Insuring
a more
open world

2024 Management Report

CNP Assurances Group

Contents

Chapter

1

Significant events in 2024

This section presents selected highlights of the year that reflect the CNP Assurances Group's strategic advances in 2024 and embody its corporate mission. The presentation by topic is followed by a chronological list of source publications.

Evolving governance

Two major changes to the governance of CNP Assurances Holding took place in 2024.

On 11 January 2024, the Board of Directors of CNP Assurances Holding appointed Marie-Aude Thépaut as Group Chief Executive Officer of the Group. She became Chief Executive Officer of CNP Assurances Holding on 13 December 2024 when the company became a French *société anonyme* (public limited company).

She succeeds Stéphane Dedeyan, who was appointed Chairman of the Management Board of La Banque Postale on 18 October 2023.

In 2024, the Board of Directors saw changes to its membership, with the appointment in January of Nathalie Collin (La Poste Groupe), the appointment in May of two new independent directors, Dario Moltrasio (Zurich Insurance) and Frédéric Tardy (Microsoft France), and the appointment in July of Stéphanie Berlioz (La Poste Groupe) and independent director Jean-Louis Laurent Josi (Sukoon Insurance Company). The Board of Directors of CNP Assurances now comprises 17 directors, including 6 independent directors and a non-voting member.

A strategy to drive growth in the Group's domestic and international markets

In 2024, the CNP Assurances Group continued to strengthen its multi-partner model and develop solutions that address society's concerns in France and in its international markets.

France

On 1 January, **CNP Assurances increased its contribution to reinsuring the Préfon Retraite pension scheme** through its wholly-owned subsidiary CNP Retraite, by raising its co–reinsurance share from 37% to 58%. This change in the reinsurance of Préfon Retraite broadens the outlook for the scheme, which has 400,000 members, including 150,000 pensioners.

On the same day, **CNP Assurances took back responsibility for the policy administration activities previously outsourced to Groupement de Partenariats Administratifs** (GIE GPA), a move that will add to the activities and skills of the Pension Solutions department.

In May, **CNP Assurances SA joined the Fédération des Garanties et Assurances Affinitaires,** the industry body representing the major players in the fast-growing affinity insurance market. Affinity insurance is optional insurance offered with a product or service. It meets new consumer protection needs, such as coverage of the risk of loss or theft of equipment or insurance guaranteeing the value of purchases. CNP Assurances' membership of the federation confirms the Group's growth ambitions in this buoyant market.

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

International:

In Brazil, CNP Assurances has diversified its presence with the signature in July of an exclusive 20-year distribution agreement with Banco de Brasília. The agreement provides the open-model brand CNP Seguradora with an opportunity to distribute its consórcio and savings products to the 7.8 million customers of this new partner, which is the largest financial institution in the federal district of Brasília.

Growth momentum was also maintained in Italy, where wholly-owned subsidiary CNP Vita Assicura (CVA) renewed existing partnerships and actively signed up new distribution partners in 2024. CVA reported premium income of €3,200 million in 2024.

Also in Italy, partner bank **UniCredit announced in September that it was exercising its call option** on CNP Assurances' 51% stake in their joint venture CNP UniCredit Vita (CUV), as provided for in the shareholders' agreement.

CUV reported 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 businesses represented less than 1% of the Group's total premium income. The sale is expected to be completed in the first quarter of 2025.

An inclusive and innovative insurer

As an insurer open to others and to the world, CNP Assurances develops innovative insurance solutions and partnership models that support its goal of pushing back the boundaries of insurability. It gives policyholders the benefit of its substantial pooling capacity, which allows it to protect as many people as possible, in line with its corporate mission. As an employer, CNP Assurances acts to guarantee gender equality, promote diversity within its teams and embrace difference.

CNP Assurances is the **first insurer to facilitate access to insurance for women who have overcome breast cancer,** enabling them to go ahead with their plans to buy a home or start a business by obtaining term creditor insurance without any premium surcharge or exclusions as soon as their course of treatment is completed. Previously, this would only have been possible after a five-year wait to have their illness forgotten. These policies are distributed by three CNP Assurances partners, La Banque Postale, Groupe BPCE and BoursoBank.

CNP Assurances was also the first insurer in 2023 to include family assistance cover in its term creditor insurance policies at no extra cost to policyholders. The aim is to help parents who have to stop working to care for a sick or disabled child, by covering up to half their home loan repayments for a renewable period of 14 months. **Effective from 2024, family assistance cover is included in all new term creditor insurance policies sold to homebuyers by Banques Populaires and Caisses d'Epargne.**

To improve the assessment and measurement of climate risks over the long term, **CNP Assurances has provided the insurance industry with a French actuarial climate index.** Repeated weather events are a threat to the sustainability of insurance programmes. The index has been developed by CNP Assurances' research team and the DIALog academic chair of excellence by adapting the Actuarial Climate Index used in North America and Australia to French data.

CNP Assurances scored 100/100 in the 2023 gender equality index and confirmed its leadership in this area, exceeding the government's targets for all the indicators concerning the proportion of women on management bodies. It scored 40/40 for equal pay, 20/20 for individual pay rises, 15/15 for promotions, and 10/10 for the gender distribution of the ten highest-paid employees. In addition, a majority of Executive Committee members (58%) are women.

CNP Assurances has signed the 50+ Charter promoting the employment of people over 50 and has confirmed its long–term commitment to recognising the valuable role of older employees in the company and combating age-related stereotypes. The Group is committed to taking action in the areas of recruitment, training, job retention, career support, support in preparing for retirement, workplace well-being and awareness-raising among employees of their older colleagues' contribution.

CNP Assurances is committed to supporting LGBT+ employees. In June, the Group organised its first Pride Month, an opportunity to mobilise employees in support of a fair, unbiased and inclusive working environment for members of the LGBT+ community. In September, it signed L'Autre Cercle's LGBT+ Charter alongside La Banque Postale. The Charter promotes the inclusion of LGBT+ people in the world of work through a three-year action plan based on three pillars to raise awareness among employees through training and communication initiatives, ensure that everyone feels listened to and valued, and crack down on discriminatory comments or actions.

Open CNP's support for the best of AI and people. CNP Assurances' corporate venture capital fund is investing €1.6 million in the pioneering conversational AI start-up Pinpo, which is modernising the call centre industry and enabling sales teams to focus on high added-value tasks.

As a patron of the Fondation pour la Recherche Médicale, CNP Assurances is supporting the fight against neurodegenerative diseases. In 2024, this support was renewed for a further three years, with a donation of some €600,000 to fund an innovative research project on Alzheimer's disease, a topic aligned with the Group's own long-standing work on dependency issues.

To help Alzheimer's sufferers to retain a degree of autonomy, CNP Assurances is also investing in the Hôpital Fondation Rothschild's BRAINWAVES research project. It is estimated that around 1 million people in France currently suffer from a neurodegenerative disease and that number could increase to over 1.8 million, representing 9.6% of over-65s, by 2050. To mark World Alzheimer's Day on 21 September 2024, the Hôpital Fondation Rothschild, with the support of CNP Assurances, launched a clinical trial of a new medicine designed to block inflammation of the brain, representing a break with conventional therapeutic approaches.

As part of its extension, the CNP Assurances Foundation announced its new strategic position: "Creating healthy young generations". The Foundation has been committed to public health since its creation, and this new strategic focus is a continuation of its work and marks a new chapter in its history.

A responsible investor

As a responsible investor, CNP Assurances is deploying an engaged strategy in favour of transition financing in three areas: the environment, healthcare and healthy ageing, and access to essential goods and services. For several years, the Group has given priority to combating global warming and protecting biodiversity.

In 2024, CNP Assurances topped the life insurer rankings published by ShareAction, a UK-based NGO. In its 2024 Insuring Disaster report, ShareAction analysed the responsible investment policies of the world's 23 largest life insurers from every angle: climate, biodiversity, social, governance and engagement. CNP Assurances topped the list.

As the holder of €15 billion worth of direct investments in equities, CNP Assurances has published its 2024 shareholder engagement policy and is also **one of the few insurers to disclose its voting record on all 2023 Say on Climate resolutions, as well as its criteria for analysing the climate transition plans of the companies in its portfolio.**

In line with its pledge to uphold the **Global Compact and the Principles for Responsible Investment (PRI), its membership of the Net-Zero Asset Owner Alliance (NZAOA) and its signature of 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 and improving the level of biodiversity in its forestry assets. **Several pioneering advances were made in 2024:**

Support for the Nature Impact initiative launched by WWF France in 2023. This initiative aims to protect the biodiversity of 15,000 hectares of woodland in France while capturing 400,000 tCO_2eq over 30 years, and involves an investment of €40 million over 10 years.

CNP Seguradora's support for the Amazon Conservation and Sustainable Development Institute. Convinced that the Amazon rainforest cannot be preserved without investment in training and the creation of revenue streams for the region's inhabitants, CNP Assurances will invest R$2.5 million (roughly €500,000) for the benefit of some 500 Amazonian communities involved in the production of vegetable oils, nuts and wooden furniture. The investment will also enable more than 5,000 trees to be planted in deforested areas.

Commitment to combating pesticide use and deforestation. With more than €396 billion in insurance investments spanning all sectors, CNP Assurances plays a critical role in the green transition. Year after year, it is accelerating its withdrawal from thermal coal through a policy of exclusion and dialogue. In a similar move, the Group has decided not to make any new investments in companies that derive more than 20% of their revenue from the manufacture or sale of pesticides (herbicides, fungicides, insecticides), or companies that produce or trade in sensitive resources (cocoa, coffee, soy, beef, leather, rubber, palm oil, wood and paper pulp) and do not have a recognised policy to prevent deforestation.

Subsequent events

None.

List of source press releases and other publications

The Group's press releases are available on its website at https://www.cnp.fr/en/the-cnp-assurances-group/newsroom/press-releases.

January

CNP Assurances strengthens its position in the insurance of the Préfon Retraite scheme. The insurer of the Préfon Retraite scheme, CNP Retraite, a 100% subsidiary of CNP Assurances, has strengthened its position in the scheme's insurance since 1January 2024. Up to now, this contract was reinsured in quota share by four players: CNP Assurances, Axa, Groupama Gan Vie and Allianz.

CNP Assurances in-sources the activities of GIE GPA. The policy administration activities previously outsourced to GPA have been transferred to CNP Assurances' Pension Solutions department within the Partnerships France and Amétis business unit.[1]

CNP Assurances announces the appointment of **Marie–Aude Thépaut as Group CEO**.

CNP Assurances supports WWF France's Nature Impact initiative in favour of the climate and biodiversity.

CNP Assurances scores 100/100 on the 2023 gender equality index, exceeding the government's targets for the proportion of women on management bodies.

March

CNP Assurances announces the abolition of premium surcharges and exclusions for survivors of breast cancer.

CNP Assurances, through its Brazilian subsidiary CNP Seguradora, supports the Institute for the Conservation and Sustainable Development of the Amazon in its efforts to promote the Amazon bioeconomy.

April

CNP Assurances strengthens its voting policy to better regulate share buybacks, and publishes its votes on environmental resolutions for the second consecutive year.

CNP Assurances places first out of the world's top 23 life insurers in the ShareAction 2024 ranking.

CNP Assurances renews its support for the Fondation pour la Recherche Médicale by providing funding for a new research programme on Alzheimer's disease.

May

CNP Assurances announces its ambitions in the affinity insurance market and **joins Fédération des Garanties et Assurances Affinitaires**.

CNP Assurances signs the 50+ Charter in favour of the employment of seniors (in French only).

CNP Assurances announces changes to its Board of Director, including the appointment of two new independent directors.

June

CNP Assurances commits to helping prevent the use of pesticides and combating deforestation.

CNP Assurances releases an actuarial climate index based on French data **for use by the insurance industry**.

Pinpo raises €1.6 million in Series A financing from Open CNP, CNP Assurances' corporate venture capital fund, for the development of a ground-breaking conversational AI application that will revolutionize the call centre industry (in French only).

July

CNP Consórcio and CNP Capitalização, business lines of CNP Seguradora brand, both subsidiaries of CNP Assurances in Brazil, signed an exclusive 20-year agreement for the distribution of their respective products in the network of Banco de Brasília.

CNP Assurances announces the appointment of two new directors. The Board of Directors of CNP Assurances now comprises **17 directors, including 6 independent directors**.

CNP Assurances announces the signing of a share purchase agreement with **Hellenic Bank Public Company Ltd relating to its subsidiary CNP Cyprus Insurance Holdings**.

September

CNP Assurances and La Banque Postale sign L'Autre Cercle's LGBT+ charter.

Hôpital Fondation Rothschild, with the support of CNP Assurances, launches its process to sign up 15 patients to the BRAINWAVES clinical trial in September 2024 (in French only).

CNP Assurances takes note of the **decision by the UniCredit Board to exercise its option to purchase all of the shares held by CNP Assurances**.

CNP Assurances' family assistance cover included in the home loan term creditor insurance policies sold by Banques Populaires and Caisses d'Epargne (in French only).

December

The CNP Assurances Foundation announces its new strategic positioning: "Creating healthy young generations".

CNP Assurances and La Mutuelle Générale announce the creation of CNP Assurances Protection Sociale, a French *société anonyme* (public limited company) owned 65% by CNP Assurances Holding and 35% by La Mutuelle Générale as of 31 December 2024.

(1) *Group pensions, long-term care, statutory cover for local authorities and term creditor insurance.*

Chapter

2 Business review

2.1 Economic and financial environment

Moderate and uneven growth

The trends recorded in 2023 continued in 2024, with global growth remaining moderate (up around 3.3%) but very uneven. The United States remained buoyant (up around 3%), while the European (around 0.5%) and Chinese (<5%, penalised by the property crisis) economies remained sluggish. These differences reflect significant divergences in local consumption patterns. Healthy job markets (with unemployment rates at record lows in Europe and the United States) translated into higher incomes, resulting in sustained end-user demand in the United States and increased savings in Europe.

Gradual normalisation of inflation paving the way for monetary easing

Inflation continued to normalise towards 2%, but at a slower pace than the markets were expecting at the end of 2023. The central banks postponed their monetary easing cycle (-100 bps for the ECB and the Fed in 2024) until the second half of the year, which led to a rapid increase in bond yields in the first half (+80 bps on 10-year rates). After a summer dip triggered by fears of a slowdown in the United States, long-term rates rose again after Donald Trump's election, ending the year up sharply at 3.20% for the 10-year OAT rate (+65 bps with a post-dissolution political risk premium), 2.35% for the German Bund (+35 bps) and 4.57% for the US T-bond (+70 bps).

Steeper yield curves and compression of credit spreads

Yield curves steepened (+135 bps for the 2-10 year OAT, +70 bps for the swap curve) and credit spreads continued to narrow despite a sharp rise in primary issuance. This trend can be explained by investors' appetite for absolute returns against a backdrop of falling money market rates.

Continued stock market rally but widely divergent performances

Stock markets benefited from this context of moderate, non-inflationary growth and monetary easing. Despite a downward revision of expected earnings, stock market indices continued to progress, a trend that began in autumn 2022. However, there were considerable differences in performances. The US markets, buoyed by artificial intelligence stocks, rose by 25% to reach new highs. Emerging markets remained in the black thanks to good momentum in China (boosted by government measures), offsetting the correction in South American markets. European markets (up 8.5%) recorded mixed performances, impacted in particular by the downturn in the CAC (down 2%) and sectors exposed to Chinese consumers (luxury goods, beverages, cars).

Predominance of the dollar and gold

Ultimately, persistent political and geopolitical instability benefited the dollar and the price of gold (up 26%), while oil decreased.

2.2 Group business review

CNP Assurances Group's **premium income**[1] was up 5.0% at €37.4 billion vs 2023 (up 6% at constant exchange rates).

PREMIUM INCOME BY COUNTRY

(In € millions)	2024	2023	% change (reported)	% change (like-for-like)
France(*)(**)	**22,462**	**21,495**	**+4.5**	**+4.5**
Brazil	6,093	6,511	-6.4	+1.7
Italy	6,719	5,553	+21.0	+21.0
Germany	468	479	-2.3	-2.3
Cyprus	256	236	+8.5	+8.5
Spain	64	71	-9.5	-9.5
Poland	83	63	+32.4	+32.4
Austria	37	27	+35.0	+35.0
Argentina	19	18	+5.9	+43.8
Rest of Europe	18	26	-31.1	-31.1
Norway	14	27	-46.9	-46.9
Denmark	11	12	-7.5	-7.5
Total International	**13,783**	**13,024**	**+5.8**	**+9.9**
CNP Assurances de Biens et de Personnes	1,166	1,117	+11.7	+11.7
TOTAL CNP ASSURANCES GROUP	**37,410**	**35,636**	**+5.0**	**+6.5**

* *Including branches*
** *Excluding CNP Assurances de Biens et de Personnes*

PREMIUM INCOME BY SEGMENT

(In € millions)	2024	2023	% change (reported)	% change (like-for-like)
Savings	23,760	21,720	+9.4	+9.4
Pensions	6,056	6,149	-1.5	+5.2
Term Creditor Insurance	3,703	3,931	-5.8	-2.6
Personal Risk Insurance	2,214	2,181	+1.5	+0.8
Property & Casualty insurance	1,097	1,071	+2.5	+3.4
Health Insurance	580	584	-0.6	-0.5
TOTAL	**37,410**	**35,636**	**+5.0**	**+6.5**

(1) *Corresponds to earned premiums by business segment, including non-controlling interests and reinsurance. Premium income is an indicator of underwriting volume.* Premium income is a non-GAAP indicator.

2.3 Acquisitions of controlling and other interests (Article L.233-6 of the French Commercial Code)

In 2024, the Company acquired the following controlling and other interests within the meaning of Article L.233-6 of the French Commercial Code:

	% interest at 31.12.2024	% interest at 31.12.2023
Montparvie VIII	100%	0%
CNP Assurances Protection Sociale	65%	0%
Flex Conseil et Services	100%	0%

Chapter

3

Financial review

3.1 Consolidated financial statements

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB) and as adopted by the European Union, the recommendations of the French National Accounting Board (CNC 2005 R 01) concerning the presentation of the IFRS financial statements of insurance undertakings, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance undertakings.

Review of results

(In € millions)	Geographical area			Own-funds portfolios	2024 total	2023 total	(%) change
	France	Latin America	Europe excl. France				
Insurance service result	1,809	690	367		2,866	3,118	-8.1%
Revenue from own-funds portfolios				813	813	299	+171.4%
Other revenues					(54)	2	-2,863.6%
Total revenue					**3,625**	**3,419**	**+6.0%**
Finance costs					(157)	(158)	-0.8%
Non-attributable administrative costs					(560)	(493)	+13.5%
Amortisation of intangible assets recognised on business combinations					(118)	(256)	-54.1%
EBIT					**2,790**	**2,512**	**+11.1%**
Net share of profit of equity-accounted companies					33	24	+40.4%
Non-controlling interests					(290)	(256)	+13.3%
Income tax benefit/(expense)					(925)	(730)	+26.8%
Profit from discontinued operations, after tax					(26)	0	NA
Non-recurring items					0	0	NA
ATTRIBUTABLE NET PROFIT					**1,582**	**1,550**	**+2.1%**

EBIT is a key performance indicator used by CNP Assurances Group.

EBIT corresponds to attributable net profit for the period adjusted for:

- net share of profit of equity-accounted companies;
- non-controlling interests;
- income tax expense;
- non-recurring items.

The main business indicators are discussed below:

Premium income totalled **€37.4[1] billion** (€37.9 billion excluding the currency effect, up 6% vs 2023), reflecting growth across all areas in local currency, led primarily by the Savings and Pensions business (see "Business review").

- **In France**, premium income amounted to **€23.6 billion**, with the €1 billion (4.5%) increase vs 2023 driven by strong momentum in the La Banque Postale network, which accounted for 50% of total premium income in France, and by the premium savings segment.

  Savings and Pensions: new money came to **€18.5 billion**, an increase of €1.1 billion thanks to the positive impact of promotional campaigns. New money generated by La Banque Postale rose to €10.3 billion, an increase of €0.9 billion. The flow of new money into premium savings products grew by a strong €0.9 billion (up 30.3% vs 2023) to €3.7 billion, with a unit-linked weighting of 39.8% (vs 50.8% in 2023).

  Net new money improved last year by €2.1 billion and came close to being positive with a net outflow of €0.5 billion.

  New money invested in unit-linked funds in France remained high, at 37.2% (down 1pt on 2023), which was in line with the market.

  Personal risk/protection: new money flows were resilient, at €4.5 billion (down 2% on 2023), against a backdrop of lower home loan originations.

  Property and Casualty: premium income was up 6% at €0.7 billion vs 2023.

- **In Europe excluding France,** premium income amounted **to €7.7 billion,** an increase of €1.2 billion (up 18%) led mainly by strong momentum in the Savings and Pensions segment in Italy.

  Savings and Pensions: new money increased by €1.2 billion to €6.6 billion, primarily reflecting last year's recovery in the Italian market which was badly affected by competition from BTP government bonds in 2023.

  Net new money represented a net outflow of €1.3 billion, representing a €1.8 billion improvement vs 2023 that was attributable to the increased inflow of new money and lower surrender rates at CVA.

  The unit-linked weighting was up 2 points vs 2023 at 40%, driven by a 14-point increase at CVA.

  Personal risk/Protection/Property and Casualty premium income was stable vs 2023 at €1.1 billion.

- **In Latin America,** premium income came in at €6.6 billion excluding the currency effect, an increase of €104 million (up 2% excluding the currency effect) on 2023.

  Savings and Pensions: new money amounted to €5.2 billion, up 2% excluding the currency effect thanks to the good performances recorded in the latter part of the year.

  Net new money stood at €0.7 billion (down €0.1 billion on 2023).

  Investments in unit-linked funds accounted for 98.6% of Savings new money.

  Personal risk/Protection/Property and Casualty premiums amounted to €1.4 billion at constant exchange rates.

The insurance service result contracted by €252 million vs 2023 to **€2,866 million** after a 2023 result boosted by exceptional positive effects in France and Latin America.

- **In France,** the insurance service result came to €1,809 million in 2024, a decline of €283 million that reflected the non-recurrence of the previous year's positive experience differences in the Personal risk/Protection segment.
- **In Europe excluding France,** the insurance service result rose sharply to **€367 million,** an increase of €62 million vs 2023 that was mainly attributable to the lower surrender rate at CVA and the good performance of unit-linked products.
- **In Latin America,** the insurance service result came to **€690 million**. The €30 million decrease vs 2023 reflected the unfavourable changes in claims experience (€62 million negative impact) and exchange rates (€84 million negative impact), partly offset by releases to the income statement from the CSM (€92 million positive impact).

Revenue from own-funds portfolios totalled **€813 million**. The increase of €513 million vs 2023 reflected last year's higher short-term interest rates, which boosted the performance of the money market portfolio, and the less unfavourable property market effect in 2024.

Attributable net profit for the year came in at **€1,582 million**, up €32 million, with higher revenue from own-funds portfolios offset by the decline in the insurance service result and increased income tax expense.

Consolidated balance sheet at 31 December 2024

Total assets amounted to €441,857.5 million at 31 December 2024 vs €441,812.0 million at 31 December 2023.

Equity

Equity attributable to owners of the parent declined by €1,250.4 million to €21,041.9 million at 31 December 2024. The net decrease mainly reflected the inclusion of profit for the year (€1,582.0 million positive impact), fair value adjustments and capital gains and losses recognised directly in equity (€271.5 million positive impact), payment of the 2024 dividend (€1,947.9 million negative impact), a decrease in deeply subordinated debt (€555.6 million negative impact) and translation adjustments (€537.7 million negative impact).

Equities include subordinated notes (€1,388.6 million).

For more information, see Note 9 to the consolidated financial statements.

(1) *Management KPI*

Insurance liabilities

Insurance and reinsurance contract liabilities totalled €367.2 billion, a decline of €11.3 billion (3.0%) vs 31 December 2023.

For more information, see Note 7 to the consolidated financial statements.

Group CSM totalled **€15.1 billion** at 31 December 2024, down €1.8 billion vs 31 December 2023. The positive contribution from new business and the consolidation of CNP Assurances Protection Sociale were offset by unfavourable market effects and releases to profit from the policyholders' surplus provision to improve policyholder returns in France.

Consolidation of CNP Assurances Protection Sociale added €297 million to CSM and new business added a further €1,463 million, as follows:

- **France**: contribution of €839 million driven by a good sales performance in the Savings and Pensions segment.
- In **Europe excluding France**: €191 million contribution from CVA's Savings business (up €58 million) and continued strong momentum in CUV's individual personal risk business (up €41 million).
- In **Latin America**: €433 million contribution at CVP, including €254 million from pensions new business and €162 million from protection insurance new business.

This positive contribution from new business was offset by:

- In **France**, unfavourable market effects (€2.7 billion negative impact) linked to the historic rise in French sovereign spreads and measures to improve policyholder returns including the release of €1.2 billion to profit from the policyholders' surplus provision.
- In **Latin America**, an unfavourable R$/€currency effect (€0.5 billion negative impact)

CSM net of non-controlling interests and tax stood at €9.9 billion, down €1.5 billion.

Insurance investments

The insurance investments amounted to €401.0 billion 31 December 2024, a decrease of €14.1 billion vs €415.1 billion at 31 December 2023.

Most investments are measured at fair value, except for debt investments and property assets not covered by unit-linked policies, which are measured using the amortized cost.

At 31 December 2024, investments at fair value through profit or loss represented 48% of total investments, investments at fair value through OCI represented 51% and investments at amortised cost represented 1%.

For more information, see Note 6 to the consolidated financial statements.

Financing liabilities

Financing liabilities amounted to €7,480.9 million at 31 December 2024 vs €6,964.7 million at 31 December 2023.

The increase corresponded for the most part to the €500.0 million subordinated notes issue carried out during the year.

For more information, see Note 11 to the consolidated financial statements.

Solvency capital

The consolidated SCR coverage ratio was **237%** at 31 December 2024, **down 16 pts** vs 2023.

The decrease reflected:

- unfavourable market trends over the period, particularly for French sovereign spreads (**-16 pts**);
- the inclusion of profit for the year, net of expected dividends (**+6 pts**);
- utilisation of the policyholders' surplus reserve (**-6 pts**);
- financial strategy update (**-3 pts**);
- the lowering of the cap applied to subordinated debt not available for the determination of the coverage ratio at CNP Assurances Group level (**+5 pts**).
- consolidation of CNP Assurances Protection Sociale (**-1 pt**);
- other effects and rounding (**-1 pt**).

Surplus own funds increased the SCR coverage ratio by **55 pts** at 31 December 2024.

3.2 Financial statements of the CNP Assurances Holding (French GAAP)

Financial income

Financial income consists mainly of dividends from subsidiaries and affiliates (€2,415.1 million) and capital gains on money-market UCITS (€31.8 million)

Profit for the year

The net profit of CNP Assurances Holding rose by 126.9% to €2,381.2 million in 2024, from €1,049.4 million in 2023.

	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Share capital *(in € thousands)*	4,000,256	4,000,256	150	150	150
Number of ordinary shares outstanding	400,025,632	400,025,632	15,000	15,000	15,000
RESULTS OF OPERATIONS *(in € thousands)*					
Premium income, excluding tax	0	0	36	n/a	n/a
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	2,423,087	1,057,856	(16)	(12)	(18)
Income tax expense	39,192	8,481	0	0	0
Net profit	2,381,156	1,049,375	(16)	(12)	(18)
PER-SHARE DATA *(in €)*					
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	6.06	2.64	(1.07)	(0.80)	(1.20)
Net profit	5.95	2.62	(1.07)	(0.80)	(1.20)
Dividend per share[1]	4.98	1.94	0.00	0.00	1.0
EMPLOYEE INFORMATION					
Average number of employees during the year	0	0	0	0	0
Total payroll and benefits *(in € thousands)*	0	0	0	0	0

(1) Dividend to be recommended at the Annual General Meeting of 26 April 2025.

Equity

Equity at 31 December 2024 amounted to €10,870.4 million vs €10,464.1 million at the previous year-end.

The year-on-year change primarily reflects inclusion of 2024 profit (€2,381.2 million positive impact), the dividend paid on 2023 net profit (€774.9 million negative impact) and the interim dividend paid on 2024 profit (€1,200 million negative impact).

Subsidiaries and affiliates

Subsidiaries	Interest	Carrying amount of the shares – net (in €k)	Profit or loss (in €k)
CNP ASSURANCES PRÉVOYANCE	100.00%	344,125	59,893
CNP ASSURANCES IARD	100.00%	352,334	66,087
CNP ASSURANCES	99.95%	8,710,888	2,202,497
CNP ASSURANCES PROTECTION SOCIALE	65.00%	260,980	N/A

In 2024, 65% of CNP Assurances Protection Sociale, a French *société anonyme* (public limited company), was acquired on 31 December 2024. The remaining 35% stake in the company is held by La Mutuelle Générale.

Supplier payment terms

Under France's Act of 17 March 2014 concerning transparency of information about payment terms, companies whose financial statements are audited are required to disclose information in the management report about the payment terms with their suppliers and customers, in a format defined by decree.

In accordance with Articles L.441-14 and D.441-6 of the French Commercial Code, CNP Assurances Holding's payment terms in 2024 were as follows:

Invoices received and due but not yet settled at the year-end

In the following table, the percentage by period overdue has been calculated as follows:

- total invoices overdue by the period concerned divided by total purchases excluding VAT for the year, corresponding to a total of €5,189,686 worth of supplier invoices recorded in 2024.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	0	0	0	0	0
Total value excluding VAT of the invoices concerned	0	0	0	0	0
Percentage of total purchases excluding VAT for the year	0%	0%	0%	0%	0%

In application of the circular dated 29 May 2017 issued by Fédération Française d'Assurance, the information in the above tables does not include insurance and reinsurance payables.

Invoices issued and due but not yet settled at the year-end

Total invoices overdue by the period concerned divided by total revenue (reinvoiced costs) excluding VAT for the year, corresponding to a total of €25,867,200 worth of customer invoices recorded in 2024.

	Period overdue				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
Reference payment terms: contractual period of 45 days end of month (Article L.441-6 or Article L.443-1 of the French Commercial Code)					
Number of invoices concerned	0	0	0	0	0
Total value excluding VAT of the invoices concerned	0	0	0	0	0
Percentage of total purchases excluding VAT for the year	0%	0%	0%	0%	0%

In application of the circular dated 29 May 2017 issued by Fédération Française d'Assurance, the information in the above tables does not include insurance and reinsurance payables.

3.3 Review of subsidiaries

Caixa Vida e Previdência

CVP reported **premium income** of €5.5 billion, up 2% at constant exchange rates (down 5% at current exchange rates). The pensions business, which accounts for 86% of total premium income, grew by 3%. Term creditor insurance premiums were stable at €366 million, while personal risk premiums were down 6% at €392 million.

The **insurance service result** totalled €521 million, an increase of €31 million (6%) at constant exchange rates compared with 2023. The increase primarily reflected the expected releases from the CSM and risk adjustment (€80 million positive impact) and the €17 million positive impact of higher interest rates and good performance of assets, partly offset by a €66 million negative currency effect. It also reflected personal risk/protection liquidation surpluses recorded during the year despite the allocation to IBNR provisions.

Revenue from own-funds portfolios totalled €112 million, an increase of €13 million that reflected a favourable change in the earn-out. The increase in investment income was absorbed by the unfavourable currency effect.

EBIT came to €462 million, an increase of €47 million at current exchange rates.

After deducting non-controlling interests of €149 million and income tax expense of €214 million, CUV's contribution to **IFRS attributable net profit** amounted to €99 million, up €14 million vs 2023.

Caixa Seguros Holding

CSH's **premium income** came to €597 million, down 11% at constant exchange rates and down 17% and current exchange rates, due mainly to a large part of the portfolio being managed on a run-off basis.

The **insurance service result** totalled €156 million, down €79 million (34%) at current exchange rates compared with 2023. The decrease was due to the 2023 review of lapse rates, which led to an €72 million decrease in liquidation surpluses and claims expenses in 2024. The consequences of the floods in southern Brazil were limited thanks to the good level of reinsurance cover (€5 million net negative impact).

Revenue from own-funds portfolios rose by €3 million at current exchange rates, to €43 million.

EBIT came to €164 million, a decrease of €94 million at current exchange rates.

At €78 million, CSH's contribution to **IFRS attributable net profit** was down €17 million, after deducting non-controlling interests of €54 million, adding the €27 million share of profits of equity-accounted companies, and deducting income tax expense of €60 million.

CNP UniCredit Vita

Premium income was up 22% at €3.5 billion in 2024, with growth driven primarily by the traditional savings business.

The **insurance service result** came to €99 million, an increase of €17 million (21%) vs 2023. The €19 million increase in releases from the CSM and risk adjustment and the €3 million impact of strong sales of the new savings products and individual personal risk contracts were partly offset by a €5 million decrease in experience adjustments.

Revenue from own-funds portfolios swung from a negative amount in 2023 to a positive €23 million in 2024, representing a €32 million improvement that was due to optimised financial management of the portfolio after the losses incurred on bond sales in 2023.

EBIT came in at €115 million, an increase of €48 million vs 2023.

After deducting non-controlling interests of €41 million and income tax expense of €32 million, CUV's contribution to **IFRS attributable net profit** amounted to €43 million, up €18 million vs 2023.

CNP Vita Assicura

Premium income came to €3.2 billion vs €2.7 billion in 2023, an increase of 20% attributable mainly to the unit-linked savings business. This exceptional performance was the result of the bonus campaigns deployed throughout the year and the early reductions in Italian interest rates.

The **insurance service result** rose by €23 million (33%) to €93 million in 2024. The increase was attributable to fee and commission surpluses, thanks in particular to the renegotiation of asset management fees, and to the impact of lower surrenders (€72 million positive impact). These positive effects were partly offset by the lower expected releases from the CSM and the risk adjustment (€20 million negative impact) and lower market effects (€24 million negative impact) compared with 2023.

Revenue from own-funds portfolios amounted to €17 million vs €18 million in 2023.

EBIT came in at €59 million, an increase of €16 million vs 2023.

After deducting income tax expense of €20 million, CVA's contribution to **IFRS attributable net profit** amounted to €38 million, up €2 million vs 2023.

CNP Santander Insurance

Premium income stood at €757 million, up 2% vs 2023. The decline in term creditor insurance premiums, due to the regulatory environment, was offset by growth in personal risk premiums.

The **insurance service result** was up €8 million (6%) vs 2023, at €141 million, reflecting strong investment income.

Revenue from own-funds portfolios was stable vs 2023 at €1 million.

CNP Santander Insurance's contribution to **IFRS** attributable **net profit** amounted to €44 million, representing €2 million more than in 2023.

CNP Assurances de biens et de personnes (CNP ABP)

CNP ABP's **premium income** stood at €1.2 billion, an increase of 4% across all products due to the sales drive and price adjustments.

The **insurance service result** came to €196 million, down €17 million (8%) primarily due to a deterioration in loss ratio on Property & Casualty products.

Revenue from own-funds portfolios amounted to €13 million, a decrease of €5 million.

CNP ABP's contribution to **IFRS net profit attributable to owners of the parent** amounted to €114 million, representing a decrease of €11 million vs 2023.

3.4 Cash and capital resources

3.4.1 Share capital

Equity

See section 3.1. Consolidated financial statements: Consolidated balance sheet at 31 December 2024.

Share capital

The amount of fully subscribed and paid-up share capital at 31 December 2024 stood at €4,000,256,320, divided into 400,025,632 shares with a par value of €10.

See section 8. Ownership structure

3.4.2 Information on the borrowing requirements and funding structure of the issuer

Financing structure

The CNP Assurances Group issues various types of subordinated notes through CNP Assurances SA which play an important role in its capital management strategy. The financial headroom of CNP Assurances Group is derived from its very strong track record in raising funds on the debt securities markets. The CNP Assurances Group constantly endeavours to diversify its investor base, in terms of both geographies and currencies, as evidenced by CNP Assurances SA's success in placing euro and dollar issues.

The capital structure of CNP Assurances Group is regularly adjusted to take into account its growth prospects in Europe and Latin America, Solvency II capital requirements, Standard & Poor's rating criteria and the opportunities offered by the capital markets. For more information, see:

- Note 11 to the consolidated financial statements – Subordinated debt;
- Note 9.4 to the consolidated financial statements – Undated subordinated notes reclassified in equity;
- Notes 6.7 and 6.8 to the consolidated financial statements – "Derivative instruments" and "Hedge accounting"
- Note 16 to the consolidated financial statements – Investment income

Material investments and dedicated financing sources

The following information concerns material investments by the CNP Assurances Group that are currently in progress or are the subject of firm commitments. Material investments are investments that have been announced by the Group and that extend the scope of its business.

CNP Assurances and La Mutuelle Générale announced the creation of CNP Assurances Protection Sociale, a *société anonyme* (limited company) owned 65% by CNP Assurances Holding and 35% by La Mutuelle Générale since 31 December 2024.

The acquisition price of this new entity came to €188 million. It is a business combination under IFRS 3 and adds €1,450 million to the Group's balance sheet.

The agreement provides for a service-level agreement with an initial term of 25 years concluded between La Mutuelle Générale and CNP Assurances Protection Sociale. This service-level agreement sets out the terms and conditions for the administrative management of the contracts in LMG's pooled statutory portfolio by CNP Assurances Protection Sociale. It is valued at €47 million and recorded as an intangible asset in the Group's accounts.

The transaction ultimately resulted in badwill (gain) of €70 million recognised in net profit at 31 December 2024.

These transactions were self-financed by CNP Assurances Holding.

Financing liabilities

See section 3.1. Consolidated financial statements: Consolidated balance sheet at 31 December 2024.

Debt-to-equity ratio

This ratio corresponds to subordinated notes classified in debt and equity divided by the sum of total equity and subordinated notes classified in debt. It measures the proportion of financing represented by total subordinated notes (classified in both debt and equity)

The ratio stood at 27.3% at 31 December 2024 vs 26.2% at the previous year-end.

3.4.3 Liquidity

Cash and cash equivalents amounted to €1,271.8 million at 31 December 2024 vs €1,598.5 million at end-2023. For more details on cash flows, see the Consolidated Statement of Cash Flows in the consolidated financial statements.

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

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

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

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

3.5 Solvency

The Solvency II directive defines the prudential regime applicable to European insurance and reinsurance undertakings. It sets the minimum capital required by each insurance undertaking and insurance group in order to be able to fulfil their commitments towards insureds and the beneficiaries of their insurance policies. The directive also describes the governance and risk management principles to be applied by these undertakings and groups, as well as their reporting obligations towards the public and the insurance supervisor.

Since 1 January 2016, when the Solvency II directive came into effect, CNP Assurances' solvency capital has been measured using the standard formula in Solvency II, without applying any internal models or any transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

At 31 December 2024, CNP Assurances' consolidated SCR coverage ratio was 237%. The excess of own funds eligible for inclusion in capital available to cover the SCR (€38.3 billion) over the SCR (€16.2 billion) represented a regulatory surplus of €22.1 billion. The Solvency Capital Requirement (SCR) is the 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.

The Group's consolidated MCR coverage ratio at 31 December 2024 was 368%. The excess of own funds eligible for inclusion in capital available to cover the consolidated MCR (€30.6 billion) over the consolidated MCR (€8.3 billion) represented a regulatory surplus of €22.3 billion. The Minimum Capital Requirement (MCR) corresponds to the 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.

More detailed information about the SCR and MCR coverage ratios and changes in these ratios compared with 2023 will be presented in the 2024 Solvency and Financial Condition Report (published in April 2025).

Chapter

4

Growth and business outlook

4.1 A unique business model and an ambitious strategy

CNP Assurances is a solid group that draws on the strengths of the major public finance hub. It combines a robust, agile business model with a balanced risk profile. The Group's strategy, business model and corporate mission are the same for all its companies, *i.e.*, CNP Assurances SA and its subsidiaries.

4.1.1 A unique and winning business model

At the heart of the business model of CNP Assurances Group(1)

Our challenges and solutions

In an uncertain market environment
Diversify the business mix towards unit-linked contracts and risk coverage

In a mature European market
Find new growth drivers and new partnerships, particularly in international markets

In light of higher customer expectations
Facilitate all life paths by combining human and digital resources

Faced with the environmental emergency
Optimise the impact of our investments and offers on climate and biodiversity

Our strengths

36 million personal risk protection policyholders and **13 million savings/ pensions policyholders** worldwide(1)

The cutting-edge expertise of our 8,479 employees(1) in both insurance and investments

Long-term banking partnerships with agreements in place until 2030, 2036 or even 2046

Diversified distribution partners

Strong positions in France, Italy and Brazil

Membership of France's major public financial hub reinforces the solidity of our financial situation

Our strategic alignment with La Banque Postale, generates record-levels of development and innovation

Strategy — **Strengthen our fundamentals, develop levers**

(1) CNP Assurances Holding scope at 31 December 2024
(2) CNP Assurances SA France scope (Savings/Pensions)
(3) Paid by CNP Assurances SA

"As a responsible insurer and investor, driven by the community values of our Group, we work with our partners to create an inclusive and sustainable society, providing solutions to as many people as possible to protect and support them on their chosen paths."

OUR CORPORATE MISSION

Our business

A responsible insurer and investor

Pool the risks underwritten to make insurance accessible to as many people as possible

Increase the positive impacts and reduce the negative impacts of our investments and offerings to create an inclusive and sustainable society

Protect policyholders' premiums and savings over the long term

Guarantee risk coverage over the long term

Our value creation

Customers

- Maintaining the return on life insurance policies with an average rate of **2.5%**[2] in 2024

Partners

- **€4.7bn** in commissions paid[1]

Employees

- **€0.7bn** in wages paid[1]

Shareholder and investors

- **€2.4bn** in dividends[3] and **€0.2bn** in interest paid[1]

Society

- **€0.9bn** in corporate income tax paid[1]

Planet

- **€29.8bn** in green investments[1]

for growth and diversification, and transform our model

4.2 An ambitious strategy

Three strategic levers

Strengthening our fundamentals

By harnessing the power of our partnership with La Banque Postale, our shareholder and an important distributor

By adapting our Savings/Pensions products to the macro-economic environment

By consolidating our positions in term creditor insurance

Developing levers for growth and diversification

By increasing the pace of growth in the social protection and affinity segments

By pursuing our drive to increase market share in the premium savings segment

By activating additional growth drivers in Europe and in Latin America

Transforming our model by giving shape to our corporate mission

A responsible insurer pushing back the boundaries of insurability

A responsible investor financing ecological, demographic, regional and digital transitions

By developing our model for the benefit of our stakeholders

(1) Policyholders' surplus reserve

2024, a year of development

The perfect alignment between CNP Assurances and La Banque Postale has resulted in record figures for the last two years. In 2024, Savings & Pensions premium income amounted to €10.3bn with positive net new money of €1.4bn, and a unit-linked weighting of 34%. Personal Risk, Protection and Property & Casualty Insurance premiums of €1.4bn.

Support for our policyholders is reflected by a historic €1.2bn release from the policyholders' surplus reserve to ensure that our rates remain stable, in line with other market players.

€11.7bn
premium income with La Banque Postale network

€1.2bn
Release from the policyholders' surplus provision(1)

In Europe, flow of new money into premium products at a record high of €6.8bn, led by CNP Patrimoine, CNP Luxembourg and CNP Vita Assicura. Net new money was positive at €1.7 billion, with a unit-linked ratio of 40%. Increased flow of new money through IFAs in France, with 230 affiliate advisors signed up to the Alysés platform.

In Brazil and Europe, the development of the open model continues, with CNP Seguradora signing three new distribution agreements in 2024 and CNP Vita Assicura in Italy signing a key agreement with ING.

6.8€bn
gross new money CNP Patrimoine

3 new open-model partnerships in Brazil

In 2024, in line with its corporate mission and with the aim of constantly pushing back the boundaries of insurability, CNP Assurances abolished premium surcharges and exclusions for breast cancer survivors (La Banque Postale, BPCE and BoursoBank networks) and included the "Family Help" cover in its policies.

Brazil saw four new products launched in the Correis network in order to improve access to insurance for vulnerable populations, bringing the total number of products aimed at these populations to 14.

Our initiatives as responsible investors have been recognised by non-financial rating standards: in 2024, ShareAction ranked CNP Assurances first. among the world's top life insurers and ESG MSCI raised its rating to AAA, the highest possible rating in this ranking.

AAA
MSCI rating

€2.2bn
in green investments in 2024

Chapter

5

Risk factors

The purpose of this section is to present the Group's main risk exposures and comply with:

- Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or for their admission to trading on a regulated market (Prospectus 3);
- Delegated Regulation (EU) 2019/980 of the European Commission dated 14 March 2019, supplementing Regulation (EU) 2017/1129 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market;
- ESMA guidelines on the new format for risk factors which issuers must disclose in Prospectus 3 (ESMA31-62-800).

The risks described below are inherent in the economic, competitive and regulatory environment in which the CNP Assurances Group operates. The main risks to which the CNP Assurances Group is exposed are set out below.

This section discusses:

- **financial market risk factors:** interest rate risk, currency risk and equity price and yield risk;
- **credit and counterparty risk factors:** downgrade and default risk, credit and counterparty concentration risk;
- **operational risk factors related to the conduct of the business:** process execution, delivery and management risk, fraud risk, business interruption and systems malfunction risk, information systems risk, data protection and cyber risk, outsourcing risk, product risk, customer interaction risk (including money laundering and terrorist financing risk, financial sanctions risk, fraud risk), legal risk and tax risk;
- **underwriting risk factors linked to the insurance business**: surrender or cancellation risk;
- **strategic risk factors**: strategic partnership risk, regulatory risk, country risk;
- **climate change risk factors.**

Information about risk management processes, procedures and controls is provided in Chapter 7 of this document.

The risk assessments were carried out in 2023 as part of the annual update of the risk map for the CNP Assurances Group based on the following approaches:

- **Solvency Capital Requirement (SCR) as defined under the Solvency II standard formula (preferred method):** estimated impact of risk occurrence on the Group's coverage ratio;
- **sensitivity of the solvency ratio to the assessed risk:** method used for risks not captured in the standard formula when an impact study was available;
- **recurring profit before tax:** estimated impact on profit of a risk occurrence;
- **six-month loss of liquidity** on insured portfolios;
- **other approach:** expert judgement, based on exchanges of views and the opinion of professionals, impact studies, indicators and internal reports.

SEVERITY ASSESSMENT

For the risks assessed using a quantitative approach, the following measurement scale was used:

	Minor	Moderate	Major	Critical
Solvency II coverage ratio	<5 pts	5 - 10 pts	10 - 20 pts	>20 pts
Profit before tax	<€10m	€10 - €50m	€50 - €250m	>€250m
Potential loss of liquidity	<€1bn	€1 - €5bn	€5 - €10bn	>€10bn

The Solvency II coverage ratio's sensitivity to interest rate risks is determined based on a 50- (or 100-) basis point fall in rates. For equities, sensitivity is assessed based on a 25% fall in prices, while for credit and counterparty risks, the assessment is based on a +50-point widening of sovereign bond spreads. These various shocks are described in the corresponding sections.

This approach was rounded out by an expert analysis taking into account the risk's frequency as well as image, human (emotional or physical harm), regulatory and legal aspects or any other relevant factor.

The residual rating (corresponding to the residual risk) is the gross rating mitigated by the corrective measures implemented by the CNP Assurances Group to contain the risk. The residual ratings were used as the basis for selecting the risks presented in this chapter.

The risks identified as material (**Critical** or **Major** residual rating) for the Group are thus classified as follows:

Risk family	Risk	Residual rating	Year-on-year change
Financial market risks	Interest rate risk	Major	Scaled back
	Currency risk	Major	Increasing
	Equity price and yield risk	Critical	**Stable**
Credit and counterparty risks	Downgrade and default risk	Major	Stable
	Credit and counterparty concentration risk	Major	Stable
Operational risks	Process execution, delivery and management risk	Major	Stable
	Business interruption and system malfunction risk*	Major	Stable
	Information system, data security and cyber risks	Critical	**Stable**
	Outsourcing risk	Major	Stable
	Product and customer interaction (financial security and AML-CFT) compliance risk	Major	Stable
	Legal risk*	Major	Stable
	Tax risk*	Major	Stable
Insurance business risks	**Surrender or cancellation risk**	Critical	**Stable**
Strategic and business risks	**Strategic partnership risk**	Critical	**Stable**
	Regulatory risk	Major	Stable
	Risks related to the external environment*	Major	Stable
	Country risk	Major	Stable
Climate change risks	Climate change risk	Major	Stable

Moderate *Major* *Critical*

* *Business interruption and systems malfunction risk linked to the external environment, tax risk and legal risk have all been identified as Major risks in the updated 2024 risk map for the CNP Assurances Group.*

Risk ratings in the 2024 risk map for the CNP Assurances Group were stable compared with the previous year. The geopolitical environment and the emergence of artificial intelligence pose new challenges, but the CNP Assurances Group has the resources and measures needed to deal with them. In 2024, the main identified risks were strategic partnership, cybersecurity, market and surrender risks.

Risks are monitored using the Risk Appetite Statement (RAS) prepared since the beginning of 2021, which formally describes the Group's appetite for the risks that it is and may be exposed to in the course of its current and future business. It also expresses the risk tolerance, *i.e.*, the maximum level of risk the Group is willing to assume. It covers all risks classified as Major or Critical at the level of the CNP Assurances Group, with the inclusion of qualitative considerations since 2024.

Although resources are devoted to continuously monitoring the Group's risk management activities, there is no assurance that the risk map will not be modified in the future to take into account future events or circumstances.

5.1 Financial market risk factors

Interest rate risk

Changes in interest rates affect the market values of financial instruments, which in turn affect CNP Assurances' income statement and/or its solvency ratios. They also have an impact on the CNP Assurances Group's current and future profitability by affecting the terms on which funds are reinvested or financing is raised, as well as influencing the behaviour of customers who may transfer their savings to products offering a more attractive yield or exercise their contractual options.

Since financial risks represent CNP Assurances' largest risk exposure, monitoring procedures for this risk were stepped up following the emergence of the Covid-19 crisis in 2020.

The fixed-income portfolio (excluding unit-linked assets) of the CNP Assurances Group represented a carrying amount (under IFRS) of approximately €234 billion at 31 December 2024.

There are two main interest rate risks:

- **Reinvestment or downside risk**, corresponding to the risk of lower-than-expected future investment returns, due to falling interest rates. The risk is greater if the maturities of assets are shorter than the maturities of liabilities (asset/liability maturity mismatch). 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 contracts with a guaranteed yield, there is a risk that asset yields will be insufficient to cover contractually guaranteed yields, forcing the insurer to use its own-funds portfolio to pay the guaranteed amount;
- **Liquidation risk or the risk of rising interest rates**, corresponding to the risk of having to sell fixed-income investments at a loss. If the maturities of obligations to policyholders are shorter than the maturities of the bonds held in the investment portfolio (asset/liability maturity mismatch), the insurer will have to sell bonds to fulfil its obligations. In a period of rising interest rates, the market price of the bonds in the portfolio will be less than their purchase price and the insurer will incur a loss on their sale. During this period, interest and redemption proceeds were reinvested at lower rates of interest, leading to a gradual erosion of bond portfolio yields. Since the low interest rate environment came to an end, the CNP Assurances Group has adjusted their investment strategies to take advantage of the higher bond market yields.

Moreover, the CNP Assurances Group followed a policy of setting aside a portion of the investment income generated by its investments in the policyholders' surplus reserve (PSR), which could be used in periods of low interest rates. If interest rates were to stay low in the future, it could be necessary to use the reserve to top up policyholder dividends. Pursuant to the government order relating to surplus funds in life insurance dated 24 December 2019, a substantial portion of the policyholders' surplus reserve can be included in the calculation of the SCR coverage ratio.

In 2024, rates continued to rise significantly. The European Central Bank (ECB) cut its interest rates by 25 bps in December 2024, reducing the deposit rate to 3.00%, the main refinancing rate to 3.15% and the marginal lending rate to 3.40%. This decision was taken against a backdrop of gradual disinflation. On the long-term debt markets, France's 10-year OAT rate ended 2024 at 3.19%, up year on year. The spread over German rates widened to 0.83% at the end of 2024. The CNP Assurances Group's exposure to interest rate risk has reduced based on IFRS 7 metrics. The variability of IFRS 17 profit and equity eased in 2024, reflecting last year's conservative approach to risk management. This positioning is consistent with their Solvency II exposure to interest rate risk, which was roughly balanced.

Fluctuations in the financial markets in 2024 had an unfavourable impact, resulting in a 16-point reduction in the solvency coverage ratio.

All told, a 100-bps decline in European interest rates would have resulted in a 7-point decrease in the consolidated CNP Assurances Holding coverage ratio, which stood at 237% at 31 December 2024.

For the reasons explained above, the Group's exposure to interest rate risk is considered as **Major**.

Currency risk

Currency risk is the risk of losses caused by adverse movements in exchange rates and their volatility.

A distinction is made between structural currency risk arising on investments in subsidiaries whose functional currency is different from that of the parent company and transactional currency risk.

CNP Assurances has major subsidiaries in Latin America, mainly in Brazil, and hedges the risk on results from this region.

The same applies to the currency risk on these subsidiaries' contribution of around €2.5 billion to CNP Assurances Group total equity. Compared to these structural risks, the transactional currency risk arising from investing activities, corresponding to the financial management of portfolios of insurance assets, is not material.

In 2024, currency risk was considered as **Major** due to the significant volatility of the Brazilian currency.

Equity price and yield risk

Fairly significant amounts are diversified and invested in equities and equity funds as part of the CNP Assurances Group's portfolio diversification policy.

Unfavourable changes in stock market parameters (price, volatility, etc.) represent a risk of loss for the Company.

The CNP Assurances Group is sensitive to two types of risk:

(i) the risk of a decrease in dividend income, primarily affecting the IFRS income statement by leading to a reduction in revenue;

(ii) a risk related to the decline in the market value of equities, which could have an impact at several levels:

(a) a decrease in the Solvency II coverage ratio,

(b) a decrease in IFRS own funds,

(c) a significant and prolonged decline in equities markets could have an additional income statement impact resulting from the recognition of a liquidity risk reserve and impairment provision.

In 2024, global equity markets performed well, with the MSCI World index (in euros, dividends reinvested) gaining 27%. The price momentum was underpinned by a stabilisation of global inflation, a post-COVID economic recovery and the growing impact of emerging technologies such as artificial intelligence.

In response to the easing of European inflation since the end of 2022, the European Central Bank decided to suspend its rate increases from September 2023 before embarking on a programme of rate cuts from June 2024. The main refinancing rate was cut from 4.5% at the start of the year to 3.15% at the end. Long-term rates were more volatile over the year, reflecting US and European inflation which remained above central bank targets, unfavourable government budget trajectories (particularly in France) and, at the end of the year, the risk of new spurt in US inflation linked to president-elect Donald Trump's planned trade and migration policies.

In France, political uncertainty increased after the dissolution/re-election of Parliament in June with no clear majority. The worsening public finances led the European Commission to subject France to an excessive deficit procedure and political instability prevented any significant budgetary recovery. France's credit rating was downgraded (by Standard & Poor's in May and Moody's in December) and the rating outlook was changed to negative (by Fitch in October). The situation also affected local authorities, government agencies and state-owned companies. Following France's rating downgrade, the rating of the CNP Assurances Group was downgraded to A by Standard & Poor's and French government bond yields fell, with the spread against the 10-year German Bund widening from 53 bps to 83 bps over the year. The CAC 40 index lost 2% due to the political environment.

In Brazil, economic growth remained buoyant, but public finances remained in a parlous state. The budget consolidation plans presented in November by President Lula failed to convince the markets, leading the real to lose -16% against the euro over the year. The Brazilian Central Bank reacted by implementing a series of aggressive interest rate hikes that lifted the key Selic rate from 10.5% in the middle of the year to 12.25% at the year-end, and raising the possibility of further hikes in the first half of 2025.

A 25% decline in equity prices would have resulted in an 11-point reduction in the CNP Assurances Holding consolidated coverage ratio, which stood at 237% at 31 December 2024.

The CNP Assurances Group has a long-standing hedging programme designed notably to limit the impact of a fall in equity prices.

This risk is considered as **Major**.

5.2 Credit and counterparty risk factors

Downgrade and default risk

Credit and counterparty risk includes the risk of default by the counterparty, whether a private company or a sovereign issuer, *i.e.*, the risk of loss related to the characteristics of the counterparty.

Sovereign debt and equivalent

During periods of increased government borrowing, there may be growing concern about the ability of certain sovereign issuers to continue to service their debt, leading to investor distrust of the corresponding bonds and significantly wider spreads. In extreme situations, the CNP Assurances Group may be faced with an actual default or a debt restructuring and have to take a significant haircut on the securities in question.

The CNP Assurances Group holds significant portfolios of French and other European government bonds and is naturally sensitive to any widening of sovereign debt spreads in the main eurozone countries that are considered to be relatively exposed. A wave of surrenders could oblige the Group to sell part of the government bond portfolio and if spreads widen, the sales could generate losses which could in turn impact its own funds. The decision by several rating agencies to downgrade France's ratings had a knock-on effect on the ratings of French quasi-sovereign issuers and certain related financial institutions, including CNP Assurances. French government debt represents the main sovereign exposure of CNP Assurances, at approximately €55 billion.

If sovereign spreads were to widen by 50 points, this would result in a 12-point reduction in the CNP Assurances Holding consolidated coverage ratio, which stood at 237% at 31 December 2024.

Corporate bonds

The credit risk on a bond is the risk of partial or total issuer default and also, by extension, an increase in the bond portfolio's credit spread. The credit spread is the risk premium, namely the difference between the yield on a bond and that on a risk-free government bond with the same characteristics. Credit spreads vary according to investor perceptions of the credit risk represented by the issuer.

As a long-term investor, the CNP Assurances Group held almost €100 billion worth of corporate bonds (net carrying amount) representing around 45% of the total bond portfolio (excluding unit-linked portfolios) at 31 December 2024. It is exposed to the risk of a change in credit spread on these bonds.

This risk depends on the health of the issuer's balance sheet and its credit quality. Out of the total corporate bond portfolio (excluding banks), slightly more than 50% are rated A or higher and non-investment grade bonds (rated BBB) account for 47% (net carrying amount – excluding banks). There were no significant rating downgrades, reflecting the high credit quality of this part of the portfolio.

Nonetheless, to measure the impact of credit risk more accurately, a new sensitivity test was introduced in 2020, analysing sensitivity to a one-notch rating downgrade applied to 20% of the bond portfolio.

At 31 December 2024, a rating downgrade affecting 20% of the portfolio would have resulted in a limited 4-point reduction in the SCR coverage ratio.

Since 2022, CNP Assurances Group's hedging programme has systematically included hedges of spread risk.

All told, in light of these parameters, the exposure of CNP Assurances to downgrade and default risk is considered as **Major**.

Credit and counterparty concentration risk

This risk arises from large individual exposures or from significant exposures to a group of counterparties considered as a single beneficiary or from significant exposures to counterparties operating in the same industry or geographical area.

The CNP Assurances Group has a significant investment in sovereign debt, which represented around a third of insurance assets excluding unit-linked portfolios at the end of 2024. The majority of the investments are made in relatively stable regions, including over 50% in France and around 30% in Europe.

This risk is considered as **Major** for the CNP Assurances Group; however, it is mitigated by the concentration limits by group of issuers defined for investment risk management purposes.

Property risk

Real estate risk measures the sensitivity of property portfolio values to changes in prices on the real estate markets. The risk concerns both investment property and owner-occupied property.

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 values) as well as to the risk of tenant default and declines in rent adjustment indices.

In 2024, the ECB implemented several interest rate drops which did not have an immediate effect on real estate investment returns or decisions. Real estate investment activity remained sluggish. In the first half of 2024, prices continued to fall, but more moderately. In the second half of the year, the fall in prices eased further, with prime asset values stabilising in the final quarter, and real estate rates for prime offices in the central business district and for logistics and business premises coming under slight pressure.

In 2025, if interest rates and political instability remain under control, prices could continue to stabilise, even though certain types of asset, particularly those that do not meet environmental constraints, could continue their correction. Since 2018, compared to the benchmark[1], CNP Assurances' property portfolio has been over-weighted towards assets in the Paris central business district (CBD) and under-weighted towards residential property (apart from the Lamartine asset). The decline in the portfolio's appraisal values in 2024 was restrained by the quality of the assets and their limited exposure to price corrections. For our portfolio, the average decrease ranges between 3% and 5%, and a moderate stabilisation is forecast for 2025.

The year was also marked by requests to redeem interests in "mature" SCPI property investment funds, and the decline in assets held by these funds was much steeper. Rates fell by 8% to 25% depending on the product, with an average decline of 15%.

Given current market conditions, CNP Assurances Group's exposure to real estate risk remains material.

5.3 Operational risk factors

Investment and asset/liability management (ALM) risks

CNP Assurances Group has defined a framework, policy and rules governing their investing and asset/liability management activities.

Failure to apply the investment policy and rules could lead to poor investment choices with significant financial or reputational consequences. Failures in investment and ALM processes would have major consequences for the CNP Assurances Group (counterparty default, failure to book provisions for one or several exposures, asset/liability write-downs, etc.). In a period of rising interest rates, this risk is correlated with financial market risks (section 5.1.1). Rising interest rates have a severe adverse effect on the value of asset portfolios held by insurance undertakings to cover their liabilities towards policyholders.

Deployment of a coherent investment management framework governed by strict regulations and structured operational processes reduces the risk of such failures occurring.

The control environment at CNP Assurances Group is based on a comprehensive risk management system comprising:

- an investment policy that is revised annually and sets clear asset selection standards;
- numerous committees tasked with overseeing application of these standards (Monitoring Committees, Oversight Committees, New Product Committee, Investment Committees, ALM Committees, Strategic Asset Allocation Committees, and the Group Risk Committee which receives and reviews reports on the other committees' work);
- an Audit Committee-approved investment programme and systematic hedging programme;
- a Risk Appetite Framework for CNP Assurances covering investment and ALM risks that is revised annually;
- formally described operational processes (allocation structuring, investment selection, optimised management of buy and sell orders and related compliance procedures, transaction follow-up and monitoring, investment inventories, etc.);
- structured asset allocation approaches, based on an investment framework defined by the guidelines issued by the committees and the Compliance department (e.g., list of authorised countries and investments);
- follow-up and monitoring of investment risks and related compliance risks (surveillance of risks related to securities investments, including exposure limit controls, detection of growing and/or emerging asset risks, monitoring of exposure indicators by the Investment Risk units in the Group Risk Department, etc.).

In light of (i) the growing international presence of the Group, (ii) tighter European ESG and sustainability disclosure and reporting regulations (SFDR and CSRD), (iii) the complexity of monitoring compliance with investment exposure limits and (iv) the need to strengthen ALM control procedures (controls and evidencing of asset-liability mismatch analyses in an environment shaped by the transition to IFRS 9 and IFRS 17), this risk is considered as **Major** for the CNP Assurances Group.

(1) Source: MSCI

Product compliance and customer interaction risk (money laundering and terrorism financing risk, sanctions application risk and fraud risk)

Product compliance risk relates to risk that could prevent the Company from fulfilling its regulatory obligations and/or complying with internal standards in its relations with policyholders.

Several aspects of the regulatory framework governing insurance activities have been changed over recent years. Many new regulations have been introduced to improve customer protection, with the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation that came into effect in January 2018; the Insurance Distribution Directive (IDD) that came into effect in 2018, extended by the new ACPR recommendations on its implementation issued in 2023 and 2024; and the General Data Protection Regulation (GDPR). Every year, new obligations are introduced to enhance consumer protections. Since 2022, these have included increased obligations for distributors that sell insurance products over the phone, simplified access to term creditor insurance, the right for borrowers to terminate term creditor insurance cover at any time (Lemoine Act), three-click cancellation, inclusion of sustainability factors in life insurance contracts, fee transparency and expanded access to the insurance ombudsman. In 2024, compliance work focused in particular on preparing for the application of the Green Industry Act (LIV), which will affect the asset portfolios underlying PER and life insurance contracts from 24 October 2024.

The new regulations expose the CNP Assurances Group to compliance risks due to its broad range of businesses, in an environment shaped by the digitalisation of policyholder relationships and the increased focus on unit-linked sales, which are also a source of changing risks.

Under CNP Assurances' business model in France, it generally falls to the distribution partner to present life insurance operations to customers, although responsibility for these presentations lies with the insurer. This is increasingly the case since the end of 2023, when the ALYSES digital wealth management platform for independent financial advisors came on stream.

The products offered by the Group and the contractual and marketing documents presented to customers must be legally watertight and provide policyholders (or insureds) with clear information about the content and scope of the purchased cover or the insurance proposal.

In response to the Covid-19 crisis and in line with its efforts to modernise its processes, CNP Assurances has developed a system of electronic signatures with its partners. It also set up a Customer Journey Committee several years ago, tasked with proposing measures to reduce as far as possible the customer effort required to complete a process with CNP Assurances or its partners.

Combating money laundering and the financing of terrorism (AML-CFT), ensuring compliance with financial sanctions and combating fraud are a constant concern for the CNP Assurances Group. The Group's business model, in which many transactions are performed by partners, has shaped the related controls. When the commercial relationship is managed by the distribution partner, the partner plays an essential role in performing know-your-customer procedures initially and at regular intervals throughout the customer relationship, as well as in exercising appropriate oversight of customer transactions. The management agreements entered into with the distribution partners describe the tasks performed by the partners on behalf of CNP Assurances and its partners and also include appropriate compliance clauses. CNP Assurances was fined in 2018 for weaknesses in its AML-CFT procedures. Since then, it has made extensive improvements to the overall system and has developed a proprietary surveillance tool that is used to carry out internally some of the controls required by the regulations. Prioritising alert processing using Artificial Intelligence (AI) will help to strengthen this control system over the coming years.

Lastly, the CNP Assurances Group has invested continuously in the financial security platform, developing new and improved functionalities and expanding its coverage by adding fraud scenarios and detection measures.

For the reasons explained above, the CNP Assurances Group's exposure to compliance and fraud risk is considered as **Major**.

Business interruption and system malfunction risk

Complete IT system failures and malfunctions could seriously affect CNP Assurances by preventing it from fulfilling its customer service missions. Data processing could be brought to a halt or lead to processing errors or omissions, exposing CNP Assurances to the risk of financial penalties levied by the supervisory and control authorities.

CNP Assurances Group's exposure to business interruption risks is managed by the Resilience and Outsourcing Management unit within the Group Risk Department. This unit ensures, in particular, that the Crisis and Business Continuity Management approach of CNP Assurances Group is consistent with La Banque Postale Group's operational risk management policy. The Resilience and Outsourcing Management unit is supported by a network of business continuity plan correspondents for the deployment and regular updating of Business Continuity and Crisis Management measures.

The CNP Assurances Group has set up an IT Disaster Recovery Plan (DRP) based on a redundant site, to ensure the continued operation of the information system in the event of a major incident at the data centre.

The plan is based on four pillars:

- transfer of IT production resources from the main facility to the redundant site;
- continuation of management operations in the event of an incident;
- transfer of telephone call flows to the redundant site;
- transfer of data flows to the redundant site.

An IT emergency drill is held every year. The organisation and management of the drill is the responsibility of the Resilience and Outsourcing Management unit, liaising with the Customer Experience, Digital Services and Data Department, the Business Units and the corporate functions.

The 2024 drill involved four facilities and was based on standard practices in the bancassurance sector. The results were satisfactory, providing confirmation that the redundant site was a mirror image of the principal facility and that operations could be resumed in less than 72 hours.

Work is currently in progress to transition from a cold recovery plan to a hot recovery plan that will reduce the maximum system downtime from 72 hours to 8 hours.

The risk management system has been supplemented by a crisis kit comprising a number of documents:

- list of actions to be taken automatically;
- procedure for launching a crisis alert and organising the response;
- crisis kit (organisation charts and roles);
- guideline template;
- crisis management procedure manual;
- process for activating the redundant site.

Business interruption and systems malfunction risks are considered as **Major** risks for the CNP Assurances Group.

Information system, data security and cyber risks

The CNP Assurances Group's operational and sales activities are all reliant on its information system.

Information system risks, under the remit of the Group Risk Department, include systems security risks, software malfunction risks and data protection risks (covering the disclosure, alteration or destruction of sensitive data). Instances of system downtime or failure or processing delays could lead to direct or indirect financial losses (cost of restarting the system, organisational costs) and may also damage the Group's image among customers and partners. Granting access to the systems to certain partners and outside contractors exposes the CNP Assurances Group to risks of intrusion and malicious acts that could result in the disclosure of sensitive data.

As an insurer, the CNP Assurances Group is heavily exposed to the risk of personal data breaches due to the large volume of information on policies and policyholders that is processed automatically or manually. This issue also exposes the Group to reputational risk. Personal data breaches may expose the Group to a fine of up to €20 million or 4% of revenue under the General Data Protection Regulation (GDPR). In addition, the fine can be made public.

Cyber risk is defined as any risk of financial loss due to:

- a cyber attack;
- unsecured information system access;
- sensitive data leaks.

The CNP Assurances Group monitors cyber risk continuously, and coverage of this risk is regularly challenged by a dedicated team of experts in order to adapt with agility to the constantly changing environment in which cyber-attacks are increasingly frequent and complex.

The cyber risk management system is overseen by the Chief Information Systems Security Officer (CISSO) and a Data Protection Officer (DPO). With the increase in cybercrime and the growth in home-working across the organisation, the risk of intrusion in the systems of the CNP Assurances Group remains a major source of concern. The system for managing these risks is based on:

- very large-scale systems security audits conducted throughout the year;
- extensive preventive measures;
- mandatory training;
- phishing campaigns measuring individual employees' sensitivity to cyber risks;
- dedicated infrastructure to prevent denial of service attacks;
- data anonymisation;
- improved workstation security;
- tighter controls over access to protected networks;
- annual certification of all internal user accounts, to limit the risk of intrusion into the Group's information systems via obsolete user accounts.
- appropriate governance, risk management and reporting systems.

Many activities were proposed by the Group ISS team during the cyber-risk awareness month and the team also organises monthly cyber war game workshops, quarterly cyber-security cafes and escape game sessions.

In terms of organisation and governance, information systems risk is monitored at the highest level of the Group and is integrated into its risk management policy. An appropriate committee structure has been set up, supported by a steering and reporting system.

The operational risk reporting and management system can be summarised as follows:

- an ISS community has been set up at Group level, composed of the subsidiaries' chief information systems security officers who discuss security issues as and when they arise;
- monthly reports distributed within the Group Risk department and the Customer Experience, Digital Services and Data department on the security situation of the various computer applications (vulnerabilities, level of anonymisation, technical platform support, directory back-up);
- a cyber-security dashboard is presented to the Executive Committee on a monthly basis;
- systems security risks are included in the operational risk section of the quarterly risk reports produced by the Group Risk department and presented to the Executive Committee and Audit and Risk Committee. The reports are also sent to the La Banque Postale group's Risk Management department;
- systems security reports are presented to the boards of directors of CNP Assurances, once a year or more frequently if necessary;
- an inventory of cyber risks is presented to the Board of Directors once a year.

Finally, best practices are shared regularly within the Group and meetings with Caisse des Dépôts, La Poste and La Banque Postale take place on a regular basis in order to share best practices and pool cyber-risk prevention efforts within the major public financial hub.

Similarly, the Group ISS team actively participates in the various working groups of external organisations dealing with information systems security and cyber risks, particularly in the financial services sector. The team has contributed to several white papers describing insurance industry best practices in the area of information systems security.

A few years ago, Open CNP invested in four cybersecurity start-ups:

- YesWeHack, which calls on ethical hackers to detect vulnerabilities. The bug bounty platform now has more than 25,000 hunters and customers in over 40 countries;
- CybelAngel, which specialises in detecting data leaks;
- Tehtris, which has developed a new generation of antivirus software;
- Egerie, which has developed four cyber risk mapping and analysis solutions based on ANSSI's EBIOS Risk Manager method.

The CNP Assurances Group's systems security teams use these solutions.

In all, information systems security risks, data protection risks and cyber risks are considered as **Critical** at the level of the CNP Assurances Group.

Outsourcing risk

The CNP Assurances Group's multi-partner development strategy involves the use of subcontractors. There are three main types of outsourced services:

- policy administration;
- asset management;
- information systems management.

The main outsourcing risks concern compliance with expected and contractual service quality standards, compliance with the requirements imposed by the insurance supervisor, technological, operational or financial dependence on the subcontractor for the execution of the outsourced service, compliance with data protection regulations, etc.

In response to the identified challenges and risks, the CNP Assurances Group's Resilience and Outsourcing Management department:

- defines and implements the outsourcing policies of the CNP Assurances Group;
- oversees outsourced activities on a consolidated basis on behalf of senior management;
- leads the outsourcing governance committees, which are responsible for deciding to retain the services of subcontractors, assessing the criticality of the outsourced activities and ensuring that the activities are supervised;
- informs the insurance supervisor of all critical or important outsourced activities.

Controls over critical or important outsourcing activities have been strengthened by the introduction of:

- a key risk indicator (KRI) reporting system;
- a risk matrix that can be used by senior management to assess the level of risk associated with critical or important activities.

European Regulation 2022/2554 on digital operational resilience for the financial sector (DORA), which became applicable on 17 January 2025, strengthens the management of risks associated with Information and Communication Technology (ICT) service providers.

CNP Assurances' exposure to outsourcing risk is considered as **Major**.

Legal risk

The businesses of the CNP Assurances Group exposes it to increasingly dense and constantly changing insurance regulations.

The Group Legal Department is responsible for ensuring compliance with these regulations in order to contain legal risks.

Within the Group Legal Department, the Insurance Law and Taxation unit is specifically responsible for ensuring that the insurance business is conducted in a legally watertight manner. The unit provides three main types of services:

- advisory services, which include monitoring the regulatory environment (regulatory watch system and analysis of the various sources of national and supra-national law) covering product design and distribution, and support for relations with partners and delegated management service providers;
- legal assistance to customer centres and organisation of training courses or presentations on legal matters of interest to their business;
- defending the interests of CNP Assurances before the courts in disputes with policyholders.

Disputes with policyholders, fraud and contentious claims represent a constant risk. If the situation is badly managed, this can damage CNP Assurances' reputation and image, and have a heavy financial impact. To limit the financial and operational impact of disputes with policyholders in France, the provisions booked to cover the potential costs associated with these disputes are regularly reviewed and adjusted where necessary in line with developments in the matters concerned.

Outstanding disputes are closely tracked through quarterly reports and, for the most significant matters, the Accounting unit organises a meeting with the French or international subsidiary's Litigation Committee. The Group Legal Department works in coordination with the Group Risk Department to track planned action to limit losses and/or analyse the risks represented by the litigation.

The number of disputes managed in France is relatively low in relation to the size of the policyholder portfolio, and has remained stable in recent years. More than half of these outstanding disputes concern group term creditor insurance contracts. One-third of disputes relate to the settlement of death claims and one-third to temporary disability claims.

CNP Assurances is represented before the various courts by a national network of accredited lawyers, supported by lawyers and paralegals working in the Insurance Law and Taxation units. Most of the rulings handed down in recent years have been in favour of CNP Assurances.

The risk of litigation, which may arise from inaccuracies, omissions or inadequacies in the information provided by the insurer concerning its operations is closely tracked as part of the risk management system.

CNP Assurances Group's exposure to outsourcing risk is considered as **Major**.

Tax risk

Tax risk is the risk of non-compliance with accounting and tax regulations.

It primarily concerns the process of determining the tax payable by CNP Assurances on its insurance activities, in a complex environment due in particular to regular rule changes and difficulties in their interpretation. The Group Tax unit is responsible for ensuring compliance with standards and tax rules, interpreting changes identified by the tax watch system and validating tax trade-offs, updating calculation practices/tools and processes, identifying tax planning opportunities and tax reporting obligations.

Since 2023, the CNP Assurances Group has been included in the La Poste tax group and in 2024, preparation of its tax returns was migrated to La Poste Groupe's system.

During the first half of 2024, the Group Tax unit was folded into the Financial and Non-Financial Performance Department to create more integrated processes for the determination of income tax expense reported in both the interim and the annual financial statements. A dedicated unit has been set up to manage the tax obligations of CNP Assurances and its French subsidiaries as members of the La Poste tax group, and the tax position of subsidiaries outside France has been reviewed since 2024 by teams belonging to the organisation set up to manage tax risks.

The processes and procedures for the preparation of tax returns in France (in particular for the CVAE tax and taxes on insurance policies) have been reviewed.

The new Pillar II global minimum tax regulations are in the process of being implemented with La Poste Groupe.

An audit of investing activities carried out by a firm of tax consultants at the request of the Tax and Investment departments did not identify any critical matters.

Internal confidence in the tax compliance systems was weakened by significant incidents in recent years; however, the remedial action taken in response to these incidents is beginning to show its effectiveness, with no new incidents reported.

First-level controls are performed across the entire tax process, with a clear segregation of responsibilities between (i) transaction controls performed by the Group Tax unit, the Accounting unit, the Actuarial Department and the Customer Experience, Digital Services and Data Department, and (ii) system oversight through competency checks performed by the Group Tax unit. A schedule is produced of the work to be carried out each year by the various units, including completion deadlines.

The accounting processes of the CNP Assurances Group are centralised by the Group Accounting unit, which also reports to the Financial and Non-Financial Performance Department.

Given the potential impact on the reputation and image of the CNP Assurances Group, the financial penalties that could be imposed by the tax authorities, and the significant change brought about by the application of IFRS 17 on insurance contracts from 1 January 2023, the tax risk is considered as **Major**.

5.4 Risk factors related to the conduct of the business

Surrender or cancellation risk

Surrender risk is defined as the loss or adverse change in the value of insurance liabilities resulting from a change in policyholder surrender behaviour. Savings contracts include a surrender option for a contractually fixed amount. Surrender rates depend on how the financial markets perform, the yield offered by competing financial products, policyholder behaviour and their confidence in CNP Assurances, and the tax rules applicable to investments in life insurance products.

For group pensions contracts, surrender risk corresponds primarily to the risk of the policy being transferred by the customer to another insurer. The PACTE Act that came into effect in France in 2019 requires insurers to include a clause in their policies which allow for this.

The Group's exposure to outsourcing risk is particularly significant. High surrender rates could have a significant adverse effect on the earnings or solvency ratios of CNP Assurances in certain unfavourable environments.

In 2024, surrender rates were considerably lower than in the previous year, particularly in the premium savings segment, thanks to a more favourable economic climate and effective policyholder retention strategies. Wealth management customers were more inclined to surrender their policies in prior years, but in 2024 they showed a clear preference for the stability and continuity offered by an investment in life insurance, with the result that the surrender rate in this segment fell significantly.

In the term creditor insurance segment, unforeseen policy surrenders can have a considerable impact on the duration of commitments and affect their profitability. This risk is particularly crucial for CNP Assurances as a major actor in this segment. Term creditor insurance contracts may be terminated as a result of early repayment of the underlying loan in order to take out a new loan at a lower interest rate, or as a result of a policy termination. The risk has been amplified by the Lemoine Act which came into effect on 1 June 2022, leading to a peak in terminations in December 2022. Termination rates fell in 2023 and 2024, but stabilised at a higher level than in the pre-Lemoine period. Loan renegotiation rates reached their lowest point in 2024, when interest rates were still high despite easing slightly during the year. Overall, in 2024, the term creditor insurance exit rate was lower than in 2023.

In Italy, CVA's surrender rate fell significantly in 2024, on the back of a steep increase in 2023 that was due to higher interest rates, competition from BTP government bonds and the crisis of confidence triggered by the EuroVita affair. The 2024 performance was attributable to the success of policyholder retention initiatives covering both traditional savings contracts and traditional contracts with a unit-linked formula, and also to the easing of competition from BTP bonds. This favourable trend is expected to continue in 2025. By contrast, CUV experienced a sharp rise in surrenders in 2024, with a slight dip towards the end of the year.

In Brazil, private pension plans, death/disability insurance and term creditor insurance covering home loans and consumer finance also give rise to a significant surrender or termination risk. Surrender and termination rates remained stable in 2024 vs 2023 for all these business segments.

In 2024, the risk rating on the risk map for the CNP Assurances Group was stable overall compared with the previous year.

More generally, surrender risk is linked to policyholder behaviour, which by definition is highly uncertain and partly dependent on external factors. This risk is considered as **Critical** and is very closely monitored.

5.5 Strategic risk factors

Partnership risk

This risk is defined as the risk of a loss of revenue from a partnership (for example, due to termination or refocusing of the partnership), including the risk of the partnership being renewed on unfavourable terms or of opportunities being lost due to competition between banking networks, and the risk of a partnership adversely affecting the results of the CNP Assurances Group or resulting in the recognition of an impairment loss on goodwill or other intangible assets. In the case of the partnerships under a bancassurance model, it includes the risk of a distribution agreement not being renewed, with an adverse effect on the company's profitability and financial position.

The CNP Assurances Group enters into various strategic partnerships, directly or through 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 the CNP Assurances Group's consolidated earnings. The constantly evolving nature of the business means that there is always some uncertainty about the future financial performance of acquirees or partners compared 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, with an adverse effect on the CNP Assurances Group's financial position.

It may be necessary to rethink a partnership in the event of changes to the project itself, the local political and economic situation, the partner's own financial situation, or because of a disagreement between partners. The bancassurance business model relies on the continued implementation of 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 CNP Assurances Group's risk management and monitoring systems. This ensures that its 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) report provides an estimate of solvency capital requirements, including the projected SCR coverage ratio over the business plan period, based on stress scenarios.

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

During the year, CNP Assurances pursued its development and growth strategy, in its international markets and in France, with:

- the signature of a binding agreement with La Mutuelle Générale to create a major player in social protection;
- in Brazil, the acquisition of the entire capital of five insurance companies (Holding Seguros, Previsul, CNP Cap, Odonto Empresas and CNP Consórcios) – which were originally jointly owned with other shareholders, including Caixa Economica Federal – has created a platform for developing open model distribution in the country. CNP Assurances is continuing to expand, notably through the CNP Seguradora brand and new partnerships with Banco de Brasília and the XP insurance broker.

Based on its Corporate Social Responsibility (CSR) policy underpinned by its corporate mission, CNP Assurances has given a series of commitments to its six stakeholder groups: employees, customers, partners, the shareholder and investors, society and the planet. These commitments, which are translated into measurable objectives that are communicated annually, can be summarised as follows: Employees: support employee development within an organisation that boasts a wealth of talent and diversity. Customers: make protection solutions available to everyone, regardless of their situation, and be there for policyholders whenever needed. Partners: develop effective and innovative solutions with partners to drive progress in protection insurance.

Shareholder and investors: responsibly generate sustainable financial performance. Society: help to build a more inclusive and sustainable society with a place for everyone. The planet: combat climate change and protect the natural world as a committed player in the environmental transition.

CNP Assurances has been actively pursuing these objectives and has announced various responsible measures such as:

- an insurance offer without any premium surcharge or exclusions for former breast cancer sufferers receiving maintenance treatment or treatment to prevent the disease recurring who want to purchase a home or start a business;
- the signature in September 2024 of L'Autre Cercle's LGBT+ Charter, which promotes the inclusion of LGBT+ people in the world of work;
- action to protect biodiversity by banning new investments in companies with a significant involvement in the manufacture or sale of pesticides and companies that produce/extract or trade in certain raw materials that lead to deforestation.

CNP Assurances is also refocusing its activities in Europe, and has announced the signature of a contract for the sale of its businesses in Cyprus and Greece. In addition, the CNP Assurances Group took note of the decision by UniCredit's Board of Directors to exercise its option to purchase 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 their shareholders' agreement.

CNP Assurances' development is focused on three main areas: consolidating its positions in the savings and term creditor insurance markets by strengthening its long-standing partnership with Caixa Econômica Federal in Brazil; exploiting growth levers and diversifying its geographical presence as well as its property damage and personal insurance products as a full service insurer; and expanding its distribution partnerships, building in particular on the powerful partnership with La Banque Postale.

The CNP Assurances Group's business model depends to a considerable extent on the continuation of its existing partnerships and its ability to establish new ones. Strategic partnership risk is therefore considered as **Critical**.

Risk 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 that may adversely affect its financial and operating performance. These factors include economic fluctuations, regulatory changes, technological developments, adverse weather conditions and geopolitical instability. They can lead to lower revenue or higher costs, or impair the value of assets, with an adverse effect on business stability and growth.

To reduce these risks, CNP Assurances Group has diversified its businesses and investments in order to limit its exposure to a single sector or market. It also deploys tracking and adaptation strategies to keep a close eye on 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 drawn up to deal with crises and business interruptions. They include procedures to prepare for crisis scenarios and the measures to be implemented to ensure business continuity.

All told, this risk is considered as **Major** for the CNP Assurances Group.

Regulatory risk

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

The introduction of new regulations in Europe or other host countries could prove both complex and costly for CNP Assurances and its subsidiaries. Many different activities may be affected by regulatory changes, information systems may have to be adapted and costs may have to be incurred for staff training and on-the-job learning to ensure compliance with the new regulatory framework.

Since the Insurance Distribution Directive (IDD) came into effect in Europe in 2018, work to improve the risk management system has continued with the introduction of value-for-money benchmarks for unit-linked contracts in accordance with the recommendations and instructions of EIOPA, the ACPR and France Assureurs. In 2024, CNP Assurances added to its Sapin II whistleblowing system for the reporting of ethics breaches by employees, by setting up a whistleblowing platform at www.cnp.fr. The platform will be used to collect external reports in accordance with the obligations resulting from the Waserman Act, which broadens the definition of whistleblowers, and the Duty of Care Act. The year also saw the implementation of the new package of anti-money laundering rules, which strengthens the European Union's anti-money laundering and terrorism financing (AML/CFT) tool kit.

New regulations may have an impact on the business model of the CNP Assurances Group; for example, the Retail Investment Strategy (RIS), which increases the protection of retail investors and makes financial products more transparent, could influence the protection afforded to savers and the performance of investment products. The revisions to Solvency II, including sustainability matters, and the reporting obligations contained in the Corporate Sustainability Reporting Directive (CSRD) could affect the investment policies and day-to-day operations of CNP Assurances Group in support of the ecological transition, as well as the reporting obligations. The Digital Operational Resilience Act (DORA) concerns the digital operational resilience of the third-party service providers of CNP Assurances Group.

The Artificial Intelligence Act governing the safe and ethical use of artificial intelligence and the European Financial Data Access (FiDA) Regulation, which facilitates access to financial data by improving transparency, could have an impact on the deployment of artificial intelligence within CNP Assurances Group, and on their data protection and data governance policies, as well as requiring investments to be made in improved infrastructure and data management processes.

The International Association of Insurance Supervisors' Insurance Capital Standard (ICS) aimed at harmonising capital requirements for insurers could result in a significant operating cost for the CNP Assurances Group when it finally comes into effect in 2029.

After the Green Industry Act entered the statute book in October 2023, various regulatory provisions were adopted which (i) strengthen the duty of policyholder advice with the inclusion of advice on sustainability matters and extension of the advisory period to cover the whole life of the contract, (ii) expand the list of admissible investments for PER company retirement savings plans to include private equity and other unlisted assets, (iii) introduce certain changes concerning arbitrage mandates and profile-based asset allocation strategies (savings products and company retirement savings plans), and (iv) extend the concept of labels for unit-linked contracts and extend the list of admissible investments for unit-linked contracts to include private equity and other unlisted assets. CNP Assurances' products and contractual documents have been adapted to comply with these new regulatory requirements.

These regulatory developments, covering prudential, accounting, compliance, legal and tax matters, as well as ESG risks, are tracked on a half-yearly basis through the risk reports presented to the CNP Assurances Group Executive Committee and communicated to the Group Risk Departments of La Banque Postale and Caisse des Dépôts. In addition, the CNP Assurances Group actively monitors the matters mentioned above to ensure that these regulatory changes are anticipated by the Risk Department's Prudential Monitoring Committee and the Public Affairs Committee, and duly implemented.

In light of the many regulatory changes taking place or planned, this risk is considered as **Major** for the CNP Assurances Group.

Country risk

Country risk is the risk of loss due to political, economic, legal or social factors in a host country, or to local regulations and controls.

The CNP Assurances Group has operations in many countries, in Europe and Latin America. The sustainability and development of its businesses depend 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 the CNP Assurances Group's host countries, especially in cases where insurers are 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 Group's earnings if the courts rule against the CNP Assurances Group. 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 bound by local regulations and is also subject to audits carried out by the competent local authorities. In Brazil, for example, any dividends paid to CNP Assurances must be approved by the Brazilian Central Bank, and brokerage activities carried out by Wiz Soluções e Corretagem de Seguros (in which CNP Seguros Holding Brasil S.A. holds a 25% minority stake), which is listed on BOVESPA (Brazil's São Paulo stock exchange), 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 (accounting for 16% and 18% of the consolidated premium income respectively in 2024). France remains CNP Assurances' largest market, accounting for over 63% of premium income in 2024.

The CNP Assurances Group monitors the Euler Hermes country risk ratings for its host countries. Euler Hermes rates Argentina as High Risk and Brazil and Italy as Moderate Risk. In addition, the CNP Assurances Group closely tracks the country risks associated with its investments and operations, using data provided by rating agencies such as Moody's and the Tac Economics, Oxford Economics and World Bank indicators (on corruption, governance, etc.). This information is summarised to provide a basis for assessing the economic structure, business cycle, governance and tax structure of the countries concerned.

Concerning international markets, the CNP Assurances Group is not present in either Russia or Ukraine and its exposure to country risk is very low. However, the conflict triggered a sharp rise in inflation and interest rates, which automatically led to reduced exposure to falling interest rates, an increase in the SCR coverage ratio and a decrease in the own funds of the CNP Assurances Group. CNP Santander had a moderate level of exposure to country risk due to its operations in Poland which borders on countries exposed to geopolitical tensions.

CNP Assurances Group is not affected by the Israeli-Palestinian crisis as it has no operations in this region.

Country risk is trending upwards as a result of the political situation in France, where most of the profits of CNP Assurances are earned, and this risk is therefore still rated as **Major.**

5.6 Climate change risk factors

The risks associated with the effects of climate change to which the CNP Assurances Group is exposed can be analysed along three lines:

- investment business;
- insurance business;
- internal processes.

These risks may take several different 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 notably includes regulatory risk (linked to a change in government policies: ban or restrictions on certain activities, for example by imposing quotas; introducing carbon taxes, fines, environmental taxes or other new tax measures), technological risk (linked to 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.

Climate risks, and more generally sustainability risks, are part of the overall risk governance and control system. They are managed along with other risks by the Risk Management organisation of CNP Assurances Group with high-level oversight by the Board of Directors, the Audit and Risk Committee and the Group Risk Committee.

The CNP Assurances Group set up a Climate Risk Committee in 2019 in response to the compelling need to reduce the current and future effects of climate change. In 2021, its remit was extended to include biodiversity risk and monitoring the progress of each subsidiary's work. The committee meets each quarter to review the roadmap to be implemented to manage climate and biodiversity risks across all aspects of the business. At the end of 2024, the committee's remit was extended to cover all sustainability risks and it was renamed the Sustainability Risk Committee, comprising representatives of the Sustainability Department, the Risk Department, the Investment Department, the Actuarial Department, the General Secretariat, the Purchasing Department, the Compliance Department and the Human Resources Department.

Since 2022, the Group Risk department has brought the physical and transitional risks related to climate change into the risk mapping of the CNP Assurances Group and initiated a process consistent with the April 2021 EIOPA[1] opinion. Although climate risks are closely linked to or overlap with technical risks and financial risks, as they are aggravating factors for existing risks, they are dealt with separately in the risk map due to their specific and emerging nature. They are assessed based on qualitative data and expert opinions. Climate risks are assessed separately according to whether they represent physical risks or transition risks, and assessments cover insurance activities and internal operations. The quantitative impact of climate risk measured in the insurance-industry scenarios is fairly low, not including induced financial shocks.

Climate change risk is also incorporated into risk management policies through the inclusion of sustainability risks in investing, underwriting and provisioning risk policies, and also in the Risk Appetite Statement in order to set limits on the exposure of CNP Assurances Group. The Chief Risk Officer is responsible for tracking climate risks.

Physical risk

Several studies on the physical risks associated with the investment portfolio have highlighted the exposure of certain countries, companies, buildings or forests to various climate hazards. The CNP Assurances Group's objective, based on the studies and data currently available, is to limit this exposure through appropriate investment decisions. Management of these investments is based on ESG analyses that now include climate risks.

In 2023, an analysis of the exposure to physical climate risks of CNP Assurances France's property assets (directly-held properties and majority-participation club deals) showed that the main risks concerned flooding and urban heat islands. The tools available to the asset managers to track this exposure are evolving and it is now possible to better integrate the intrinsic characteristics of each asset (materials, types of construction, specific measures, etc.). In addition to building insulation improvements, which help to reduce energy consumption and limit the effects of heat, efforts are also being made to improve the properties' environmental footprint with a focus on greening the assets and the land they are built on. These actions to reduce land take and increase planted areas should have an effect on the two main identified risks.

For CNP Assurances' forestry assets, species and production cycle adaptation plans have been in place for many years. Woodland management also takes risks of fire into account, both in terms of preventing forest fires and facilitating rapid response and access to water points.

The CNP Assurances Group's business consists mainly of writing personal insurance and the risks associated with the effects of climate change primarily concern mortality and morbidity rates. Nevertheless, they have set up reinsurance programmes covering the risk of excess mortality and natural disasters. CNP Assurances shares its risk by participating in France's natural disaster compensation scheme and the *Bureau Commun d'Assurances Collectives* (BCAC) natural disaster reinsurance pool. In 2024, CNP Assurances published a green paper entitled "Climate risk and impact in insurance" on the measurement of climate change and its impact on policyholders and their insurers, in partnership with the DIALog chair. This academic chair of excellence studies risk assessment methods that combine data science, artificial intelligence and big data techniques. One of the main results of its work has been the adaptation of actuarial climate indices to improve the assessment and measurement of climate risks in France.

(1) *European Insurance and Occupational Pensions Authority*

The property and casualty insurance activities of the Group also generate exposure to natural perils, mainly in Brazil, part of which is ceded under reinsurance treaties. Climate change is impacting the frequency and severity of climatic events in these zones, and consequently on the claims burden of the companies concerned and the reinsurance capacity offered by the market.

The IARD insurance subsidiaries objectives are to offer maximum insurability by sharing risks at a high level within the portfolios. Efforts are also being made in the area of prevention, to limit the impact of these perils and offer lasting repairs to damaged property, particularly in the case of drought in France. The floods in southern Brazil had an impact on the Brazilian entities CSH and Youse. Support for customers affected by the floods was stepped up and claims tracking was tightened. The Brazilian subsidiaries have launched stress tests and ORSA exercises to quantify the impact of climate risks on their life insurance business. Youse is taking part in an insurance industry working group on climate risks.

In particular, the impact on the solvency of CNP Assurances IARD is tested as part of the ORSA using a specific climate risk scenario to liabilities.

Concerning internal operations, the CNP Assurances Group's offices and employees are located in countries (around 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 risks are managed by regularly updating contingency plans, in order to ensure that staff would be able to continue working following a climate event. Work was carried out in 2023 in Europe and in 2024 in Brazil to measure as accurately as possible the exposure and vulnerability of the local subsidiaries' production resources to various climate risks in the coming decades, based on different global warming scenarios (for example heatwaves and river flooding).

Transition risk

The CNP Assurances Group adopted a low-carbon strategy in 2015 to limit the transition risk and support the energy transition. CNP Assurances SA undertook to aim for carbon neutrality in its investment portfolios by 2050 by joining the Net-Zero Asset Owner Alliance. After the intermediate objectives were met in 2024, ambitious new targets have been set for 2029 based on current scientific knowledge. They include reducing the carbon footprint (scopes 1 and 2) of the directly-held equity, corporate bond and infrastructure asset portfolio by a further 53% by 2029 vs the 2019 baseline and reducing the carbon footprint (scopes 1 and 2) of the directly-held property portfolio, plus club deals and the Lamartine Fund, by an additional 32% over the same period. In addition, CNP Assurances SA is committed to reducing the direct and indirect greenhouse gas emissions (scopes 1 and 2) of its internal operations by 50% by 2030 vs the 2019 baseline.

The transition plan of the CNP Assurances Group to mitigate climate change, which is presented in the sustainability statement in chapter 2 of this document, sets out the action taken across all its activities to achieve these targets. For example, to limit the risk of assets being overlooked in the investment business, in 2020, the CNP Assurances Group drew up a plan to banish from its portfolio all thermal coal sector investments in the European Union and OECD countries by 2030, and in the rest of the world by 2040. Alongside these commitments, in 2021 and 2022 policies were adopted that restrict investments in the oil and natural gas sectors.

The CNP Assurances 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) affecting the net inflow of new money into pension savings contracts;
- stricter environmental regulations (renovations of homes to meet mandatory minimum energy performance requirements, bans on the rental or sale of poorly insulated housing, no net land take etc.) could disrupt the property market and have an impact on the term creditor insurance, comprehensive home-owner insurance and home loan guarantee businesses;
- stricter environmental regulations (phasing out of internal combustion vehicles, more incentives/disincentives to encourage purchases of eco-friendly vehicles, more low-emission zones, etc.) could disrupt the automotive market and adversely affect the motor insurance business.

Concerning internal operations, the CNP Assurances Group is exposed to transition risk in the event of failure to control its main sources of greenhouse gas (GHG) emissions. Annual GHG emission audits are performed and an internal carbon price has been introduced to focus efforts on the most effective action in the areas of building management and business travel.

CNP Assurances was asked by the ACPR to take part in the climate stress test process on the scope of its activities in France. CNP Assurances tested two long-term transition scenarios and a short- to medium-term scenario proposed by the ACPR against a fictitious reference scenario with no physical or transition risk, developed by the National Institute of Economic and Social Research (NIESR):

1. Orderly Transition scenario ("Below 2°C" scenario developed by the Network for Greening the Financial System– NGFS): efforts to comply with the Paris Agreement made in an orderly and gradual fashion between 2020 and 2050;
2. Delayed Transition scenario (NGFS): efforts to comply with the Paris Agreement are kicked off abruptly in 2030, to meet the targets by 2050;
3. Short-Term scenario developed by the ACPR in cooperation with Banque de France teams for the period 2023-2027, which combines acute physical risk shocks (lasting drought/heat waves followed by localised flooding), and a financial shock to assets as the market wakes up to the risks following these extreme events and anticipates the effect of transition policies that are now considered inevitable.

The process, although particularly complex, served to quantify CNP Assurances' exposure in 2024 to the climate scenarios proposed by the ACPR, and in particular:

- it measured the group's sensitivity to a high interest rate environment in the different scenarios, as well as highlighting its resilience to climate risk;
- it confirmed that the measures implemented in recent years (reduction of the investment portfolio's carbon footprint, reduction of the direct exposure to thermal coal and increased green investments) have made CNP Assurances more resilient to a less favourable transition scenario for companies with the greatest GHG emissions.

CNP Assurances is also continuing its work to enhance the internal climate scenarios in the ORSA.

Given the uncertainty surrounding the effects of weather events on the economy and political and social stability, the decision has been made to maintain the climate change risk as a material and **Major** risk.

Chapter

6

Non-financial information

6.1 Non-financial information

CNP Assurances Holding is not required to publish a CSRD sustainability statement because it is not an issuer of financial securities that are listed on a regulated market. The non–financial information disclosed concerning CNP Assurances Holding is provided for information purposes only, in order to give a more representative view of the CNP Assurances Group as a whole.

The Sustainability Statement for CNP Assurances SA and its subsidiaries has been prepared in accordance with European Directive 2022/2464/EU of 14 December 2022, (the Corporate Sustainability Reporting Directive – CSRD) (OJEU of 16 December), transposed into French law following the publication of Order 2023-1142 of 6 December 2023 (OJ of 7 December). It is applicable to CNP Assurances SA and its French and international subsidiaries.

SUMMARY OF THE MAIN NON-FINANCIAL INDICATORS

Indicators	Value at 31 December 2024: CNP Assurances Holding and its subsidiaries
EMPLOYEE INDICATORS	
Number of employees	8,479
Percentage of employees on a permanent contract at 31 December	94.2%
Percentage of women in the workforce at 31 December	57%
Percentage of employees working part time	8%
Employee turnover during the reporting period	8.3%
Percentage of women on the Executive Committee	40.0%
Proportion of female senior executives in accordance with the Rixain law	42%
Number of employees aged under 30	1,097
Number of employees aged 30 to 50	5,070
Number of employees aged over 50	2,312
Percentage of employees with a disability	6%
Average number of training hours per employee	20.5
Percentage of recordable work-related accidents involving employees	1.8%
Percentage of employees taking family-related leave	14.5%
Gender pay gap as a %	15.7%
The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual);	7.44
ENVIRONMENTAL INDICATORS	
Green investment portfolio (objective: build a €30bn green investment portfolio by the end of 2025)	€29.8bn
Carbon footprint of our internal operations (objective: reduce the carbon footprint of its internal operations by 50% between 2019 and 2030 (location-based Scopes 1 and 2))	2,727 tCO_2e
Scope 1 (direct emissions: fuel, natural gas, fuel oil, air conditioning consumption)	1,753 tCO_2e
Scope 2 (location-based, indirect emissions linked to energy consumption: electricity and heating network consumption)	974 tCO_2e
Scope 2 (market-based, indirect emissions linked to energy consumption: electricity and heating network consumption)	276 tCO_2e
Scope 3 (other indirect emissions)	19,003,827 tCO_2e
Investments (Scope 1+2)	*18,918,876 tCO_2e*
Purchased goods and services	*74,184 tCO_2e*
Capital goods	*3,580 tCO_2e*
Employee commuting	*3,585 tCO_2e*
Business travel	*2,940 tCO_2e*
Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	*640 tCO_2e*
Waste generated in operations	*22 tCO_2e*
TOTAL SCOPES 1, 2 AND 3 (LOCATION-BASED METHOD)	**19,006,554 tCO_2e**
TOTAL SCOPES 1, 2 AND 3 (MARKET-BASED METHOD)	**19,005,856 tCO2e**

Indicators	Value at 31 December 2024: CNP Assurances Holding and its subsidiaries	Value at 31 December 2023: CNP Assurances Holding and its subsidiaries
TAXONOMY-RELATED UNDERWRITING INDICATORS		
Non-life gross premiums written	€2,510m	€2,181m
Taxonomy-eligible non-life gross premiums written	€29.5m	€29.5m
Taxonomy-aligned non-life gross premiums written	€16.9m	€16.9m
Taxonomy-eligible non-life gross premiums written as a % of total non-life gross premiums	1.2%	1.4%
Taxonomy-aligned non-life gross premiums written as a % of total non-life gross premiums	0.7%	0.8%
TAXONOMY-RELATED INVESTMENT INDICATORS		
Investments in Taxonomy-aligned economic activities (premium income basis)	€9.9bn	€8.0bn
Investments in Taxonomy-aligned economic activities (capital expenditure basis)	€13.6bn	€11.6bn
Investments in Taxonomy-aligned economic activities (premium income basis) as a % of investments excluding sovereign bonds	3.3%	2.9%
Investments in Taxonomy-aligned economic activities (capital expenditure basis) as a % of total investments excluding sovereign bonds	4.5%	4.1%

Chapter

7

Internal control and risk management procedures

The Solvency and Financial Condition Report (SFCR), available on the CNP Assurances website, www.cnp.fr, includes a detailed description of the Group's governance (notably, section B3 – Risk management and section B5.1 – Internal control system). Section C of the SFCR presents the Group's risk profile and includes a description of the system for managing each material risk.

The additional information provided below concerns procedures for the preparation and processing of accounting and financial information.

7.1 Assessment of underwriting results

The determination of technical reserves is carried out by the Group Actuarial department, whose activities include calculating the CNP Assurances Group's insurance indicators using different standards (French GAAP, IFRS and Solvency II).

Concerning the preparation of the separate and consolidated financial statements and the CNP Assurances Group's financial communications, the Group Actuarial department has a specific responsibility for:

- calculating policyholder dividend rates for all individual policies and pension products in France;
- determining technical reserves in France;
- coordinating the subsidiaries' calculation of technical reserves;
- checking compliance with certain accounting principles applicable to the consolidated financial statements (including the performance of liability adequacy tests and recoverability tests on intangible insurance assets).

Internal controls have been established to provide assurance concerning:

- compliance with the Group's reporting deadlines for financial communication purposes;
- information consistency;
- the updating of contractual and financial data underlying the reserve calculations;
- compliance of the work performed with current regulations and the CNP Assurances Group's accounting principles and policies.

The Group Actuarial department also assesses the profitability and value of the insurance books, particularly for the purpose of intangible asset impairment tests and value of in-force business (VIB) calculations, as well as for development projects. The reason for this is that technical items in the financial statements include contractual customer relationships – corresponding to the value of the insurance books of acquired subsidiaries – and the related amortisation. At each year-end, predictive modelling techniques are used to estimate the value of these intangible assets in order to provide assurance that their carrying amount will be recovered through future profits and no impairment loss needs to be recorded.

7.2 Management of system and process upgrades

The application of IFRS 9 on financial instruments and IFRS 17 on insurance contract liabilities on 1 January 2023 involves major challenges in terms of complying with the requirements and revising the accounts closing processes for French and international subsidiaries.

This has been adjusted to reflect the new process for the production of accounting data. These adjustments are reflected in the system used by the CNP Assurances Group to manage the statutory and regulatory accounts closing processes.

7.3 Accounting and preparation of financial statements

Controls over the accounts closing process include:

- a documented **accounts closing process** and governance procedures based around planning meetings, regular meetings of the accounts closing committee (every week during the closing period) and feedback meetings, for the purpose of organising the process, tracking progress and determining the action to be taken to deal with any problems or to optimise the process;
- **first-tier controls** performed by Accounting department teams responsible for the day-to-day recording of accounting transactions and for recording period-end accounting entries. These controls are supplemented by those performed by the teams that participate in the accounts closing process upstream from the Accounting department (Group Actuarial department, Investment department).

  Additional controls are performed by the Reporting department's statutory reporting team and multi-standard cross-functional reporting team. These controls particularly include analytical reviews of the balance sheet and income statement. Profit analyses are performed for each product and actual profits are reconciled to the corresponding forecasts.

  For the preparation of the consolidated financial statements, in addition to the process described above, instructions are sent to the subsidiaries before each accounts closing, the consolidation packages are checked (through a combination of controls performed by the Group Consolidation department and the multi-standard cross-functional reporting team, in addition to the programmed controls in the consolidation application), and frequent exchanges take place with the subsidiaries' accounting teams;
- **second-tier controls** performed by the Group Risk department, mainly by the Process, Risk and Control department.

  Self-assessment exercises are organised annually by the department, covering both first- and second-tier controls. To this end, the Accounting department carries out a self-assessment of the controls integrated into the Group control tool. Each self-assessment must be backed up by clear evidence that the control has been performed together with documented proof of the results of the control. Each self-assessment is reviewed by a validator, typically from the self-assessor's line management. The Group Accounting department's Internal Control unit performs independent quality reviews of a sample of self–assessments, selected based on qualitative criteria and a process that ensures all self-assessments are reviewed at least once every three years. Furthermore, the key controls are reviewed by the Group Risk department as part of the certification process.

  If the results of controls are unsatisfactory or there is room for improvement, action plans are prepared.

7.4 Identification of disclosure requirements

Several divisions and departments, each with their own specific skills, are involved in identifying information to be disclosed to the markets, mainly:

- the Group Finance and Non-Financial department, which includes the Investor and Shareholders Relations and Rating Agencies department, the Financial and Non–Financial Performance department, the Financial and Non-Financial Steering department, the Actuarial department and the Group Sustainability department;
- the Corporate Legal Department.

The operational ties forged with correspondents at the French securities regulator (*Autorité des Marchés Financiers*) also help to enhance the financial and non-financial communication process on an ongoing basis.

Chapter

8

Ownership structure

At 31 December 2023

Number of shares: 400,025,632

Number of theoretical voting rights (gross): 400,025,632

Number of exercisable voting rights (net): 400,025,632

Shareholders	Number of shares	% share capital	% exercisable voting rights
La Banque Postale	400,025,632	100%	100%
TOTAL	**400,025,632**	**100.00%**	**100.00%**

On 11 April 2023, La Banque Postale transferred the shares it held in CNP Assurances, CNP Assurances IARD (formerly La Banque Postale IARD), CNP Assurances Prévoyance (formerly La Banque Postale Prévoyance), CNP Assurances Santé Individuelle (formerly La Banque Postale Assurance Santé) and CNP Assurances Conseil et Courtage (formerly La Banque Postale Conseil en Assurances and merged into CNP Assurances IARD on 1 January 2025) to CNP Assurances Holding (formerly La Banque Postale International), as part of the merger of the insurance activities of La Banque Postale and CNP Assurances.

At 31 December 2024

Number of shares: 400,025,632

Number of theoretical voting rights (gross): 400,025,632

Number of exercisable voting rights (net): 400,025,632

Shareholders	Number of shares	% share capital	% exercisable voting rights
La Banque Postale	400,025,632(1)	100%	100%
TOTAL	**400,025,632**	**100.00%**	**100.00%**

(1) *Including one share loaned to Sophie Renaudie, member of the Executive Board of La Banque Postale, to comply with the legal requirement of two shareholders in a public limited company.*

On 13 December 2024, CNP Assurances Holding became a public limited company, having previously been a closely-held limited company (*société par actions simplifiée*).

Chapter

9

Main CNP Assurances branches

Entity	Branch	Country	City
CNP Assurances SA	CNP Assurances Denmark branch	Denmark	Copenhagen
CNP Assurances SA	CNP Assurances Italy branch	Italy	Milan
CNP Assurances SA	CNP Assurances Spain branch	Spain	Madrid
CNP Assurances SA	CNP Assurances New Caledonia branch	France	Noumea
CNP Assurances SA	CNP Assurances Polynesia branch	France	Papeete
CNP Caution	CNP Caution Italy	Italy	Milan
CNP Caution	CNP Caution Spain	Spain	Madrid
CNP Santander Insurance Life	Santander Insurance Life Ltd Italy branch	Italy	Turin
CNP Santander Insurance Europe	Santander Insurance Europe Ltd Italy branch	Italy	Turin
CNP Asfalistiki	CNP Asfalistiki Greece branch	Greece	Athens

Chapter

10

Other information

Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of CNP Assurances Holding for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2024 to the date of our report.

Justification of our assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments that we made, in our professional opinion, concerned the appropriateness of the accounting policies applied, in particular, to the assessment of equity investments.

As indicated in Note 4.1.1 to the financial statements of CNP Assurances Holding: "Financial assets are measured at acquisition cost. If the fair value of a receivable is less than its book value, a provision for impairment is recorded for the difference. The carrying amount used is the value in use according to the adjusted net asset value approach, which is the method applied by the CNP Assurances Holding Group. If necessary, fair value may be obtained from an external source, in which case it may take into account more qualitative elements, and other alternative measurement methods may also be used."

We have verified the justification given for the absence of impairment loss provisions in application of these rules.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the other documents with respect to the financial position and the financial statements addressed to the shareholders.

We hereby confirm the fair presentation of the information concerning supplier payment terms referred to in Article D.441-6 of the French Commercial Code, as well as its consistency with the financial statements.

In accordance with French law, we have verified that the required information concerning acquisitions of controlling and other interests has been properly disclosed in the management report.

Corporate governance report

We attest that the Board of Directors' corporate governance report sets out the information required by Article L.225-37-4 of the French Commercial Code.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion;
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Courbevoie, 21 March 2025

Forvis Mazars SA

Jean-Claude Pauly
Partner

Paris La Défense, 21 March 2025

KPMG S.A.

Anthony Baillet
Partner

Pierre Planchon
Partner

Design of this document by PricewaterhouseCoopers Advisory
Contact: fr_content_and_design@pwc.com
Photo credits: Getty Images/Maskot

Insuring
a more
open world

CNP Assurances,
a subsidiary of
La Banque Postale

CNP Assurances Holding – Head office: 4 promenade Cœur de Ville 92130 Issy-les-Moulineaux
Joint-stock company with fully paid-up share capital of EUR 4,000,256,320 – Nanterre Companies Register no. 514 080 407