



Press release

Paris, 12th February 2021

Crédit Agricole Assurances shows a resilient business and a good level of solvency

Against the backdrop of an unprecedented health crisis, Crédit Agricole Assurances remained mobilised throughout 2020 to **serve the economy and its most vulnerable customers** by adopting financial support measures for very small businesses and SMEs, healthcare professionals and by supporting its most affected individual customers.

Crédit Agricole Assurances continued in 2020 to **diversify its business model** through the development of its **priority lines of business, protection of assets and individuals** (+5.7%¹ compared to 2019), and **unit-linked products** in savings and retirement. Including euro-denominated inflows, Crédit Agricole Assurances posted **revenues of €29.4 billion**, down 20% compared to 2019, which had seen exceptionally high euro inflows.

In **property and casualty**, Crédit Agricole Assurances continued its **strong business growth dynamic**, with **written premiums** reaching **€4.8 billion** at end-2020, **up 5.8%¹** compared to 2019. With a net contribution of more than **508,000 contracts** over the year, the number of P&C contracts reached **14.6 million** at end-2020, up 3.6% year-on-year.

The growth in equipment rates of retail customers, in France in the **Regional Banks** (41.7%² at end-2020, up 1.0 point year-on-year) and **LCL** (25.5%² at end-2020, up 0.5 point year-on-year), and in Italy in **CA Italia** (17.1%³ at end-2020, +1.7 point year-on-year) confirms the strength of the business model **and a still significant growth potential**. The **combined ratio** reached **94.9%⁴** at end-2020.

Death and disability, creditor, and group insurance written premiums amounted to **€4.2 billion, up 5.7%¹** year-on-year, driven by all three businesses segments.

In **Savings / Retirement**, Crédit Agricole Assurances continued its **shift toward unit-linked products**. At end-2020, **unit-linked products** reached a level of **38.7% of gross new inflows⁵**, **up 9.8 percentage points** compared to 2019.

With a **very high level of unit-linked net inflows**, at **€4.9 billion** at end-2020, and **net outflows of -€3.9 billion on Euro contracts**, the total net inflows stand at €1.0 billion.

¹ Growths restated of an accounting methodological correction in 2020; excluding the restatement, growth was +6.8% in Protection of assets and individual together, +7.5% in Property & Casualty and +6.1% in Death and disability, creditor, and group insurance.

² Percentage of customers having at least one contract in automotive, multi-risk household, healthcare, legal, all mobiles or accident insurance.

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

⁴ Ratio of (claims + operating expenses + commissions) to premium income, net of reinsurance, Pacifica scope, excluding the cost of the voluntary support scheme on business interruption, the contribution to the State solidarity fund for very small businesses and the self-employed, and the exceptional contribution of supplementary health insurers to the expenses related to the management of the Covid-19 epidemic. Without restatements, the ratio reached 97.6% at end-2020.

⁵ In local GAAP.

Life insurance outstandings increased by 1.4% year-on-year to **€308.3 billion**⁶, including **€74.5 billion in unit-linked products** (+7.5% compared to end-2019), and €233.8 billion of Euro-denominated contracts (-0.5%). The **proportion of unit-linked products** reached **24.2%** of the total outstandings, up 1.4 percentage point year-on-year.

The **average rate of return on assets** of Crédit Agricole Assurances group reached **2.13%** in 2020, still well above the **average minimum guaranteed rate (0.27%** at end-2020). In addition, profit-sharing adjustment on Euro-denominated contracts in the context of low interest rates helps to maintain a significant gap between the return on assets and the return on liabilities.

New partnerships:

- On 13 January 2021, Crédit Agricole Assurances and **Europ Assistance** finalised the closing of a partnership agreement, resulting in the **acquisition by Pacifica of 50% of Europ Assistance France** – Europ Assistance's main service entity, which brings the Group's expertise and resources to the French market.

In January 2022, **we will therefore be entrusting all our assistance activities in France to Europ Assistance**, which will become the assistance partner of the Crédit Agricole group's insurers (Predica, Pacifica, CAMCA, and La Médicale).

- In line with its international development strategy, Crédit Agricole Assurances announced on 9 October 2020 the signing of an **agreement with Novo Banco** for the **acquisition of 25% of GNB Seguros**, a non-life insurance company in Portugal. Crédit Agricole Assurances thus increased its stake to **100% of the capital of GNB Seguros**.

This transaction also includes a **22-year non-life insurance distribution agreement** between Novo Banco and GNB Seguros for the distribution of GNB Seguros policies in Portugal.

Crédit Agricole Assurances has responded to the health and economic crisis with **support measures and contributions to solidarity funds representing nearly €350 million** for the Crédit Agricole Group, thereby reaffirming its role as an insurer, investor and responsible company.

- In particular, the Group supported its professional customers with a **voluntary mutual support scheme** worth €239 million.
- The Group also contributed €38 million to the **solidarity fund set up by the public authorities for very small businesses and the self-employed** in sectors particularly affected by the crisis.
- In addition, the Group participated in the **exceptional contribution of supplementary health insurers to the expenses related to the management of the Covid-19 epidemic** for €40 million.
- Lastly, the Group contributed to the **solidarity fund set up by the Crédit Agricole group to help the elderly** and has set up a **solidarity fund for health workers** fighting against the spread of the epidemic.

As an investor, the Group has also set up a €250 million investment package to support the economic recovery and strengthen the health sector in France.

⁶ Savings, retirement and death and disability.

In this context, at the end of December 2020, the **net income group share** of Crédit Agricole Assurances reached €1,230 million⁷. Excluding exceptional items linked to the health situation⁸ and the monetary compensation paid to Crédit Agricole S.A.⁹, the **NIGS amounted to €1,434 million**, down -5.5% compared to the NIGS at the end of 2019, which had reached a particularly high level.

Crédit Agricole Assurance also demonstrated its **solidity and resilience**, with a steadily high **Solvency II prudential ratio of 227%** at 31 December 2020.

Furthermore, Crédit Agricole Assurances continues to set up its **policyholder participation reserve (PPE)**, which stood at **€11.6 billion** at end-2020 (+€0.8 billion in 2020), representing **5.6% of Euro outstandings**¹⁰.

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.

The **Standard & Poor's rating** of the main operational entities of Crédit Agricole Assurances is **A / stable outlook**.

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 5,100 employees. Its premium income at the end of 2020 amounted to €29.5 billion (IFRS).

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⁷ The contribution to the net income group share of Crédit Agricole S.A. amounted to €1,056 million. The difference with Crédit Agricole Assurances' net income group share is mainly due to analytical restatements affecting to the Insurance business line i) analytical expenses of Crédit Agricole S.A. (mainly the cost of the Switch guarantee of around €140 million) and ii) subordinated (RT1) debt coupons for €76 million, and also to the elimination of the monetary compensation of €49 million paid to Crédit Agricole S.A.

⁸ Specific items include solidarity and support measures (contribution to the State solidarity fund for very small businesses and the self-employed, contribution to the solidarity fund set up by the Crédit Agricole group for the elderly, cost of the mutual support mechanism on the business interruption, and extra-contractual measure in favour of vulnerable persons) for a total of nearly -€140 million in NIGS and the exceptional contribution of supplementary health insurers to the expenses related to the management of the Covid-19 epidemic (-€15 million in NIGS).

⁹ Crédit Agricole Assurances paid a monetary compensation to Crédit Agricole S.A. of €54 million before taxes (€49 million after taxes) due to the early repayment of subordinated notes of €1 billion in total. This early repayments followed a new debt issue on the market of subordinated perpetual notes for €1 billion in July 2020.

¹⁰ "Life France scope".