

## PRESS RELEASE

# BNP Paribas Cardif announces excellent results for 2017 and very good start for 2020 development plan

The world leader in insurance partnerships<sup>1</sup>, BNP Paribas Cardif recorded excellent results for 2017. All key indicators for the contribution of the insurance business to BNP Paribas Group results (gross written premiums, pre-tax net profit, assets under management) showed strong growth. Initial progress in executing the Cardif Forward development plan launched in 2017 allows the insurer to confirm its objectives for 2020.

## Significant increase in results

BNP Paribas Cardif results for 2017 showed **strong growth**:

- **Gross written premiums** for the insurance business of BNP Paribas totalled **29.7 billion euros, an increase of 9.3%**<sup>2</sup> over 2016. Growth in gross written premiums came from both savings (22.6 billion euros, +10%<sup>2</sup> versus 2016) and protection insurance (7.1 billion euros, +7%<sup>2</sup>). The insurer delivered good performance in Europe and benefited from strong momentum in Asia and Latin America (*see appendix*).
- **Pre-tax net profit** was **1.9 billion euros**. At constant scope and exchange rates, pre-tax net profit **rose 9%**, reflecting excellent operating performance generated by the growth in business volumes and efficient management of losses and claims. Taking into account the exceptional gain from the sale of 4% of its Indian subsidiary SBI Life<sup>3</sup> and the impact of the acquisition of 100% of Cargeas Assicurazioni, a major provider of non-life insurance in Italy, pre-tax net profit was up 36.4% over 2016.
- At 31 December 2017, BNP Paribas Cardif had **237 billion euros in assets under management, an increase of 4.9%** compared with the previous year.

## Promising start for Cardif Forward plan

BNP Paribas Cardif, a growth engine for the BNP Paribas Group, deployed its **2017-2020 development plan**, one of the main components of which is **creating new experiences for its clients and partners**. To achieve this, the insurer is leveraging its **data expertise** to become more agile, and aims to **automate 80%** of its processes by 2022.

Numerous initiatives were launched around the world in 2017 to provide rapid and transparent service delivery paths for both **partners** of BNP Paribas Cardif and their **clients**. They include:

- In **France**, BNP Paribas Cardif digitized the creditor insurance **subscription** process for clients of BNP Paribas. It now takes just a few minutes to complete the personalized medical questionnaire and receive a response. Tens of thousands of clients have already benefited from this new process, which enables **over 80%** of clients to receive **immediate insurance cover approval online**. BNP Paribas Cardif plans to digitize the creditor insurance subscription process in other countries as well (Belgium, Japan and other countries).
- In **Spain**, BNP Paribas Cardif is testing a new service for managing creditor insurance claims. Thanks to artificial intelligence, the insurer will be able to **automatically analyze documents** and **make monthly loan repayments without waiting** for all supporting documents. This will allow a third of clients to receive immediate approval. For claims requiring additional documents, the claim will be acted on in **less than four hours** after the documents are received.

- In **Colombia**, the insurer has provided partners and clients with new digital tools. Partners have a **web portal and a mobile application** to track activity indicators in real time, check information on policyholders and access training resources. These digital tools have already enabled **3,000 salespersons** to adjust the way they work to better satisfy the needs of their clients.
- In **South Korea**, BNP Paribas Cardif has digitized **communications with clients** using the KakaoTalk platform, the most popular messaging application in the market. This is an example of how the insurer adapts to the habits and tools used daily by its clients. This initiative limits mail and speeds exchanges. It was adopted by 20% of clients in just a few months. The solution will add more features in the months ahead such as enabling clients to check performance information or change the terms of their insurance policy.

## Strengthening a partnership model that drives growth and creates value

BNP Paribas Cardif distributes its products through **500 partners** in a variety of sectors<sup>4</sup> and has the **largest number of bancassurance partnerships** in the world<sup>1</sup>. Thanks to its proven expertise in insurance partnerships, BNP Paribas Cardif **captures growth opportunities** and continually develops partnerships with **new distributors and new industries in markets around the world**.

Deployment of the insurer's strategy plan led to an extension of its **global partnership with Volkswagen Financial Services**, as well as a significant number of new agreements, including:

- In **Turkey**, with the financing unit of **Turkcell**, the leader of the Turkish telecom sector,
- In **Japan**, creating a joint venture with **Sumitomo Mitsui Trust Bank**, which is part of the country's fourth-largest banking group,
- In **Chile** with **Itau**, one of the largest banking groups in Latin America.

2017 was also marked by the **successful initial public offering** in India of **SBI Life**, a joint venture between the bank SBI and BNP Paribas Cardif. Following this operation<sup>5</sup>, BNP Paribas Cardif booked a **capital gain on the sale of its equity interest of 326 million euros**. BNP Paribas Cardif now holds 22% of SBI Life, a **stake valued at 2 billion euros**<sup>6</sup>. This initial public offering is a major milestone in the history of the joint venture and demonstrates BNP Paribas Cardif's ability to generate value with its partners. Founded 17 years ago, SBI Life is the **leading privately held life insurance company in India**. It operates through its 98,000 agents and SBI's 22,000 bank branches.

## Strong acceleration in property and casualty insurance

In line with the objectives of its strategic plan, BNP Paribas Cardif continues to **diversify** its business mix and **accelerate its growth in the property and casualty insurance market**:

- In 2017, BNP Paribas Cardif acquired 100% of **Cargeas Assicurazioni**, a provider of non-life insurance in Italy. This transaction, which creates growth potential, enables BNP Paribas Cardif to strengthen its position in the property and casualty insurance market and offer a complete range of insurance for its clients.
- **Icare**, a subsidiary of BNP Paribas Cardif specialized in extended warranties for motor vehicles<sup>7</sup>, continued to grow in Europe thanks to new partnerships in Italy and Germany. The unit's insurance gross written premiums reached 74 million euros, an increase of 18% over 2016.
- In France, 2018 will see the launch of **Cardif IARD**, a joint insurance company held 66% by BNP Paribas Cardif and 34% by Matmut. The company will market a range of property and casualty insurance solutions. Signed in late 2016, this partnership reflects BNP Paribas Cardif's commitment to building its positions in this strategic market in France.

## A committed enterprise with positive impact on society

On the strength of its excellent results and numerous development initiatives in 2017, confirming progress in executing its strategic plan, BNP Paribas Cardif **confirms the objectives for 2020** announced in 2017: **additional revenues of 400 million euros** and continued **RONE<sup>8</sup> in excess of 18%**.

BNP Paribas Cardif will pursue its growth while strengthening its positive impact on society:

- As a **global specialist in personal insurance**, BNP Paribas Cardif makes insurance available to the largest possible number of people. The company has initiated a program to **simplify all commercial documents** for clients to make insurance easily understandable by everyone. In three years, **more than 10,000 documents** have been rewritten in language understandable by the majority of consumers<sup>9</sup> in France and other countries. In order to make insurance available to vulnerable segments of the population, BNP Paribas Cardif became one of the first insurers in France to **facilitate insurance subscription** for people suffering from certain pathologies such as asthma, paraplegia or coronary disease.
- As an **institutional investor**, BNP Paribas Cardif manages savings that policyholders entrust to the company with a two-fold priority: **combine financial performance and positive impact on society**. To support financing of the energy transition, in just one year, **the company increased green investments<sup>10</sup> by 46%**. The insurer also believes that it has an active role to play in reducing inequality and also invests in funds with significant social impact: BNP Paribas Cardif finances more than **6,000 emergency shelter units** via the Hémisphère fund<sup>11</sup> and is one of the main investors in the **Fonds de Logement Intermédiaire (FLI)** fund, which has provided accommodation for **644 families** in rent-controlled housing since 2015.
- As an **employer of 10,000 people worldwide**, BNP Paribas Cardif offers a motivating work environment for staff and supports them in achieving a healthy work/life balance. In France, **employees who are care-givers** have access to a specialized assistance platform to help them care for loved ones who are aged, can no longer live independently, are sick or disabled. In Turkey, the company created a **personalized program** called Flexbox, which offers a range of benefits (leave, meal vouchers, health insurance, etc.) to meet different needs.



*"With a significant increase in business volume and financial performance, BNP Paribas Cardif had an excellent year in 2017. Last year saw the successful launch of our 2020 development plan, anchored in the transformation of the entire company to better serve our partners and their clients. Our achievements during the year confirm the success of our unique partnership model and the efficiency with which we have executed our digital transformation since 2012. We will continue to grow by making insurance available to the largest possible number of people, an approach that gives true meaning to our development,"* said **Renaud Dumora, Chief Executive Officer of BNP Paribas Cardif.**

An infographic of 2017 key figures for BNP Paribas Cardif is available at [bnpparibascardif.com](http://bnpparibascardif.com)

## Appendix

**Domestic markets** (France, Italy and Luxembourg) for the BNP Paribas Group's insurance business recorded gross written premiums of **19.9 billion euros** in 2017, an increase of 7% compared with 2016.

**France** had gross written premiums of **12.8 billion euros** (+10% vs. 2016). **Savings** gross written premiums totalled **11.3 billion euros**, up 10% over 2016. Unit-linked contracts accounted for 30% of inflows (26% in 2016), supported by favourable market trends. **Protection** gross written premiums reached **1.5 billion euros** (+3% vs. 2016). The protection segment covers creditor insurance, personal insurance, property and casualty insurance and extended warranties for motor vehicles (through the Icare Assurance subsidiary, which recorded gross written premiums of 74 million euros, an increase 18% compared with 2016).

**Italy** had gross written premiums of **4.4 billion euros**, a slight 2% decline compared with the previous year, including 3.8 billion euros in savings. The Italian subsidiary experienced lower inflows to its general fund but continued to develop unit-linked contracts (36% of inflows in 2017 vs. 24% in 2016). Protection gross written premiums were 687 million euros in Italy, a 4% increase compared with the previous year.

In **Luxembourg**, Cardif Lux Vie had gross written premiums of **2.7 billion euros**, up 13% over 2016, with 70% of inflows in unit-linked contracts (compared with 55% in 2016).

In **international markets** (Asia, Latin America and Europe, excluding domestic markets), the insurer recorded total gross written premiums of **9.9 billion euros**, an increase of 14%<sup>2</sup> in comparison with 2016:

**Asia** had gross written premiums of **4.8 billion euros** in 2017, compared with 3.8 billion euros in 2016 (+27.5%<sup>2</sup> compared with the previous year). Inflows were up in India, China, South Korea, Japan and Taiwan, which are BNP Paribas Cardif's main markets in Asia. Taiwan had a particularly good year with gross written premiums of 2.6 billion euros in savings, of which 97% in unit-linked contracts. Business volume in Taiwan increased 37%<sup>2</sup> thanks to the launch of new products and favourable market conditions. Japan was the primary contributor to protection business for the Asia zone thanks to its creditor insurance activities. Gross written premiums in Japan totalled 508 million euros, an increase of 9%<sup>2</sup>.

**Latin America** continued to see growth in protection insurance as gross written premiums increased to **1.8 billion euros** (+10%<sup>2</sup> vs. 2016). Chile, which was BNP Paribas Cardif's first market in Latin America, recorded gross written premiums of 600 million euros, an increase of 10%<sup>2</sup>. Brazil swung back to growth with an increase of 12%<sup>2</sup> to reach 585 million euros in gross written premiums. Colombia, the insurer's third-largest market in Latin America, recorded gross written premiums of 262 million euros (+7%<sup>2</sup> vs. 2016).

**Europe** (excluding domestic markets) and emerging markets were stable in comparison with last year (+0.5%<sup>2</sup> vs. 2016), totalling gross written premiums of **3.3 billion euros**.

### About BNP Paribas Cardif

World leader for creditor insurance<sup>12</sup>, BNP Paribas Cardif plays an essential role in the lives of insured customers, providing them with savings and protection solutions that let them realize their goals while protecting themselves from unforeseen events. In a world shaped by the emergence of new uses and lifestyles, the company, a subsidiary of BNP Paribas, has a unique business model anchored in partnerships. It co-creates solutions with almost 500 partners distributors in a variety of sectors (banks and financial institutions, automotive companies, retailers, telecommunications companies, energy companies, Independent Financial Advisors and brokers...) who then market the products to their customers. BNP Paribas Cardif is a recognized global specialist in personal insurance, serving 100 million clients in 35 countries with strong positions in three regions – Europe, Asia and Latin America. BNP Paribas Cardif also plays a major role in providing financing for the economy. With over 10,000 employees<sup>13</sup> worldwide, BNP Paribas Cardif had gross written premiums of €29.7 billion in 2017, 57% of which was generated outside France.

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<sup>1</sup> BNP Paribas Cardif is the insurer with the largest number of bancassurance partnerships in the world. Source: Finaccord ([http://www.finaccord.com/press-release\\_2018-global-bancassurance-insurer-partnerships.htm](http://www.finaccord.com/press-release_2018-global-bancassurance-insurer-partnerships.htm))

<sup>2</sup> At constant exchange rates

<sup>3</sup> Initial public offering of SBI Life on the Bombay Stock Exchange and the National Stock Exchange of India in October 2017

<sup>4</sup> Including banks, financial institutions, consumer credit companies, automobile manufacturers, retailers, telecommunications companies, independent financial advisors and brokers

<sup>5</sup> Sale of 4% of shares (IPO price of 700 rupees per share); 22% stake in SBI Life following the IPO

<sup>6</sup> Based on IPO price

<sup>7</sup> BNP Paribas Cardif acquired 100% of Icare in 2014

<sup>8</sup> Return On Net Equity (pre-tax)

<sup>9</sup> Standard language designed to be understood by anyone whose language skills correspond to level B1 of the Common European Framework for Languages, which covers the majority of consumers.

<sup>10</sup> Green investments (including green bonds and infrastructure funds): 1,227 million euros at end 2016; 1,788 million euros at end 2017

<sup>11</sup> The Hémisphère fund launched by SNI and AMPERE Gestion invests in housing for people in need

<sup>12</sup> Source: Finaccord - 2017

<sup>13</sup> Headcount of legal entities managed by BNP Paribas Cardif: nearly 8,000 employees



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