

31 July 2017

# 2017 INTERIM RESULTS

insuring all  
our futures



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**OVERVIEW**

- 1. First-Half 2017 Financial Performance**
- 2. Higher Net Profit and Solvency II Ratio**
3. Appendices



# **First-Half 2017 Financial Performance**

## SIGNIFICANT EVENTS IN FIRST-HALF 2017

### Marketing campaigns to accelerate the shift in technical reserves towards unit-linked and *Eurocroissance* products

- €1.7bn transferred, of which 27% to unit-linked and *Eurocroissance*
- €85m transferred to *Eurocroissance*

### Strong growth in term creditor insurance premiums across all regions

- Up 11.6% to €2.2bn

APE margin sharply higher, at 17.8%

EBIT up 9.1% like-for-like

Group SCR coverage ratio at 193%

€1.1bn acquisition of 20% of RTE completed

## KEY FIGURES

(€m)	H1 2017	H1 2016	Change (Reported)	Change (Like-for-like) <sup>(1)</sup>
Premium income	<b>16,371</b>	17,269	-5.2%	-7.6%
APE margin	<b>17.8%</b>	13.9% <sup>(2)</sup>	+3.9 pts	-
Combined ratio	<b>80.5%</b>	84.8%	-4.3 pts	
Total revenue	<b>1,918</b>	1,707	+12.3%	+6.7%
Administrative costs	<b>(441)</b>	(428)	+3.1%	-0.5%
EBIT	<b>1,477</b>	1,280	+15.4%	+9.1%
Attributable net profit	<b>657</b>	620	+6.0%	+1.7%
ROE	<b>8.4%</b>	7.9% <sup>(2)</sup>	+0.5 pts	-
Consolidated SCR coverage ratio	<b>193%</b>	177% <sup>(2)</sup>	+16 pts	-
Net operating free cash flow	<b>€0.91/share</b>	€0.79/share	+15.2%	-

(1) Average exchange rates:

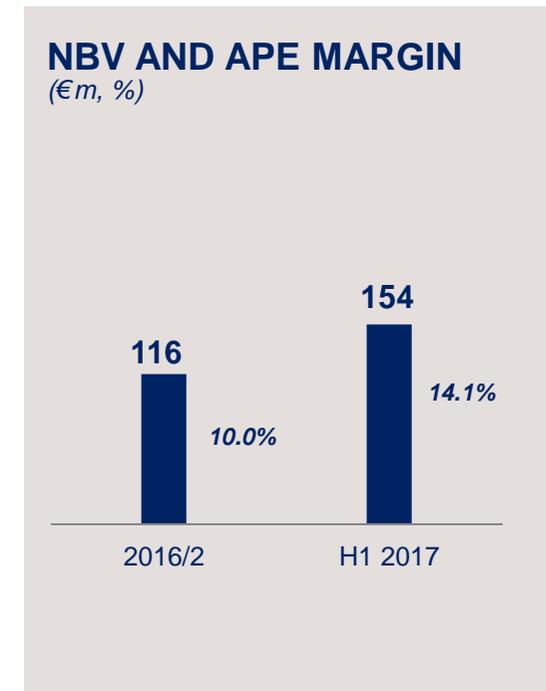
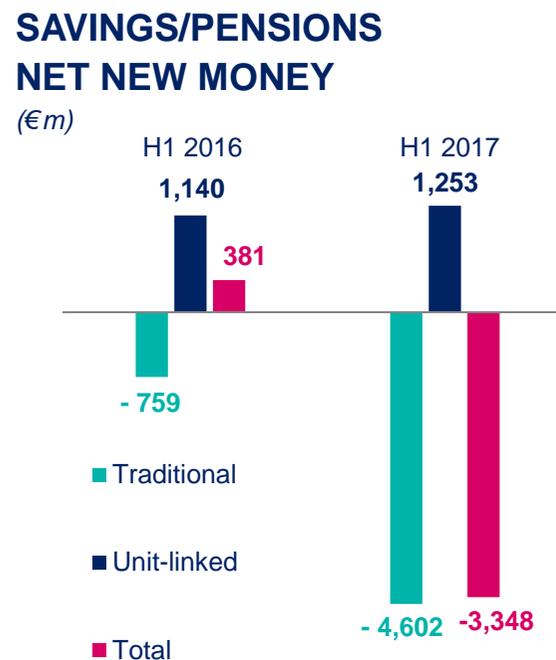
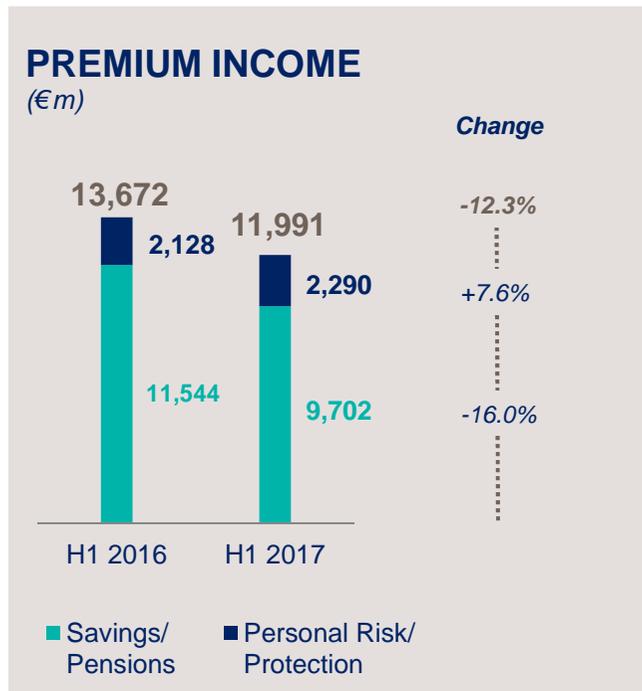
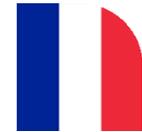
H1 2017: Brazil: € 1 = BRL 3.44; Argentina: € 1 = ARS 17.03

H1 2016: Brazil: € 1 = BRL 4.13; Argentina: € 1 = ARS 16.01

In the like-for-like comparatives, the contribution of Arial CNP Assurances (France) has been excluded from H1 2017 figures.

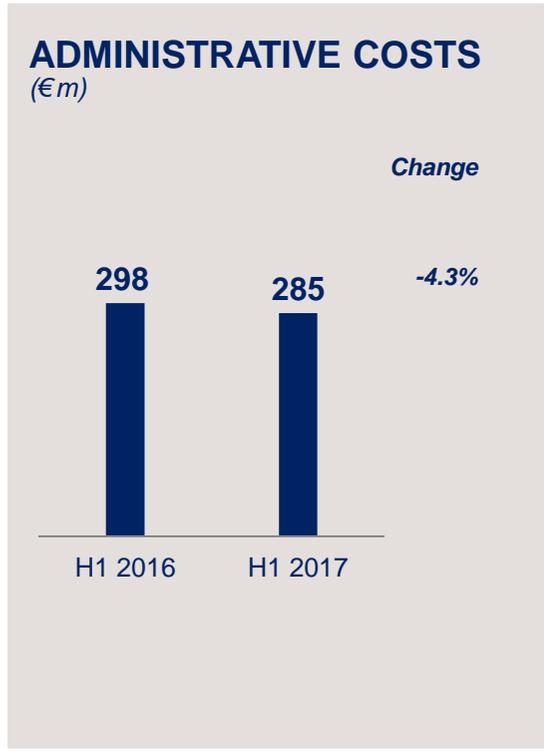
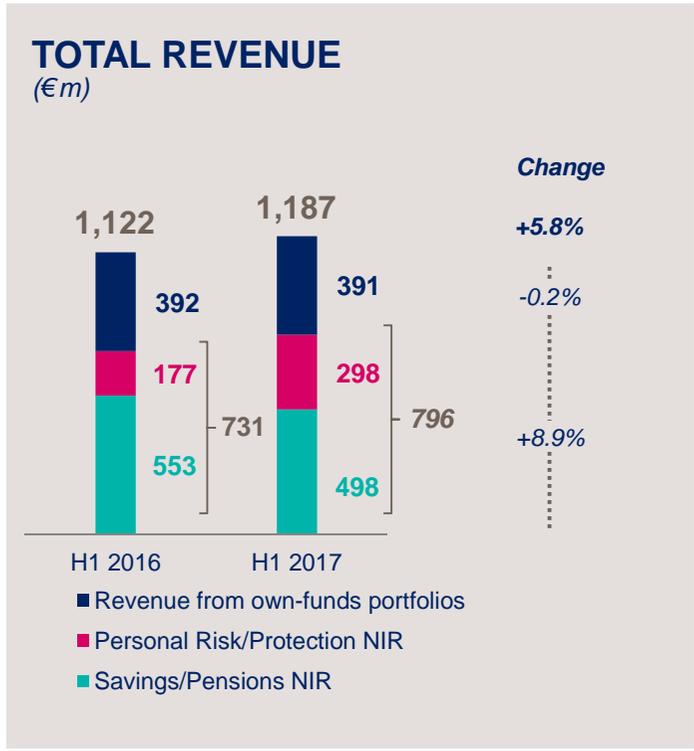
(2) Data at 31 December 2016

# IN FRANCE, FURTHER IMPROVEMENT IN THE PRODUCT MIX



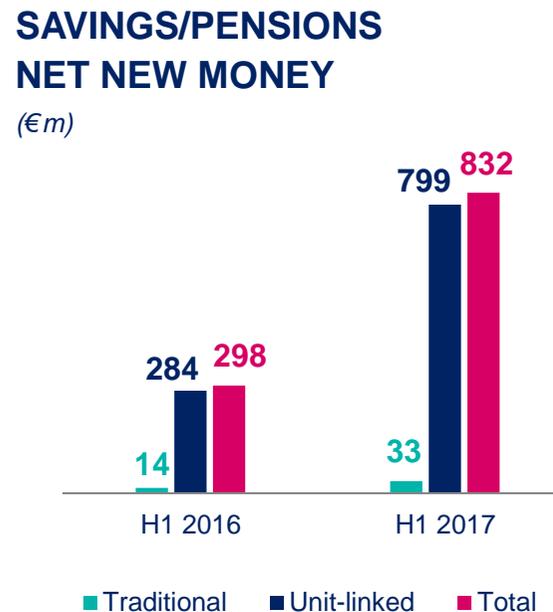
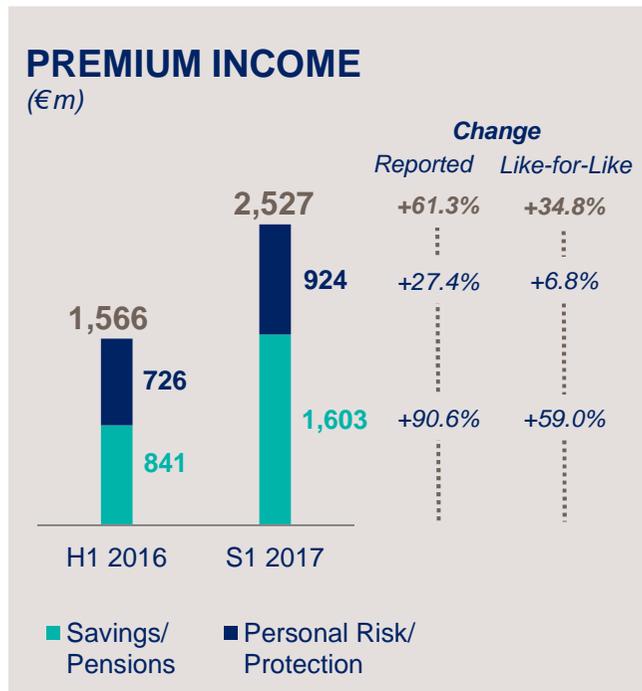
- **Strong €1.3bn net inflow to unit-linked contracts and €4.6bn net outflow from traditional products, leading to 11.6% growth in linked liabilities and a 1.8% dip in other technical reserves**
- **Premium income: solid momentum in Personal Risk/Protection segment, but decline in Savings/Pensions business due to new agreements with BPCE**
- **Increased APE margin (14.1%), reflecting positive contribution from operations (especially in term creditor insurance and unit-linked savings segments) and the favourable economic environment**

# IN FRANCE, SOLID EBIT GROWTH



- Net insurance revenue up 8.9%, led by Personal Risk/Protection business in line with Group strategy
- Administrative costs down 4.3%, reflecting benefits of operational excellence programme and lower taxation of insurance premiums

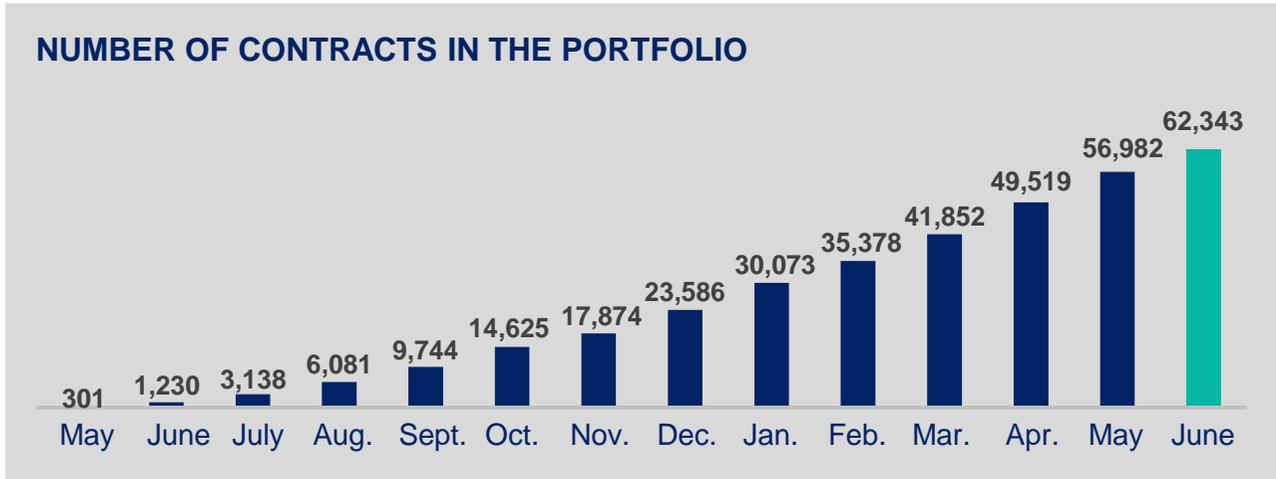
## CONTINUED STRONG BUSINESS MOMENTUM IN LATIN AMERICA



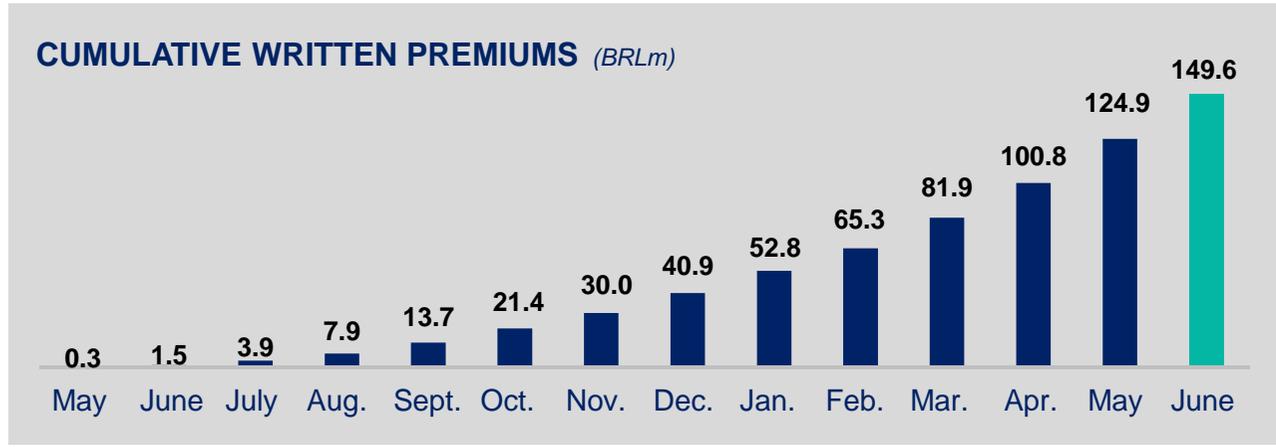
- In a Brazilian insurance market up 9.1%<sup>(1)</sup> over the past twelve months, Caixa Seguradora recorded a 1.9-point increase in market share in the first half, to 7.8%.
- Increased term creditor insurance volumes drove up New Business Value, with APE margin remaining high

(1) Excluding health insurance. Source: SUSEP

# RAMP-UP OF YOUSE, BRAZIL'S FIRST 100%-DIGITAL INSURANCE PLATFORM

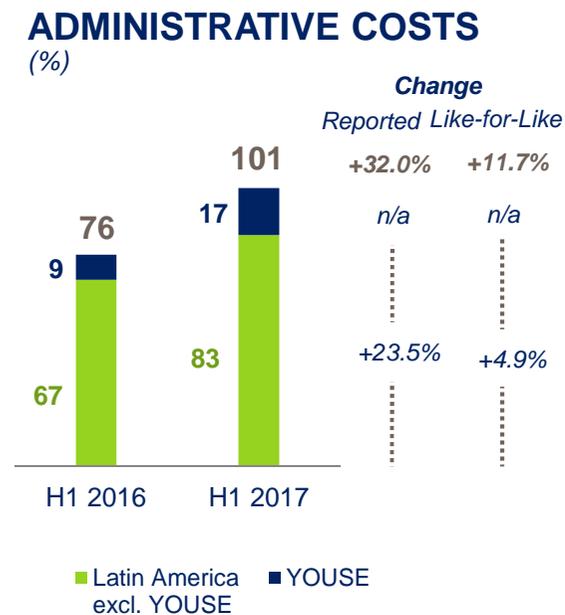
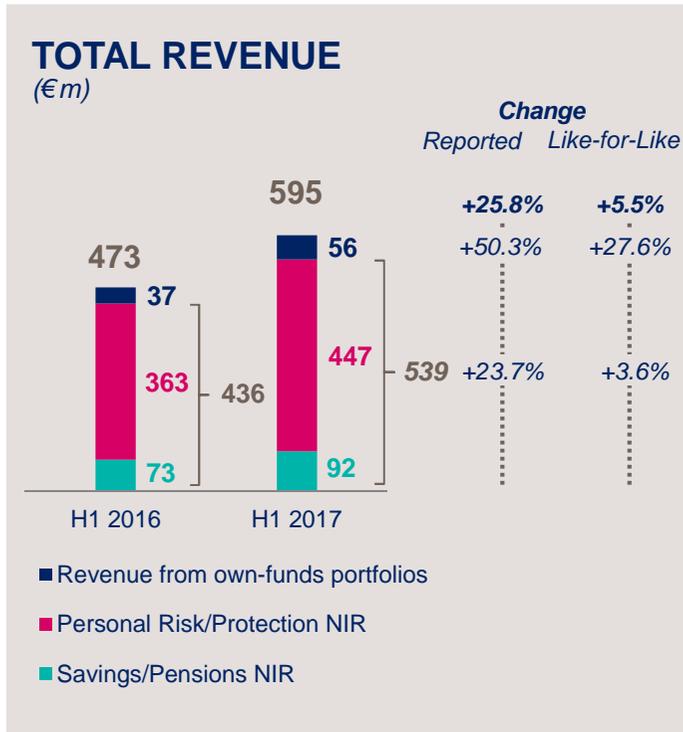


**Objective:**  
**100,000**  
contracts  
by year-end 2017



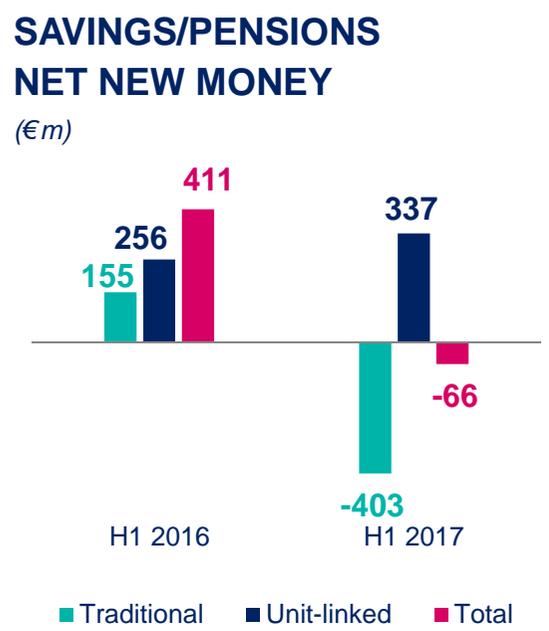
Unaudited management reporting data

# HIGHER REVENUE ACROSS ALL SEGMENTS



- Continued strong revenue momentum, led by the Personal Risk/Protection business and higher Savings/Pensions technical reserves
- Cost/income ratio still excellent at 18.7% (including YOUSE investments)

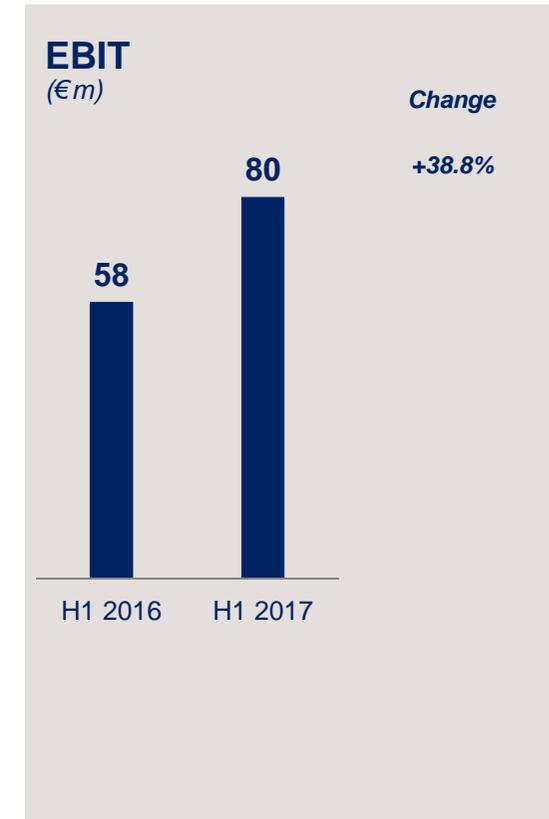
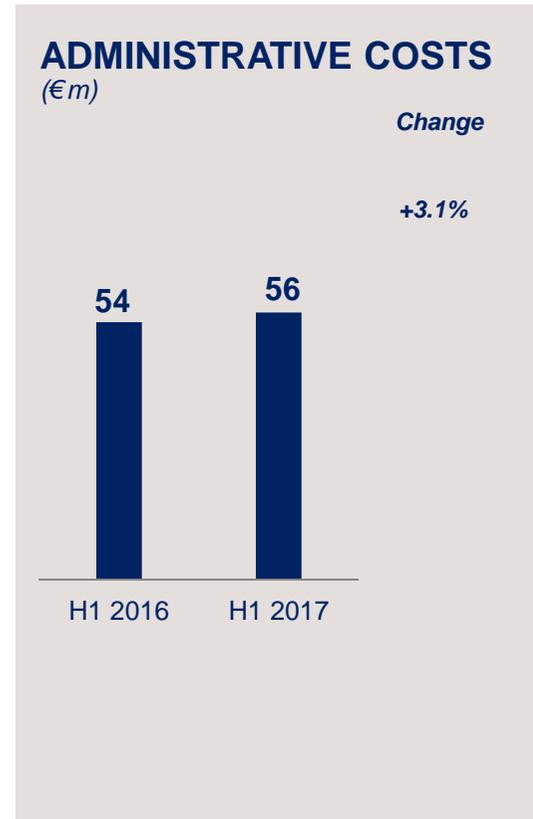
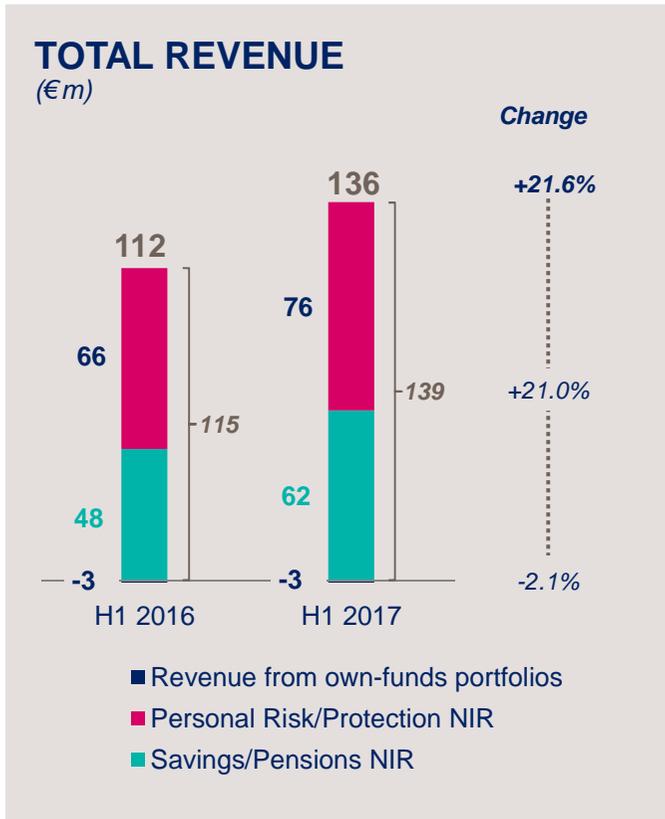
# GROWTH AND PROFITABILITY LED BY RISK/PROTECTION AND UNIT-LINKED



- CNP Santander Insurance premium income up 12.6% in first-half 2017
- Product mix successfully refocused on unit-linked contracts which account for 75% of Savings/Pensions business thanks to CNP UniCredit Vita and CNP Partners



# INCREASE IN EBIT OF 38.8%

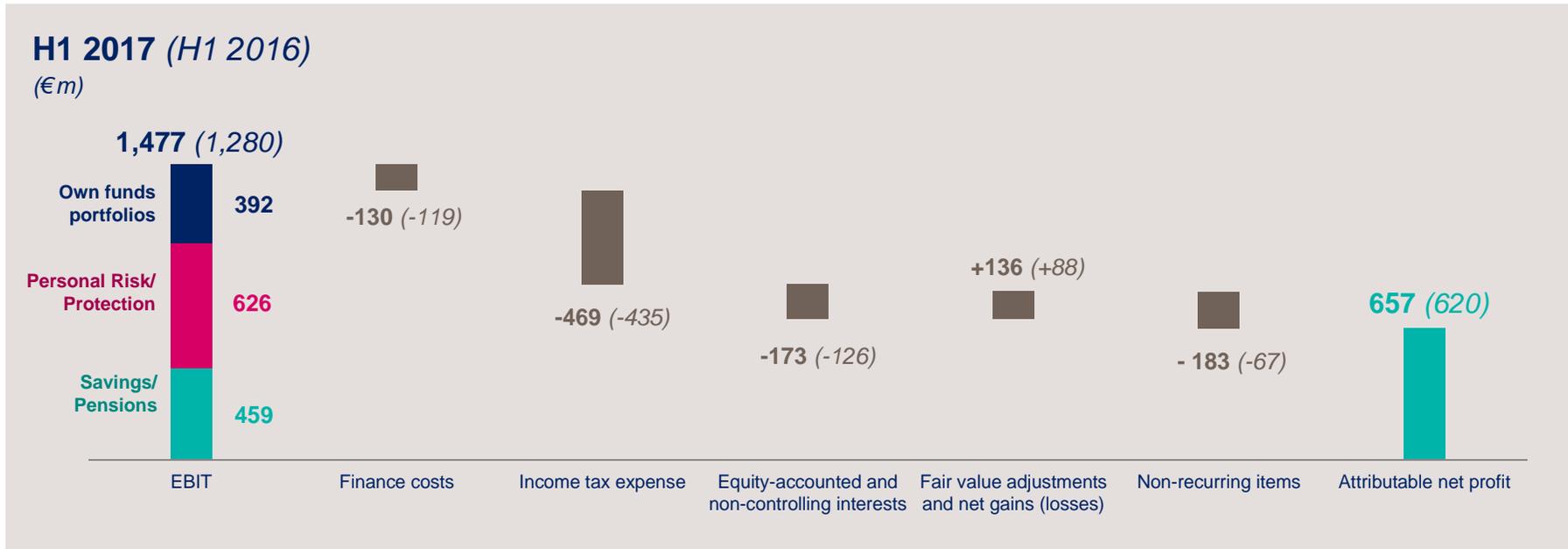


➤ **EBIT growth supported by solid expansion of CNP Santander's Personal Risk/Protection business and an improved contribution from CNP UniCredit Vita**

**2.**

**Higher Net Profit  
and Solvency II Ratio**

## NET PROFIT OF €657M, UP 6.0%

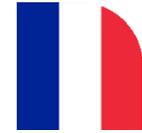


- **Finance costs: CNP Assurances issued in 2016 two subordinated bonds classified as Tier 2 and Tier 3 (included in debt) and redeemed a Tier 1 bond (included in equity), with a negative impact on profit under IFRS and a positive impact on changes in equity**
- **Non-controlling interests increased reflecting higher profits across all subsidiaries, particularly those in Brazil**

## NET OPERATING FREE CASH FLOW OF €624M, UP 15.2%



## LIMITED EXPOSURE TO GUARANTEED YIELDS



### ➤ Low guaranteed yield on In-Force and new business

**IN-FORCE BUSINESS**  
30 JUNE 2017 (31 DEC. 2016)



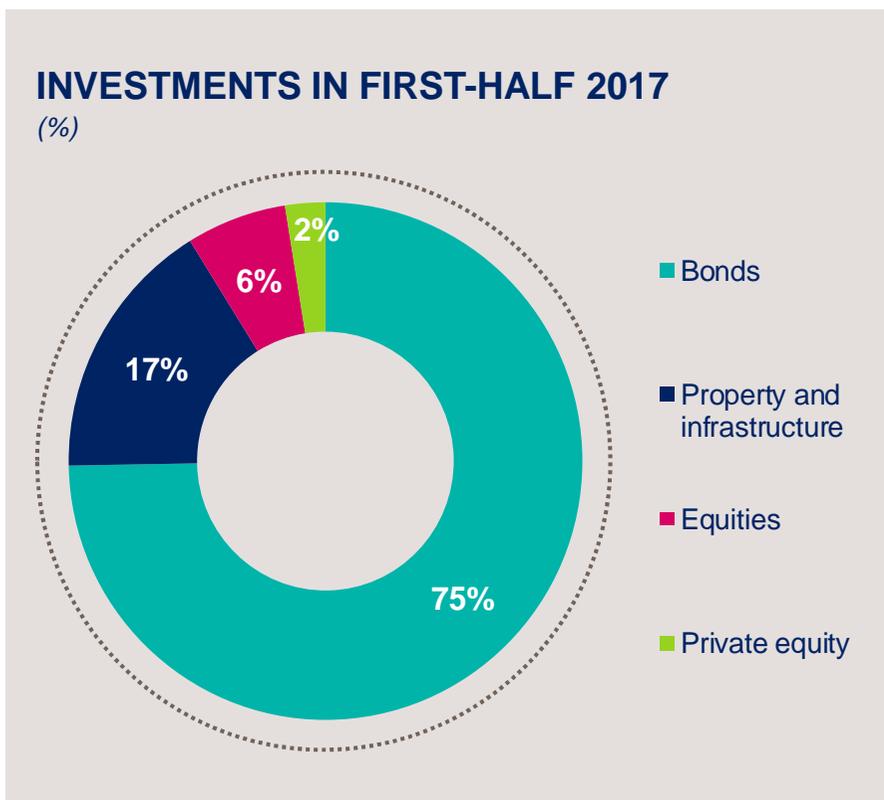
**NEW BUSINESS**  
30 JUNE 2017 (31 DEC. 2016)



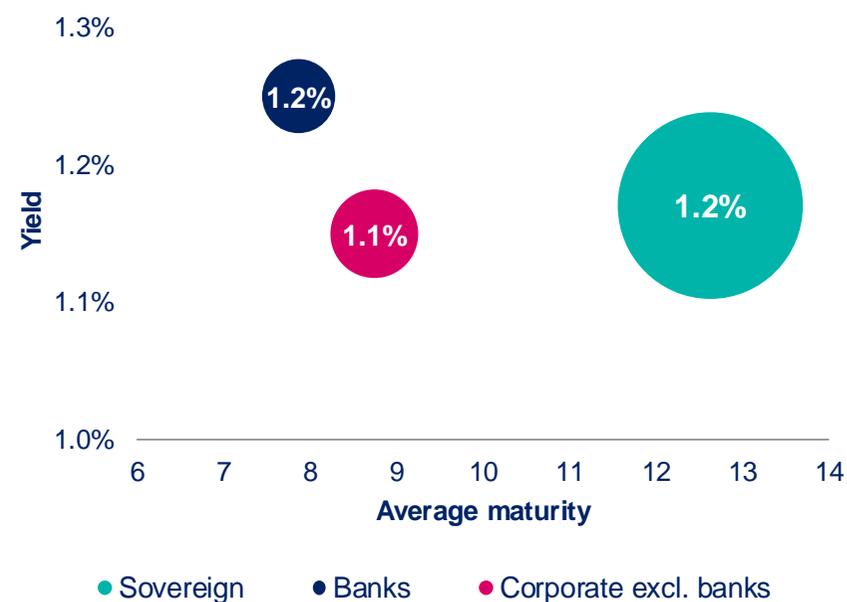
### ➤ Average guaranteed yield on the portfolio reduced by 7 bps during the first-half, as some yield guarantees expired



## INVESTMENT STRATEGY



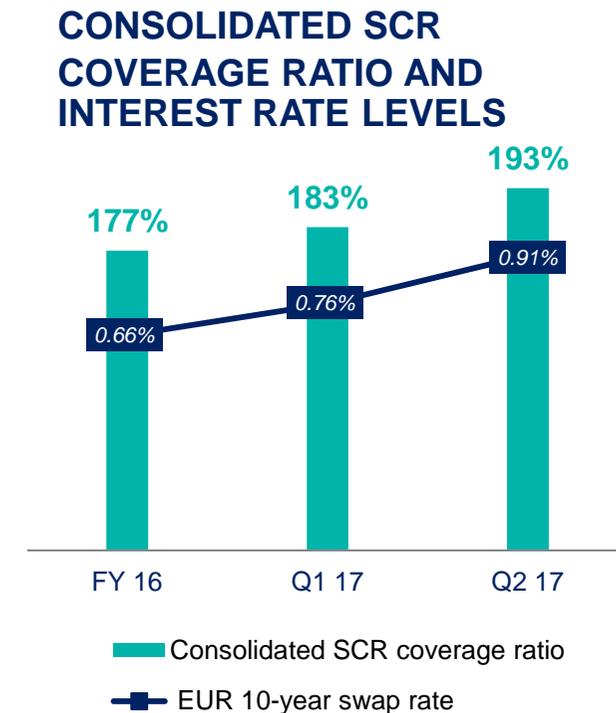
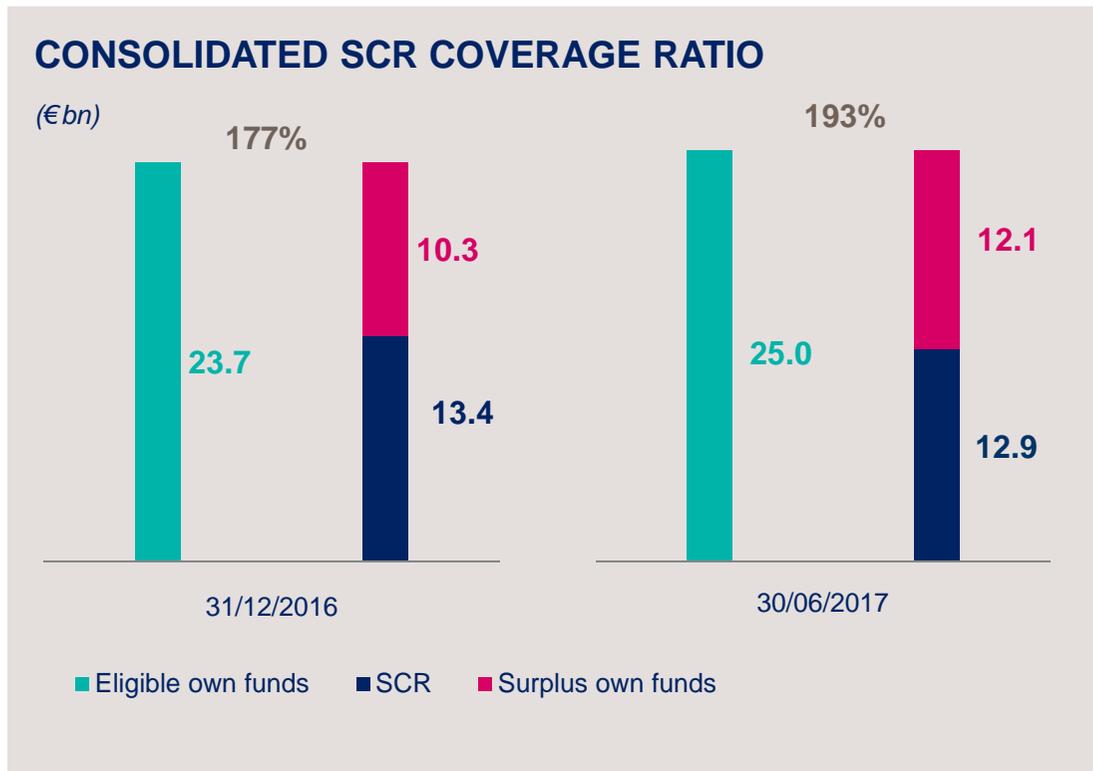
### BOND INVESTMENTS IN FIRST-HALF 2017



➤ **European bond portfolios: average H1 2017 reinvestment rate of 1.17%**

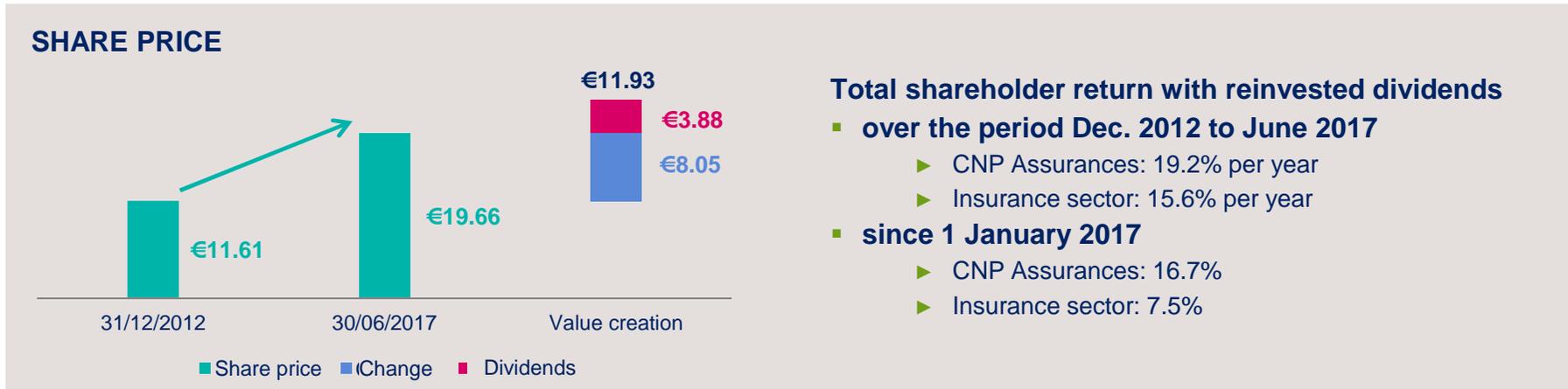
- Bond investments focused on sovereigns – mainly France – due to narrower spreads on corporates and the wider spread on French government bonds

## SOLVENCY II: CONSOLIDATED SCR COVERAGE RATIO OF 193% AT 30 JUNE 2017



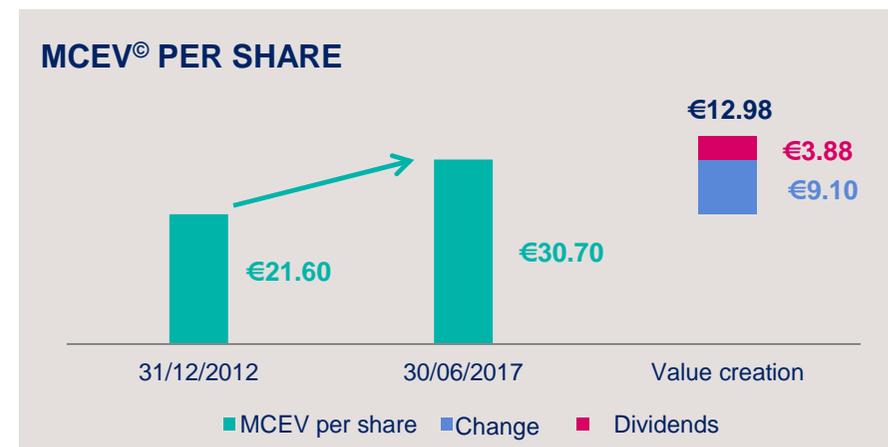
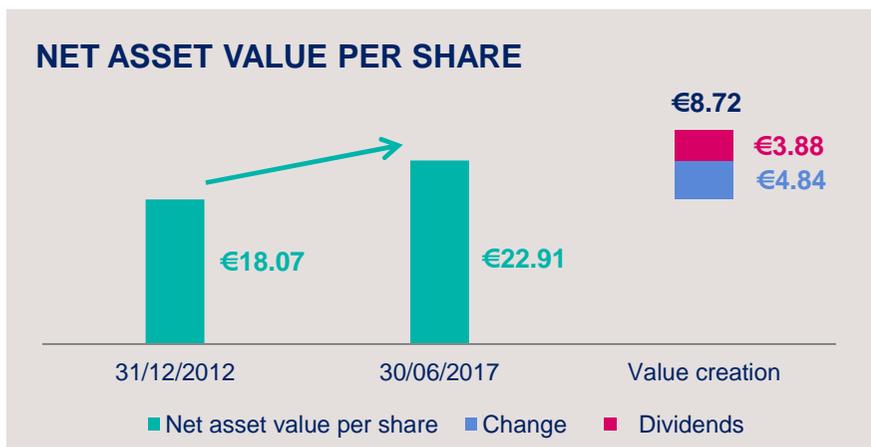
- Eligible own funds and SCR positively impacted by higher interest rates and improved stock markets, in line with the sensitivities published in February 2017

## VALUE CREATED SINCE 1 JANUARY 2013



### Total shareholder return with reinvested dividends

- over the period Dec. 2012 to June 2017
  - ▶ CNP Assurances: 19.2% per year
  - ▶ Insurance sector: 15.6% per year
- since 1 January 2017
  - ▶ CNP Assurances: 16.7%
  - ▶ Insurance sector: 7.5%



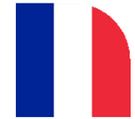
**3.**

## **Appendices**

## APPENDICES

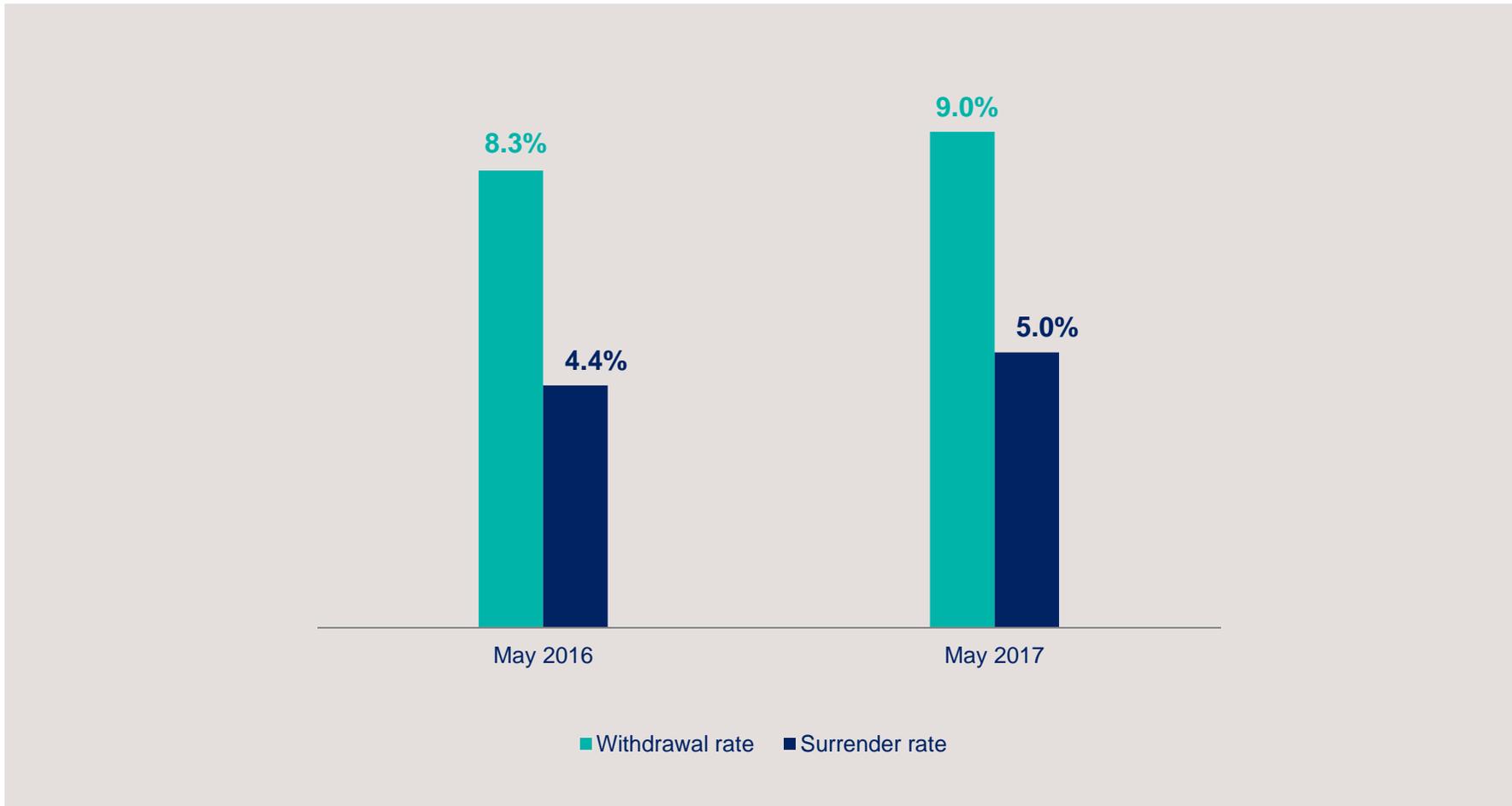
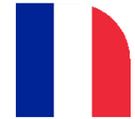
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## NET NEW MONEY IN FRANCE



(€m)	Q1 2016	H1 2016	9M 2016	FY 2016	Q1 2017	H1 2017
Unit-linked savings/pensions products	656	1,140	1,487	1,899	484	1,253
Traditional savings/pensions products	(75)	(759)	(1,438)	(2,083)	(2,569)	(4,602)
<b>TOTAL SAVINGS/PENSIONS NET NEW MONEY</b>	<b>581</b>	<b>381</b>	<b>49</b>	<b>(184)</b>	<b>(2,085)</b>	<b>(3,348)</b>

## WITHDRAWAL AND SURRENDER RATES IN FRANCE



## TECHNICAL RESERVES AND PREMIUM INCOME BY GEOGRAPHICAL AREA/SEGMENT

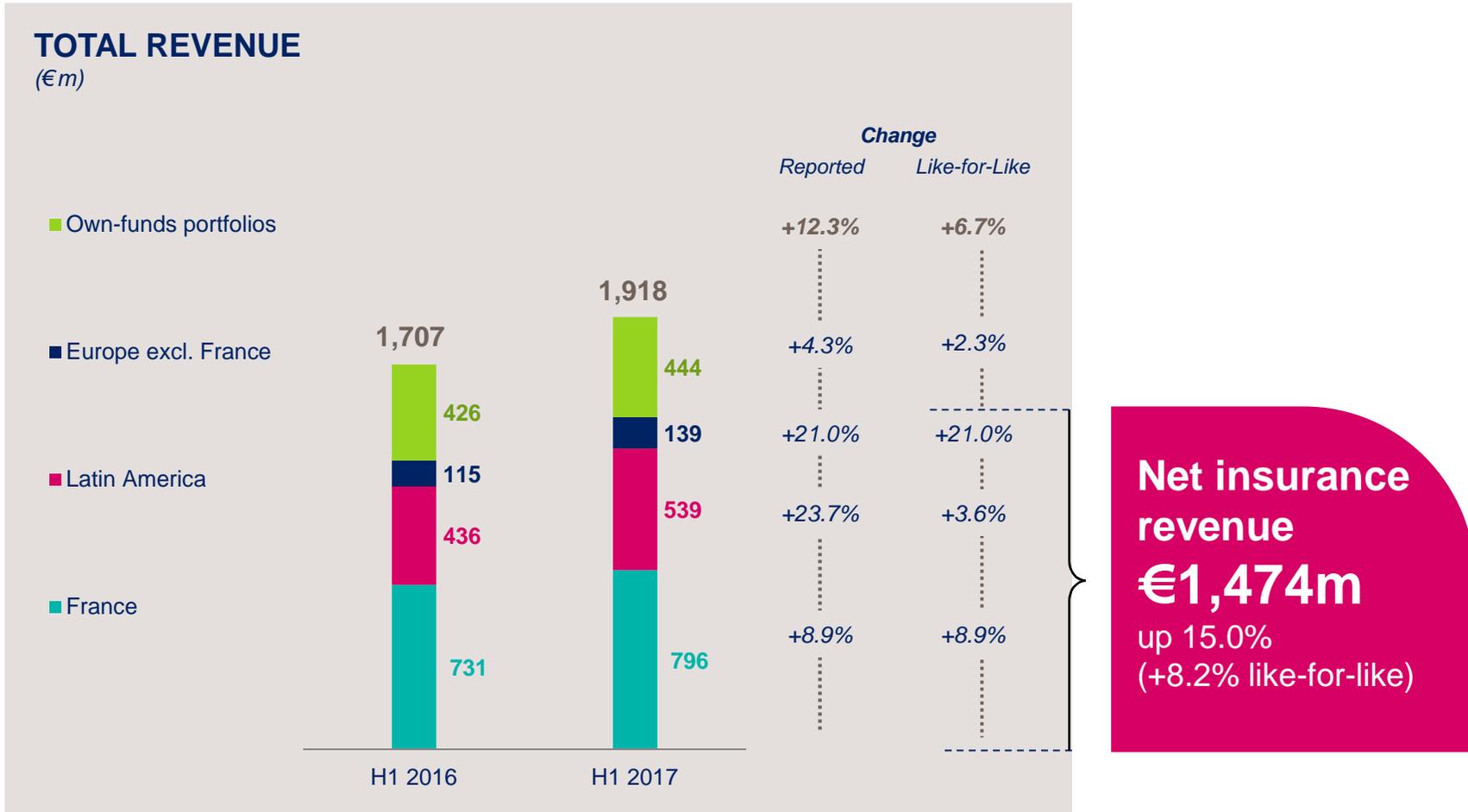
### AVERAGE TECHNICAL RESERVES NET OF REINSURANCE

<i>(€m)</i>		Savings/Pensions excl. unit-linked	Savings/Pensions unit-linked	Personal Risk/ Protection	Total
<b>H1 2017</b>	France	242,312	29,725	7,811	279,848
	Europe excl. France	7,377	6,657	2,098	16,132
	Latin America	885	10,786	1,596	13,267
	<b>Total</b>	<b>250,574</b>	<b>47,168</b>	<b>11,505</b>	<b>309,247</b>

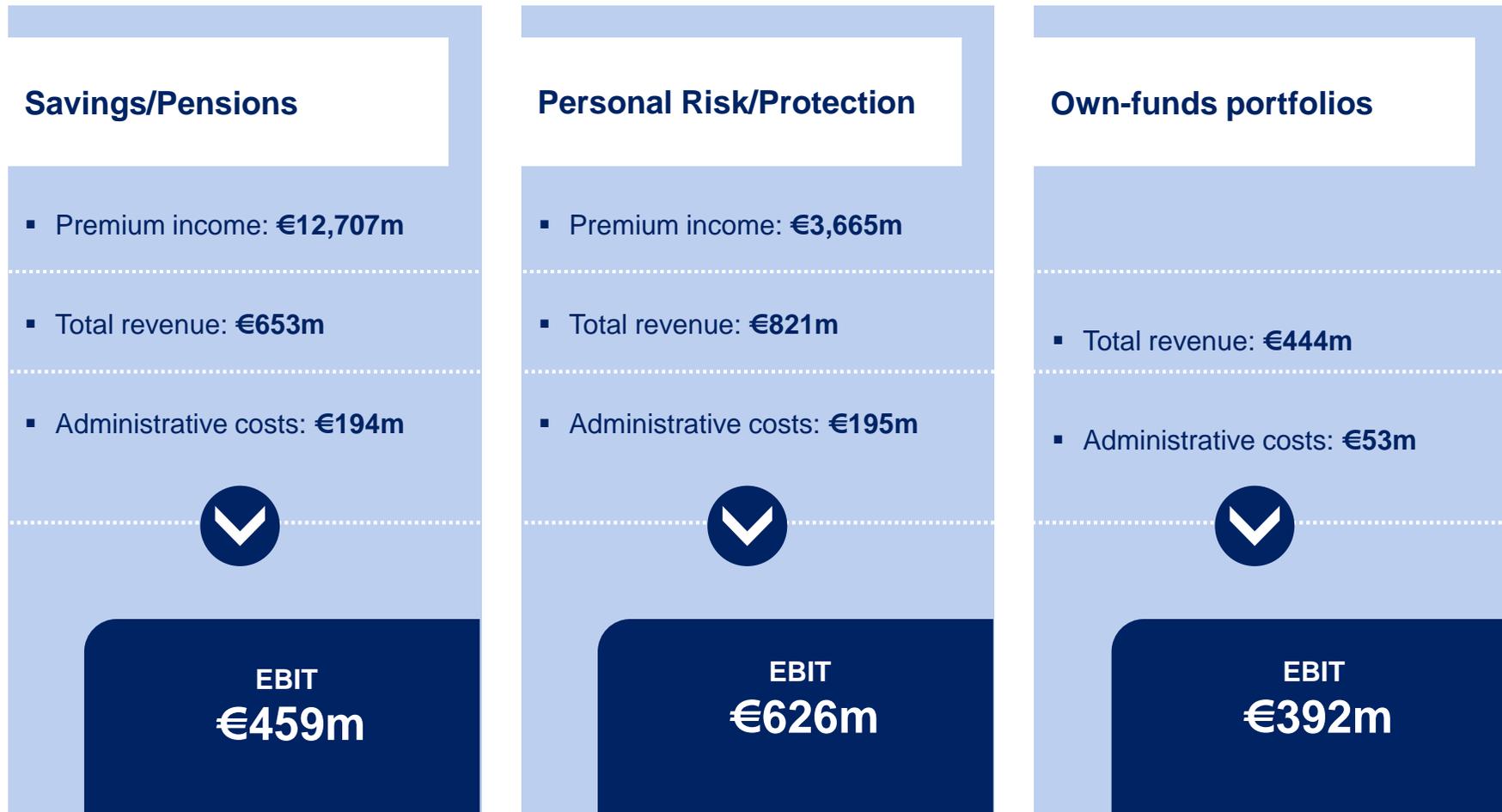
### PREMIUM INCOME

<i>(€m)</i>		Savings/Pensions excl. unit-linked	Savings/Pensions unit-linked	Personal Risk/ Protection	Total
<b>H1 2017</b>	France	7,722	1,980	2,290	11,991
	Europe excl. France	346	1,057	450	1,853
	Latin America	32	1,571	924	2,527
	<b>Total</b>	<b>8,100</b>	<b>4,607</b>	<b>3,665</b>	<b>16,371</b>

# REVENUE ANALYSIS BY GEOGRAPHICAL AREA



## REVENUE ANALYSIS BY SEGMENT



## ATTRIBUTABLE NET PROFIT BY GEOGRAPHICAL AREA/SUBSIDIARY

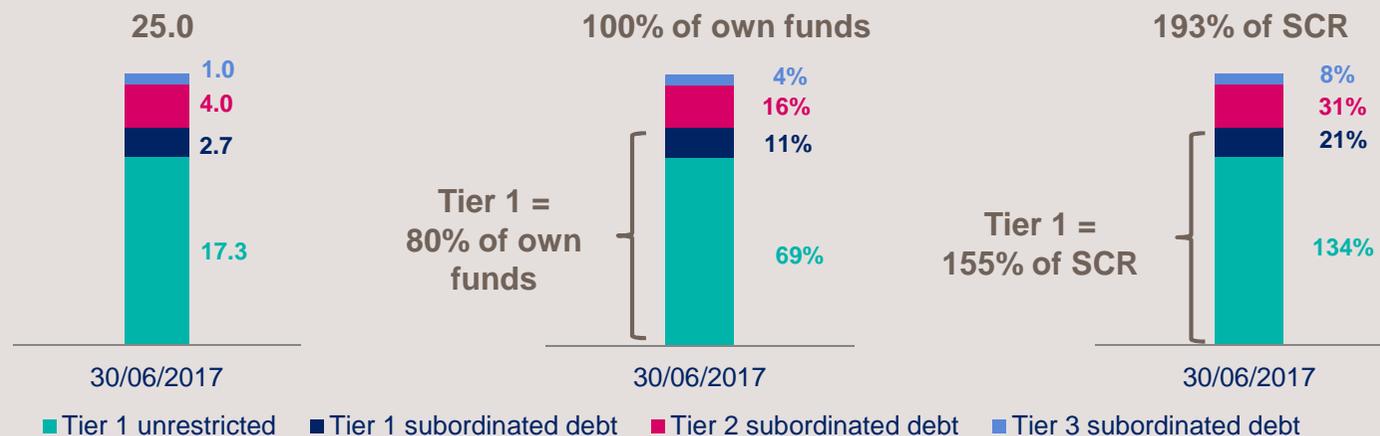
(€m)	GROUP	FRANCE	CAIXA SEGURADORA	OTHER LATIN AMERICA	CNP UNICREDIT VITA	CNP SANTANDER INSURANCE	OTHER EUROPE EXCL. FRANCE
Premium income	16,371	11,991	2,505	22	1,273	326	255
Period-end technical reserves net of reinsurance	310,493	280,987	13,374	26	12,214	1,554	2,338
Total revenue	1,918	1,187	572	23	62	32	42
Administrative costs	441	285	95	6	17	8	31
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,477</b>	<b>902</b>	<b>478</b>	<b>16</b>	<b>44</b>	<b>24</b>	<b>12</b>
Finance costs	(130)	(130)	0	0	(1)	0	0
Income tax expense	(469)	(262)	(181)	(6)	(12)	(3)	(4)
Non-controlling and equity-accounted interests	(173)	(1)	(145)	(1)	(13)	(10)	(3)
Fair value adjustments and net gains (losses)	136	133	0	2	1	0	0
Non-recurring items	(183)	(184)	0	0	0	0	1
<b>Attributable net profit</b>	<b>657</b>	<b>460</b>	<b>152</b>	<b>11</b>	<b>19</b>	<b>11</b>	<b>5</b>

## SENSITIVITIES OF NET PROFIT AND EQUITY

<i>(€m)</i>	INTEREST RATES +50 BPS	INTEREST RATES -50 BPS	SHARE PRICES +10%	SHARE PRICES -10%
Impact on attributable net profit	-45	+45	+39	-41
Impact on equity	-832	+830	+438	-436

## GROUP CAPITAL STRUCTURE UNDER SOLVENCY II

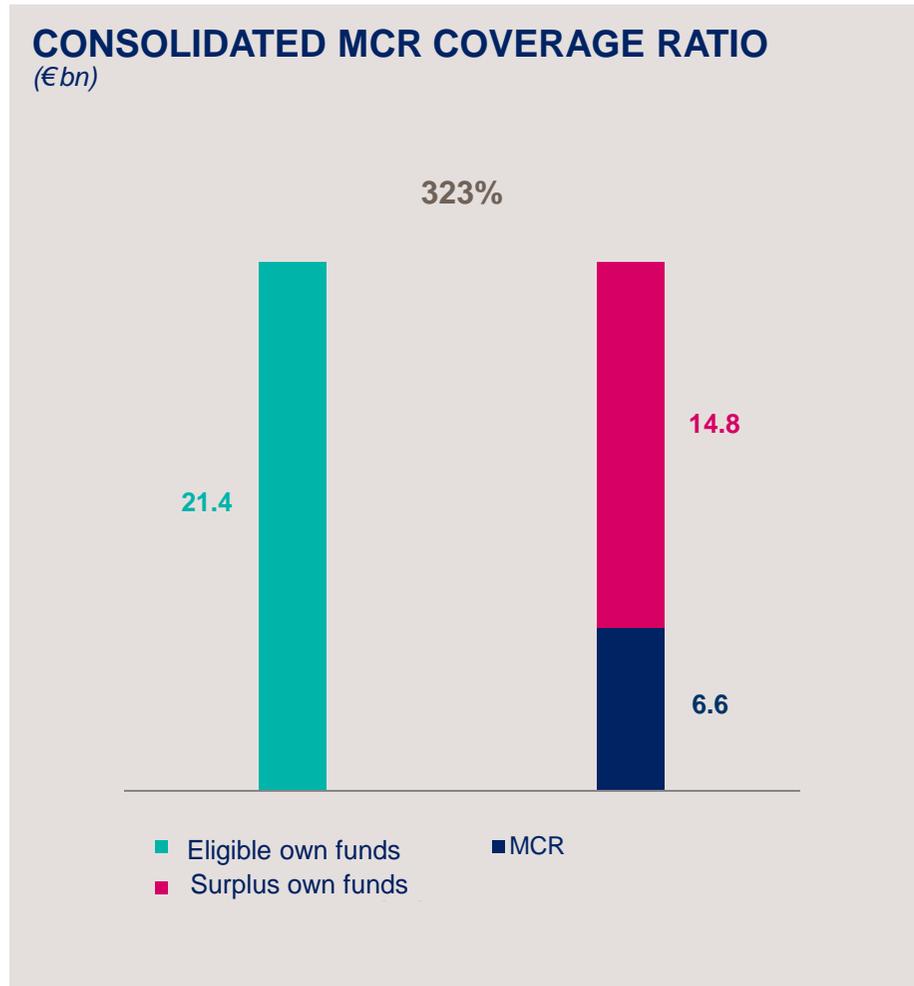
### ELIGIBLE OWN FUNDS (GROUP) (€bn)



### ➤ The Group's financial headroom is based on:

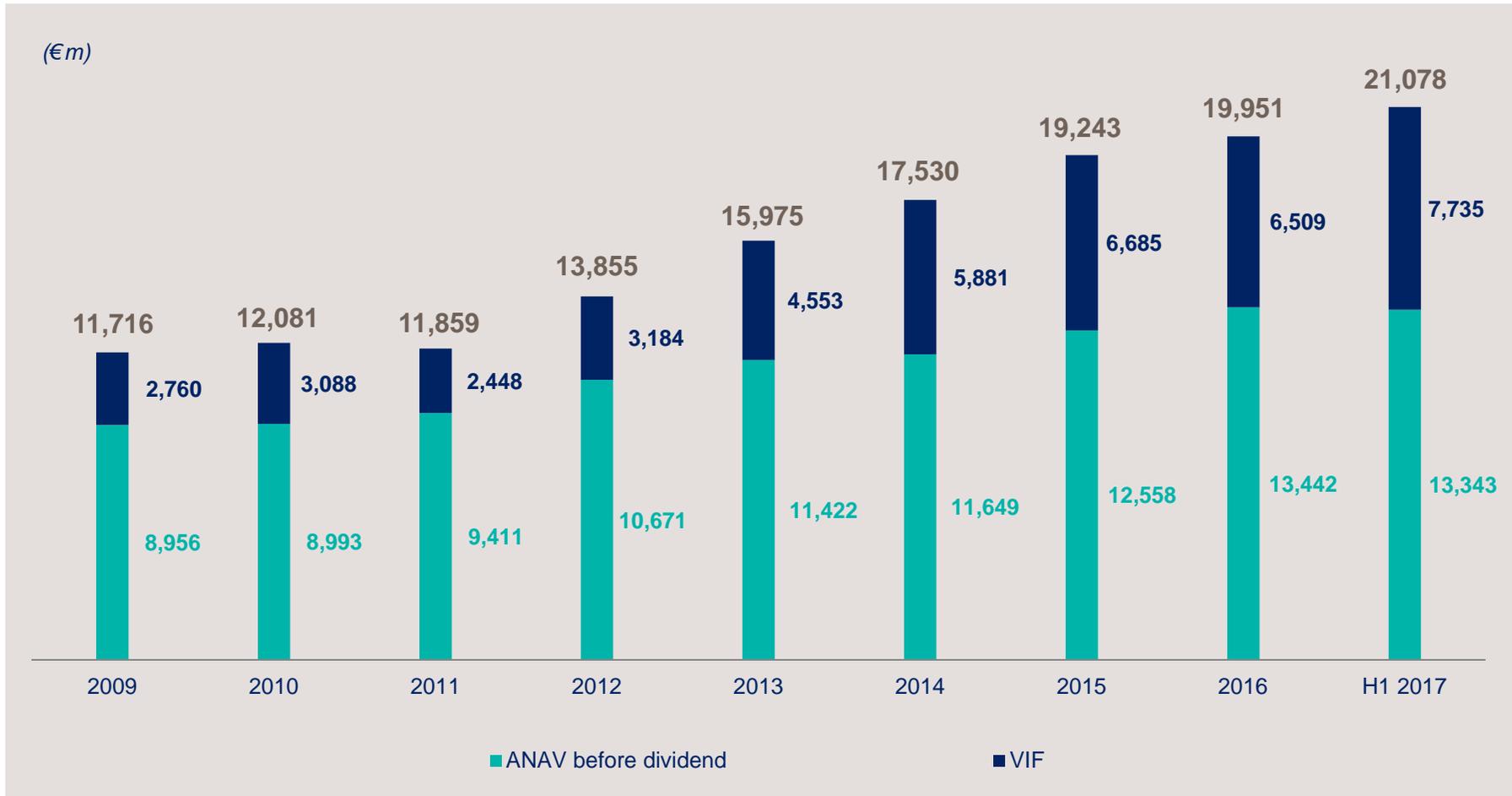
- the Group's high-quality eligible own funds
  - 80% of own funds are Tier 1
  - no ancillary own funds
- its subordinated notes issuance capacity at 30 June 2017
  - €1.6bn of Tier 1 (13% of SCR)
  - €1.5bn of Tier 2 (12% of SCR), including €0.9bn of Tier 3

## CONSOLIDATED MCR COVERAGE RATIO AT 30 JUNE 2017



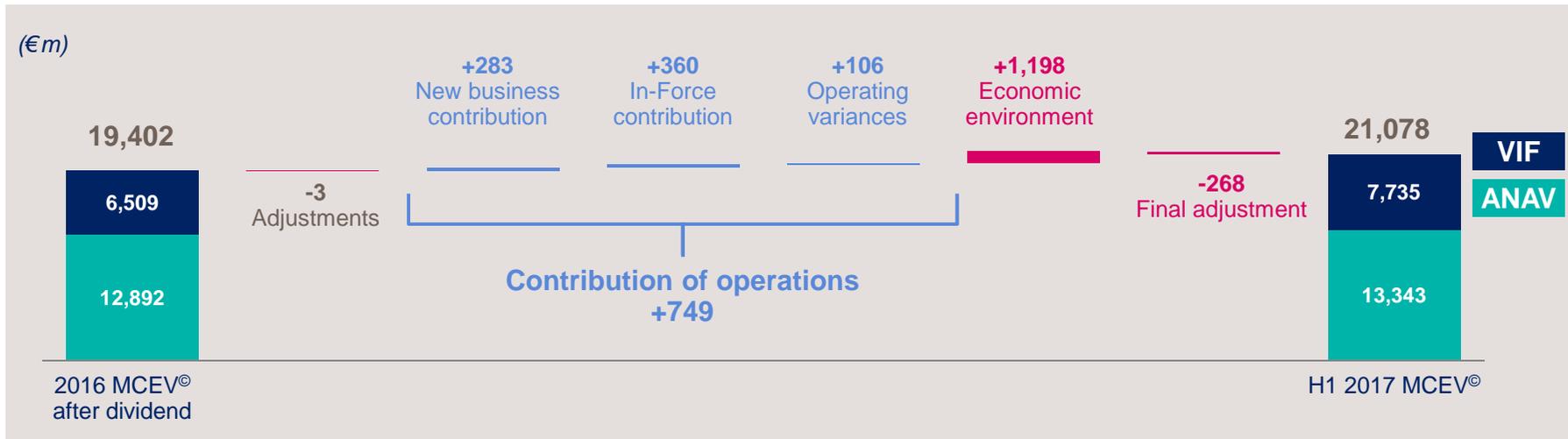
- **Consolidated MCR corresponds to the sum of the MCRs of all the Group insurance companies**
- **Own-funds eligible for inclusion in MCR coverage may be different to those included in SCR coverage due to capping rules:**
  - Tier 2 subordinated notes capped at 20% of MCR coverage (vs. 50% for SCR)
  - Tier 3 subordinated notes not eligible for inclusion in MCR coverage (vs. 15% for SCR)

# GROWTH IN MCEV<sup>©</sup>



Transition to Solvency II environment from 1 January 2016

## ANALYSIS OF CHANGE IN MCEV<sup>©</sup>



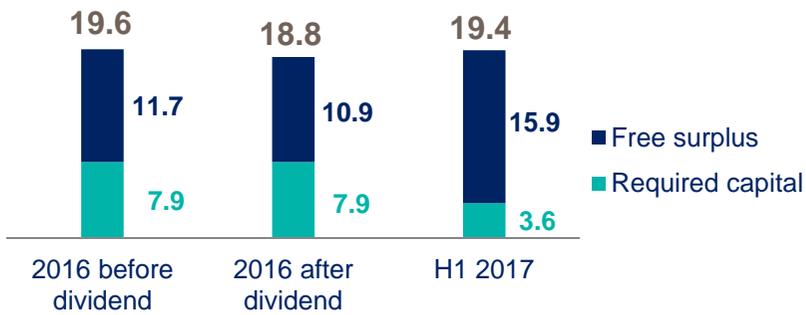
- **H1 2017 MCEV<sup>©</sup> totalled €21,078m**
- **The positive contribution of operations (€749m) reflects a combination of three factors:**
  - The contribution from new business (€283m), which was higher than in 2016 thanks to a favourable segment mix and improved market conditions
  - The contribution from In-Force business (€360m)
  - Positive operating variances (€106m)
- **Changes in the economic environment had a €1,198m positive impact, with the favourable interest rate environment leading to:**
  - A sharp rise in VIF due to changes in interest rates, market volatility and transfers to the policyholders surplus reserve during the first-half
  - A decrease in required capital
- **Final adjustments represented a negative €268 million, corresponding mainly to exchange rate adjustments**

# MCEV<sup>©</sup> AT €30.7/SHARE

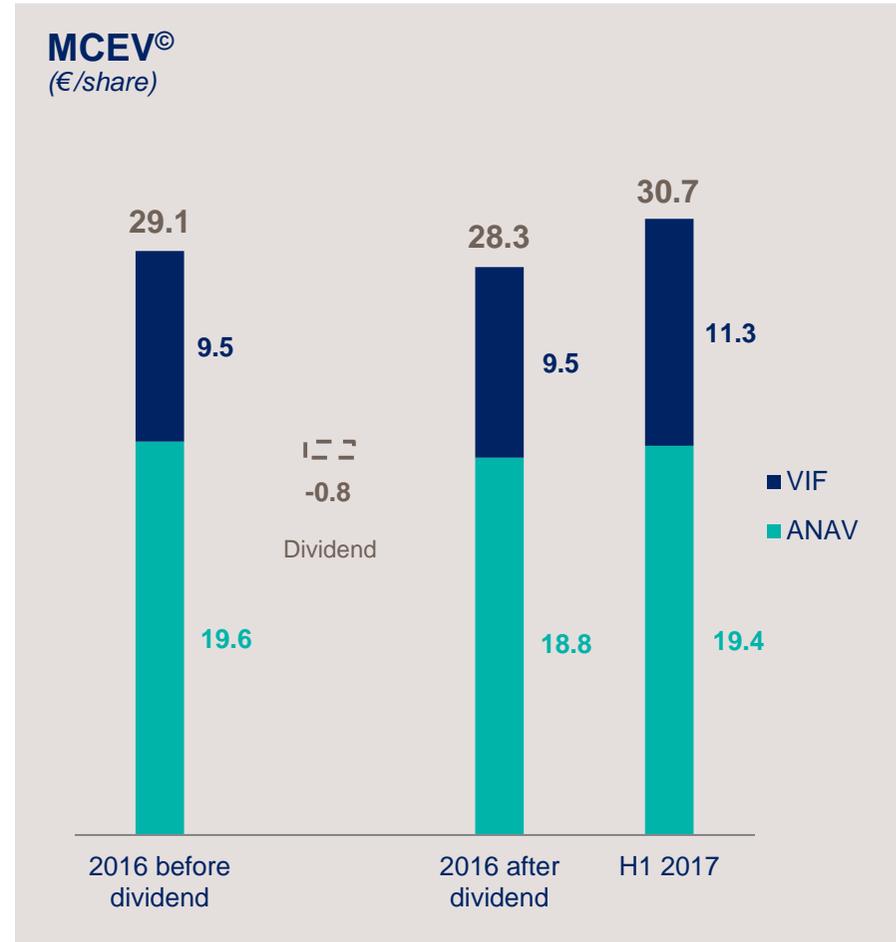
**VIF**  
(€/share)



**ANAV**  
(€/share)

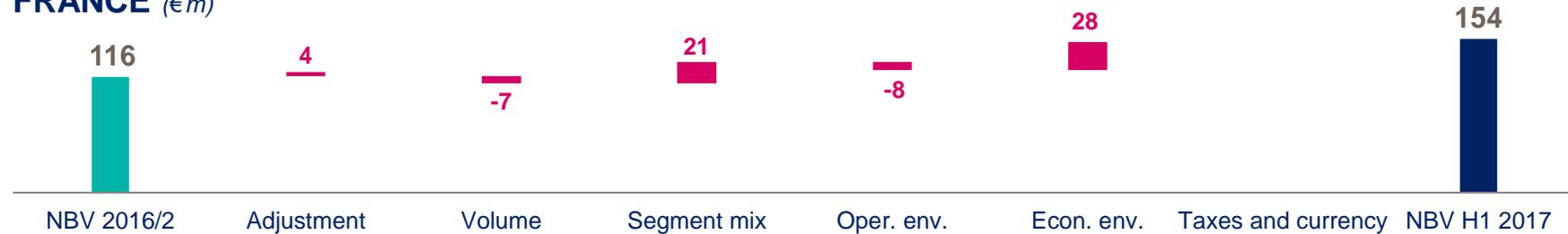


**MCEV<sup>©</sup>**  
(€/share)



## ANALYSIS OF CHANGE IN NBV BY GEOGRAPHICAL AREA

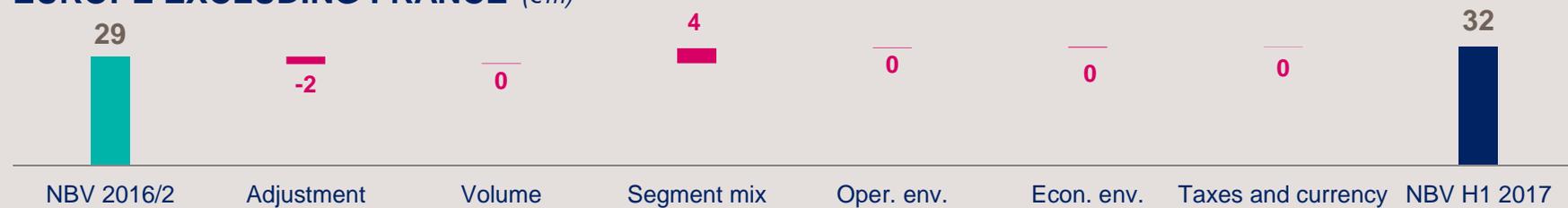
### FRANCE (€m)



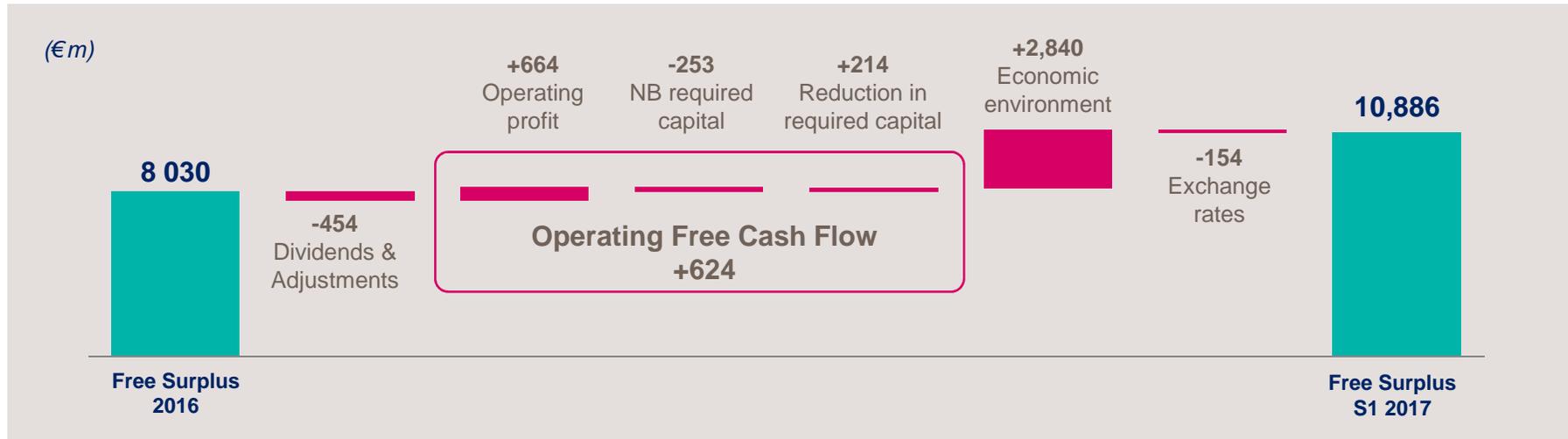
### LATIN AMERICA (€m)



### EUROPE EXCLUDING FRANCE (€m)



## ANALYSIS OF CHANGE IN GROUP FREE SURPLUS



- Free surplus totalled €10,886m, an increase of €2,856m compared with 2016.
- The €454m negative opening adjustment corresponded mainly to dividend payments.
- Operating free cash flow came to €624m, reflecting:
  - H1 2017 operating profit of €664m, in line with EBIT
  - A €40m net increase in required capital, breaking down as:
    - a €253m increase for new business, and
    - a €214m decrease related to in-force business at 31 December 2016
- Changes in the economic environment had a positive impact of €2,840m, reflecting a sharp rise in VIF and a decrease in SCR due to changes in interest rates, market volatility, higher equity prices and transfers to the policyholders surplus reserve during the first-half.

## INVESTMENT PORTFOLIO BY ASSET CLASS

(€m)	30 JUNE 2017				
	FAIR VALUE ADJUSTMENTS	ASSETS BEFORE FAIR VALUE ADJUSTMENTS	% (EXCL. UNIT-LINKED)	ASSETS AFTER FAIR VALUE ADJUSTMENTS	% (EXCL. UNIT-LINKED)
Bonds and other fixed income	21,509.5	243,385.7	82.5%	264,895.2	79.7%
Equities and other variable income	14,727.6	38,337.0	13.0%	53,064.6	16.0%
Investment property and property funds	2,332.5	6,716.2	2.3%	9,048.7	2.7%
Property loans and receivables	0.0	4,368.0	1.5%	4,368.0	1.3%
Forward financial instruments	-1,281.3	978.7	0.3%	-302.6	-0.1%
Other loans and receivables	0.0	865.2	0.3%	865.2	0.3%
Other	3.0	405.3	0.1%	408.3	0.1%
<b>Total assets excluding unit-linked</b>	<b>37,291.4</b>	<b>295,055.9</b>	<b>100%</b>	<b>332,347.4</b>	<b>100%</b>
<b>Unit-linked portfolios</b>				<b>50,147.2</b>	
o/w bonds				21,539.7	
o/w equities				26,821.1	
o/w investment properties				1,786.4	
<b>Total assets (net of derivative instruments recorded as liabilities)</b>				<b>382,494.6</b>	
<b>Unrealised gains</b>	<b>1,043.8</b>				
o/w investment properties	995.5				
o/w loans and receivables	0.0				
o/w HTM	48.3				
<b>Total IFRS unrealised gains</b>	<b>38,335.2</b>				

## IFRS UNREALISED GAINS BY ASSET CLASS

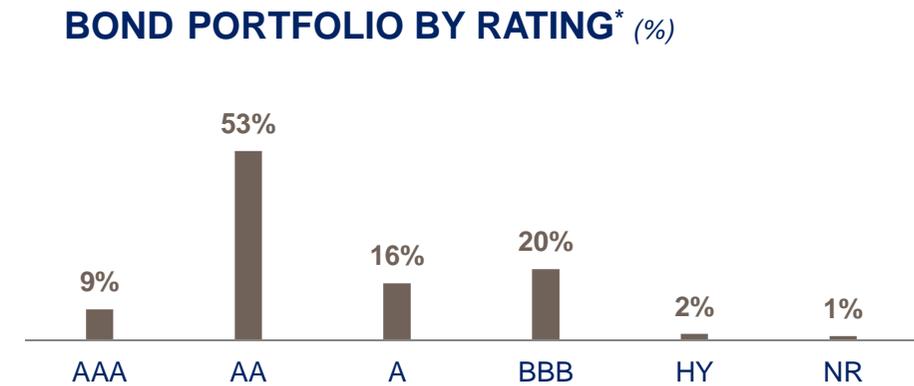
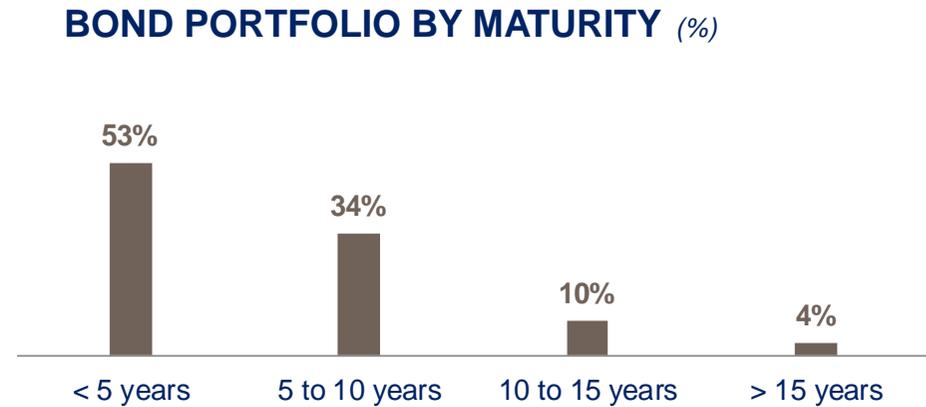
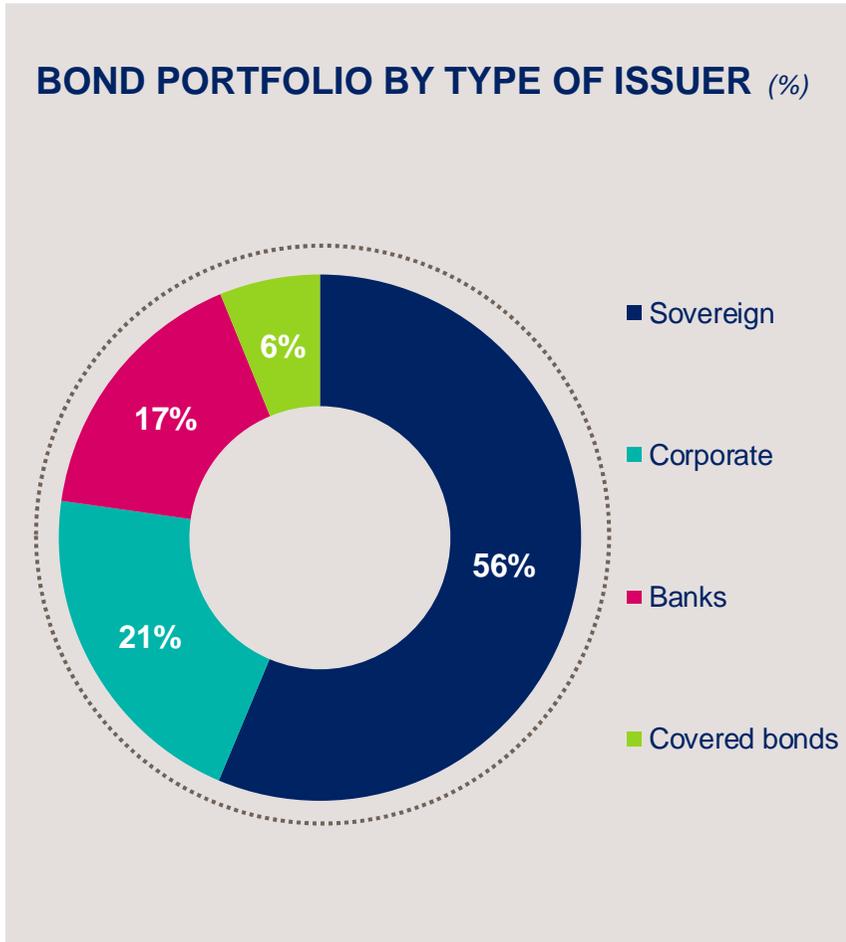
### IFRS UNREALISED GAINS

<i>(€bn)</i>	30 JUNE 2017	31 DECEMBER 2016
Bonds	21,558	24,866
Equities	14,728	13,192
Property	3,328	3,135
Other	(1,278)	(1,319)
<b>TOTAL</b>	<b>38,335</b>	<b>39,874</b>

### IFRS UNREALISED GAINS

<i>(as a % of total assets)</i>	30 JUNE 2017	31 DECEMBER 2016
Bonds	7.3%	8.4%
Equities	5.0%	4.5%
Property	1.1%	1.1%
Other	- 0.4%	- 0.4%
<b>TOTAL</b>	<b>13.0%</b>	<b>13.5%</b>

# BOND PORTFOLIO BY TYPE OF ISSUER, MATURITY AND RATING

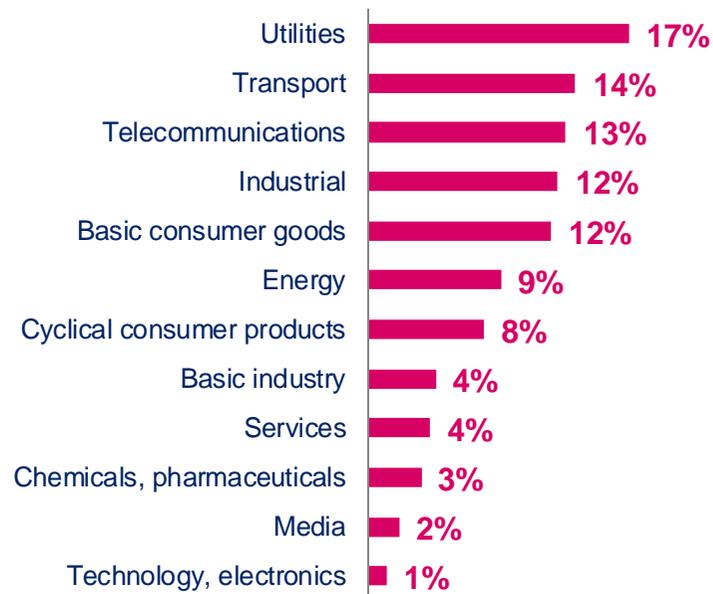


\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
Unaudited management reporting data

# CORPORATE BOND PORTFOLIO

## CORPORATE BOND PORTFOLIO BY INDUSTRY

(%)



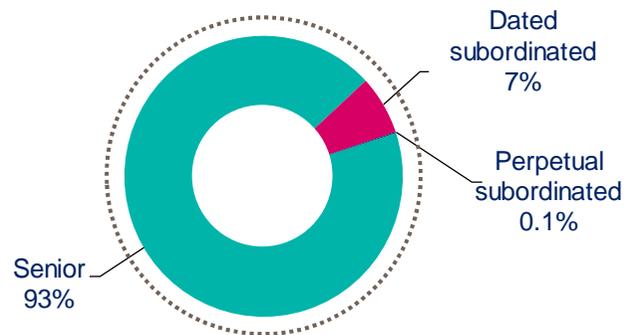
## CORPORATE BOND PORTFOLIO BY RATING\* (%)



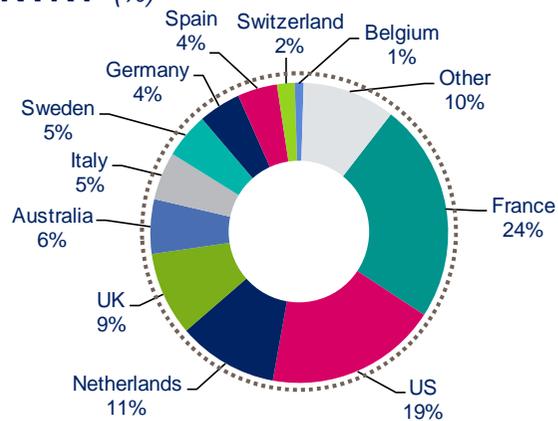
\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
Unaudited management reporting data

# BANK BOND PORTFOLIO

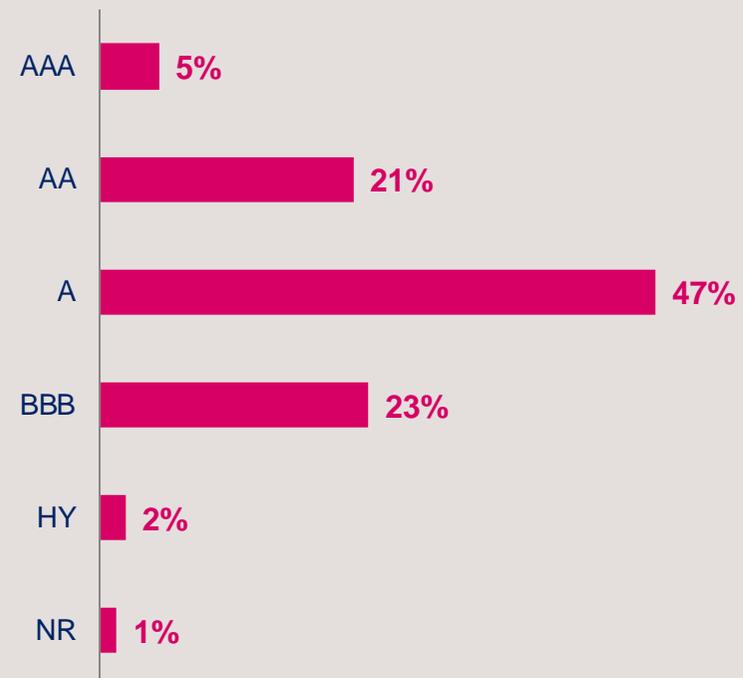
**BANK BOND PORTFOLIO BY REPAYMENT RANKING (%)**



**BANK BOND PORTFOLIO BY COUNTRY (%)**



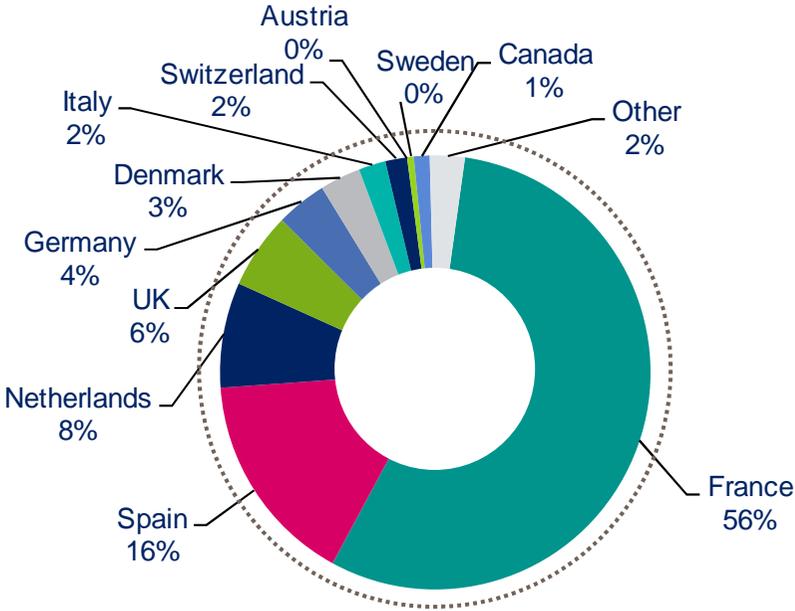
**BANK BOND PORTFOLIO BY RATING\* (%)**



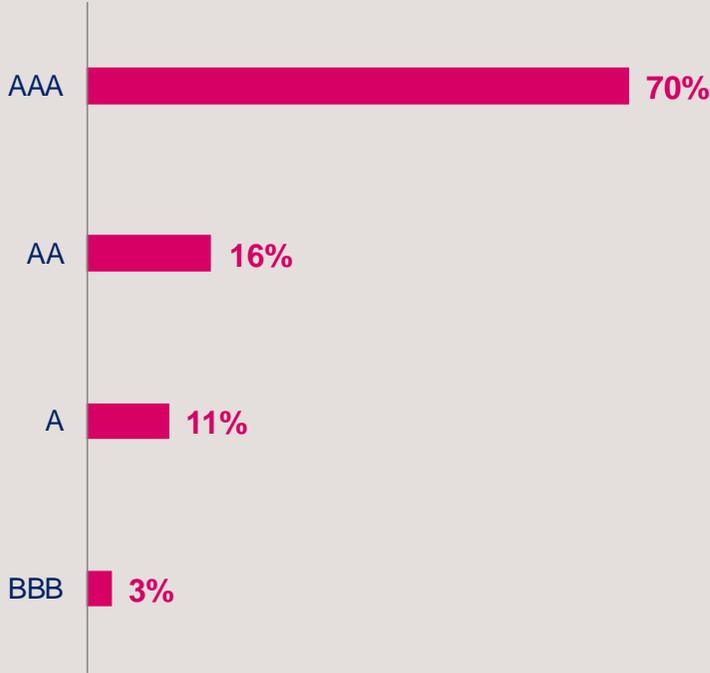
\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
 Unaudited management reporting data

# COVERED BOND PORTFOLIO

**COVERED BOND PORTFOLIO BY COUNTRY (%)**



**COVERED BOND PORTFOLIO BY RATING\* (%)**



\* Second-best rating: method consisting of using the second-best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch  
 Unaudited management reporting data

## SOVEREIGN BOND PORTFOLIO (1/2)

Country	30 JUNE 2017			31 DECEMBER 2016			31 DECEMBER 2015		
	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value
France	71,162.7	81,752.3	5,526.0	68,237.8	80,303.9	5,411.3	66,591.5	77,735.6	4,941.1
Italy	9,666.7	10,805.0	666.9	9,769.1	11,135.7	667.6	9,134.8	10,708.0	1,234.7
Belgium	6,944.5	7,909.0	449.6	7,438.7	8,603.8	475.5	7,402.4	8,621.0	494.4
Spain	7,938.3	8,534.5	719.0	7,487.5	8,154.5	672.0	3,751.0	4,390.8	344.9
Austria	4,218.3	4,764.0	156.6	4,274.3	4,935.9	162.5	4,434.0	5,197.8	219.3
Brazil	1,561.7	1,576.8	946.8	2,086.0	2,059.0	1,235.7	1,448.8	1,265.6	759.5
Portugal	266.5	299.5	7.8	271.7	297.6	7.8	271.4	310.8	7.6
Netherlands	180.0	201.7	9.2	181.7	206.5	8.3	179.5	204.2	15.5
Ireland	590.8	666.4	34.3	604.0	696.0	36.2	617.1	724.3	31.8
Germany	1,809.3	2,108.7	177.3	1,929.7	2,277.3	182.2	2,481.7	2,823.0	240.8
Greece	3.9	1.4	0.1	3.9	1.5	0.1	3.9	2.2	0.1
Finland	77.9	78.4	4.2	79.4	81.5	2.6	16.3	19.7	3.2
Poland	298.0	331.7	77.5	377.2	413.3	69.8	346.7	391.9	43.1
Luxembourg	49.5	53.4	20.9	50.3	55.2	21.8	50.4	56.3	20.8
Sweden	1.2	2.3	0.4	82.5	83.7	47.6	11.4	12.4	0.3
Denmark	0.0	0.0	0.0	0.0	0.0	0.0	45.2	60.1	4.5
Slovenia	137.6	150.5	4.6	140.5	155.8	4.8	140.6	158.7	3.5
United Kingdom	0.0	0.0	0.0	0.0	0.0	0.0	78.1	233.0	0.0
Canada	750.9	799.4	106.5	667.0	729.3	91.9	649.0	710.8	85.9
Cyprus	57.6	64.6	33.9	36.5	39.0	18.9	16.6	18.5	6.1
Other	5,952.5	6,839.0	667.7	5,910.5	6,911.4	683.8	6,401.8	7,459.8	735.2
<b>TOTAL</b>	<b>111,667.9</b>	<b>126,938.6</b>	<b>9,609.3</b>	<b>109,628.2</b>	<b>127,140.8</b>	<b>9,800.4</b>	<b>104,072.3</b>	<b>121,104.4</b>	<b>9,192.0</b>

\* Carrying amount, including accrued coupon

## SOVEREIGN BOND PORTFOLIO (2/2)

### FRENCH PORTFOLIO

(€m)	30 JUNE 2017			31 DECEMBER 2016			31 DECEMBER 2015		
Country	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value
Italy	6,361.2	7,204.2	494.6	6,238.2	7,245.7	443.4	5,396.8	6,525.7	377.0
Spain	7,464.9	7,997.5	638.2	7,058.4	7,657.8	595.0	3,415.4	4,000.0	290.7
Portugal	265.4	298.3	7.8	270.7	296.5	7.8	270.4	309.6	7.6
Ireland	577.5	652.3	22.0	590.8	682.0	23.9	608.4	714.3	23.0
Greece	3.9	1.4	0.1	3.9	1.5	0.1	3.9	2.2	0.1
<b>TOTAL</b>	<b>14,672.9</b>	<b>16,153.7</b>	<b>1,162.6</b>	<b>14,161.9</b>	<b>15,883.5</b>	<b>1,070.2</b>	<b>9,694.9</b>	<b>11,551.8</b>	<b>698.3</b>

### INTERNATIONAL PORTFOLIO

(€m)	30 JUNE 2017			31 DECEMBER 2016			31 DECEMBER 2015		
Country	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value	Gross exposure Cost*	Gross exposure Fair value	Net exposure Fair value
Italy	3,305.5	3,600.8	172.3	3,530.9	3,890.0	224.2	3,738.0	4,182.3	857.7
Spain	473.5	537.0	80.9	429.1	496.7	77.0	335.6	390.8	54.2
Portugal	1.0	1.2	0.0	1.0	1.1	0.0	1.0	1.1	0.0
Ireland	13.2	14.1	12.4	13.2	14.0	12.3	8.7	10.0	8.7
Greece	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>3,793.2</b>	<b>4,153.1</b>	<b>265.5</b>	<b>3,974.2</b>	<b>4,401.7</b>	<b>313.5</b>	<b>4,083.4</b>	<b>4,584.2</b>	<b>920.7</b>

\* Carrying amount, including accrued coupon

## EXPANDED HEDGING STRATEGY

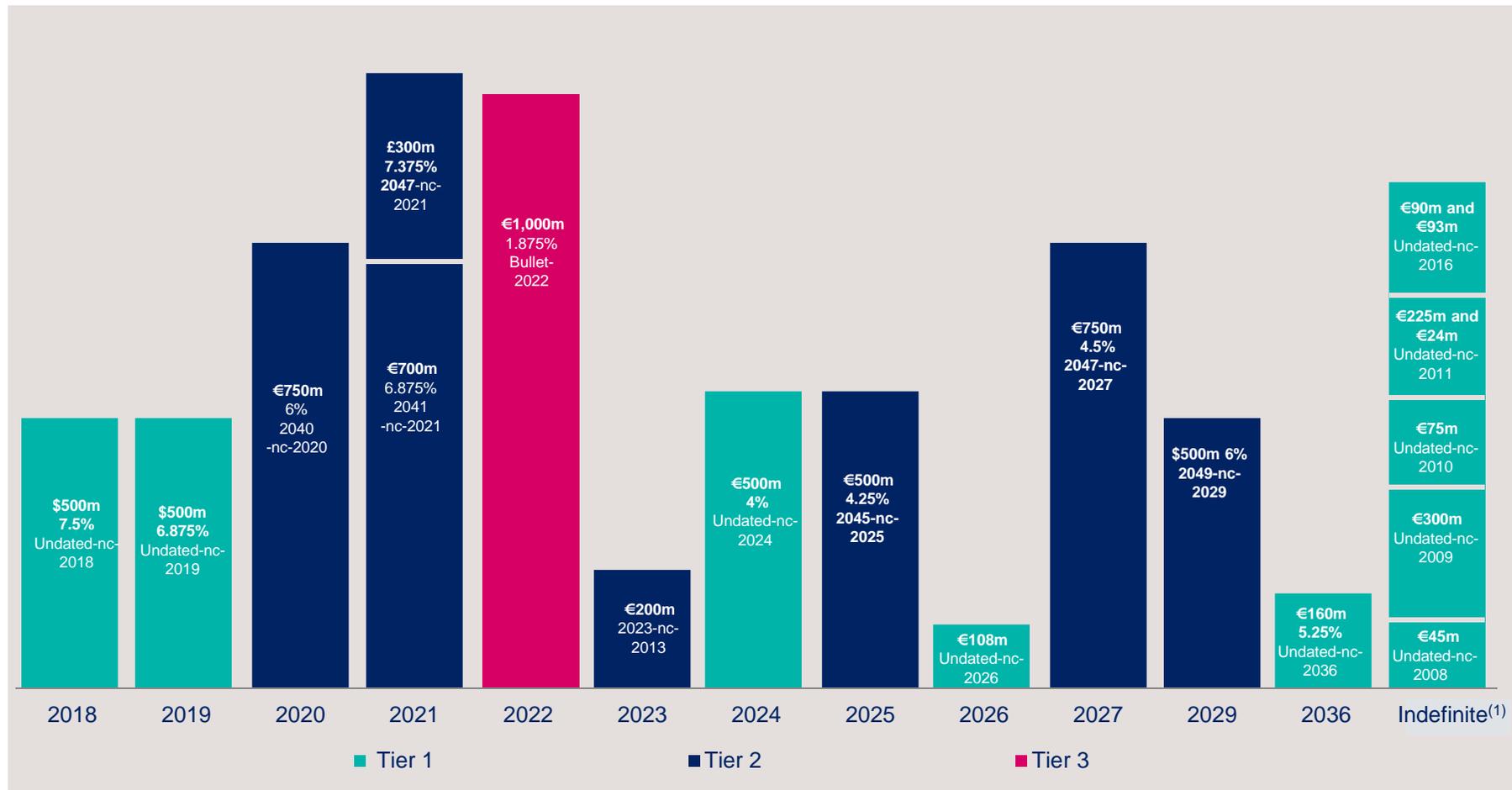
HEDGED RISK		Type of hedge	Hedge maturity	Options set up in H1 2017		Outstanding options at 30 June 2017	
				Option premiums	Notional amount	Fair value	Notional amount
EQUITY RISK	Protects equity portfolio against a falling market	Put	< 7 years	€244m	€3.2bn	€336m	€5.7bn
CURRENCY RISK	Protects profit and dividend paid to parent by Caixa Seguradora	Put	1 year	€20m	BRL1.7bn	€18m	BRL2.2bn <sup>(1)</sup>
INTEREST RATE RISK	Protects traditional savings portfolio against rising interest rates	Cap	< 10 years	€98m	€6.2bn	€216m	€59bn
CREDIT RISK	Protects bond portfolio against wider corporate spreads	Put	1 year	€8m	€1.5bn	€0.06m	€1.5bn

➤ **The hedging programme set up in H1 2017 covered all market risks.  
The fair value of hedging instruments stood at €570m at 30 June 2017.**

- Equity portfolio hedging strategy expanded
- Brazilian real hedging strategy maintained
- Interest rate hedging strategy maintained
- Credit spread risk hedge maintained

(1) The 2017 profit hedging programme is complete as of the date of this document  
Unaudited management reporting data

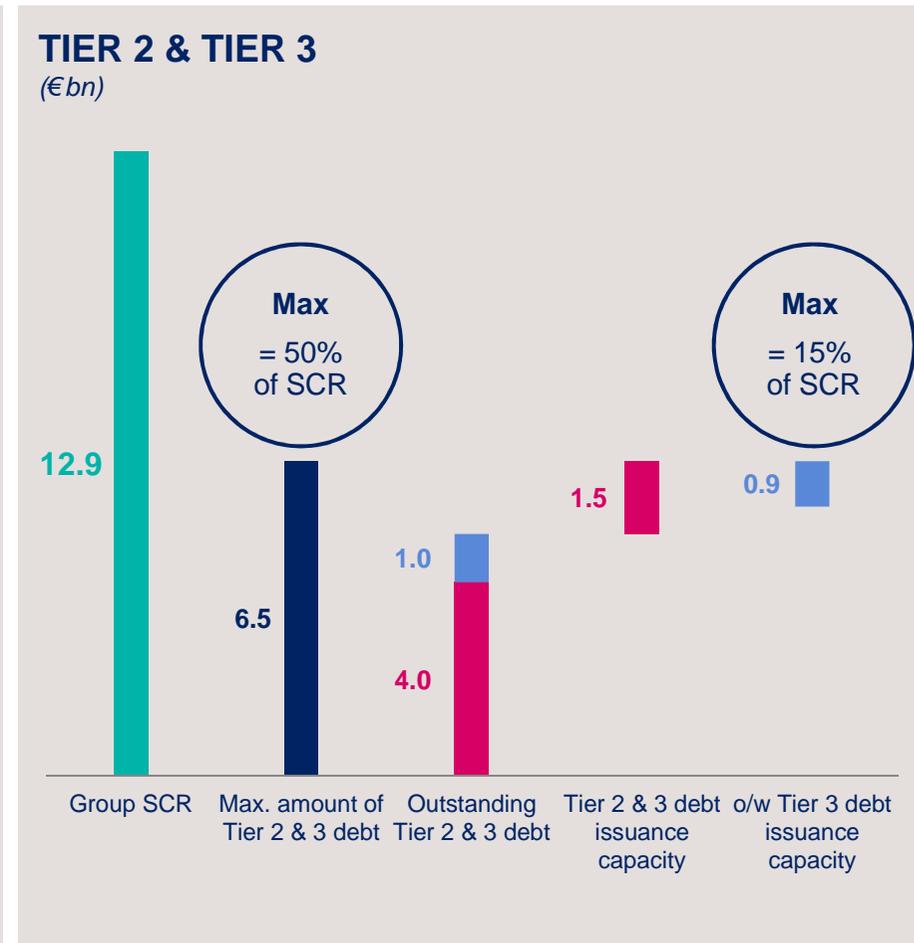
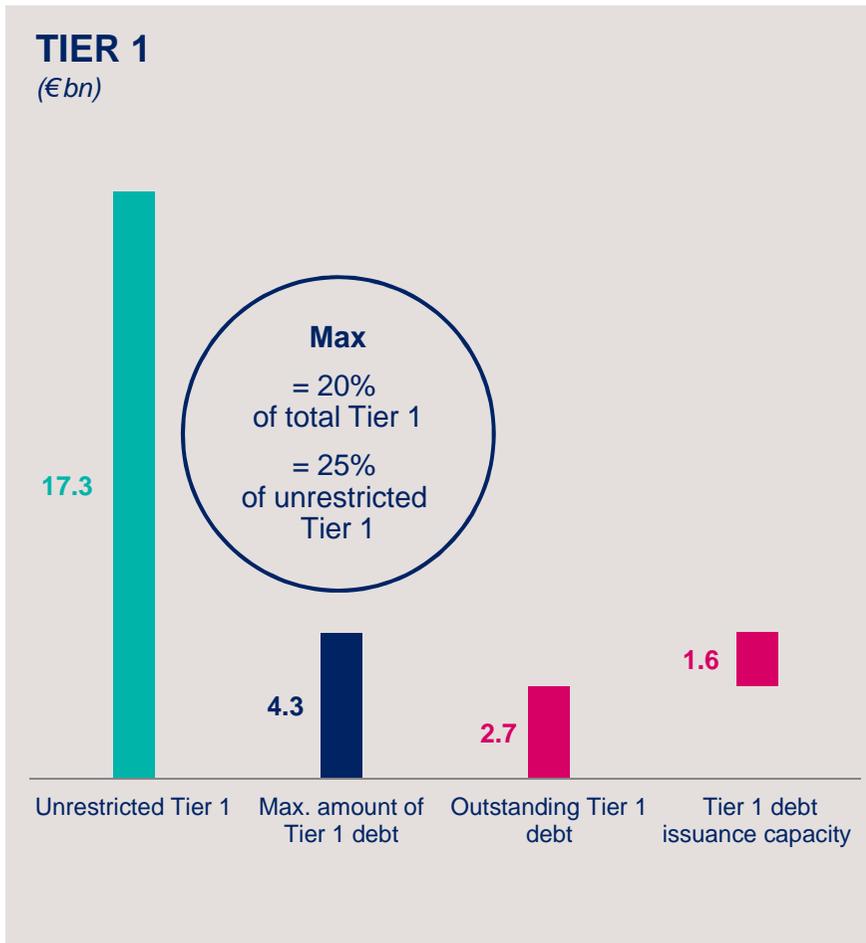
## MATURITIES AND CALL DATES OF CNP ASSURANCES SUBORDINATED NOTES



Nominal amounts and exchange rates at 30 June 2017

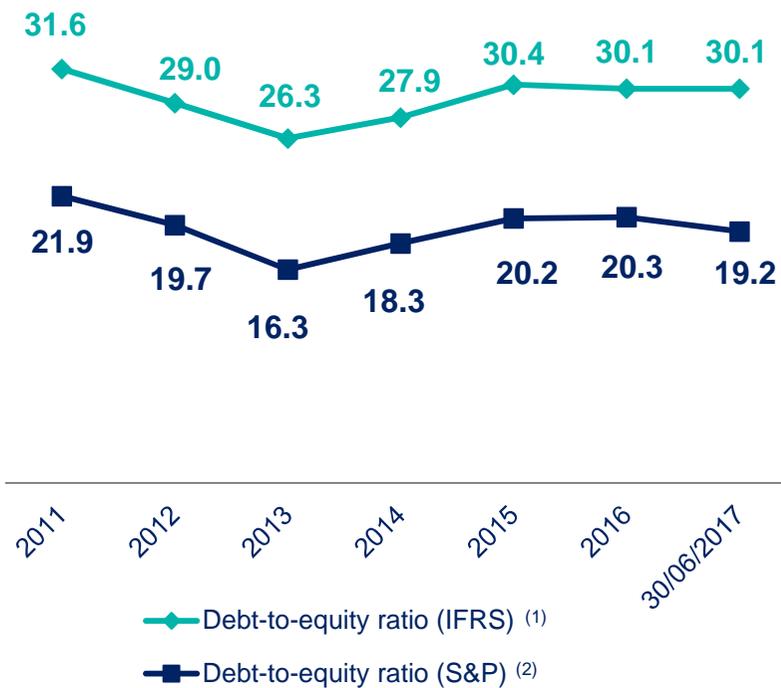
(1) Undated subordinated notes for which the first call date has already passed

# SOLVENCY II SUBORDINATED NOTES ISSUANCE CAPACITY



# CREDIT RATIOS

## DEBT-TO-EQUITY RATIO



## INTEREST COVER<sup>(3)</sup>



(1) Debt-to-equity ratio (IFRS) = Debt/(Equity - Intangible assets + Debt)  
 (2) Debt-to-equity ratio (S&P method) = Debt/(Economic Capital Available+ Debt)  
 (3) EBIT/Interest paid

## GLOSSARY

**This glossary includes definitions of alternative performance measures (APMs) that are considered useful by CNP Assurances to measure and analyse the Group's performance.**

The APMs reporting scope is unchanged from prior periods.

All APMs are identified by an asterisk (\*).

They should be treated as additional information and not as substitutes for the balance sheet and income statement prepared in accordance with IFRS.

They may not be comparable with those published by other companies, as their definition may vary from one company to another.

Prudential measures determined in accordance with the Solvency II Directive, and actuarial measures determined in accordance with European Insurance CFO Forum Market Consistent Embedded Value<sup>©</sup> Principles are not considered to be APMs.

# GLOSSARY

1/8

## Adjusted net asset value (ANAV)

- ▶ Market value of assets not held to back technical reserves. ANAV corresponds to equity attributable to owners of the parent net of subordinated notes classified in equity, intangible assets and other items included in the value of In-Force business (VIF). This indicator is net of non-controlling interests. It breaks down between required capital and free surplus.

€m	30/06/2017	31/12/2016
Equity attributable to owners of the parent (1)	17,492	17,534
Subordinated notes classified in equity (2)	1,765	1,765
Intangible assets (3)	536	564
Items included in the value of In-Force business (4)	1,848	1,763
<b>ANAV = (1) - (2) - (3) - (4)</b>	<b>13,343</b>	<b>13,442</b>

## Administrative costs\*

- ▶ Costs of administering and managing insurance contracts, excluding commissions paid to the distribution networks. The calculation base includes non-controlling interests.

## Annual Premium Equivalent (APE)

- ▶ One tenth of the sum of single premiums and flexible premiums plus the annualised amount of regular premiums written during the period, net of non-controlling interests and ceded premiums. Annual premium equivalent (APE) is an indicator of underwriting volume.

## APE margin (also referred to as new business margin)

- ▶ Value of new business (NBV) divided by the annual premium equivalent (APE). Measures estimated future profits from insurance policies written during the period.

€m	30/06/2017	31/12/2016
Value of new business (NBV) (1)	283	436
Annual premium equivalent (APE) (2)	1,592	3,129
<b>APE margin = (1)/(2)</b>	<b>17.8%</b>	<b>13.9%</b>

## Change at constant exchange rates

- ▶ Indicators at constant exchange rates are calculated by translating current period data at the prior period exchange rate. This technique strips out the currency effect from the change in the indicator concerned.

## Change on a comparable consolidation scope basis

- ▶ Indicators on a comparable consolidation scope basis are calculated by excluding (i) the contribution of businesses discontinued or sold during the current period from the prior period data and (ii) the contribution of businesses acquired during the current period from current period data. This technique strips out the effect of acquisitions and divestments from the change in the indicator concerned.

# GLOSSARY

2/8

## Combined ratio (personal risk/protection segment)\*

- ▶ Calculated for the personal risk/protection insurance segment by dividing EBIT by premium income net of ceded premiums and deducting the result from 100%. The combined ratio is an indicator of personal risk/protection business profitability.

€m	30/06/2017	30/06/2016
EBIT (personal risk/protection segment) (1)	626	435
Premium income net of ceded premiums (personal risk/protection segment) (2)	3,208	2,861
<b>Combined ratio (personal risk/protection segment)= 100% - (1)/(2)</b>	<b>80.5%</b>	<b>84.8%</b>

## Cost/income ratio\*

- ▶ Administrative costs divided by net insurance revenue (NIR). The cost/income ratio is an indicator of operating efficiency.

€m	30/06/2017	30/06/2016
Administrative costs (1)	441	428
Net insurance revenue (NIR) (2)	1,474	1,281
<b>Cost/income ratio = (1)/(2)</b>	<b>29.9%</b>	<b>33.4%</b>

## Debt-to-equity ratio\*

- ▶ Subordinated notes classified in debt or equity, divided by the sum of subordinated notes classified in debt and total equity less intangible assets. Measures the proportion of financing represented by total subordinated notes (classified in both debt and equity).

€m	30/06/2017	31/12/2016
Subordinated notes classified in equity (1)	1,765	1,765
Subordinated notes classified in debt (2)	5,365	5,427
Total equity (3)	19,149	19,297
Intangible assets (4)	831	867
<b>Debt-to-equity ratio = [(1) + (2)] / [(2) + (3) - (4)]</b>	<b>30.1%</b>	<b>30.1%</b>

## Dividend cover

- ▶ Operating free cash flow (OFCF) net of cash flows from subordinated notes issues and repayments, divided by dividends. Indicator of the Group's ability to pay dividends to shareholders. This ratio is calculated only for annual results presentations.

€m	31/12/2016	31/12/2015
Net operating free cash flow (OFCF) (1)	1,056	955
Dividends (2)	549	529
<b>Dividend cover = (1)/(2)</b>	<b>1,9 x</b>	<b>1,8 x</b>

## Earnings per share (EPS)

- ▶ Attributable net profit less finance costs on subordinated debt classified in equity divided by the weighted average number of shares outstanding (IFRS calculation method).

€m	30/06/2017	30/06/2016
Attributable net profit (1)	657	620
Finance costs on subordinated notes classified in equity (2)	24	24
Weighted average number of shares (3)	686,5 M	686,2 M
<b>Earnings per share = [(1) - (2)] / (3)</b>	<b>0.92 €</b>	<b>0.87 €</b>

# GLOSSARY

3/8

## Earnings before interest and taxes (EBIT)\*

- ▶ Corresponds to attributable net profit before finance costs, income tax expense, non-controlling and equity-accounted interests, fair value adjustments and net gains (losses), non-recurring items. This indicator includes non-controlling interests and is gross of income tax expense. EBIT represents the margin after deducting administrative costs.

€m	30/06/2017	30/06/2016
Attributable net profit (1)	657	620
Finance costs (2)	-130	-119
Income tax expense (3)	-469	-435
Non-controlling and equity-accounted interests (4)	-173	-126
Fair value adjustments and net gains (losses) (5)	136	88
Non-recurring items (6)	-183	-67
<b>EBIT = (1) - (2) - (3) - (4) - (5) - (6)</b>	<b>1,477</b>	<b>1,280</b>

## Eligible own funds for MCR calculations

- ▶ Sum of Tier 1 and Tier 2 own funds eligible for inclusion in the minimum capital requirement. For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, and Tier 2 own funds are limited to 20% of the MCR. Tier 3 own funds are not eligible for inclusion in MCR.

## Eligible own funds for SCR calculations

- ▶ Sum of Tier 1, Tier 2 and Tier 3 own funds eligible for inclusion in the solvency capital requirement (SR). For calculation purposes, restricted Tier 1 own funds are limited to 20% of total Tier 1 own funds, Tier 2 and Tier 3 own funds are limited to 50% of the SCR and Tier 3 own funds are limited to 15% of SCR.

## Fair value adjustments and net gains (losses)

- ▶ Measures the impact on attributable net profit of changes in asset prices (i.e. realised and unrealised capital gains net of recognised impairment losses), impairment losses and exceptional changes in intangible asset values. Fair value adjustments and net gains (losses) are calculated net of policyholder participation, non-controlling interests and income tax expense.

## Free surplus

- ▶ Portion of adjusted net asset value (ANAV) that may be freely used by management to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates, net of non-controlling interests.

## Insurance leverage ratio\*

- ▶ Sum of total equity and subordinated notes classified in debt, divided by insurance investments less derivative instruments liabilities. Indicator of the Group's solvency before risk-weighting. The higher the ratio, the greater the insurer's ability to absorb potential losses.

€m	30/06/2017	31/12/2016
Total equity (1)	19,149	19,297
Subordinated notes classified in debt (2)	5,365	5,427
Subordinated notes classified in equity (3)	1,765	1,765
Insurance investments (4)	383,603	383,262
Derivative instrument liabilities (5)	1,109	1,245
<b>Insurance leverage ratio = [(1) + (2)] / [(4) - (5)]</b>	<b>6.41%</b>	<b>6.47%</b>
<b>o/w equity = [(1) - (3)] / [(4) - (5)]</b>	<b>4.54%</b>	<b>4.59%</b>
<b>o/w subordinated notes = [(2) + (3)] / [(4) - (5)]</b>	<b>1.86%</b>	<b>1.88%</b>

# GLOSSARY

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## Interest cover\*

- ▶ EBIT divided by interest paid on total subordinated notes (classified in both debt and equity). Indicator of the Group's ability to pay the interest due to holders of its subordinated notes.

€m	30/06/2017	30/06/2016
EBIT (1)	1,477	1,280
Finance costs on subordinated notes classified in debt (2)	130	119
Finance costs on subordinated notes classified in equity (3)	36	36
<b>Interest cover = (1) / [(2) + (3)]</b>	<b>8,9 x</b>	<b>8,3 x</b>

## Market consistent embedded value (MCEV®)

- ▶ A measure of the consolidated value of shareholders' interests in the covered business. It breaks down between adjusted net asset value (ANAV) and the value of In-Force business (VIF) – corresponding to the value of the insurance policies in force on the measurement date – and is calculated using a market-consistent method of valuing assets and liabilities. It is calculated net of non-controlling interests.

## Mathematical reserves

- ▶ Sum of the surrender value of savings contracts and the discounted present value of liabilities for pensions contracts.

## MCR coverage ratio

- ▶ Eligible own funds held to cover the MCR divided by the MCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

## Minimum capital requirement (MCR)

- ▶ Minimum eligible basic own funds, defined in Solvency II as the amount of eligible basic own funds below which policyholders and beneficiaries are exposed to an unacceptable level of risk. When the amount of eligible basic own funds falls below the MCR, the insurance undertaking's authorisation is withdrawn, if it is unable to re-establish this amount at the level of the MCR within a short period of time.

## Net asset value\*

- ▶ Equity net of subordinated notes classified in equity and non-controlling interests. Measures the value for owners of the parent of their share of equity, excluding the share of subordinated note-holders.

€m	30/06/2017	31/12/2016
Equity attributable to owners of the parent (1)	17,492	17,534
Subordinated notes classified in equity (2)	1,765	1,765
<b>Net asset value = (1) - (2)</b>	<b>15,727</b>	<b>15,768</b>

## Net insurance revenue (NIR)\*

- ▶ Sum of insurance loadings, underwriting results and reinsurance results, net of commissions paid to distribution partners. This indicator includes non-controlling interests and is gross of reinsurance. It is the margin generated by insurance contracts before deducting administrative costs.

€m	30/06/2017	30/06/2016
Net insurance revenue (1)	1,474	1,281
Revenue from own-funds portfolios (2)	444	426
Administrative costs (3)	441	428
<b>EBIT = (1) + (2) - (3)</b>	<b>1,477</b>	<b>1,280</b>

# GLOSSARY

5/8

## Net new money

- ▶ Collected premiums less paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) before changes in outstanding claims reserves, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). This indicator includes non-controlling interests and is gross of reinsurance. Net new money measures the impact on technical reserves of collected premiums and paid claims and benefits.

## Non-recurring items

- ▶ Indicator used to separately identify non-recurring income and expenses that affect attributable net profit. Non-recurring items are calculated net of non-controlling interests and income tax expense.

## Operating free cash flow (OFCF)

- ▶ Measures the generation of free surplus to pay dividends and build the business by selling new contracts or acquiring new subsidiaries or associates. OFCF is calculated net of non-controlling interests. Issues and redemptions of subordinated notes may be included in or excluded from the calculation.

## Outstanding claims reserve

- ▶ Estimated claims and benefits payable to policyholders and beneficiaries in future periods (death benefit, endowments, partial and total surrenders, annuities, claims) in respect of claims incurred as of the measurement date.

## Payout ratio\*

- ▶ Dividends paid to owners of the parent divided by attributable net profit. Measures the proportion of attributable net profit distributed to owners in the form of dividends. This ratio is calculated only for annual results presentations.

€m	31/12/2016	31/12/2015
Dividends (1)	549	529
Attributable net profit (2)	1,200	1,130
<b>Payout ratio = (1) / (2)</b>	<b>46%</b>	<b>47%</b>

## Policyholders' surplus reserve (PSR)

- ▶ Cumulative underwriting and investment income attributable to policyholders that is distributed on a deferred basis.

## Premium income\*

- ▶ Earned premiums and premium loading on IAS 39 contracts, including non-controlling interests and ceded premiums. Premium income is an indicator of underwriting volume.

€m	30/06/2017	30/06/2016
Earned premiums (1)	16,342	17,251
Premium loading on IAS 39 contracts (2)	29	18
<b>Premium income = (1) + (2)</b>	<b>16,371</b>	<b>17,269</b>

# GLOSSARY

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## Proportion of savings/pensions mathematical reserves represented by unit-linked (UL) contracts\*

- ▶ Calculated by dividing unit-linked savings/pensions mathematical reserves by total savings/pensions mathematical reserves. This indicator measures the proportion of mathematical reserves related to unit-linked contracts, which do not generally include a capital or yield guarantee.

€m	30/06/2017	31/12/2016
UL savings/pensions mathematical reserves (1)	50,978	47,328
Total savings/pensions mathematical reserves (2)	274,184	274,820
<b>Proportion of savings/pensions mathematical reserves represented by UL contracts = (1)/(2)</b>	<b>18.6%</b>	<b>17.2%</b>

## Proportion of savings/pensions premiums represented by unit-linked (UL) contracts\*

- ▶ Calculated by dividing unit-linked savings/pensions premium income by total savings/pensions premium income. This indicator measures the proportion of premium income related to unit-linked contracts, which do not generally include a capital or yield guarantee.

€m	30/06/2017	30/06/2016
UL savings/pensions premium income (1)	4 607	3 358
Total savings/pensions premium income (2)	12 707	14 004
<b>Proportion of savings/pensions premiums represented by UL contracts = (1)/(2)</b>	<b>36,3%</b>	<b>24,0%</b>

## Restricted Tier 1 own funds

- ▶ Subordinated notes classified in Tier 1, including grandfathering of undated subordinated notes issued before Solvency II came into effect.

## Return on equity (ROE)\*

- ▶ Annualised attributable net profit divided by average net asset value for the period. Measures the return on equity contributed by owners of the parent.

€m	30/06/2017	31/12/2016
Annualised attributable net profit (1)	1 315	1 200
Average net asset value (2)	15 748	15 123
<b>Return on equity (ROE) = (1) / (2)</b>	<b>8,4%</b>	<b>7,9%</b>

## Revenue from own-funds portfolios\*

- ▶ Mainly revenue generated by investments held to back equity and subordinated notes, net of amortisation of the value of acquired In-Force business and distribution agreements. This indicator includes non-controlling interests. It is the margin generated on investments held to back equity and subordinated notes, before deducting administrative costs.

€m	30/06/2017	30/06/2016
Net revenue generated by investments held to back equity and subordinated notes (1)	457	438
Amortisation of value of In-Force business and distribution agreements (2)	12	12
<b>Revenue from own-funds portfolios = (1) – (2)</b>	<b>444</b>	<b>426</b>

## Solvency capital requirement (SCR)

- ▶ Level of eligible own funds that enables an insurance undertaking to absorb significant losses and gives reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. SCR is defined in Solvency II as the value-at-risk of basic own funds, subject to a confidence level of 99.5% over a one-year period. CNP Assurances has chosen to calculate its SCR using the standard formula without transitional measures, except for the grandfathering of subordinated notes issued before Solvency II came into effect.

# GLOSSARY

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## SCR coverage ratio

- ▶ Eligible own funds held to cover the SCR divided by the SCR. Indicator of the Group's risk-weighted solvency. The higher the ratio, the greater the insurer's ability to absorb potential losses.

## Surrender rate

- ▶ Paid partial and total surrenders divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of surrenders paid to policyholders.

## Technical reserves\*

- ▶ Insurance and financial liabilities net of deferred participation reserve, including non-controlling interests. The change in technical reserves reflects net new money, the amount set aside for policyholder dividends and changes in the value of units in unit-linked contracts. Technical reserves may be calculated gross or net of ceded reserves. They measure the insurer's liability towards insureds.

€m	30/06/2017	31/12/2016
Insurance and financial liabilities (1)	362,974	361,748
Deferred participation reserve (2)	29,415	30,714
Deferred participation asset (3)	0	0
Reinsurers' share of insurance and financial liabilities (4)	23,068	23,033
<b>Technical reserves before reinsurance = (1) - (2) + (3)</b>	<b>333,560</b>	<b>331,035</b>
<b>Technical reserves net of reinsurance = (1) - (2) + (3) - (4)</b>	<b>310,493</b>	<b>308,002</b>

## Tier 2 own funds

- ▶ Subordinated notes classified in Tier 2, including grandfathering of dated subordinated notes issued before Solvency II came into effect.

## Tier 3 own funds

- ▶ Subordinated notes classified in Tier 3 plus any net deferred tax assets also classified in Tier 3.

## Total revenue\*

- ▶ Net insurance revenue (NIR) plus revenue from own-funds portfolios. This indicator includes non-controlling interests and is net of reinsurance. It is the margin before deducting administrative costs.

€m	30/06/2017	30/06/2016
Net insurance revenue (1)	1,474	1,281
Revenue from own-funds portfolios (2)	444	426
<b>Total revenue = (1) + (2)</b>	<b>1,918</b>	<b>1,707</b>

## Unrestricted Tier 1 own funds

- ▶ Own funds other than subordinated notes included in Tier 1 own funds, calculated as the sum of share capital, the share premium account and the reconciliation reserve less non-fungible own funds.

# GLOSSARY

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## Value of In-Force business (VIF)

- ▶ Measures the value of insurance policies in force at the measurement date, calculated using a market-consistent method of valuing assets and liabilities. VIF corresponds to the discounted present value of estimated future profits from insurance policies in force at the measurement date, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

## Value of new business (NBV)

- ▶ Measures the value of insurance policies sold during the period, calculated using a market-consistent method of valuing assets and liabilities. NBV corresponds to the discounted present value of estimated future profits from insurance policies sold during the period, less the time value of financial options and guarantees, the frictional cost of capital and the cost of non-hedgeable risks. It is calculated net of non-controlling interests and income tax expense.

## Withdrawal rate

- ▶ Paid claims and benefits (death benefit, endowments, partial and total surrenders, annuities) divided by mathematical reserves at the beginning of the period, including the deposit component of financial contracts without a discretionary participation feature (French GAAP method, based on management reporting data). Measures the impact on mathematical reserves of claims and benefits paid to policyholders and beneficiaries.

## INVESTOR CALENDAR

	Q4 2017	Q1 2018	Q2 2018
Nine-month 2017 results indicators	16 Nov. 7:30 am		
2017 premium income and profit		22 Feb. 7:30 am	
Annual General Meeting			27 April 2:30 pm
First-quarter 2018 results indicators			16 May 7:30 am

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