



BNP PARIBAS CARDIF

SOLID RESULTS

21.1 BILLION EUROS IN GROSS WRITTEN PREMIUMS (+7%)
GROUP SHARE OF NET INCOME 405 MILLION EUROS,
AN INCREASE OF 5%

2014 KEY FIGURES

- BNP Paribas Cardif **gross written premiums** rose 7% in 2014 versus 2013 to **€21.1 billion**. This sustained growth was due to the significant contribution from the Savings business in domestic markets (France, Italy and Luxembourg) and to strong growth in Protection insurance in Latin America.
- BNP Paribas Cardif **investments** at year-end 2014 totalled **€156 billion**, an increase of 7% compared with year-end 2013. Investments in unit-linked vehicles represented a 23% share of the total, or **€36 billion**.
- **Pre-tax net profit** was up 9.5% to **€776 million**, reflecting the company's operating performance.
- **The Group share of net profit** totalled **€405 million euros** (+5%), confirming the solidity of the company.

ANALYSIS OF BUSINESS GROWTH

In France, gross written premiums reached **€10.3 billion** (-2% versus 2013).

Savings gross written premiums in France totalled €9 billion. This business has a **high proportion of contracts in unit-linked funds and Eurocroissance** ("Euro-growth") **funds**, representing **28%** at end 2014, compared with 23% at end 2013. This share is above the market average (16%¹).

New legislation recognized the Eurocroissance fund category in 2014. BNP Paribas Cardif was a pioneer in 2010 in developing this new type of insurance vehicle, which provides guaranteed capital at a term chosen by the policyholder.

The BNP Paribas Cardif products "Cardif Multiplus Perspective", "BNP Paribas Multiplacements Diversifié" (for clients of independent financial advisors and Private Bank France) and BNP Paribas Avenir Retraite" (for Retail Banking clients) recorded aggregate growth in outstandings of nearly 1 billion euros, with €373 million in new cash in 2014.

Protection gross written premiums in France were €1.3 billion, generally stable versus the previous year. Property and Casualty insurance gross written premiums underwritten by Natio Assurance (primarily car and home insurance) rose 2% compared with 2013.

Italy

Italy, the second domestic market of BNP Paribas Cardif, had gross written premiums of **€5.5 billion** (+22% versus 2013).

Business growth in Italy came primarily from strong growth in savings in an Italian bancassurance and insurance market that experienced significant increases during the year (rising 38% and 39%, respectively). The Italian insurance market benefits from very attractive rates compared with other savings products.

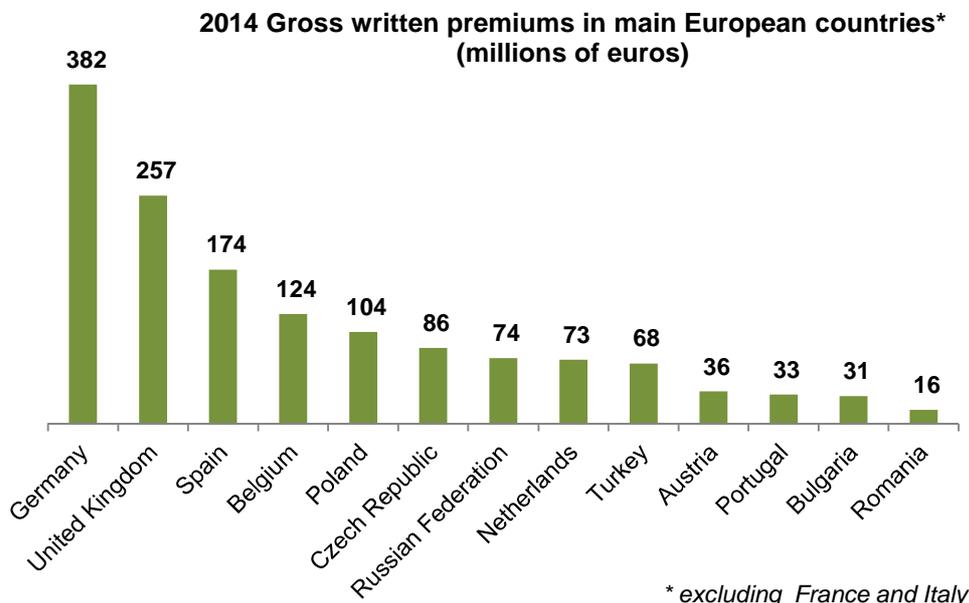
The Italian subsidiary of BNP Paribas Cardif is the seventh-largest insurer in Italy and No. 4 in the life insurance market².

¹ Source : FFSA, 2014.

Protection insurance, which is sold via Cardif branches, rebounded significantly in 2014, increasing 18% over 2013.

Other European markets

Gross written premiums for the rest of Europe rose an aggregate 2% to **€1.5 billion** at 31 December 2014.



Asia

The Asia zone recorded gross written premiums of **€2.5 billion**, an increase of 18%. Business in this zone is led by three main markets:

Taiwan, the leading country in this geography, saw a 27% surge in business in 2014, to €1.7 billion, primarily from Savings products. Development of this business, mainly in unit-linked products, was spurred by more favourable market conditions in 2014.

South Korea, the second-largest market in the zone, had gross written premiums of €500 million, mainly in the savings segment, representing an increase of 2%.

Japan, with gross written premiums of €400 million, solely from protection insurance, enjoyed growth of 7% (15% at constant exchange rate).

Latin America

Business in Latin America comes mainly from protection products. Gross written premiums were up 12% to **€1.3 billion**, reflecting dynamic growth in the region and despite unfavourable currency trends, led by four major countries: Brazil, Chile, Colombia and Argentina.

Brazil is the largest market in Latin America, accounting for 40% of business. Gross written premiums totalled €500 million, an increase of 16% versus 2013 (+26% at constant exchange rate), of which nearly one-third was for extended warranty products.

BNP Paribas Cardif has been operating in Chile since 1998, offering a complete range of individual protection, creditor insurance and extended warranty products.

Chile accounts for 31% of business in the zone and recorded €400 million in gross written premiums, a rise of 12% over 2013 (+29% at constant exchange rate). In 2014 the non-life subsidiary of BNP Paribas Cardif in the country began offering car insurance.

² IAMA Consulting June 2014

Colombia (Cardif Colombia Seguros Generales) had gross written premiums of €200 million (16% of the total for Latin America), an increase of 28% over 2013 (+37% at constant exchange rate).

The unfavourable economic environment in 2014 weighed against results in Argentina, where business is mainly from creditor insurance. Gross written premiums were €200 million, a decline of 10% taking into account the devaluation of the Argentine peso against the euro (+33% at constant exchange rate). Other protection segments (personal protection, payment method protection and extended warranties) continued to show growth. Argentina accounts for 13% of gross written premiums in the zone.

ANALYSIS OF YEAR-ON-YEAR CHANGE IN CONSOLIDATED INCOME

Consolidated income under French GAAP

P/L (M€)	2013	2014	Var	%
Gross Written premiums	19 807	21 105	1 297	7%
Earned premiums	19 711	21 017	1 306	7%
Operating revenues net of technical charges and reinsurance	4 946	5 189	242	5%
Management expenses & expenses from other activities	-4 275	-4 428	-153	4%
Net operating income	671	761	89	13%
Other income and expenses & exceptional results	14	-10	-24	NA
A Corporate Income tax	-321	-371	-50	16%
NET INCOME FROM CONSOLIDATED COMPANIES	365	381	16	4%
Income arising from investments in associates	31	41	10	31%
Goodwill amortization	-7	-16	-8	115%
B NET CONSOLIDATED INCOME AFTER TAX	388	406	17	4%
Minority interests	-1	0	1	-74%
NET CONSOLIDATED INCOME - GROUP SHARE	387	405	18	5%
C= B-A PRE TAX INCOME	709	776	67	9%

BNP Paribas Cardif's net operating income rose 13% in 2014 to **€761 million**.

This performance reflects the ability of BNP Paribas Cardif to generate additional technical and financial revenue (+4.9%) while effectively managing acquisition and administrative costs (+3.6%).

This favourable trend is underpinned by 7% growth in gross written premiums and a 7% increase in technical provisions. 2014 also saw good financial performance from assets in the general funds. The primary general fund of Cardif Assurance Vie recorded a return of 4.18%, compared with 3.76% in 2013.

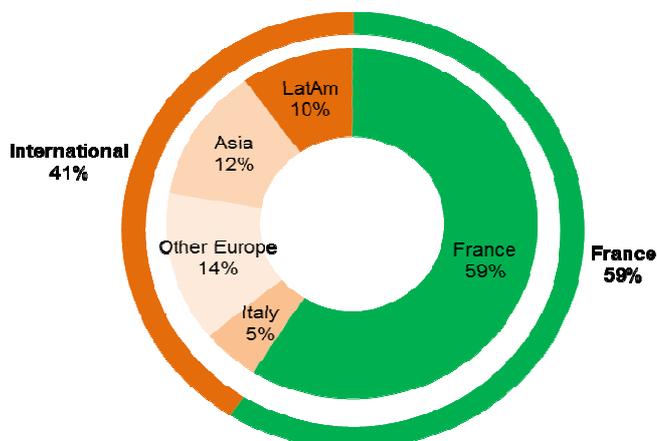
These good results include an additional allocation of €611 million to the profit-sharing reserve of the Cardif Assurance Vie general fund, bringing this reserve to €1.9 billion at 31 December 2014 (2.45% of mathematical reserves)

Other income and expenses and exceptional items totalled **€15 million**

Pre-tax income amounted to **€776 million**, an increase of **€67 million, or 9.5%**.

The International segment accounted for 41% of BNP Paribas Cardif pre-tax income at 31 December 2015, excluding elements attributable to the holding company, which books the Group's financing expenses and Corporate expenses. The breakdown by geography was as follows:

Breakdown of 2014 pre-tax income by geography, excluding BNP Paribas Cardif company



Corporate income tax expense increased 16% to **€371 million**, following operating income trend.

The Group share of net income totalled **€405 million**, an increase of 5% for the 2014 period.

FINANCIAL STRUCTURE AND DEVELOPMENT:

To fund the growth in its solvency margin requirement (under Solvency I) and optimize its equity structure to prepare for Solvency II, the holding company BNP Paribas Cardif SA made the following changes to its equity structure:

- Revision of its subordinated debt with:
 - ✓ issuance of 1 billion euros of perpetual subordinated debt on the Luxembourg market, completed on 25 November 2014;
 - ✓ early redemption of existing debt (3 perpetual subordinated debt issues contracted by BNP Paribas SA) for a total amount of €436 million in December 2014,
- Reduction in equity through the partial repayment of a share premium to shareholders in June 2014 for €223 million and in December 2014 for €250 million, representing a total reimbursement of €473 million.

At 31 December 2014 the **Solvency I ratio of BNP Paribas Cardif** was **114%**, and 156% including capital gains, net of profit sharing.

Also in 2014, BNP Paribas Cardif once again pursued a dynamic growth strategy with further acquisitions and partnerships in order to continue the diversification of its product offering and geographic footprint.

The main operations were:

- ✓ The acquisition of **100% of Icare in France**. Icare is a pioneer in marketing and managing motor vehicle insurance and services. (Annual gross written premiums: €80 million).
- ✓ Signature of a **co-insurance agreement with mutual health insurance company Mieux Etre**, enabling BNP Paribas Cardif to establish positions in collective health insurance in France. This will shortly lead to marketing of health insurance solutions to small and mid-sized businesses via BNP Paribas retail banking branches.
- ✓ **In Italy**, acquisition of equal stakes alongside Ageas of shares held by UBI Banca in the property and casualty insurance joint venture UBI Assicurazioni, which was rebranded Cargeas in 2014. The entity will become a platform open to multiple partners. (Annual gross written premiums (100%): €220 million).

- ✓ In **China**, finalization of the acquisition of the **BOB - Cardif Life Insurance Company Limited** joint venture, which is equally held by **BNP Paribas Cardif** and **Bank of Beijing**. (Annual gross written premiums (100%): €290 million)
- ✓ In **South Korea**, acquisition of a non-life insurer **Cardif General Insurance Co. Ltd.**