurances recorded a 13% decline in surrenders in 2024, to 3.5%.

## 7. Expected profits included in future premiums

In accordance with Article 260 of the Solvency II Delegated Regulation, expected profits included in future premiums (EPIFP) are defined as the difference between technical provisions without a risk margin and a calculation of technical provisions without a risk margin under the assumption that expected future premiums are not received.

The calculation is performed using the assumptions and methods presented in section D2.

On this basis, EPIFP amounted to €2.9 billion at 31 December 2024.

# C5 Operational risk

| | Group SCR at 31/12/2024 (In € million) |
|---|---|
| Operational risk | 1,206 |

## 1. Description

Under Solvency II, operational risk is defined as "*The risk of loss resulting from inadequate or failed processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.*"

As the starting point for developing the Group's operational risk management system, a detailed operational risk taxonomy was drawn up, presenting a category-based vision of operational risk based on the Basel II and Operational Risk Consortium (ORIC) taxonomies.

An operational risk map was also developed to pinpoint the main risks and produce an overview of individual risks tracked by the internal control system. The risk map is included in the La Banque Postale Group's operational risk taxonomy. It is adapted by the subsidiaries to ensure a standard risk analysis at the level of the CNP Assurances Group. It is also used as a reference for internal audits.

## 2. Changes during the period

### a) General framework

Changes during the period concern the CNP Assurances Group's operational risk profile.

Methodological convergence with La Banque Postale is ongoing as part of the European Central Bank's (ECB) roadmap.

In 2024, the Group Risk Department continued to roll out the transformation plan for its internal organisation at an operational level, in particular the operational risks and permanent control components. The main changes were:

- The continued recruitment of a risk management function with the objective of improving the effectiveness of the entire permanent control system;
- The application of a risk materiality-based methodology for key controls (see B5 Internal control system and Compliance function);
- A major project to streamline the control system;
- Strengthening of operational convergence with La Banque Postale;
- Increased oversight of the subsidiaries to ensure their convergence with the operational risk management and internal control policies;

- Scoping of the permanent control audit work entrusted to external audit and consulting firms for certain international subsidiaries;
- The review and strengthening of governance in Brazil, including recruitment initiatives.

Following the change in the shareholding structure of the CNP Assurances Group (now a subsidiary of La Banque Postale) and the creation of CNP Assurances Holding integrating CNP Assurances SA and its subsidiaries as well as the La Banque Postale Assurances insurance entities (CNP ABP), the current permanent control system is likely to change as part of a continuous improvement approach.

## b) Exposure to the main operational risks

The main operational risks to which the Group is exposed fall into the following categories and are described below:

### i. Product, policy and policyholder relations compliance

The CNP Assurances Group operates in an increasingly regulated environment. Since the entry into force of the Insurance Distribution Directive (IDD) in Europe in 2018, work on the risk management and control system has been ongoing within the company.

Several initiatives were undertaken in 2024 to improve control over compliance risks in the areas of product governance and management, in particular:

- Training on complaints handling and competitive practices;
- Work to continuously improve value for money on unit-linked products in accordance with the recommendations and instructions of EIOPA, the ACPR and France Assureurs, with which regular discussions take place on this subject;
- A review of the complaint handling systems following the new ACPR recommendation of 2 July 2024, to ensure their compliance and identify any actions to be taken with a view to continuous improvement;
- The implementation of the law of 23 October 2023 on green industry;
- The adaptation of the ACPR recommendation of 28 June 2024 on the implementation of certain provisions arising from the Insurance Distribution Directive.

### ii. Outsourcing and delegated management

The CNP Assurances Group business model is based on outsourcing solutions and extensive delegations of management powers to distribution partners. The Group is therefore exposed to significant outsourcing risks related to service quality, dependence on contractors and regulatory compliance.
The Group Outsourcing Department strengthens cross-functional outsourcing processes by updating the contractor map and systematically seeking Group-level back-up. The establishment of an outsourcing audit team helps to strengthen operational controls performed by contractors and controls over compliance risks.

The management of Group outsourcing was integrated into the Group Risk Department in April 2024. It aims to:

- Provide independent strategic insight to enable insourcing/outsourcing decisions to be made as part of the Make or Buy approach;
- Ensure the control of the Group's outsourcing risks, in particular for outsourced critical or important services, while avoiding any form of economic, operational or technological dependence, in a context of increasing regulatory requirements;
- Serve as the Group function for the subsidiaries, in a dual role of support and supervision.

In 2024, this was reflected as follows:

- **In France:**
  - Approval of the Make or Buy strategy by the Executive Committee;
  - Review of the outsourcing policy;
  - Strengthening of permanent control of outsourcing for critical or important services;
  - Contribution to the DORA programme with a dry run carried out in summer 2024 on the CNP Assurances SA scope;
  - Creation of Group committees for significant contractors.
- **Internationally:**
  - Strengthening of permanent control over outsourcing by international subsidiaries;
  - Strengthening of Group oversight of outsourcing.

### iii. Process execution, delivery and management

The process complexity resulting from the diversity of the Group's markets, products and partnership arrangements exposes it to regulatory risks (besides insurance law compliance risks), business continuity risks and the risk of human error during manual transactions.

Major organisational changes currently in progress that may alter the Group's risk profile include:

- In line with its ambitions to modernise exchanges, the Group continued to develop electronic signatures with its partners;
- In accounting terms:
  - Changes related to IFRS 17 impacted the accounting and closing processes of the consolidated financial statements, as well as the integration of new scopes relating to partners by 2025;
  - The publication of the first CSRD sustainability report impacted the organisation of the Accounting Department with the creation of a dedicated non-financial consolidation team responsible for the management and consolidation of non-financial reporting;
- For the fight against money laundering and the financing of terrorism (AML-CFT) and the fight against corruption, projects to enhance security and reliability, particularly for the processing of alerts and due diligence, are in progress;

- Continued work to standardise methods and harmonise processes between Group entities.

### iv. Information systems and data processing

The risks associated with the CNP Assurances Group's information systems cover three areas: data (integrity, security), software (uptime, processing speed and reliability) and hardware (management of IT assets, networks, management of routine production activities).

### v. Security and data protection

The CNP Assurances Group is highly exposed to the risk of data theft or loss given the large volume of policies and customers it manages and the interconnections between its information systems and those of its partners. The risk of intrusion into the CNP Assurances Group's applications is high in a context of rising cybercrime: cyberattacks are increasing and increasingly complex and frequent threats are emerging.

Data protection is at the centre of the information systems security strategy, with the deployment of a Group-level information systems security policy combining technical, human resources and organisational measures.

Against this backdrop, regulatory compliance programmes led to the identification and implementation of new preventive and protective measures, including for personal data in line with the GDPR, on top of the multi-year systems security programme, including:

- The monitoring of the CNP Assurances Group's exposure to cyber risks, based on technical and organisational indicators for the whole Group including subsidiaries and contractors;
- The mapping of the IT infrastructure in areas identified as sensitive, and the strengthening of the system for managing the cyber risk exposure of subsidiaries and contractors;
- Performance of security audits and monitoring of deployment plans.

The cyber risk coverage system is continuously strengthened based on a logic of continuous improvement, by adopting new preventive measures (enhanced protection and detection capacity).

The system also concerns partners and subsidiaries, with particular emphasis on training and awareness-raising sessions for employees and improved process security aided by head office experts.

### vi. Risks related to information and communication technologies (ICT) and network and information system security risks

As part of its digital operational resilience strategy, the CNP Assurances Group has identified several scenarios that expose it to ICT and network and IT security risks.

### vii. Software and IT production risks

Information systems incidents remained one of the main causes of operating incidents in 2024. These incidents mainly affect the policyholder services units. If several applications go down, this can affect service quality, while calculation or processing errors have to be corrected.

The relative financial impact of these incidents remains moderate.

The main action plans deployed to manage these risks concern:

- Action to improve the IT Department's delivery and acceptance procedure for new applications and software developments: a preliminary study has been carried out to manage this process more effectively and reduce the related incidents;
- Action to strengthen the systems and procedures for determining management application settings;
- An application incident resolution plan as part of the Operational Excellence Programme led by the Customer Experience, Digital Services and Data Department. This plan is based on:
  - Better quality supervision;
  - More responsiveness in the organisation and effectiveness of crisis units;
  - The implementation of machine learning, which avoids outages and transforms incidents into "simple" disturbances;
  - Best application deliveries that avoid serious incidents.

### viii. Risks related to financial crime and internal and external fraud with predicate offences

In an environment of very high pressure and given its business model that relies on distribution partners and/or delegated investment providers, involving complex processes and information systems, the CNP Assurances Group is exposed to all types of risks related to financial crimes. These include the risk of document fraud, identity theft, attempted embezzlement, money laundering and terrorist financing, failure to comply with financial sanctions, corruption and influence peddling.

Cases of internal and external fraud with proven predicate offences remain low, though the number is rising steadily as detection improves.

To deal with these risks and in light of its regulatory obligations, the Group has set up specific systems, defined, regularly reviewed and steered by the Compliance Department's Financial Security and Ethics divisions.

In 2024, the CNP Assurances Group set up a whistleblowing platform on www.cnp.fr to collect external reports in accordance with the obligations of the Waserman Act, which expands the definition of whistleblower, and the French Corporate Duty of Care Act. This system is in addition to the whistleblowing system for employees.

### ix. Safety and security: property damage and personal injury risks

The CNP Assurances Group is exposed to safety and security risks at its various sites:

- Since 13 July 2022, the registered office has been located in Issy-Les-Moulineaux, ZAC Cœur de Ville, in a building subject to the French Labour Code, located partly in a flood-risk area and subject to specific measures under the Natural Flood Risk Prevention Plan;
- The Saint Serge building in Angers is located on the Maine river's flood plain;
- The Garges-Lès-Gonesse management site is located in a priority district, for which enhanced intrusion prevention measures have been put in place;
- The data centre located close to Angers houses most of CNP Assurances' servers and data. It has high-level protection against the risks of fire, intrusion and malicious damage;
- The in-house teams of travelling insurance advisors are exposed to road safety risks (risk of accident, personal injury, damage to the car fleet).

The CNP Assurances Group is also exposed to this risk category, to a varying degree according to the different locations of its subsidiaries and branches. A local risk analysis coordinated by the Subsidiary and Branch Risk Coordination division of the Group Risk Department identified one entity in particular that is at risk of terrorist attacks and social unrest that could affect the safety of people and property, namely CNP UniCredit Vita's premises in Milan, located near Milan's central station.

## 3. Operational risk management policy

Operational risk management focuses on safeguarding the Group's asset portfolio and preventing/containing losses resulting from inadequate or failed processes, people and systems. It enhances customer service quality and the Group's ability to fulfil its commitments to customers.

To identify, measure and manage these operational risks, the CNP Assurances Group has issued a formal operational risk management policy describing the resources, procedures and tools made available to facilitate the management of operational risks. This policy falls within the framework of La Banque Postale's risk management policy and is due to be reviewed as part of the process of structuring the Caisse des Dépôts and La Banque Postale groups.

The policy applies to the CNP Assurances Group and all Group subsidiaries, including those in countries outside the European Union. Each subsidiary has its own operational risk governance system and may adapt the Group policy to take account of its size, the complexity of its risks and any local requirements, provided that the adjustments are explained in the policy (in line with the principle of proportionality in Solvency II). The CNP Assurances Group may also adapt the way in which the policy is applied to subsidiaries in a certain number of cases, by relaxing or, on the contrary, tightening certain provisions.

## 4. Risk mitigation

The system of permanent controls represents a key component of the system to manage operational risk and helps to mitigate this risk (see section B5.1).

### Product, policy and policyholder relations compliance

The CNP Assurances Group is exposed to regulatory compliance risks concerning products, product distribution and customer relationship management processes. Its system to manage these risks is organised around:

- Policies (including underwriting, product governance and monitoring, prevention and management of conflicts of interest, complaints handling);
- Procedures that describe the processes related to policies;
- Committees (Commitments Committee, New Product and Material Adaptations Approval Committee, Customer Service Quality Monitoring Committee in all business units).

### Outsourcing and delegated management

These risks are strictly managed by a dedicated department supported by risk maps, an outsourcing policy, a contractor selection process, a monitoring process and periodic audits (see section B8 for more details).

### Process execution, delivery and management

The CNP Assurances Group's operational risk management system includes a crisis management and business continuity plan designed to ensure that operations can be pursued in acceptable conditions for both policyholders and employees, as well as for external business partners, in order to deliver the Company's services and products.

The system combines all emergency procedures and crisis management tools, business impact analyses (BIA), business continuity plans, and solutions to deal with situations where several categories of resources (skills, information systems, premises, service providers) become unavailable.

### Information systems and data processing

Information systems security is a priority for CNP Assurances Group, which has drawn up a Group cyber security policy. The Group has an IT back-up plan that allows it to restart its activities from a backup site in the event of the complete failure of its main data centre. This plan is tested every year.

### Risks related to financial crime and internal and external fraud with predicate offences

Financial crime is a constant concern for the CNP Assurances Group, which is exposed to this risk due to the nature of its business.
For several years, the Compliance Department, in charge of managing these risks, has been carrying out major work aimed at constantly developing and strengthening the systems in place:

- Regular updates and dissemination of the Group's policies and framework procedures on fraud, combating money laundering and counter-terrorist financing, compliance with financial sanctions, anti-corruption and influence peddling processes, the Group Code of Conduct;
- The drafting and regularly updating of specific financial crime risk maps;
- Implementation of a control plan covering the aforementioned risks and independent certification by the Risk Department;
- Raising awareness among all employees through:
    - Information campaigns: regular distribution of digital comic strips and memos;
    - Training campaigns, particularly for new hires and employees on internal transfers, but also for all company employees, held twice yearly for AML-CFT and financial sanctions compliance;
    - Non-French-speaking international subsidiaries organise their own awareness-raising and training schedule;
    - Specific workshops are held with business line teams on topics that have an impact on the financial security system, such as the analysis of sanctions imposed by the ACPR, a focus on asset freezing, the impact of third-party referrals and outsourcing.

- Deployment of tools to automatically detect high risk factors for financial crime and strengthen human detection in the first line of defence:
    - For customers, in particular those who are politically exposed persons, have ties with high risk countries, are subject to an economic or financial sanction, carry out frequent transactions, or transactions involving large amounts or with atypical features with respect to the risks of money laundering, terrorist financing or fraud;
    - For third parties in business relations with the CNP Assurances Group, assessing their exposure to corruption risks and collecting information on their exposure to financial crime risks;
- Substantial work on mapping the financial security tools deployed in the Group's various subsidiaries has been undertaken since 2022, with updates in 2023 and 2024.

### Safety and security: property damage and personal injury risks

In the Working Environment Unit reporting to the Human Resources Department, the team responsible for the safety and security of people and assets is tasked with deploying and managing systems for preventing fires, accidents and malicious damage, as well as for implementing measures to protect against terrorist attacks. The team contributes to updating the document centralising all related information and helps to ensure that these risks are properly managed during maintenance operations and other work projects.

In the CNP Assurances Group's international locations, the entity identified as being subject to the risks of terrorist attacks and social unrest that could affect the security of property and persons has strengthened its protection measures locally following the risk analysis coordinated by the Group Risk Department's Subsidiary and Branch Risk Coordination division: CNP UniCredit Vita in Milan has strengthened the physical protection of its premises (limitation of access, strengthening of entry controls and additional physical security measures in the event of a heightened risk of terrorist attacks in Europe).

# 5. Risk sensitivity

CNP Assurances has chosen to use scenario analyses to measure its exposure to operational risk for ORSA purposes.

Scenario analysis consists of simulating operational shocks arising from the occurrence of CNP Assurances' main risks, using predefined inputs (timing, location, causes, consequences, etc.) that reflect the same occurrence probabilities as for financial and underwriting risk scenario analyses. The operational shock scenarios are selected based on their ability to encompass a variety of events with the same or similar direct consequences for the Group.

The operational risks included in the analysis are reviewed annually to obtain assurance that the scenarios effectively cover all of the Group's main residual risks and that all major residual risks are taken into account.

Each existing scenario is challenged and reviewed. A scenario may be abandoned if the residual risk has been considerably reduced with the implementation of action plans or the trigger event has changed. The review concerns the scenarios' calibration (estimated impacts) and the impact of risk mitigation measures taken up to the review date. New scenarios are developed when a relevant new risk is identified.

# C6 Other material risks

## 1. Emerging risks

Emerging risks are managed by the Group Risk Department in collaboration with the Innovation and Transformation Department.

The CNP Assurances Group defines emerging risks as follows: "Emerging risks are risks that are highly uncertain and very difficult to measure and that may have a significant impact in terms of losses. They include new unknown risks and known risks that have occurred in the past in other forms and have since changed. For these risks, it is the potential new form in which they may occur that is qualified as an emerging risk."

The emerging risk monitoring process may be summarised as follows:

- Prospective monitoring via the monitoring of articles and documents and an in-house survey to identify, follow and document changes in emerging risks;
- Emerging risks are identified and listed;
- They are presented periodically to the Group Risk Department's Management Committee, which decides on the action to be taken based on the probability of the risk occurring and on any measurement and exposure indicators that may have been developed internally. There are three possible courses of action:
    - Keep the emerging risk on the watchlist and continue to monitor and track it, or
    - Classify and manage the emerging risk as a financial, underwriting or operational risk and apply the permanent control system, or
    - Ignore the risk, on the grounds that it is no longer real or material.

## 2. Reputational risk

This is the risk that the CNP Assurances brand projects a negative image among its stakeholders. This risk may occur on a cyclical basis, following a one-off incident, or on a structural basis under the effect of a gradual and persistent deterioration in brand perception. It may affect all of the company's audiences or a particular target among its customers, partners, investors, etc. An acute reputational crisis may adversely affect the Group's ability to maintain or generate revenues or access financing.

Since 2023, the policy to strengthen the CNP Assurances brand in France and internationally has been aimed at increasing its brand awareness and reputation. This greater presence is also synonymous with increased reputational risks for the Group.

Similarly, while the company's strong and concrete commitments related to its corporate mission improve its image, they also expose it more to accusations of greenwashing or social washing. Such accusations tend to gain momentum in increasingly polarised political and social contexts.

There are also many vectors of reputational risk in the processes for accessing insurance, in particular those concerning medical questionnaires in personal risk-type policies. The same applies to the limitation of cover provided for in insurance policies, which is often poorly known, little understood or badly perceived by customers.

Operational risk management is based on a combination of monitoring systems, crisis management systems and remedial action plans for crisis-generating incidents.

Reputational incidents are often the result of various operational incidents. Thus, the overall operational risk management system is itself a key lever for preventing reputational damage.

The CNP Assurances Group uses social listening and media monitoring tools to detect and analyse all mentions of CNP Assurances and its subsidiary brands in all media (web, social media, press, TV, etc.).

It has also established a crisis management set-up and procedures to orchestrate action plans and dialogue with all its stakeholders. This system aims to ensure responsive communications and coordinated action, in France and internationally.

The company has also implemented non-financial indicators that go beyond regulatory obligations in order to transparently monitor the achievement of the objectives of its corporate mission. These indicators are audited, certified and published annually at the same time as the Group's financial performance. This transparent approach helps to limit the perception of greenwashing or social washing.

The company also benefits from the La Poste Group's good reputation in terms of corporate social responsibility. La Poste Group is ranked number one worldwide by Moody's ESG Solution with a score of 74/100.

## 3. Model risk

The term "model" refers to all systems that use data and assumptions to produce estimates through the application of quantitative operations for a specific purpose. These systems include those used to produce, for CNP Assurances' portfolio of commitments, Solvency II Pillar 1 and ORSA metrics, the sensitivity of these metrics to exogenous factors, as well as metrics illustrating the application of IFRS 17 and IFRS 9.

Model risk is considered an operational risk category within the Group and can occur at any time in the model's life cycle as follows:

- Risk of financial loss attributable directly or indirectly to the lack of relevance of assumptions and methods with respect to the model's objective (design risk);
- Risk of financial loss attributable directly or indirectly to deficiencies in the operational process that transform input data into estimates (implementation risk);
- Risk of financial loss attributable directly or indirectly to an inaccurate interpretation of the output generated by the model and/or to the use of the model outside its framework of use (usage risk);
- Risk of financial loss attributable directly or indirectly to a deficiency in the model monitoring process.

The CNP Assurances Group has defined a methodology to assess the model risk management system based on the identification of model use cases or a mapping of models. This approach is based on the identification of quantitative or qualitative reference metrics produced by the models, a fundamental step in the quantification of the risk, as well as taking into account the materiality of the flows and the complexity of the methods implemented.

In particular, this system aims to determine a causal chain on one or more points in the models' life cycle, thus giving rise to financial consequences including any remedial costs.

Model risk management relies on a framework based on the following principles:

- Clear governance with identification and separation of roles throughout the model's life cycle. For prudential capital calculation models, this notably includes committees, so that model assumptions, laws and functionalities are presented to and approved by decision-making bodies at the appropriate level in the organisation depending on the potential impact of the update. Within this framework, a Model Risk Committee under the authority of the Group Chief Risk Officer monitors the management of the CNP Assurances Group's significant model risks. The decisions taken during this committee meeting are then presented and approved by the Group Risk Committee;
- An independent review and validation process by a member of the second line of defence. In addition to the various external reviews, an internal team "model validation and governance" team performs independent reviews of the models and their successive updates;
- Exhaustive mapping of models carried out at the Group level. This produces a classification that makes it possible to adapt the system's requirements to the level of criticality of the models;
- Comprehensive documentation covering the entire life cycle of the model, designed to address the different populations (decision-making bodies, users, modellers, etc.) and make it possible to establish knowledge.

All model risk management principles are detailed in a Group policy validated each year by the Group Risk Committee. This policy is implemented in order to meet the requirements of the Ministerial Order of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority (ACPR) on the model risk management component within the CNP Assurances Group. It is in line with industry best practices and applies the principles set out by the Caisse des Dépôts group and the La Banque Postale group to the insurance group.

### Major events in 2024

The CNP Assurances Group's model risk management system continued to be strengthened in 2024. Several concrete projects were carried out to integrate the international subsidiaries, including the monitoring of model changes and their documentation throughout the year. In addition, in-depth reviews of prudential calculation models were conducted at the Italian subsidiary CNP Vita Assicura (CVA). A new model risk management metric was integrated into CNP Assurances' risk appetite framework. A new version of the CNP Assurances model risk management policy was also validated and disseminated to all those concerned at the head office and in the subsidiaries. New features include enhanced alignment with the principles applied to the LBP/CNP Assurances conglomerate in terms of model risk management, and the extension of the framework to the algorithms used in artificial intelligence systems (AIS), taking into account the European AI Act.

# 4. Strategic risks

### Partnership risk

This risk is defined as the risk of loss of revenue from a partnership (for example, due to termination or refocusing), including the risk of renewal on unfavourable terms for the CNP Assurances Group or an opportunity loss due to competition between banking networks, and the risk of a partnership adversely affecting the Group's results or resulting in the recognition of an impairment loss on goodwill or other intangible assets. In the context of a bancassurance model, this risk entails the risk of non-renewal that could affect the entity's profitability and financial position.

The CNP Assurances Group enters into various strategic partnerships, directly or through its subsidiaries, to strengthen its presence in certain markets. These partnerships represent a means of sharing the business and financial risk with the partners concerned. They may simply be commercial arrangements, such as a distribution agreement, or involve the investment of capital in a joint subsidiary.

Integrating these partnerships or joint subsidiaries into the CNP Assurances Group can sometimes take longer, be more difficult and require bigger teams of employees and managers than originally expected, and this may negatively affect consolidated earnings. The constantly evolving nature of the business means that there is uncertainty that the financial performance of companies or partners acquired will be aligned with the business plans on which the original investment decision was based. Underperformance may result in impairment losses being recognised on goodwill or other intangible assets that will negatively affect the Group's financial position.

It may be necessary to rethink a partnership in the event of changes either to the project itself or to the local political and economic situation or the partner's own financial situation, or because of a disagreement between partners. The bancassurance model relies on the continued implementation of its partnership agreements and their renewal. For this reason, CNP Assurances pays close attention to the imminent expiry of its strategic partnerships and the risk that they will not be renewed.

In order to limit these risks, strategic partnerships are integrated into the risk management and monitoring systems. This ensures that their performance is monitored and that the partnership is refocused if - and to the extent - necessary, with the participation of the distribution partner as appropriate. Other risk-mitigating actions include establishing a high quality governance system when the partnership is set up, notably by appointing members of the entity's existing management to the new governance bodies, and including an earn-out clause in the partnership agreement to ensure that the partners have a shared interest in meeting the business plan objectives. The Own Risk and Solvency Assessment (ORSA) provides an assessment of solvency needs, including a projection of the solvency ratio over the strategic plan horizon and in stress scenarios.

In 2024, around 75% of the CNP Assurances Group's IFRS premium income was generated through its five main distribution partners (La Banque Postale for 28%, BPCE for 13%, Caixa Economica Federal for 16%, CNP UniCredit for 9% and CVA for 9%).

In 2024, CNP Assurances pursued its development and growth strategy, both internationally and in France, with:

- The signing of binding agreements with La Mutuelle Générale to create a major player in social protection in France;
- In Brazil, the 100% acquisition of five insurance companies (Holding Seguros, Previsul, CNP Cap, Odonto Empresas, CNP Consórcios), initially co-owned with Caixa Econômica Federal, provides a foundation for the development of the open model in the country. CNP Assurances continued its development, particularly with the CNP Seguradora brand and by entering into new partnerships with Banco de Brasília and the broker XP.

CNP Assurances has made commitments through its corporate social responsibility (CSR) policy based on its corporate mission and involving six stakeholders: employees, customers, partners, shareholders and investors, society and the planet. These commitments are translated into measurable targets that are communicated annually. For employees, CNP Assurances is committed to promoting their development in a diverse and talented environment. For customers, the goal is to make protection solutions accessible to all, regardless of their situation, and to be present when needed. For partners, the commitment is to co-create innovative and effective solutions to improve protection.

For shareholders and investors, CNP Assurances aims to generate sustainable economic performance in a responsible manner. For society, the goal is to contribute to an inclusive and sustainable society where everyone finds their place. For the planet, CNP Assurances is committed to combating global warming and protecting biodiversity by actively contributing to the green transition.

CNP Assurances pursued these objectives and took responsible measures, for example:

- The insurance offer without surcharges or exclusions for home loans and/or self-employed borrowers who have overcome breast cancer or who are receiving follow-up treatment or adjuvant therapy;
- The signing, in September 2024, of the Autre Cercle association's LGBT+ Charter, which aims to promote the inclusion of LGBT+ people in the workplace;
- The protection of biodiversity by excluding new investments in companies significantly involved in the manufacture or sale of pesticides and in companies that exploit or trade certain raw materials leading to deforestation.

The Group is refocusing its activities in Europe and has announced the signing of an agreement to sell its activities in Cyprus and Greece. In addition, the CNP Assurances Group took note of the decision of the Board of Directors of UniCredit to exercise its call option on the 51% of the shares held by CNP Assurances in their Italian joint venture, CNP UniCredit Vita (CUV). This option will be exercised in accordance with the terms of the shareholders' agreement.

The CNP Assurances Group's development is based on three main pillars: consolidating its positions in the savings and term creditor insurance markets by strengthening the historical partnership with Caixa Econômica Federal in Brazil; exploiting growth drivers and diversifying its geographical presence as well as its property and personal insurance products as a global insurer; and expanding its distribution partnerships, particularly thanks to the strength of the partnership with La Banque Postale.

### Risks related to the external environment

The risk of losses resulting from the external environment refers to threats and uncertainties arising from factors external to the CNP Assurances Group, which may adversely affect its financial and operating performance. These factors include economic fluctuations, regulatory changes, technological developments, weather conditions, and geopolitical instability. These factors can lead to lower revenues, higher costs, or a reduction in the value of the company's assets, thereby compromising its stability and growth.

To reduce these risks, the CNP Assurances Group has diversified its activities and investments to limit its exposure to a single sector or market. It has also put in place monitoring and adaptation strategies to closely monitor regulatory developments and adjust internal policies accordingly. In addition, environmental, social and governance (ESG) policies have been introduced to integrate ESG criteria into the decision-making and risk management process. Contingency and business continuity plans have been developed to deal with crises and business interruptions. This includes preparing for crisis scenarios and implementing measures to ensure business continuity.

### Risks related to new regulations

Regulatory risk is the risk of a future change or tightening in regulations, including industry practices, and the introduction of new regulations that may have an adverse effect on an entity's business model or involve costly adaptation of the CNP Assurances Group's information systems.

The implementation of new regulations, in Europe or in countries where the CNP Assurances Group operates through its subsidiaries, can be complex and entail significant costs. It involves many professions, requires the adaptation of information systems and expenditure on training and learning of the new regulatory framework.

Since the implementation of the Insurance Distribution Directive (IDD) in Europe in 2018, work to improve the risk management system has continued with the introduction of value-for-money considerations on unit-linked products in accordance with the recommendations and instructions of EIOPA, the ACPR and France Assureurs. In 2024, CNP Assurances supplemented its Sapin II system by setting up a whistleblowing platform on www.cnp.fr to collect external reports in accordance with the obligations of the Waserman Act, which expands the definition of whistleblower, and the French Corporate Duty of Care Act. This system is in addition to the whistleblowing system available to employees. The implementation of the new AML package strengthens the European Union's anti-money laundering and counter-terrorist financing (AML-CFT) rules.

New regulations may impact the CNP Assurances Group's business model. For example, the Retail Investment Strategy (RIS), which strengthens the protection of retail investors and improves the transparency of financial products, could influence the protection of savers and the return on the investment products. The Solvency II review, which includes sustainability, and the Corporate Sustainability Reporting Directive (CSRD), imposing sustainability reporting obligations, could affect the Group's investment policies and day-to-day operations in support of the green transition as well as its reporting obligations. The Digital Operational Resilience Act (DORA) applies to the CNP Assurances Group's third-party service providers.

The Artificial Intelligence Act governing the use of artificial intelligence to ensure security and ethics, and Financial Data Access (FiDA) facilitating access to financial data by improving transparency, could impact the deployment of artificial intelligence across the Group, data protection, data governance policies, as well as require investments in enhanced data management infrastructures and processes.

The entry into force of the Insurance Capital Standards (ICS), postponed to 2029, aimed at harmonising the capital requirements for insurers could result in a significant operational cost for CNP Assurances.

In terms of sustainability, regulatory provisions have been supplemented by the French Green Industry Act enacted in October 2023, in particular: a strengthening of the duty to advise to incorporate sustainability and extend it to the life of the contract, the introduction of unlisted assets in company retirement savings plans, changes concerning delegated portfolio management mandates and the creation of profiled asset allocations (for savings and retirement savings plans), an extension of the concept of labels for unit-linked policies and extensions to unlisted unit-linked policies. Work has been carried out to adapt products and contractual documentation to these new regulatory requirements.

These regulatory changes, covering prudential, accounting, compliance, legal and tax areas, as well as ESG risks, are monitored every six months. This monitoring is carried out through the Group's risk reporting, presented to the CNP Assurances Group Executive Committee and communicated to the La Banque Postale Group Risk Department and the Caisse des Dépôts. In addition, CNP Assurances actively monitors the topics mentioned above to ensure the implementation and anticipate these regulatory changes via the Prudential Monitoring Committee within the Risk Department and the Public Affairs Committee.

### Country risk

Country risk is the risk of loss due to political, economic or social factors in a host country, or to the regulations and control of local authorities in the countries in which the CNP Assurances Group's entities operate.

The CNP Assurances Group has operations in many countries in Europe and Latin America. The sustainability and development of its businesses depends in part on these countries' economic health and political stability.

More specifically, the financial viability of certain businesses may depend on local regulations and government commitments in host countries, especially in cases where the Group is called on to advance funds on behalf of the State. Regulatory changes (for example, the statutory increases in life annuities introduced in 2017) or a government decision to renege on its commitments may lead to litigation, with a significant adverse effect on the CNP Assurances Group's earnings if the courts rule against it. This could be the case in Brazil, where Caixa Seguradora has advanced funds on behalf of the State under the local administered insurance system.

The CNP Assurances Group is thereby bound by local regulations and subject to audits carried out by the competent local authorities. In Brazil, for example, any dividends received by CNP Assurances must be approved by the Brazilian Central Bank and the brokerage activities carried out by Wiz Soluções e Corretagem de Seguros (a Group company in which CNP Seguros Holding Brasil S.A. holds a 25% minority stake), listed on BOVESPA (Brazil's São Paulo stock market), are supervised by the Brazilian Securities Commission (CVM), the equivalent of the AMF in France.

The CNP Assurances Group has large subsidiaries in Brazil and Italy, with these two countries respectively accounting for 16% and 18% of consolidated premium income in 2024. CNP Assurances France remains the biggest subsidiary, accounting for over 63% of premium income in 2024.

The CNP Assurances Group also measures the level of risk associated with a country based on the ratings established by Euler Hermès, which indicate a high risk for Argentina and a moderate risk for Brazil and Italy. In addition, the CNP Assurances Group closely monitors country risks related to its investments and operations using data provided by rating agencies such as Moody's, as well as those of Tac Economics, Oxford Economics and World Bank indicators (corruption, governance, etc.). This information is summarised to assess the economic structure, economic cycle, governance and taxation of the countries concerned.

Internationally, the CNP Assurances Group has no presence in Russia or Ukraine, and has little exposure to this risk. The subsidiary CNP Santander was moderately exposed to this risk as it does business in Poland, where there is a threat posed by its geographical proximity to the conflict areas.

The CNP Assurances Group is not impacted by the Israeli-Palestinian crisis because it has no activities in these countries.

## 5. Concentration risk

The Group is potentially exposed to concentration risk that could arise from:

- One or more Group entities underwriting the same risk;
- One or more Group entities underwriting different risks likely to result in claims arising from the same loss event or primary cause.

Identifying and containing concentration risk is part of the product development and approval procedure and the product portfolio management process, which includes managing the related reinsurance cover (see section C1 for more information about reinsurance).

Concentration risk may also arise with respect to a counterparty, through the purchase of various assets including reinsurance, derivative instruments, equities, property, private equity and bonds. Concentration standards mitigate this risk for shares and bonds, along with different systems of limits.

Concentration risk is monitored through the production of Solvency II reports.

## 6. Sustainability risk

A sustainability risk is an environmental, social or governance (ESG) event or situation that, if it occurs, could have a significant, actual or potential negative impact on the Group, its business, its employees, its customers and, more generally, its stakeholders, as well as on the value of an investment or a commitment.

Sustainability risks and, more broadly, environmental, societal and governance risks are part of the overall risk governance and control system. They are managed in the same way as other risks within the CNP Assurances Group risk function.

ESG risks are a separate category in the Group's risk mapping. This mapping is used to assess the materiality of these risks in the overall risk management process. It has been updated annually since 2022. The measurement covers all of the Group's investment, insurance and internal operations activities. Operational implementation is ensured by the Risk Department, with the assistance of the Sustainability Department and the Group's other corporate functions.

The taxonomy and assessment of the rating of ESG risks in the Group's risk mapping are progressing in line with the work carried out and are based in particular on:

- Measurement of exposure to climate risks on investments;
- Liability projections in the climate stress test and ORSA climate scenarios;
- Expert judgement, taking into account market analyses, observation of the frequency of occurrence of the risk as well as reputation, human resources and regulatory and legal aspects.

At the end of 2024, climate risks were the most material sustainability risks. The Group also identifies human rights risks in its internal operations and value chain, those related to customer protection and the risks of controversies within its investment activities. In addition, the loss of biodiversity and nature exposes the Group's investments to additional risks in terms of certain essential economic activities and the financial system as a whole. Recognising these risks, CNP Assurances has initiated measures of the biodiversity footprint and dependence in its financial portfolios for several years, available in its responsible investment report, and has improved the process for mapping these risks.

Pursuant to Solvency II Delegated Regulation (EU) 2021/1256, in order to take into account sustainability risks, they are incorporated into the Group's risk management policies subject to the Solvency II directive. CNP Assurances has published its policy for integrating sustainability risks into investment decisions on its website since 2021.

ESG risks are incorporated into the risk appetite statement through the monitoring of various indicators. This statement has been gradually enhanced and adapted to cover all risks deemed major or critical in the CNP Assurances Group risk mapping. Several indicators relating to ESG risks are subject to an alert threshold.

Sustainability risks, in the same way as other risks, are brought to the attention of the Audit and Risk Committee for consultation and then to the Board of Directors for information or validation. In addition, governance was strengthened in 2023 by the creation of the Corporate Social Responsibility (CSR) Committee within the Board of Directors, which is responsible for sustainability matters.

The implementation of the objectives of the CNP Assurances Group's corporate mission and the responsible investment policy (exclusion, shareholder engagement and ESG filter) contribute to the reduction of sustainability risks, particularly transition risk. For example, the CNP Assurances Group aims to reduce the carbon footprint of its investments in directly-held equities, corporate bonds and infrastructure investments by 53% between 2019 and 2029, which enables it to support players committed to the climate transition. For several years, the CNP Assurances Group has been strengthening its due diligence processes on human rights risks in its value chain (with its suppliers, during mergers and acquisitions and in its investment decisions). Details of the steps taken to reduce material sustainability risks are described in the sustainability report in the CNP Assurances Group's 2024 Universal Registration Document, available at cnp.fr.

**Committees**

Mindful of the current and future effects of climate change, the Group set up a Climate Risk Committee in 2019 and extended its remit to include biodiversity and to monitor the work of each Group subsidiary in 2021. This committee meets each quarter to review the roadmap to be implemented to manage climate risks and biodiversity across all aspects of the business. Its purpose is to share regulatory and market intelligence on these risks and report risk analysis and assessments of the Group's investment and insurance activities and internal operations. It identifies the action needed based on the analysis carried out to measure, manage and reduce risks.

At the end of 2024, this committee became the Sustainability Risks Committee, with the same duties extended to all environmental, social and governance risks. It comprises members from the Sustainability Department, the Risk Department, the Investment Department, the Actuarial function, the Corporate Secretariat, the Purchasing Department, the Compliance Department and the Human Resources Department. This body provides the Group Risk Committee with a review of its work, together with any recommendations or guidelines, so that the Group Risk Committee can verify that sustainability risk management is properly integrated into the overall risk management framework at Group level.

The Group Chief Risk Officer is a member of the Executive Committee of CNP Assurances, which sponsors sustainability risks.

**Climate risk**

Among ESG risks, climate risks are major risks. Although climate risks are closely linked to or included in technical risks and financial risks since they aggravate existing risks, given their specific nature and their emerging nature, they are a separate category in the Group's risk mapping. Their assessment is carried out qualitatively and using expert judgement. Climate risks are distinguished according to their nature (physical risk and transition risk), and the assessment considers liabilities, assets and internal operations. The quantitative impact of climate risk measured in the insurance-climate scenarios is fairly low, excluding induced financial shocks. However, due to the uncertainty surrounding the effects of climate events on the economy and political and social stability, the Group considers climate risk as material and a major risk.

The risks related to the effects of climate change to which the CNP Assurances Group is exposed can be broken down into three areas:

- The investment activity;
- The insurance business;
- Internal operations.

These risks can take several forms:

- Physical risks, i.e. risks resulting from damage caused directly by climate phenomena;
- Transition risks, i.e. risks resulting from the effects of deploying a low carbon business model. This risk includes regulatory risk (risk of a change in government policies such as a ban or restrictions on certain activities, for example through the imposition of quotas; the introduction of carbon taxes, fines, environmental levies or other new tax measures), technological risk (risks resulting from the introduction of innovations or disruptive technologies that help combat climate change), market risk (changes in the balance of corporate and consumer supply and demand), and legal risk.

**Physical risk**

The CNP Assurances Group has conducted several studies on the physical risks associated with the investment portfolio, which have highlighted the exposure of certain countries, companies, buildings and forests to various climate hazards. Its objective, based on the studies and data currently available, is to limit this exposure through appropriate investment decisions. The management of these investments is based on ESG analyses that incorporate climate risks.

The analysis of exposure to physical climate risks carried out in 2023 on real estate assets (direct and majority club deal holdings) showed that the main risks were linked to flooding and the heat island effect (urban locations). The tools currently used by the Group's management companies are evolving to monitor this exposure and more accurately integrate the intrinsic characteristics of each asset (materials, types of construction, specific devices, etc.). As well as addressing building insulation, which helps reduce energy consumption and limit heat effects, action will focus on greening assets and plots. This action to reduce soil sealing and plant trees and shrubs will have an effect on the two main identified risks.

For forestry assets, species adaptation plans and production cycles have been in place for many years. Forest management also takes into account the risk of wildfires both in terms of prevention and the facilitation of rapid intervention and access to water points.

The business of CNP Assurances and its subsidiaries consists mainly of writing personal insurance, and the risks associated with the impact of climate change primarily concern mortality and morbidity rates. However, they have put in place reinsurance programmes against the risk of excess mortality and natural disasters. To pool its risk, CNP Assurances is part of the natural disaster compensation scheme in France and participates in the BCAC disaster pool.

In 2024, CNP Assurances, in partnership with the DIALog academic chair, published a green paper entitled "Climate Risk and its Impact on Insurance" on the measurement of climate change and its impact on policyholders and their insurers. This academic chair of excellence studies risk assessment methods combining data science, artificial intelligence and big data techniques. One of the key results of DIALog's work is the adaptation of actuarial climate indices to improve the assessment and measurement of climate risks in France.

The CNP Assurances Group's property and casualty insurance activities also generate exposure to natural hazards, mainly in France and Brazil, part of which is transferred via reinsurance. Climate change influences the frequency and severity of climate events in these areas and consequently the loss experience of the companies concerned and the reinsurance capacity offered by the market.

The objectives of the property and casualty insurance subsidiaries are to offer maximum insurability by ensuring a significant level of pooling within the portfolios. Efforts are also being made in terms of prevention to limit the impacts of these hazards and propose sustainable repairs to damaged property, particularly due to drought in France.

The floods that hit southern Brazil in May 2024 had an impact on the Brazilian entities CSH and Youse. Customer assistance and claims monitoring were stepped up. In addition, the Brazilian subsidiaries initiated internal studies (stress tests/ORSA) to quantify the impact of climate risks on the life business. Youse participates in an industry-wide climate working group.

The impact on the solvency of CNP Assurances IARD is also tested as part of the ORSA using a scenario specific to the impacts of climate risk on liability commitments.

The CNP Assurances Group's offices and employees are located in countries (c. 81% in Europe and 19% in Latin America) which, due to their level of development, are not considered as being the most vulnerable to climate events likely to severely disrupt their operations.

Physical risk is managed through the regular updating of the business continuity plan to ensure business continuity for employees in the event of the occurrence of climatic hazards. Work was carried out on the European entities in 2023 and the Brazilian entities in 2024 to precisely measure the exposure and vulnerability of production resources to different climate hazards based on different scenarios of global warming in the coming decades (heatwave and flooding of the Seine).

The latest simulation of the impact a one-hundred-year flood of the Seine river on the Group's head office led to the review of the flood risk prevention plan and awareness-raising among employees. The flood risk plan includes strategies for making people and property safe and the company's business continuity plan in the event of a flood.

### Transition risk

In its investment activity, the CNP Assurances Group takes into account the transition risks borne by the companies, governments and infrastructure in which it invests. In 2015, CNP Assurances and its subsidiaries adopted a low-carbon strategy to limit transition risk and support the energy transition. CNP Assurances has committed to achieving carbon neutrality in its investment portfolios by 2050 by joining the Net-Zero Asset Owner Alliance. In this context, after reaching intermediate targets by the end of 2024, it has set new ambitious targets for 2029, in line with the Paris agreement. Achieving carbon neutrality is, however, partly dependent on public policies and technological developments.

The Group's insurance business may be adversely affected by various transition risks, including:

- Changes in customers' savings behaviour (changes in the savings rate or surrender rate) could affect the net inflow of new money into pension savings contracts;
- Stricter environmental regulations (obligation to renovate homes to improve energy efficiency, ban on the renting or sale of poorly insulated buildings, zero net land-take rules, etc.) that may disrupt the real estate market and therefore impact the activity of term creditor insurance, home insurance or mortgage guarantees;
- Stricter environmental regulations (end of the marketing of internal combustion vehicles, increase in the green bonus/penalty on the purchase of a vehicle, low-emission zones, etc.) could disrupt the automotive market and therefore impact the automotive insurance business;

With regard to internal operations, the CNP Assurances Group is exposed to transition risk in the event that the main sources of greenhouse gas (GHG) emissions are not controlled. The assessment of GHG emissions, prepared annually, and the implementation of internal carbon pricing, channel the Group's efforts towards the most relevant actions related to its operating buildings and employee travel.

Details of the various carbon reduction targets and the action implemented in all its activities to achieve these targets are described in the CNP Assurances Group's climate change mitigation transition plan, in the sustainability report published in the 2024 Universal Registration Document.

CNP Assurances was invited by the ACPR to participate in the climate stress test exercise on the scope of its activities in France. Two long-term transition scenarios and a short-medium-term scenario proposed by the ACPR were tested by CNP Assurances against a fictitious baseline scenario (without physical or transition risk, developed by the National Institute of Economic and Social Research (NIESR)):

- Orderly transition scenario (Network for Greening the Financial System (NGFS) below 2°C scenario): efforts to comply with the Paris Agreement take place in an orderly and gradual manner between 2020 and 2050;
- Delayed transition scenario (NGFS Delayed transition scenario) : efforts to comply with the Paris Agreement start suddenly in 2030, with targets achieved by 2050;
- A short-term scenario developed by the ACPR in collaboration with Banque de France teams for 2023-2027, combining acute physical risk shocks (lasting drought/heat waves followed by a localised flood risk) and a financial asset shock linked to market awareness following these extreme events, in anticipation of transition policies that are now deemed inevitable.

Though particularly complex, the exercise served to quantify CNP Assurances' exposure to the climate scenarios proposed by the ACPR in 2024, and in particular:

- Sensitivity to a high interest rate environment in the various scenarios. The exercise also highlighted CNP Assurances' resilience to climate risk;
- It confirmed that the measures implemented in recent years (reduction of the investment portfolio's carbon footprint, reduced exposure to the thermal coal sector, increase in green investments) improve CNP Assurances' resilience to the scenario of an adverse transition for companies with the highest GHG emissions.

CNP Assurances is also continuing work to enhance internal climate scenarios in the ORSA.

# D

# Valuation for solvency purposes

This section presents the approach used for the preparation of the Solvency II balance sheet. The difference between the value attributed to assets and the value attributed to liabilities (technical provisions and other liabilities) corresponds to CNP Assurances' own funds, which are presented in detail in section E.

The Solvency II balance sheet is largely based on the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with Solvency II asset and liability valuation principles. These fair values are subjected to the controls performed for the preparation of the IFRS accounts. The IFRS consolidated financial statements in which they are used are subject to a yearly audit by the Group's Statutory Auditors. This ensures that a reliable Solvency II balance sheet will be produced as part of an orderly, well-managed process. It also ensures consistency with the IFRS financial statements.

The main adjustments to the data in the IFRS balance sheet concern:

- Elimination of intangible assets;
- Revaluation of assets at fair value;
- Measurement of technical provisions (cancellation of IFRS technical provisions and recognition of the best estimate of liabilities plus a risk margin);
- Reclassification and remeasurement of subordinated debt;
- Adjustments due to the fast close.

In the Solvency II balance sheet, transactions denominated in foreign currencies are measured and reported in accordance with IAS 21. The 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 – are translated into euros, the CNP Assurances Group's presentation currency, at the closing exchange rate.

The format of the Solvency II balance sheet is different from that of the Group's IFRS balance sheet and certain reclassifications are therefore also necessary, as follows:

- In the IFRS financial statements, certain investments are classified by measurement type. In the Solvency II balance sheet, investments are presented according to the complementary identification codes (CIC) defined in Solvency II, which reflect the nature of the assets;
- In the IFRS balance sheet, own shares of CNP Assurances SA are recorded as a deduction from equity. In the Solvency II balance sheet, they are reclassified as assets;
- Subordinated notes and debt are classified as liabilities in both the IFRS balance sheet and the Solvency II balance sheet. However, they are included in eligible own funds for the calculation of the SCR coverage ratio under Solvency II;
- Technical provisions are classified in five categories in the Solvency II balance sheet (life, SLT health, non-life, NSLT health, unit-linked) and are analysed between the best estimate of liabilities and a risk margin.

# D1 Assets

## 1. Valuation principles

### 1.1. Use of fair value

Since 2005, the Group has used IFRS as its primary basis of accounting. Therefore, fair values are already determined for many assets and liabilities (particularly financial instruments) for inclusion either directly in the IFRS balance sheet or in the notes to the balance sheet.

For its Solvency II balance sheet, the CNP Assurances Group uses the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with Solvency II asset and liability valuation principles. This ensures that a reliable Solvency II balance sheet will be produced as part of an orderly, well-managed process. It also ensures consistency with the IFRS financial statements.

However, the value of certain items may be estimated using simplified methods (cost or amortised cost, for example), provided that they do not represent material exposures or the difference compared with the fair value that would have been recognised in the account is not material.

The restatements of the IFRS financial statements are explained and documented. They are tracked in a table that reconciles the IFRS balance sheet to the Solvency II balance sheet, line by line.

### 1.2. Criteria for identifying active markets versus inactive markets

The extent to which an active market exists is assessed for the measurement of assets in the Solvency II balance sheet.

Fair value measurements in the Solvency II balance sheet and under IFRS 13 – Fair Value Measurement are generally based on quoted market prices in active markets for similar assets. In particular, for financial instruments, the fair value hierarchy defined in IFRS 13 is used. In the Solvency II balance sheet, instruments measured using level 1 inputs (see below for details) in the notes to the IFRS financial statements are considered as being valued based on quoted market prices in active markets.

The general principles and instructions for classifying financial instruments using the fair value hierarchy in IFRS 13 are disclosed in the notes to the IFRS financial statements.

## 1.3 Specific asset valuation methods

### 1.3.1 Intangible assets

At this stage, for the preparation of the Solvency II balance sheet, all intangible assets are considered as being without value in the absence of detailed analyses of the underlying markets.

### 1.3.2. Investments

*a) Property*

Owner-occupied and investment property (other than property held in unit-linked portfolios) and shares in unlisted property companies are measured in the Solvency II balance sheet at their appraisal value (as determined based on five-yearly independent valuations performed by surveyors recognised by the insurance supervisor and updated annually) or an equivalent value for properties held by entities outside France.

Investment property held in unit-linked portfolios is included in the Solvency II balance sheet at fair value.

*b) Financial assets*

In view of the quality of the financial assets in the portfolio (more than 85.0% of the bond portfolio was rated BBB or higher at 31 December 2024), the CNP Assurances Group has identified no material uncertainties concerning the values attributed to financial assets. The majority of financial assets are traded on active markets and are valued using level 1 inputs in the IFRS consolidated financial statements (see below). The IFRS fair values are therefore also used in the Solvency II balance sheet.

The alternative valuation methods used to determine the estimated fair value of assets valued using level 2 or 3 inputs (see below) in the IFRS balance sheet are also used for the Solvency II balance sheet.

For these assets, wherever possible the CNP Assurances Group uses values obtained from external sources.

The same valuation methods and controls are applied to financial instruments recorded in liabilities (particularly derivative instruments).

For Solvency II purposes, financial assets measured at amortised cost in the IFRS balance sheet are remeasured at fair value, on a consistent basis with the value reported in the notes to the IFRS financial statements.

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 are the frequency of price quotations and the liquidity of the securities traded on the market. The market will be considered inactive if one or more of the following indicators is observed: a sharp fall in the number of transactions, a significant increase in settlement costs or volatility, or a rapid widening in Z-spreads.

For 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 is 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;
- Prices determined using internal models that maximise the use of observable inputs.

#### 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 a best estimate of the value of the securities.

The CNP Assurances Group verifies the reliability of these data using an evaluation whenever possible (estimated future cash flows for example) or questions counterparties as to the methodologies used if necessary. The counterparties' values examined so far have been confirmed by the 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 and the largest trading volume was observed. 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 and 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). The CNP Assurances Group takes into account liquidity factors, among others, 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. This category includes:

- Certain structured products measured using an internal model and mainly market parameters;
- Derivative instruments traded over-the-counter, which are mainly measured using an internal valuation model and market inputs;
- Negotiable debt securities that are no longer listed are measured based on the zero coupon price curve plus a spread;
- Investment property measured using prices observed for similar recent transactions or the rental value of equivalent properties;
- Any other over-the-counter financial instruments.

Structured products held by the CNP Assurances 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 CNP Assurances 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 uses sophisticated models and methods, generally based on a probabilistic approach.

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

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

| Asset class | Financial instruments | Models/Methods |
|---|---|---|
| Interest rate derivatives | Interest rate 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 | Inflation swaps | Black model |
| | | SABR smile model |
| Credit derivatives | CDS options | Black-Scholes formula (Markit volatilities) |
| Equity derivatives | Put option 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 |
| Currency derivatives | JPY swaps<br>(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). Unobservable inputs 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.
This category also includes certain complex structured products for which values are obtained from the counterparty.

*c) Remeasurement of investments in subsidiaries and affiliates at best estimate*

In the Solvency II balance sheet, CNP Assurances measures its investments as follows:

- Investments in insurance subsidiaries consolidated in the IFRS or Solvency II balance sheets are measured based on their adjusted net asset value as determined using the rules set out in the Solvency II Directive and the delegated regulation;
- Investments in non-insurance subsidiaries that are consolidated in the Group's IFRS balance sheet are measured based on their net worth.

Investments that are not consolidated in the Group's IFRS or Solvency II balance sheets are measured at their fair value under IFRS.

Related-party property companies are measured based on appraisal values determined by an independent expert because these assets are not traded on a stock market.

#### 1.3.3. Other assets and miscellaneous receivables

*a) Treasury shares*

Own shares held by CNP Assurances SA are recognised as assets on the Solvency II balance sheet. The value of these shares has been fixed since the delisting of CNP Assurances SA.

*b) Other assets and miscellaneous receivables*

The value of other assets and miscellaneous receivables in the Solvency II balance sheet generally corresponds to the value used in the IFRS balance sheet, with adjustments made during the fast close process, in line with expected cash flows.

## 2. Differences compared to book value

### 2.1 Intangible assets

This item includes intangible assets (including goodwill, deferred acquisition costs and the portfolio value of insurance policies). Intangible assets are eliminated from the Solvency II balance sheet because no fair value can be attributed to them due to the absence of an active market on which they could be sold.

Intangible assets eliminated from the Solvency II balance sheet at 31 December 2024 amounted to €3.2 billion.

## 2.2 Investments

Insurance investments and derivative instruments totalled €398.5 billion in the Solvency II balance sheet, versus €401.0 billion in the IFRS balance sheet. This total includes the value of derivatives recorded as liabilities[11]. The difference between Solvency II and IFRS figures is mainly due to:

- The revaluation of "Participations" as defined in Article 13 (20) of Solvency II ("ownership, direct or by way of control, of 20% or more of the voting rights or capital of an undertaking" not included in the Solvency II scope of consolidation), representing an adjustment of €1.2 billion;
- The revaluation of financial instruments measured at amortised cost, the only financial assets not to be measured at fair value under IFRS, for an amount of €0.1 billion;
- The revaluation of investment property, excluding investment property in unit-linked portfolios, for €0.2 billion.

## 2.3 Other assets and miscellaneous receivables

Other assets amounted to €14.4 billion under Solvency II versus €13.8 billion under IFRS. These other assets include:

- Treasury shares reclassified as assets in the Solvency II balance sheet for €5.2 million;
- Total operating properties in the Solvency II balance sheet amounted to €102.1 million and were revalued for €10.7 million in relation to IFRS;
- Total cash deposits with ceding entities amounted to €674.0 million in the Solvency II balance sheet and under IFRS;
- Total receivables and cash amounted to €12.5 billion in the Solvency II balance sheet and €12.9 billion under IFRS, a difference of €0.4 billion.

The value of other assets in the Solvency II balance sheet corresponds to the value used in the IFRS balance sheet, as adjusted during the fast close process in line with expected cash flows.

*[11] Derivatives recorded as liabilities: €0.6 billion under IFRS and €0.5 billion under Solvency II.*

# D2 Technical provisions

Technical provisions are defined as the amount an insurance or reinsurance undertaking would have to pay if it transferred its contractual rights and obligations immediately to another undertaking.

The value of technical provisions is equal to the sum of a best estimate and a risk margin:

- The best estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money (expected present value of future cash-flows), using the relevant risk-free interest rate term structure. It is calculated before reinsurance and comprises two parts, best estimate of premium reserves and best estimate of claims reserves;
- The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the Solvency Capital Requirement necessary to support the insurance and reinsurance obligations over the lifetime thereof.

For best estimate calculations, insurance obligations are segmented into homogeneous risk groups, and as a minimum by lines of business.

## 1. Methods and assumptions

### 1.1. General principles and description of the models

The amounts reported by subsidiaries in their Solvency II reports may differ from the amounts published in the Group report, for two reasons:

i. Some supervisors require the use of data from the closing of the parent company financial statements for prudential reporting, which is not compatible with the Group's production schedule; and
ii. Some corporate entities may adopt transitional measures for local reporting that are not adopted at Group level. This report covers the consolidated contribution of the Group's entities and does not address all local issues encountered by the entities. No transitional measures for technical provisions are applied at Group level.

Substantially all statutory technical provisions are calculated using models. When a model cannot be used, a prudent approach is systematically given preference. The best estimate calculation takes into account all future cash flows related to the insurance liabilities observed at the period-end. Expected benefit payments and expenses are modelled, together with future premiums within the limits set by the regulations. The main accounting phenomena and mechanisms are taken into account, such as changes in the policyholder surplus reserve and statutory technical provisions.

The stochastic models used to measure insurance obligations related to savings/pensions contracts include interactions between assets and liabilities. Death/disability, term creditor insurance and non-life insurance obligations are modelled using deterministic models.

## 1.2. Economic assumptions

Solvency II calculations are based on market conditions observed at the year end.

### 1.2.1 Reference interest rate curve

The reference interest rate curve corresponds to the EIOPA basic risk free interest rate term structure plus an adjustment for credit risk and volatility where possible. The adjusted term structure is extrapolated using a mechanism to ensure a smooth convergence to the ultimate forward rate. At end 2024, the ultimate forward rate was 3.30% in Europe and 5.05% in Brazil.

### 1.2.2 Matching adjustment

Best estimates do not take into account any matching adjustment.

### 1.2.3 Credit risk and volatility adjustments

The table below shows the credit risk and volatility adjustments applied at 31 December 2024 for the Group's various host countries in the eurozone:

| *(Basis points)* | France | Italy | Ireland | Luxembourg | Cyprus | Greece | Brazil |
|---|---|---|---|---|---|---|---|
| Credit risk adjustment (CRA) | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Volatility adjustment (VA) | 22 | 23 | - | 22 | - | 23 | N/A |

The impact of the volatility adjustment on technical provisions is presented below:

**Impact of volatility adjustment on technical provisions**

| *(In € billion)* | Before volatility adjustment | After volatility adjustment | Impact |
|---|---|---|---|
| Technical provisions | 346.1 | 344.9 | -1.1 |

### 1.2.4 Transitional measures

The Solvency II Directive includes transitional measures to allow insurance and reinsurance undertakings time to adapt to the new regulations before they become fully applicable and smooth the financial impacts over time.

## 1.3. Assumptions used to calculate liabilities

Liability assumptions are determined based on statistical analyses provided that adequate representative experience-based historical data considered to be a reliable indicator of future trends are available. If adequate experience-based data is not available, the underwriting teams use their professional judgement to determine the assumptions, based on market practices, similar assumptions covering a comparable scope, regulatory tables and projected loss ratios.

The professional judgements used to determine loss assumptions concern the following aspects: (i) the period covered by historical data, (ii) the affinity group selection process, (iii) the variables that explain the underlying phenomena, (iv) the reference tables used to calibrate biometric assumptions, (v) the statistical methods, (vi) the treatment of manifestly inaccurate or missing data, (vii) backtesting criteria, (viii) the use of forward-looking information not included in the data.

Expense assumptions are based on actual expenses for the previous fiscal year. Overheads are analysed by substance (with most expenses allocated to business acquisition and policy administration costs) prior to the calibration process. The cost bases are then projected using relevant growth criteria. Expense projections take into account inflation assumptions determined separately for each subsidiary, particularly those in Latin America where they reflect local inflation trends.

Commission assumptions are based on the commission arrangements in force on the measurement date. Future changes are taken into account when they are certain.

## 1.4. Future management actions

The methods and techniques applied to estimate future cash flows and thus to measure reserves for insurance liabilities must take into account possible future management actions in such areas as:

- Financial strategy;
- Policies concerning the adjustment of technical provisions;
- Renewal of partnership agreements.

## 1.5. Risk margin calculation

The Solvency II technical guidelines provide for the calculation of the risk margin using a "full" method or, failing that, three simplified and hierarchical methods. At 31 December 2024:

- For CNP Assurances SA, CNP Caution, CNP Unicredit Vita, CNP Vita Assicura et CNP Santander (non-life), a factor-based approach that uses simplified required capital projections to calculate the risk margin;
- For CNP Assurances Protection Sociale, the future SCR is estimated using an approach based on the duration of commitments;
- For the other subsidiaries, a duration-based approach is used.

## 2. Uncertainties and simplifications

Model uncertainties are either estimated and allocated to technical provisions in the Solvency II balance sheet in a way that maximises these reserves or dealt with in the model on a conservative basis.

Data uncertainties are also addressed on a conservative basis. Data quality projects drive continuous improvement in the reliability of data used for best estimate calculations.

Uncertainties concerning assumptions are managed in a way that ensures technical provisions are not understated.

A validation report is prepared by the Group entities concerned by this requirement, listing the assumptions and future management actions that affect the determination of technical provisions. The report is submitted to Executive Management for approval.

CNP Assurances SA has also put in place a plan to update the validation report, which aims, for each assumption, to define a list of quantitative studies, sensitivity tests or controls on relevant expected variables and to set an update frequency and priority level.

The plan to enhance the overall reliability of actuarial calculations – by streamlining and documenting the controls to be performed during the production process – has been rolled out to all subsidiaries. The plan's roll-out, along with the preparation of model documentation and a validation report containing a description and explanation of the main assumptions, has helped to further reduce the uncertainty concerning technical provision calculations.

## 3. Main differences compared to the financial statements

Both the IFRS consolidated balance sheet and the Solvency II balance sheet include in liabilities the technical provisions corresponding to the insurer's obligations towards insureds and third parties. Solvency II principles are very different to IFRS, hence the significant differences between the values reported for technical provisions under the two approaches.

Broadly speaking, technical provisions in the IFRS consolidated balance sheet correspond to the sum of the technical provisions recorded in the separate financial statements of the consolidated companies.

The separate financial statements are prepared in accordance with the overriding principle of prudence, which explains the conservative reasoning applied when it comes to biometric tables, inputs and discount rates. Unlike under Solvency II, this approach does not allow the insurer to take unrealised gains into account in the measurement of obligations towards policyholders.

Conversely, technical provision calculations under Solvency II are based on a regulation that defines principles rather than rules and as such allow insurers to identify for themselves the methods and inputs most suited to their risk profile.

## 4. Main results

The table below analyses technical provisions by business segment (the risk margin is determined on an aggregated basis for several segments and then reallocated to the individual segments using an allocation key):

| | At 31 December 2024 | | | At 31 December 2023 | | | Change in technical provisions |
|---|---|---|---|---|---|---|---|
| *(In € billion)* | Best estimate | Risk margin | **Technical provisions** | Best estimate | Risk margin | **Technical provisions** | |
| Savings/Pensions | 329.0 | 3.9 | 332.9 | 325.0 | 3.9 | 328.9 | 4.0 |
| Personal Risk / Term Creditor Insurance | 10.3 | 1.0 | 11.3 | 8.8 | 1.0 | 9.8 | 1.5 |
| **Personal insurance** | **339.3** | **4.8** | **344.1** | **333.8** | **4.9** | **338.7** | **5.4** |
| **Property & Casualty** | **0.7** | **0.1** | **0.8** | **0.3** | **0.1** | **0.5** | **0.3** |
| **Total before reinsurance** | **339.9** | **5.0** | **344.9** | **334.1** | **5.0** | **339.1** | **5.8** |
| **Ceded technical provisions** | | | **11.1** | | | **11.0** | **0.1** |
| Reinsurance ratio (%) | | | 3.2% | | | 3.2% | 0.0% |

The following table presents the breakdown of technical provisions (best estimate and risk margin) by region:

| Gross reserves at 31 December 2024 *(In € billion)* | Best estimate | Risk margin | Risk margin in % | **Technical provisions** |
|---|---|---|---|---|
| France | 276.9 | 4.0 | 1.4% | 280.9 |
| Latin America | 25.2 | 0.5 | 2.0% | 25.7 |
| Europe excluding France | 37.9 | 0.4 | 1.2% | 38.3 |
| **Group** | **340.0** | **5.0** | **1.5%** | **344.9** |

The risk margin represented 1.5% of the Group's gross technical provisions before reinsurance at 31 December 2024.

# D3 Other liabilities

## 1. Valuation principles

### 1.1 Deferred tax assets and liabilities

#### 1.1.1. Deferred tax calculation base

Deferred tax assets and liabilities are recognised in the Solvency II balance sheet for differences between the tax basis of assets and liabilities and their value in the Solvency II balance sheet. There are several categories of differences:

- Differences between the tax basis and the statutory balance sheet, then
- Differences between the statutory balance sheet and the IFRS balance sheet, then
- Differences between the IFRS balance sheet and the Solvency II balance sheet.

They include:

- Timing differences between the recognition of expenses for financial reporting and tax purposes;
- Assets: mainly differences in the method used to measure financial assets between the statutory balance sheet (cost model) and the Solvency II balance sheet (fair value model);
- Liabilities: mainly differences in the measurement of technical provisions between the statutory balance sheet and the Solvency II balance sheet.

Deferred taxes are recognised on these timing differences and differences in the value of assets and liabilities between the two reporting models.

#### 1.1.2. Deferred tax calculation method

In the Solvency II balance sheet, deferred taxes (assets and liabilities) are calculated, in accordance with IAS 12, as the difference between the value of assets and liabilities in the Solvency II balance sheet and their tax basis:

- All deferred tax liabilities are recognised in the balance sheet. Deferred tax assets are recognised only if it is highly probable that sufficient future profits will be available to permit their recovery;
- Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group;
- Deferred tax assets and liabilities are not discounted;
- Deferred taxes are adjusted for the effect of enacted future changes in tax rates based on estimates of the periods in which the assets are expected to be recovered or the liabilities are expected to be settled.

In order to use the work performed for consolidated reporting purposes, deferred taxes recorded in the Solvency II balance sheet correspond to the sum of (i) deferred taxes in the IFRS balance sheet and (ii) deferred taxes arising on differences between the IFRS balance sheet and the Solvency II balance sheet.
Deferred taxes in the Solvency II balance sheet also include deferred taxes on fast close adjustments, based on expected future cash flows.

The corporate income tax rate in France for 2024 per the French 2024 Finance Act was 25% (25.825% including the 3.3% contribution).

## 1.2. Subordinated liabilities

### 1.2.1. Remeasurement of subordinated debt at best estimate

The subordinated notes issued by CNP Assurances are measured in the economic balance sheet at an amount corresponding to the best estimate, as adjusted for the effect of changes in the Group's credit risk (i.e. the value of cash flows discounted at a rate equal to the sum of the risk-free rate and the issue date credit spread paid to note holders).

### 1.2.2. Reclassification of subordinated debt as eligible own funds under Solvency II

After analysing the characteristics of each subordinated notes issue based on Solvency II own funds eligibility criteria, all of the Company's subordinated notes issues have been classified in the Solvency II balance sheet as eligible own-funds.

## 1.3. Other liabilities and miscellaneous payables

#### Contingent liabilities

Under Solvency II, material contingent liabilities are recognised as liabilities.

A contingent liability is:

- A potential obligation arising from past events, the existence of which will only be confirmed by the occurrence (or not) of one or more uncertain future events that are not entirely under the entity's control;
- A current obligation arising from past events but not recognised because:
    - It is not likely that an outflow of resources representing economic benefits will be necessary to settle the obligation;
    - The amount of the obligation cannot be assessed with sufficient reliability.

A contingent liability is material when its current or potential size or nature is such that it is likely to influence the decisions or assessment of any holder of this information, and in particular the supervisory authorities.

#### Other liabilities and miscellaneous payables

The value of other liabilities and miscellaneous payables is broadly aligned with their value in the IFRS balance sheet prepared for consolidation purposes and the French GAAP balance sheet prepared for statutory financial reporting purposes. The amounts reported in the Solvency II balance sheet also include fast close adjustments to other liabilities and miscellaneous payables, based on expected future cash flows.

CNP Assurances considers that this value is not materially different from the amount that would be obtained by applying a best estimate approach, given that the cash flows receivable and payable are of a short-term nature (less than one year), and that consequently remeasurement at best estimate is unnecessary.

The best estimate of these liabilities' value may be determined on a case-by-case basis if a material difference is expected to arise between the IFRS value and the Solvency II best estimate, due to discounting adjustments for example.

#### Employee benefit obligations

The CNP Assurances Group records provisions for all of its employee benefits in accordance with IAS 19. No specific adjustments are made to employee benefit obligations in the Solvency II balance sheet compared to the IFRS balance sheet.

## 2. Differences compared to book value

### 2.1 Subordinated liabilities

The CNP Assurances Group recognises subordinated notes at amortised cost under liabilities in the IFRS balance sheet. Undated subordinated notes that do not give rise to any payment obligation are classified as equity in the IFRS balance sheet.
Subordinated notes measured at amortised cost in the IFRS balance sheet are remeasured at fair value (excluding the effect of changes in own credit risk) in the Solvency II balance sheet. Subordinated debt classified as equity in the IFRS balance sheet is reclassified as debt in the Solvency II balance sheet.
Subordinated liabilities totalled €8.3 billion in the Solvency II balance sheet versus €7.5 billion in the IFRS balance sheet (including subordinated debt), representing an adjustment of +€0.8 billion. This difference can be explained as follows:

- The reclassification of undated subordinated notes from equity to liabilities for +€1.4 billion;
- A remeasurement of subordinated debt at best estimate for -€0.6 billion.

## 2.2 Other liabilities

### Contingent liabilities

No contingent liabilities were recognised at 31 December 2024.

### Other liabilities and miscellaneous payables

Other liabilities totalled €36.3 billion in the Solvency II balance sheet versus €36.7 billion in the IFRS balance sheet, representing a difference of -€0.4 billion.

### Employee benefit obligations

No specific adjustments are made to employee benefit obligations in the Solvency II balance sheet compared to the IFRS balance sheet. The total obligation recognised at 31 December 2024 amounted to €0.3 billion. Details of the amounts recognised are provided in note 12.2.3 to the consolidated financial statements in the 2024 Universal Registration Document.

# D4 Alternative valuation methods

In the Solvency II balance sheet, instruments measured using level 1 inputs in the notes to the IFRS financial statements are considered as being valued based on quoted market prices in active markets.

Assets measured using alternative methods based on level 2 or 3 inputs in the IFRS financial statements, are measured on the same basis, in accordance with section D1 Assets – 1. Valuation principles.

# E

# Capital management

# E1 Own funds

## 1. Capital management objectives, policies and procedures

### 1.1. Principles

The Group's capital management principles are designed to fulfil two objectives:

- Comply with the Company's current and five-year projected Solvency Capital Requirement, as calculated in accordance with the principles set out in Article 45 (ORSA) of the Solvency II Directive;
- Maintain a good quality credit rating.

Capital management is essential to guarantee the Group's solvency, alongside methods to reduce required capital (for example by adjusting business volumes or the asset allocation, redefining management actions or future management decisions, purchasing reinsurance cover or hedging instruments, or securitising assets).

### 1.2. Procedures

Capital management is part of the annual ORSA planning process and gives rise to the preparation each year of a medium-term capital management plan that is submitted to the Board of Directors. This plan takes into account:

- Solvency projections prepared based on the work conducted during the capital management planning process;
- Subordinated debt repayments and retirements.

It describes possible corporate actions that may be carried out during the ORSA projection period:

- Concerning subordinated debt, it describes the Group's broad objectives and how they are expected to be met. The information provided includes details of grandfathering clauses (see below for details);
- Concerning shares, it describes the assumptions used with respect to outstanding shares, dividend payments and purchases and sales of treasury shares;
- It also includes details of any assumptions concerning other components of capital.

## 2. Group Solvency Capital Requirement calculation method

The Group's Solvency Capital Requirement is calculated using a combination of method 1, "Accounting consolidation-based method" and method 2, "Deduction and aggregation method", in accordance with Article 220 of Directive 2009/138/EC.

All entities are taken into account on a full consolidation basis, with the exception of the occupational pension funds Arial CNP Assurances and CNP Retraite, which are consolidated using the deduction and aggregation method, and XS5 ADMINISTRADORA DE CONSORCIOS S.A. and Wiz Soluçoes e Corretagem de Seguros S.A., which are consolidated using the adjusted equity method.

## 3. Own funds measurement process

Own funds are calculated as the difference between the prudential value of assets and liabilities plus the equity of consolidated entities in accordance with applicable industry standards. This approach fulfils the Solvency II requirement to prepare a full Solvency II balance sheet. The steps in the process are as follows:

- Preparation of a Solvency II balance sheet after eliminating intra-group assets and liabilities, to calculate the excess of assets over liabilities;
- Measurement of eligible own funds before classifying them based on their availability at Group level;
- Adjustment based on the availability of own funds at Group level.

# 4. List of own funds items

## 4.1. Basic own funds

Basic own funds consist of the following items:

- Share capital, classified as Tier 1 for an amount of €4.0 billion;
- Share premium account, classified as Tier 1 for €5.4 billion;
- The reconciliation reserve, corresponding to the sum of the following items:

| *(In € billion)* | **31/12/2024** |
|---|---|
| **Excess of assets over liabilities** | **32.8** |
| Treasury shares (held directly or indirectly) | -0.0 |
| Foreseeable dividends, distributions and expenses | -1.0 |
| Other basic own funds[12] | -18.3 |
| Adjustment for restricted own-fund items in respect of matching adjustment portfolios and ring-fenced funds | -0.0 |
| Other unavailable own funds | -0.0 |
| **Reconciliation reserve** | **13.4** |

Part of the excess of assets over liabilities shown in the above table corresponds to the expected profit in future premiums (EPIFP). Part of this EPIFP is deducted from available own funds (see paragraph 4.5 below).

| *(In € billion)* | **31/12/2024** |
|---|---|
| Expected profit in future premiums (EPIFP) — Life business | 2.6 |
| Expected profit in future premiums (EPIFP) — Non-life business | 0.3 |
| **Total expected profit in future premiums (EPIFP)** | **2.9** |

Inclusion of part of the policyholders' surplus reserve in surplus own funds based on ACPR calculation guidelines, following publication of the Ministerial Order on life insurance companies' surplus own funds published in the Journal Officiel dated 28 December 2019. Surplus own funds amounted to €8.9 billion.

Subordinated notes are measured at their economic value[13], calculated as the present value of future cash flows payable to note holders (as determined based on each issue's characteristics), discounted at the risk free rate plus the issue date credit spread.

Subordinated notes issued before 2015 are classified as Restricted Tier 1, Tier 2 and Tier 3 in line with the principles of the grandfathering clause:

[12] *Details of other components of basic own fund items are provided in QRT S.23.01.22 (see Appendix). The amount reflects the inclusion, for the first time, of part of the policyholders' surplus reserve. The included amount was calculated using the method recommended by the insurance supervisor (ACPR) pursuant to the Ministerial Order on life insurance companies' surplus own funds published in the Journal Officiel dated 28 December 2019, which applies to all organisations governed by France's Insurance Code.*

[13] *Excluding changes in CNP Assurances' own credit risk.*

- Undated subordinated notes eligible for inclusion in solvency capital for 50% of their amount under the regulations in force on the issue date are classified as Restricted Tier 1 under the Solvency II transitional measures;
- Dated subordinated notes eligible for inclusion in solvency capital for 25% of their amount under the regulations in force on the issue date are classified as Tier 2 under the Solvency II transitional measures.

Subordinated notes issued after 2015 have been structured so as to be eligible for inclusion in Restricted Tier 1, Tier 2 or Tier 3 capital, even if the transitional measures are not applied.

A new issue of subordinated debt was carried out on 11 July 2024 for a nominal amount of €500 million eligible for inclusion in Tier 2 capital. This transaction contributed to the early refinancing of forthcoming maturities. A Tier 1 grandfathered subordinated liability for a nominal amount of €500 million was repaid early as planned on 18 November 2024.

## 4.2. Ancillary own funds

The Group does not have any ancillary own funds.

## 4.3. Own funds of other financial sectors

The own funds of institutions for occupational retirement provision (Arial CNP Assurances and CNP Retraite) are recognised in the CNP Assurances Group's own funds, in accordance with the applicable sector rules. These own funds totalled €3.3 billion.

## 4.4. Treatment of own funds from ring-fenced funds

Only the CNP Retraite PREFON portfolio is identified as a material ring-fenced fund. The other regulatory ring-fenced funds are considered non-material and are included in the remaining part of the business[14].

The Group does not have any restricted own funds in the ring-fenced funds. The only own funds item in these funds is the in-force value, which is interpreted as a future transfer to shareholders since it meets the conditions specified in RFF guideline #8[15]. As a result, the capital adjustment to account for restricted items from ring-fenced funds is nil.

*[14] The non-material nature of the ring-fenced funds was demonstrated on the base at 31 December 2020 in accordance with Guideline 5 - Guidelines on ring-fenced funds - EIOPA, 2 February 2015.*

*[15] Guidelines on ring-fenced funds - EIOPA, 2 February 2015.*

## 4.5. Description of deductions applied by the Group and intra-group transfers of own funds

The surplus own funds of undertakings that are not wholly owned by the Group are considered as not available at Group level.

These undertakings' surplus own funds are calculated as the positive difference between (a) the sum of their unadjusted Solvency II basic own funds before tiering and their ancillary own funds, excluding intra-group items (subordinated notes and ancillary own funds) and (b) the undertakings' contribution to Group SCR.

Deductions for the portion of subsidiaries' own funds that is not available at Group level amounted to €2.6 billion.

# 5. Information about the nature of own funds

## 5.1. Description of own funds eligible for inclusion in the SCR coverage ratio

The following table shows the breakdown of consolidated own funds by company:

| *(In € billion)* | Own funds | SCR |
|---|---|---|
| CNP Assurances | 34.8 | 14.8 |
| CNP Caution | 0.7 | 0.1 |
| Arial CNP Assurances[16] | 0.4 | 0.5 |
| Assuristance[17] | 0.1 | 0.0 |
| CNP Retraite[5] | 3.1 | 0.8 |
| CNP Assurances IARD | 0.4 | 0.3 |
| CNP Assurances Santé Individuelle | 0.1 | 0.0 |
| CNP Assurances Prévoyance | 0.4 | 0.2 |
| CNP Seguros Holding | 0.9 | 0.5 |
| Caixa Vida e Previdência | 2 | 0.8 |
| CNP Seguradora | 0.2 | 0.1 |
| CNP Europe Life | 0.0 | 0.0 |
| CNP Cyprialife | 0.1 | 0.1 |
| CNP Asfalistiki | 0.1 | 0.0 |
| CNP Zois | 0.0 | 0.0 |
| CNP Santander Insurance Europe | 0.4 | 0.3 |
| CNP Santander Insurance Life | 0.2 | 0.1 |
| CNP UniCredit Vita | 1.1 | 0.3 |
| CNP Vita Assicura | 2.2 | 0.8 |
| CNP Luxembourg | 0.0 | 0.0 |
| CNP Assurances Compañia de Seguros | 0.0 | 0.0 |
| CNP Assurances Protection Sociale | 0.5 | 0.2 |
| **CNP Assurances Group** | **38.3** | **16.2** |

**Comments:**
- In the above table, the companies' own funds and SCR are presented on a solo basis;
- No transitional measures have been applied to calculate the Group SCR.

[16] *As a reminder, Arial CNP Assurances and CNP Retraite are recognised according to the deduction & aggregation method.*

[17] *The amounts reported for Assuristance correspond to combined figures for Filassistance and Garantie Assistance, which were merged in 2017.*

The CNP Assurances Group's eligible own funds total €38.3 billion versus an SCR of €16.2 billion. Own funds eligible for inclusion in the CNP Assurances Group's SCR coverage ratio amount to €38.3 billion, as follows:

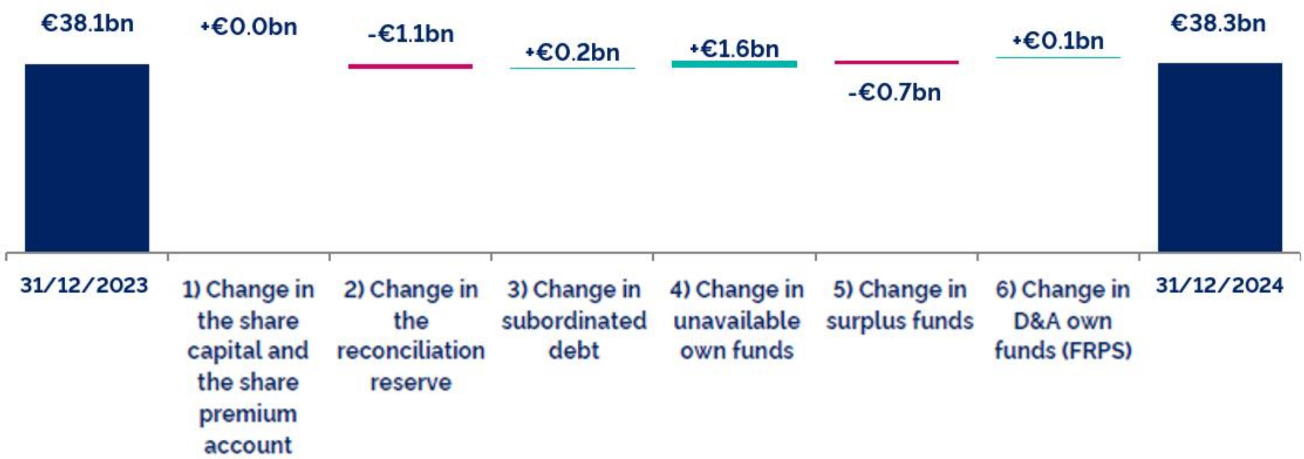
- €30.0 billion of unrestricted Tier 1 capital, comprising the reconciliation reserve, the share capital (excluding any preference shares) and share premium account and surplus own funds;
- €8.3 billion of subordinated debt, breaking down as follows, in comparison with data at 31 December 2024:

| *(In € billion)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Restricted Tier 1 | 2.2 | 2.6 |
| Tier 2 | 4.9 | 4.3 |
| Tier 3 | 1.2 | 0.3 |
| **Total** | **8.3** | **7.2** |

This analysis distinguishes between unrestricted Tier 1 capital, which is not subject to any cap, and restricted Tier 1 capital, which is capped under Solvency II. The components of Tier 2 and Tier 3 capital are also capped. The amount of Tier 3 subordinated liabilities at 31 December 2024 is net of subordinated notes not available at the level of the CNP Assurances Group.

## 5.2. Analysis of changes during the reference period

### Changes in own funds (In € billion)



The Group's eligible own funds increased by €0.2 billion between 31 December 2023 and 31 December 2024, mainly as a result of:

- **The decrease in the reconciliation reserve** of **€1.1 billion** mainly explained by the fall in future margins in Euro Savings/Pensions due to market effects with a marked increase in spreads, as well as the update of the investment strategy;
- **An increase in unavailable own funds** of **€1.6 billion** owing to the more favourable recognition of subordinated securities of €0.8 billion due to the increase in the contributed SCR of CNP Assurances SA and its subsidiaries and the decrease in the nominal value of the eligible policyholders' surplus reserve; and the decrease in non-transferable surpluses of €0.8 billion for subsidiaries not wholly owned;
- **The decrease in surplus funds** of **€0.7 billion** linked to the decrease in the nominal value of the eligible policyholders' surplus reserve due to reversals.

## 5.3. Description of own funds eligible for inclusion in the MCR coverage ratio

Own funds eligible for inclusion in the CNP Assurances Group's MCR coverage ratio amount to €30.6 billion, as follows:

- €26.8 billion of unrestricted Tier 1 capital, comprising the reconciliation reserve, share capital (excluding any preference shares), the share premium account and surplus own funds;
- €3.8 billion of subordinated debt, breaking down as follows:

| *(In € billion)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Restricted Tier 1 | 2.2 | 2.6 |
| Tier 2 | 1.7 | 1.5 |
| Tier 3 | 0.0 | 0.0 |
| **Total** | **3.8** | **4.2** |

Article 82 of the Delegated Regulations limits the eligible amounts of Tier 2 items to 20% of the MCR. No components of Tier 3 capital are eligible for inclusion in the MCR coverage ratio.

## 5.4. Comparative analysis of IFRS equity and Solvency II own funds

The difference between IFRS equity (€25.0 billion) and Solvency II own funds (€38.3 billion) can be explained as follows:

| *(In € billion)* | 31/12/2024 |
|---|---|
| IFRS consolidated equity | **21.0** |
| Non-controlling interests | 4.0 |
| **Total IFRS equity** | **25.0** |
| Changes in scope of consolidation | -1.3 |
| Reclassification of subordinated debt classified as equity | -1.4 |
| Elimination of intangible assets | -2.8 |
| Measurement of assets at fair value | 1.2 |
| Remeasurement of technical provisions net of reinsurance | 11.6 |
| Remeasurement of subordinated debt | 0.4 |
| Recognition of a contingent liability | 0.0 |
| Other adjustments | 0.0 |
| **Excess of assets over liabilities** | **32.8** |
| Subordinated debt | 8.3 |
| Unfungible own funds | -2.6 |
| Projected dividends | -1.0 |
| Deduction of occupational pension funds | -2.4 |
| D&A own funds | 3.3 |
| Other | 0.0 |
| **Eligible own funds covering the SCR** | **38.3** |

## 5.5. Description of own funds items to which transitional measures have been applied

The transitional measures provided for in the Omnibus II Directive (Directive 2014/51/EU) have been applied to subordinated notes issued before 2015. These notes are included in restricted Tier 1 capital (undated notes) or Tier 2 capital (dated notes) for a period of ten years ending on 1 January 2026, although they would not fulfil all of the eligibility criteria for inclusion in basic own funds under Solvency II in the absence of transitional measures.

The nine subordinated notes issues concerned together represent €1.6 billion out of a total of €8.3 billion in subordinated debt (at fair value) in the Solvency II balance sheet at 31 December 2024. The terms and conditions applicable to these issues vary from one issue to another.

# E2 Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR)

## 1. SCR and MCR calculation method and 2024 amounts

### 1.1. SCR calculation method

The Solvency Capital Requirement is calculated using the Solvency II Standard Formula as described in the Delegated Regulation. The amounts shown below do not take into account the use of a reduced shock to calculate the SCR for type 1 equities during the transition phase.

Furthermore, no simplification techniques or undertaking-specific parameters (USPs) were used for the SCR and MCR calculations.

### 1.2. SCR and MCR at 31 December 2024

The CNP Assurances Group SCR was €16.2 billion and the SCR coverage ratio was 237%. The CNP Assurances Group MCR was €8.3 billion and the MCR coverage ratio was 368%.

## 2. Minimum Capital Requirement (MCR)

The CNP Assurances Group's MCR corresponds to the sum of the MCRs of the Group undertakings:

| *(In € billion)* | MCR |
|---|---|
| CNP Assurances | 6.7 |
| CNP Caution | 0.0 |
| Arial CNP Assurances | 0.0 |
| Assuristance | 0.0 |
| CNP Retraite | 0.0 |
| CNP Assurances IARD | 0.1 |
| CNP Assurances Santé Individuelle | 0.0 |
| CNP Assurances Prévoyance | 0.1 |
| CNP Seguros Holding | 0.1 |
| Caixa Vida e Previdência | 0.3 |
| CNP Europe Life | 0.0 |
| CNP Cyprialife | 0.0 |
| CNP Asfalistiki | 0.0 |
| CNP Zois | 0.0 |
| CNP Santander Insurance Europe | 0.1 |
| CNP Santander Insurance Life | 0.0 |
| CNP UniCredit Vita | 0.1 |
| CNP Vita Assicura | 0.4 |
| CNP Luxembourg | 0.0 |
| CNP Assurances Compañia de Seguros | 0.0 |
| CNP Seguradora | 0.0 |
| CNP Assurances Protection Sociale | 0.1 |
| **CNP Assurances Group** | **8.3** |

# 3. Solvency Capital Requirement (SCR)

## 3.1. Quantitative SCR information by risk module

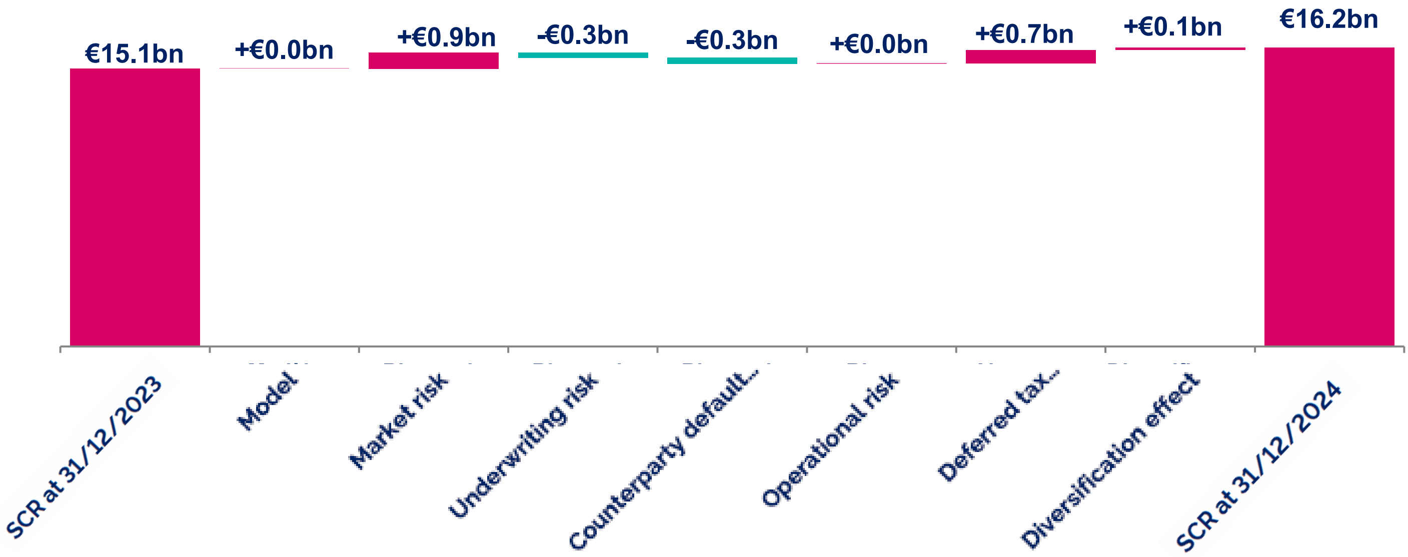
Breakdown of the CNP Assurances Group's SCR by risk module, net of losses absorbed by future discretionary benefits:

| *(In € billion)* | 31/12/2024 |
|---|---|
| Market risk SCR | 10.4 |
| Counterparty default risk SCR | 1.1 |
| Life underwriting risk SCR | 7.0 |
| Health underwriting risk SCR | 1.7 |
| Non-life underwriting risk SCR | 0.8 |
| Diversification effect | -5.9 |
| Intangible asset risk SCR | 0.0 |
| **Basic SCR** | **15.2** |
| Operational risk SCR | 1.2 |
| Loss-absorbing capacity of deferred taxes | -1.2 |
| SCR of D&A entities | 0.9 |
| Other* | 0.0 |
| **SCR** | **16.2** |

** Other items, including adjustment due to ring-fenced fund SCR aggregation.*

## 3.2 Significant changes during the period

Changes in the components of Group SCR at 31 December 2024 (In € billion):



The Group's SCR was €16.2 billion, representing an increase of €1.1 billion from the previous year-end. The increase can be explained as follows:

- The €0.9 billion increase in the market SCR, mainly due to a general increase in market SCRs in connection with the fall in loss-absorbing capacities following the fall in future margins;
- The €0.5 billion decrease in the life underwriting risk SCR explained by a fall in the mass surrender SCR, particularly for the Italian subsidiaries due to the decline in interest rates;
- The €0.2 billion increase in the health underwriting SCR related to the integration of CNP Protection Sociale;
- The €0.3 billion decrease in the counterparty SCR due to a decrease in receivables due in more than 90 days;
- The increase in the SCR, linked to a €0.7 billion decrease in the loss-absorbing capacity of deferred taxes, reflecting lower future margins.

## 4. Impact of volatility adjustment on solvency indicators

The impact of the volatility adjustment on solvency indicators is presented below:

| *(In € billion)* | Before volatility adjustment | After volatility adjustment | Impact |
|---|---|---|---|
| Minimum Capital Requirement (MCR) | 16.6 | 16.2 | -0.4 |
| Solvency Capital Requirement (SCR) | 8.6 | 8.3 | -0.3 |
| Basic own funds | 34.3 | 35.0 | 0.7 |
| Own funds eligible to cover the MCR | 29.9 | 30.6 | 0.7 |
| Own funds eligible to cover the SCR | 37.5 | 38.3 | 0.8 |
| **Solvency II coverage ratio** | **226%** | **237%** | **+11 pts** |

The increased impact was due to the wider corporate and sovereign spreads observed during the year (+11-point impact in 2024 versus a +9-point impact in 2023).

# E3 Use of duration-based equity risk sub-module

The CNP Assurances Group does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

# E4 Differences between the standard formula and any internal model used

The CNP Assurances Group does not use any internal models.

# E5 Non-compliance with MCR and SCR

The CNP Assurances Group has not breached its obligations in terms of MCR and SCR.

# F

# Appendix: QRTS

Quantitative reporting templates for public disclosure

Presentation currency: € thousand
Legal name: CNP ASSURANCES
Year ended: 31/12/2024

# S.02.01.02 – Balance sheet

| **Assets** | | |
|---|---|---|
| Intangible assets | R0030 | |
| Deferred tax assets | R0040 | 0 |
| Pension benefit surplus | R0050 | |
| Property, plant and equipment held for own use | R0060 | 113 ,801 |
| Investments (other than assets held for index-linked and unit-linked policies) | R0070 | 295, 213, 931 |
| Property (other than for own use) | R0080 | 889, 477 |
| Holdings in related undertakings, including participations | R0090 | 5, 512, 559 |
| Equities | R0100 | 20, 719, 379 |
| Equities - listed | R0110 | 12,054,932 |
| Equities - unlisted | R0120 | 8,664,447 |
| Fixed income | R0130 | 195,248,666 |
| Government bonds | R0140 | 99,284,428 |
| Corporate bonds | R0150 | 70,443,647 |
| Structured products | R0160 | 22,163,761 |
| Collateralised securities | R0170 | 3,356,830 |
| Collective investments undertakings | R0180 | 71,324,216 |
| Derivatives | R0190 | 957,293 |
| Deposits other than cash equivalents | R0200 | 553,274 |
| Other investments | R0210 | 9,067 |
| Assets held for index-linked and unit-linked contracts | R0220 | 103,478,396 |
| Loans and mortgages | R0230 | 288,657 |
| Loans on policies | R0240 | 223,004 |
| Loans and mortgages to individuals | R0250 | |
| Other loans and mortgages | R0260 | 65,653 |
| Reinsurance recoverables | R0270 | 11,057,989 |
| Non-life and health similar to non-life | R0280 | 591,984 |
| Non-life excl. health | R0290 | 182,825 |
| Health similar to non-life | R0300 | 409,159 |
| Life and health similar to life, excluding health and index-linked and unit-linked | R0310 | 8,621,096 |
| Health similar to life | R0320 | 460,830 |
| Life excluding health and index-linked and unit-linked | R0330 | 8,160,266 |
| Life index-linked and unit-linked | R0340 | 1,844,909 |
| Deposits to cedants | R0350 | 674,026 |
| Insurance and intermediaries receivables | R0360 | 2,667,035 |
| Reinsurance receivables | R0370 | 61,754 |
| Receivables (trade, not insurance) | R0380 | 8,417,516 |
| Own shares (held directly) | R0390 | 5,218 |
| Amounts due in respect of own fund items or initial fund called up but not yet paid in | R0400 | |
| Cash and cash equivalents | R0410 | 1,387,668 |
| Any other assets, not elsewhere shown | R0420 | 1,055,541 |
| Total assets | R0500 | 424,421,533 |

| **Liabilities** | | |
|---|---|---|
| Technical provisions - non-life | R0510 | 3,516,869 |
| Technical provisions - non-life (excluding health) | R0520 | 885,874 |
| Technical provisions calculated as a whole | R0530 | |
| Best estimate | R0540 | 718,995 |
| Risk margin | R0550 | 166,879 |
| Technical provisions — health (similar to non-life) | R0560 | 2,630,995 |
| Technical provisions calculated as a whole | R0570 | |
| Best estimate | R0580 | 2,518,733 |
| Risk margin | R0590 | 112,262 |
| Technical provisions – Life (excluding index-linked and unit-linked) | R0600 | 240,960,775 |
| Technical provisions - health (similar to life) | R0610 | 5,075,981 |
| Technical provisions calculated as a whole | R0620 | |
| Best estimate | R0630 | 4,880,798 |
| Risk margin | R0640 | 195,183 |
| Technical provisions – life (excluding health and index-linked and unit-linked) | R0650 | 235,884,794 |
| Technical provisions calculated as a whole | R0660 | |
| Best estimate | R0670 | 232,031,349 |
| Risk margin | R0680 | 3,853,445 |
| Technical provisions – Index-linked and unit-linked funds | R0690 | 100,461,166 |
| Technical provisions calculated as a whole | R0700 | |
| Best estimate | R0710 | 99,864,764 |
| Risk margin | R0720 | 596,403 |
| Contingent liabilities | R0740 | |
| Provisions other than technical provisions | R0750 | 244,075 |
| Pension benefit obligations | R0760 | 306,360 |
| Deposits from reinsurers | R0770 | 10,303,270 |
| Deferred tax liabilities | R0780 | 1,643,905 |
| Derivatives | R0790 | 492,687 |
| Debts owed to credit institutions | R0800 | 517,268 |
| Financial liabilities other than debts owed to credit institutions | R0810 | 16,193,019 |
| Insurance and intermediaries payables | R0820 | 1,712,595 |
| Reinsurance payables | R0830 | 387,076 |
| Payables (trade, not insurance) | R0840 | 6,531,431 |
| Subordinated liabilities | R0850 | 8,278,581 |
| Subordinated liabilities not in basic own funds | R0860 | |
| Subordinated liabilities in basic own funds | R0870 | 8,278,581 |
| Any other liabilities, not elsewhere shown | R0880 | 122,370 |
| Total liabilities | R0900 | 391,671,447 |
| Excess of assets over liabilities | R1000 | 32,750,086 |

### Solvency II balance sheet – Assets (In € billion)

| Assets, Solvency II values (In € billion) | 31/12/2024 | Corresponding section of the SFCR |
|---|---|---|
| Intangible assets | 0.0 | D1 |
| Deferred tax assets | 0.0 | D3 |
| Pension benefit surplus | 0.0 | D3 |
| Property, plant and equipment held for own use | 0.1 | D1 |
| Investments (other than assets held for index-linked and unit-linked policies) | 295.2 | D1 |
| Asset held in unit-linked and index-linked contracts | 103.5 | D1 |
| Loans and mortgages | 0.3 | D1 |
| Reinsurance recoverables | 11.1 | D2 |
| Other assets and miscellaneous receivables | 14.3 | D1 |
| **Total** | **424.4** | |

| Liabilities, Solvency II values (In € billion) | 31/12/2024 | Corresponding section of the SFCR |
|---|---|---|
| Technical provisions - non-life | 3.5 | D2 |
| Technical provisions – Life (excluding index-linked and unit-linked) | 241.0 | D2 |
| Technical provisions – Index-linked and unit-linked funds | 100.5 | D2 |
| Subordinated liabilities | 8.3 | D3 |
| Deferred tax liabilities | 1.6 | D3 |
| Derivative instruments | 0.5 | D1 |
| Contingent liabilities | 0.0 | D3 |
| Other liabilities and miscellaneous payables | 36.3 | D3 |
| **Total** | **391.7** | |
| **Excess of assets over liabilities** | **32.8** | **E1** |

**Notes:**

- The €398.5 billion portfolio of investments and derivative instruments referred to in section D1 corresponds to the sum of investments (€295.2 billion), assets held for unit-linked policies (€103.5 billion), loans and mortgages (€0.4 billion), less derivative liabilities (€0.5 billion);
- The €14.4 billion portfolio of other assets referred to in section D1 corresponds to the sum of other assets and miscellaneous receivables (€14.3 billion) and property, plant and equipment held for own use (€0.1 billion);
- Total other liabilities of €36.3 billion mentioned in section D3 correspond only to the sum of other liabilities and miscellaneous payables. No contingent liabilities were recognised at 31 December 2024.

# S.05.01.02 – Premiums, claims and expenses by line of business

Non-life insurance and reinsurance obligations

| | | Line of business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | | |
|---|---|---|---|---|---|---|
| | | Medical expense insurance | Income protection insurance | Workers' compensation insurance | Motor vehicle liability insurance | Other motor insurance |
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Premiums written** | | | | | | |
| Gross - Direct Business | R0110 | 265,511 | 459,308 | 254,378 | 90,224 | 126,892 |
| Gross - Proportional reinsurance accepted | R0120 | 269,865 | 19,303 | 765 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | |
| Reinsurers' share | R0140 | 58,364 | 3,373 | 450 | 6,044 | 2,434 |
| **Net** | R0200 | 477,012 | 475,238 | 254,693 | 84,180 | 124,458 |
| **Premiums earned** | | | | | | |
| Gross - Direct Business | R0210 | 264,605 | 474,658 | 263,114 | 84,744 | 126,581 |
| Gross - Proportional reinsurance accepted | R0220 | 256,404 | 23,914 | 765 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | |
| Reinsurers' share | R0240 | 73,510 | 3,391 | 422 | 5,992 | 2,464 |
| **Net** | R0300 | 447,499 | 495,181 | 263,457 | 78,752 | 124,117 |
| **Claims incurred** | | | | | | |
| Gross - Direct Business | R0310 | 190,826 | 372,559 | 181,704 | 53,902 | 73,089 |
| Gross - Proportional reinsurance accepted | R0320 | 234,183 | -55,482 | 9,322 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | |
| Reinsurers' share | R0340 | 37,060 | 3,726 | 113 | -9,377 | 477 |
| **Net** | R0400 | 387,949 | 313,351 | 190,913 | 63,279 | 72,612 |
| **Expenses incurred** | R0550 | 80,536 | 110,941 | 39,368 | 32,505 | 52,278 |
| **Balance – Other technical expenses/revenue** | R1210 | | | | | |
| **Total expenses** | R1300 | | | | | |

| | | Line of business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | | | |
|---|---|---|---|---|---|---|
| | | Marine, aviation and transport insurance | Fire and other property damage insurance | General liability insurance | Credit insurance and guarantees | Legal expenses insurance |
| | | C0060 | C0070 | C0080 | C0090 | C0100 |
| **Premiums written** | | | | | | |
| Gross - Direct Business | R0110 | 714 | 321,088 | 54,098 | 42,372 | 56,283 |
| Gross - Proportional reinsurance accepted | R0120 | 0 | 0 | 0 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0130 | | | | | |
| Reinsurers' share | R0140 | 104 | 39,821 | 7,616 | 4,887 | 53,789 |
| **Net** | R0200 | 610 | 281,267 | 46,482 | 37,485 | 2,494 |
| **Premiums earned** | | | | | | |
| Gross - Direct Business | R0210 | 757 | 320,816 | 52,214 | 43,689 | 55,810 |
| Gross - Proportional reinsurance accepted | R0220 | 0 | 0 | 0 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0230 | | | | | |
| Reinsurers' share | R0240 | 111 | 37,274 | 7,293 | 3,015 | 53,258 |
| **Net** | R0300 | 646 | 283,542 | 44,921 | 40,674 | 2,552 |
| **Claims incurred** | | | | | | |
| Gross - Direct Business | R0310 | 454 | 149,969 | 21,904 | 22,385 | 17,819 |
| Gross - Proportional reinsurance accepted | R0320 | 0 | 0 | 0 | 0 | 0 |
| Gross - Non-proportional reinsurance accepted | R0330 | | | | | |
| Reinsurers' share | R0340 | 237 | 50,634 | -2,238 | 3,192 | 17,522 |
| **Net** | R0400 | 217 | 99,335 | 24,142 | 19,193 | 297 |
| **Expenses incurred** | R0550 | 267 | 105,280 | 27,555 | 22,976 | -15,910 |
| **Balance – Other technical expenses/revenue** | R1210 | | | | | |
| **Total expenses** | R1300 | | | | | |

| | | Line of business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance) | | Line of business for: accepted non-proportional reinsurance | | |
|---|---|---|---|---|---|---|
| | | Assistance | Miscellaneous financial loss | Health Insurance | Casualty | Marine, aviation and transport insurance |
| | | C0110 | C0120 | C0130 | C0140 | C0150 |
| **Premiums written** | | | | | | |
| Gross - Direct Business | R0110 | 88,826 | 515,712 | | | |
| Gross - Proportional reinsurance accepted | R0120 | 0 | 58,276 | | | |
| Gross - Non-proportional reinsurance accepted | R0130 | | | 0 | 0 | 0 |
| Reinsurers' share | R0140 | 13,330 | 10,284 | 0 | 0 | 0 |
| **Net** | R0200 | 75,496 | 563,704 | 0 | 0 | 0 |
| **Premiums earned** | | | | | | |
| Gross - Direct Business | R0210 | 87,147 | 418,605 | | | |
| Gross - Proportional reinsurance accepted | R0220 | 108 | 49,632 | | | |
| Gross - Non-proportional reinsurance accepted | R0230 | | | 0 | 0 | 0 |
| Reinsurers' share | R0240 | 8,793 | 8,218 | 0 | 0 | 0 |
| **Net** | R0300 | 78,463 | 460,019 | 0 | 0 | 0 |
| **Claims incurred** | | | | | | |
| Gross - Direct Business | R0310 | 30,163 | 34,491 | | | |
| Gross - Proportional reinsurance accepted | R0320 | 0 | 3,810 | | | |
| Gross - Non-proportional reinsurance accepted | R0330 | | | 0 | 0 | 0 |
| Reinsurers' share | R0340 | 4,804 | -368 | 0 | 0 | 0 |
| **Net** | R0400 | 25,359 | 38,669 | 0 | 0 | 0 |
| **Expenses incurred** | R0550 | 30,925 | 319,416 | 0 | 0 | 0 |
| **Balance – Other technical expenses/revenue** | R1210 | | | | | |
| **Total expenses** | R1300 | | | | | |

| | | Line of business for: accepted non-proportional reinsurance | Total |
|---|---|---|---|
| | | Property | |
| | | C0160 | C0200 |
| **Premiums written** | | | |
| Gross - Direct Business | R0110 | [redacted] | 2,275,406 |
| Gross - Proportional reinsurance accepted | R0120 | [redacted] | 348,209 |
| Gross - Non-proportional reinsurance accepted | R0130 | 0 | 0 |
| Reinsurers' share | R0140 | 0 | 200,496 |
| **Net** | R0200 | 0 | 2,423,119 |
| **Premiums earned** | | | |
| Gross - Direct Business | R0210 | [redacted] | 2,192,741 |
| Gross - Proportional reinsurance accepted | R0220 | [redacted] | 330,823 |
| Gross - Non-proportional reinsurance accepted | R0230 | 0 | 0 |
| Reinsurers' share | R0240 | 0 | 203,741 |
| **Net** | R0300 | 0 | 2,319,823 |
| **Claims incurred** | | | |
| Gross - Direct Business | R0310 | [redacted] | 1,149,265 |
| Gross - Proportional reinsurance accepted | R0320 | [redacted] | 191,833 |
| Gross - Non-proportional reinsurance accepted | R0330 | 0 | 0 |
| Reinsurers' share | R0340 | 0 | 105,782 |
| **Net** | R0400 | 0 | 1,235,316 |
| **Expenses incurred** | R0550 | 0 | 806,137 |
| **Balance – Other technical expenses/revenue** | R1210 | [redacted] | -7,004 |
| **Total expenses** | R1300 | [redacted] | 799,133 |

## Life insurance and reinsurance obligations

| | | Line of business for: life insurance obligations | | | | | | Life reinsurance obligations | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | With-profits life insurance | Index-linked and unit-linked insurance | Other life insurance | Annuities stemming from non-life insurance contracts and relating to health insurance obligations | Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations | Health reinsurance | Life reinsurance | Total |
| | | C0210 | C0220 | C0230 | C0240 | C0250 | C0260 | C0270 | C0280 | C0300 |
| **Premiums written** | | | | | | | | | | |
| Gross | R1410 | 1,504,180 | 14,498,323 | 13,618,791 | 3,982,136 | 0 | 0 | 175,101 | 966,788 | 34,745,319 |
| Reinsurers' share | R1420 | 28,177 | 168,578 | 148,981 | 42,321 | 0 | 0 | 0 | 0 | 388,057 |
| **Net** | R1500 | 1,476,003 | 14,329,745 | 13,469,810 | 3,939,815 | 0 | 0 | 175,101 | 966,788 | 34,357,261 |
| **Premiums earned** | | | | | | | | | | |
| Gross | R1510 | 1,159,430 | 14,488,152 | 13,609,481 | 3,302,924 | 0 | 0 | 203,819 | 988,339 | 33,752,145 |
| Reinsurers' share | R1520 | 52,473 | 168,790 | 148,847 | 77,214 | 0 | 0 | 0 | 0 | 447,324 |
| **Net** | R1600 | 1,106,957 | 14,319,362 | 13,460,634 | 3,225,710 | 0 | 0 | 203,819 | 988,339 | 33,304,821 |
| **Claims incurred** | | | | | | | | | | |
| Gross | R1610 | 316,339 | 19,676,727 | 10,564,400 | 994,868 | 0 | 0 | 133,677 | 915,062 | 32,601,073 |
| Reinsurers' share | R1620 | 14,845 | 599,910 | 91,034 | 36,063 | 0 | 0 | 0 | 0 | 741,852 |
| **Net** | R1700 | 301,494 | 19,076,817 | 10,473,366 | 958,805 | 0 | 0 | 133,677 | 915,062 | 31,859,221 |
| **Expenses incurred** | R1900 | 558,388 | 1,696,542 | 633,307 | 1,507,283 | 0 | 0 | 34,160 | 130,613 | 4,560,293 |
| **Balance – Other technical expenses/revenue** | R2510 | [redacted] | | | | | | | | -17,887 |
| **Total expenses** | R2600 | [redacted] | | | | | | | | 4,542,406 |
| **Total surrenders** | R2700 | -1,034 | 10,694,393 | 9,421,323 | 515,412 | 0 | 0 | | | 20,630,094 |

# S.05.02.04 – Premiums, claims and expenses by country

Non-life insurance and reinsurance obligations

| | | Home country | Top 5 countries (by amount of gross premiums written) - non-life obligations | Top 5 countries (by amount of gross premiums written) - non-life obligations | Top 5 countries (by amount of gross premiums written) - non-life obligations | Top 5 countries (by amount of gross premiums written) - non-life obligations | Total top 5 and home country |
|---|---|---|---|---|---|---|---|
| | | C0080 | C0020 | C0030 | C0040 | C0050 | C0140 |
| | R0010 | | BR | DE | ES | IT | |
| **Premiums written** | | | | | | | |
| Gross - Direct Business | R0110 | 1,635,448 | 219,396 | 228,971 | 20,370 | 24,841 | 2,129,026 |
| Gross - Proportional reinsurance accepted | R0120 | 297,061 | 0 | 30,755 | 20,267 | 1,282 | 349,365 |
| Gross - Non-proportional reinsurance accepted | R0130 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurers' share | R0140 | 160,746 | 11,361 | 379 | 0 | 32 | 172,518 |
| **Net** | R0200 | 1,771,763 | 208,035 | 259,347 | 40,637 | 26,091 | 2,305,873 |
| **Premiums earned** | | | | | | | |
| Gross - Direct Business | R0210 | 1,639,731 | 227,726 | 158,998 | 6,720 | 20,879 | 2,054,054 |
| Gross - Proportional reinsurance accepted | R0220 | 285,258 | 0 | 19,983 | 20,267 | 1,282 | 326,790 |
| Gross - Non-proportional reinsurance accepted | R0230 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurers' share | R0240 | 168,064 | 8,331 | 269 | 0 | 32 | 176,696 |
| **Net** | R0300 | 1,756,925 | 219,395 | 178,712 | 26,987 | 22,129 | 2,204,148 |
| **Claims incurred** | | | | | | | |
| Gross - Direct Business | R0310 | 965,311 | 122,855 | 13,554 | 616 | 823 | 1,103,159 |
| Gross - Proportional reinsurance accepted | R0320 | 190,319 | 0 | 0 | 3,282 | 683 | 194,284 |
| Gross - Non-proportional reinsurance accepted | R0330 | 0 | 0 | 0 | 0 | 0 | 0 |
| Reinsurers' share | R0340 | 60,867 | 40,432 | 0 | 0 | 0 | 101,299 |
| **Net** | R0400 | 1,094,763 | 82,423 | 13,554 | 3,898 | 1,506 | 1,196,144 |
| **Expenses incurred** | R0550 | 512,590 | 83,497 | 123,437 | 18,287 | 12,075 | 749,886 |
| **Balance – Other technical expenses/revenue** | R1210 | | | | | | -7,184 |
| **Total expenses** | R1300 | | | | | | 742,702 |

## Life insurance and reinsurance obligations

| | | Home country | Top 5 countries (by amount of gross premiums written) - life obligations | Top 5 countries (by amount of gross premiums written) - life obligations | Top 5 countries (by amount of gross premiums written) - life obligations | Top 5 countries (by amount of gross premiums written) - life obligations | Total top 5 and home country |
|---|---|---|---|---|---|---|---|
| | | C0220 | C0160 | C0170 | C0180 | C0190 | C0280 |
| | R1400 | | BR | DE | ES | IT | |
| **Premiums written** | | | | | | | |
| Gross | R1410 | 21,233,077 | 5,889,142 | 391,330 | 57,818 | 6,888,954 | 34,460,321 |
| Reinsurers' share | R1420 | 359,498 | 527 | 299 | 102 | 18,536 | 378,962 |
| **Net** | R1500 | 20,873,579 | 5,888,615 | 391,031 | 57,716 | 6,870,418 | 34,081,359 |
| **Premiums earned** | | | | | | | |
| Gross | R1510 | 20,379,292 | 5,818,209 | 371,409 | 67,321 | 6,885,842 | 33,522,073 |
| Reinsurers' share | R1520 | 418,632 | 521 | 212 | 102 | 18,536 | 438,003 |
| **Net** | R1600 | 19,960,660 | 5,817,688 | 371,197 | 67,219 | 6,867,306 | 33,084,070 |
| **Claims incurred** | | | | | | | |
| Gross | R1610 | 19,874,334 | 4,333,032 | 69,551 | 7,883 | 8,193,748 | 32,478,548 |
| Reinsurers' share | R1620 | 701,371 | 3,670 | 2 | 12 | 12,485 | 717,540 |
| **Net** | R1700 | 19,172,963 | 4,329,362 | 69,549 | 7,871 | 8,181,263 | 31,761,008 |
| **Expenses incurred** | R1900 | 3,379,524 | 456,514 | 226,486 | 40,405 | 333,673 | 4,436,602 |
| **Balance – Other technical expenses/revenue** | R2510 | | | | | | -18,015 |
| **Total expenses** | R2600 | | | | | | 4,418,587 |
| **Total surrenders** | R2700 | 9,501,386 | 4,014,653 | 0 | 74 | 7,053,054 | 20,569,167 |

# S.22.01.22 – Impact of long term guarantees and transitional measures

| | | Amount with long term guarantees and transitional measures | Impact of transitional measures on technical provisions | Impact of transitional measures on interest rates | Impact of volatility adjustment set to zero | Impact of a matching adjustment set to zero |
|---|---|---|---|---|---|---|
| | | C0010 | C0030 | C0050 | C0070 | C0090 |
| Technical provisions | R0010 | 344,938,810 | 0 | 0 | 1,113,686 | 0 |
| Basic own funds | R0020 | 35,043,157 | 0 | 0 | -777,603 | 0 |
| Own funds eligible to cover the SCR | R0050 | 38,313,989 | 0 | 0 | -777,603 | 0 |
| Solvency Capital Requirement (SCR) | R0090 | 16,184,121 | 0 | 0 | 456,318 | 0 |

# S.23.01.22 – Own funds

| | | Total | Level 1 - unrestricted | Level 1 - restricted | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Basic own funds before deduction for participations in other financial sectors** | | | | | | |
| Ordinary share capital (gross of own shares) | R0010 | 4,000,256 | 4,000,256 | | | |
| Non-available called but not paid in ordinary share capital at Group level | R0020 | | | | | |
| Share premium account related to ordinary share capital | R0030 | 5,414,300 | 5,414,300 | | | |
| Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings | R0040 | | | | | |
| Subordinated mutual member accounts | R0050 | | | | | |
| Non-available subordinated mutual member accounts at Group level | R0060 | | | | | |
| Surplus funds | R0070 | 8,914,189 | 8,914,189 | | | |
| Non-available surplus funds at Group level | R0080 | | | | | |
| Preference shares | R0090 | | | | | |
| Non-available preference shares at Group level | R0100 | | | | | |
| Share premium account related to preference shares | R0110 | | | | | |
| Non-available share premium account related to preference shares at Group level | R0120 | | | | | |
| Reconciliation reserve | R0130 | 13,427,176 | 13,427,176 | | | |
| Subordinated liabilities | R0140 | 8,278,581 | | 2,177,687 | 4,936,105 | 1,164,788 |
| Non-available subordinated liabilities at Group level | R0150 | | | | | |
| Amount equal to the value of net deferred tax assets | R0160 | 0 | | | | 0 |
| Amount equal to the value of net deferred tax assets not available at the Group level | R0170 | | | | | |
| Other items approved by supervisory authority as basic own funds not specified above | R0180 | 0 | 0 | | 0 | 0 |
| Non available own funds related to other own funds items approved by supervisory authority | R0190 | 693,784 | 693,784 | | | |
| Minority interests (if not reported as part of a specific own fund item) | R0200 | 0 | 0 | | 0 | 0 |
| Non-available minority interests at Group level | R0210 | 1,930,941 | 1,930,941 | | | |
| **Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds** | | | | | | |
| Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds | R0220 | | | | | |
| **Deductions** | | | | | | |
| Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities | R0230 | 2,366,620 | 2,366,620 | | | |
| Of which deducted according to Article 228 of the Directive 2009/138/EC | R0240 | | | | | |
| Deductions for participations where there is non-availability of information (Article 229) | R0250 | | | | | |
| Deduction for participations included by using D&A when a combination of methods is used | R0260 | | | | | |
| Total non-available own fund items | R0270 | 2,624,725 | 2,624,725 | | | |
| **Total deductions** | R0280 | 4,991,345 | 4,991,345 | | | |
| **Total basic own funds after deductions** | R0290 | 35,043,157 | 26,764,576 | 2,177,687 | 4,936,105 | 1,164,788 |

| | | Total | Level 1 - unrestricted | Level 1 - restricted | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| | | C0010 | C0020 | C0030 | C0040 | C0050 |
| **Ancillary own funds** | | | | | | |
| Unpaid and uncalled ordinary share capital callable on demand | R0300 | | | | | |
| Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand | R0310 | | | | | |
| Unpaid and uncalled preference shares, callable on demand | R0320 | | | | | |
| Legally binding commitment to subscribe and pay for subordinated liabilities on demand | R0330 | | | | | |
| Letters of credit and guarantees under Article 96(2) of Directive 2009/138/EC | R0340 | | | | | |
| Letters of credit and guarantees other than under Article 96(2) of Directive 2009/138/EC | R0350 | | | | | |
| Supplementary members calls under Article 96(3) of Directive 2009/138/EC | R0360 | | | | | |
| Supplementary members calls - other than under first subparagraph of Article 96(3) of Directive 2009/138/EC | R0370 | | | | | |
| Non available ancillary own funds at Group level | R0380 | | | | | |
| Other ancillary own funds | R0390 | | | | | |
| **Total ancillary own funds** | R0400 | | | | | |
| **Own funds of other financial sectors** | | | | | | |
| **Credit institutions, investment firms, financial institutions, alternative investment fund managers** | R0410 | | | | | |
| Institution for occupational retirement provision | R0420 | 3,270,832 | 3,270,832 | | | |
| Non-regulated entities carrying out financial activities | R0430 | 0 | 0 | 0 | 0 | |
| Total own funds of other financial sectors | R0440 | 3,270,832 | 3,270,832 | 0 | 0 | |
| **Own funds when using the D&A, exclusively or in combination with method 1** | | | | | | |
| Own funds aggregated when using the D&A or a combination of methods | R0450 | | | | | |
| Own funds aggregated when using D&A and a combination of methods net of IGT | R0460 | | | | | |
| Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sectors and from the undertakings included via D&A) | R0520 | 35,043,157 | 26,764,576 | 2,177,687 | 4,936,105 | 1,164,788 |
| Total available own funds to meet the minimum consolidated Group SCR | R0530 | 33,878,369 | 26,764,576 | 2,177,687 | 4,936,105 | |
| Total eligible own funds to meet the consolidated Group SCR (excluding own funds from other financial sectors and from the undertakings included via D&A) | R0560 | 35,043,157 | 26,764,576 | 2,177,687 | 4,936,105 | 1,164,788 |
| Total eligible own funds to meet the minimum consolidated Group SCR | R0570 | 30,603,723 | 26,764,576 | 2,177,687 | 1,661,459 | |
| **Minimum consolidated Group solvency capital requirement** | R0610 | 8,307,296 | | | | |
| **Ratio of Eligible own funds to Minimum Consolidated Group SCR** | R0650 | 3.6840 | | | | |
| **Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)** | R0660 | 38,313,989 | 30,035,408 | 2,177,687 | 4,936,105 | 1,164,788 |
| **Group SCR** | R0680 | 16,184,121 | | | | |
| **Ratio of eligible own funds to group SCR (including other financial sectors and the undertakings included via D&A)** | R0690 | 2.37 | | | | |

| | | C0060 |
|---|---|---|
| **Reconciliation reserve** | | |
| Excess of assets over liabilities | R0700 | 32,750,086 |
| Own shares (held directly or indirectly) | R0710 | 5,218 |
| Foreseeable dividends, distributions and expenses | R0720 | 988,947 |
| Other basic own fund items | R0730 | 18,328,745 |
| Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds | R0740 | |
| Other unavailable own funds | R0750 | |
| **Reconciliation reserve** | R0760 | 13,427,176 |
| **Expected benefits** | | |
| Expected profit in future premiums (EPIFP) — Life business | R0770 | 2,572,494 |
| Expected profit in future premiums (EPIFP) — Non-life business | R0780 | 329,245 |
| **Total expected profit in future premiums (EPIFP)** | R0790 | 2,901,740 |

# S.25.01.22 – Solvency Capital Requirement (for undertakings on Standard Formula)

| | | Gross solvency capital requirement | Simplifications | USP |
|---|---|---|---|---|
| | | C0110 | C0120 | C0090 |
| Market risk | R0010 | 28,698,097 | | |
| Counterparty default risk | R0020 | 1,173,855 | | |
| Life underwriting risk | R0030 | 14,631,185 | | None |
| Health underwriting risk | R0040 | 2,303,716 | | None |
| Non-life underwriting risk | R0050 | 817,510 | | None |
| Diversification effect | R0060 | -10,959,232 | | |
| Intangible asset risk | R0070 | | | |
| **Basic Solvency Capital Requirement** | R0100 | 36,665,131 | | |

| Calculation of Solvency Capital Requirement | | C0100 |
|---|---|---|
| Operational risk | R0130 | 1,246,293 |
| Loss-absorbing capacity of technical provisions | R0140 | -21,464,843 |
| Loss-absorbing capacity of deferred taxes | R0150 | -1,175,214 |
| Capital requirement for business operated in accordance with Article 4 of Directive 2003/41/EC | R0160 | |
| **Solvency Capital Requirement excluding capital add-on** | R0200 | 15,271,367 |
| Capital add-ons already set | R0210 | |
| Of which additional capital requirements already defined – Article 37(1)(a) | R0211 | |
| Of which additional capital requirements already defined – Article 37(1)(b) | R0212 | |
| Of which additional capital requirements already defined – Article 37(1)(c) | R0213 | |
| Of which additional capital requirements already defined – Article 37(1)(d) | R0214 | |
| **Solvency Capital Requirement (SCR)** | R0220 | 16,184,121 |
| **Other information on SCR** | | |
| Capital requirement for duration-based equity risk sub-module | R0400 | |
| Total amount of Notional Solvency Capital Requirement for the remaining part | R0410 | 16,184,121 |
| Total amount of Notional Solvency Capital Requirements for ring-fenced funds | R0420 | 0 |
| Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios | R0430 | |
| Diversification effects due to RFF nSCR aggregation for Article 304 | R0440 | 0 |
| Minimum consolidated Group solvency capital requirement | R0470 | 8,307,296 |
| **Information on other entities** | | |
| Capital requirement for other financial sectors (Non-insurance capital requirements) | R0500 | 912,754 |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies | R0510 | |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provision | R0520 | 912,754 |
| Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities | R0530 | |
| Capital requirement for non-controlling interests requirements | R0540 | |
| Capital requirement for residual undertakings | R0550 | |
| Capital requirement for collective investment undertakings or fund investments | R0555 | |
| **Overall SCR** | | |
| SCR for undertakings included via D&A | R0560 | |
| **Solvency Capital Requirement (SCR)** | R0570 | 16,184,181 |

# S.32.01.22 – Undertakings in the scope of the Group

| Company identification code | Country | Legal name of the undertaking | Type of undertaking | Legal form | Category (mutual/non-mutual) | Supervisory authority |
|---|---|---|---|---|---|---|
| C0020 | C0010 | C0040 | C0050 | C0060 | C0070 | C0080 |
| LEI/549300E1TVPTEUKMTJ15 | CY | CNP Cyprialife | 1 | Limited Company | 1 | Insurance Companies Control Service |
| LEI/635400OJWQDTW9KI2E51 | CY | CNP Asfalistiki | 2 | Limited Company | 1 | Insurance Companies Control Service |
| LEI/969500GJQEPAPEKJAX76 | FR | Filassistance International | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/9695003KNR5RJDZHBQ64 | FR | CNP Assurances Protection Sociale | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/213800KOZ1PVC8TLM824 | GR | CNP Zois | 1 | Société anonyme | 1 | Bank of Greece |
| LEI/969500330J87723S1285 | FR | CNP Caution | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/9695009BB709WPVP1053 | FR | Assuristance | 6 | Société par Actions Simplifiée | 2 | |
| LEI/25490040GRAHW0LWQF58 | BR | CNP Seguros Holding Brasil S.A | 6 | Société anonyme | 2 | |
| LEI/96950038Q8ZIC7JNF597 | FR | CNP Assurances Santé Individuelle | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/635400VBRWZ7L36SLG55 | IE | CNP Europe Life DAC | 1 | incorporated companies limited by shares or by guarantee or unlimited | 2 | Central Bank of Ireland |
| LEI/6354001NC5BJ3Z7GSG05 | IE | CNP Santander Insurance Europe DAC | 4 | incorporated companies limited by shares or by guarantee or unlimited | 2 | Central Bank of Ireland |
| LEI/9695008H4RKQ5E1SRK50 | FR | ARIAL CNP ASSURANCES | 9 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/213800UWFKY5GOXG1M30 | CY | CNP Cyprus Insurance Holdings | 5 | Limited Company | 1 | |
| LEI/0SNYM8YYKYB4ZH7G4F66 | IT | CNP UNICREDIT VITA | 1 | Società per azioni | 2 | Istituto per la vigilanza sulle assicurazioni |
| LEI/254900NV8LITOXEABR13 | AR | CNP Assurances Compañia de Seguros | | Société anonyme | 2 | Superintendencia de Seguros de la Nación |
| LEI/969500QKVPV2H8UXM738 | FR | CNP ASSURANCES | 4 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/96950080XM90U326XP05 | FR | CNP Assurances Holding | 5 | Société anonyme | 2 | |
| LEI/969500MEZX6RONYWTU36 | FR | MONTPARVIE V | 5 | Société par Actions Simplifiée Unipersonnelle | 2 | |
| LEI/222100YKBGQFZEHE4Y78 | LU | CNP Luxembourg | 1 | Société anonyme | 2 | Commissariat aux assurances |
| LEI/969500NE55HVFSRCXP27 | FR | Sogestop K | 5 | Société par Actions Simplifiée | 2 | |
| LEI/9695002E8YJRDJDP6H11 | FR | CNP Assurances IARD | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/969500Q5IAAI8I23Q509 | FR | CNP Assurances Prévoyance | 2 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/969500WKARA61EDJ3M51 | FR | CNP Retraite | 9 | Société anonyme | 2 | Autorité de Contrôle Prudentiel et de Résolution |
| LEI/E5C5M16QUC5ENFIRR536 | IT | CNP Vita Assicura | 1 | Società per azioni | 2 | Istituto per la vigilanza sulle assicurazioni |
| LEI/635400FVDVPKRG2JWN68 | IE | CNP Santander Insurance Life Dac | 4 | incorporated companies limited by shares or by guarantee or unlimited | 2 | Central Bank of Ireland |
| SC/969500QKVPV2H8UXM738BR00005 | BR | Caixa Vida e Previdência | 1 | Société anonyme | 2 | Superintendência de Seguros Privados |
| SC/969500QKVPV2H8UXM738BR00018 | BR | XS5 ADMINISTRADORA DE CONSORCIOS S.A. | 99 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00007 | BR | Youse Tecnologia E Assistencia Em Seguros Ltda | 99 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00011 | BR | Odonto Empresas Convenios Dentarios Ltda | 2 | Société à responsabilité limitée | 2 | Agência Nacional de Saúde Suplementar |
| SC/969500QKVPV2H8UXM738BR00015 | BR | HOLDING XS 1 S.A. | 6 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00012 | BR | CNP Participações em Seguros Ltda. | 5 | Société à responsabilité limitée | 2 | |
| SC/969500QKVPV2H8UXM738BR00006 | BR | CNP Consórcio S.A. Administradora de Consórcios | 99 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00002 | BR | CNP Participações Securitarias Brasil Ltda | 5 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00004 | BR | CNP Capitalização S.A. | 1 | Société anonyme | 2 | Superintendência de Seguros Privados |

| Company identification code | Country | Legal name of the undertaking | Type of undertaking | Legal form | Category (mutual/non-mutual) | Supervisory authority |
|---|---|---|---|---|---|---|
| C0020 | C0010 | C0040 | C0050 | C0060 | C0070 | C0080 |
| SC/969500QKVPV2H8UXM738BR00013 | BR | CNP Assurances Latam Holding Ltda | 6 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00014 | BR | CNP Assurances Participações Ltda | 5 | Société à responsabilité limitée | 2 | |
| SC/969500QKVPV2H8UXM738BR00003 | BR | Caixa Seguradora S.A. | 4 | Société anonyme | 2 | Superintendência de Seguros Privados |
| SC/969500QKVPV2H8UXM738BR00017 | BR | Wiz Soluçoes e Corretagem de Seguros S.A. | 99 | Société anonyme | 2 | |
| SC/969500QKVPV2H8UXM738BR00009 | BR | Companhia de Seguros Previdencia Do Sul-Previsul | 4 | Société anonyme | 2 | Superintendência de Seguros Privados |
| SC/969500QKVPV2H8UXM738BR00008 | BR | Caixa Seguradora Especializada Em Saúde S.A. | 2 | Société anonyme | 2 | Agência Nacional de Saúde Suplementar |

| Country | Legal name of the undertaking | Criteria of influence | | | | | |
|---|---|---|---|---|---|---|---|
| | | % capital share | % used for the establishment of consolidated accounts | % voting rights | Other criteria | Level of influence | Proportional share used for Group solvency calculation |
| C0010 | C0040 | C0180 | C0190 | C0200 | C0210 | C0220 | C0230 |
| CY | CNP Cyprialife | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| CY | CNP Asfalistiki | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | Filassistance International | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Assurances Protection Sociale | 65.00% | 100.00% | 65.00% | | 1 | 65.00% |
| GR | CNP Zois | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Caution | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | Assuristance | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | CNP Seguros Holding Brasil S.A | 51.75% | 100.00% | 51.75% | | 1 | 51.75% |
| FR | CNP Assurances Santé Individuelle | 51.00% | 100.00% | 51.00% | | 1 | 51.00% |
| IE | CNP Europe Life DAC | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| IE | CNP Santander Insurance Europe DAC | 51.00% | 100.00% | 51.00% | | 1 | 51.00% |
| FR | ARIAL CNP ASSURANCES | 40.00% | 40.00% | 40.00% | | 2 | 40.00% |
| CY | CNP Cyprus Insurance Holdings | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| IT | CNP UNICREDIT VITA | 51.00% | 100.00% | 51.00% | | 1 | 51.00% |
| AR | CNP Assurances Compañia de Seguros | 76.47% | 100.00% | 76.47% | | 1 | 76.47% |
| FR | CNP ASSURANCES | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Assurances Holding | 0.00% | 0.00% | 0.00% | | 1 | 0.00% |
| FR | MONTPARVIE V | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| LU | CNP Luxembourg | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | Sogestop K | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Assurances IARD | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Assurances Prévoyance | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| FR | CNP Retraite | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| IT | CNP Vita Assicura | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| IE | CNP Santander Insurance Life Dac | 51.00% | 100.00% | 51.00% | | 1 | 51.00% |
| BR | Caixa Vida e Previdência | 40.00% | 100.00% | 100.00% | | 2 | 40.00% |
| BR | XS5 ADMINISTRADORA DE CONSORCIOS S.A. | 25.00% | 25.00% | 50.01% | | 1 | 25.00% |
| BR | Youse Tecnologia E Assistencia Em Seguros Ltda | 51.75% | 100.00% | 100.00% | | 1 | 51.75% |
| BR | Odonto Empresas Convenios Dentarios Ltda | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | HOLDING XS 1 S.A. | 40.00% | 100.00% | 51.00% | | 2 | 40.00% |
| BR | CNP Participações em Seguros Ltda. | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | CNP Consórcio S.A. Administradora de Consórcios | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | CNP Participações Securitarias Brasil Ltda | 51.75% | 100.00% | 100.00% | | 1 | 51.75% |
| BR | CNP Capitalização S.A. | 100.00% | 100.00% | 100.00% | | 2 | 100.00% |
| BR | CNP Assurances Latam Holding Ltda | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | CNP Assurances Participações Ltda | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | Caixa Seguradora S.A. | 51.75% | 100.00% | 100.00% | | 1 | 51.75% |
| BR | Wiz Soluçoes e Corretagem de Seguros S.A. | 12.94% | 25.00% | 25.00% | | 2 | 12.94% |
| BR | Companhia de Seguros Previdencia Do Sul-Previsul | 100.00% | 100.00% | 100.00% | | 1 | 100.00% |
| BR | Caixa Seguradora Especializada Em Saúde S.A. | 51.75% | 100.00% | 100.00% | | 1 | 51.75% |

| Country | Legal name of the undertaking | Inclusion in scope of Group supervision | | Group solvency calculation |
|---|---|---|---|---|
| | | YES/NO | Date of decision if art. 214 is applied | Method used, and if first method, treatment of the company |
| C0010 | C0040 | C0240 | C0250 | C0260 |
| CY | CNP Cyprialife | 1 | | 1 |
| CY | CNP Asfalistiki | 1 | | 1 |
| FR | Filassistance International | 1 | | 1 |
| FR | CNP Assurances Protection Sociale | 1 | | 1 |
| GR | CNP Zois | 1 | | 1 |
| FR | CNP Caution | 1 | | 1 |
| FR | Assuristance | 1 | | 1 |
| BR | CNP Seguros Holding Brasil S.A | 1 | | 1 |
| FR | CNP Assurances Santé Individuelle | 1 | | 1 |
| IE | CNP Europe Life DAC | 1 | | 1 |
| IE | CNP Santander Insurance Europe DAC | 1 | | 1 |
| FR | ARIAL CNP ASSURANCES | 1 | | 6 |
| CY | CNP Cyprus Insurance Holdings | 1 | | 1 |
| IT | CNP UNICREDIT VITA | 1 | | 1 |
| AR | CNP Assurances Compañia de Seguros | 1 | | 1 |
| FR | CNP ASSURANCES | 1 | | 1 |
| FR | CNP Assurances Holding | 1 | | 1 |
| FR | MONTPARVIE V | 1 | | 1 |
| LU | CNP Luxembourg | 1 | | 1 |
| FR | Sogestop K | 1 | | 1 |
| FR | CNP Assurances IARD | 1 | | 1 |
| FR | CNP Assurances Prévoyance | 1 | | 1 |
| FR | CNP Retraite | 1 | | 6 |
| IT | CNP Vita Assicura | 1 | | 1 |
| IE | CNP Santander Insurance Life Dac | 1 | | 1 |
| BR | Caixa Vida e Previdência | 1 | | 1 |
| BR | XS5 ADMINISTRADORA DE CONSORCIOS S.A. | 1 | | 3 |
| BR | Youse Tecnologia E Assistencia Em Seguros Ltda | 1 | | 1 |
| BR | Odonto Empresas Convenios Dentarios Ltda | 1 | | 1 |
| BR | HOLDING XS 1 S.A. | 1 | | 1 |
| BR | CNP Participações em Seguros Ltda. | 1 | | 1 |
| BR | CNP Consórcio S.A. Administradora de Consórcios | 1 | | 1 |
| BR | CNP Participações Securitarias Brasil Ltda | 1 | | 1 |
| BR | CNP Capitalização S.A. | 1 | | 1 |
| BR | CNP Assurances Latam Holding Ltda | 1 | | 1 |
| BR | CNP Assurances Participações Ltda | 1 | | 1 |
| BR | Caixa Seguradora S.A. | 1 | | 1 |
| BR | Wiz Soluçoes e Corretagem de Seguros S.A. | 1 | | 3 |
| BR | Companhia de Seguros Previdencia Do Sul-Previsul | 1 | | 1 |
| BR | Caixa Seguradora Especializada Em Saúde S.A. | 1 | | 1 |

| | |
|---|---|
| Country | Identify the ISO 3166-1 alpha-2 code of the country in which the registered head office of each undertaking is located. |
| Type of undertaking | 1 - Life insurance undertaking<br>2 - Non-life insurance undertaking<br>3 - Reinsurance undertaking<br>4 - Composite undertaking<br>5 - Insurance holding company as defined in Article 212(1)(f) of Directive 2009/138/EC<br>6 - Mixed-activity insurance holding company as defined in Article 212(1)(g) of Directive 2009/138/EC<br>7 - Mixed-activity financial holding company as defined in Article 212(1)(h) of Directive 2009/138/EC<br>8 - Credit institution, investment firm or financial institution<br>9 - Institution for occupational retirement provision<br>10 - Ancillary services undertaking as defined in Article 1(53) of Delegated Regulation (EU) 2015/35<br>11 - Non-regulated undertaking carrying out financial activities as defined in Article 1(52) of Delegated Regulation (EU) 2015/35<br>12 - Special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC<br>13 - Special purpose vehicle other than special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC<br>14 - UCITS management companies as defined in Article 1(54) of Delegated Regulation (EU) 2015/35<br>15 - Alternative investment funds managers as defined in Article 1(55) of Delegated Regulation (EU) 2015/35<br>99 - Other |
| Category (mutual/non-mutual) | 1 - Mutual<br>2 - Non-mutual |
| Level of influence | 1 - Dominant<br>2 - Significant |
| Inclusion in the Group's scope of supervision | 1 - Included in the scope<br>2 - Not included in the scope (Art. 214 (2)(a))<br>3 - Not included in the scope (Art. 214 (2)(b))<br>4 - Not included in the scope (Art. 214 (2) (c)) |
| Method used, and if first method, treatment of the company | 1 - Method 1: full consolidation<br>2 - Method 1: proportional consolidation<br>3 - Method 1: adjusted equity method<br>4 - Method 1: sectoral rules<br>5 - Method 2: Solvency II<br>6 - Method 2: other sectoral rules<br>7 - Method 2: local rules<br>8 - Deduction of the participation in accordance with article 229 of Directive 2009/138/EC<br>9 - Non-inclusion in the scope of Group supervision in accordance with article 214 of Directive 2009/138/EC<br>10 - Other method |

# G

## Glossary

**Administrative, Management or Supervisory Body**: Based on the definition in Solvency II, in the case of CNP Assurances which has a single-tier board system, the administrative, management or supervisory body corresponds to the Board of Directors and Executive Management.

**New business**: Component of the contractual service margin (CSM) related to policies taken out during the year. New business is determined in accordance with IFRS 9 and IFRS 17.

**Attributable new business**: Insurance margin component. Corresponds to the contribution of new business to profit for the year. Attributable new business is determined in accordance with IFRS 9 and IFRS 17.

**Annual Premium Equivalent (APE)**: One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period, net of non-controlling interests and ceded premiums. APE is an indicator of underwriting volume.

**Autorité de Contrôle Prudentiel et de Résolution (ACPR)**: France's banking and insurance supervisor.

**Overall solvency needs**: Required capital as estimated during the ORSA process, taking into account the reporting entity's specific risk profile, approved risk tolerance limits and business strategy.

**Best Estimate (BE)**: Corresponds to the best estimate of insurance liabilities as calculated in accordance with Solvency II principles.

**Business Units (BUs)**: Units responsible for business development and insurance contract administration processes.

**Premium income**: Corresponds to earned premiums, by business segment. This indicator includes non-controlling interests and is gross of reinsurance. It measures underwriting volume over the period. Premium income is a non-GAAP indicator.

**Net inflows**: Calculated, using management data, in accordance with the principles applicable to consolidated financial statements in France, i.e. before restatements linked to the deposit accounting principles applied to financial contracts without discretionary profit-sharing, by deducting benefits paid (on death, maturing policies, partial surrenders, total surrenders, annuities) from premiums received. This indicator includes non-controlling interests and is gross of reinsurance. It is used to measure the impact on outstanding amounts of premiums received and benefits paid to policyholders and beneficiaries. This indicator is published annually and is a non-GAAP indicator.

**Contractual Service Margin (CSM)**: Represents a "provision for profits", released in line with the policy coverage period. The CSM cannot be negative. If applicable, the underlying contract becomes an onerous contract and is recorded in the Loss Component. The contractual service margin is determined in accordance with IFRS 9 and IFRS 17.

**EIOPA**: European Insurance and Occupational Pensions Authority.

**Change at constant exchange rates**: In a constant exchange rate comparison, the exchange rate of the previous period is applied to the current period. This indicator is used to measure the change in the main indicators excluding exchange rate effects.

**Change at constant scope**: In a constant scope comparison, the contribution of activities sold or discontinued is removed from the scope of the previous period, and the contribution of new activities is removed from the scope of the current period. This indicator is used to measure the change in the main indicators for a comparable scope of activity.

**Required solvency margin (RSM)**: The minimum amount for the solvency margin. In accordance with the provisions of Article R.385-2 of the French Insurance Code, the required solvency margin is established as a function of mathematical and technical provisions.

**Key functions**: There are four key functions defined in Solvency II – internal audit, actuarial, risk management and compliance. These functions are considered as playing a strategic role in the risk management process and the heads of these functions must comply with the Directive's fit and proper requirements.

**Eligible own funds for MCR calculations**: Sum of Tier 1 and Tier 2 own funds eligible for inclusion in the Minimum Capital Requirement (MCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not eligible for inclusion in MCR.

**Eligible own funds for SCR calculations**: Sum of Tier 1, Tier 2 and Tier 3 own funds eligible for inclusion in the Solvency Capital Requirement (SCR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of SCR.

**Unrestricted Tier 1 capital**: Capital classified as Tier 1 excluding subordinated debt. This is calculated as the sum of the share capital, issue, merger and contribution premiums, and the reconciliation reserve minus non-fungible own funds.

**Restricted Tier 1 own funds**: Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

**Tier 2 own funds**: Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

**Tier 3 own funds**: Subordinated notes classified in Tier 3 plus any net deferred tax assets also classified in Tier 3.

**Management fees**: Administration and management fees of insurance policies excluding commissions paid to distributors. They are calculated including non-controlling interests. Management fees include attributable expenses for the entire scope and non-attributable expenses for the insurance companies scope. Management fees are determined in accordance with IFRS 9 and IFRS 17.

**Solvency margin (SM):** Regulatory capital plus eligible unrealised capital gains (subject to ACPR approval).

**Insurance margin**: The insurance margin is an item of attributable net profit and represents the margin from the expected stock, the experience effect, market effects, the contribution of new business, and the impact of the loss component. The insurance margin is determined in accordance with IFRS 9 and IFRS 17.

**Market Consistent Embedded Value (MCEV)**: A measure of the consolidated value of shareholders' interests in the covered business. It breaks down between adjusted net asset value (ANAV) and the value of in-force business (VIF) – corresponding to the value of the insurance policies in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

**Minimum Capital Requirement (MCR)**: Minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn if it is unable to re-establish this amount at the level of the MCR within a short period of time.

**Own Risk and Solvency Assessment (ORSA)**: Refers to the processes and procedures for identifying, measuring, monitoring, managing and reporting all of an insurance undertaking's short- and long-term risks and determining the overall solvency needs to cover all of these risks. ORSA is a risk assessment tool used for strategic planning purposes. A key deliverable from the process is a comprehensive quantitative and qualitative assessment of the insurance undertaking's own risks. The ORSA report is submitted to the Board of Directors for approval.

**Mathematical reserves**: Provision corresponding to the surrender value for savings contracts and the present value of the insurer's commitments for pension contracts.

**Surplus profit-sharing reserve**: Provision used to defer the allocation to policyholders of some share of technical and financial profits.

**Outstanding claims reserve**: Provision corresponding to the value of outstanding benefits payable to policyholders and beneficiaries (death benefits, matured benefits, partial surrenders, total surrenders, annuities, claims) for claims already incurred at the reporting date.

**Quantitative Reporting Templates (QRTs)**: Templates used for Solvency II regulatory reporting purposes. The reports are prepared quarterly, for submission to the insurance supervisor and/or for public disclosure.

**Risk Appetite Statement (RAS)**: Statement of risk appetite through the monitoring of various indicators for credit/counterparty risk, market risk, liquidity risk and compliance risk.
**APE margin (also referred to as new business margin)**: Value of New Business (VNB) divided by the annual premium equivalent (APE). Measures estimated future profits from insurance policies written during the period.

**Earnings Before Interest and Taxes (EBIT)**: Corresponds to 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. Represents the margin generated after deducting administrative costs.

**Risk Margin (RM)**: Adjustment for explicit risks arising from uncertainty concerning the amount and timing of cash outflows. When measuring insurance liabilities, risk margin serves as a complementary amount to best estimate.

**Solvency Capital Requirement (SCR)**: Level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5% over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

**Solvency and Financial Condition Report (SFCR)**: Annual report prepared by insurance undertakings for public disclosure, in accordance with Solvency II.

**Solvency**: An insurer's ability to fulfil its commitments to policyholders and to sustainably operate as a going concern.

**Solvency II**: Solvency rules applicable to European insurance undertakings. The aim of Solvency II is to ensure that insurance undertakings have sufficient capital to cover the financial and other risks to which they are exposed. It is based on a master directive adopted in 2009 (Directive 2009/138/EC) and delegated regulations for its application.

**MCR coverage ratio**: Eligible own funds held to cover the MCR divided by the MCR. Indicator of risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

**SCR coverage ratio**: Eligible own funds held to cover the SCR divided by the SCR. Indicator of risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

**Tiering**: Qualitative categorisation of own funds in three Tiers, based on their availability, duration and loss absorbency.

**Market value**: Value of an asset on the financial market.

**Value of New Business (VNB)**: Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. VNB corresponds to the discounted present value of estimated future profits from insurance policies sold during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

**Value of In-Force business (VIF)**: Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

**Volatility**: Measures the degree of variation over time in an indicator such as the price of a financial asset. Volatility is used for example to quantify the risk associated with changes in the price of a financial asset.

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