



## PRESS RELEASE

Paris, 20 September 2019

# Amendment to the 29 August 2018 framework agreement between CNP Assurances and Caixa Seguridade

CNP Assurances has completed its discussions with Caixa Seguridade concerning their new exclusive distribution agreement in the Caixa Econômica Federal network in Brazil and signed an amendment to the framework agreement dated 29 August 2018. The main changes introduced in the amendment are as follows:

- CNP Assurances will benefit from a 5-year extension of the exclusive distribution agreement, which will now run until 13 February 2046 (versus the original expiry date of 13 February 2041).
- CNP Assurances will retain higher economic rights (51.75% versus 40%) in the business lines included in the 29 August 2018 agreement until December 2020 (private pension plans, life insurance and consumer credit life insurance).
- CNP Assurances will continue to write all the other business lines through its subsidiary Caixa Seguros Holding until the current operating agreement expires on 14 February 2021 and none of these businesses will be discontinued ahead of that date.
- CNP Assurances will pay, at a date now set to December 2020, an amount that has been increased from R\$4.65 billion to R\$7.0 billion<sup>1</sup>. The amendment also introduces incentive mechanisms linked to outperformance criteria in terms of volumes and margins over the first five years, in the form of additional payments, capped at R\$0.8 billion (Group share) in present value terms as of 31 December 2020. The incremental impact of this amendment on the Group's SCR coverage ratio is estimated at around 3 percentage points.

CNP Assurances confirms that the expected internal rate of return of the investment in relation to this new agreement remains over 15%, which will contribute to long-term value creation within the CNP Assurances group.

The agreement is subject to various conditions precedent, including its approval by the relevant supervisory and competition authorities. Subject to these approvals being obtained, the transaction is expected to close at the end of December 2020.

*"We are delighted to be signing this amendment, which extends the August 2018 agreement by providing an even longer term vision of our partnership with Caixa Econômica Federal"* said Antoine Lissowski, CNP Assurances' Chief Executive Officer. *"This announcement is also an opportunity to congratulate our Brazilian teams thanks to whom our joint subsidiary now ranks as Brazil's third largest insurance company."*

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<sup>1</sup> Exchange rate at 19 September 2019: €1 = R\$4.58

## APPENDIX

### Overview of Caixa Seguros Holding's business and financial performance

Attributable to CNP Assurances	2008	2018	H1 2019	CAGR 2008-2018 (in R\$)	CAGR 2008-2018 (in €)
Premium income (R\$bn)	2.2	12.2	7.1	19 %	14 %
Value of new business* (R\$m)	209	765	388	14 %	11 %
Net profit (R\$m)	332	1 017	569	12 %	7 %
Dividends (R\$m)	223	780	n/a	13 %	8 %

\* Value of new business (VNB) written in Latin America, including a marginal contribution from Argentina. 2018 and H1 2019 VNB take into account the reduction in CNP Assurances' share of new business covered by the new distribution agreement (from 51.75% to 40%).

### Breakdown of Caixa Seguros Holding's premium income

Caixa Seguros Holding on a 100% basis (R\$bn)	2017	2018	H1 2019	Change 2017-2018 (%, reported)
<b>Businesses covered by the new exclusive distribution agreement</b>	<b>15.1</b>	<b>19.8</b>	<b>11.8</b>	<b>31 %</b>
Products distributed in the CEF network not included in the scope of the new distribution agreement	2.5	2.7	1.5	8 %
Products distributed through other channels (brokers, digital)	1.4	1.0	0.5	-29 %
<b>Total</b>	<b>19.0</b>	<b>23.5</b>	<b>13.8</b>	<b>24 %</b>

### Secured economic perimeter<sup>2</sup>

2018 (Attributable to CNP Assurances)	Premium income	Value of new business	Attributable net profit
Secured economic perimeter (Brazil)	70%	60 %	50 %

<sup>2</sup> Taking into account the scope of the new exclusive distribution agreement and the reduction in CNP Assurances' share of the business written under the agreement compared to the current situation, including products distributed through other non-CEF channels

## INVESTOR CALENDAR

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

*This press release, along with all of CNP Assurances' regulated information published in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 et seq. of the Autorité des Marchés Financiers' General Regulations, is available on the Group's investor information website <https://www.cnp.fr/en/the-cnp-assurances-group/investors>.*

## 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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