

Paris, 29 July 2019

First-Half 2019 Results

Premium income of €17.6 billion, up 3.6%
Net profit of €687 million, up 2.3%

HIGHLIGHTS

- Premium income of €17.6 billion, up 3.6% (up 4.6% like-for-like¹)
- Proportion of Savings/Pensions premiums represented by unit-linked contracts still high, at 39.2% (versus 42.2% in first-half 2018)
- APE margin of 16.9%, reflecting the impact of lower interest rates in Europe
- EBIT of €1,566 million, up 4.4% (up 6.2% like-for-like¹)
- Attributable net profit of €687 million, up 2.3% (up 3.3% like-for-like¹)
- Net operating free cash flow of €846 million, up 4.6%
- Consolidated SCR coverage ratio² of 169% (versus 187% at 31 December 2018), also reflecting the impact of lower interest rates in Europe

The 2019 interim financial statements of CNP Assurances were reviewed by the Board of Directors at its meeting on 26 July 2019 and are subject to completion of the Statutory Auditors' review. This press release includes a certain number of alternative performance measures (APMs). These APMs and their calculation method are presented in the Investor/Analyst section of the CNP Assurances website www.cnp.fr/en/Investor-Analyst (2019 Results).

¹ Average exchange rates:

First-half 2019: Brazil: €1 = BRL 4.34; Argentina: €1 = ARS 46.83

First-half 2018: Brazil: €1 = BRL 4.14; Argentina: €1 = ARS 26.11

² 176% excluding the advance recognition of the payment due under the new distribution agreement in Brazil (194% at end-2018)

Antoine Lissowski, CNP Assurances' Chief Executive Officer, said:

"CNP Assurances delivered a solid business performance in the first half despite the exceptionally low interest rate environment in Europe.

In Europe, we demonstrated our business model's ability to withstand a sluggish market by consolidating our positions in the unit-linked savings and term creditor insurance segments.

In Latin America, we posted impressive growth, outperforming the market to become Brazil's third largest insurance company.

In this environment, net profit was up 2.3%. Disciplined cost management is helping to drive further improvement in the cost/income ratio, and we are continuing to transform the business."

1. First-half 2019 premium income and APE margin

Consolidated premium income for the period totalled €17.6 billion, up 3.6% (up 4.6% like-for-like).

In France, premium income rose by 3.9% to €11.9 billion.

In Savings/Pensions, premium income amounted to €9.8 billion, an increase of 5.3%. Gains at CNP Patrimoine in the premium savings segment (up €1.0 billion) and at La Banque Postale (up €0.2 billion) more than offset the slower inflow of new money from the BPCE network. Unit-linked sales remained high, at 20.4% of Savings/Pensions premiums (versus 22.9% in first-half 2018) in a sluggish market and despite a decline in “Fourgous” transfers. Savings/Pensions net new money reflected a €1.4 billion net outflow from traditional products and a €1.2 billion net inflow to unit-linked contracts.

Personal Risk/Protection premium income contracted by 2.0% to €2.1 billion. Personal Risk and Health insurance premiums fell by 13.7% to €0.7 billion, due to a more selective approach that led to contract terminations at the end of 2018. Term Creditor Insurance premiums rose by 5.3% to €1.4 billion, driven by the La Banque Postale and BPCE networks. The increase also reflected the positive effect of prior-year adjustments.

The APE margin declined to 13.3% (from 19.7% in 2018), due to the impact of lower interest rates on Savings/Pensions margins assessment.

In Europe excluding France, premium income amounted to €2.5 billion, a decrease of 5.3%.

Savings/Pensions premium income contracted by 8.1% to €2.0 billion. The strong €0.3 billion increase in premium income recorded by CNP Luxembourg partly offset the decline in premiums at CNP UniCredit Vita and CNP Partners (down €0.5 billion) in an Italian insurance market hit by the withdrawal of certain tax-advantaged products. The unit-linked weighting remained very high, at 60.6% of total Savings/Pensions premiums in first-half 2019, compared with 71.7% in first-half 2018. Net new money for the period reflected a €0.5 billion net inflow to unit-linked contracts and a €0.2 billion net inflow to traditional products.

Personal Risk/Protection premium income rose 6.8% to €0.5 billion, with growth led mainly by CNP Santander but also by an increase in new money at CNP UniCredit Vita.

The APE margin in the Europe excluding France region was 18.8% in first-half 2019, versus 16.9% for the whole of 2018.

In Europe, All told, premium income totalled €14.4 billion, an increase of 2.2%. The APE margin stood at 14.0% versus 19.3% for the whole of 2018, reflecting the significant adverse effect of the economic environment.

In Latin America, premium income amounted to €3.2 billion, up 10.6% (up 16.3% at constant exchange rates).

Savings/Pensions premium income grew 16.7% (up 22.5% at constant exchange rates) to €2.4 billion, led by strong sales of pensions contracts. Unit-linked contracts remained the dominant product, accounting for 98.6% of premium income.

In Personal Risk/Protection, premium income contracted by 4.9% (but rose 0.5% excluding the currency effect), despite the growth in Term Creditor Insurance premiums (up 5.0% at constant exchange rates) following Caixa Econômica Federal's decision to increase originations in some segments of its lending business.

Caixa Seguradora continued to outperform the Brazilian insurance market, lifting its market share to 11.4% from 9.9% at end-2018.

The APE margin remained high, at 28.7% (versus 30.1% for the whole of 2018) in an environment shaped by very strong growth in the pensions business.

Average net technical reserves stood at €318.3 billion, compared with €313.4 billion in first-half 2018.

2. First-half 2019 results

Net insurance revenue (NIR) rose 9.1% to €1,607 million, up 11.1% like-for-like.

In France, net insurance revenue was up 6.6% at €919 million, including €576 million generated by the Savings/Pensions business and €343 million by the Personal Risk/Protection business.

In Europe excluding France, net insurance revenue surged by 32.9% to €149 million, breaking down as €38 million from the Savings/Pensions business and €110 million from the Personal Risk/Protection business.

In Latin America, net insurance revenue grew 8.0% (up 14.0% at constant exchange rates) to €539 million, including €113 million from the Savings/Pensions business and €426 million from the Personal Risk/Protection business.

Revenue from own-funds portfolios amounted to €405 million, representing a decline of 13.4% (down 12.5% like-for-like).

Total revenue came to €2,012 million, an increase of 3.7% (up 5.4% like-for-like).

Administrative costs amounted to €446 million, up 1.1% (up 2.7% like-for-like).

The **cost/income ratio** showed further improvement, at 27.8% versus 30.0% in first-half 2018.

EBIT was up 4.4% at €1,566 million (up 6.2% like-for-like).

Attributable net profit came to €687 million, an increase of 2.3% (up 3.3% like-for-like). **Earnings per share** amounted to €0.96, up 1.4%.

Net operating free cash flow generated in first-half 2019 totalled €846 million (up 4.6%) or €1.23 per share.

IFRS book value stood at €17.1 billion at 30 June 2019, representing €24.9 per share, while **MCEV**[®] was €21.0 billion or €30.6 per share.

The **consolidated SCR coverage ratio** was 169% at 30 June 2019 (187% at 31 December 2018), after taking into account repayment of the USD 500 million subordinated notes issue in July 2019.

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)	% change (like-for-like)
Premium income	17,570	16,955	+3.6	+4.6
Average net technical reserves	318,345	313,364	+1.6	-
Total revenue	2,012	1,941	+3.7	+5.4
Net insurance revenue (NIR), of which:	1,607	1,474	+9.1	+11.1
France	919	862	+6.6	+6.6
Latin America	539	499	+8.0	+14.0
Europe excluding France	149	112	+32.9	+32.9
Revenue from own-funds portfolios	405	467	-13.4	-12.5
Administrative costs, of which:	446	441	+1.1	+2.7
France	291	291	+0.2	+0.2
Latin America	92	93	-0.4	+7.5
Europe excluding France	63	58	+8.0	+8.0
Earnings before interest and taxes (EBIT)	1,566	1,499	+4.4	+6.2
Finance costs	(128)	(122)	+4.7	+4.7
Non-controlling and net equity accounted interests	(270)	(221)	+21.8	+28.4
Attributable recurring profit	1,168	1,156	+1.1	+2.1
Income tax expense	(370)	(397)	-6.7	-5.3
Fair value adjustments and net gains (losses)	124	122	+1.7	+2.5
Non-recurring items	(235)	(209)	+12.3	+12.6
Attributable net profit	687	672	+2.3	+3.3

APPENDICES

Premium income by country

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)	% change (like-for-like)
France	11,908	11,460	+3.9	+3.9
Brazil	3,173	2,862	+10.9	+16.2
Italy	1,428	1,927	-25.9	-25.9
Luxembourg ⁽¹⁾	501	163	+207.9	+207.9
Germany	233	240	-2.8	-2.8
Spain	143	141	+1.5	+1.5
Cyprus	78	74	+6.1	+6.1
Poland	45	40	+14.6	+14.6
Denmark	12	9	+32.8	+32.8
Norway	12	10	+20.8	+20.8
Austria	12	4	+163.7	+163.7
Argentina	11	16	-30.4	+24.9
Portugal	3	3	+14.2	+14.2
Other International	10	8	+28.5	+28.5
Total International	5,662	5,496	+3.0	+6.0
Total	17,570	16,955	+3.6	+4.6

(1) Corresponds to CNP Luxembourg premium income

Premium income by segment

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)	% change (like-for-like)
Savings	11,273	10,886	+3.5	+3.6
Pensions	2,908	2,630	+10.6	+15.0
Personal Risk	823	935	-12.0	-10.1
Term Creditor Insurance	2,162	2,075	+4.2	+5.0
Health	208	239	-12.9	-12.6
Property & Casualty	196	190	+3.4	+7.8
Total	17,569.8	16,955.4	+3.6	+4.6

Premium income by country and by segment

<i>(in € millions)</i>	Savings	Pensions	Personal Risk	Term Creditor Insurance	Health	Property & Casualty	Total
France	9,294	525	534	1,381	174	0	11,908
Brazil	30	2,376	256	325	15	170	3,173
Italy	1,324	5	13	85	0	0	1,428
Luxembourg ⁽¹⁾	501	0	0	0	0	0	501
Germany	0	0	2	231	0	0	233
Spain	92	2	0	49	0	0	143
Cyprus	27	0	7	0	19	26	78
Poland	0	0	5	41	0	0	45
Denmark	0	0	0	12	0	0	12
Norway	0	0	0	12	0	0	12
Austria	0	0	0	12	0	0	12
Argentina	3	0	6	2	0	0	11
Portugal	0	0	0	3	0	0	3
Other International	1	0	0	9	0	0	10
Total International	1,979	2,383	289	781	34	196	5,662
Total	11,273	2,908	823	2,162	208	196	17,570

(1) Corresponds to CNP Luxembourg premium income

Premium income by region and by partner/subsidiary

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
La Banque Postale	4,553	4,308	+5.7
BPCE	3,732	4,367	-14.5
CNP Patrimoine	1,846	848	+117.6
Companies, local authorities and mutual insurers	1,001	1,143	-12.5
Financial institutions (France)	604	620	-2.6
Amétis	153	156	-2.1
Other France	19	17	+16.8
Total France	11,908	11,460	+3.9
Caixa Seguradora (Brazil)	3,173	2,862	+10.9
CNP UniCredit Vita (Italy)	1,356	1,774	-23.6
CNP Luxembourg (Luxembourg)	501	163	+207.9
CNP Santander Insurance (Ireland)	381	359	+5.9
CNP Partners (Spain)	133	220	-39.6
CNP Cyprus Insurance Holdings (Cyprus)	80	76	+5.5
CNP Assurances Compañía de Seguros (Argentina)	11	16	-30.4
Other International	27	26	+6.0
Total International	5,662	5,496	+3.0
Total	17,570	16,955	+3.6

**Unit-linked sales
by region and by partner/subsidiary**

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
La Banque Postale	659	699	-5.7
BPCE	514	1,021	-49.7
CNP Patrimoine	771	350	+120.4
Amétis	44	52	-15.6
Other France	16	18	-11.7
Total Unit-linked France	2,004	2,140	-6.3
Caixa Seguradora (Brazil)	2,374	2,039	+16.4
CNP UniCredit Vita (Italy)	915	1,318	-30.6
CNP Partners (Spain)	32	104	-69.3
CNP Luxembourg (Luxembourg)	209	74	+181.2
CNP Cyprus Insurance Holdings (Cyprus)	27	27	+0.8
Total Unit-linked International	3,557	3,563	-0.2
Total Unit-linked	5,561	5,702	-2.5

**Unit-linked sales as a proportion of Savings/Pensions premiums
by region**

<i>(in € millions)</i>	Savings/Pensions	o/w Unit-linked	o/w Traditional	% Unit-linked
France	9,819	2,004	7,815	20.4
Latin America	2,408	2,374	34	98.6
Europe excluding France	1,953	1,183	770	60.6
Total	14,180	5,561	8,619	39.2

Premium income from partnership with La Banque Postale

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
Savings	4,261	3,998	+6.6
Pensions	192	222	-13.3
Personal Risk	10	11	-4.0
Term Creditor Insurance	90	77	+15.9
Total	4,553	4,308	+5.7

Premium income from partnership with BPCE

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
Savings	3,041	3,752	-19.0
Pensions	57	56	+1.5
Personal Risk	59	63	-5.9
Term Creditor Insurance	575	496	+15.9
Total	3,732	4,367	-14.5

Caixa Seguradora premium income by segment in BRL

<i>(in BRL millions)</i>	H1 2019	H1 2018	% change (reported)
Savings	132	85	+54.6
Pensions	10,314	8,447	+22.1
Personal Risk	1,111	1,136	-2.2
Term Creditor Insurance	1,413	1,340	+5.5
Health	66	162	-59.1
Property & Casualty	739	682	+8.4
Total	13,775	11,852	+16.2

CNP UniCredit Vita premium income by segment

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
Savings	1,295	1,720	-24.7
Pensions	5	5	+1.4
Personal Risk	12	9	+39.5
Term Creditor Insurance	44	40	+8.5
Total	1,356	1,774	-23.6

CNP Santander Insurance premium income by country

<i>(in € millions)</i>	H1 2019	H1 2018	% change (reported)
Germany	233.0	239.4	-2.7
Poland	45.3	39.5	+14.6
Spain	39.3	34.4	+14.3
Italy	18.7	16.8	+11.5
Denmark	12.2	9.2	+32.8
Norway	12.1	10.0	+20.8
Austria	11.8	4.5	+163.7
Sweden	4.9	3.8	+29.4
Finland	2.3	1.9	+19.4
Belgium	1.0	0.1	n.m.
Netherlands	0.1	0.0	n.m.
Total	381	359	+5.9

INVESTOR CALENDAR

- Nine-month 2019 results indicators: Friday, 15 November 2019 at 7:30 a.m.

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About CNP Assurances

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe and Latin America, with a significant presence in Brazil, its second largest market. Acting as an insurer, co-insurer and reinsurer, CNP Assurances develops innovative personal risk/protection and savings/pensions solutions.

It has more than 37 million personal risk/protection insureds worldwide and more than 14 million savings/pensions policyholders. In line with its business model, the Group's solutions are distributed by multiple partners. The solutions are aligned with each partner's physical or digital distribution model, while also being tailored to local clients' needs in each country.

CNP Assurances has been listed on the Paris Stock Exchange since October 1998. The Group reported net profit of €1,367 million in 2018.

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