

11th May 2016

Insurance

CNP Assurances

Price EUR14.29

Operating performances penalised by unfavourable market developments and FX

Fair Value EUR15 (+5%)

NEUTRAL

Bloomberg	CNP FP
Reuters	CNPP.PA
12-month High / Low (EUR)	15.8 / 10.5
Market Cap (EUR)	9,808
Avg. 6m daily volume (000)	541.7

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.9%	28.2%	12.3%	14.8%
Insurance	0.9%	4.0%	-15.0%	-15.5%
DJ Stoxx 600	1.3%	6.7%	-10.6%	-8.1%

	2015	2016e	2017e	2018e
P/E	8.7x	8.2x	7.8x	
Div yield (%)	5.4%	5.4%	5.6%	

ANALYSIS

- Q1 2016 premiums rose 8% to EUR8.99bn (up 13.5% on a comparable basis), mainly driven by France (LBP up 23%, BPCE up 20%).
- Average technical reserves (excluding deferred participation) were up 2% to EUR321.6bn.
- Revenues were down 4% (up 9% on a comparable basis), due to revenues from own-fund portfolios (down 26%, with lower returns from bond and money market portfolios due to a decline in interest rates, the negative currency effect in Latin America and the amortisation of intangible assets recognised on consolidation of CNP Santander Insurance).
- EBIT fell 5% to EUR513m (up 11% on a comparable basis), below consensus (EUR560m). Net income was flat at EUR281m (up 10% on a comparable basis), broadly in line with the consensus (EUR277m).
- Solvency II margin (standard formula) at end-March stood at 175% vs. 192% at end-2015.

VALUATION

- Based on our current estimates, our SOTP valuation is EUR15.

NEXT CATALYSTS

- Q2 2016 numbers on 28th July.

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