

28th July 2016

Insurance

CNP Assurances

Price EUR14.46

Solid H1 results, slight disappointment on solvency

Fair Value EUR15 (+4%)

NEUTRAL

Bloomberg	CNP FP
Reuters	CNPP.PA
12-month High / Low (EUR)	15.6 / 10.5
Market Cap (EURm)	9,928
Avg. 6m daily volume (000)	571.3

	1 M	3 M	6 M	31/12/15
Absolute perf.	15.2%	-3.8%	26.3%	16.2%
Insurance	9.9%	-11.0%	-11.8%	-21.1%
DJ Stoxx 600	11.0%	-1.6%	0.7%	-6.3%

	2015	2016e	2017e	2018e
P/E	8.8x	8.3x	7.9x	
Div yield (%)	5.3%	5.3%	5.5%	

ANALYSIS

- H1 2016 premiums rose 6.4% to EUR17.3bn (up 10.2% on a comparable basis), mainly driven by France (up 9.7%) and Latam (up 11.6% on a comparable basis). In France, the NBV margin was under pressure (down 290bps to 8.5%) due to lower interest rates.
- Average technical reserves (excluding deferred participation) rose 0.4% to EUR306.6bn.
- Revenues increased by 2.5% (up 12.1% on a comparable basis), driven by France (lower strengthening of technical reserves compared to previous periods) and Latam (protection and pension businesses).
- H1 EBIT rose 3.6% to EUR1.280bn (up 14.9% on a comparable basis), slightly above the consensus (EUR1.230bn), and the company has confirmed its 5%+ EBIT growth estimate for the 2016-2018 period. H1 net income stood at EUR620m (up 8.7% on a comparable basis), slightly above consensus (EUR587m).
- Solvency II margin (standard formula) at end-June stood at 165% (consensus 169%) vs. 175% at end-March and 192% at end-2015.

VALUATION

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

NEXT CATALYSTS

- Q3 numbers on 9th November.

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Distribution of stock ratings

BUY ratings 54.4%

NEUTRAL ratings 34.9%

SELL ratings 10.7%

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