

## CNP Assurances publishes its Solo and Group SFCRs at 31 December 2020

CNP Assurances has today published its Solvency and Financial Condition Reports (SFCRs) in French, as required by the regulations. These 2020 reports were approved by CNP Assurances' Board of Directors at its meeting on 8 April 2021. The English-language versions of these reports will soon be available online.

The SFCR is a narrative report intended for public disclosure that insurance undertakings have been required to prepare annually since 2016 in application of the Solvency II directive. Two reports are prepared:

- A **Group SFCR** providing consolidated information for CNP Assurances SA and its main French and international subsidiaries.
- A **solo SFCR** providing information for CNP Assurances SA only, without consolidating the operations of its subsidiaries.

### The key points in the 2020 reports are as follows:

Despite the unprecedented health crisis, the consolidated SCR coverage ratio of CNP Assurances and its subsidiaries remained high in 2020. The Group's financial strength is the result of a healthy and conservative risk management policy aligned with its long-term strategy.

The main indicators underpinning the solvency of the Group and its consolidated entities are as follows:

- At 31 December 2020, the Group had €34.1 billion of eligible own funds for Group SCR calculations. Of this amount, €12.6 billion corresponds to policyholder surplus reserves included in accordance with the method recommended by the insurance supervisor (ACPR). The main subsidiaries have a further €2.2 billion of surplus own funds that are not recognised by the supervisor at Group level.
- Group SCR amounted to €16.4 billion at 31 December 2020, of which 56% for market risks and 32% for underwriting risks. Risks are mitigated by the diversification effect, estimated at 25% at end-2020.
- The Group SCR coverage ratio stood at 208% at 31 December 2020.
- The Company's solo SCR coverage ratio at the same date was 221%.

## 1. SCR coverage ratio

The SCR coverage ratio is the estimated amount of own funds needed to absorb significant losses and provides reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due.

CNP Assurances calculates its SCR coverage ratio using the Standard Formula without measuring any equivalent capital requirement and without applying transitional measures, except for grandfathering<sup>1</sup> of subordinated debt. Solvency II is applied to all of the subsidiaries included in the Solvency II scope of consolidation, including those in Brazil, so that risks are measured in the same way throughout the Group.

The SCR coverage ratios of the main Group subsidiaries were as follows at 31 December 2020:

Country	Scope	Eligible own funds for SCR calculations (€bn)	SCR (€bn)	SCR coverage ratio at 31 Dec. 2020	SCR coverage ratio at 31 Dec. 2019
Group	CNP Assurances Group	34.1	16.4	208%	227%
France	CNP Assurances SA	35.3	16.0	221%	243%
Brazil <sup>2</sup>	Caixa Seguros Holding (CSH)	1.0	0.5	190%	231%
Brazil <sup>2</sup>	Holding XS1 (new joint venture with CEF)	1.6	0.6	283%	-
Italy	CNP UniCredit Vita	0.9	0.4	203%	229%
Ireland	CNP Santander Insurance Life	0.2	0.1	182%	171%
Ireland	CNP Santander Insurance Europe	0.3	0.1	185%	161%

Since 31 December 2019, **eligible own funds for Group SCR calculations include the policyholder surplus reserve** (€12.6 billion at 31 December 2020) qualified as Tier 1 own funds.

**The Group SCR coverage ratio** is calculated on the basis of 100% of the solvency capital of the Group's main subsidiaries, even those that are not wholly owned by CNP Assurances (CNP UniCredit Vita in Italy is 57.5%-owned and CNP Santander in Ireland is 51.0%-owned). **It does not include the surplus own funds of the main subsidiaries over and above their contribution to the Group SCR**, which are not recognised by the supervisor at Group level due to the unfungibility rules. At 31 December 2020, these surplus own funds represented €2.2 billion including non-controlling interests<sup>3</sup> or 13% of the Group SCR. The effect of excluding these funds is to treat the subsidiaries as having a 100% SCR coverage ratio for the purpose of calculating the Group ratio.

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<sup>1</sup> Subordinated notes issued before Solvency II came into effect are included in Tier 1 capital (undated notes) and Tier 2 capital (dated notes) for a period of ten years ending on 1 January 2026

<sup>2</sup> CNP Assurances applies Solvency II to Caixa Seguradora, without using the Brazilian solvency regulation, solely for the purpose of Group solvency calculations. The SCR coverage ratios of the Caixa Seguros and XS1 holding companies have no regulatory impact for the Brazilian insurance undertakings.

<sup>3</sup> Of which €1.2 billion of surplus own funds in Brazil

**CNP Assurances' solo SCR coverage ratio** at 31 December 2020 was 221%. This was even better than the Group's ratio, which **includes the surplus own funds of the main subsidiaries in proportion to their equity interest**. In addition, the subsidiaries' SCR is less than that of the Group, representing 22% of their total own funds.

## 2. MCR coverage ratio

The MCR is the amount of eligible own funds below which the insurer may have its authorisation withdrawn.

CNP Assurances calculates its MCR in accordance with Solvency II. MCR is a metric based on premiums, claims and benefits, and capital at risk. Each subsidiary's MCR represents between 25% and 45% of its SCR. The Group MCR is determined by consolidating the MCRs of all the subsidiaries without taking into account any inter-subsidiary diversification benefits.

The MCR coverage ratios of the main Group subsidiaries were as follows at 31 December 2020:

Country	Scope	Eligible own funds for MCR calculations (€bn)	MCR (€bn)	MCR coverage ratio at 31 Dec. 2020	MCR coverage ratio at 31 Dec. 2019
Group	CNP Assurances Group	28.8	8.2	351%	388%
France	CNP Assurances SA	29.8	7.2	414%	463%
Brazil <sup>4</sup>	Caixa Seguros Holding (CSH)	1.0	0.1	762%	923%
Brazil <sup>4</sup>	Holding XS1 (new joint venture with CEF)	1.6	0.3	628%	-
Italy	CNP UniCredit Vita	0.9	0.2	444%	524%
Ireland	CNP Santander Insurance Life	0.2	0.0	520%	498%
Ireland	CNP Santander Insurance Europe	0.3	0.0	639%	561%

**The Group MCR coverage ratio** was 351% at 31 December 2020.

**CNP Assurances' solo MCR coverage ratio** at the same date was 414%. The MCR coverage ratios of the main Group subsidiaries were also comfortably above 100% at 31 December 2020.

<sup>4</sup> *CNP Assurances applies Solvency II to Caixa Seguradora, without using the Brazilian solvency regulation, solely for the purpose of Group solvency calculations.*

### 3. Impact of the volatility adjustment and transitional measures on technical reserves and interest rates

A static volatility adjustment (VA) has been applied to correct the risk-free interest rate curve used to measure technical reserves.

The Solvency II directive includes transitional measures to allow insurance undertakings time to adapt to the new regulations and smooth the financial impacts over time. **The CNP Assurances Group has not applied the transitional measures concerning interest rates and technical reserves.**

The following table presents the impact of these measures on the Group's solvency indicators at 31 December 2020:

	Impact of transitional measures on technical reserves	Impact of transitional measures on interest rates	Impact of the volatility adjustment at 31 Dec. 2020	Impact of the volatility adjustment at 31 Dec. 2019
Group SCR coverage ratio	n/a	n/a	+9 pts	+8 pts
Group SCR (€bn)	n/a	n/a	-0.3	-0.3
Eligible own funds for SCR calculations (€bn)	n/a	n/a	+0.9	+0.6

### To obtain our SFCR reports:

- Visit the CNP Assurances website (The CNP Assurances Group / Newsroom / Publications / Finance)
  - o <https://www.cnp.fr/en/the-cnp-assurances-group/newsroom/publications>
- Contact a dedicated correspondent at [infofi@cnp.fr](mailto:infofi@cnp.fr) (see the "Contacts" section below)

## Investor Calendar

- Annual General Meeting: Friday, 16 April 2021 at 2:30 p.m.
- First-quarter 2021 results indicators: Wednesday, 12 May 2021 at 5:45 p.m.
- First-half 2021 premium income and profit: Wednesday, 28 July 2021 at 7:30 a.m.
- Nine-month 2021 results indicators: Friday, 19 November 2021 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 at [www.cnp.fr/en/investor-analyst](http://www.cnp.fr/en/investor-analyst).*

## About CNP Assurances

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe, notably in Italy, and in Latin America, with a significant presence in Brazil, its second largest market.

Acting as an insurer, co-insurer and reinsurer, it has more than 36 million personal risk/protection insureds worldwide and more than 12 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' lifelong protection and support needs in each country.

CNP Assurances has been listed on the Paris Bourse since October 1998 and is a subsidiary of La Banque Postale.

The Group reported net profit of €1,350 million in 2020.

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This document may contain alternative performance measures (such as EBIT) that are considered useful by CNP Assurances but are not recognised in the IFRSs adopted for use in the European Union. These measures 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.