

BNP PARIBAS CARDIF 2015 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (before appropriation)

(in millions of euros)

ASSETS	Note	31.12.2015	31.12.2014
Goodwill	3.1.1	174,6	185,7
Intangible assets	3.1.2	290,8	365,6
Insurance company investments	3.1.3	126 657,2	119 511,6
- Investments in real estate properties		5 032,1	5 017,0
- Investments in affiliated undertakings and participating interests		4 064,9	3 656,0
- Other investments		117 560,2	110 838,6
Investments backing unit-linked contracts	3.1.4	38 781,2	36 276,7
Investments from other companies	3.1.5	241,0	365,7
Investments in associates - Equity method	3.1.6	580,9	576,3
Receivables arising from outward reinsurance operations	3.1.7	3 053,3	2 899,8
Receivables from direct insurance or reinsurance	3.1.8	1 115,8	1 242,6
Receivables from entities in the banking sector	3.1.9	1 317,6	964,8
Other receivables	3.1.10	1 740,9	1 482,7
Other assets	3.1.11	23,0	22,9
Accrued income and other assets	3.1.12	3 415,0	3 422,2
- Deferred acquisition costs		1 370,9	1 335,5
- Other		2 044,1	2 086,7
Foreign exchange differences		-	-
TOTAL ASSETS		177 391,4	167 316,4

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless indicated.



(in millions of euros)

LIABILITIES	Note	31.12.2015	31.12.2014
Shareholders' equity - Group share	3.2.1	3 707,0	3 920,1
- Share capital		150,0	150,0
- Shares premiums		2 988,3	3 340,5
- Consolidated reserves		177,3	24,3
- Net consolidated income		391,4	405,3
Minority interests		37,4	36,5
Subordinated debts	3.2.2	3 084,7	2 902,6
Gross technical reserves	3.2.3	115 280,0	108 584,3
- Life Technical reserves		111 553,1	104 890,0
- Non Life Technical reserves		3 726,9	3 694,3
Technical reserves related to unit-linked contracts	3.1.4	39 414,1	36 856,7
Provisions for risks and charges	3.2.4	212,2	196,8
Debts arising out of direct insurance or reinsurance	3.2.5	3 226,8	3 248,4
Liabilities due to banking sector companies	3.2.6	10 423,9	9 966,6
Other debts	3.2.7	1 602,9	1 398,3
Accrued expenses and other liabilities	3.2.8	397,7	206,1
Foreign exchange differences		4,6	
TOTAL LIABILITIES		177 391,4	167 316,4

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless otherwise indicated.

CONSOLIDATED TABLE OF COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)

COMMITMENTS RECEIVED AND GIVEN	Note	31.12.2015	31.12.2014
Commitments received	3.3.1	810,4	863,4
- Insurance companies		810,4	791,4
- Other companies		-	72,0
Commitments given	3.3.1	1 106,6	1 290,1
- Insurance companies		848,2	1 083,1
- Other companies		258,4	207,0

Commitments relating to financial instruments are detailed in a specific schedule in note 3.3.2.



CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(in millions of euros, except earnings per share in euros)

	Note	Non-life insurance	Life insurance	Banking	Other businesses	31.12.2015	31.12.2014
Gross written premiums	4.2	2 931,3	19 194,8			22 126,2	21 104,6
Change in unearned premiums		(57,2)	-			(57,2)	(88,1)
Earned gross premiums		2 874,1	19 194,8	-	-	22 068,9	21 016,5
Income from other activities	4.1.3				60,0	60,0	20,6
Other operating income		11,9	306,4			318,2	274,2
Net investment income	3.4.1	153,5	5 980,5		(141,0)	5 992,9	6 405,7
Operating revenues		3 039,4	25 481,7	-	(81,0)	28 440,2	27 717,0
Technical charges related to insurance activities		(1 066,9)	(21 821,5)			(22 888,4)	(22 496,8)
Net result from outward reinsurance	4.1	(59,8)	16,4			(43,4)	(31,7)
Expenses from other activities	4.1.3				(229,1)	(229,1)	(185,6)
Management expenses	3.4.2	(1 733,2)	(2 787,2)		0,2	(4 520,2)	(4 242,0)
Operating expenses		(2 859,8)	(24 592,4)	-	(228,9)	(27 681,1)	(26 956,2)
Net operating income		179,6	889,4	-	(310,0)	759,1	760,8
Other income and expenses						(3,6)	9,1
Exceptional result	3.4.3					(8,8)	(18,8)
Corporate income Tax	3.4.4					(391,4)	(370,6)
NET INCOME FROM CONSOLIDATED COMPANIES						355,2	380,5
Shares in earnings of associates						51,2	40,5
Goodwill amortization	3.1.1					(15,8)	(15,5)
NET CONSOLIDATED INCOME AFTER TAX						390,6	405,5
Minority interests						0,8	(0,2)
NET CONSOLIDATED INCOME - GROUP SHARE						391,4	405,3
Earnings per share (in euros)						6,26	6,49
Diluted earnings per share (in euros)						6,26	6,49

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless indicated.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSISTENCY OF ACCOUNTING PRINCIPLES

1.1. Basis for preparation

The consolidated financial statements of BNP PARIBAS CARDIF are prepared in compliance with the rules on consolidation and presentation set out in regulation n°2000-05 dated 7 December 2000 of the Comité de la Réglementation Comptable (CRC) for companies governed by the French Insurance Code (Code des assurances), including any modification introduced subsequently by other CRC regulations.

The consolidated financial statements present the Group's business activities by segment. These categorise business activities into Life Insurance, Non-Life Insurance and other businesses. Each segment follows its own chart of accounts, respectively the insurance company chart of accounts (as defined in Decree n°94-481 of 8 June 1994 and its implementing order of 20 June 1994) and the general chart of accounts (for other businesses), subject to specific provisions regarding to consolidation and presentation rules of consolidated financial statements mentioned above.

1.2. Highlights

Changes in the scope of consolidation between 2014 and 2015 are detailed in note 2.3 "Consolidation scope"

The year 2015 was marked by the main following events :

- April 30th: BNP Paribas Cardif sold its whole participation in Thailand. This sale put an end to the initial partnership with Thaikhum through both Thai Cardif Life Insurance (TCLA) and Thai Cardif Insurance Broker (TCIB). Capital gain is booked in "Exceptional Result".
- June 1st: BNP Paribas Cardif participates for 30% in PSA Compania de Seguros (Argentina). PSA has been a long term partner since 2011 in Argentina for Cardif Seguros for ADE business. The objective of the investment is to develop new products in Latin America zona with PSA
- December: BNP Paribas capital reduction of 352 million euros, through repayment of share premiums. In the meantime, Cardif Assurance Vie issued new PSLN of 182 million euros, subscribed by BNPP SA.
- December 31st: Cardif Assurance Vie belgian branch absorbed belgian subsidiariy Cardiff Leven, fully owned by BNP Paribas Cardif. The operation is a trans-border merger, and refers to Cardif Leven net asset. The comain financial consequence is a capital increase for Cardif Assurance Vie, for a total amount of EUR 1,608,272 (issue of new shares)and merger premium of EUR 11,564,143.
- Strategic repositioning of BNP Paribas Cardif in UK gave rise to a provision of EUR 13,100,000 for restructuring purposes, and an impairment of BNP Paribas Cardif participations in DLPS et Warranty Direct (total amount EUR 13,200,00).
- Distribution agreements with Magazine Luiza (Brasil) were renewed by the end of december

1.3. Post balance sheet events

No events arising since the closure of accounts are likely to have an impact on the consolidated financial statements.



2. CONSOLIDATION METHODS, RECOGNITION AND MEASUREMENT PRINCIPLES

2.1. Consolidation methods and principles

2.1.1. Consolidation methods

The consolidation scope includes all companies in which the Group's exercise exclusive control (subsidiaries), joint control (joint ventures) or significant influence (associate undertakings). They are accounted for under the appropriate method. Exclusively controlled companies are fully consolidated and joint ventures are accounted for using the proportional method. Companies in which the Group has significant influence are consolidated by the equity method.

An entity is included in consolidation scope when its consolidation, or the one established by the sub-group it heads, is material in nature.

Three criteria are used to assess this material nature: total assets, operating profit and the equivalent to "financial and technical income", which corresponds to the sum of financial margin and technical margin. The thresholds applicable are defined according to the nature of control.

In accordance with the provisions of paragraph 1011 of CRC regulation 2000-05, investment funds backing unit linked contracts are excluded from the scope of consolidation, as are real estate companies backing insurance obligations when the conditions set out by regulation are met.

2.1.1.1. Exclusively and jointly controlled companies

A Group has an exclusive control over an entity when being able to govern its financial and operating policies so as to obtain benefits from its activities. Such control stems from:

- direct or indirect ownership of the majority of voting rights in the company; or
- the election, for two successive years, of the majority of the members of the administrative, management or supervisory bodies of the company; or
- the right to exercise dominant influence over the company as per contracts or clauses in the company's articles of association, when allowed by law.

Joint control is the shared control of a company operated jointly by a limited number of partners or shareholders, to the extent that financial and operational policy is the result of their agreement.

Exclusively controlled companies are fully consolidated by BNP PARIBAS CARDIF. Jointly controlled companies are consolidated under the proportional method when they represent a contribution to the Group consolidated financial statements greater than one of the following thresholds:

- +/- EUR 8 million for technical and financial income;
- +/- EUR 4 million for gross operating income or net income before tax;
- EUR 40 million in total assets.

Controlled companies that do not meet these thresholds but have gross operating profit or net income before tax of between +/- EUR 1 million and +/- EUR 4 million are consolidated under the equity method, a simplified consolidation method, thus reflecting their significant nature. Other controlled companies that do not reach the thresholds are not consolidated.

2.1.1.2. Companies under significant influence

Significant influence is the power to participate in the financial and operating policies of a company without exercising control. In particular, significant influence may result from representation on the management or supervisory bodies of the company, participation in strategic decisions, existence of significant inter-enterprise transactions, exchange of management staff or dependency stemming from technical interactions.

Significant influence over the financial and operating policy of a company is presumed when the consolidating company owns, directly or indirectly, at least 20% of the voting rights of the company.

For companies under significant influence, the following thresholds apply:

- EUR 40 million for total assets on an equity basis;
- +/- EUR 1 million for net income on an equity basis.



2.1.2. Goodwill and valuation differences

Goodwill is measured as the excess of the equity securities acquisition cost over the net of the identifiable assets acquired and the liabilities assumed at acquisition date. It is amortised according to conditions specific to each acquisition. Goodwill relating to fully consolidated and proportionally consolidated companies is shown under the heading "Goodwill". Goodwill allocated to associated undertakings balance sheet entries were previously recognised under the heading "Investment in associates – Equity method". They are now recognised under the heading "Goodwill" in accordance with paragraph 291 of CRC n°2000-05.

The revaluation differences measured as the difference between the fair value of assets and liabilities at the acquisition date and the carrying amount of these items is recognised according to the general accepted accounting practices applicable to such items.

2.1.3. Currency translation method for foreign subsidiaries

The consolidated financial statements of BNP PARIBAS CARDIF are prepared in euros.

The financial statements of companies whose functional currency is not euro are translated using the closing exchange rate method based on the official rates at 31 December. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average exchange rate over the period.

Foreign exchange differences relating to financial instruments hedging structural investments in foreign currencies (loans or forward sales of currencies) are recognised in shareholder's equity under "Translation differences" (see § 2.2.4).

When a consolidated entity with a functional currency other than the euro is disposed of, the gain or loss on disposal includes translation differences previously recognised in the Group share of the shareholder's equity.

2.1.4. Closing date for consolidated entities

Consolidated financial statements are prepared based on the financial statements of the consolidated companies closed on December 31st. By way of exception, consolidated companies that have a different statutory closing date prepare accounting documents for consolidation purposes that cover the period from January 1st to December 31st. This is the case for Cardif Seguros SA Argentina that closes its accounts on June 30th.

2.1.5. Segment reporting of consolidated financial statements

Consolidated financial statements are presented by business segment: the "Life Insurance" and "Non-life Insurance" segments cover life insurance companies and non-life insurance companies respectively. The "non-life" element of mixed companies is included in the "Non-life Insurance segment". The "Other Businesses" segment consists of the parent company, BNP PARIBAS CARDIF S.A., intermediate holding companies and brokerage and asset management companies.

During the consolidation process, intragroup transactions are eliminated whether within a segment or between segments.

2.2. RECOGNITION AND MEASUREMENT POLICIES

2.2.1. Intangible assets

Software are recorded as intangible fixed assets at acquisition cost and amortised linearly whether purchased or created internally. Their amortization period depend on the nature of the software. They are amortized over a period of no more than 8 years for infrastructure developments, and over a 3 or 5 year period for software developed primarily for the customer services.

Intangible assets must be impaired if there is any indication that their value has decreased, particularly if significant changes have already occurred or are anticipated. Those changes include plans for the disposal or restructuring of the activity to which the asset belongs or plans to dispose of the asset by anticipation. Regarding software, accounting standards allow for two possible methods:

- The asset is definitively disposed of, in which case it must be removed from the balance sheet at the date of scrapping (when it is no longer in use);
- The asset is temporarily abandoned, but may be used subsequently either individually or as part of a new project. In this case, a provision must be recognised to bring the asset to its value in use taking account of its useful life.



Exclusive distribution rights acquired are amortised in accordance with the underlying assumptions used in their valuation.

2.2.2. Investments

2.2.2.1. Investments from life insurance and non-life insurance companies

➤ *Land and buildings – shares in real estate companies*

Real estate investments include both the investment properties held by Cardif Assurance Vie and shares in unlisted real estate companies that are not included in the consolidation scope as set out in paragraph 1011 of CRC regulation n°2000-05.

Regarding land and buildings, the Group applies the CRC regulation n°2002-10 relating to the amortisation and depreciation of assets, CRC regulation n° 2003-07 relating to components and CRC regulation n° 2004-06 relating to the definition, recognition and valuation of assets.

Real estate assets are classified into four main components: structure, façades, general and technical equipment and fixtures and fittings. Land is recognised separately and is not depreciated.

The component life cycle is defined asset by asset and depends on the type of building. Ranges for depreciation periods are given below:

- Structure: 50 to 80 years;
- Facades: 25 to 30 years;
- General and technical equipment: 20 to 25 years;
- Fixtures and fittings: 12 to 15 years.

The residual value of such assets is nil.

The buildings' realisable value is determined on a five-year basis carried out by an independent expert, approved by the regulatory authority (ACPR). An interim review is performed annually and is also certified by an expert. The realisable value of shares in real estate entities (SCI) is based on the liquidation value of their real estate portfolio, which is certified by an independent expert once a year.

When the market value of properties is more than 20% below their net carrying amount at the closing date, the net carrying amount is challenged in order to determine whether it has to be impaired.

➤ *Bonds and other fixed-income securities*

Bonds and other fixed-income securities include amortizable securities that meet the following criteria:

- securities issued by an entity incorporated under private law which head office is in an OECD member state;
- securities issued and/or guaranteed by an OECD member state;
- securities for which there is a repayment date and which repayment is guaranteed.

Fixed-income securities are recognised at acquisition cost. The difference between the acquisition cost and the redemption value is recognised profit or loss for the period remaining to the date of redemption.

Unrealized losses, being the difference between the carrying amount and the realizable value, are not subject to provisions unless a counterparty risk is ascertained.

CNC advisory note n° 2006-07 of 30 June 2006 relating to the impairment of securities referred to in article R332-19 of the French Insurance Code sets out the objective evidences that a counterparty risk is ascertained as being any information relating to significant financial difficulties of the issuer, and notably:

- default on payments of interest or principal;
- a collective proceeding or a financial restructuring of the issuer becoming likely;
- the introduction, due to the financial difficulties faced by the issuer, of a facility that the holder (lender) would not have granted under other circumstances;
- the disappearance of an active market for these assets due to difficulties faced by the issuer.

In addition, the following observable data should be considered. Together with other events, they could be a sign of the financial difficulties faced by the issuer:

- a significant downgrading of the issuer's rating or an abnormal widening of its spread compared to the spreads of similar issuers with similar rating, and for debt securities with similar duration;
- a significant unrealised loss on the security in a declining interest rate environment.



➤ *Variable income securities*

For the BNP PARIBAS CARDIF Group, equities and other variable income securities are primarily held through the General Funds of Cardif Assurance Vie and Cardif Risques Divers in France, Cardif Vita Assicurazione in Italy and Cardif Luxembourg Vie in Luxembourg.

Equities and other variable-income securities are recognised at acquisition cost. It should be noted that the acquisition related costs are recognised as an expense for the period in which they are incurred.

The realisable value at closing date is determined in accordance with the rules set out in article R.332-20-1 of the French Insurance Code (Code des assurances) and corresponds to the following values:

- for investment and listed securities of all nature, the last market price at closing date;
- for unlisted equity securities, their value in use for the company;
- for other unlisted securities their fair value, determined through quotations from brokers and other counterparties;
- for units in mutual funds such as SICAV (sociétés d'investissement à capital variable) and FCP (fonds communs de placement), the last bid price published at closing date.

Equities and other variable-income securities are subject to impairment when they show a permanent diminution in value. The loss in value is deemed permanent when one of the three following conditions is met:

- the securities has already been impaired;
- the investment has permanently shown unrealized losses compared to its carrying value during a 6-month period prior to closing; under circumstances of high market volatility, the usual threshold of 20% unrealised loss may exceptionally be revised in accordance with advisory note 2002-F from the CNC Emergency Committee dated 18 December 2002. As of December 2015, the usual threshold of 20% applied.
- there are objective evidence that the company will be unable to recover all or part of the carrying amount of the investment.

In the event of impairment, the provision is based on the realisable value determined using a multi-criteria forward-looking approach including the discounted future cash flows, the net asset value method, as well as analysis of ratios commonly used to assess future yields of each line of assets.

Where listed securities are intended to be sold in the short term, the impairment is based on the market price.

➤ *Amortizable securities*

ANC regulation n° 2013-03 of 13 December 2013 that relates to the impairment rules of amortizable securities referred to in article R332-20 of the French Insurance code introduces the principle of premium/discount. The difference between the acquisition cost and the redemption value is recognised in income over the remaining life of the security on an actuarial basis, and using the yield to maturity observed at the time of acquisition. The amortised portion is recognised in the balance sheet as an asset (discount) or liability (premium) in prepayment or accrual accounts.

Amortizable securities referred to in article R332-20 are impaired according to ANC regulation 2013-03 of 13 December 2013. This regulation defines the general method of depreciation that takes into account the company intent and capacity to hold the instruments and that distinguishes between credit risk and other risks relating to market fluctuations.

If the insurance company has the intention and the ability to hold the debt securities referred to in article R.332-20 of the French Insurance code up to maturity, permanent impairment is analysed only in view of credit risk; if no credit risk is ascertained, the unrealized loss due to the increase in risk free rate is not booked in the financial statements.

If the insurance company does not have the intention nor the ability to hold these investments to maturity, permanent impairment is recognised based of an analysis of all risks identified for the investment, and taking into account the projected holding period.

2.2.2.2. Investments backing unit-linked contracts

Securities and shares backing unit-linked contracts are recognised at fair value at the closing date in accordance with article R.332-5 of the French Insurance code. Valuation differences thus observed are recognised in income and presented as adjustments to unit linked contracts (as income or expense). As being recognized in a way to balance changes in technical reserves on unit-linked contracts, these adjustments have no impact on technical income and net income for the year.

2.2.2.3. Investments from other companies

These investments include the ones made by companies in the "Other businesses" segment and are mainly related to the equity holdings of BNP PARIBAS CARDIF S.A., the parent company, and the British holding company Pinnacle Insurance Holding Inc. They also include short-term investments by the holding companies.



➤ *Bonds and other fixed-income securities*

Bonds and negotiable debt securities are valued at their average market price over the last month of the accounting period. When this line-by-line valuation is lower than the carrying amount, no impairment is booked for the difference. The difference between the acquisition cost and the redemption price (premium or discount) is either amortised or recognised as income over the remaining life of the securities.

➤ *Variable income securities*

Shares and units in UCITS are valued at their probable trading price. This is usually defined by reference to the last known trading price or liquidation value at the closing date. When this line-by-line valuation is lower than the carrying amount, impairment is booked for the difference.

➤ *Participating interests*

Participating interests are equity shares that are held during a long lasting which make them considered to be useful for the Group's activity. Consequently, they enable the group to achieve various benefits mainly from an economic point of view, as they may allow for special trading relationships.

Such investments are recognised at their acquisition cost. At closing date, they are valued at their value in use. For unlisted participating interests, the value in use is based on available information such as discounted future cash flows, net asset value, prudential valuations (Solvency 2) or the appropriate ratios commonly used to assess future yields and exit opportunities for each line of securities. The difference between the carrying value and the value in use is booked as impairment.

When being significant and related to external costs (advisory, translation and business provider fees, etc.), transaction costs may be included in the acquisition price.

2.2.3. Financial instruments

Derivatives transactions entered into on various markets by an insurance company are either related to assets held or to be held. They may also be made in anticipation of investments. Derivatives instruments are either part of an investment strategy or a divestment one. They may also be a part of a performance management strategy.

Forward interest rate derivatives, whether closed or conditional, that are traded on an organised market or equivalent are valued by reference to their market value at the closing date. Corresponding gains and losses whether realised or unrealised are recognised over the course of the strategy. Coupons relating to over-the-counter contracts are recognised in income pro rata temporis.

Forward exchange rate contracts are mainly initiated as part of the net investment hedging of BNP PARIBAS CARDIF foreign investments. Differences in interest relating to such forward currency transactions (premiums and discounts) are recognised in income over the effective life of the hedged transaction.

Premiums paid on caps, index contract options and share options are spread over the life of the options purchased or sold.

2.2.4. Payables and receivables in foreign currency

Transactions in foreign currencies, including those of branches, are converted at the closing exchange rates. Exchange rate differences that are unrealised at the closing date are recognised in income during the period to which they are related.

As an exception, differences relating to the translation of permanent foreign currency financing at closing exchange rates (including forward contracts) that hedges investments in foreign subsidiaries and branches are recognised in equity. Symmetrically, the foreign currency translation adjustment relating to these entities is recognised in equity. When the Group does not have access to local capital markets, the hedging is achieved through a composite instrument that combines a borrowing in dollars and a forward sale contract of the considered currency against dollars.

2.2.5. Deferred acquisition costs

For Life Insurance, acquisition costs are deferred within the limit of the product future net margin that includes a duly justified financial margin, notably where there is a difference between the discount rate used and the expected rate of return prudently estimated. They are amortised on a consistent basis with the recognition of contracts future net margins, revalued at each closing date. When appropriate, they are impaired if the contract future margins prove insufficient compared to the amortisation schedule.



For Non-life Insurance, deferred acquisition costs on creditor's insurance policies are computed solely based on unearned commissions. Such deferred costs are amortised on a basis that is consistent with unearned premiums amortization.

2.2.6. Technical reserves

2.2.6.1. Life insurance

Technical reserves represent the difference between the expected present value of commitments of the insurer and the insured. They must be sufficient to meet the insurer's commitment. Future management costs that are not covered are subject to a management reserve.

The BNP PARIBAS CARDIF Group values its life insurance reserves using a discount rate not exceeding the expected return, cautiously estimated, on the assets backing these reserves. The rates used by the various life insurance companies in discounting their commitments in their local financial statements are representative of rates not exceeding the expected return, cautiously estimated, on the assets backing these reserves.

Technical reserves on variable insurance contracts are revalued based on the fair value of the unit linked at the closing date.

When claims have been submitted, their recognition is made in the year of their occurrence. Otherwise, their recognition is made on estimation basis.

Claim reserves, relating to claims incurred and reported, are valued using the technical basis applied for the pricing of risk. The valuation of claim reserves includes settlement costs for estimated claims. Late reported claims are valued using either a flat-rate method if the claims historical experience is not sufficient, or using triangulation methods.

For diversified contracts, a technical diversification reserve is created to absorb fluctuations in the values of the assets backing the contract, and over which each policyholder holds individual rights in the form of units. This provision is supplemented by all or part of the premiums paid by policyholders and by the share of the contract return that is not allocated as technical reserves. It is reduced by deduction of losses, fees charged, and withdrawals for benefits paid and by retention of the policyholders' shares in technical reserves.

For certain collective contracts covering life risks (mainly death) and issued in branches, detailed information for each insured person is not available as required for the calculation of technical reserves. In such cases, the mathematical reserve is approximated using a premium deferral approach applied contract by contract after deduction of acquisition costs.

Life insurance and savings companies must share their technical and financial benefits with the policyholders as set out in the contract terms and conditions, and as specified by the regulation. In France, the regulation sets a minimum level of profit sharing to be allocated by the company for each financial year. This minimum amount is equal to the credit balance of the profit sharing account determined in accordance with article A.331-4 of the French Insurance code, less the interest credited to technical reserves. For the segregated diversified contracts, profit sharing is calculated for each segregated accounts.

There are two different types of deferred policyholder benefit recognised in the Group's financial statements:

- unconditional profit sharing is recognised whenever there is a difference between the basis of calculation of future policyholders benefits in statutory accounts and in the consolidated accounts. This is notably the case for policyholder benefits relating to valuation differences and restatements of individual accounts, whether positive or negative. Their amount is modified according to a method that is consistent with the initial valuation and the reversal to income of valuation differences or restatements.
- contingent profit sharing is recognised when there is a difference between the basis of calculation of future policyholders benefits between statutory accounts and consolidated accounts but becomes due as a result of a management decision or the occurrence of an event. This is notably the case for policyholder rights linked to the restatement of the capitalisation reserve.

All liabilities relating to deferred policyholder benefits are recognised; assets relating to deferred policyholder benefits are only recognised if it is highly probable that they will be offset against future policyholder benefit, on a company by company basis. In such cases the deferred policyholder benefit asset are recognised for their recoverable amount under the heading "Receivables arising from insurance operations".

2.2.6.2. Non-life insurance

Premiums being booked when issued, premiums earned but not yet issued may be recognised.

An unearned premium reserve is recorded regarding to the part of premium that is issued but related to subsequent years. It is calculated either contract by contract or by using a statistical method when its results are very close to those that would have been obtained by applying the contract-by-contract approach. The methods used are based on the risk emergence profile.



The unexpired risk reserve is designed to cover future claims costs when premiums are not sufficient. For each company within consolidation scope, the reserve is computed by homogenous group of contracts based the expected futures losses.

Claims are recognised by accident year. They are based on claim reports when they have been notified. Otherwise, there are estimated. Outstanding claim reserves are recognised to cover incurred and reported insurance claims. They are valued using the technical basis used for risk pricing. Their valuation covers estimated claims handling costs. Late reported claims are valued either using a fixed rate where the claims history is not adequate, or using triangulation methods.

The increasing risk reserve is related to accident and health risks. It is recorded for contracts with constant regular premium and for which the risk increases with the age of the insured.

2.2.6.3. Other technical reserves

- Equalisation reserve: Groups providing creditors insurance are exposed to certain events that occur rarely but which can have a significant effect in terms of costs (catastrophes, macroeconomic shocks, changes in behaviour, pandemics, etc.). For these contracts, an equalisation reserve may be recorded in accordance with §30013 of CRC regulation n°2000-05. It is intended to cover the risk evolution over time for those created by the production structure and which have a low frequency of occurrence and high unit costs.
- Capitalisation reserve: Changes during the accounting period that affect the capitalisation reserve and that are recorded in French entities individual accounts are eliminated in the consolidated financial statements. The bulk part of the elimination is balanced by a change in the deferred profit sharing reserve. For segregated accounts (PERP, PERI,...), it should be noted that the capitalisation reserve is reclassified to technical reserves.
- Capital losses on future assets sales reserve: this reserve is eliminated in consolidated financial statements. The restatement is balanced by corresponding adjustments to the deferred profit sharing reserve where changes in capital losses on future assets sales reserve in individual accounts are taken into account for the determination of such profit sharing.

2.2.7. Reinsurance

Elements received from ceding companies are immediately booked. Accounts not received are estimated at 31 December. They are booked as receivables and debts arising from reinsurance transactions. Where a loss arising on assumed reinsurance operations is known, a provision is set aside for the expected loss.

Elements ceded (premiums, claims, technical reserves) are determined depending on the reinsurance treaties using the same accounting and valuation rules applied to gross elements.

2.2.8. Provisions for risks and charges

Provisions for risks and charges recognised the liabilities resulting from an obligation that is probable or certain at the closing date but which timing or amount has not been precisely determined.

2.2.9. Employee benefits

Under various agreements, the BNP PARIBAS CARDIF Group is committed to pay to its employees:

- long-term benefits, including compensated absences and long-service awards; The actuarial techniques used are similar to those used for defined benefit post-employment benefits, the revaluation items are recognised immediately in profit and loss account.
- post-employment benefits which consisted primarily of retirement bonuses in France at 31 December 2014: in accordance with the ANC recommendation, retirement benefits are considered as defined-benefit scheme, representing a commitment for the company, which must be valued and funded.

Post-employment benefits obligations under defined benefit plans are reviewed on a yearly basis. The corresponding liability is adjusted to reflect the change in the net present value of the obligations, so as to ensure that they are fully provided for. It is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This valuation takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets. The present value of the defined-benefit obligation is measured on the basis of the



actuarial assumptions applied by the Group, using the projected unit credit method. This valuation method takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The annual expense with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability/asset, the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of net defined-benefit liability are recognised directly in profit and loss account. They include actuarial gains and losses, the return on plan assets and any changes in the effect of asset ceiling (excluding amounts included in net interest on the defined-benefit liability/asset).

2.2.10. Current and deferred taxes

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

BNP PARIBAS CARDIF S.A. and French subsidiaries in which it holds a stake of more than 95% are eligible to be members of the tax group created around BNP PARIBAS S.A. In accordance with the terms of the tax consolidation agreement, companies within the tax subsidiaries recognise in their profit and loss an expense equal to the tax that they would have paid were there no tax group.

2.2.11. Overheads segmental analysis

Overheads for companies in the “Other Businesses” segment are recognised by nature of expenses, whilst those for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised by intended use: technical expenses, non-technical expenses and exceptional expenses.

In principle, expenses in the “Non-life Insurance” and “Life Insurance” segments are technical expenses. However, expenses incurred for activities without a technical relationship with insurance activities are recognised as non-technical expenses. Transactions which by their nature are non-recurring and outside the scope of standard operations are recognised as exceptional expenses. Technical expenses are broken down into claims settlement costs, acquisition costs, administrative costs, investment management costs and other technical costs. Recognition of expenses by their intended use is carried out individually for expenses that can be directly allocated to one category. Where an expense item has more than one intended use or cannot be directly allocated, it is split between categories using an allocation keys. The allocation of expenses to their intended use is carried out by the so called uniform sections method, which consists of analysing each consolidated company by cost centres which are allocated to the various intended use.

2.2.12. Segment on net investment income

Investment income and expenses for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised in the non-life insurance technical account or the life insurance technical account respectively.

The financial margin contractually charged by insurers under unit-linked contracts is reclassified as financial income due to its nature.

2.2.13. Earnings per share

Calculation methods for earnings per share and diluted earnings per share are based on the Ordre des Experts-Comptables advisory note n°27. Earnings per share are calculated by dividing the net income for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. Calculation of diluted earnings per share is similar to that of earnings per share with the difference that net income for the year (Group share) of the parent and the weighted average number of shares outstanding are adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares.



2.3. Consolidation scope

The 50 companies consolidated at 31 December 2015 (30 fully consolidated, 3 proportionally consolidated, 17 consolidated using the equity method) were as follows:

Name	Country	% of interest 2014.12	Change in the scope of consolidation	% of interest 2015.12	% voting 2015.12	Consolidation method
INSURANCE						
Life Insurance						
. Assuvie	France	50,0		50,0	50,0	Equity (*)
. Cardif Leven	Belgium	100,0	(5)			
. BNP Paribas Cardif Levensverzekeringen NV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif LivForsakring AB	Sweden	100,0		100,0	100,0	Equity (*)
. Cardif Lux Vie	Luxembourg	33,3		33,3	33,3	Equity
. Cardif Mexico Seguros de Vida SA	Mexico	100,0		100,0	100,0	Equity (*)
. BNPP Cardif Seguros de Vida SA	Chile	100,0		100,0	100,0	Fully consolidated
. SBI Life Insurance Company Ltd	India	26,0		26,0	26,0	Equity
. SCI Odyssee	France	100,0		100,0	100,0	Fully consolidated
Non Life Insurance						
. Cardif Bizosito Zrt	Hungary	100,0		100,0	100,0	Equity (*)
. Cardif Assurance Risques Divers SA	France	100,0		100,0	100,0	Fully consolidated
. Cardif Colombia Seguros Generales SA	Colombia	100,0		100,0	100,0	Fully consolidated
. Cardif Forsakring	Sweden	100,0		100,0	100,0	Equity (*)
. LLC Insurance Company Cardif	Russia	100,0		100,0	100,0	Fully consolidated
. Cardif Mexico Seguros Generales SA	Mexico	100,0		100,0	100,0	Equity (*)
. BNPP Cardif Schadeverzekeringen NV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif do Brasil Seguros e Garantias SA	Brazil	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Seguros Generales	Chile	100,0		100,0	100,0	Fully consolidated
. Luizaseg	Brazil	50,0		50,0	50,0	Proportional
. Natio Assurance	France	50,0		50,0	50,0	Proportional
. Icare Assurance SA	France	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif General Insurance Co Ltd	Korea	75,0	(4)	77,5	77,5	Equity (*)
. CARGEAS Assicurazioni S.p.A	Italy	50,0		50,0	50,0	Equity
. Cardif EL Djazair	Algeria		(1)	100,0	100,0	Equity (*)
. Cardif Cardif Osiguranje	Croatia		(1)	100,0	100,0	Equity (*)

The percentage of voting indicates the Group's direct and indirect holding in the company concerned.

(1) Companies passing qualifying thresholds as defined by the Group

(2) Companies removed from the scope because under qualifying thresholds

(3) Liquidation

(4) Capital Increase : accretion

(5) Merger

(*) Fully controlled companies with operating income between +/-1 and +/-4 million euros are subject to simplified consolidation by the equity method.



Name	Country	% of interest 2014.12	Change in the scope of consolidation	% of interest 2015.12	% voting 2015.12	Consolidation method
Mixed Insurance (Life and Non Life Insurance)						
. BNPPA Cardif TCB Life Insurance Company Ltd	Taiwan	49,0		49,0	49,0	Equity (*)
. Cardif Seguros	Argentina	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Vita Assicurazioni S.p.A	Italy	100,0		100,0	100,0	Fully consolidated
. Cardif Assurance Vie SA	France	100,0		100,0	100,0	Fully consolidated
. Cardif Del Peru Compania de Seguros	Peru	100,0	(2)			
. Cardif Do Brasil Vida e Previdencia S.A	Brazil	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Hayat Sigorta AS	Turkey	100,0	(2)			
. BNPP Cardif Pojistovna	Czech Republic	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Emekliik A.S	Turkey	100,0		100,0	100,0	Fully consolidated
. Pinnacle Insurance PLC	United Kingdom	100,0		100,0	100,0	Fully consolidated
. Poistovna Cardif Slovakia	Slovaquia	100,0		100,0	100,0	Equity (*)
. Cardif Polska	Poland	100,0		100,0	100,0	Fully consolidated
. BNPP Cardif Life Insurance Co.	Korea	85,0		85,0	85,0	Fully consolidated
. BoB Cardif Life Insurance Company	China	50,0		50,0	50,0	Proportional
OTHER BUSINESSES						
. Poczylion PTE SA	Poland	33,3		33,3	33,3	Equity
. BNP Paribas Cardif Servicios y Asistencia	Chile	100,0		100,0	100,0	Equity (*)
. BNPP PSC Limited	United Kingdom	100,0		100,0	100,0	Fully consolidated
. GIE BNP Paribas Cardif	France	98,5		98,5	98,5	Fully consolidated
. Cardif I Services	France	100,0		100,0	100,0	Fully consolidated
. Cardif Services	France		(1)	100,0	100,0	Equity (*)
. Cardif Pinnacle Insurance Management Services	United Kingdom	100,0		100,0	100,0	Fully consolidated
HOLDINGS						
. BNP Paribas Cardif SA	France	100,0		100,0	100,0	Société consolidante
. BNPP Cardif BV	Netherlands	100,0		100,0	100,0	Fully consolidated
. Cardif Nordic AB	Sweden	100,0		100,0	100,0	Fully consolidated
. CB (UK) - Fond 'C'	United Kingdom	100,0		100,0	100,0	Fully consolidated
. F&B Insurance Holdings	Belgium	50,0	(3)			
. NCVP Participacoes SA	Brazil	100,0		100,0	100,0	Fully consolidated
. Cardif Pinnacle Insurance Holdings PLC	United Kingdom	100,0		100,0	100,0	Fully consolidated
. Icare Holding SA	France	100,0		100,0	100,0	Fully consolidated

The percentage holding indicates the Group's direct and indirect holding in the company concerned.

(1) Companies passing qualifying thresholds as defined by the Group

(2) Companies removed from the scope because under qualifying thresholds

(3) Liquidation

(4) Capital Increase : accretion

(5) Merger

(*) Fully controlled companies with operating income between +/-1 and +/-4 million euros are subject to simplified consolidation by the equity method.



2.4. Main changes

The BNP PARIBAS CARDIF Group made the following changes to the scope of consolidation in 2015:

➤ Companies passing qualifying thresholds as defined by the Group

Cardif Services SAS (France), Cardif Osiguranje (Croatia) et Cardif El Djazair (Algeria), all passed qualifying thresholds of simplified consolidation by equity method in 2015.

The impact of first consolidation is a total amount of 0.3 million euros, in "Shares of earnings in associates".

➤ Companies that no longer comply with group thresholds

Cardif Hayat Sigorta Anonim Sirketi (Turkey) et Cardif Del Peru Compania de Seguros (Peru) no longer comply qualifying thresholds of simplified consolidation by equity method in 2015. The impact of deconsolidation is accounted for in "Consolidated reserves".

➤ Liquidation

Following the acquisition in 2014 of 50%+1 share of Cargeas (Italy) previously held through F&B Insurance SA (Belgium), F&B was liquidated on 24th April. Liquidation mali is EUR 300,000 and was booked in "Exceptional result"

➤ Capital Increase

The capital of BNP Paribas Cardif General Insurance Co Ltd (South Korea) was increased for a total amount of EUR 13,000,000. BNPP Cardif subscribed on behalf of minority interest. As a consequence, percentage of interest was increased from 75% to 77,51%. The impacts is non relevant, and was booked in "Consolidated reserves"



3. NOTES TO BALANCE SHEET, TABLE OF COMMITMENTS GIVEN AND RECEIVED AND INCOME STATEMENT

3.1 BALANCE SHEET ASSETS

3.1.1 Goodwill

	31.12.2015			31.12.2014		
	Gross value	Accumulated amortization and impairment	Net value	Gross value	Accumulated amortization and impairment	Net value
Cardif lux vie (Luxembourg)	3,8	(1,1)	2,7	3,4	(0,6)	2,8
BNPP Cardif vita Assicurazioni S.p.A (Italy)	140,5	(29,6)	110,9	140,5	(22,6)	117,9
CARGEAS Assicurazioni S.p.A (Italy)	44,7	(26,9)	17,8	45,0	(22,5)	22,5
TOTAL	236,6	(62,0)	174,6	231,2	(45,6)	185,6

The annual amortisations of EUR 16,400,000 are compensated by adjustments of the goodwills booked in 2014 for ICARE (France) and BoB Cardif Life Insurance Company (China), for a total amount of EUR 6,300,000.

3.1.2 Intangible assets

	31.12.2015			31.12.2014		
	Gross value	Accumulated amortization and impairment	Net value	Gross value	Accumulated amortization and impairment	Net value
Value of business in force	307,6	(264,3)	43,3	307,4	(202,9)	104,4
Purchased and internally developed software	452,4	(330,0)	122,4	442,1	(313,6)	128,5
Other intangible assets	200,5	(75,4)	125,1	187,9	(55,2)	132,7
TOTAL	960,5	(669,7)	290,8	937,3	(571,7)	365,6

The change in the heading "Value of business in force" between 2014 and 2015 was mainly due to the amortisation of the value of the business in force of BNP Paribas Cardif Vita Assicurazioni S.p.A (Italy) for an amount of EUR 56,000,000 and Cardif Life Insurance Co Ltd (Korea) for EUR 3,000,000.

The change in the heading "Other intangible assets" is mainly due to an exceptional amortization of the distribution agreement in BNP Paribas Cardif Emeklilik (Turkey) for EUR 32,000,000. These accelerated amortization is due to several regulatory changes in pension fund business.

3.1.3 Insurance company investments

	31.12.2015			31.12.2014		
	Gross value	Net value	Realisable value	Gross value	Net value	Realisable value
Real estate investments	5 453,7	5 032,1	6 304,4	5 178,0	5 017,0	5 791,3
Equities and variable income securities	5 755,3	5 609,2	6 435,7	4 475,9	4 171,4	4 623,1
Shares in equities UCITS	10 091,4	10 091,4	12 206,4	9 124,9	8 984,1	9 253,3
Bonds and other fixed-income securities	96 813,1	96 755,6	110 156,2	93 277,1	93 261,3	108 804,9
Shares in bonds UCITS	7 423,1	7 423,1	7 886,3	6 633,5	6 633,5	7 440,8
Other investments	1 745,9	1 745,9	1 762,5	1 444,3	1 444,3	1 396,5
Total investments	127 282,5	126 657,2	144 751,6	120 133,7	119 511,6	137 309,9
Total listed investments	115 457,7	115 277,9	131 732,7	109 363,5	109 036,6	126 088,5
Total non listed investments	11 824,8	11 379,3	13 018,8	10 770,2	10 475,0	11 221,4
Life insurance investments	123 167,5	122 562,5	140 071,9	116 046,4	115 445,5	132 638,2
Non-life insurance investments	4 115,0	4 094,7	4 679,7	4 087,3	4 066,1	4 671,7



BNP Paribas Cardif Group's exposure to Euro zone sovereign credit risk (fully consolidated entities) is detailed as follows:

<i>(in millions of euros)</i>	31.12.2015		31.12.2014	
	Acquisition cost net of impairments	Market value	Acquisition cost net of impairments	Market value
Germany	1 235	1 429	1 203	1 419
Austria	1 761	2 008	1 519	1 804
Belgium	3 792	4 432	3 188	3 833
Spain	2 922	3 304	3 858	4 387
France	19 639	21 922	14 557	17 416
Ireland	1 370	1 412	906	979
Italy	17 646	20 933	14 559	17 523
Netherlands	1 167	1 385	1 063	1 307
Portugal	93	93	103	103
Other	385	467	1 333	1 645
Total Euro Zone	50 010	57 384	42 288	50 415
Bonds and other fixed-income securities (Note 3.1.3)	96 756	110 156	93 261	108 805

3.1.4 Investments backing unit-linked contracts

	Net value	
	31.12.2015	31.12.2014
Real estate investments	1 374,7	1 190,7
Equities and variable income securities	6 423,0	5 353,0
Bonds and other fixed-income securities	2 031,7	2 611,9
Shares in bonds UCITS	2 969,7	3 287,6
Other UCITS	25 982,0	23 833,5
TOTAL	38 781,2	36 276,7

In December 31st 2015, technical reserves relating to unit-linked contracts, which stood at EUR 39,414 million (EUR 36,857 million at 31 December 2014), were covered both by the investments representing these provisions for a total of EUR 38,781 million (EUR 36,277 million in December 31st 2014) and by securities received as collateral from reinsurers of EUR 601 million (EUR 587 million on December 31st 2014).

3.1.5 Investments from other companies

	31.12.2015			31.12.2014		
	Gross carrying value	Provisions	Net carrying value	Gross carrying value	Provisions	Net carrying value
Investments in subsidiaries	4,2	(55,4)	4,2	160,2	(55,4)	104,8
Loans	156,6	-	156,6	66,1	-	66,1
Marketable securities	80,3	-	80,3	194,8	-	194,8
TOTAL	241,0	(55,4)	241,0	421,1	(55,4)	365,7

At December, 31st 2015, provisions on « Investments in non-consolidated subsidiaries » are up to EUR 32,500,000 (EUR 25,200,000 at December 31st 2014) for BNP Paribas Cardif and EUR 44,800,000 for Cardif Pinnacle Insurance Holding PLC (EUR 30,200,000 at December 31st 2014).



3.1.6 Investments in associates - Equity method

	31.12.2015		31.12.2014	
	Share of equity	of wich Share of own funds	Share of equity	of wich Share of own funds
Europe	244,5	202,7	285,7	261,3
Latin America	43,9	48,6	61,9	73,6
Asia	282,1	254,4	228,7	200,9
Others	10,5	9,6		
TOTAL	581,0	515,3	576,3	535,8

For Europe, variation in Share of equity is mainly due to the liquidation of F&B Holding (Belgium). It is mainly compensated by capital increases in Cardif Biztosito Magyarorszag (Hungary) for EUR 13,400,000. For America, variation in share of equity is mainly due to deconsolidation of Cardif Compania de Seguros (Peru) for EUR 21,600,000. For Asia, exchange rate impacts in India (EUR 7,400,000) and Taiwan (EUR 6,000,000) mainly explain positive variation

First consolidation of Cardif El Djazair (Algeria) explain the new amount in "Others".

Table below shows the proportion in "share of equity" and "share of income" either the entities are under significant influence or controlled one but consolidated by equity method as simplified method.

	31.12.2015		31.12.2014	
	Share of equity	of wich share of own funds	Share of equity	of wich share of own funds
Entities under significant influence	392,4	338,6	399,6	353,2
Controlled Entities consolidated by Simplified Equity method	188,6	191,2	176,7	182,6
TOTAL	581,0	529,6	576,3	535,8

3.1.7 Receivables arising from outward reinsurance operations

	31.12.2015	31.12.2014
Life Technical reserves	2 007,6	1 955,9
- Life Technical reserves	1 891,3	1 866,3
- Claim reserves	112,7	84,9
- Other technical reserves	3,6	4,7
Reserves relating to unit-linked contracts	523,5	492,1
Total Life insurance	2 531,1	2 448,0
Non-Life Technical reserves		
- Provisions for unearned premiums	325,3	282,8
- Claim reserves	191,1	160,3
- Other technical reserves	5,9	8,7
Total Non-life insurance	522,3	451,8
TOTAL	3 053,3	2 899,8

3.1.8 Receivables from direct insurance or reinsurance

	31.12.2015			31.12.2014		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Premiums earned not yet written	58,6	-	58,6	53,0	-	53,0
Other receivables	876,0	(4,1)	871,9	985,9	(13,0)	972,9
Receivables from reinsurance	185,3	-	185,3	216,7	-	216,7
TOTAL	1 119,9	(4,1)	1 115,8	1 255,6	(13,0)	1 242,6



Receivables arising from insurance or reinsurance transactions are due in less than one year.

Other receivables include notably a policyholders' loss reserve at BNPP Cardif Vita Assicurazioni S.p.A for EUR 152 million (EUR 185 million on 31 December 2014). In accordance with accounting policies, this amount will be reversed in line with disposals and redemptions of the securities which gave rise to this valuation difference. This heading also includes receivables from policyholders for EUR 189 million and from insurance intermediaries for EUR 500 million. Receivables arising from reinsurance transactions represent mainly cedants' current accounts.

3.1.9 Receivables from entities in the banking sector

	31.12.2015			31.12.2014		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance companies – bank cash	1 234,6	(0,6)	1 234,0	899,5	(0,2)	899,3
Other companies – bank cash	83,6	-	83,6	65,5	-	65,5
TOTAL	1 318,2	(0,6)	1 317,6	965,0	(0,2)	964,8

Receivables from entities in the banking sector are due in less than one year.

3.1.10 Other receivables

	31.12.2015			31.12.2014		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance						
- Tax and social security receivables	973,7	-	973,7	781,2	-	781,2
- Other receivables	693,7	(0,6)	693,1	611,3	(2,4)	608,8
Total insurance company receivables	1 667,4	(0,6)	1 666,8	1 392,5	(2,4)	1 390,0
Other companies						
- Tax and social security receivables	6,6	-	6,6	5,4	-	5,4
- Other receivables	68,3	(0,7)	67,5	88,0	(0,7)	87,3
Total other company receivables	74,8	(0,7)	74,1	93,4	(0,7)	92,7
TOTAL	1 742,2	(1,3)	1 740,9	1 485,9	(3,1)	1 482,7

Tax and social security receivables include deferred tax assets of EUR 614 million in 2015 (EUR 442 million for 2014) and the BNP Paribas current account relating to tax consolidation for EUR 19 million.

Third party accounts are recognised as assets or liabilities depending on their net debtor or creditor position.

3.1.11 Other assets

	31.12.2015			31.12.2014		
	Gross value	Accumulated amortization and impairment	Net value	Gross value	Accumulated amortization and impairment	Net value
Property, plant and equipment						
Office equipment	30,7	(21,5)	9,2	28,7	(20,6)	8,1
Fixtures and fittings	12,9	(7,4)	5,4	13,1	(7,3)	5,7
Other	20,9	(12,5)	8,4	20,4	(11,4)	9,1
TOTAL	64,5	(41,5)	23,0	62,3	(39,3)	22,9

3.1.12 Accrued income and other assets

	31.12.2015			31.12.2014		
	Life	Non-life	Total	Life	Non-life	Total
Deferred acquisition costs	183,9	1 187,1	1 370,9	149,4	1 186,0	1 335,5

Acquisition costs for creditors insurance sold in Italy, Germany, Chile and Brazil represent the bulk of the amounts carried on the balance sheet as well as the variation of the year. They are calculated in a manner consistent with the calculation of provisions for unearned premiums.

Other adjustment accounts broke down as follows:



	31.12.2014	31.12.2014
Insurance companies		
- accrued interest and rent	1 813,3	1 904,5
- other	222,7	173,5
Other companies	8,0	8,7
TOTAL	2 044,1	2 086,7



3.2 BALANCE SHEET LIABILITIES

3.2.1 Statement of changes in shareholders' equity

	Share capital	Shares premiums	Consolidated reserves	Retained earnings	Total shareholders' equity
Position at 31 December 2013	151,0	3 813,3	(284,0)	387,5	4 067,8
- Appropriation of net income for 2013	-	-	387,5	(387,5)	-
- Net income for 2014	-	-	-	405,3	405,3
- Dividend payment	-	-	(74,4)	-	(74,4)
- Exchange rates	-	-	(5,9)	-	(5,9)
- Repayment of share premiums	-	(472,8)	-	-	(472,8)
- Others	(1,0)	-	1,0	-	-
Position at 31 December 2014	150,0	3 340,5	24,3	405,3	3 920,1
- Appropriation of net income for 2014	-	-	405,3	(405,3)	-
- Net income for 2015	-	-	-	391,4	391,4
- Dividend payment	-	-	(231,8)	-	(231,8)
- Exchange rates	-	-	(20,5)	-	(20,5)
- Repayment of share premiums	-	-	-	-	(352,2)
- Others	-	(352,2)	-	-	-
Position at 31 December 2015	150,0	2 988,3	177,3	391,4	3 707,0

The changes in BNP Paribas Cardif financing gave rise to a reduction in the equity for a total of 352 million euros, through repayment of share premiums. (cf. 1.3 "Highlights").

3.2.2 Subordinated debts

Subordinated debts issued by Group entities have the following characteristics:

Type	Issuer	Subscriber	Issue date	Maturity	Amount 31.12.2015
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004	-	125,0
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004	-	32,0
PSLN	BNP Paribas Cardif SA	External	25/11/2014	-	1 000,0
PSLN	BNP Paribas Cardif SA	BNP Paribas SA	30/03/2012	-	710,0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	23/12/2011	23/12/2021	753,0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	17/12/2012	17/12/2022	277,0
RSLN	Cardif Assurance Vie	BNP Paribas SA	18/12/2015	18/12/2025	182,0
Subordinated debts issued by insurance companies					339,0
Subordinated debts issued by BNP Paribas Cardif S.A.					2 740,0
Accrued interest					5,7
TOTAL SUBORDINATED DEBTS					3 084,7

The Perpetual Subordinated Loan Notes (PSLN), issued by Cardif Assurance Vie for the amount of 157 million euros and by BNP Paribas Cardif for 710 million euros were subject to amendments in 2014. From December 2019, they are redeemable at par value.

The 1 billion euro PSLN issued by BNPP Cardif can be early repaid at nominal value after 11 years. It is redeemable in case of prudential evolutions or new circumstances that were unpredictable.

The Redeemable Subordinated Loan Notes (RSLN), for a global amount of 1,030 million euros are redeemable for their total amount after 5 years or at maturity date. The RSLN of 277 million euro can nevertheless be replaced by any debt of same characteristics and same nominal value within the first 5 years. One of 753 million euros is partially redeemable within the first 5 years. They all are redeemable in case of prudential evolutions or new circumstances that were unpredictable.

Redemption of the PSLN and RSLN in the event of liquidation of the company will be subordinated to full repayment of all preferred and unsecured creditors.



3.2.3 Technical reserves

	31.12.2015	31.12.2014
Life Technical reserves:	111 553,1	104 890,0
- Life Technical reserves	105 807,4	100 439,2
- Claim reserves	1 499,7	1 351,5
- Participation benefit and other technical reserves	4 245,9	3 099,3
Non Life Technical reserves:	3 726,9	3 694,3
- Provisions for unearned premiums	2 357,5	2 434,7
- Claim reserves	1 197,6	1 109,2
- Provisions for unexpired risks	19,4	3,7
- Participation benefit and other technical reserves	152,4	146,7
TOTAL	115 280,0	108 584,3

Policyholders' benefit reserve breaks down as follows:

	31.12.2015	31.12.2014
Participation benefit due	225,9	215,7
Policy holders' surplus reserve		2 683,0
- Unconditional :	2 472,6	1 859,1
- Conditional :	1 351,3	823,9
- relating to the elimination of the capitalisation reserve	1 372,6	848,1
- relating to changes in the mortality table	(6,8)	(9,2)
TOTAL	4 049,8	2 898,7

The deferred policyholder assets have been recognised in accordance with the CNC release dated on January 10th, 2007 regarding the accounting treatment of the effects of changes in the mortality table for annuities.

3.2.4 Provisions for risks and charges

	31.12.2015	31.12.2014
Provisions for risks	98,3	95,2
Provision for "Employee benefits"	41,3	38,1
Income tax provision	72,6	63,5
Provisions for other costs		
TOTAL	212,2	196,8

Tax provisions correspond to deferred tax liabilities.

The variation in "Provisions for risks" is mainly due to provisions on non-consolidated subsidiaries for a total amount of 5.7 million euros, an unpaid commission from a partner up to 11.5 million euros, and litigations for 0.6 million euros.

The change in provision for Employee benefits of 3.2 million euros is mainly due to actualisation impacts for 2.7 million euros and 0.5 million euros for other long term commitments.

3.2.5 Debts arising out of direct insurance or reinsurance

	31.12.2015	31.12.2014
Debts from direct insurance	1 336,1	1 357,1
- Policyholders	232,0	195,2
- Other debts	1 104,1	1 161,9
Debts from reinsurance	1 890,7	1 891,3
- Cash deposits from reinsurers	1 737,5	1 729,1
- Other debts	153,3	162,2
TOTAL	3 226,8	3 248,4

Debts from direct insurance or reinsurance transactions are due in less than one year.



3.2.6 Liabilities due to banking sector companies

	31.12.2015	31.12.2014
Insurance companies	8 325,5	7 867,9
- Financing debt	153,2	421,5
- Loans	506,6	370,8
- Repurchase agreements	7 665,6	7 075,7
Other companies	2 098,4	2 098,7
- Financing debt	8,7	
- Loans	2 089,8	2 098,7
TOTAL	10 423,9	9 966,6

Repo transactions are part of General Fund management for Cardif Assurance Vie (France) and are mainly made with BNP Paribas counterpart. The maximum amount of repurchase agreement with BNP Paribas is determined in accordance with Code des Assurances, and refers to a percentage of technical provisions.

Debts to credit institutions fall due in less than one year.

3.2.7 Other debts

	31.12.2015	31.12.2014
Insurance companies	1 211,3	1 032,1
- Employee profit sharing	2,4	2,5
- Staff	12,3	10,8
- State	205,3	171,0
- Income tax due	136,9	91,6
- Other creditors and miscellaneous liabilities	854,4	756,2
Other companies	391,6	366,2
- Staff	33,1	18,5
- State	11,0	13,8
- Income tax due	0,6	0,6
- Other creditors and miscellaneous liabilities	346,9	333,4
TOTAL	1 602,9	1 398,3

Other debts fall due in less than one year.

3.2.8 Accrued expenses and other liabilities

	31.12.2015	31.12.2014
Insurance companies	381,9	196,8
- Deferred income	2,8	3,4
- Other	379,0	193,4
Other companies	15,8	9,3
TOTAL	397,7	206,1

Liability adjustment accounts for insurance companies concern mainly the carrying of commissions received from reinsurers for a total of EUR 156 million.



3.3 COMMITMENTS GIVEN AND RECEIVED

3.3.1 Commitments given and received in the Insurance segment and other businesses

	31.12.2015	31.12.2014
Commitments received	810,4	863,4
- Securities received as collateral from reinsurers	605,4	587,3
- Other commitments received	205,0	276,1
Commitments given	1 106,6	1 290,1
- Endorsements, deposits and guarantees given	21,9	25,8
- Other commitments given	1 084,7	1 264,3

The consolidated table of commitments given and received does not include:

- Commitments given to and received from internal investment funds, owned by certain foreign insurance companies, to the extent that they match the valuation of unit-linked policies, for which the internal funds in question serve as investment vehicles. Their effects are therefore recognised in the consolidated balance sheet and income statement.
- Commitments given and received relating to the activities of BNP Paribas Cardif Emeklilik as an intermediary for pension fund products. Such commitments totalled approximately EUR 500 million on December 31st 2015.
- Commitments given to and received from Cardif Luxembourg Vie, a company consolidated as an associate, which totalled EUR 432.5 million on December 31st 2015.

3.3.2 Commitments given and received on financial instruments

Taking all business segments together, commitments given and received on financial instruments were as follows:

Commitments received	31.12.2015	31.12.2014
- Forward foreign exchange transactions	3 446,1	1 073,2
- Currency swap contracts	129,6	88,8
- CAP contracts	11 300,0	11 400,0
- Discount remaining to be amortised	53,6	44,0
- Other commitments received on financial instruments	334,6	1 400,2
TOTAL	15 263,9	14 006,2

Changes were made on « Commitments given » from the version which was audited for 2014. A reclassification was made from "Other commitments received on financial instruments" to "Currency swap contracts" regarding a specific deal. The total amount of commitments is unchanged.

Commitments given	31.12.2015	31.12.2014
- Forward foreign exchange transactions	1 949,7	1 226,6
- Currency swap contracts	104,7	88,1
- Other commitments given on financial instruments	883,7	1 407,2
TOTAL	2 938,1	2 721,9

CAP contracts at Cardif Assurance Vie correspond to a macro-hedge of fixed income products.

Forward foreign exchange transactions concern the hedging of net foreign currency investments of foreign subsidiaries and branches whose functional currency is not the euro. These investments are hedge by a foreign currency loan recognised in the balance sheet:

- Undertakings given correspond to the foreign currency to be delivered in the investment currency converted into euros.
- Undertakings received correspond to the foreign currency to be received in the hedging currency converted into euros.

Other undertakings given and received on financial instruments concerned an equity swap at Cardif Assurance Vie for EUR 300 million and currency swap contracts totalling EUR 550 million in force in December 31st, 2015. This last exposure concerns principally USD currency.



3.4 INCOME STATEMENT

3.4.1 Net financial income

	31.12.2015				31.12.2014
	Non-life	Life	Other activities	Total	Total
Yield on investments	137,8	4 406,2	9,6	4 553,6	4 387,0
Other investment income	11,8	444,1	1,7	457,6	404,8
Realised gains	39,4	1 319,1	6,7	1 365,1	941,1
Unit-linked adjustments (unrealised gains) on unit-linked contracts	-	2 512,2	-	2 512,2	2 144,0
Investment internal and external handling expenses and interests paid	(7,8)	(266,4)	(156,9)	(431,1)	(379,1)
Other investment expenses	(16,8)	(528,1)	60,5	(484,4)	(300,8)
Realised losses	(11,0)	(371,0)	(62,6)	(444,6)	(326,6)
Unit-linked adjustments (unrealised losses) on unit-linked contracts	-	(1 535,5)	-	(1 535,5)	(464,7)
NET INVESTMENT INCOME	153,5	5 980,5	(141,0)	5 992,9	6 405,7

3.4.2 Management expenses

The Group's general resources are, for French entities, managed by the BNP Paribas Cardif Economic Interest Group (EIG) which invoices its services to Group entities in proportion of use. This internal allocation is eliminated in the presentation of management costs by their intended use.

	31.12.2015				31.12.2014
	Non Life Insurance	Life Insurance	Other businesses	TOTAL	TOTAL
External fees and services	(76,7)	(96,7)	(328,3)	(501,8)	(462,5)
Commissions and deferred commissions	(1 424,6)	(2 055,9)	(19,7)	(3 500,2)	(3 286,7)
Taxes and duties	(28,0)	(49,4)	(33,0)	(110,5)	(102,8)
Staff costs	(86,0)	(130,4)	(298,0)	(514,4)	(450,5)
Other income and expense	20,9	2,9	223,0	246,6	206,5
Amortisation, depreciation and impairment	(25,1)	(123,5)	(35,9)	(184,6)	(176,6)
Reversals of provisions	9,4	23,5	11,5	44,4	30,6
Management expenses by nature	(1 610,2)	(2 429,5)	(480,4)	(4 520,4)	(4 242,1)
Internal eliminations and other reclassification	(123,0)	(357,7)	480,7	0,2	-
Total management expenses	(1 733,2)	(2 787,2)	0,2	(4 520,2)	(4 242,1)

3.4.3 Exceptional result

	31.12.2015	31.12.2014
Net realized result on sale of subsidiaries	16,0	(15,0)
Provisions for UK repositioning (DLPS & WR)	(13,2)	
Fines to ACPR		(10,1)
Other income and expense	(11,6)	6,4
TOTAL	(8,8)	(18,8)

In 2015, exceptional results corresponds to capital gains on the sale of TCLA and TCIB Thai participations for 14.7 million euros ("Net realized result on sale of subsidiaries")

Other expenses are linked with UK strategic repositioning.



3.4.4 Corporate income tax

The analysis of the tax charge between deferred tax and tax due was as follows:

	31.12.2015	31.12.2014
- Taxes due	(558,8)	(385,1)
- Deferred taxes	167,3	14,6
TOTAL	(391,4)	(370,6)

The reconciliation of the total tax charge recognised and the theoretical tax charge, calculated by applying the tax rate applicable to BNP Paribas Cardif to income before tax, is as follows:

Reconciliation of the effective tax expense at 31 December 2015	Base	Tax
Corporate tax expense on pre-tax income at standard tax rate in France	746,7	(283,7)
Impact of differently taxed foreign profits	306,8	19,8
Other items	-	(8,5)
Impact of previously unrecognised deferred taxes (tax losses and temporary differences)	262,5	(97,3)
Impact of permanent differences	59,0	(21,7)
Tax		(391,4)

The analysis of deferred tax assets and liabilities is as follows:

	31.12.2015		31.12.2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences	614,0	61,5	442,6	51,4
Non-capitalised temporary differences	434,4	-	370,4	-

Temporary differences include deferred tax on tax loss carryforwards which stood at EUR 16.4 million at 31 December 2015 from EUR 17.2 million at 31 December 2014.

3.4.5 Other information

At 31 December 2015 the company had 6,860 FTE (full-time equivalent) employees. This represents the employees at fully consolidated companies within the scope of consolidation of BNP Paribas Cardif. At 31 December 2014 this figure was 6.424 FTE employees.

3.4.6 Quote-part de mise en équivalence

	31.12.2015	31.12.2014
Europe	25,6	24,4
Latin America	(10,2)	(11,7)
Asia	34,0	27,8
Others	1,8	
TOTAL	51,2	40,5

	31.12.2015	31.12.2014
Entities under significant influence	53,8	46,4
Controlled Entities consolidated by Simplified Equity method	(2,5)	(5,9)
TOTAL	51,3	40,5



4. SEGMENT INFORMATION

4.1 Income statement by segment

4.1.1 Non-life insurance technical account

	31.12.2014			31.12.2014
	Gross	Ceded	Net	Net
Earned premiums	2 874,1	(299,9)	2 574,2	2 440,6
- Gross written premiums	2 931,3	(342,4)	2 588,9	2 511,0
- Change in unearned premiums	(57,2)	42,5	(14,7)	(70,4)
Net investment income	153,5	-	153,5	166,4
Other operating income	11,9	-	11,9	12,3
Claims costs	(1 039,6)	128,1	(911,5)	(831,8)
- Claims and expenses paid	(906,0)	99,3	(806,7)	(740,0)
- Change in outstanding claim reserves	(133,5)	28,8	(104,8)	(91,9)
Changes in other technical reserves	(5,9)	(2,8)	(8,6)	5,7
Participation benefits	(18,3)	3,3	(15,1)	(15,3)
Acquisition and administration costs	(1 654,2)	111,5	(1 542,6)	(1 455,0)
- acquisition costs	(1 517,6)	-	(1 517,6)	(1 451,9)
- administration costs	(136,5)	-	(136,5)	(130,1)
- Commissions received from reinsurers	-	111,5	111,5	126,9
Other technical expenses	(79,0)	-	(79,0)	(78,6)
Change in equalization reserve	(3,0)	-	(3,0)	4,3
Non life insurance technical income	239,5	(59,8)	179,7	248,4

4.1.2 Life insurance technical account

	31.12.2015			31.12.2014
	Gross	Ceded	Net	Net
Premiums	19 194,8	(473,3)	18 721,5	17 844,3
Net investment income	5 003,8	-	5 003,8	4 693,9
Unit-linked adjustments (unrealised gains) on unit-linked contracts	2 512,2	-	2 512,2	2 144,0
Other technical income	306,4	-	306,4	261,9
Claims	(13 076,4)	286,4	(12 790,0)	(12 434,5)
- Claims and expenses paid	(12 942,7)	259,9	(12 682,8)	(12 561,3)
- Change in outstanding claim reserves	(133,7)	26,4	(107,3)	126,9
Changes in life insurance technical reserves and other technical reserves	(5 070,3)	15,9	(5 054,3)	(5 385,2)
- Life insurance reserves	(2 132,0)	(11,9)	(2 144,0)	(2 348,2)
- Unit-linked contracts	(2 938,7)	27,9	(2 910,9)	(3 037,6)
- Other technical reserves	0,5	-	0,5	0,5
Participation benefit	(3 673,6)	43,8	(3 629,9)	(3 432,5)
Acquisition and administration costs	(2 595,0)	144,7	(2 450,1)	(2 242,2)
- Acquisition costs	(1 640,5)	-	(1 640,5)	(1 539,3)
- Administration costs	(954,5)	-	(954,5)	(863,8)
- Commissions received from reinsurers	-	144,7	144,7	160,9
Unit-linked adjustments (unrealised losses) on unit-linked contracts	(1 535,5)	-	(1 535,5)	(464,7)
Other technical expenses	(192,3)	-	(192,3)	(178,5)
Change in equalization reserve	(1,3)	(1,2)	(2,4)	4,7
Employee profit sharing	-	-	-	-
Life insurance technical income	872,8	16,3	889,4	811,3



4.1.3 Operating account – Other businesses

	31.12.2015	31.12.2014
Operating income	60,0	20,6
Operating expenses	(229,1)	(185,6)
Net charges/rev ersals to depreciation, amortisation and provisions	0,2	(0,1)
OPERATING INCOME	(168,9)	(165,1)
Net Investment income	(141,0)	(133,9)
Recurring operating income	(310,0)	(299,0)

The change in operating income is mainly due to ICARE SA (assistance business), where are booked the total amount of the operating expenses of ICARE Group, acquired by the end of 2014.

4.2 Other segment information

The analysis of earned premiums by geographic area and category is shown below:

	Life insurance		Non-life insurance	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
- France	10 864,7	9 680,2	686,6	632,4
- Italy	4 324,4	5 299,0	191,7	184,4
- Luxembourg	-	-	0,7	0,7
- Rest of Europe	528,5	527,3	953,5	927,8
- Latin America	479,0	375,5	898,2	775,6
- Asia	2 998,3	2 406,2	158,0	207,5
TOTAL EARNED PREMIUMS	19 194,9	18 288,2	2 874,1	2 728,4

	Life and Non-life insurance	
	31.12.2015	31.12.2014
- Individual savings	16 123,4	15 399,2
- Individual protection	4 851,1	4 470,4
- Employee benefits	662,1	749,0
- Property and casualty	432,1	397,9
TOTAL WRITTEN PREMIUMS	22 068,8	21 016,6

The analysis of gross technical reserves by category is shown below:

	Life and Non-life insurance	
	31.12.2015	31.12.2014
- Individual savings	138 295,3	131 366,0
- Individual protection	5 749,1	4 708,2
- Employee benefits	8 945,8	8 342,9
- Other global reserves	1 212,4	611,0
- Property and casualty	491,6	412,9
TOTAL GROSS TECHNICAL RESERVES	154 694,1	145 441,0

