

## **BNP PARIBAS CARDIF**

Société Anonyme  
1 Boulevard Haussmann 75009 PARIS

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### **Statutory auditors' report on the consolidated financial statements**

For the year ended 31 December 2017

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

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**BNP PARIBAS CARDIF**  
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To the general meeting of BNP PARIBAS CARDIF SA

**Opinion**

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of BNP PARIBAS CARDIF for the year ended 31 December 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

**Basis for Opinion****Audit Framework**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

### **Independence**

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the Code of ethics (code de déontologie) for statutory auditors.

### **Justification of Assessments**

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that our important assessments, in our professional judgment, cover the appropriateness of the accounting policies applied and the reasonableness of the material estimates adopted and the presentation of the financial statements:

#### **First-time adoption of IFRS**

Note 1.1.1 "First-time adoption of IFRS" indicates that BNP Paribas Cardif has published its consolidated financial statements for the first time as at 31 December 2017 in accordance with international accounting standards (International Financial Reporting Standards – IFRS) as adopted by the European Union as at that date.

Note 2 "Impact of transition to IFRS standards" describes the principles of the first-time adoption of IFRS.

We verified the appropriateness of the principles adopted by BNP Paribas Cardif and we assured ourselves as to their correct application.

#### **Accounting rules and principles**

Notes 1, 2 and 3 of the appendix present the accounting rules and methods used to prepare the consolidated financial statements of the BNP Paribas Cardif Group as of December 31, 2017.

As part of our assessment of the accounting policies implemented by your company, we verified whether the accounting methods mentioned above and the information presented in the notes were appropriate, and we assured ourselves as to their correct application.

#### **Accounting estimations**

- Some technical accounting items specific to insurance and reinsurance, within assets and liabilities of consolidated accounts of your Group, are estimated according to regulatory terms and using statistical and actuarial data. This is the case for provisions, which terms are indicated in the note 1.14 of the appendix to the consolidated accounts.

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In accordance with the professional standard governing accounting estimates, we verified the coherence of the methods applied. We also validated the relevance of the data and assumptions used in the calculation models, particularly with regard to the group's regulatory and economic environment.

- Financial assets and derivatives are accounted for and valued according to the terms explained in the notes 1.4, 1.5 and 1.6 of the appendix to the consolidated accounts. We have examined the terms of the inventory of exposures within the Group and the terms of valuation and impairment of financial instruments. As part of our assessment of accounting rules and principles applied by your Group, we verified the appropriateness of the accounting methods, assessed rationality of resulting valuation and impairment according to these assets situation and financial markets volatility.

We also verified consistency between provisions and your Group willingness to hold the assets, which gave us confirmation to possess capacity to keep the assets for a duration consistent with its intention of holding.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

### **Verification of the Information Pertaining to the Group Presented in the Management Report**

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Management Board (conseil d'administration).

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Management Board (conseil d'administration).

## **Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

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- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine, 27 April 2018

The Statutory Auditors

***French original signed by***

Deloitte & Associés

PricewaterhouseCoopers Audit

Jérôme Lemierre

Frédéric Trouillard Mignen

Patrice Morot