



Press release

Paris, 6 August 2020

## Crédit Agricole Assurances maintains a good level of solvency and activity on its priority lines

In a context of unprecedented health and economic crisis, Crédit Agricole Assurances **continued in the first half of 2020 to develop its priority lines, protection of assets and individuals**, to diversify its product mix, and **unit-linked products** in savings and retirement.

In **property and casualty**, Crédit Agricole Assurances continued its **growth momentum**, with written premiums reaching **€2.8 billion** at end-June 2020, **up 4.2%** compared with end-June 2019. In addition, the **number of contracts** in the portfolio also benefited from a **net positive contribution of 160,000 contracts** over the first half, totalling **more than 14.2 million contracts** at end-June 2020, up 3.1% year-on-year. Proof of the significant rebound in activity after the end of the lockdown, **new business in June 2020 was up 94%** compared to May 2020, returning to the good level of June 2019.

The **combined ratio**<sup>1</sup> stands at 97.7% at the end of June 2020, and includes the cost of the mutual and voluntary support system on the business interruption guarantee.

**Equipment rates** of retail customers continued to rise, in France in the **Regional Banks** (41.0%<sup>2</sup> at the end of June 2020, up 1.0 point year-on-year) and **LCL** (25.2%<sup>4</sup>, up 0.6 point year-on-year), and in Italy in **CA Italia** (15.9%<sup>3</sup>, up 1.3 point year-on-year).

**Death and disability, creditor, and group insurance written premiums** amounted to **€2.0 billion, up 2.1%** compared to the first half of 2019.

In **Savings/Retirement**, the **shift strategy towards unit-linked products** launched in the fourth quarter of 2019 has been a success.

At the end of June 2020, **unit-linked** represented **41.4%** of gross new inflows, **up 14.3 percentage points** compared to the first half of 2019.

With a **very high level of unit-linked net inflows**, at **€2.6 billion** at the end of June 2020, and **net outflows of -€2.7 billion on Euro contracts**, the total net inflows is slightly negative at -€0.2 billion.

**Life insurance outstandings increased by 1.6%** year-on-year to **€302 billion**<sup>4</sup>, including **€68.5 billion in unit-linked products (+3.9%** compared to the end of June 2019), and **€233.5 billion of Euro-denominated contracts (+0.9%)**. The **proportion of unit-linked products** reached **22.7%** of the total outstandings, up 0.5 percentage point year-on-year.

Due to the exceptionally high euro inflows recorded in the first half of 2019, **written premiums** of the first half of 2020 were down 38%, reaching **€9.7 billion**.

<sup>1</sup> Ratio of (claims + operating expenses + commissions) to premium income, net of reinsurance, Pacifica scope

<sup>2</sup> Percentage of customers having at least one contract in automotive, multi-risk household, healthcare, legal, all mobiles or accident insurance. Change in method since Q4-19. Q1 2019 pro forma rates: 39.6% (RB) and 24.4% (LCL).

<sup>3</sup> Percentage of CA Italia's customers having at least one contract marketed by CA Assicurazioni, non-life insurance subsidiary of Crédit Agricole Assurances

<sup>4</sup> Savings, retirement and death and disability

Furthermore, Crédit Agricole Assurances continues to set up its **policyholder participation reserve (PPE)**, which stood at more than **€11.5 billion** at 30 June 2019, representing **5.5% of Euro outstandings**<sup>5</sup>. This reserve can support the **average annualised rate of return** on general fund assets, which **reached 2.50%**<sup>6</sup> in the first half of 2020, a level that is already **well above the average minimum guaranteed rate (0.28% at end 2019)**.

Overall, Crédit Agricole Assurances posted revenues of €14.5 billion, down 28.8% compared with the first half of 2019, which had seen exceptionally high euro inflows.

In line with the measures taken from the first quarter of 2020, Crédit Agricole Assurances **maintained its mobilisation in the face of the health and economic crisis**. The **mutual and voluntary support scheme** decided by the Crédit Agricole Group for customers who took out professional comprehensive insurance with **business interruption** benefited nearly **50,000 professionals and farmers**, and **30,000 healthcare professionals**.

All the **support measures and contributions to solidarity funds** set up by Crédit Agricole Assurances in response to the Covid-19 crisis represented nearly **€290 million for the Crédit Agricole Group** over the period, with a **-€140 million impact on the Crédit Agricole Assurances Group's net income** at 30 June 2020.

In this context, in the first half of 2020, Crédit Agricole Assurances' **net income group share** amounted to **€531 million**<sup>7</sup>. Excluding solidarity and support measures<sup>8</sup>, the **NIGS amounted to €670 million, down 4.6%** compared to the same period in 2019.

Crédit Agricole Assurances' **prudential ratio under Solvency II** stood at **233%** at 30 June 2020, stable compared to 31 March 2020 (-1 pp).

**On 17 July 2020, Crédit Agricole Assurances successfully placed €1 billion subordinated notes** in order to finance the **early repayment of intragroup debts**. These notes will bear a **fixed interest rate of 2.00% pa** until the maturity date in 2030 and are eligible as **Tier 2 capital** under Solvency II.

In a press release published on 23 April 2020, **Standard & Poor's maintained the rating of Crédit Agricole Assurances' main operating subsidiaries (A / stable outlook)**.

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#### **About Crédit Agricole Assurances**

Crédit Agricole Assurances, France's largest insurance group, unites together Crédit Agricole's insurance subsidiaries. The Group offers a range of savings, retirement, health, personal protection and property insurance products and services. They are distributed by the Crédit Agricole's banks in France and in nine other countries around the world by financial advisers and multi-line insurance agents. The Crédit Agricole Assurances companies serve individuals, professionals, farmers and businesses. Crédit Agricole Assurances has 4,700 employees. Its premium income at the end of 2019 amounted to €37.0 billion (IFRS).

[www.ca-assurances.com](http://www.ca-assurances.com)

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<sup>5</sup> "Life France" scope

<sup>6</sup> Predica's scope

<sup>7</sup> The contribution to the net income group share of Crédit Agricole S.A. amounted to €499 million. The difference with Crédit Agricole Assurances' net income group share is mainly due to an analytical restatement affecting the cost of the Switch guarantee to the Insurance business line (impact of approximately -€30 million).

<sup>8</sup> Specific items include the contribution to the State Solidarity Fund, the contribution to the solidarity fund set up by the Crédit Agricole Group for the elderly, the cost of the mutual support mechanism on the operating loss guarantee and the extra-contractual measure in favour of vulnerable persons (a total impact of -€140 million in the NIGS).

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