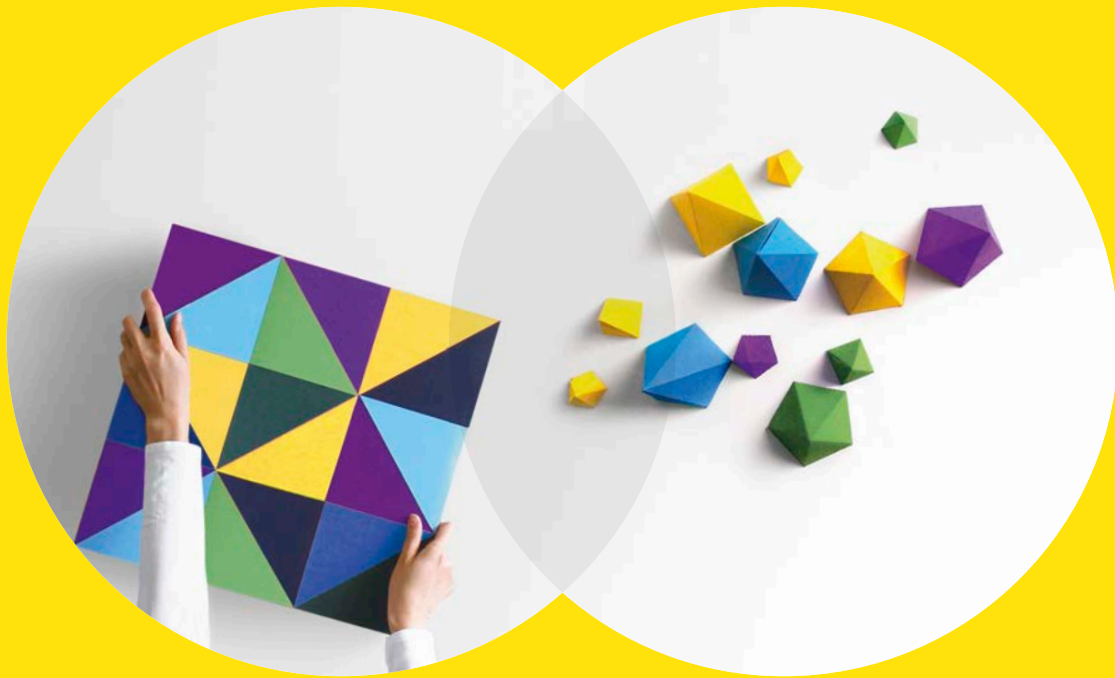


TOGETHER, LET'S CREATE THE INSURANCE SOLUTIONS FOR THE FUTURE



2015 BUSINESS REPORT



BNP PARIBAS
CARDIF

The insurer
for a changing
world

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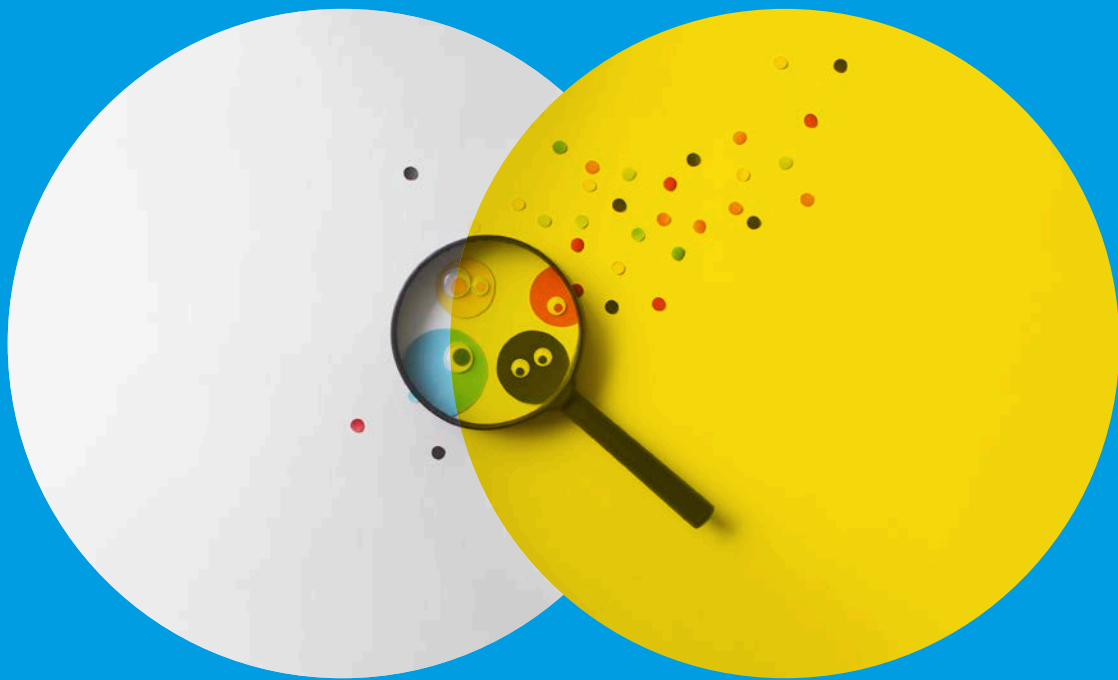
#cardiflab

Some of the photos in this annual report were shot at Cardif Lab'. This forward-facing platform showcases the array of digital innovations developed by BNP Paribas Cardif in many of the countries where we do business, as well as new high-tech solutions with potential to reshape the world of insurance tomorrow. Cardif Lab' is emblematic of our commitment to innovation and to advancing the digital transformation of our company.

2 MINUTES

*

TO UNDERSTAND HOW WE ARE DIFFERENT



Our business model is unique. We created our company by working with partners, and partnerships have driven our growth ever since. We forge relationships anchored in transparency and collaborative development. This has been our approach for more than 40 years. And that makes all the difference. What motivates us is our entrepreneurial spirit and reciprocal sharing of expertise and knowledge, making us more than simply a supplier. By always being more open to the world, we innovate not just for, but with our partners.

This proximity and open approach allow us to create insurance solutions with our partners matched to their needs.

5

ACTION PRINCIPLES WHICH MAKE US DISTINCTIVELY DIFFERENT

RATHER THAN TALK ABOUT HOW GOOD WE ARE, WE WOULD RATHER SHOW HOW USEFUL WE CAN BE. **BECAUSE EVERY DAY, OUR ACTIONS AND COMMITMENTS OFFER THE BEST EXAMPLES OF HOW WE MAKE A DIFFERENCE.**

We begin by listening closely

— Rather than talk about ourselves, we prefer to listen. We don't have off-the-shelf solutions. We pay close attention to our partners' needs, we're able to create new, tailored solutions. We listen equally to clients to guarantee that our products and services are fully matched to their needs and expectations.

We invent solutions to meet evolving market trends

— We never remain rooted in the present, but rather focused on the future. We carefully analyse new lifestyles and technology trends that are reshaping the world around us. We identify the most promising ideas and transform them into solutions that create value.

We share our experience and our expertise

— Rather than just keep our expertise to ourselves, we prefer to share it. The knowledge and expertise of our teams is the foundation of our value-proposition, and we want to be a source of value for our partners and their clients too. We are convinced that sharing expertise is the best way to keep moving our insurance business forward.

We do not compromise when it comes to respecting the interests of our partners.

— We do more than simply comply with the regulations that govern the conduct of our business, we respect the best interests of our stakeholders – our partners, their clients and our employees. We act with a long-term vision and we consider our social and environment responsibility as a strategic pillar.

We are motivated by an entrepreneurial spirit

— Being a leader in our areas of expertise never stops us from driving our business forward: individually and collectively, our 10,000 employees* continue to be inspired by the same entrepreneurial spirit that defined the founding of our company. That's why we continually rethink the best ways to prepare for the future with our partners, and why we welcome opportunities to work with prominent experts and promising start-ups. We actively cultivate this open approach and agility to better support all our partners each day.

* Headcount for legal entities controlled by BNP Paribas Cardif: nearly 8,000 employees.

A FEW FIGURES THAT SAY A LOT ABOUT US

A few figures speak more eloquently than a long speech to illustrate the scope of our business and our community, and above all to give you a sense of our experience and our shared obsession with quality.



10,000

people* who work with our partners every day.



90

million people insured worldwide.



42

years of partnerships, the cornerstone of our corporate culture.



36

countries, with strong positions in three regions: Europe, Asia and Latin America.



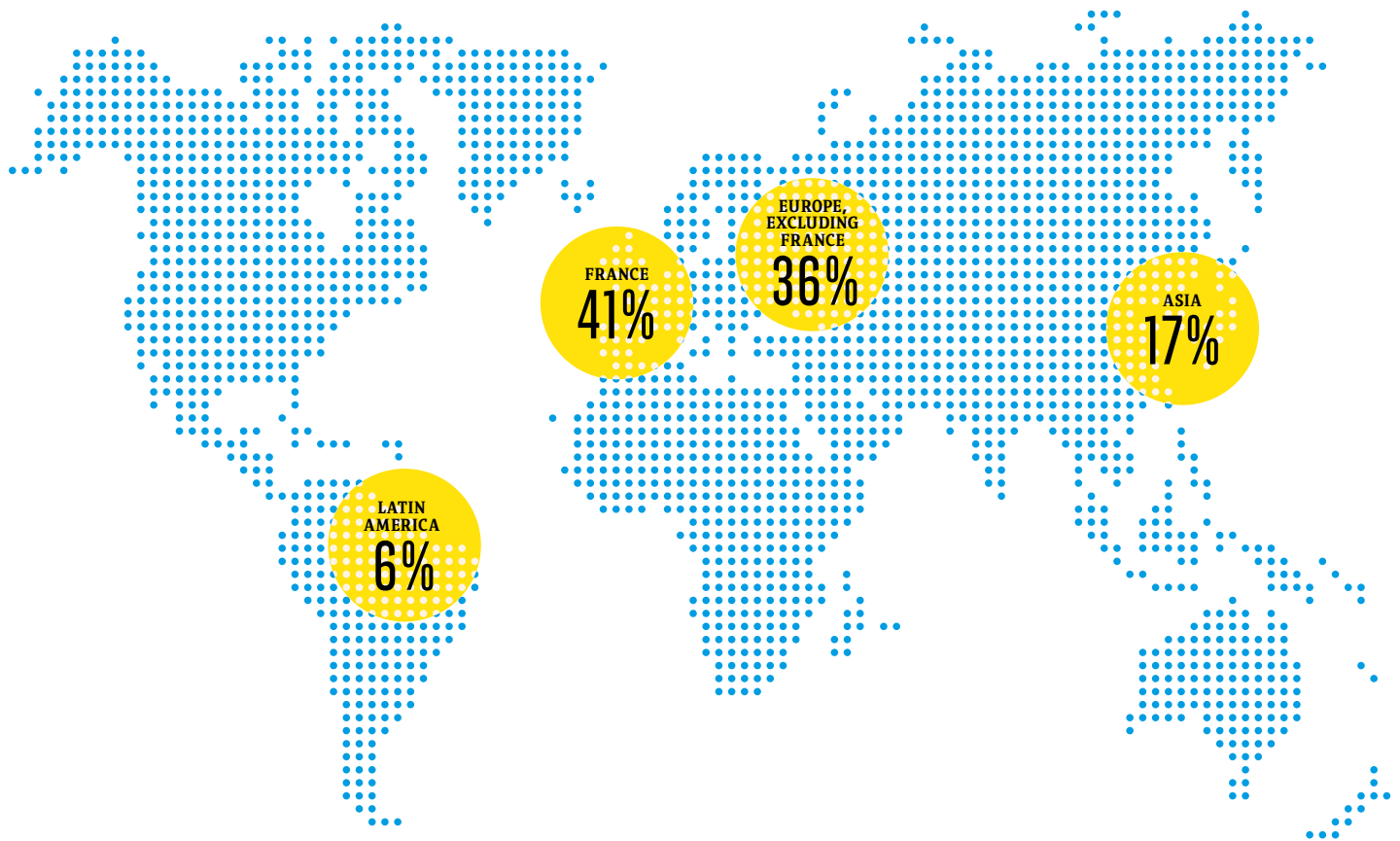
450

partners in multiple sectors place their confidence in us to distribute our products and services.



INTERNATIONAL REACH AND LOCAL PRESENCE

Breakdown of BNP Paribas Cardif gross written premiums in 2015



LATIN AMERICA

1.7 billion euros in gross written premiums in protection.

6 countries: Argentina, Brazil, Chile, Colombia, Mexico and Peru.

EUROPE

21.5 billion euros

in gross written premiums, of which 17.1 billion euros in savings and 4.4 billion euros in protection.

24 countries: Algeria, Germany, Austria, Belgium, Bulgaria, Croatia, Denmark, Spain, France, Hungary, Italy, Luxembourg, Norway, Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Russia, Slovakia, Sweden, Turkey and Ukraine.

ASIA

4.8 billion euros

in gross written premiums, of which 4 billion euros in savings and 800 million euros in protection.

6 countries: China, South Korea, India, Japan, Taiwan and Vietnam.

20 MINUTES

*

TO (RE)DISCOVER ABOUT HOW WE DO BUSINESS



We anticipate changes and explore new opportunities thanks to an approach built on collaboration.

We believe that mixing individual expertise with collective intelligence is the best way to ensure success, which is why we co-create savings and protection solutions with our partners that are matched to their needs. And together, we have an even greater agility to continually adapt this offering to an evolving environment.

This is how we work with our partners and their customers to create the insurance of tomorrow.

Keys to building the insurance of tomorrow

— Interview with **Pierre de Villeneuve**, Executive Chairman,
and **Renaud Dumora**, Chief Executive Officer.



Pierre de Villeneuve, you've been Executive Chairman of BNP Paribas Cardif since January 2016, and Renaud Dumora, you then became Chief Executive Officer. Has this transition at the head of the company gone smoothly?

Pierre de Villeneuve: Absolutely. Renaud Dumora's expertise, sense of ethics and managerial skills are essential in our business. What's more, this appointment marks a seamless continuity in our governance, as well as ensuring a consistent management approach for our teams, our partners and their clients. At the same time, it reflects the confidence of the BNP Paribas Group in our management team.

Renaud Dumora: I'm naturally delighted and very proud to become the head of BNP Paribas Cardif and to contribute to new chapters in its success alongside teams who share a daily commitment to better meet the expectations of our partners.

Pierre de Villeneuve, in June 2015 you also became head of the French bancassurance industry group. How does this position fit with your responsibilities at BNP Paribas Cardif?

P. de V.: My role at BNP Paribas Cardif is to actively contribute to defining the company's strategic initiatives, and I thus have a responsibility to closely track changes in the different markets where we operate, while contributing to analyses about the future of our activities. Our company has always been deeply integrated in the local economic fabric, in France and around the world, because we believe strongly in the growth potential of our business. This position gives me a chance to actively promote the interests of the company and the insurance industry in order to better serve our partners.

Renaud Dumora, you're now at the head of a company where you've spent almost your entire career. How do you explain this loyalty?

R. D.: I do indeed know the company very well, I've seen it grow and I especially like its team spirit – which is something that has real meaning at BNP Paribas Cardif. We know how to move forward together by drawing on the expertise we need from talented people to achieve our objectives and execute our business plan. BNP Paribas Cardif perfectly illustrates a spirit of conquest. We've had an excellent growth itinerary in terms of geographies, the scope of our offering and our business activities, all underpinned by our entrepreneurial spirit within a major group. I'm also very attached to the company because of the deep-rooted

human values which characterize our day-to-day relationships with clients, with partners and with one another across our teams inside the company.

When you hear staff, partners or clients talk about BNP Paribas Cardif, what makes you most proud?

P. de V.: Well, first of all I'd say the entrepreneurial mindset, and also the contributions we make to improving products and services for policyholders. In each of our markets we continually focus on serving the end customer. This is the heart of our development strategy and explains why we work so closely with our partners.

R. D.: I'd also mention BNP Paribas Cardif's reputation as an innovator, a company that throughout its history has spearheaded advances in the insurance industry and in insurance products. I also feel a tremendous sense of pride in our business model: we began with a partnership approach and we've grown through partnerships, replicating our model and our know-how in different sectors and in different countries. Each new partnership in a new industry, and each new country where we launch are great sources of pride. This proves that our model, our position in the market and our capacity for innovation continue to gain traction.

And what about things that irritate you most?

P. de V.: I think I can answer for both of us, for our entire management team in fact: any failure to respect the timely commitments to excellence we make to our partners. ...



... Let's turn to the results for 2015. What's your assessment of last year?

P. de V.: Despite a turbulent year in the financial markets, we saw robust growth in most countries, underlining the useful role played by insurance. At the same time, the economic environment, regulatory factors and consumer expectations linked to new technologies show the need for significant changes in our businesses. The insurance market is challenging itself and adapting, and we must make relevant choices to deliver tangible added value in sectors where we have particularly strong expertise.

R. D.: BNP Paribas Cardif saw very good performance in all its businesses with significant growth across our key indicators, confirming our solid foundations. Business was led by savings in France and Asia, and by the development of protection insurance in all our geographies. Gross written premiums totalled 28 billion euros, an increase of 2%, while pre-tax net profit was 1.3 billion euros, with an increasingly favourable structure between our two core insurance activities. Protection insurance now represents 25% of our gross written premiums. In savings, the share of unit-linked and Eurocroissance funds reached

40% of gross written premiums in 2015. These trends reflect the diversification strategy we will continue in the years ahead.

P. de V.: These good results are the fruit of joint efforts by our teams with our partners, and clearly show that our offers are aligned with the needs of their clients. New agreements signed in 2015 and the renewal of major partnerships – especially in Latin America – are a sign of reciprocal, long-term confidence.

Were your results equally robust in domestic and international markets?

R. D.: Domestic markets business recorded a slight decrease with gross written premiums of 18.5 billion euros. At the same time, we saw strong growth in France, which benefited from excellent new cash inflows thanks to the performance of all our distribution networks, especially the BNP Paribas Retail Banking network. Gross written premiums for France rose 11% to 11.6 billion euros. Although Italy and Luxembourg both posted a decline, their results follow exceptional business levels in 2014. In international markets, BNP Paribas Cardif had total gross written premiums of 9.5 billion euros, an increase of 8%, again led by both savings, with 4.9 billion euros, and protection, which accounted for 4.6 billion euros. Asia experienced especially remarkable growth of 10%*, and results surged 21%* in Latin America. Both these regions are business development priorities.

* At constant exchange rates.



Renaud Dumora,
Chief Executive Officer

"WE'RE CONTINUING OUR TRANSFORMATION TO EMBED THIS DIGITAL CULTURE THROUGHOUT THE COMPANY."

"THESE CHANGES CHALLENGE US TO DEMONSTRATE OUR AGILITY AND ABILITY TO ADAPT."

Pierre de Villeneuve,
Executive Chairman



Last year also saw several major internal projects at the company, notably your digital transformation. What progress have you made?

R. D.: The major transformation plan we initiated three years ago was completed in early 2016. Nearly 320 collaborative projects have enabled us to embed digital applications more deeply in all our activities. But this is only a first step. We're continuing our transformation in order to cascade this digital culture across the organization, embedding it in the day-to-day efforts of every employee at BNP Paribas Cardif.

We want digital solutions to be an integral part of our culture, to become a fully-fledged work method. Cardif Lab, which we created in 2014, plays a strategic role here, testing new concepts for products and services that may or may not be directly related to insurance, tapping into the potential of new technologies. The lab is also a training platform for our staff and partners, and an open innovation hub that engages with society (see pages 24-26).

Adapting to regulatory changes was another major project, particularly with the implementation of the European Solvency II Directive at the beginning of January 2016.

P. de V.: Without waiting for the application of the new regulatory framework, BNP Paribas Cardif has always been extremely vigilant in terms of risk

management. This is one of our core strengths, based on our extensive actuarial expertise on an international scale.

R. D.: We view these new regulations as an opportunity to strengthen the quality of our governance. We mobilized significant resources and energy across the company to deploy risk and solvency dashboards, tools for controls and communication with regulators. Today, everything is in place. We apply this same proactive approach to regulatory reforms in every country where we do business.

2015 saw the emergence of new risks - economic, financial, geopolitical and environmental - across the globe.

P. de V.: Indeed, and these factors inspire us to strengthen our capabilities to adapt and propose solutions that deliver tangible added value with a long-term perspective. Even though it's not always easy to identify precisely which products will be offered tomorrow, we believe that there will be growing demand for preventive solutions, an area where BNP Paribas Cardif is already engaged. We will also continue to play a prominent role in driving the development of responsible investment instruments.

Renaud Dumora, what are your ambitions for BNP Paribas Cardif?

R. D.: Our medium-term plan is designed to continue the transformation of our company to adapt to the business environment. One thing remains unchanged, however, and that is our commitment to be a concrete source of added value for our partners and with their clients. ✪

Perspectives on the new world of insurance

— Insights from members of the Executive Committee

1. Pierre de Villeneuve

Executive Chairman:

"In an environment characterized by rapid and profound changes, our proven ability to adapt remains one of our most important assets in making the right choices and continuing to satisfy our partners."

2. Renaud Dumora

Chief Executive Officer:

"BNP Paribas Cardif is now fully prepared to seize the opportunities created by new technologies, to strengthen our operational efficiency, and to enhance the customer experience."

3. Stanislas Chevalet

Chief Operating Officer, Transformation and Development:

"Our role is to serve people in a society where the priority is on useful and immediate services."

4. Olivier Cortès

Chief Operating Officer, Efficiency, Technology and Operations:

"In a changing world, quality standards are more demanding than ever. Our partners entrust us with their most precious asset – their relationships with their customers. And that's why people at BNP Paribas Cardif strive to achieve unparalleled levels of excellence every day."

5. Olivier Héreil

Chief Operating Officer, Asset Management:

"Innovation is also a priority for asset management. We want to make sure clients are aware of socially responsible investment (SRI) products, which offer attractive opportunities

and allow a reduction in medium- and long-term risks."

6. Virginie Korniloff

Chief Operating Officer, Domestic Markets:

"Our longstanding experience in successful partnerships is a tremendous asset in co-creating insurance solutions that are perfectly integrated in new customer journeys, enabling us to satisfy and build loyalty with current and future partners."

7. Jean-Bertrand Laroche

Chief Operating Officer, International Markets:

"Digitization and changes in consumer behaviour bring us opportunities to actively contribute to transforming the distribution models of our partners."

8. Isabella Fumagalli

Head of Italy:

"Being a digital insurer also means creating stronger contacts with our clients by engaging a dialogue on everyday issues, which is something we do through our IF Magazine blog."

9. Sophie Joyat

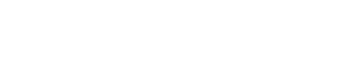
Head of Human Resources:

"We need to rethink our processes and organizations to adapt them to the world of tomorrow. By offering an inspiring and stimulating work environment we will continue to motivate our employees and attract new talents."

10. Pauline Leclerc-Glorieux

Chief Actuary:

"The combination of new technologies and our expertise



in analyzing data will allow us to increase our added value in service and risk management.”

11. Murielle Puron-Chambord
Chief Financial Officer:

“Our results confirm our robust financial foundations and the effectiveness of our business model as we build leadership moving forward in our areas of expertise.”



8



9

12. Vincent Sussfeld

Head of Asia:

“Our long-term joint ventures and distribution agreements with major players in the banking sector in Asia give us excellent access to an extraordinary client franchise and a unique opportunity to share our expertise in bancassurance.”



10



11

13. Francisco Valenzuela

Head of Latin America:

“In Latin America we enjoy unrivalled positions with the banks that serve major retailers and with financing companies. We intend to pursue our diversification, particularly in property and casualty insurance, and we want to accelerate our investments to provide our partners with multichannel offers.”



12



13

BOARD OF DIRECTORS

Pierre de Villeneuve

Executive Chairman of BNP Paribas Cardif

Marie-Claire Capobianco

Member of the Executive Committee of BNP Paribas, Head of French Retail Banking

Jacques d'Estais

Member of The Executive Committee of BNP Paribas, Deputy Chief Operating Officer of BNP Paribas, Head of International Financial Services

Renaud Dumora

Member of The Executive Committee of BNP Paribas, Chief Executive Officer of BNP Paribas Cardif

François Ewald

President of The Scientific Council, Université de l'assurance

Jean-Louis Guillot

Director

Thierry Laborde

Member of The Executive Committee of BNP Paribas, Deputy Chief Operating Officer of BNP Paribas, Head of Domestic Markets

Olivier Le Grand

Corporate Director and Director of Corporate Philanthropy Foundations

Jean-Hervé Lorenzi

President of the Cercle des Économistes, Advisor to the Supervisory Board of Compagnie financière Edmond de Rothschild

Philippe Marchessaux

President of BNP Paribas Asset Management

Yves Martrenchar

Member of the Executive Committee of BNP Paribas, Head of Human Resources of BNP Paribas

Jacques Mistral

Senior Fellow Brookings Institution, Professor, Harvard Kennedy School, University of Michigan, University of Nanking

Jean-Francois Pfister

Head of RISK BNP Paribas International Financial Services

Paul Villemagne

Honorary Chairman of BNP Paribas Cardif

2015 IN WORDS AND NUMBERS

CONTRIBUTION TO BNP PARIBAS GROUP RESULTS

€28 BN

Gross written premiums were up 2% compared with 2014

€2.3 BN

Net Banking Income was up 5.7% compared with 2014

€1.3 BN

Pre-tax net profit rose 6.7% compared with 2014

CONSISTENCY

BNP Paribas Cardif was honoured in Belgium for the seventh time in eight years. The Hypo Protect Classic policy was voted best insurance product in the category of risk management/life insurance linked to mortgages at the 16th DECAVI Awards on October 21 in Brussels.

SERVICE

In Brazil, BNP Paribas Cardif was named No. 1 in the Insurance category at the Época ReclameAqui Awards, which recognize the top companies in customer service. A total of 3.5 million people voted in the different categories covered by the awards.

EXCELLENCE

Cardif Élite, the personalized life insurance solution from BNP Paribas Cardif for wealth management, received the 2015 Excellence Label from personal investing publication *Dossiers de l'Épargne*. Experts cited the range and variety of underlying assets, coupled with reduced fees and a choice of management strategies.

7 YEARS

In Columbia, BNP Paribas Cardif renewed its partnership with Banco Agrario, the country's largest financial group, for seven years.

75%

25%

Savings

Protection

Breakdown of BNP Paribas Cardif gross written premiums in 2015.

5 YEARS

In Chile, BNP Paribas Cardif renewed its agreement with BancoEstado, the country's only state bank, for five years.



6.3 million

policyholders in India subscribed in just a few months to the PMJJBY contract proposed by the SBI Life joint venture, contributing to government efforts to improve social protection and financial inclusion for the country's population. *

FACTS WITH MEANING



BRAZIL: MAGAZINE LUIZA PROTECTS CUSTOMERS WITH BNP PARIBAS CARDIF

An exclusive agreement was renewed with Magazine Luiza, the giant Brazilian furniture, household appliances and electronics chain. BNP Paribas Cardif has been the chain's partner since 2002, marketing protection insurance and, through the LuizaSeg joint venture created in 2005, extended warranty contracts for the retailer's customers. 30 million Magazine Luiza customers in Brazil are covered by BNP Paribas Cardif solutions, which are marketed in the chain's 786 stores in 16 states, as well as via the brand's websites. *

FACTS WITH MEANING

INSIGHT WITH
ISABELLA FUMAGALLI,
 Member of the
 Executive Committee,
 BNP Paribas Cardif
 Head of Italy



"The Cardif Open-F@b initiative has proved tremendously successful in blending the vision of young innovators with the solid experience of seasoned managers."

ITALY: INSURANCE UP, A NEW CONNECTED INSURANCE PORTAL



www.insuranceup.it, the first Italian website dedicated to innovation and entrepreneurship

in the insurance industry, was created through a joint initiative by BNP Paribas Cardif and the webzine *EconomyUp*, in collaboration with PolyHub, the business incubator at Politecnico di Milano university. Launched in July 2015, the portal tracks digital developments and their impact on new markets while offering a forum for dialogue and ideas. It also promotes innovative projects led by startups. Shortly after going live, the new site hosted the second edition of the Cardif Open F@b competition, dedicated to connected objects. The ten most promising initiatives dealing with customer relations and new insurance services received support from Paribas Cardif. *

FACTS WITH MEANING

Mega DMP: a new life insurance offer in Taiwan

BNP Paribas Cardif's in Taiwan joined Mega Bank and Fidelity to introduce the new Mega DMP savings product. In addition to life and accidental death insurance, Mega DMP provides policyholders with increased protection, covering seven serious illnesses and accidents, without any increase in premiums. *

JAPAN: BNP PARIBAS CARDIF ENTERS A NEW MARKET



In 2015 BNP Paribas Cardif entered the consumer credit insurance market.

In a market where insurance penetration remains limited, BNP Paribas Cardif established a partnership agreement with a major player in the sector to provide cover against cancer for people with revolving credit lines. Available since 1 December, the insurance repays credit card debt if the borrower is diagnosed with cancer for the first time. *

DATA LAB' SPEARHEADS DIGITAL STRATEGY

The BNP Paribas Cardif Data Lab has been a resounding success.

Beyond a test platform for new technologies, this collaborative space provides insights into new uses for digital data by the insurance industry. The data lab has become a key resource for working with our partners – researchers and start-ups – to imagine and develop applications that sharpen the relevance of our offers and enhance the customer experience. *



Developing entrepreneurial drive among young people

As they have every year since 2011, employees from BNP Paribas Cardif worked with the association Entrepreneurs pour Apprendre (EPA), which applies entrepreneurial spirit as a conduit for learning among high school and university students learning about economics. Our staff sponsored nine local community initiatives, 24 "micro-enterprises" and three start-ups by donating their time and skills. *

GOOD PERFORMANCE IN CHINA

BNP Paribas Cardif holds 50% of BOB-Cardif Life alongside Bank of Beijing. The insurance company now counts nearly 200,000 customers. In a challenging economic environment, 2015 was marked by solid performance and co-construction of a five-year strategic plan. This plan draws on BNP Paribas Cardif's expertise in Asia and the strength of the Bank of Beijing brand to propose savings and protection insurance products for Chinese customers. *

FACTS WITH MEANING


In a changing world, ageing also means reinventing the future.

In France, Generation Care, the BNP Paribas Cardif website for seniors, offers a fresh and positive attitude towards growing old by stimulating cross-generational dialogue and sharing of innovations. To learn more about the aspirations of seniors, Generation Care organized a special open innovation "jam session". For 48 hours, some 60 insurance professionals, baby boomers, sociologists and innovators linked up for creative, future-facing workshops to explore new horizons for "ageing well". The exchanges touched on everything from work, retirement and healthcare to home services, mobility and social relations. In all these areas, open innovation accelerates the development of solutions that are shaping the insurance of the future. *

GENERATION CARE BRAINSTORMING JAM SESSION



"In this changing world, baby boomers nearing retirement want to invent a new approach to growing older."

INSIGHT WITH FLORENCE KARRAS,
Chief Digital Officer BNP Paribas Cardif France

To learn more about our innovations, follow us on Twitter @bnpp_cardif

FACTS WITH MEANING



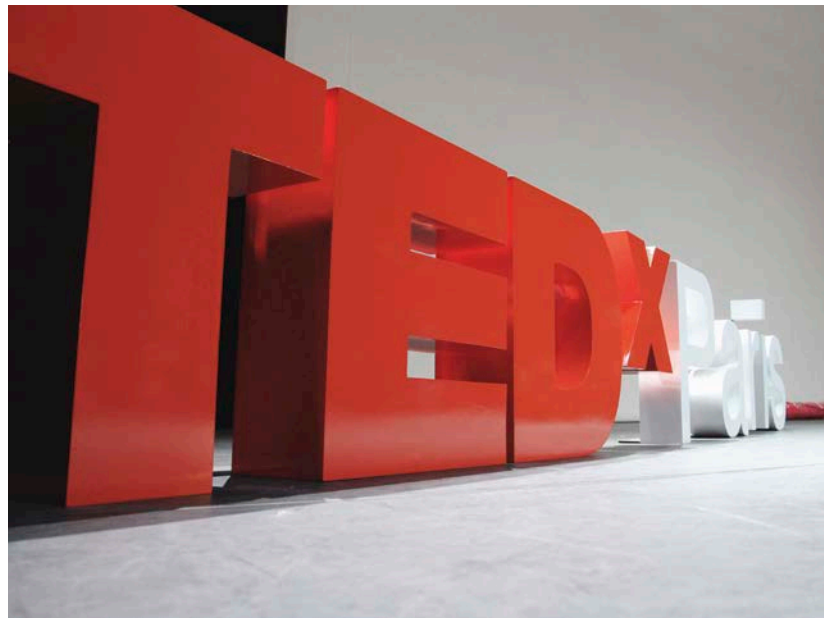
BNP PARIBAS CARDIF ENTERS COLLECTIVE HEALTH INSURANCE SEGMENT

BNP Paribas Cardif prepared for new French legislation that came into force at the beginning of 2016 requiring that all employers in France provide supplementary health insurance for their employees. Working with the BNP Paribas Retail Banking network in partnership with mutual insurer Mutuelle Mieux-Être (part of the Pro BTP group), BNP Paribas Cardif introduced “Protection Santé Salariés”, a mutual health insurance plan that is both simple and flexible. The plan is easily adapted to the needs of professionals and heads of small or mid-sized businesses, enabling them to provide coverage for their employees at attractive rates. ✱

TEDX CONFERENCES

BNP Paribas Cardif again joined TEDxParis in 2015 for a series of high-profile events centred on innovation. In June, 1,200 participants were on hand at the Château de Chambord in France for “La Renaissance digitale”, the second edition of the “do-tank” sponsored by L’Echappée Volée. In November, 2,000 people attended TEDxParis talks at the Théâtre du Châtelet in Paris and also had a chance for hands-on tests of innovations presented by the Cardif Lab’. ✱

L'ÉCHAPPEE 2015



Italy: InvestiPolizza BNL TOP life insurance product wins award

The InvestiPolizza BNL TOP unit-linked life insurance product designed by BNP Paribas Cardif and distributed exclusively by BNL retail bank branches received the Cerchio d’Oro dell’Innovazione Finanziaria award (gold medal for financial innovation) in the Life Insurance Products and Services category. The awards are sponsored by AIFIn, the Italian financial innovation association. This award recognizes the extensive range of exclusive innovative solutions offered in this market. ✱

ENDOWMENT FOR CHAIR AT ISFA ACTUARIAL SCHOOL RENEWED

BNP Paribas Cardif announced a five-year renewal of its endowment of the Chair in Excellence in “Data Analytics & Models for Insurance” (DAMI) at the Institut de Sciences Financières et d’Assurances (ISFA – Actuarial Sciences Institute), part of Lyon 1 University. Research from the DAMI chair and exchanges among members and BNP Paribas Cardif teams will enhance data analysis and modelling techniques and efficient use of this data. For decision-making, these tools help us to better understand interactions between the management decision process and models and identify their limits and those of new analytics tools. They also underline pitfalls in micro- and macroeconomic approaches. ✱

 FACTS WITH MEANING

INSIGHT WITH
OLIVIER HÉREIL,
 Chief Operating Officer,
 Asset Management,
 Member of the
 Executive Committee
 of BNP Paribas Cardif



“Tera Neva is a product that combines a solid issuer, potential for attractive yield, and positive environmental impact.”

 TERA NEVA: INVESTING IN THE ENERGY TRANSITION



BNP Paribas Cardif took part in the launch of Tera Neva,

a new sustainable investment solution that aligns financial objectives with energy transition goals. Marketed by BNP Paribas ahead of the COP 21 global climate conference, the product consists of a Climate Awareness Bond issued by the European Investment Bank (EIB), linked to the performance of the Ethical Europe Climate Care index. This groundbreaking initiative reflects growing interest among investors in reducing the impact of their portfolio on climate change by financing renewable and efficient energy projects. BNP Paribas Cardif and 11 other institutional investors* supported the initiative alongside, underwriting the €500 million Tera Neva issue. *

* ACMN VIE, AVIVA FRANCE, BNP Paribas Cardif, CARAC, CNP Assurances, ERAFP, GENERALI, GROUPAMA, HSBC Assurances, NATIXIS Assurances, PREVOIR and SURAVENIR.

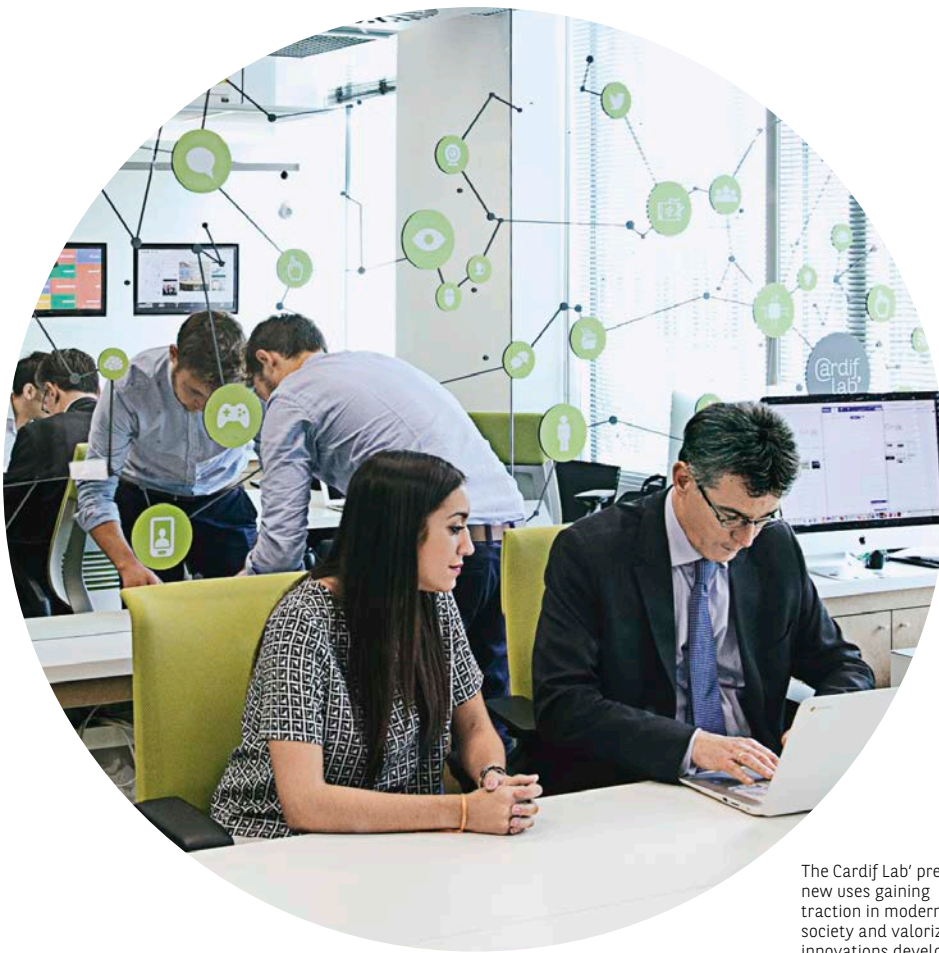
15 MINUTES
*
TO LEARN ABOUT
HOW WE ARE PREPARING THE FUTURE



A passion for innovation informs our corporate culture and continually challenges us to rethink the way we work and develop our business. Society and the ways people prefer to use products and services are changing, and new risks are emerging in a more complex world. This is why we are already preparing the insurance products and services of tomorrow. Identifying promising ideas and transforming them into value-added solutions is what we do, every day.

This is how we look to the future with confidence and determination to create the insurance solutions of tomorrow alongside our partners.

THE INSURANCE REVOLUTION



The Cardif Lab[®] presents new uses gaining traction in modern society and valorizes innovations developed by BNP Paribas Cardif.

From big data to smart data: the insurance revolution

Our customers are changing, in particular because they live in a digital world where access to information is easier and more open than ever before. Consumers have adopted new attitudes and the norm is real-time responsiveness, transparency and performance. They compare offers, benchmark competitors, and seek ways to get the most value from use when they purchase a product. Plus, they are more demanding than ever in terms of the service and speed they expect from brands and companies. New modes of consumption are also transforming

the customer relationship. Regardless of the touchpoint, physical or virtual, and regardless of the time or place, customers expect to be recognized, to have access to the full array of solutions available, and to enjoy the same quality of service.

An unlimited source of added value

The number of touchpoints will increase enormously with the growing number of objects connected to the web, or to one another. The miniaturization of digital technologies turns everyday objects into "intelligent" conduits for consumer information and dialogue. ...

Did you know?



Each day, 2.5 trillion bytes of data are created. This is the equivalent of the content on 10 million Blu-Ray discs which, when stacked, would be as high as four Eiffel Towers.

Source: communication-web.net

Big data, shared experience

Viewpoints with **Michael de Toldi**, Chief Data Officer, BNP Paribas Cardif, **Gilles Berdah**, Head of Insurance Engineering & Partnership, RCI Banque, and **Paul Duan**, Chairman and founder of Bayes-Impact.

What do you see as the most innovative uses of big data for insurance?

Michael de Toldi: There isn't necessarily one game-changing use, but rather a multitude of improvements based on valorizing data, flowing through to a general increase in service quality at key touchpoints in the customer relationship.

Gilles Berdah: Detecting weak signals makes it possible to propose relevant commercial offers matched to the immediate needs of customers, whether they are expressed or not.

Paul Duan: Big data lets you better understand how individuals behave and their exposure to risk. This means that beyond their legacy role in pooling risks, insurers can also help individuals reduce their risks.

How far can client segmenting be taken and still remain compatible with risk pooling?

M. de T.: Risk sharing is and will remain the cornerstone of insurance and the only appropriate response to the uncertainty of the risks covered. In this framework, big data will enable more granular personalization of offers.

G. B.: The limit is reached when the premium cost becomes commercially unacceptable to customers, since it is almost certain that the event will in fact happen.

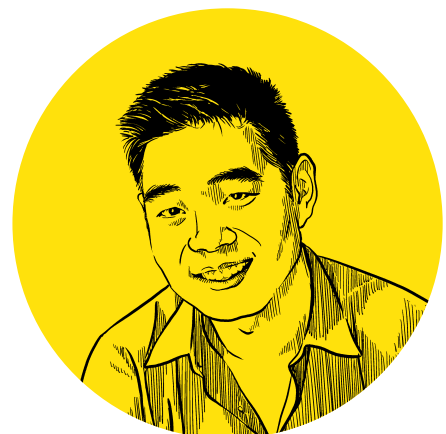
P. D.: Greater personalization is a good thing. But this also risks outpricing certain populations seeking insurance against rare events that will have become foreseeable.

How do you avoid big data becoming Big Brother?

M. de T.: Policyholders and insurers will only benefit from the big data revolution if their contract is anchored in confidence and transparency regarding data sharing and the use of personal data.

G. B.: The only totally effective defence is a tacit moral contract and self-regulation of organizations.

P. D.: You need to embed the "privacy by design" concept in the business model. As long as there are powerful financial incentives to exploit data on individuals there will be abuses. So you have to find other ways to create value.

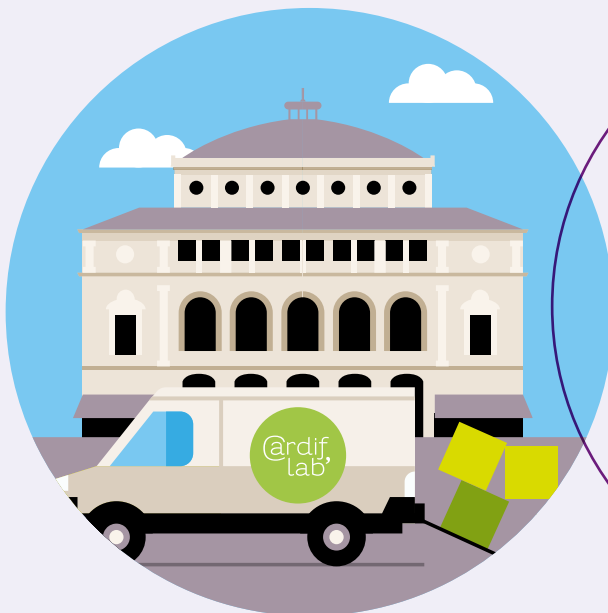


A YEAR AT THE CARDIF LAB'

In 2015, Cardif Lab' celebrated its first year of existence. The 120-square-meter space at the company's head office invites visitors to learn more about innovations that could impact different aspects of the world of insurance. Staff and partners come to test forward-facing applications that leverage the power of new technologies, facilitated by a six-person team with backgrounds in insurance, the digital world and academic research. The lab has become the hub of a growing community of Ambassadors who champion a vibrant digital culture throughout the company and with partners, helping imagine how new technologies will be used tomorrow and integrating them into relevant products and services. Cardif Lab' has welcomed 6,000 visitors since it opened. In 2015 the lab hosted events and start-ups and even went mobile! Here are a few highlights from the year at Cardif Lab'.

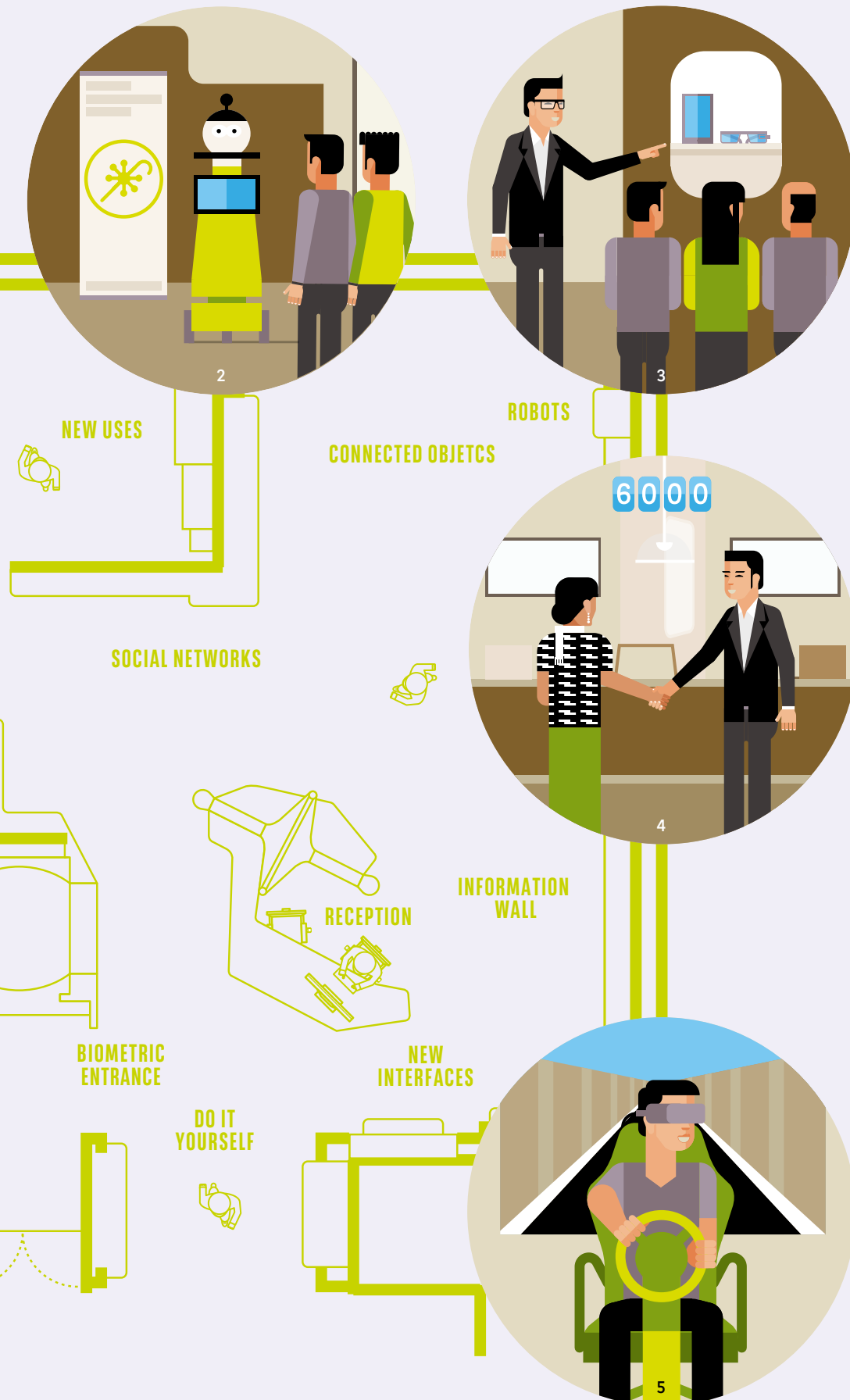


Continue your tour
of the Cardif Lab'...



Mobile Cardif Lab'

During the TEDxParis 2015 conference on the theme "French Revolutions", Cardif Lab' became mobile to present tomorrow's digital and environmental innovations right at the Théâtre du Châtelet.



1 Collaborative workshop

56 employees of BNP Paribas Cardiff worked in the offices of the future to create and assemble their own home automation box, including sensors to open doors and connected electrical outlets. They then took their boxes home for real world testing.

2 Paths to positive ageing

On 5 November, 60 visitors – researchers, sociologists and experts – discovered the digital innovations that will make it possible to “grow older better” tomorrow. Cardiff Lab’ was configured around four themes: mobility, interactivity, health and home.

3 Training Ambassadors

In 2015, a network of BNP Paribas Cardiff employees were trained as Cardiff Lab’ Ambassadors. Their role is to encourage colleagues and partners of the company to discover this unique platform for innovation and dialogue, establishing the foundations for innovative co-construction projects.

4 Visit from a partner

In September a delegation from South Korea including representatives of the Korean Life Insurance Association (KLIA) and journalists had a chance to discover the Cardiff Lab’ and test the latest innovations.

5 Driving simulator

One good example of the experiences proposed by Cardiff Lab’ is a driving simulator equipped with an Oculus Rift virtual reality headset, letting visitors test the effects of driving while under the influence of alcohol.

••• At the same time, these tools drive open innovation. At fab labs and other forms of participative workshops customers – who after all are the best experts when it comes to their own needs – are invited to co-construct their products and services. *“Every contact or exchange provides new information about people, their habits and their lifestyle,”* says Michael de Toldi, Chief Data Officer of BNP Paribas Cardif. *“The digital revolution continues to generate huge amounts of data, some structured, some unstructured. Tapping into this unlimited source of value has become a strategic imperative for all businesses, and especially for insurance companies.”*

When data gets smart

The insurance business model has always been based on sharing of information about individual and collective behaviour. The availability of more and more digital devices able to capture information simply expands this indispensable raw material for insurers. The sheer volume and variety of data, along with the speed of exchanges, make it legitimate to consider this a true paradigm shift. Each minute, 204 million emails are sent in the world. Google's search engine receives 3.5 billion requests per day. And according to IBM, 90% of the data now available was created during the past two years. *“We now have the tools needed to process this mass of information, even as it expands exponentially,”* Michael de Toldi explains. *“Data storage and analysis capabilities have increased alongside the rise in data volume produced. By transforming raw data into smart, useful information, advances in computing and algorithms have ushered in a virtually unlimited array of possible applications. This transition from big data to smart data must be harnessed above all to improve the customer's experience and satisfaction.”*

Shared benefits

This conviction has led BNP Paribas Cardif to invest in developing applications that provide clear and concrete benefits for policyholders. One of the top priorities is targeted offers, because contacting customers to invite them to purchase a product or service they don't need creates a feeling of intrusion and dissatisfaction. Refining analysis models is thus a way to eliminate solicitations that are not relevant. Other developments seek to accelerate insurance procedures. By optimizing the storehouse of information already available, the administrative formalities required for subscription to standard products such as loan insurance can be streamlined. In some cases, credit approval can even be automated. Likewise, sharing data is a way to significantly reduce

delays in claims payments by simplifying the damage report process and making follow-up more fluid. A third area where smart data harbours substantial promise is fraud prevention. *“Ultimately, everyone pays a part of the cost of fraud,”* Michael de Toldi emphasizes. *“New algorithms make it easier to detect fraud, which flows through to more efficient management of insurance costs, benefiting both the company and the customer.”*

The new world of connected objects

As the “internet of things” becomes ubiquitous, insurance companies are expanding their coverage portfolio with new offers that centre on risk prevention. Energized by a richly diverse ecosystem of start-ups, the market for connected objects has exploded over the past three years. According to European telecom and internet research consultancy IDATE, by 2020 there will be 80 billion connected objects in the world – an average of ten per person. The primary sectors concerned are health, the home and cars, all three key markets for insurance.

“Data generated by connected objects does not come from input reported by people themselves, nor is it even statistical,” explains Grégory Desfosses, Chief Customer Experience & Digital Officer of BNP Paribas Cardif. *“When a sensor detects a water leak in a home, this information is objective and measurable. It can be transmitted in real time and enables an equally rapid response. This brings insurance into a new realm of prevention, consulting and assistance services.”*

Thanks to data exchanges like this, the amount of damage can be limited, for example by repairing a leak before the entire house is flooded, or even preventing a leak. A weather application linked to a window can trigger an alarm or even close the window before a storm. Or by aggregating data records from sensors in a car it will soon be possible to predict a breakdown. Another good example is seniors living alone. Alert systems can “learn” their habits and, if an accident is suspected send an alert to request assistance.

“These are just a few of the many areas where our teams are readying applications associated with insurance solutions that will bring people greater safety and comfort and protect their property,” Grégory Desfosses enthuses.

Keys to confidence

Delivering on the promise of smart data and connected objects will only be possible, however, if people have complete confidence that their information will be protected and used responsibly. *“Regulations are increasingly strict in this regard, which is a good*

Did you know?



Data is the engine of the modern economy:

70% of data is created by individuals, but businesses archive and manage 80% of total data volume. This market will be worth \$54.3 billion in 2017, compared with just \$10.2 billion in 2013.

Source: Corp Agency, Mushroom Networks



The Cardif Lab¹ performs tests of the latest advances in connected objects.

thing," says Michael de Toldi. "These regulations set fundamental principles governing free and informed consent of users, as well as for data privacy. What's more, respect for the law does not necessarily mean respect for individuals."

To forge true confidence, an insurer must do more than simply respect regulations, forging a moral contract with policyholders who can explicitly define the information they choose to share in exchange for expected benefits, coupled with complete transparency regarding how this personal information will be used. Insurance companies have extensive experience in protecting personal information, but the advent of big data poses new issues that BNP Paribas Cardif is actively addressing. "We have a strong focus on the connected home and connected cars. On the other hand, we're more prudent when it comes to health applications, since this is a very sensitive area where new legislation is expected to define a framework acceptable to all stakeholders governing collective use of data," notes Grégory Desfosses.

Serving the general interest

Since big data makes it possible to define increasingly precise models, another priority is to find the best ways to tailor offers to the needs of individuals and their lifestyles without undermining the inherent mutual benefits of insurance. "Personalizing insurance coverage does not mean individualizing it," BNP Paribas Cardif Chief Executive Officer Renaud Dumora points out. "There is no question of creating a world where only people considered 'good risks' are eligible for protection. Insurance is based not only on protection against random unforeseen events, but also the principle of sharing risk exposure. It's essential to conserve this pillar, which guarantees solvency for the largest possible number of people. Applying data to better serve the general interest creates significant opportunities that we are exploring. That's why in addition to the Cardif Lab we've also created a Data Lab where we can work with our partners and their clients on creative solutions that share value across all stakeholders."

Did you know?



The Habit@ offer marketed by BNP Paribas Cardif in Italy since the end of 2013 combines home insurance with a homebox that monitors the home using sensors and alerts customers and the assistance hotline if a problem is detected (smoke, water leak, power outage, etc.)

Connected objects, shared experience

Perspectives with **Grégory Desfosses**, Customer Experience & Digital Officer, BNP Paribas Cardif, **Carole Zisa-Garat**, Founder of Telegrafik, and **Luc Julia**, Vice President of Innovation at Samsung Electronics – Strategy and Innovation Center.



Which sectors are seeing the most impact from connected objects?

Grégory Desfosses: Cars mainly. The connected car is radically changing the industrial value chain, just as it will revolutionize many aspects of our daily lives.

Carole Zisa-Garat: Every sector could potentially be impacted by new connected services. A lot of business models will be upended and this is just the beginning as big data and open data gain traction.

Luc Julia: Industrial. IoT will optimize the plants in terms of productivity and energy management.

How can connected objects transform the relationship between insurers and policyholders?

G. D.: These objects interact directly with the reality of each situation. This creates tremendous possibilities to personalize offers and improve quality of service.

C. Z.-G.: They can help prevent risks, trigger alerts when a problem arises or provide services to help resolve the problem. Dependency insurance could be combined with an e-health or tele-assistance system linked to a home automation system.

L. J.: Monitoring and automation result in greater confidence on both sides. Effective monitoring can prevent a lot of damage, and when it can't be prevented, helps understand the causes.

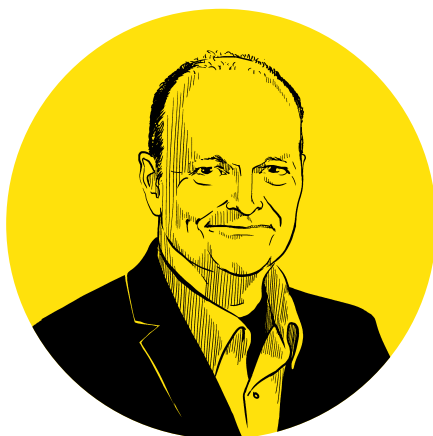


How do you make sure that the data collected by connected objects is protected?

G. D.: BNP Paribas Cardif's data protection standards are among the most demanding in the market. We intend to apply these same standards to connected objects, with the same unyielding principles and rigor as for data from other sources.

C. Z.-G.: Best practices must be replicated, such as making data anonymous whenever possible. But this should become a barrier to innovation either.

L. J.: There are a lot of ways to protect data. Respecting personal privacy, meaning letting customers control the information they want made accessible for a given service, will significantly increase security. You also need to limit the number of people with access to this data.



Did you know?



In France, the law defines personal data as “any information relating to an identified or identifiable individual, directly or indirectly”. This includes “anonymous” data from which an individual can be identified by filtering the data.

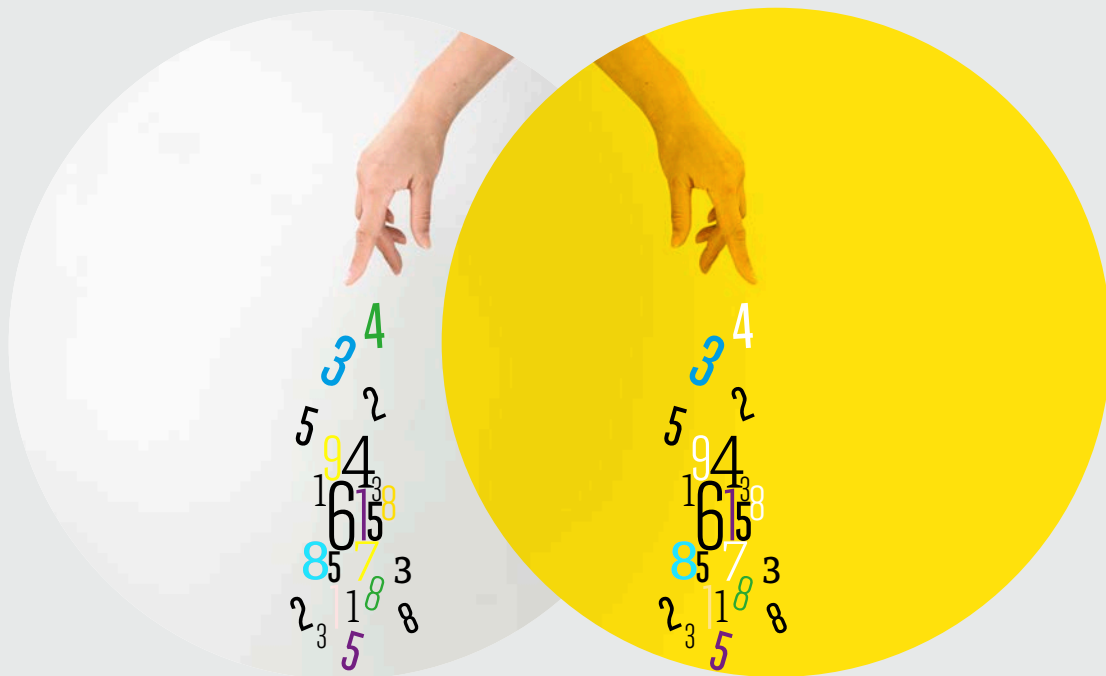
Source: www.cnil.fr

RESULTS

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BNP PARIBAS

FINANCIAL REPORT



BNP Paribas Cardif and BNP Paribas Group Insurance

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PART 1 – BNP PARIBAS CARDIF AND BNP PARIBAS GROUP INSURANCE

01. BNP PARIBAS CARDIF AND BNP PARIBAS GROUP INSURANCE ACTIVITIES

International activities of BNP Paribas Cardif are carried out either by directly held subsidiaries or by branch offices of the two primary BNP Paribas Cardif subsidiaries which are:

- Cardif Assurance Vie S.A. (fully owned by BNP Paribas Cardif), a mixed business insurance company registered in the Paris Trade and Companies registry under number 4021042, domiciled at 1, boulevard Haussmann, 75009 Paris, France
- Cardif-Assurance Risques Divers S.A. (fully owned by BNP Paribas Cardif), a non-life insurance company registered in the Paris Trade and Companies registry under number 4020286, domiciled at 1, boulevard Haussmann, 75009 Paris, France.

Furthermore, the primary French operational entities of BNP Paribas Cardif include the EIG (Economic Interest Grouping) BNP Paribas Cardif, which oversees all subsidiaries and branches of BNP Paribas Cardif and is domiciled at 1, boulevard Haussmann, 75009 Paris, France.

Some of the subsidiaries are set up as joint ventures, including:

- **Cardif Luxembourg Vie**, of which 33.34% is owned by BNP Paribas Cardif, and which operates as a life insurance company in Luxembourg
- **SBI Life**, in which BNP Paribas Cardif has a 26% stake and the State Bank of India a 74% stake, which operates as a life insurance company in India
- **BNP Paribas Cardif TCB Life Insurance Company**, 49% owned by BNP Paribas Cardif and 51% owned by Taiwan Cooperative Bank, which operates as a life insurance company in Taiwan
- **BNP Paribas Cardif Life Insurance Co. Ltd.**, in which BNP Paribas Cardif has an 85% stake, with 15% owned by Shinhan Bank, operating as a life insurance company in South Korea
- **BOB-Cardif Life Insurance Company**, which is co-owned in equal shares by BNP Paribas Cardif and the Bank of Beijing, a life insurance company in China
- **Luizaseg**, in which BNP Paribas Cardif has a 49.99% interest via NCVF Participacoes Societarias SA, with a 50.01% stake held by Magazine Luiza, a non-life insurance company in Brazil
- **Cargeas**, in which BNP Paribas Cardif has a 50% interest minus one share, and Ageas has an interest of 50% plus one share, which is a property and casualty insurance company in Italy
- **Natio Assurance**, owned in equal shares by BNP Paribas Cardif and AXA, a Non-Life insurance company registered under number 4021236 in the Trade and Companies registry, domiciled at 8, rue du Port, 92728 Nanterre Cedex, France.

Two entities are linked analytically to the insurance business line of the BNP Paribas Group:

- A total of 25% of AG Insurance, which corresponds to BNP Paribas' stake,
- A total of 66.66% of Cardif Luxembourg Vie, via the 33.33% stake through BGL and the 33.33% stake of Ageas.

Insurance activities with the BNP Paribas Group recorded revenues of €28 billion in 2015, corresponding to:

- A total of € 25.2 billion in revenues for the entities held by BNP Paribas Cardif, including:
 - An amount of €22.1 billion from entities that are fully and proportionally consolidated in the financial statements,
 - An amount equal to €3.1 billion for entities consolidated through the equity method or outside of the scope of consolidation.
- Analytically linked entities provided revenues of €2.8 billion.

Reconciliation of Revenues as per the Consolidated Financial Statements and Revenues from the insurance activities of BNP Paribas Group

December 2015 (data in € billion):

Consolidated Revenues*	22.1
Companies consolidated by the equity method or not consolidated:	3.1
including:	
Cardif Luxembourg Vie (33.34% owned)	0.7
SBI Life (26% owned)	0.5
BNP Paribas Cardif TCB Life Insurance Company (fully consolidated)	0.9
Natio Assurance (50% owned)	0.1
Other companies	0.8
Analytically linked companies:	2.8
including:	
Cardif Luxembourg Vie (66.66%)	1.4
AG Insurance (25%)	1.4
REVENUES FROM THE INSURANCE ACTIVITIES OF BNP PARIBAS GROUP	28.0

* Consolidated financial statements of BNP Paribas Cardif – statutory scope.

PART 1 – BNP PARIBAS CARDIF AND BNP PARIBAS GROUP INSURANCE

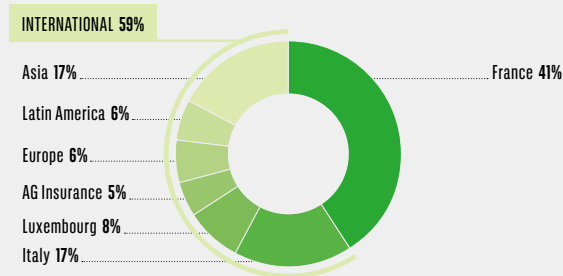
02. ACTIVITY FOR 2015

Revenue for the Insurance activities of the BNP Paribas Group, which was up 2% compared to 2014, at constant scope and exchange rate, was **€28 billion** in 2015. Business in 2015 was driven by savings in France and Asia as well as on going development of credit protection in all geographic regions of operations.

Growth in BNP Paribas' Insurance business is based on its unique business model:

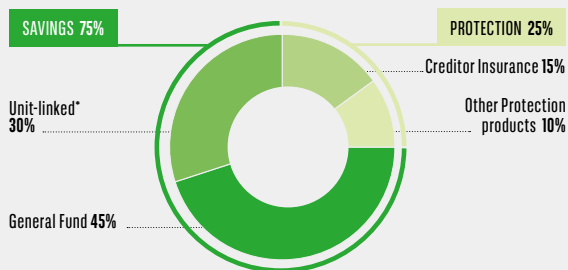
- a major **international presence** with very **strong positioning** in **Europe, Asia and Latin America**

Breakdown of 2015 revenues by geographic region



- a **diversified offer** of services focusing on savings and protection products

Breakdown of 2015 revenues by product



* Including Eurocroissance funds.

- a **partnership approach** with distribution through banks, financial institutions, consumer credit companies, credit subsidiaries of car manufacturers, or major retailing groups.

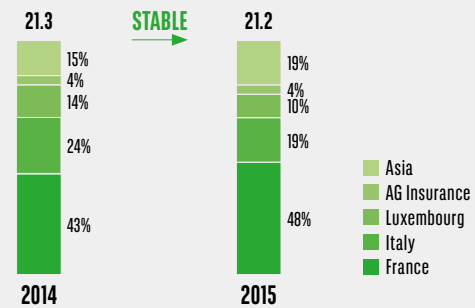
2.1. The Savings activities of BNP Paribas Group's insurance business line

The Insurance business of BNP Paribas Cardif Group registered savings inflows of **€21.2 billion** and **€6.1 billion** net inflows.

A full **75% of the business is Savings insurance**. These gross inflows are achieved in the Domestic Markets of France, Italy and Luxembourg, as well as in Asia.

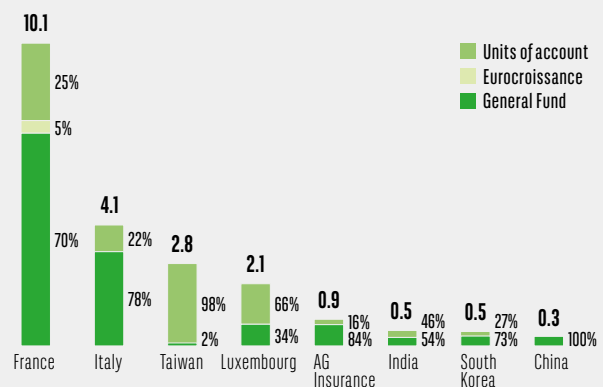
Saving contributions were recorded in China for the first time in 2015 through the BOB-Cardif Life Insurance Company (Bank of Beijing Cardif Life) joint venture, which was acquired in late 2014.

Breakdown of 2015 savings inflows by geographic region (in € billion)



In 2015, significant savings inflows in terms of unit-linked were registered in the main countries, with an overall share of 40%, including Eurocroissance funds in France.

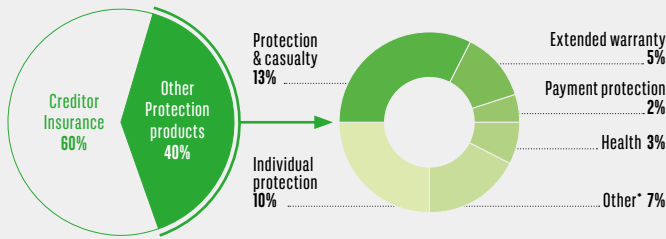
Savings inflows for 2015 by country and product (in € billion)



PART 1 – BNP PARIBAS CARDIF AND BNP PARIBAS GROUP INSURANCE

2.2. The protection business of BNP Paribas Group's insurance

Protection revenues increased by 10% compared with 2014 at current exchange rates and up 10% at constant exchange rates. Revenues amounted to **€6.8 billion** in 2015 and were broken down as follows:

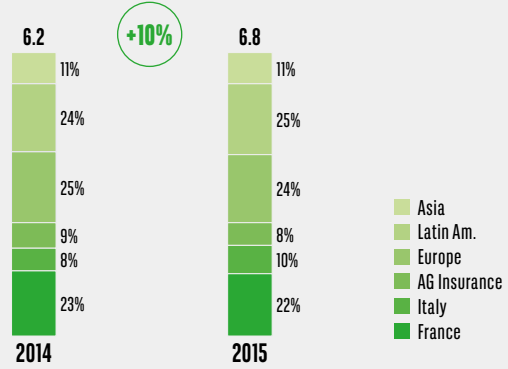


* Collective protection, GAP, Budget and Earnings protection, etc.

The protection business, also very diversified geographically, continues to develop, particularly in Asia and in Latin America. These regions are now accounting for over one third of the business, compared to only 18% in 2008.

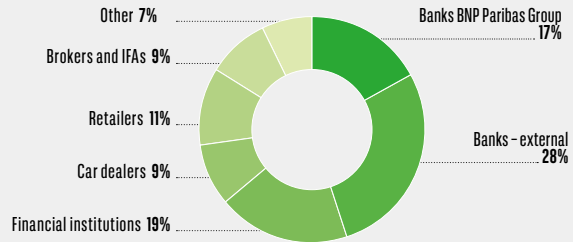
In 2015, the protection business other than credit protection represented 40% of all business. (Refer to histogram below)

Breakdown of 2015 protection inflows by geographic region (in € billion)

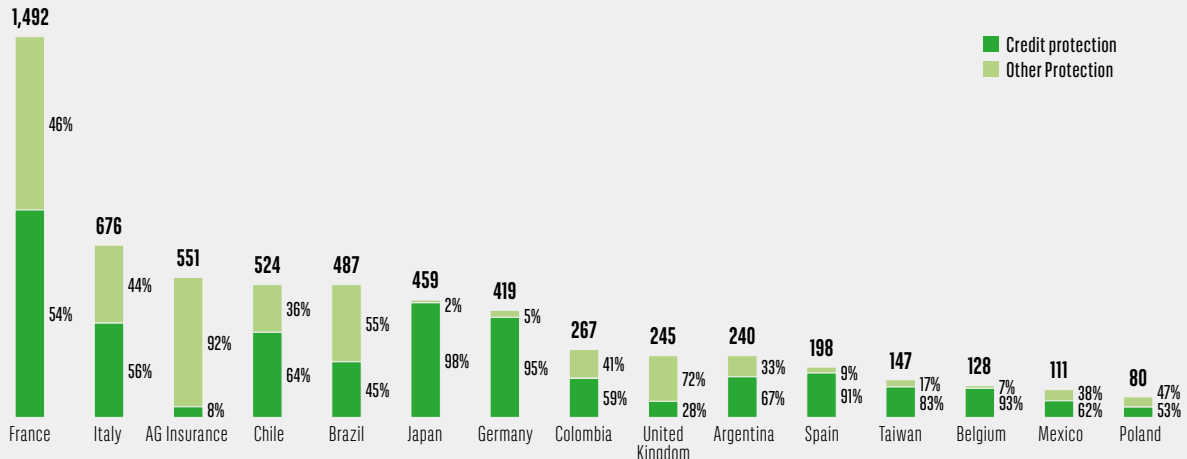


As shown in the graph below, the distribution networks of BNP Paribas Cardif are especially well-diversified, which provides particular support for the protection business and its development.

Breakdown of 2015 protection revenues by distribution network



Protection revenues for 2015 by country and business line (in € billion)



PART 2 – MANAGEMENT OF FINANCIAL ASSETS

Assets under management by BNP Paribas Cardif at 31 December 2015 stood at €215 billion at market value, all instruments considered together, including:

- €182 billion backing commitments from the savings business, broken down as follows:

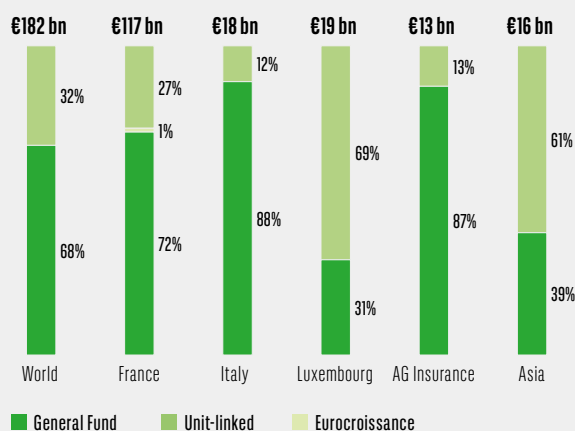
- €117 billion managed by Cardif Assurance Vie,
- €19 billion managed by Cardif Luxembourg Vie,
- €18 billion managed by Cardif Vita,
- €13 billion managed by AG Insurance (with 25% stake),
- €16 billion managed by Asian entities,

- €15 billion backing commitments from other businesses, primarily protection, and other regulatory provisions,

- Over €18 billion in unrealized gains

At 31 December 2015, the breakdown by type of financial instruments and main countries of the assets under management is as follows:

Assets under management - Savings December 2015, by country and vehicle



Asset management for the main general funds of BNP Paribas Cardif, Cardif Assurance Vie and Cardif Vita, is detailed down below.

01. CARDIF ASSURANCE VIE GENERAL FUND

Cardif Assurance Vie, the group's primary insurance company, has €105 billion of assets under management via its general fund. The Cardif Assurance Vie asset allocation at 31 December 2015 (excluding assets backing unit-linked contracts) was as follows:

1.1. Distribution at the end of December 2015

Changes in the structure of marketable securities in the general fund is shown in the table page 32.

At the end of 2015, the market value of fixed rate investments (interest included) fell to 74.6% of the total market value, compared to 76.6% at the end of 2014. The proportion of variable rate bonds rose slightly and was 6.3% at the end of 2015, compared to 5.8% at the end of 2014. With securities under repurchase agreements, short-term investments represented -1.5% of the portfolio at the end of 2015, compared to -1.9% at the end of 2014.

The percentage market value of investments in equities (including convertible bonds, indexed shares, other equities and diversified equities) increased by 11%, compared to 10.4% at the end of 2014.

BONDS EXPOSURE

World growth in 2015 is set at 3.1% according to IMF forecasts, down by 0.3% compared to 2014, when it registered 3.4%.

The United States recorded growth of 1.8% in 2015, underpinned by a labor market that continues to stay the course.

In the Euro zone, GDP for 2015 is set at 1.5%, a 0.6% improvement over 2014.

Significant events for 2015 were the unexpected drop in raw materials prices and a slowdown in the Chinese economy, two events that weighed heavily on world growth and on emerging nations.

At the beginning of the year a fear of deflation reigned, which brought interest rates down to levels never before reached, to 0.35% for ten-year French notes in April 2015.

Subsequently, the rebound of expected inflation, combined with better growth figures in Euro zone economies and the European Central Bank's (ECB) intervention inverted this interest rate trend rapidly. Yields of ten-year French government bonds rose to a high for the year of 1.30% at the end of June. By year's end, French rates had fallen progressively to 0.99%.

Economic growth in the Euro zone did not flag, although it remained "limited" to around 1.5% in 2015 according to the ECB. As inflation was lower than forecast, the ECB acted more strongly with a policy of quantitative easing and by making its intervention visible through March 2017.

US ten-year rates rose slightly over 2015, moving from 2.17% to 2.27%, while French government OAT ten-year rates rose by 0.82% to 0.99%.

Rates in peripheral countries were subject to contrasting patterns, especially in Italy and Spain. For example, the 10-year Spanish rate rose from 1.58% to 1.76%, while the 10-year Italian rate dropped from 1.86% to 1.59%.

In this market climate, Cardif Life Insurance adopted an active investment policy while remaining cautious. Fixed rate, variable rate and short-term debt securities as at 31 December 2015 accounted for 79.4% of the market value of the fund's euro-denominated assets.

PART 2 – MANAGEMENT OF FINANCIAL ASSETS

Investments acquired mainly consisted of French government bonds with long maturities.

While adopting a very strict stock picking policy, investments were made in high ranking corporate bonds so as to take advantage of the additional yield available on these bonds compared to government bonds. BNP Paribas Cardif has consolidated its positions on long-term bonds through its main general fund to profit by the spread of advantageous rates compared to risk-free products.

At the end of 2015, the bond portfolio contained 54% government bonds and 46% non-government bonds. Most non-government bonds come from industrial and financial services companies.

The bond portfolio still has a very high rating averaging "A+".

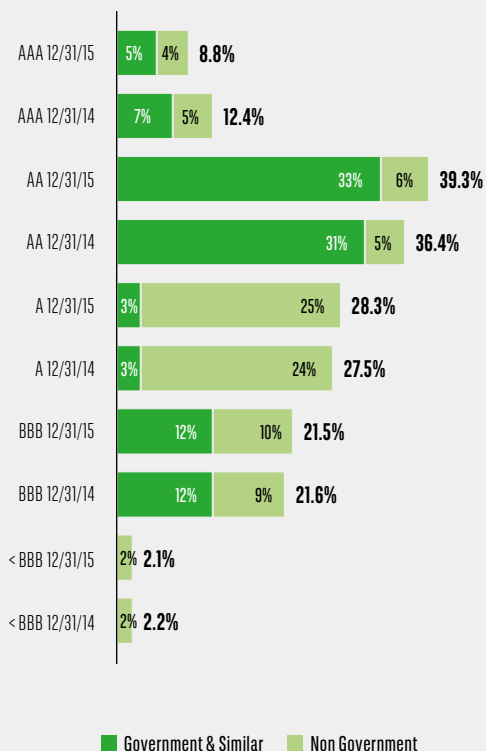
Sensitivity to interest rate risk of the portfolio is down slightly on the year, moving from 5.19 at the end of 2014 to 5.15 at the end of 2015.

CREDIT RISK

While adopting a very strict approach to the active bond market in 2015, BNP Paribas Cardif has used its main general fund to pursue investments in high ranking corporate bonds so as to take advantage of the additional yield available on these bonds compared to government bonds.

With regard to credit risk, the portfolio comprised 8.4% of securities rated AAA, 38.4% of securities rated AA, 29.8% of securities rated A and 21.2% of securities rated BBB. The proportion of securities rated below BBB or that were not rated was 2.1%.

Changes in ratings of the bond portfolio between 2014 and 2015



Changes in the structure of marketable securities in the general fund

Data in € billion	DECEMBER 31, 2014				December 31, 2015			
	NET BOOK VALUE*		MARKET VALUE*		NET BOOK VALUE*		MARKET VALUE*	
Fixed rate	66,003	76.3%	78,149	76.6%	68,093	75.4%	77,960	74.6%
Variable rate and inflation linked bonds	5,435	6.3%	5,951	5.8%	6,154	6.8%	6,610	6.3%
Equity-linked notes and convertible bonds	1,341	1.6%	1,595	1.6%	1,575	1.7%	1,822	1.7%
Equities and UCIT equities	8,051	9.3%	9,759	9.6%	8,261	9.1%	10,602	10.1%
Alternative funds	1,543	1.8%	1,678	1.6%	1,625	1.8%	1,801	1.7%
Real Estate	5,960	6.9%	6,879	6.7%	6,107	6.8%	7,335	7.0%
Short term	-1,990	-2.3%	-1,978	-1.9%	-1,601	-1.8%	-1,596	-1.5%
Options	148	0.2%	10	0.0%	115	0.1%	7	0.0%
Subtotal rate instruments	70,991	82.1%	83,799	82.1%	74,271	82.2%	84,776	81.1%
Subtotal Equity instruments	9,393	10.9%	11,354	11.1%	9,836	10.9%	12,424	11.9%
TOTAL	86,492	100%	102,043	100%	90,329	100%	104,542	100%

* Accrued interest included.

PART 2 – MANAGEMENT OF FINANCIAL ASSETS

At 31 December 2015, the breakdown of exposure by issuing state is as follows:

Data in € billion	CARDIF ASSURANCE VIE		
Country Group issuer	Ratings*	Net book value with interest accrued	% of Bond Portfolio
FRANCE	AA	18,194	25.6%
ITALY	BBB	5,318	7.5%
BELGIUM	AA	3,124	4.4%
SPAIN	BBB+	2,438	3.4%
AUSTRIA	AA+	1,512	2.1%
NETHERLANDS	AAA	1,238	1.7%
IRELAND	A-	1,290	1.8%
GERMANY	AAA	1,049	1.5%
PORTUGAL	BB+	181	0.3%
OTHER		2,339	3.3%
Subtotal Government Bonds		36,683	51.6%
Subtotal Corporate Bonds		34,444	48.4%
TOTAL BOND PORTFOLIO		71,127	100%
TOTAL		90,329	

* Average rating of 3 agencies: Standard & Poor's, Fitch, Moody's.

At 31 December 2015, exposure to Portugal BB+ instruments was very low, representing 0.3% of the entire bond portfolio, at book value, including accrued interest. Italy and Spain accounted for 7.5% and 3.4% respectively of book value.

EQUITY RISK

In 2015, the CAC 40 and Eurostoxx 50 indices rose by 10.92% and 6.42% respectively on December 31, 2015, taking into account dividends.

The main general fund of BNP Paribas Cardif started 2015 with a positive vision over the equity markets, anticipating intervention by the European Central Bank and economic recovery in the Euro zone.

Certain tactical moves were made in the second half to take into account uncertainty about the economic slowdown in China, its impact on world growth and the perspective of rising US rates.

The result of this was to proceed with profit taking at the end of July in equities for 0.8% of the portfolio. In August, the Chinese Central Bank surprised the markets by devaluing the nation's currency. Fearing a stronger slowdown of the Chinese economy than anticipated, the financial markets dropped over 15%.

Tactical buybacks focused on the Euro zone then drove up equities 10.8% in the general fund.

From a geographical viewpoint, the main general fund of BNP Paribas Cardif continued to favor the Euro zone, with 76% of allocated shares there, because this region had better economic growth momentum,

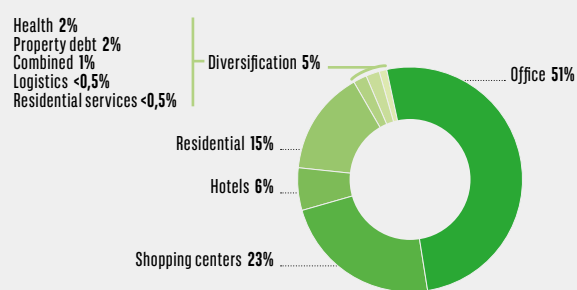
and companies still have considerable potential for improvement in revenues.

At the end of December, equities accounted for 11% of total assets.

REAL ESTATE EXPOSURE

The proportion of real estate assets as at 31 December 2015 remained stable at 7.1% in value.

Real estate investment types, including off-balance sheet commitments were as follows:



In 2015, the strategy of BNP Paribas Cardif in the face of a historically low real estate market focused on:

- Developing partnerships in specialized areas such as health and hotels, which are vectors for investment opportunities and diversification of portfolio,
- Selective investments targeting assets that provide secure cash flows and major investment volumes in markets where there are fewer players,
- Stepping up sell-offs of non-strategic assets in order to take advantage of favorable prices in the market

New investments amounted to €325 million in 2015, of which €103 million in units of account, primarily on OCPIs sold to the general public, sold up to €47 million.

Other investments amounting to €222 million were broken down principally as follows: 35% in hotels, 18% in health assets, 13% in real estate debt, 13% in residences, 10% in office properties and 10% in retail. The percentage allocated to "diversification" amounted to 66% of new investments concluded in 2015.

Divestments reached an overall amount of €184 million, of which €123 million were disposals related to shares in companies and €61 million to payoffs of investments reaching maturity.

02. CARDIF VITA GENERAL FUND

In Italy, most assets under management by Cardif Vita are attributed to the life insurance business. These amounted to €18 billion in market value at 31 December 2015.

PART 2 – MANAGEMENT OF FINANCIAL ASSETS

2.1. Breakdown of investments

Total assets are divided among six general funds.

At December 31, 2015, the assets allocated to Capital Vita, the company's primary general fund, were distributed as follows:

Data in € billion	December 31, 2015		
	Book Value (w/accrued interest)	Market value (w/accrued interest)	% of Book Value
Fixed rate	12,225	14,308	80.1%
Variable rates and inflation indexed	992	1,019	6.5%
Equities instruments (directly and indirectly held)	1,355	1,622	8.9%
Alternative	153	155	1.0%
Real Estate	107	110	0.7%
Short term	432	432	2.8%
Total Bond and Short Term	13,648	15,759	89.4%
Total Equities	1,508	1,777	9.9%
TOTAL	15,264	17,646	100%

2.2. Portfolio management

EQUITY MARKETS

The equities markets in Europe fared differently in terms of performance. The Eurostoxx 50 index rose little in 2015, up 7.3% with capitalized dividends, while the Italian FTSE MIB index advanced 15.9% with capitalized dividends over the same period. The S&P index fell very slightly by 1.4% in USD and with capitalized dividends, while the MSCI Emerging Markets index had a very difficult year, losing nearly 14.3% in USD and including capitalized dividends.

Management of these equities is concentrated primarily on increasing diversification of financial instruments, investing in alternative and private equity funds. Furthermore, it was decided to reduce the number of directly held shares in favor of actively managed equity funds. The geographical breakdown of assets did not change significantly in 2015.

At 31 December 2015, equities accounted for 9.9% of the market value of the fund's assets, a clear 2% increase over the year. Also, in view of net inflows into the general fund, there was a significant increase amounting to €400 million in net purchases of equities. In all, 45% of investments are held in the form of actively managed funds (equity, convertible, alternative and private equity funds), 36% through ETFs and the remaining 19% through direct lines (European stock only).

BOND MARKETS

For 2015, yields for 10-year bonds from the Italian government (BTP) fell very slightly from 1.75% to 1.59%, with great market volatility compared to 2014.

In particular, Italy registered excellent performance during the second half, both in relation to core European countries and to the peripheral countries including Spain and Portugal.

Capital Vita's investment policy consisted of continuing to shed Italian government securities, which amounted to only 28% of net bond purchases in 2015, and to bolster holdings of Investment Grade corporate paper with long maturities in order to contribute to sensitivity levels and avoid the low yields of short and medium-term securities.

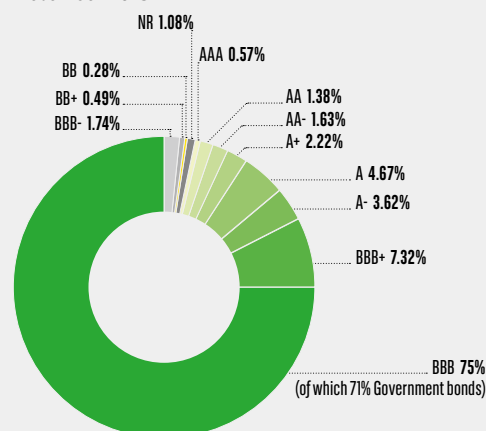
At 31 December 2015, the bond portfolio broke down between 74.5% government and similar bonds (including close to 71% from Italy), and 25.5% of "non-government" bonds. The proportion of fixed-income securities remained stable at around 80%. Variable rate holdings remained stable at 6.5%, however indexing on long rates (CMS 10 years) were favored as arbitration indexing over short-term rates (Euribor). The proportion of short-term investments with maturities under one year was reduced from 4.6% to 2.8%.

As a complement to these actions, management of CapitalVita adopted a diversification policy, combining high yield bond funds and debt securities of emerging nations with traditional rates instruments. These investments round out the traditional assets by providing a degree of de-correlation, while still offering attractive returns. Their percentage of the portfolio is still moderate but is increasing, currently accounting for less than 3%.

Sensitivity to rates of the overall asset base endured during the year at 5.70, compared to 5.79 at December 31, 2014. The more imminent maturities holdings were reduced slightly, while longer maturities were bolstered.

With regard to credit risk, 75% of the portfolio consists of BBB rated bonds given the high proportion of Italian bonds, 10.5% of A rated bonds, 3.0% of AA rated bonds, 0.6% of AAA rated bonds, 7.3% of BBB+ rated bonds, 1.7% of BBB- rated bonds, just 0.8% of BB rated bonds, and no instruments with lower ratings. The average rating is BBB.

Breakdown by rating of bond portfolio issuer as at 31 December 2015



PART 3 – INCOME FOR THE YEAR

01. BNP PARIBAS CARDIF STATUTORY RESULTS

The statutory result of BNP Paribas Cardif holding company, presented under a banking format is broken down as follows:

Data in € million	Dec. 31, 2014	Dec. 31, 2015	Variation 2014/2015
Revenue	448	630	41%
Dividends	601	768	28%
Costs for funding subsidiaries	-61	-72	19%
Gains/Losses on exchange rates	2	-0	NS
Financial margin	-83	-73	-12%
of which:			
Interest earned on subsid. debt subscribed	59	66	11%
Interest charge on subsid. debt issued	-142	-139	-2%
Other income	-12	7	NS
Expenses on other activities	-144	-155	8%
Non-recurring income	-73	-220	NS
Taxes	1	-5	NS
NET INCOME	232	250	8%

Income rose from €448 million in 2014 to €630 million in 2015, an increase of €182 million.

This change was due to the following items:

- **An increase in dividends received amounting to €167 million from French and Italian entities.**

- In France, the increase is due to the reduction of the share equity in Cardif Assurance Vie resulting in the distribution of additional paid-in capital in the amount of €185 million in December 2015.

- In Italy, the lowering of Cardif Vita Assicurazioni's dividend by €50 million resulted from a non-recurring inflow in 2014 relating to income for 2013, which stemmed from the good performance of the financial markets.

- Increases in dividends were partially offset by the **increase in financing costs for borrowings and hedging against exchange rate risk** amounting to €11 million, primarily through higher coverage in China, Chile, India and South Korea.

- **The €10 million increase in the financial margin** may be explained primarily by two elements:

- BNP Paribas Cardif recorded a €7 million increase in revenue on subordinated debt following the subscription of share issues of its subsidiaries Cardif Assurance Vie for €270 million and Cardif Luxembourg Vie for €16 million at the end of 2014.

- Also, its borrowings were restructured at the end of 2014 in the form of an issue of €1 billion on the Luxembourg market, the early payoff of €436 million and riders attached to other borrowings, combined with a decrease in the 3-month Euribor rate, resulting in lower financial costs of €3 million, despite an increase of €564 million in the average amount of issues.

A gain of €14.4 million for the disposal of the Thai entities accounts for the main change in other revenue items.

Non-recurring items in 2015 included an overall charge of €220 million due to a provision recorded for the Dutch subsidiary of BNP Paribas Cardif.

Net corporate revenues for BNP Paribas Cardif at December 31, 2015 amounted to €250 million, compared to €232 million in 2014.

02. SHAREHOLDER'S EQUITY AND APPROPRIATION OF EARNINGS

2.1. Appropriation of earnings

2015 income	250,432,502.49
Prior retained earnings	129,862.17
Distributable earnings	250,562,364.66
Dividend (€4.01 for 62,482,938 shares)	250,556,581.38
Retained earnings	5,783.28

The Board of Directors proposes to distribute dividends totalling €250,556,581.38 representing a dividend per share of €4.01, and to carry forward the balance of €5,783.28 as retained earnings.

Pursuant to Article 243bis of the French General Tax Code, it is hereby stated that the entire proposed dividend is eligible for the 40% relief benefiting individuals who are domiciled for tax purposes in France, as provided for in Article 158-3 of the French General Tax Code.

Net dividends per share over the last three fiscal years were as follows:

- €7.40 in respect of 2012 earnings,
- €1.19 in respect of 2013 earnings,
- €3.71 in respect of 2014 earnings.

PART 3 – INCOME FOR THE YEAR

2.2. BNP Paribas Cardif consolidated profit and losses

2.2.1. Contribution to the BNP Paribas consolidated financial statements under IFRS and taking into account to normative capital (Refer to table below)

At constant scope and exchange rates, the **Net Banking Income** rose by €112 million compared to 2014, amounting to €2,284 million:

- **Mark-to-market adjustments: Up €10 million**, in relation to the most favourable markets in 2015.
- **France: €94 million** mainly driven by an increase in the consolidated margin on the Euro contracts. The increase in assets under management and provisions has compensated the relative decrease in financial returns and a higher claim charge on Protection.
- **International: Down €22 million** compared to 2014
 - **Latin America: Up €15 million** mainly driven by the good performance in Argentina, Brazil, and Chile.
 - **Asia: Down €3 million**, the positive effect of the growth in assets under management from the Savings activities in Taiwan has been offset by some lower operational margins in Korea and Japan.
 - **Italy: Up €12 million** essentially driven by financial results in savings and an increase in the individual protection business
 - **Other elements: Down €46 million**. The bulk of this decrease was recorded in the United Kingdom due to higher claims linked to the weather-related damages in December 2015, combined with the effect of the repositioning plan of the activities.
- **Non recurring elements: Up €28 million** mainly linked to the realised gain on the sale of BNP Paribas Cardif activity in Thailand.

At constant scope and exchange rates, **overheads rose by €59 million** compared to 2014, amounting to €1,139 million:

Within the **Corporate and Business in France** scope, the **increase of €32 million**, or 6%, was driven by the launch of an IT system update program combined with the deployment of a specific task force dedicated to the processing of unclaimed life insurance contracts. In addition, costs of operations to improve service quality and to address major business volumes in the management of creditor insurance contracts increased.

This increase in overheads was nonetheless limited by the decrease in costs of Back Office activities, which were outsourced to BP2S.

- **On the international level**, administration costs rose by €36 million.
 - **In Latin America, the €12 million increase** (11%) was primarily linked to growth in the business.
 - **In Asia, the increase of €4 million** or 5% occurred primarily in Taiwan and in Japan.
 - **In Italy, the €5 million increase** (8%) was driven by the strengthening of the sales force management and the IT system remediation plan.
 - **In the other countries**, the increase of **€15 million** was primarily observed in the United Kingdom due to a repositioning provision, despite lower operating costs.
- Regarding Group regulatory costs, a **decrease of €9 million** was recorded (from an analytical point of view) mainly related to the decrease in the contribution of BNP Paribas Group's insurance business line to the systemic banking tax.

Contribution to the BNP Paribas consolidated financial statements under IFRS and to regulatory capital

IFRS contribution in € million	Current scope and exchange rates			Constant scope and exchange rates		
	2014 December	2015 December	Variation 2015/2014	2014 December	2015 December	Variation 2015/2014
Net Banking Income	2,180	2,303	5.7%	2,172	2,284	5.1%
General & administration costs	-1,081	-1,160	7.3%	-1,080	-1,139	5.5%
Gross Operating Income	1,099	1,143	4.0%	1,093	1,144	4.7%
Other income	115	152	32.5%	116	152	30.3%
Net income before tax	1,214	1,295	6.8%	1,209	1,296	7.2%
Operating ratio	49.6%	50.4%		49.7%	49.9%	
RONE	19.3%	19.2%		19.1%	19.2%	
Provisions for policyholder participation (Allocation - /Reversal +)	-611	-614		-611	-614	
Mark-to-market adjustments	80	90		80	90	

PART 3 – INCOME FOR THE YEAR

Other income elements, including essentially revenue from companies accounted for by the equity method, **increased by €36 million** compared to 2014, amounting to €152 million.

The main subsidiary accounted for by the equity method is AG Insurance (25%) which contributes up to €128 million. The overall change stems essentially from the good performance of joint ventures in India and Taiwan, as well as 2014 non-recurring elements (accelerated amortization of intangible assets, provisions, etc.)

In the end, **net income before taxes** amounted to **€1,296 million**, up 7.2% compared to 2014, at constant scope and exchange rates.

2.2.2. Reconciliation of BNP Paribas Group IFRS consolidated earnings and Group BNP Paribas Cardif French GAAP consolidated earnings

(Refer to histogram below)

2.2.3. Consolidated earnings under French GAAP

(Refer to table page 38)

Net earnings before taxes amounted to **€782 million** and increased by **€6 million** or 0.8% comprising the following components:

- Current operating income fell slightly, by **€1.7 million**, with contrasted variations:

- Current operating income of insurance entities advanced **€9.3 million**, driven by growth of 6.4% in technical provisions and earned premiums that were up 5%, despite higher claims and a drop in financial yields.

- Current operating income of other activities fell **€11 million** due to higher hedging costs.

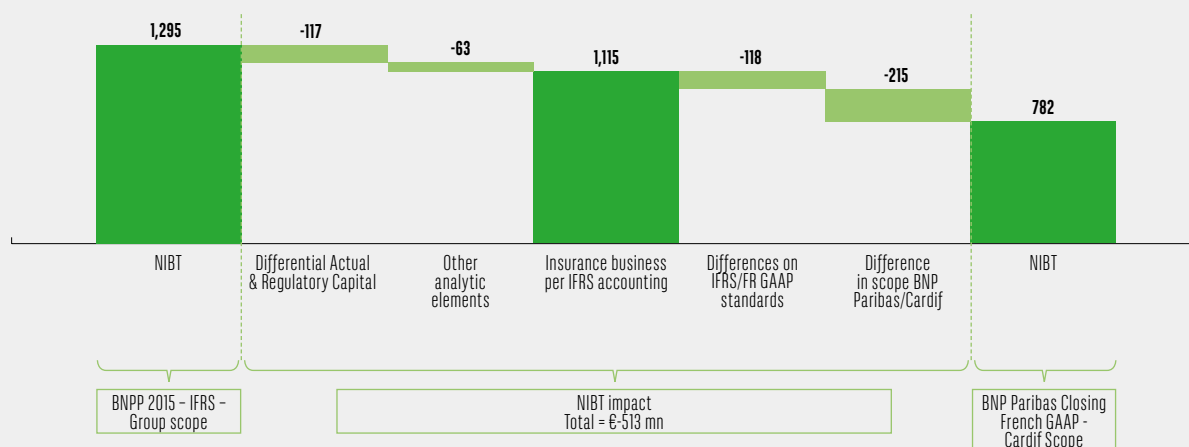
- Other net income and non-recurring income contributed to a decrease of **€2.7 million**. The repositioning of BNP Paribas Cardif in the United Kingdom required a provision for restructuring and impairment in value in the amount of €25 million. This was essentially offset by the gain realized by the 2015 sale of Cardif businesses in Thailand.

- Income from companies accounted for by the equity method rose significantly by **€10.7 million**. This favorable orientation was driven by BNP Paribas Cardif joint ventures with SBI in India and TCOB in Taiwan, whose assets under management for savings activity significantly increased by 21% and 11% respectively.

- Tax charge amounted to **€391 million**.

Net income for the Group was **€391 million**, a decrease of 3.4% over 2015.

Reconciliation between contribution of the Insurance business in the Group Financial Statements (IFRS) and the consolidated financial statements of BNP Paribas Cardif (French GAAP)



PART 3 – INCOME FOR THE YEAR

Consolidated earnings under French GAAP

(€ million)	2014	2015	Variation	%
Premiums issued	21,104.5	22,126.1	1,021.6	5%
Accrued premiums and revenues from other activities	21,037.0	22,128.9	1,091.8	5.2%
Other operating income and expenses, excluding administration costs	-15,848.5	-16,620.5	-772.0	4.9%
Administration costs	-4,427.7	-4,749.3	-321.6	7.3%
Current operating income	760.8	759.1	-1.7	-0.2%
Other net income and exceptional income	-9.7	-12.4	-2.7	27.9%
Income taxes	-370.6	-391.4	-20.9	5.6%
Net income of consolidated companies	380.5	355.2	-25.3	-6.6%
Share of income from companies accounted for by the equity method	40.5	51.2	10.7	26.5%
Goodwill amortization	-15.5	-15.8	-0.3	1.9%
Net income of consolidated companies	405.5	390.6	-14.9	-3.7%
Minority interests	-0.2	0.8	0.9	-528.6%
Net income (Group Share)	405.3	391.4	-13.9	-3.4%
Net income before tax	776.1	782.1	6.0	0.8%

PART 4 – SOLVENCY OF BNP PARIBAS CARDIF

01. SOLVENCY 1

1.1. Solvency margin of BNP Paribas Cardif

Under regulations (Articles R334-17 and A334-1 of the French Insurance Code), insurance companies must have a level of equity sufficient to cover a solvency margin based on their liabilities.

The consolidated BNP Paribas Cardif Group solvency margin amounted to €6,125 million at December 31, 2015, as calculated under Article R334-19 of the French Insurance Code.

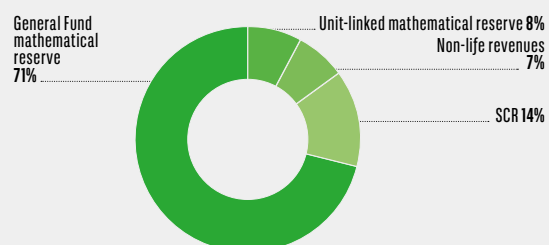
In Savings, the solvency margin is based on actuarial provisions on Euro and unit-linked contracts.

In protection, it is based on capital at risk (for the life business) and on revenues (for the non-life business).

This solvency margin exceeds the consolidated solvency margin at December 31, 2014, which amounted to €5,734 million, an increase of €391 million. This increase is related to the expansion of the savings and General Fund business, up €264 million, and to the protection business, up €128 million.

(Refer to table below)

Ultimately, the breakdown of the Solvency Margin Requirement by risk under Solvency 1 is as follows:



1.2. Coverage of BNP Paribas Cardif's solvency margin

In December 2015, the solvency management policy of the BNP Paribas Cardif Group led to a reduction in the share equity of BNP Paribas Cardif equity through the distribution of €352 million share premium. At the same time, and in order to cover for the solvency requirements of BNP Paribas Cardif Group, Cardif Assurance Vie has issued a redeemable subordinated loan for €182 million, fully subscribed by BNP Paribas SA.

As a consequence, the coverage of the solvency margin is as follows: In addition to the consolidated shareholders' equity of €3,456 million, BNP Paribas Cardif benefited from loans and subordinated bonds amounting to €3,063 million, and from technical reserve accepted under regulations amounting to €1,373 million.

After minority interests of €37 million, the solvency margin would amount to €7,929 million.

In addition, items are deducted from the margin. These are intangible assets, goodwill and the portion of deferred acquisition costs not allowed as assets backing liabilities totalling €-848 million.

Total assets included in the calculation of the solvency margin, after appropriation of earnings submitted to the shareholders general meeting, amounted to €7,081 million, which represented a margin of 115.6% (excluding unrealized capital gains and losses) as calculated under regulatory requirements.

(Refer to table page 40)

Solvency margin of BNP Paribas Cardif

Data in € million	2008	2010	2011	2012	2013	2014	2015	VAR. 2015/2014
Savings in Euro (with guaranteed surrender value)	2,229	2,979	3,538	3,612	3,828	4,092	4,324	6%
Savings in Unit-linked	303	362	365	391	399	438	470	7%
Protection	738	930	1,022	1,038	1,175	1,204	1,332	11%
TOTAL	3,271	4,272	4,925	5,040	5,401	5,734	6,125	7%

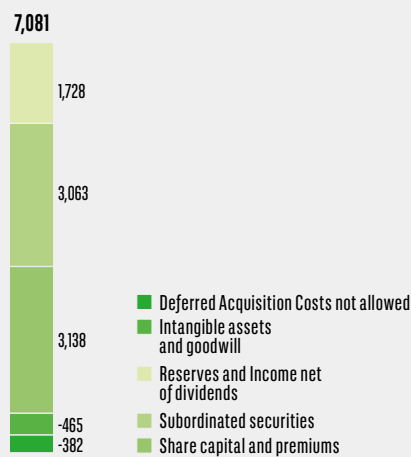
PART 4 – SOLVENCY OF BNP PARIBAS CARDIF

Coverage of BNP Paribas Cardif's solvency margin

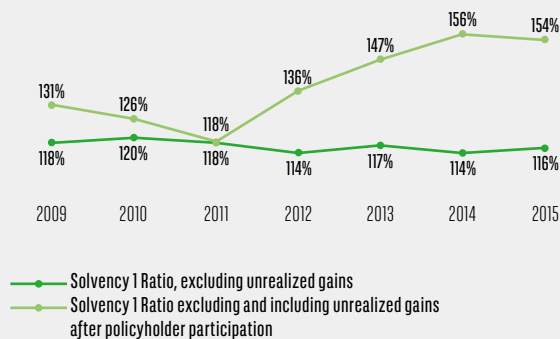
DECEMBER 2015 DATA IN € MILLION

Coverage items	
Excluding unrealized gains	7,081
Including unrealized gains after policyholder participation	9,436
Solvency margin requirements	6,125
Solvency ratio	
Excluding unrealized gains	116%
Including unrealized gains after policyholder participation	154%
Excluding unrealized gains and other items for deduction (DAC)	122%

The breakdown of the solvency margin requirements for Solvency 1 was as follows for 31 December 2015:



Changes for seven years in the Solvency 1 ratio are as follows:



These assets after appropriation of earnings and excluding the deduction of a portion of deferred acquisition costs not allowed as backing for the regulatory liabilities amounted to €7,464 million, which represented a margin of 121.9% (excluding unrealized gains and losses) as calculated under the economic method.

PART 5 – CONSOLIDATED INCOME

Balance Sheet at 31 December 2015 (before appropriation of income) (in € million)

ASSETS	December 31, 2015	December 31, 2014
Goodwill	174.6	185.7
Intangible assets	290.8	365.6
Insurance company investments	126,657.2	119,511.6
- Land and improvements	5,032.1	5,017.0
- Investments in related companies and in companies linked by investments	4,064.9	3,656.1
- Other investments	117,560.2	110,838.6
Investments representing commitments of Units of account	38,781.2	36,276.7
Investments of other companies	241.0	365.7
Securities accounted for by the equity method	580.9	576.3
Share of reinsurers in provisions	3,053.3	2,899.8
Receivables for insurance and reinsurance transactions	1,115.8	1,242.6
Receivables from companies in the banking sector	1,317.6	964.8
Other receivables	1,740.9	1,482.7
Other assets	23.0	22.9
Accruals - assets	3,415.0	3,422.2
- Deferred transaction costs	1,370.9	1,335.5
- Other	2,044.1	2,086.7
Conversion gains or losses	-	-
TOTAL ASSETS	177,391.4	167,316.4

LIABILITIES	December 31, 2015	December 31, 2014
Group shareholders' equity	3,707.0	3,920.1
- Share capital	150.0	150.0
- Paid-in surplus	2,988.3	3,340.5
- Consolidated reserves	177.3	24.3
- Results for the year	391.4	405.3
Minority interests	37.4	36.5
Subordinated liabilities	3,084.7	2,902.6
Gross technical provisions	115,280.0	108,584.3
- Technical provisions Life	111,553.1	104,890.0
- Technical provisions Non-Life	3,726.9	3,694.3
Technical provisions for contracts in Units of Account	39,414.1	36,856.7
Provisions for risks and charges	212.2	196.8
Debts stemming from insurance and reinsurance transactions	3,226.8	3,248.4
Debts owed to companies in the banking sector	10,423.9	9,966.6
Other debts	1,602.9	1,398.3
Accruals - Liabilities	397.7	206.1
Conversion gains or losses	4.6	0.0
TOTAL LIABILITIES	177,391.4	167,316.4

PART 5 – CONSOLIDATED INCOME

Income statement at 31 December 2015 (in € million)

	Non-Life Insurance activities	Life Insurance activities	Banking activities	Other activities	December 31, 2015	December 31, 2014
Premiums issued	2,931.3	19,194.8			22,126.2	21,104.6
Change in unearned premiums	-57.2	-			-57.2	-88.1
Earned premiums	2,874.1	19,194.8	-	-	22,068.9	21,016.5
Revenues or income from other activities				60.0	60.0	20.6
Other operating income	11.9	306.4			318.2	274.2
Financial income net of charges	153.5	5,980.5		-141.0	5,992.9	6,405.7
Total current operating income	3,039.4	25,481.7	-	-81.0	28,440.2	27,717.0
Insurance services charges	-1,066.9	-21,821.5			-22,888.4	-22,496.8
Net reinsurance income or expense	-59.8	16.4			-43.4	-31.7
Expenses on other activities				-229.1	-229.1	-185.6
Administration costs	-1,733.2	-2,787.2		0.2	-4,520.2	-4,242.1
Total current operating charges	-2,859.8	-24,592.4	-	-228.9	-27,681.1	-26,956.2
CURRENT OPERATING INCOME	179.6	889.4	-	-310.0	759.1	760.8
Other net income					-3.6	9.1
Non-recurring income					-8.8	-18.8
Income taxes					-391.4	-370.6
NET INCOME OF CONSOLIDATED COMPANIES					355.2	380.5
Share of income from companies accounted for by the equity method					51.2	40.5
Depreciation and amortization of goodwill					-15.8	-15.5
NET INCOME OF CONSOLIDATED COMPANIES					390.6	405.5
Minority interests					0.8	-0.2
NET INCOME (Group part)					391.4	405.3
Earnings per share (in euros)					6.26	6.49
Diluted earnings per share (in euros)					6.26	6.49

PART 6 – CORPORATE AND SOCIAL RESPONSIBILITY (CSR)

BNP Paribas Cardif contributes to various aspects of the BNP Paribas Group's CSR reporting. To this end, some forty environmental indicators, including energy used in buildings, kilometres covered in professional travel, waste, use of paper, etc., are collected within the Group and from certain BNP Paribas Cardif establishments. BNP Paribas Cardif also provides information on certain social and corporate indicators, such as skills sponsoring programs in the area of financial education, volunteer actions, etc. In addition to this quantitative information, BNP Paribas Cardif also submits a report each year to the Group CSR Delegation on CSR actions achieved during the past year.

In a progressively more constrictive regulatory environment and despite not being officially required to adhere to Grenelle II requirements, in 2014 BNP Paribas Cardif implemented a tool and processes for structuring its CSR reporting and voluntarily reporting on its activity in this area.

Certain qualitative and quantitative data of the four pillars of BNP Paribas Cardif's sustainable development policy are provided below:

CIVIC RESPONSIBILITY

BNP Paribas Cardif carries out skills sponsoring actions to promote economic and financial education to young people on the theme of introduction to entrepreneurship. Solidarity actions are carried out each year, addressing the subjects of health, handicaps and the environment. These actions strengthen ties with our partners every day. In 2015, a total of 4,200 persons attended an educational program dealing with economic and financial subjects.

SOCIAL RESPONSIBILITY

BNP Paribas Cardif is committed to developing an involved and faithful management process for human resources through high quality social dialogue. In 2015, a dozen collective bargaining agreements were concluded in the various countries, on various subjects such as compensation, organization of working time, equality, etc. BNP Paribas Cardif has nearly **1,600 new employees**, rounding out an active internal mobility policy.

Professional training is a strategic development factor for BNP Paribas Cardif. It aims to develop employees' skill sets, to promote professionalism and to ensure the effectiveness of their professional practices. Over **220,000 training hours in 2015** were dispensed to **93% of employees**.

Each year, employees are asked to respond to the internal Global People Survey (GPS); the participation rate in 2015 was 80%. The ratings continue to advance: Diversity, +6 points, Operational effectiveness, +4 points, Information & Communication +5 points, Careers +6 points.

ENVIRONMENTAL RESPONSIBILITY

In 2015, BNP Paribas Cardif registered 1.27 tons of Co² equivalent emissions per FTE, i.e. 2.4% more in emissions compared to 2014. This slight increase is attributable essentially to improvements in reliability and comprehensiveness of reporting data. CO² emissions of the Company stem from energy use in buildings; lighting, air conditioning and professional travel by air, train and motor vehicle by all BNP Paribas Cardif subsidiaries.

ECONOMIC AND PRODUCT RESPONSIBILITY

In order to pursue our process to make our products as accessible as possible, many actions were realized in 2015. We have decided on two of them as feature actions:

- In Korea, Cardif Assurance Vie Korea broadened access to insurance for seniors aged 61-80 suffering from chronic illnesses such as diabetes and high blood pressure, and it launched its Silver Cancer Insurance. This product is renewable every ten years up to the age of 100.
- In Chile in 2015, under a partnership with Caja de los Andes, BNP Paribas Cardif Seguros Generales developed an insurance product intended for disadvantaged people with average income of around €650 per month. This very low priced accidental death insurance of 530 Chilean Pesos, i.e. around €0.65, offers coverage of around €16,500 in the event of a claim.

* Staff is attached to the Economic Interest Grouping and not to BNP Paribas Cardif.

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