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Press Release

Issy-les-Moulineaux, 11 April 2023

Application of IFRS 17 to the 2022 published financial statements under IFRS 4, for comparisons with the financial statements to be published in 2023

Effect on equity[1]: €18.8bn, a positive €1.6bn difference vs IFRS 4
Effect on attributable net profit[1]: €1.2bn, a negative €0.7bn difference vs IFRS 4

The difference in equity reflects CNP Assurances' resilience in a rising interest rate environment. The difference in attributable net profit is due to the impact of the standard on revenue from own-funds portfolios.

- Equity stands at **€18.8 billion under IFRS 17 vs €17.2 billion under IFRS 4**. The impact of rising interest rates is more moderate, reflecting a better match between the measurement of assets and liabilities under IFRS 17, with Savings/Pensions liabilities now measured at market value.
- Attributable net profit under IFRS 17 amounts to **€1.2 billion vs €1.9 billion under IFRS 4**. The difference in attributable net profit mainly concerns revenue from own-funds portfolios and is due to two factors. First, the recognition directly in equity of realised gains on equities held in the portfolios, without passing through the income statement, and second, the recognition of unrealised losses on mutual funds in profit instead of directly in equity.
- The consolidated insurance service result for 2022 is a profit of €2.9 billion, breaking down as **€1.9 billion** for the Savings/Pensions business and €1 billion for the Personal Risk/Protection business.
- Consolidated EBIT under IFRS 17 amounts to **€1.8 billion vs €3.6 billion under IFRS 4**.
- The Group's contractual service margin (CSM) stands at €17.3 billion at 31 December 2022, vs €17.5 billion at 1 January 2022. The end-2022 amount breaks down as €14.1 billion for the Savings/Pensions business and €3.2 billion for the Personal Risk/Protection business.
- Equity and CSM net of non-controlling interests together amount to **€29.8 billion** at 31 December 2022**,** a decrease of €2 billion compared to the figure at the first-time application date on 1 January 2022.

Thomas Béhar, Deputy Chief Executive Officer and Chief Financial Officer of CNP Assurances

"The new accounting environment highlights our Group's financial position and confirms our strategy and growth ambitions, our solvency, our liquidity and our ability to generate recurring profits.

The application of IFRS 9 and IFRS 17 results in greater volatility at the level of earnings, which now reflect the impact of financial market fluctuations. However, this is offset by the reduced volatility of equity due to the improved match between assets and liabilities, both of which are measured at market value.

We are among the first in the market to publish our annual results under IFRS 9/17, thanks to the outstanding efforts of the employees of CNP Assurances and its subsidiaries."

[1] Unaudited data, which may be subsequently supplemented and adjusted.

Consolidated CSM stands at €17.3 billion at 31 December 2022, down by a marginal €0.2 billion (or 1.1%) vs the transition-date amount at 1 January 2022. The total breaks down as €14.1 billion for the Savings/Pensions business and €3.2 billion for the Personal Risk/Protection business.

In France[2], the CSM is **€734 million** lower (**down 5.4%**), reflecting the impact of inflation on costs and the adjustment of term creditor insurance surrender rates. The positive impact of higher interest rates on Savings/Pensions CSM (up €0.1 billion) is offset by the negative impact of lower technical provisions (down €0.1 billion).

In Latin America, the CSM is **€711 million** higher **(up 24.9%**), lifted by increased Savings/Pensions technical provisions, an improved claims experience and favourable market effects on unit-linked contracts.

In Europe excluding France, the CSM is down by **€174 million (or 18.0%)**, corresponding for the most part to unfavourable market effects in Italy.

The consolidated insurance service result is a profit of €2.9 billion in 2022. This amount breaks down as €1.9 billion for the Savings/Pensions business and €1 billion for the Personal Risk/Protection business.

In France, the positive insurance service result **(€1,625 million**) is mainly due to expected transfers to profit from the CSM and risk adjustement, for a total of €1,531 million. It is increased by the favourable effect of the rise in interest rates and the contribution of new business, mitigated by the impact of inflation and adjustments to term creditor insurance surrender rates.

In Latin America, the positive insurance service result **(€977 million**) consists mainly of expected transfers from the CSM and risk adjustement, for a total of €588 million. It is boosted by the improved claims experience (€214 million) and the contribution of new business (€163 million).

In Europe excluding France, the positive insurance service result **(€273 million)** primarily reflects the contribution of CNP Santander (€118 million). The contributions of the Italian subsidiaries include €69 million for CUV and €68 million for CVA.

Consolidated EBIT under IFRS 17 amounts to €1.8 billion, with France contributing €894 million, Latin America €790 million and Europe excluding France €149 million. All told, international operations contribute 51% of total EBIT. The difference compared to the 36% contribution under IFRS 4 is due to the impact of the standard on revenue from own-funds portfolios, mainly in France.

Attributable net profit under IFRS 17 comes in at €1.2 billion (with France contributing €866 million, Europe excluding France €72 million and Latin America €234 million), representing a 40% negative difference vs €1.9 billion under IFRS 4. This difference concerns France (€866 million vs €1.6 billion, down 47%) and Europe excluding France (€72 million vs €114 million, down 37%) and reflects (i) the recognition of realised capital gains on equities directly in equity without passing through the income statement (€506 million negative impact), and (ii) unfavourable market effects on mutual funds (negative impact of €219 million) as a result of higher interest rates and lower stock market prices.

Equity amounts to €18.8 billion under IFRS 17 at 31 December 2022, a €1.5 billion decrease from the transition-date figure of €20.2 billion, which reflects fair value adjustments to assets and liabilities recognised directly in equity (€2.9 billion negative impact) and payment of the 2021 dividend (€0.7 billion negative impact), partly offset by the inclusion of profit for the year (€1.2 billion positive impact), realised capital gains on asset disposals (€0.7 billion positive impact) and a favourable currency effect (€0.2 billion positive impact).

Equity under IAS 39/IFRS 4 was €17.2bn. The €1.6bn difference vs IFRS 9/IFRS 17 is explained by the more moderate impact of higher interest rates under IFRS 17 due to the better match between the measurement of assets and liabilities, with Savings/Pensions liabilities now measured at market value.

Equity and CSM net of non-controlling interests together amount to €29.8 billion, down by €2 billion vs the transition-date balance sheet at 1 January 2022. This corresponds to the €1.5 billion decrease in equity plus a €0.5 billion decrease in the CSM net of non-controlling interests.

[2] The France reporting segment now includes Luxembourg (including branches).

IFRS 17 income statement

2022 (€m)	Amount
Insurance service result	**2,875**
o/w France	1,625
o/w Europe excluding France	273
o/w Latin America	977
Other insurance revenue	**(14)**
Revenue from own-funds portfolios	**(231)**
Total revenue	**2,630**
Finance costs	**(156)**
Administrative costs	**(444)**
Acquisition-related items	**(196)**
IFRS 17 EBIT	**1,833**
Share of profit of equity-accounted companies	**28**
Income tax expense	**(403)**
Non-controlling interests	**(291)**
M&A	**3**
Reported IFRS 17 attributable net profit	**1,171**

N.B.: This press release comprises preliminary unaudited data, which may be subsequently supplemented and adjusted.

The IFRS 4 financial statements of CNP Assurances for 2022 were approved for publication by the Board of Directors at its meeting on 15 February 2023. The IFRS 9/17 financial statements for 2022 were reviewed by the Board of Directors at its meeting on 6 April 2023. They are subject to the finalisation of audit procedures by CNP Assurances' Statutory Auditors.
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 at
https://www.cnp.fr/en/the-cnp-assurances-group/investors/results/results-and-financial-data/2022-results

Investor calendar:

- First-half 2023 results indicators under IFRS 9/17: Thursday 2 August 2023

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.

About CNP Assurances

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe, notably in Italy, its second largest market, and in Latin America, primarily in Brazil. Acting as an insurer, co-insurer and reinsurer, it has more than 32 million personal risk/protection insureds worldwide and more than 14 million savings/pensions policyholders. In line with its business model, CNP Assurances' 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 customers' lifelong protection and support needs in each country. A responsible insurer and investor working to create an inclusive and sustainable society and to protect as many people as possible, CNP Assurances added its corporate mission to its Articles of Association on 16 April 2021.

CNP Assurances is a subsidiary of La Banque Postale. It reported net profit of €1,939 million in 2022 under IFRS 4.

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