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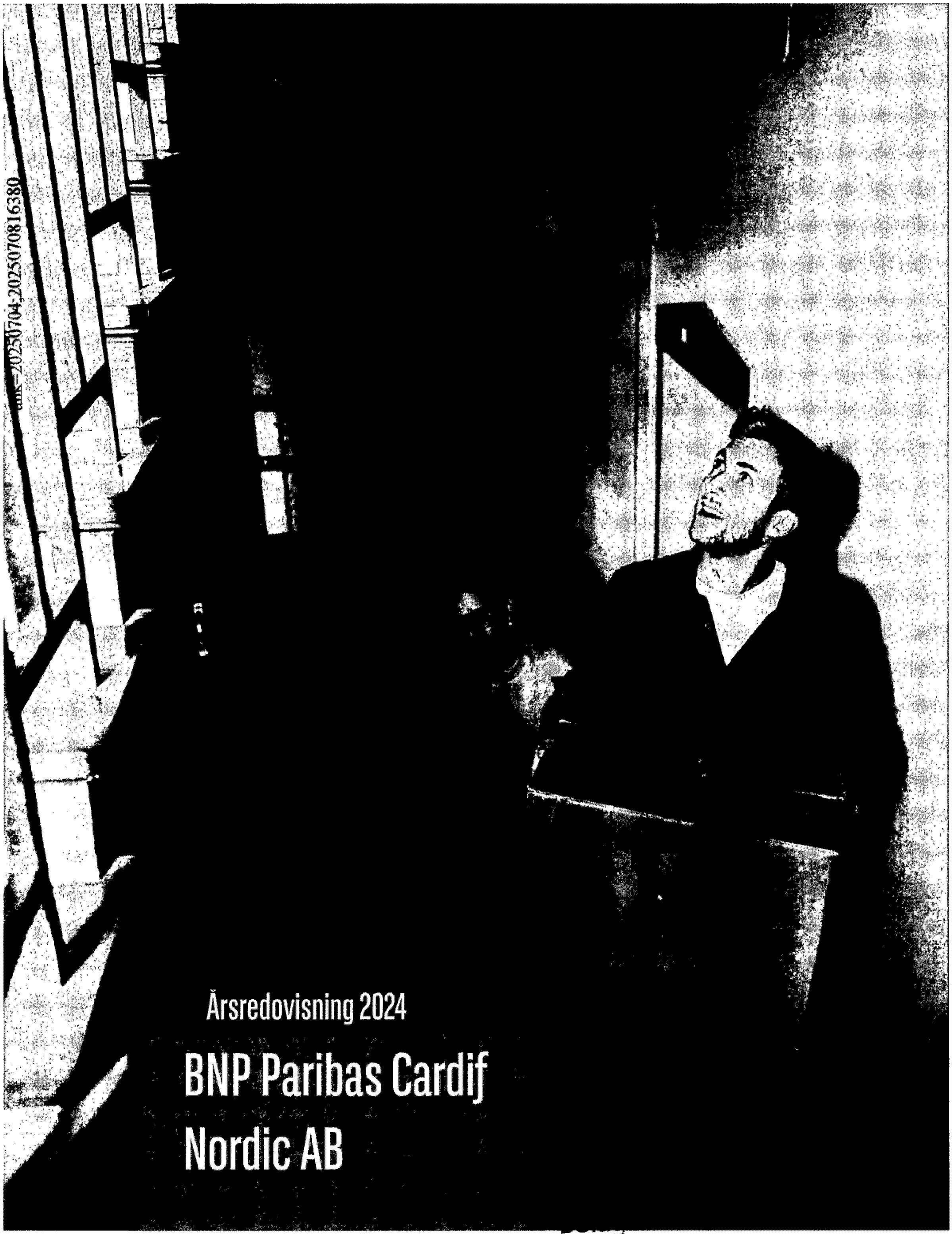

Årsredovisning 2024

BNP Paribas Cardif Nordic AB

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2025-07-04

BNP PARIBAS CARDIF

The insurer for a changing world

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bnpparibascardif.se

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Styrelsen och verkställande direktören för BNP Paribas Cardif Nordic AB avger härmed årsredovisning för räkenskapsåret 2024.

Förvaltningsberättelse

Information om verksamheten

Ägarförhållanden

BNP Paribas Cardif Nordic AB är ett helägt dotterbolag till BNP Paribas Cardif SA, som utgör försäkringsgrenen av den franska bankkoncernen BNP Paribas. Moderbolag i koncernen är den franska banken BNP Paribas S.A. (org.nr 662 042 449) med säte i Paris.

Den nordiska BNP Paribas Cardif-gruppen ingår i koncernredovisningen för BNP Paribas Cardif. I enlighet med Årsredovisningslagen 7:2 upprättas därför ingen egen koncernredovisning för enbart den nordiska verksamheten av BNP Paribas Cardif med dotterbolag.

Koncernredovisningen kan beställas från BNP Paribas Cardif, 1 Boulevard Haussmann, 75 009 Paris, Frankrike. Den kan också laddas ned från: www.bnpparibascardif.com

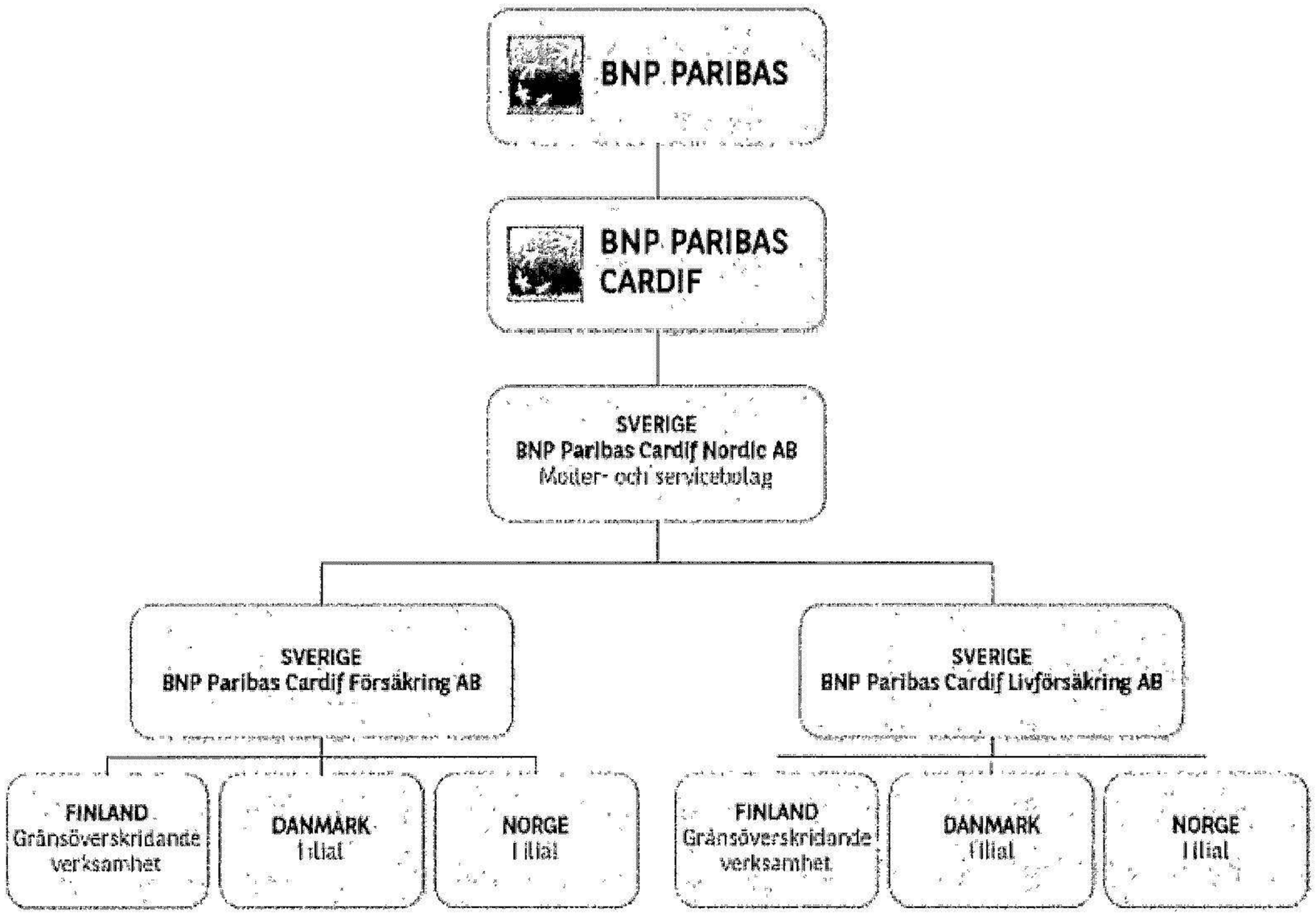

Bild 1: Legal bolagsstruktur

BNP Paribas

BNP Paribas är en ledande europeisk aktör inom global bank- och finansverksamhet. Gruppen har ca 178 000 anställda och verkar i 64 länder varav fyra är hemmamarknader (Frankrike, Belgien, Italien och Luxemburg).

BNP Paribas Cardif

BNP Paribas Cardif utgör försäkringsgrenen inom BNP Paribas. Huvudsaklig affärsmodell är bankassurans, vilket innebär leverans av liv- och sakförsäkring via bankers, finansbolags och andra aktörers distributionsnätverk (så kallad B2B2C-modell). Bankassurans introducerades 1973 på den franska marknaden, vilket idag innebär mer än 50 års erfarenhet av konceptet.

Idag har BNP Paribas Cardif ca 500 partners, däribland ledande banker, finansbolag, försäkringsbolag, kortutgivare, detaljhandelskedjor, telekombolag, energibolag och mäklarföretag.

BNP Paribas Cardif har dotterbolag i över 30 länder i Europa, Asien, Latinamerika och Afrika, samt ca 9 000 anställda.

BNP Paribas Cardif i Norden

År 2000 etablerades Cardif Nordic AB i Sverige. De första åren verkade Cardif Nordic AB som generalagent för det brittiska försäkringsbolaget Pinnacle Insurance plc. som också är i koncerngemenskap med BNP Paribas Cardif.

Under hösten 2007 bildade Cardif Nordic AB de två försäkringsbolagen Cardif Försäkring AB och Cardif Livförsäkring AB. Försäkringsverksamheten påbörjades den 1 januari 2008 och sedan dess bedriver Cardif Livförsäkring AB med systerbolag verksamhet i Norge och Danmark genom filialer, samt gränsöverskridande verksamhet i Finland.

I oktober 2013 bytte Cardif Nordic AB, Cardif Försäkring AB och Cardif Livförsäkring AB bolagsnamn till BNP Paribas Cardif Nordic AB, BNP Paribas Cardif Försäkring AB och BNP Paribas Cardif Livförsäkring AB. Samtidigt ändrades även varumärkets logotype. Bytet av bolagsnamn och varumärke var ett strategiskt val för att förtydliga att Cardif är en integrerad försäkringsgren inom den internationella banken BNP Paribas.

Organisation

Det nordiska huvudkontoret ligger i Göteborg och fungerar som ett delat servicecenter för verksamheten i de svenska bolagen liksom för de norska och danska filialerna. Vidare finns försäljningskontor i Stockholm, Köpenhamn och Oslo.

Gruppen strävar efter att driva samtliga funktioner i egen regi och har bland annat lokal juridik- respektive aktuarieavdelning och ett lokalt utvecklat och administrerat försäkringssystem. Även andra supportfunktioner såsom IT, HR, försäljning, marknad, ekonomi, data analytics, riskhantering och compliance tillhandahålls av BNP Paribas Cardif Nordic AB för dotterbolagens räkning. Kundservice, skadereglering och övrig försäkringsadministration utförs av BNP Paribas Cardif Försäkring AB. Kostnaderna för koncerninterna tjänster faktureras löpande mellan bolagen i enlighet med de outsourcingavtal som upprättats och sker på marknadsmässiga grunder.

Styrelse

BNP Paribas Cardif Nordic ABs styrelse består av tre ledamöter, och utses av bolagsstämman. Verkställande direktören ingår i styrelsen för bolaget.

Till styrelsens ordförande och ledamöter utgår ingen ersättning från bolaget för deras uppdrag.

Verksamhetens art och inriktning

BNP Paribas Cardif Nordic AB:s huvudsakliga verksamhet består i att tillhandahålla olika övergripande supporttjänster till försäkringsdotterbolagen inom framförallt försäljning, ekonomi, aktuarie, juridik, IT, riskhantering, compliance och HR. Kostnaderna för dessa tjänster faktureras löpande till dotterbolagen enligt avtal om outsourcing. Bolaget säkerställer att de tjänster som faktureras inom gruppen är marknadsmässigt prissatta.

Dotterbolaget BNP Paribas Cardif Försäkring AB tillhandahåller skadeförsäkring på den nordiska marknaden via främst banker, finans- och försäkringsbolag. Den största produktgruppen är låne- och betalskyddsförsäkringar. Vidare erbjuds även andra försäkringslösningar så som olycksfall-, sjuk- och id-stöldsförsäkring. Därutöver tillhandahålls livförsäkring via BNP Paribas Cardif Livförsäkring AB.

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Framtida utveckling

BNP Paribas Cardif i Norden fortsätter att arbeta efter en hög ambitionsnivå och fokuserar på att erbjuda sina samarbetspartners ännu fler och bättre produkter och tjänster inom Norden.

Den tidigare framtagna strategin ses över och justeras årligen för att på bästa sätt kunna säkerställa att uppställda mål uppnås såsom utveckling och förstärkning av vår affär, våra partnersamarbeten och produkter, stärka kundnöjdheten samt öka effektiviteten i linje med den framtagna strategin.

Förvaltning av tillgångsportföljen

BNP Paribas Cardif Nordic AB följer noggrant upp marknadsrisker och utvecklingen på våra finansiella placeringar med vår investeringspolicy i beaktande.

BNP Paribas Cardif i Norden har inga investeringar i aktier, vilket begränsar den finansiella risken med tanke på den observerade volatiliteten på marknaden.

Den högsta möjliga påverkan uppkommer på grund av exponeringen gentemot flera olika valutor. BNP Paribas Cardif Nordic AB övervakar matchningen av valutor och förutser det framtida behovet av likvida medel i olika valutor i den stadigvarande likviditetsprognosen.

Verksamheten under räkenskapsåret

I de fall som hänvisning görs till "bolaget" avses BNP Paribas Cardif Nordic AB.

Väsentliga händelser under räkenskapsåret

År 2024 präglades av fortsatt osäkerhet, förutom det amerikanska valet, den pågående geopolitiska spänningen till följd av den ryska invasionen av Ukraina och ökade instabiliteten i Mellanöstern. Även om fortsatt osäkerhet råder så har den globala ekonomin börjat återhämta sig. I princip alla centralbanker har initierat räntesänkningar i takt med att inflationen fallit. Den ekonomiska tillväxten i de nordiska länderna har dock varit blygsam, framförallt på den svenska marknaden, vilken dotterbolagen har störst exponering mot och utgör 75% av deras omsättning. I Sverige noteras bland annat en forsatt hög nivå av sjukskrivningar med längre varaktighet, men framförallt en fortsatt ökning i arbetslöshet som uppgick till 8,4 % (7,7% 2023). Den negativa utvecklingen återspeglas även i BNP Paribas Cardif Försäkring ABs resultat med en ökning på 58 % av utbetalda försäkringsersättningar gentemot föregående år.

Trots den synnerligen oroväckande utvecklingen i omvärlden och främst den ökande arbetslösheten i Sverige har den svenska räntepolitiken varit i fokus med flera räntesäkningar i takt med att den historiskt höga inflationen närmat sig Riksbankens mål. Det förbättrade ränteläget har bidragit till ökad efterfrågan på krediter och försäkringslösningar och återspeglas i dotterbolagens premieinkomster som sammantaget ökar med 3,8 % mot föregående år.

Bolagets omsättning minskar med -2 % (-4,7 mnkr) gentemot föregående år och är direkt hänförlig till de kostnadsbesparingar som genomfördes under 2023. Kostnadsbesparingarna innefattade bland annat neddragning av konsultkostnader samt en minskning av personalstyrkan i bolaget och i BNP Paribas Cardif Försäkring AB.

Resultat

Bolagets intäkter kommer från de tjänster som sålts till dotterbolagen, vilka efter kostnadsavdrag ger ett resultat före skatt på -1 615 tkr (-172 709 tkr).

BNP Paribas Cardif Nordic har under 2024 lämnat ett koncernbidrag om 15 473 tkr till dotterbolaget BNP Paribas Cardif Försäkring AB.

Per balansdagen uppgår Bolagets redovisade skattemässiga underskott till 0 kr.

Information om risker och osäkerhetsfaktorer

En utmaning, som erbjuder både en risk och en möjlighet, är eventuella förändringar i skattelagstiftningen eller politiska beslut som påverkar socialförsäkringssystemet eller försäkringsdistributionsdirektivet (till exempel IDD och GDPR). Dessa faktorer kan ha en direkt påverkan på hur produkterna kan komma att utformas och/eller distribueras.

BNP Paribas Cardif Nordic ABs resultat, ställning och fortlevnad i framtiden är avhängig dotterbolagens verksamhet och deras utveckling.

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Hållbarhetsrapport 2024

Hållbarhetsrapporten är upprättad i enlighet med 6:e kapitlet Årsredovisningslagen, vilket omfattar sidorna 7-13. Styrelsen ansvarar för Hållbarhetsrapporten, som omfattar alla bolag i den Nordiska BNP Paribas Cardifgruppen, se bolagsstruktur s.3. BNP Paribas Cardif Nordic ABs affärsmodell finns beskriven i inledningen av förvaltningsberättelsen s. 3-5.

Miljö

De risker vi främst ser inom miljöområdet för BNP Paribas Cardif i Norden är miljömässiga investeringar, utsläpp av koldioxid via tjänsteresor, förbrukning av energi samt papperskonsumtion.

För mer information om bolagets miljömässiga investeringar hänvisas till "Ansvarsfulla och hållbara investeringar" på sid 13.

BNP Paribas Cardif i Norden arbetar kontinuerligt med frågor rörande verksamhetens miljöpåverkan. Det gör vi för att säkerställa att verksamheten bedrivs på ett sätt som är långsiktigt hållbart. Viljan att förbättra rutiner och tillvägagångssätt, av hänsyn till miljön, är stark och genomsyrar hela organisationen. Målet är att utnyttja alla tillgängliga resurser på ett så effektivt och hållbart sätt som möjligt för att minimera verksamhetens påverkan på miljön.

Arbetet har pågått under en längre tid och har bland annat lett till att:

- "grön el" används för att värma upp våra kontorslokaler
- olika energibesparande åtgärder har vidtagits (bl.a. schemalagda av- och påslagning av datorer, skärmar och skrivare)
- reducerad papperskonsumtion, exempelvis internetbaserad kundportal / skadeanmälan
- tjänsteresor ska göras i största möjliga mån med tåg
- möten hålls via teams och telefon
- källsortering av farligt avfall, papper, glas och kartonger
- ekologiska inköp, såsom kaffe, the, frukt och städmaterial
- vid beställning av tjänstebil ska el- eller hybridbil väljas

BNP Paribas Cardif arbetar aktivt med att försöka minska koncernens miljöpåverkan, som indirekt uppstår till följd av dess aktiviteter eller direkt till följd av de egna verksamheterna.

Vi har flertalet riktlinjer att följa såsom, Resepolicy, Tjänstebilspolicy, ESG Policy och vår Uppförandekod, där ett av våra sju teman handlar om Corporate Social Responsibility (CSR) och om vikten av att skydda miljön och motverka klimatförändringar. Alla resebokningar ska göras i gruppens reseportal. I portalen finns begränsningar, som innebär att flygresor för korta distanser inte är bokningsbara. Reseportalen ska användas av alla anställda. Alla resor rapporteras till koncernen regelbundet.

100 % (100 % år 2023) av bolagets tjänstebilar i slutet av 2024 är el- eller hybridbilar.

Bolaget använder sig av två rapporteringsverktyg, Shuttle och Enablon, för att rapportera och följa bolagets utveckling inom ESG (Environmental/Miljö, Social/Socialt ansvar, Governance/Bolagsstyrning). Med hjälp av de båda verktygen rapporteras ESG-arbetet inom tre huvudområden; Sociala, Miljömässiga och Medborgliga (både kvantitativt och kvalitativt).

Rapporteringen består av sociala indikatorer (såsom mångfald, utbildning för de anställda), indikatorer som avser miljön, (såsom resor i tjänsten, förbrukning av papper och övrigt material) och indikatorer som mäter engagemang ute i samhället, såsom ideellt arbete. Tack vare implementeringen av detta gruppverktyg blir det enklare för bolaget att jämföra utfallet av de olika insatserna som görs från ett år till ett annat år.

Personal

Den svenska personalen är antingen anställd i BNP Paribas Cardif Nordic AB eller i BNP Paribas Cardif Försäkring AB. All ledningspersonal är anställd i BNP Paribas Cardif Nordic AB, med undantag för personal i filialerna som är anställda i BNP Paribas Cardif Försäkring AB i respektive land samt ansvariga för Skador respektive Försäkringsadministration och Medicinsk riskbedömning som är anställda i BNP Paribas Cardif Försäkring AB i Sverige.

Ersättning till ledningen, liksom till övrig personal, bereds av den lokala ersättningskommittén för att slutligen fastställas på koncernnivå. Mellan BNP Paribas Cardif Nordic AB och de andra bolagen inom BNP Paribas Cardif i Norden finns, som tidigare nämnts, ett outsourcingavtal och fakturering sker löpande mellan bolagen. BNP Paribas Cardif Nordic AB arbetar tillsammans med övriga bolag i gruppen för personalens trivsel och hälsa samt för att säkerställa mångfald och socialt engagemang.

De anställda är bolagets absolut viktigaste tillgång. För att finna kompetenta och motiverade anställda är det viktigt att vara en attraktiv arbetsgivare. För att lyckas med detta arbetar vi med flertalet aktiviteter där våra anställda är involverade. Genom detta arbete, som redovisas nedan, ges anställda möjlighet att vara med och påverka hur företaget ska drivas och vad som ska prioriteras. Personalomsättning 2024 uppgick till 10,1 % (9,7 % år 2023) för tillsvidareanställda.

Att inte kunna rekrytera rätt kompetens och erfarenhet är en affärsrisk. De senaste åren har bolaget rekryterat personer från hela världen för att finna rätt kunskap och kompetens. En process för att "on-boarda" personer från andra länder finns på plats. Bolaget erbjuder stöd för att finna bostad, ansöka om uppehålls- och arbetstillstånd, skola för medföljande barn, även svenska språkundervisning samt cross-cultureträning erbjuds på betald arbetstid.

Psykisk ohälsa och stressrelaterade sjukdomar ökar i vårt samhälle. För arbetsgivare, individer och samhället i stort innebär det stora risker och kostnader. Chefer erbjuds bland annat utbildning, både teoretisk och praktisk, inom stresshantering för att förebygga och motverka stress.

Pensionsplan

Bolagets interna pensions- och försäkringspolicy reglerar bolagets pensionsplan för anställda, och vänder sig till all personal som uppfyller kraven för anslutning. Utöver pensionsplanen så innefattar denna i nuläget även ett omfattande och förmånligt sjukförsäkringsskydd, sjukvårdsförsäkring samt grupplösningar för olycksfall och livskydd. Bolaget samarbetar med en av Nordens ledande försäkringsförmedlare, och detta innebär utökade valmöjligheter för placering av tjänstepensionen för bolagets anställda.

Personalens hälsa

BNP Paribas Cardif Nordic AB med dotterbolag arbetar aktivt med de sjukskrivningar som uppkommer, genom att vid både korta och längre sjukskrivningar utarbeta rehabiliteringsplaner och erbjuda uppföljningar i samarbete med sakkunniga rådgivare inom berörda områden. Korttidsfrånvaro följs upp individuellt och regelbundet. Vi erbjuder alla anställda sjukvårdsförsäkring. År 2024 uppgick den totala sjukfrånvaron till 2,7 % (1,6 % år 2023).

Alla anställda erbjuds friskvårdsbidrag. Via förmånsportalen "My Benify", kan man som anställd teckna avtal med olika träningsanläggningar till rabatterade priser. År 2024 nyttjade 73 % (76 % år 2023) av bolagets anställda sitt friskvårdsbidrag.

BNP Paribas Gruppen arrangerar årligen en tennisturnering, We Are Tennis, för alla anställda i olika BNP-bolag runtom i världen. Vi erbjuder och uppmuntrar våra anställda att delta. I den nordiska finalen som hölls i Stockholm deltog fyra av bolagets anställda.

Det genomförs kvartalsuppföljning samt årliga medarbetarsamtal med de anställda. Detta är ett uppskattat tillfälle för både den anställde men även chef att följa upp satta SMARTa mål, göra prioriteringar samt planlägga utbildningar och skapa individuella utbildningsplaner. Bolaget erbjuder utbildning till alla chefer inom olika områden, såsom arbetsrätt, självledarskap, coachning och feedback för att stärka våra chefer i sin viktiga ledarroll.

Uppföljningar av ovanstående aktiviteter sker i vårt HR-verktyg About Me. I About Me ska anställda registrera sin kärriärprofil, som kan innehålla utbildning, kompetenser, erfarenhet samt tidigare arbetsgivare. I About Me finns även möjlighet att ansöka om samt visa intresse för andra tjänster inom BNP Paribas Gruppen.

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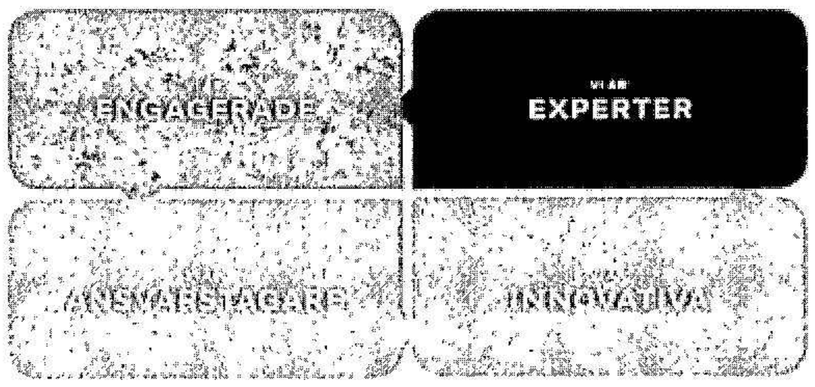
Under 2024 genomförde bolaget två medarbetarundersökningar, "Stay Connected", för anställda i Norden. Undersökningen består av ett antal frågor kopplade till; Engagemang, Ledarskap, Effektivitet samt Välmående. Deltagandet har varit genomgående högt och legat mellan 63 % - 75% (75 % år 2023) för de båda medarbetarundersökningarna. Bolagets Net Promoting Employee (NPE), har ökat från -22 år 2019, när bolaget började mäta NPE, till +9 2024.

Bolaget tillämpar hybridarbete och erbjuder anställda att arbeta hemifrån två dagar per vecka. Det förutsätter dock att arbetet och verksamheten tillåter det. I årets medarbetarundersökning ser vi att resultatet på frågan om möjligheten att balansera arbete med sitt privatliv har minskat något, där 83 % (89 % år 2023) av de anställda är mycket nöjda.

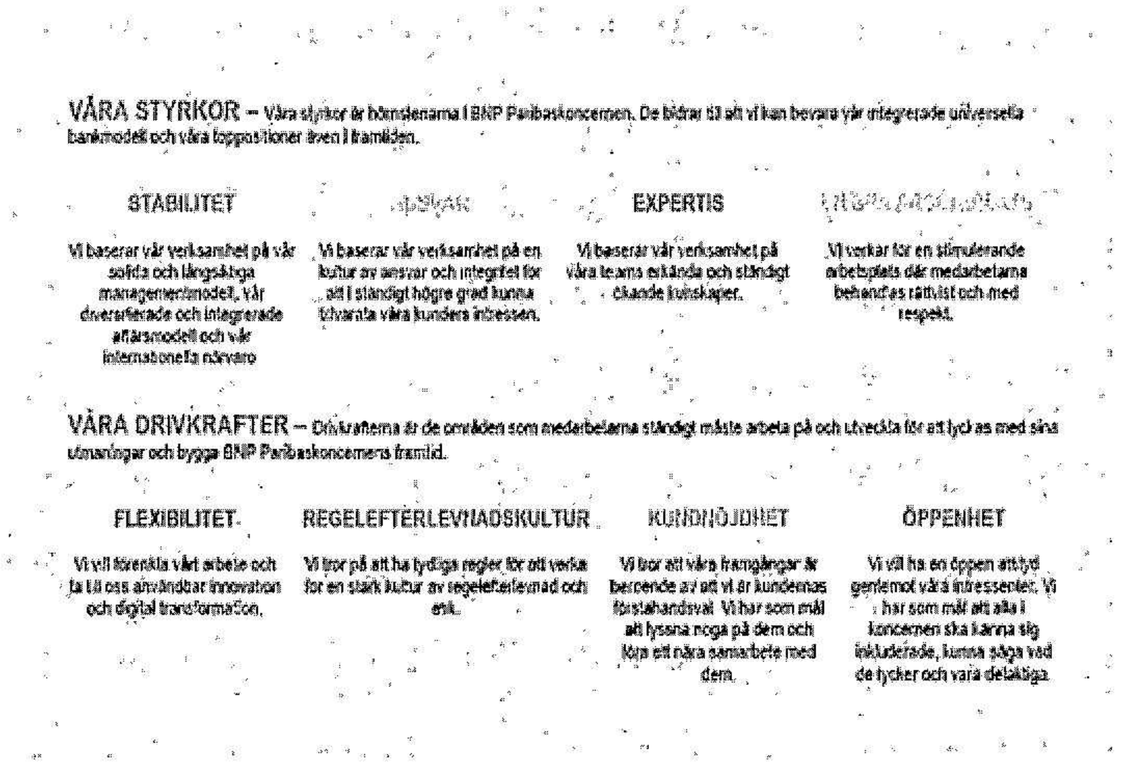
Bolaget har arbetat aktivt sedan 2019 med sitt Employer Branding, detta arbete har fortsatt under 2024 där olika ambassadörer representerar flertalet av våra avdelningar. Vi har haft kvartalsvisa halvdagsworkshops med ambassadörerna där vi har arbetat aktivt med kulturella aktiviteter kopplade till bolagets professionella beteenden; Vi är Engagerade, Vi är Experter, Vi är Ansvarstagare och Vi är Innovativa.



För att leva enligt våra värderingar – "BNP Paribas Way" – måste vi respektera regler. I vår Uppförandekod beskriver vi tydligt acceptabla och oacceptabla beteenden. Att följa dessa regler är nödvändigt för att kunna upprätthålla våra värderingar och etiska standarder, en förutsättning för att agera enligt "BNP Paribas Way".

Reglerna är grupperade i följande sju teman:

- Kundernas intressen
- Finansiell säkerhet
- Marknadsintegritet
- Yrkesetik
- Respektera kollegor
- Koncernskydd
- Samhällsengagemang



Kompetensutveckling

Som anställd hos BNP Paribas Cardif erbjuds möjlighet till kompetensutveckling för att utveckla sina yrkesmässiga kompetenser. Både för att följa ny lagstiftning för vår bransch men även för att bygga kunskap och kompetens inför framtiden.

BNP Paribas Cardif tillhandahåller utbildningar för alla anställda inom olika områden och arbetar aktivt för att digitalisera dessa för att öka tillgängligheten och flexibiliteten för de anställda. I övrigt erbjuds både interna och externa utbildningar såväl i grupp som individuellt.

Kompetensutveckling för anställda och chefer sker på flera olika sätt. En intern utbildningsplan har arbetats fram där olika avdelningar inom bolaget delar med sig av kunskap och kompetens till andra anställda vid olika seminarier och frukostföreläsningar. Externa utbildare bjuds in för att på så sätt skräddarsy utbildningsinsatser utifrån bolagets förutsättningar och verksamhet. Exempel på sådana utbildningar är inom Office-paketet, språkutbildningar, Svåra samtal, Möteskultur och projektarbete. Utbildningsinsatser sker även individuellt utanför bolaget. År 2024 har specifik utbildning för ledare fokuserats på fortsatt utbildning för att främja "psykologisk trygghet" inom organisationen i alla led, men även utbildning inom "självledarskap och effektfullt ledarskap",

Principer för ersättning och förmåner till ledning
Bolaget har arbetat fram en Ersättningspolicy i enlighet med de allmänna råd som gäller från den 1 januari 2016 enligt artikel 275 (Commission Delegated Regulation 2015/35). Policyn revideras årligen och eventuella ändringar skall antas av styrelsen.

Mänskliga rättigheter och sociala förhållanden

Samhällsengagemang, mångfald och socialt engagemang
BNP Paribas Gruppen har signerat en "Överenskommelse om mänskliga rättigheter och globalt socialt ramverk". Förhandlingen av detta avtal och dess innehåll ligger helt i linje med BNP Paribas engagemangsmanifest.

I centrum för BNP Paribas engagemang ligger tydliga ambitioner och nödvändiga krav på företagets sociala ansvar, etik, mångfald och inkludering samt främjande av mänskliga rättigheter i de länder där vi gör affärer som kombineras, samtidigt som vi tar hänsyn till lokal lagstiftning och lokala kulturer.

BNP Paribas koncernen har som mål att säkerställa respekt för de mänskliga rättigheterna på det område som koncernen kan påverka, dvs. bland medarbetare, leverantörer och kunder i de samhällen där koncernen verkar. Koncernen vill definitivt inte medverka i potentiella brott mot de mänskliga rättigheterna via sina finansierings- och investerings-aktiviteter. På frågan, i den årliga medarbetarundersökningen, om bolaget behandlar sina anställda med respekt uppgår resultatet till 90 % nöjdhet (89 % år 2023).

Medarbetarna i BNP Paribas koncernen förväntas respektera de mänskliga rättigheterna och framför allt; alltid ta hänsyn till sina aktiviteters direkta och indirekta påverkan på mänskliga rättigheter runt om i världen. Medarbetarna ska försäkra sig om regelefterlevnad av kriterierna för den påverkan på mänskliga rättigheter som företaget eller ett projekt kan få vid verksamhet i sektorer som omfattas av en finansierings- och investeringspolicy av ESG och CSR-typ (Environmental, Social, Governance samt Corporate Social Responsibility).

Fördelningen män och kvinnor i bolagens styrelser uppgår till 75 % 2024 (50 % kvinnor år 2023). I bolagets verkställande ledning är fördelningen 57 % kvinnor (43 % kvinnor år 2023) vid året slut.

Alla nyanställda genomför en digital utbildning, om bolagets Uppförandekod, i Gruppens digitala verktyg, My Development, som berör detta område. I dagsläget finns inga lokala risker identifierade inom området mänskliga rättigheter eftersom detta följs upp på koncernnivå.

BNP Paribas Cardif i Sverige har ett samarbete med Arbetsförmedlingen i syfte att erbjuda arbete åt personer med funktionsnedsättning och personer med utländsk bakgrund som läser SFI. Detta är en bra möjlighet att främja det så viktiga arbetet med mångfald inom företaget. Bolagets mål är att kunna erbjuda dessa personer en permanent anställning om möjlighet ges. Praktik kan även erbjudas till bland annat KY-studenter som läser utbildningar inom juridik, bank- och försäkring.

Sedan 2021 har BNP Paribas Cardif i Norden ett samarbete med Öppet Hus. Öppet Hus är en ideell förening för mångfald som är politiskt och religiöst obunden. De arbetar för att "öppna dörrar" till arbetsmarknaden för unga vuxna med utländsk bakgrund. BNP Paribas Cardif i Norden erbjuder anställda att ingå i ett mentorprogram under ett års tid. I rollen som mentor stöttar man sin adept i processen att finna en anställning eller praktikplats. Under 2024 har bolaget anställda som deltagit i mentorskapsprogrammet och stöttat adepter ut i arbetslivet.

BNP Paribas Cardif har sedan flera år tillbaka ett samarbete med Stadsmissionen som ett del i bolagets sociala engagemang. Under året bidrog anställda med att samla in kläder till förmån för Stadsmissionen samt julgåvor på privat initiativ till Stadsmissionens "julklappsvagn". Stadsmissionen är en blandning mellan offentlig och frivillig verksamhet, där professionalism, hög kompetens och en effektiv organisation tillförs personligt engagemang och empati. Stadsmissionen i Göteborg arbetar aktivt med barn, unga och familjer som på olika sätt lever i utsatthet.

BNP Paribas Cardif i Norden deltog i Blodomloppet våren 2024. Genom att delta främjar vi den viktiga blodgivningen i Sverige. I årets Blodomlopp deltog ca 56 medarbetare. Blodomloppet är ett motionslopp som arrangeras på flera orter runt om i landet. Syftet är att uppmärksamma den livsviktiga blodgivningen och främja en hälsosam livsstil.

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Etiskt uppförande, Antikorruption och Finansiell säkerhet

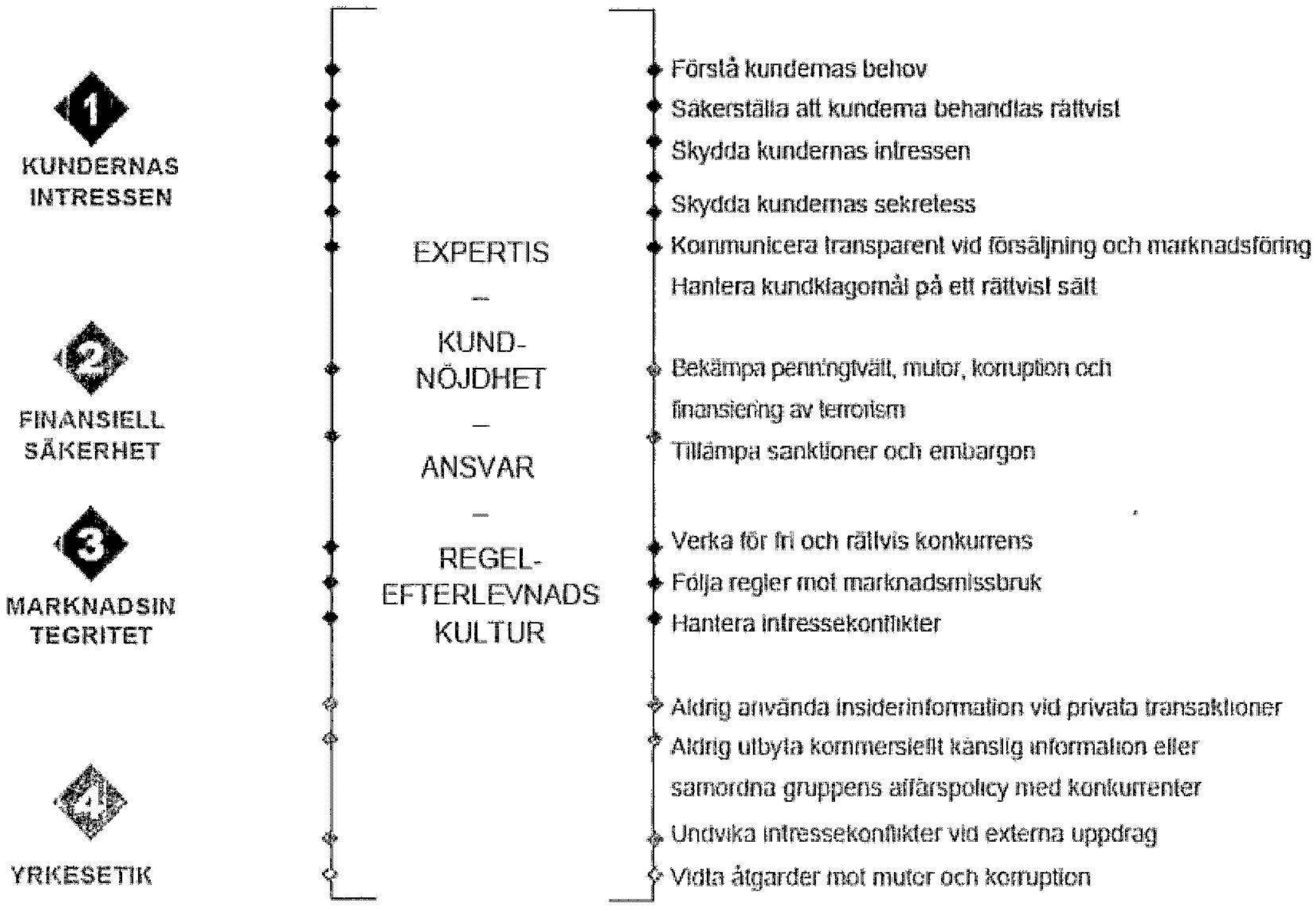
BNP Paribas Cardif uppmuntrar innovation och har en ambition att skapa både ekonomiska och sociala värden. Genom ett öppet förhållningsätt till utveckling av nya försäkringslösningar skapar vi mervärde till våra kunder, samarbetspartners och vårt samhälle i stort. Vi arbetar aktivt med etiska frågor, antikorruption och finansiell säkerhet och tar ett stort socialt ansvar.

Att främja innovation och hållbarhet inom verksamheten är ett sätt att bidra till hela ekosystemet. Vi förstår värdet av de produkter som BNP Paribas Cardif tillhandahåller och hur viktigt det är för våra kunder att kunna lita på oss. Det är oerhört viktigt att alla som vill kan nå oss och att vi kommunicerar på ett sätt som alla kan förstå. Vår ambition är att vara uppmärksamma och underlätta för de mest sårbara.

BNP Paribas Cardif arbetar aktivt med att säkerställa att verksamheten uppfyller höga etiska normer. Givetvis följer vi lagar och förordningar och tillämpar både branschnormer och standarder inom verksamhetsområdet. Vi arbetar proaktivt och är, när det är möjligt, delaktiga i framtagandet av regelverk för branschen. Vi sätter stort värde i att vara upplysta och i framkant för utveckling.

Våra produkter och processer utvärderas och utvecklas löpande, både internt och tillsammans med våra samarbetspartners. Antalet digitala kontakter med våra kunder och samarbetspartners ökar kontinuerligt, vilket ställer stora krav på regelefterlevnad, säkerhet och tydlighet. Att öka antalet digitala kontakter är ett tydligt miljömål, för att minska antalet resor och minimera bruket av trycksaker.

Alla anställda inom BNP Paribas Cardif uppmanas att förebygga och motverka korruption, bedrägeri, intressekonflikter, penningtvätt och terrorism-finansiering. Vi säkerställer efterlevnaden av sanktioner och embargon. Vi respekterar våra uppförandekoder och arbetar i enlighet våra värderingar. Alla ska behandlas rättvist, såväl anställda som kunder. I tabellen på nästa sida beskriver vi våra olika uppföranderegler.



BNP Paribas Cardif bedriver endast verksamhet i länder med indexerat låg förekomst av korruption. Vi tillhandahåller lågriskprodukter genom våra samarbetspartners utan inslag av sparande eller investering. Vidare är alla våra samarbetspartners etablerade aktörer inom kontrollerad finansiell verksamhet. Utifrån dessa faktorer bedömer vi att risken för att BNP Paribas Cardif ska drabbas av korruption generellt är låg, även om sådan uppkomst aldrig kan uteslutas.

BNP Paribas Cardif har nolltolerans vad gäller korruption och arbetar därför aktivt med att motverka och förebygga korruptionsrisker. Vi har en policy för antikorruption som ses över regelbundet, en särskild bilaga gällande antikorruption i uppförandekoden samt interna riktlinjer för närliggande områden såsom gåvor och inbjudningar, visselblåsning och intressekonflikter. Vår Compliancefunktion bevakar alla eventuella förändringar i lagar och förordningar inom dessa områden och säkerställer att nödvändiga åtgärder vidtas inom verksamheten. Compliancefunktionen håller också i olika interna utbildningar och påminner hela verksamheten om de mest väsentliga delarna i de interna riktlinjerna minst två gånger per år. Alla anställda har genomgått antikorruptions-utbildning under året.

BNP Paribas Cardif har även ett särskilt visselblåsarsystem som alla anställda (samt andra berättigade personer) uppmuntras att använda, för att rapportera misstänkta eller faktiska oegentligheter där det finns ett allmänintresse av att informationen kommer fram, eller där en överträdelse skett av en direkt tillämplig unionsakt i enlighet med EU:s Visselbåsardirektiv. Det har dock inte förekommit några visselblåsarrapporter inom BNP Paribas Cardif under 2024.

En av Compliancefunktionens uppgifter är att kartlägga potentiella korruptionsrisker och vid behov upprätta handlingsplaner för att hantera dessa risker. Inom BNP Paribas Cardif finns det också en särskild grupp inrättad för att motverka bedrägeri, där även eventuella korruptionsrisker behandlas. Gruppen är sammansatt av medarbetare från flera olika avdelningar för att kunna hjälpas åt att upptäcka, analysera och förebygga bedrägeri- och/eller korruptionsrisker. Gruppen har schemalagda möten flera gånger om året. Det finns vidare interna riktlinjer och rutiner för inköp och utläggning av verksamhet, samt en utnämnd person som har det övergripande ansvaret för dessa områden. Vidare har vi inrättat interna riktlinjer och rutiner för lämplighetsprövning av medarbetare

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samt för rapportering av bisysslor och intressekonflikter.

Den risk för korruption som BNP Paribas Cardif särskilt bevakar utgörs av vår distributionsmetod B2B2C, där majoriteten av våra produkter förmedlas genom samarbetspartners. BNP Paribas Cardif har dock inte identifierat någon förekomst av korruption, varken inom vår egna verksamhet eller hos våra samarbetspartners. Samtliga våra avtal med samarbetspartners innehåller tydliga villkorsskrivningar i avsikt att förhindra korruption, penningtvätt och terrorismfinansiering. Avsikten är att avkräva våra samarbetspartners ett lika aktivt arbete med att säkerställa hög etisk standard och finansiell säkerhet som vi utför själva, vilket är en förutsättning för fortsatt samarbete.

Distributionsmetoden B2B2C innebär en för oss minskad direkt kontroll och insyn i förmedlingsförfarandet. En mängd åtgärder är dock etablerade för att minska/eliminera denna risk. Alla tilltänkta samarbetspartners genomgår en omfattande utredning innan vi påbörjar samarbetet och alla samarbetsavtal innehåller finansiella klausuler. Vår säljorganisation genomför regelbundet uppföljning och revision av distributionen hos etablerade samarbetspartners och partnern granskas löpande av Compliancefunktionen. Vidare kontrolleras att den information som ges vid försäljning är förenlig med reglerna om försäkringsdistribution samt att alla förmedlare genomgår adekvat utbildning. Det är också viktigt för oss att försäljningen endast sker till den överenskomna målgruppen. Vi analyserar eventuella klagomål och överväger om produkterna är väl anpassade och utgör det skydd som målgruppen behöver. En åtgärdsplan upprättas om några brister identifieras.

Verksamheter som omfattas av penningtvättsregelverket har till uppgift att bedöma den risk för penningtvätt och terrorismfinansiering som verksamheten är exponerad mot, utifrån ett riskbaserat förhållningssätt. BNP Paribas Cardifs bedömning är att risken för penningtvätt och terrorismfinansiering generellt är låg med hänsyn till de produkter, kunder och geografiska områden som produkterna distribueras inom. Bedömningen finns dokumenterad i BNP Paribas Cardifs allmänna riskbedömning uppdateras minst en gång om året.

BNP Paribas Cardif arbetar för att motverka penningtvätt och terrorismfinansiering genom att tillämpa kundkännedomsåtgärder enligt lokalt penningtvättsregelverk. Dessa åtgärder består bl.a. av att vi identifierar och kontrollerar kundens identitet, identifierar verklig huvudman och förmånstagare samt kontrollerar om kunden är en politiskt utsatt person. Kunden kontrolleras även mot tillämpliga sanktionslistor. Åtgärderna vidtas både innan en kundrelation etableras, löpande och före försäkringsersättning betalas ut. Både den personal som administrerar försäkringar och den personal som beslutar om skadeersättning utbildas löpande avseende både regelverk och mitigerande åtgärder.

Compliancefunktionen genomför regelbundna kontroller för att säkerställa att tillämpliga kundkännedomsåtgärder har vidtagits samt genomför relevant utbildning för personal. Eftersom BNP Paribas Cardifs affärsmodell är B2B2C är det även nödvändigt att BNP Paribas Cardifs samarbetspartners efterlever penningtvättsregelverkets krav vilket alltid regleras i avtal med partnern. Därutöver genomförs en fördjupad kontroll av samarbetspartnern innan ett samarbete inleds och monitoreras därefter löpande av Compliancefunktionen.

Samtliga åtgärder för att bekämpa penningtvätt och terrorismfinansiering finns dokumenterade och beskrivna i tillämpliga interna riktlinjer.

Ansvarsfulla och hållbara investeringar

Miljö-, samhälls- och företagsstyrningsansvar (ESG)

Under 2016 skrev BNP Paribas Cardif under United Nations Principles for Responsible Investments (UN PRI) som främjar införandet av ESG-kriterier och sätter ramar för BNP Paribas Cardif för att utveckla socialt ansvariga investeringar. Denna strategi har implementerats i BNP Paribas Försäkring ABs portfölj.

Miljö-, samhälls- och företagsstyrningsansvar (ESG) refererar till tre centrala faktorer som mäter hållbarheten och etiska aspekter av en investering i ett bolag eller en bransch.

Hållbarhet
Vår portföljförvaltning följer de riktlinjer som anges i UN Principles for Responsible Investments (UN PRI).

PÅVERKA

Vår externa kapitalförvaltare arbetar aktivt med att påverka företag i vilka vi investerar, att förbättra sig inom miljö-, sociala och bolagsstyrningsfrågor. Den externa kapitalförvaltaren arbetar också aktivt vid årsstämmor genom röstning och annat arbete, såsom nomineringskommittéer, på bolagsstyrningssidan.

VÄLJA BORT

Den externa kapitalförvaltaren arbetar för att exkludera konventionella vapen, företag under globala sanktioner och listade bolags som hämtar mer än 20 % av sin omsättning från utvinning av termisk kol. Därutöver har vi i våra Investment Guidelines regler om att inte investera i tobak eller alkohol.

VÄLJA IN

Inom portföljförvaltningen fokuserar den externa kapitalförvaltaren på att identifiera och söka efter viktiga hållbarhetsteman. Särskilt fokus riktas mot att identifiera företag som aktivt arbetar för att reducera den miljömässiga inverkan.

Corporate Sustainability Reporting Directive, CSRD

BNP Paribas Cardif Nordic omfattas i dagsläget inte av rapporteringsskyildigheten enligt CSRD, då kriterierna för rapporteringsplikt gällande omsättning, balansomslutning och antal anställda inte är uppfyllda.

Bolaget följer dock utvecklingen noggrant inom CSRD regelverket för att senare ta beslut om hur CSRD i framtiden ska rapporteras.

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För nyckeltal och ytteligare information hänvisas till dotterbolagens årsredovisningar.

Finansiell information

Femårsöversikt (Tkr)

Finansiella nyckeltal	2024	2023	2022	2021	2020
Nettoomsättning	208 017	212 989	213 762	181 468	154 534
Rörelseresultat	12 659	12 832	13 408	12 498	6 841
Resultat efter finansiella poster	13 859	-157 344	13 038	12 355	6 911
Årets resultat	-1 615	-172 709	-1 897	-1 430	-1 371
Eget Kapital	590 788	592 404	765 113	767 009	768 439
Balansomslutning	666 440	668 524	834 841	823 279	810 202
Soliditet*	89%	89%	92%	93%	95%

*Eget kapital och obeskattade reserver (med avdrag för uppskjuten skatt) i förhållande till balansomslutningen.

Förslag till disposition beträffande bolagets vinst eller förlust

Baserat på företagets finansiella ställning och resultat finner styrelsen att lämnat koncernbidrag inte medför någon väsentlig begränsning av företagets förmåga att fullfölja sina förpliktelser på kort eller lång sikt. Mot bakgrund av ovanstående finner styrelsen, under förutsättning av årsstämmans godkännande, att lämnat koncernbidrag om 15 472 960 kr till dotterbolaget BNP Paribas Cardif Försäkring AB försvarligt.

Styrelsen föreslår att bolagets disponibla vinstmedel, kronor 553 373 442, disponeras enligt följande:

Kr	
Överkursfond	769 244 934
Balanserat resultat	-214 256 226
Årets resultat	-1 615 266
Summa	553 373 442
Balanseras i ny räkning	553 373 442

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar samt kassa-flödesanalyser med tillhörande bokslutskommentarer.

Resultaträkning

Belopp i kr	Not	2024	2023
Nettoomsättning koncernföretag	17	208 017 093	212 989 110
Aktiverat arbete för egen räkning	14	1 386 309	1 143 259
Övriga rörelseintäkter	4	55 152	121 678
		209 458 554	214 254 047
Rörelsens kostnader			
Övriga externa kostnader	5,6	-81 249 728	-85 785 783
Personalkostnader	3	-102 039 307	-104 732 862
Avskrivningar av materiella anläggningstillgångar	7	-2 899 131	-3 130 221
Avskrivningar av immateriella anläggningstillgångar	8	-8 158 335	-7 773 520
Övriga rörelsekostnader	9	-2 452 826	-
Rörelseresultat		12 659 227	12 831 661
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	10	1 495 538	1 836 636
Nedskrivningar av fin. Anläggn.tilllgångar och kortfristiga placeringar	16	-	-171 555 000
Räntekostnader och liknande resultatposter		-295 784	-457 389
Resultat efter finansiella poster		13 858 981	-157 344 092
Bokslutsdispositioner	11	-15 472 960	-15 364 810
Resultat före skatt		-1 613 979	-172 708 902
Skatt på årets resultat	12	-1 287	-
Årets resultat		-1 615 266	-172 708 902

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Balansräkning

Tillgångar, Belopp i kr	Not	2024-12-31	2023-12-31
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utg för forskings-och utvecklingsarbeten	13	1 121 459	–
Mjukvara samt utveckling av Försäkringssystem	13	41 918 772	39 479 141
Pågående immateriella anläggningstillgångar	14	1 346 327	1 143 259
		44 386 558	40 622 399
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	15	7 816 239	9 209 716
		7 816 239	9 209 716
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16	520 550 627	520 550 627
		520 550 627	520 550 627
Summa anläggningstillgångar		572 753 424	570 382 742
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag	17	16 011 680	4 654 663
Övriga fordringar		20 808 973	20 662 797
Aktuella skattefordringar		–	3 730 333
Förutbetalda kostnader och upplupna intäkter	18	23 284 443	31 958 752
		60 105 096	61 006 545
Kassa och bank		33 581 615	37 134 435
Summa omsättningstillgångar		93 686 711	98 140 980
SUMMA TILLGÅNGAR		666 440 135	668 523 722

Balansräkning

Eget kapital	19		
Bundet eget kapital			
Aktiekapital (84 450 aktier à 100 kr)		8 445 000	8 445 000
Fond för utvecklingsutgifter		28 970 036	29 077 729
		37 415 036	**37 522 729**
Fritt eget kapital			
Överkursfond		769 244 934	769 244 934
Balanserat resultat		-214 256 226	-41 655 017
Årets resultat		-1 615 266	-172 708 902
		553 373 442	**554 881 015**
		590 788 478	**592 403 744**
Övriga skulder			
Leverantörskulder		64 012	84 207
Skuld till koncernföretag	17	22 068 435	19 057 209
Skatteskulder		1 287	-
Övriga skulder		2 582 156	4 014 061
Upplupna kostnader och förutbetalda intäkter	20	50 935 767	52 964 500
		75 651 657	**76 119 978**
SUMMA EGET KAPITAL OCH SKULDER		**666 440 135**	**668 523 722**

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Eget kapitalräkning

Förändringar i Eget kapital, Belopp i kr

	Bundet eget kapital			Fritt eget kapital		
	Aktiekapital	Fond för tvecklings-utgifter	Överkursfond	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående balans per 1 januari 2023	8 445 000	29 005 987	769 244 934	-39 686 551	-1 896 724	765 112 645
Årets resultat					-172 708 902	-172 708 902
Utgifter för eget utvecklingsarbete		1 143 259		-1 143 259		-
Avskrivning på aktiverade utgifter för eget utvecklingsarbete		-1 071 517		1 071 517		
Disponering av föregående års resultat				-1 896 724	1 896 724	-
Utgående balans per 31 december 2023	8 445 000	29 077 729	769 244 934	-41 655 017	-172 708 902	592 403 744

Förändringar i Eget kapital, Belopp i kr

	Bundet eget kapital			Fritt eget kapital		
	Aktie-kapital	Fond för tvecklings-utgifter	Överkursfond	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående balans per 1 januari 2024	8 445 000	29 077 729	769 244 934	-41 655 017	-172 708 902	592 403 744
Årets resultat					-1 615 266	-1 615 266
Utgifter för eget utvecklingsarbete		1 346 327		-1 346 327		-
Avskrivning på aktiverade utgifter för eget utvecklingsarbete		-1 454 020		1 454 020		
Disponering av föregående års resultat				-172 708 902	172 708 902	-
Utgående balans per 31 december 2024	8 445 000	28 970 036	769 244 934	-214 256 226	-1 615 266	590 788 478

Kassaflödesanalys

Den löpande verksamheten, Belopp i kr	Not	2024	2023
Den löpande verksamheten			
Resultat efter finansiella poster		13 858 981	-157 344 092
Justeringar för poster som inte ingår i kassaflödet, mm.		-3 348 977	165 950 672
		10 510 003	**8 606 580**
Betald skatt		-1 287	-2 035 585
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital			
Ökning(-)/Minskning(+) av kortfristiga fordringar		-9 098 551	-16 457 724
Ökning(+)/Minskning(-) av kortfristiga skulder		24 896 489	21 327 225
Kassaflöde från den löpande verksamheten		**26 306 655**	**11 440 497**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar	13	-12 903 087	-8 854 187
Förvärv av materiella anläggningstillgångar	15	-1 591 578	-4 149 126
Kassaflöde från investeringsverksamheten		**-14 494 665**	**-13 003 313**
Finansieringsverksamheten			
Erhållet koncernbidrag		10 000 000	-
Lämnade koncernbidrag		-25 364 810	-14 935 204
Kassaflöde från finansieringsverksamheten		**-15 364 810**	**-14 935 204**
Årets kassaflöde		-3 552 820	-16 498 020
Likvida medel vid årets början		37 134 435	53 632 455
Likvida medel vid årets slut		33 581 615	37 134 435

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Tilläggsupplysningar kassaflödesanalys

Belopp i kr	2024	2023
Likvida medel		
Kassa och bank	33 581 615	37 134 435
Belopp vid årets slut	**33 581 615**	**37 134 435**
Räntor och utdelningar		
Ränteintäkter	1 495 538	1 836 636
Ränteutgifter	-295 784	-457 389
Summa	**1 199 754**	**1 379 247**
Justeringar för poster som inte ingår i kassaflödet, mm.		
Avskrivningar	11 057 466	10 903 741
Nedskrivning finansiella anläggningstillgångar	-	171 555 000
Bokslutsdispositioner	-15 472 960	-15 364 810
Aktiverat arbete för egen räkning	-1 386 309	-1 143 259
Förlust vid avyttring av inventarier	2 452 826	-
Summa	**-3 348 977**	**165 950 672**

Noter med redovisningsprinciper och bokslutskommentarer

Belopp i kr om inget annat anges

Not 1 ALLMÄNNA REDOVISNINGSPRINCIPER

Årsredovisningen upprättas med tillämpning av Årsredovisningslagen (1995:1554) och Bokföringsnämndens allmänna råd BFNAR 2012:1.

Årsredovisning och koncernredovisning (K3). Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

De viktigaste redovisnings- och värderingsprinciperna som använts vid upprättande av de finansiella rapporterna sammanfattas nedan:

Koncernredovisning
Någon koncernredovisning lämnas inte med hänvisning till undantagsreglerna i Årsredovisningslagen 7 kap 2§. Koncernredovisningen kan beställas från BNP Paribas Cardif, 1 Boulevard Haussmann, 75 009 Paris, Frankrike. Den kan också laddas ned från: www.bnpparibascardif.com.

Rapportering för verksamhetsgrenar och geografiska marknader
Bolagets verksamhet utgörs av att vara administrationsbolag för de två dotterbolagen i Sverige med filialer i Danmark och Norge samt gränsöverskridande handel med Finland.

Intäkter
Tjänsteuppdrag
För tjänsteuppdrag på löpande räkning redovisas inkomsten som är hänförlig till ett utfört tjänsteuppdrag som intäkt i takt med att arbete utförs och material levereras eller förbrukas.

Nettoomsättningen omfattar försäljningsintäkter från kärnverksamhet, det vill säga försäljning av stödtjänster till koncernföretag.

Samtliga intäkter värderas till det belopp som influtit eller beräknas inflyta med hänsyn till rabatter efter avdrag för mervärdesskatt. Ränteintäkt, redovisas i takt med att de intjänas.

Ersättning till anställda

Kortfristiga ersättningar
Kortfristiga ersättningar i bolaget utgörs av lön, sociala avgifter, betald semester, betald sjukfrånvaro, sjukvård och bonus. Kortfristiga ersättningar redovisas som en kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning.

Övriga långfristiga ersättningar
I bolaget förekommer långfristiga ersättningar så som bonusar. Dessa redovisas som en skuld bland upplupna kostnader och värderas till nuvärde av förpliktelsen på balansdagen. För de som ingår i gruppen risktagare, samt har avtal om målrelaterad bonus som ger utdelning med ett belopp överstigande en månadslön, skjuts 60 % av ubetalning av intjänad bonus upp i tre år.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen.

Uppskjuten skatt är inkomstskatt för skattepliktiga resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser. Uppskjuten skatt beräknas enligt balansräkningsmetoden på alla temporära skillnader som uppkommer mellan redovisade och skattemässiga underskott som sannolikt kommer återvinnas baserat på innevarande och framtida skattepliktiga resultat enligt aktuell bedömning. Förändring i uppskjuten skattefordran eller uppskjuten skatteskuld redovisas i resultaträkningen om inte förändringen är hänförlig till en post som redovisas i eget kapital.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är

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hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. I sådana fall redovisas även skatteeffekten i eget kapital.

För poster som redovisas i resultaträkningen redovisas även sammanhängande skatteeffekter i resultaträkningen. Redovisade inkomstskatter innefattar skatt som skall betalas eller erhålls avseende aktuellt år, justeringar avseende tidigare år redovisad i inkomstskatt och förändringar i uppskjuten skatt.
Värdering av samtliga skattefordingar och -skulder sker till nominellt belopp och görs enligt de skatteregler som är beslutade. Aktuell skatt är inkomstskatt för innevarande räkenskaper som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.

Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning.

Immateriella tillgångar
Företaget tillämpar den så kallade aktiverings-modellen avseende internt upparbetade immateriella anläggningstillgångar. Metoden innebär att samtliga utgifter som uppfyller kriterierna i BFNAR 2012:1 aktiveras som immateriell anläggningstillgång och skrivs av under tillgångens beräknade nyttjandeperiod. Ett belopp motsvarande årets aktiverade arbete för egen räkning överförs från fritt eget kapital till en fond för utvecklingsutgifter, vilken klassificeras som bundet eget kapital. Fonden återförs i takt med att aktuell tillgång skrivs av.

Avskrivningar görs linjärt över den bedömda nyttjandetiden. Avskrivningstiden för immateriella anläggningstillgångar uppgår till mellan fem och tio år.

Bedömda nyttjandeperioder och avskrivnings-metoder omprövas om det finns indikationer på att dessa förändrats.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för avskrivningar enligt plan och eventuella nedskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjande-period. När tillgångarnas avskrivningsbara belopp fastställs beaktas i förekommande fall tillgångens restvärde. Linjär avskrivningsmetod används av materiella tillgångar.

Följande avskrivningstider tillämpas för Inventarier, verktyg och installationer: fem år.

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som övrig rörelseintäkt respektive övrig rörelsekostnad.

Nedskrivningar av anläggningstillgångar
När det finns en indikation på att en tillgångs värde minskat, görs en prövning av nedskrivningsbehov. Har tillgången ett återvinningsvärde som är lägre än det redovisade värdet, skrivs den ner till återvinningsvärdet. Vid bedömning av ned-skrivningsbehov grupperas tillgångarna på de lägsta nivåer där det finns separata identifierbara kassaflöden (kassagenererande enheter). För tillgångar, andra än goodwill, som tidigare skrivits ner görs per varje balansdag en prövning av om återföring bör göras.

För att bedöma eventuella nedskrivningsbehov används kassaflödesbaserade modeller där framtida diskonterade kassaflöden jämförs med redovisade värden för den kassagenererande enhet tillgången tillhör.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Nedskrivningsprövning av finansiella anläggnings-tillgångar
Vid varje balansdag bedömer bolaget om det finns någon indikation på nedskrivningsbehov i någon av de finansiella anläggningstillgångarna. I det fall det redovisade värdet överstiger det beräknade återvinningsvärdet skrivs det redovisade värdet ner till återvinngsvärdet om värdenedgången bedöms vara bestående.

Återföring sker om skäl om skäl inte längre finns för denna.

Finansiella instrument
En finansiell tillgång eller en finansiell skuld redovisas i balansräkningen när företaget blir part till instrumentets avtalsenliga villkor.

Finansiella instrument redovisas i enlighet med reglerna i K3 kapitel 11, vilket innebär att värdering sker utifrån anskaffningsvärde.

Finansiella instrument som redovisas i balansräkningen inkluderar kundfordringar, övriga fordringar, kortfristiga placeringar, leverantörsskulder och låneskulder.

Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Omräkning av poster i utländsk valuta
Bolagets funktionella valuta och rapporteringsvaluta är svenska kronor (SEK). Inköp kan ske i annan valuta. Fordringar och skulder i utländsk valuta värderas till balansdagens kurs. Orealiserade vinster och förluster redovisas i resultaträkningen.

Kundfordringar och övriga fordringar
Fordringar redovisas som omsättningstillgångar med undantag för poster med förfallodag mer än tolv månader efter balansdagen, vilka klassificeras som anläggningstillgångar. Fordringar tas upp till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Nedskrivning av fordran redovisas i posten övriga externa kostnader.

Låneskulder och Leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Skulder redovisas när en förpliktelse är säker eller sannolik. Skulder som ska betalas inom ett år från balansdagen klassificeras såsom kortfristiga skulder medan skulder som betalas senare klassificeras som långfristiga skulder.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medfört in- eller utbetalningar. Som likvida medel klassificerar företaget, förutom kassamedel, disponibla tillgodohavanden hos banker och andra kreditinstitut samt kortfristiga likvida placeringar som är noterade på en marknadsplats och har en kortare löptid än tre månader från anskaffningstidpunkten.

Leasingavtal
Samtliga leasingavtal där företaget är leasetagare redovisas som operationell leasing (hyresavtal), oavsett om avtalen är finansiella eller operationella.

Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

Bokslutsdispositioner
Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen. Koncernbidrag redovisas som bokslutsdispositioner.

Koncernbidrag
Koncernbidrag som lämnas alternativt tas emot, redovisas som bokslutsdisposition.

Eget kapital
Eget kapital delas in i bundet och fritt kapital, i enlighet med Årsredovisningslagens indelning.

BNP Paribas Cardif Försäkring AB, SE 516406-0567 • BNP Paribas Cardif Livförsäkring AB, SE 516406-0559
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NOT 2 VÄSENTLIGA UPPSKATTNINGAR OCH BEDÖMNINGAR

Framtagandet av de finansiella rapporterna kräver att företagsledning och styrelse gör antaganden och bedömningar, som presenteras i redovisningen som intäkter, kostnader, tillgångar och skulder på balansdagen.

Dessa uppskattningar och bedömningar baseras på historiska erfarenheter tillsammans med annan information, passande för verksamheten, som finns tillgänglig på balansdagen.

Verkligt utfall kan avvika från gjorda uppskattningar och bedömningar och företagsledning och styrelse analyserar därför löpande de uppskattningar och bedömningar som görs. Effekterna av detta redovisas i resultaträkningen under det år som förändringen genomförs samt framtida räkenskapsår om ändringen påverkar både aktuellt och kommande räkenskapsår.

Väsentliga uppskattningar och bedömningar beskrivs nedan.

Upplupna nettopremier
Företaget har betydande belopp redovisade i balans- och resultaträkning relaterade till upplupna nettopremier, vilket beror på att uppskattningar görs för del av perioden och att utfall inhämtas efterföljande månader. BNP Paribas Nordic AB inhämtar premier för dotterbolagens räkning.

Upplupna provisioner
Företaget har betydande belopp redovisade i balans- och resultaträkning relaterade till provisioner. Detta är ett resultat av att decembers provisioner faktureras efterföljande månad. BNP Paribas Nordic AB administrerar provisioner för dotterbolagens räkning.

Not 3 ANSTÄLLDA OCH PERSONALKOSTNADER

	2024	2023
Medelantalet anställda	89	91
Varav män	46%	49%
Löner, andra ersättningar och sociala kostnader		
Styrelse och VD	3 208 844	3 199 653
(Varav Bonus)	*575 840*	613 674
Övriga anställda	61 255 414	59 770 460
(Varav Bonus)	*2 308 140*	2 361 322
Summa	**64 464 258**	**62 970 113**
Sociala kostnader	*34 183 237*	33 501 108
(varav pensionskostnader)	*10 683 439*	10 552 932

Av bolagets pensionskostnader avser 616 915 kr (f.å 498 056 kr) gruppens styrelse och VD.

Könsfördelning i företagsledningen	2024	2024	2023	2023
	Antal	Andel kvinnor	Antal	Andel kvinnor
Styrelsen och VD	3	67%	4	50%
Övriga ledande befattningshavare	7	57%	7	43%

Not 4 ÖVRIGA RÖRELSEINTÄKTER

	2024	2023
Övriga rörelseintäkter, uthyrning av personal	55 152	121 678
	55 152	**121 678**

Not 5 ARVODE OCH KOSTNADSERSÄTTNING TILL REVISORER

	2024	2023
	EY	**Deloitte AB**
Revisionsuppdrag	176 250	160 000
Skatterådgivning	136 667	100 000
	312 917	**260 000**

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Not 6 LEASINGAVGIFTER AVSEENDE OPERATIONELL LEASING

	2024	2023
Framtida minimileasingavgifter som kommer att erläggas avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	6 786 250	7 702 691
Förfaller till betalning senare än ett men inom fem år	17 354 899	6 527 296
Förfaller till betalning senare än fem år	2 522 729	262 860
	26 663 878	**14 492 847**
Under perioden kostnadsförda leasingavgifter	**8 210 343**	**6 982 270**

Den operationella leasingen i företaget består av bilar, kontorsmaskiner och hyra kontorslokaler. Inga nya leasigavtal av väsentlig omfattning har tecknats under 2024.

Not 7 AVSKRIVNINGAR AV MATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2024	2023
Inventarier, verktyg och installationer	-2 899 131	-3 130 221
	-2 899 131	**-3 130 221**

Not 8 AVSKRIVNINGAR AV IMMATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2024	2023
Balanserade utgifter för Mjukvara samt utvecklingsarbete av Försäkringssystem	-8 158 335	-7 773 520
	-8 158 335	**-7 773 520**

Not 9 ÖVRIGA RÖRELSEKOSTNADER

Not 9 Övriga rörelsekostnader

	2024	2023
Förlust vid avyttring inventarier/datorer	-2 452 826	–
Övriga rörelsekostnader	–	–
	-2 452 826	**–**

Not 10 ÖVRIGA RÄNTEINTÄKTER OCH LIKNANDE RESULTATPOSTER

Not 10 Övriga ränteintäkter och liknande resultatposter

	2024	2023
Ränteintäkter	1 471 884	1 703 322
Kursdifferenser	23 654	133 314
	1 495 538	**1 836 636**

Not 11 BOKSLUTSDISPOSITIONER

	2024	2023
Erhållet koncernbidrag	–	10 000 000
Lämnat koncernbidrag	-15 472 960	-25 364 810
	-15 472 960	**-15 364 810**

Not 12 SKATT PÅ ÅRETS RESULTAT

	2024	2023
Aktuell skatt	–	–
Justering tidigare års skattekostnad	-1 287	
	-1 287	–
Redovisat resultat före skatt	-1 613 979	-172 708 902
Återföring ej skattemässigt påverkande nedskrivning		171 555 000
Skattemässigt resultat	-1 613 979	-1 153 902
Skatt beräknad enl gällande skattesats (20,6%)	332 480	237 704
Skatteeffekt av ej avdragsgilla kostnader (20,6%)	-350 959	-258 572
Skatteeffekt av ej skattepliktiga intäkter	18 479	20 868
Justering tidigare års skattekostnad	-1 287	
Redovisad skattekostnad	**-1 287**	**0**

Per balansdagen uppgår bolagets redovisade skattemässiga underskott till 0 kr.

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Not 13 MJUKVARA SAMT UTVECKLING AV FÖRSÄKRINGSSYSTEM

	2024	2023
Ackumulerade anskaffningsvärden		
Vid årets början	126 363 095	117 508 909
Nyanskaffningar	12 903 087	8 854 187
Avyttringar och utrangeringar	-4 757 529	–
Omklassificeringar	1 183 241	–
	135 691 894	**126 363 095**
Ackumulerade avskrivningar enligt plan		
Vid årets början	-86 883 955	-79 110 435
Avyttringar och utrangeringar	2 390 626	–
Årets avskrivning enligt plan	-8 158 335	-7 773 520
	-92 651 663	**-86 883 955**
Redovisat värde vid årets slut	**43 040 231**	**39 479 141**

Not 14 PÅGÅENDE IMMATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2024	2023
Vid årets början	1 143 259	–
Nyanskaffningar	1 386 309	**1 143 259**
Omklassificeringar	-1 183 241	–
Redovisat värde vid årets slut	**1 346 327**	**1 143 259**

Not 15 INVENTARIER, VERKTYG OCH INSTALLATIONER

	2024	2023
Ackumulerade anskaffningsvärden		
Vid årets början	26 263 362	22 209 097
Nyanskaffningar	1 591 578	4 149 126
Avyttringar och utrangeringar	-3 625 996	-94 861
	24 228 944	**26 263 362**
Ackumulerade avskrivningar enligt plan		
Vid årets början	-17 053 647	-14 018 287
Avyttringar och utrangeringar	3 540 073	94 861
Årets avskrivning enligt plan	-2 899 131	-3 130 221
	-16 412 705	**-17 053 647**
Redovisat värde vid årets slut	**7 816 239**	**9 209 716**

Not 16 ANDELAR I KONCERNFÖRETAG

	2024	2023
Ackumulerade anskaffningsvärden		
Vid årets början	520 550 627	692 105 627
Årets nedskrivningar (anskaffningsvärde)	-	-171 555 000
Redovisat värde vid årets slut	**520 550 627**	**520 550 627**

Företagets namn	Antal andelar	Kapitalandel i %	Bokfört värde
BNP Paribas Cardif Försäkring AB	30 000	100	427 250 627
BNP Paribas Cardif Livförsäkring AB	38 000	100	93 300 000

Företagets namn	Org nr	Säte	Eget kapital	Resultat
BNP Paribas Cardif Försäkring AB	516406-0567	Västra Götalands län, Göteborgs Kommun	371 651 831	-81 397 376
BNP Paribas Cardif Livförsäkring AB	516406-0559	Västra Götalands län, Göteborgs Kommun	143 055 769	5 335 133

Not 17 NÄRSTÄENDE TRANSAKTIONER

Motpart	Nettofordran/skuld		Försäljning av tjänster		Köp av tjänster	
	2024	2023	2024	2023	2024	2023
BNPP Cardif Försäkring AB	14 105 801	-20 314 731	136 896 378	160 209 094	-	-
BNPP Cardif Skadeforsikring NUF	1 058 733	802 080	2 481 541	2 880 533	-	-
BNPP Cardif Forsikring	847 147	455 441	1 913 427	2 007 502	-	-
BNPP Cardif Livförsäkring AB	-22 140 040	4 628 643	66 546 002	47 746 635	-	-
BNPP Cardif Livskadeforsikring NUF	43 657	13 010	115 750	80 291	-	-
BNPP Cardif Livforsikring	27 949	13 010	63 995	65 055	-	-
	-6 056 755	-14 402 547	208 017 093	212 989 110	-	-

Gemensamma och övriga övergripande supportfunktioner inom den svenska koncernen, såsom funktionerna för sälj, ekonomi, aktuarie, juridik, IT, riskhantering, compliance och HR handhas av BNPP Cardif Nordic för BNPP Cardif Försäkring AB med filialers och BNPP Cardif Livförsäkring AB filialers räkning. Kostnaderna för dessa tjänster faktureras löpande mellan bolagen enligt avtal om outsourcing.

* BNPP anges som förkortning för BNP Paribas.

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Not 18 FÖRUTBETALDA KOSTNADER OCH UPPLUPNA INTÄKTER

	2024	2023
Förutbetald hyra	879 513	1 566 779
Upplupna nettopremier	17 899 144	25 339 758
Ovriga poster	4 505 786	5 052 215
	23 284 443	**31 958 752**

Not 19 EGET KAPITAL

Aktiekapitalet är fördelat på 84 450 aktier med ett kvotvärde på 100 kr per aktie. Årets förändringar i eget kapital framgår av rapporten Eget Kapitalräkning.

Not 20 UPPLUPNA KOSTNADER OCH FÖRUTBETALDA INTÄKTER

	2024	2023
Upplupen semesterlön inklusive sociala kostnader	5 590 719	5 259 692
Upplupen löneskatt pensionskostnader	5 118 860	4 786 163
Upplupna, övriga sociala kostnader	1 651 189	1 627 514
Upplupna kostnader bonus	7 465 017	8 266 140
Provisioner	12 337 853	17 031 116
Ovriga poster	18 772 129	15 993 875
	50 935 767	**52 964 500**

Not 21 RESULTATDISPOSITION

	2024
Overkursfond	769 244 934
Balanserat resultat	-214 256 226
Årets resultat	-1 615 266
Summa	**553 373 442**
Balanseras i ny räkning	**553 373 442**

Not 22 HÄNDELSER EFTER BALANSDAGEN

2024 var ur ett kommersiellt perspektiv ett oerhört framgångsrikt år för dotterbolagen med fortsatt förtroende från befintliga partners men framförallt tecknande av två nya. Ytterligare ett partnersamarbete tecknades under andra kvartalet 2025 och som sammantaget bidrar positivt till den framtida ekonomiska utvecklingen. De nya affärsrelationerna förväntas framförallt leda till signifkanta ökningar i premievolymerna för BNP Paribas Cardif Försäkring AB och ställer därför högre krav på företagets kapitalbas och att vi på ett ansvarsfullt sätt och med god marginal säkerställer våra åtaganden gentemot våra försäkringstagare.

I april 2025 beslutade styrelsen, genom en extra bolagsstämma, att genomföra en nyemmission där BNP Paribas Cardif SA tecknar 25 638 nya aktier med företrädesrätt i i bolaget. Priset per aktie fastställs till

6 826 kronor och innebär en ökning av aktiekapitalet från 8 445 000 kronor till 11 008 800 kronor. Överkursen ska tillföras fri överkursfond. I skrivande stund kan företaget per maj 2025 redovisa ett mottaget kapitalltillskott på 175 004 988 kronor och som transfererats vidare till BNP Paribas Cardif Försäkring AB som ett ovillkorat aktieägartillskott för att säkerställa dotterbolagets försäkringsåtaganden gentemot slutkund.

Göteborg 2025-06-19

Marc Edouard Pierre Wiebel
Ordförande

Marleke van Zulen – Bosma
Styrelseledamot

Åsa Blessner
Verkställande Direktör

Vår revisionsberättelse har lämnats

2025-06-19

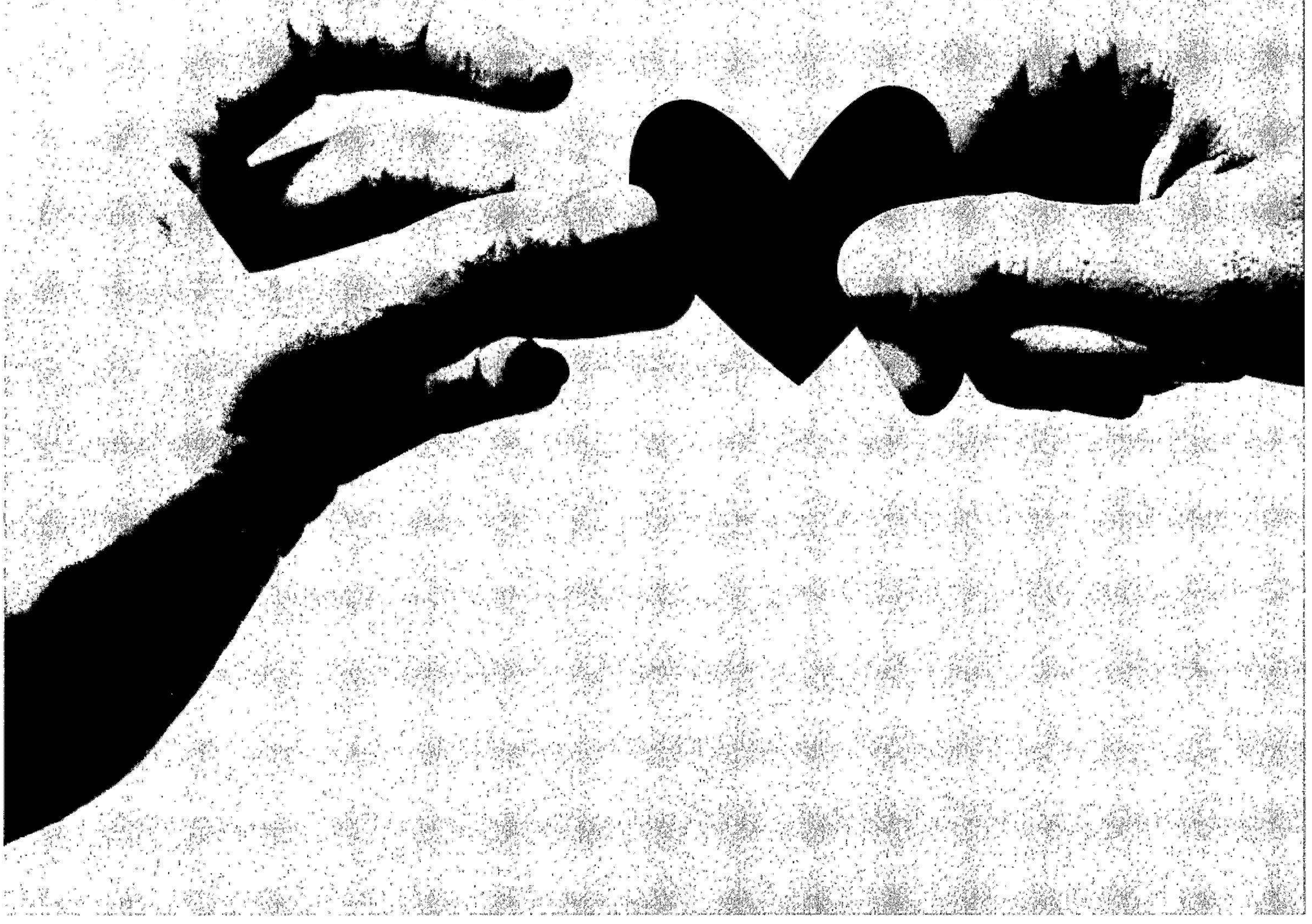
Ernst & Young AB

Carl Rudin
Auktoriserad revisor

ank=20250704-20250708163960

BNP Paribas Cardif Nordic AB | Org.nr: 556591-7902

In the face of change, we believe that to achieve your full potential in life you need to feel secure and free to choose your options. Our purpose is to enable this potential by supporting your financial wellbeing today and in the future.



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Fastställelseintyg

Undertecknad styrelseledamot i BNP Paribas Cardif Nordic AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämman 2025-06-19. Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Göteborg
2025-06-19

Åsa Blessner

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Säte: Göteborg

ank=20250704-20250708816398

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Revisionsberättelse

Till bolagsstämman i BNP Paribas Cardif Nordic AB, org.nr 556591-7902

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för BNP Paribas Cardif Nordic AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av BNP Paribas Cardif Nordic ABs finansiella ställning per den 32 december 2024 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till BNP Paribas Cardif Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

BNP PARIBAS
CARDIF

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av BNP Paribas Cardif Nordic AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman behandlar förlusten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till BNP Paribas Cardif Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm, den 19 Juni 2025

Ernst & Young AB

Carl Rudin
Auktoriserad revisor

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CONSOLIDATED FINANCIAL STATEMENTS

BNP Paribas Cardif

31 December 2024

BNP PARIBAS CARDIF

The insurer for a changing world

BNP PARIBAS CARDIF

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1. Balance sheet assets

(in millions of euros)	Notes	31 December 2024	31 December 2023 restated (1)
- Goodwill	4.1	242	144
- Other intangible assets	4.2	777	472
Intangible assets		**1 019**	**616**
Investment properties	4.3	**5 631**	**5 737**
- Securities		0	0
- Repurchase agreements and loans		547	486
Financial assets at amortised cost	4.4	**547**	**486**
- Debt securities		100 343	89 056
- Equity securities		1 729	646
- Loans and advances		0	0
Financial assets at fair value through equity	4.5	**102 072**	**89 702**
- Securities		165 554	150 327
- Repurchase agreements and loans		586	764
- Derivative instruments		1 920	1 935
Financial instruments at fair value through profit or loss	4.6	**168 060**	**153 026**
Derivatives used for hedging purposes	4.6.1	**139**	**86**
Investments in equity method investments entities	4.10	**82**	**89**
Investments		**276 532**	**249 126**
Equity-method investments	4.10	**1 107**	**1 030**
Insurance and investment contracts in an asset position		**38**	**25**
Reinsurance contracts held assets		**552**	**483**
Assets related to insurance and investment contracts	4.15	**591**	**509**
- Tangible assets	4.11	448	474
- Deferred tax assets	5.7.2	770	743
- Tax receivables		294	210
- Other receivables	4.12	4 692	3 574
Other assets		**6 204**	**5 002**
Cash and cash equivalents	6	**1 479**	**1 284**
TOTAL ASSETS		286 931	257 567

(1) Excluding IFRS 5 "Note 3.5 Activities held for sale"

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2. Balance sheet liabilities

In millions of euros	Notes	31 December 2024	31 December 2023 restated (1)
- Share capital	4.13	150	150
- Additional paid-in capital		2 089	2 089
- Changes in assets and liabilities recognised directly in equity	4	(354)	(690)
- Non-distributed reserves		1 694	1 507
- Net income for the period attributable to shareholders		831	600
Shareholders' equity - Group share		**4 409**	**3 656**
Minority interests		**456**	**377**
Total Shareholders' equity	5	**4 865**	**4 033**
- Subordinated debt		5 109	5 067
- Financial debts due to banking sector companies		5 374	4 034
Financing debts	4.14	**10 484**	**9 100**
Investment contracts without discretionary participation features		**8 629**	**8 667**
Insurance and investment contracts in a liability position		**247 049**	**217 451**
Reinsurance contracts held liabilities		**(0)**	**(24)**
Liabilities related to insurance and investment contracts	4.15	**247 049**	**217 427**
Provisions for contingencies and charges	4.20	**344**	**349**
- Deferred tax liabilities	5.7.2	367	247
- Current tax liabilities	6	186	198
- Liabilities due to banking sector companies	4.21	7 239	9 378
- Derivative instruments	4.6	1 586	1 528
- Derivative instruments used for hedging purposes	4.6	348	217
- Other debts	4.12	5 836	6 422
Other liabilities		**15 562**	**17 990**
TOTAL LIABILITIES		286 931	257 567

(1) Excluding IFRS 5 "Note 3.5 Activities held for sale"

3. Income statement

In millions of euros	Notes	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Insurance revenue	5.2	9,092	8,339
Net expenses from reinsurance contracts held		(131)	(132)
Insurance service expenses		(7,139)	(6,492)
Insurance service result		**1,822**	**1,715**
Investment income		5,196	4,292
Investment expenses		(1,268)	(1,008)
Net realised gains and losses and change in fair value of investments at fair value through profit and loss		8,338	7,444
Net realised gains and losses relating to investments at fair value through shareholders' equity		(419)	(443)
Net realised gains and losses on derecognised financial assets at amortised cost		1	0
Net impairment loss on financial assets		3	26
Share of earnings of equity-method investment entities	4.10	1	(6)
Investment return		**11,852**	**10,305**
Insurance finance income or expenses from insurance contracts issued		(11,380)	(10,076)
Reinsurance finance income or expenses from reinsurance contracts held		9	8
Net foreign exchange income or expenses from insurance contracts issued		-	-
Net foreign exchange income or expenses from reinsurance contracts held		-	-
Net finance income or expenses on insurance and reinsurance contracts		**(11,371)**	**(10,069)**
Investment result	5.1	**481**	**236**
Income or expenses from other activities		34	(215)
Other operating expenses and income		(831)	(463)
Other current operating income and expenses		**(797)**	**(679)**
Other non-current operating income and expenses	5.5	55	(54)
Other operating expenses and income		**(742)**	**(733)**
Pre-tax operating income		1,561	1,218
Financing expenses	5.6	(522)	(417)
Share of earnings of equity-method entities	4.10	32	33
Corporate income tax	5.7	(221)	(215)
NET CONSOLIDATED INCOME		850	619
Net income attributable to minority interests		19	19
Net income attributable to equity shareholders		831	600

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4. Statement of net income and changes in assets and liabilities recognised directly in equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net consolidated income	850	619
Changes in exchange differences	(37)	42
Changes in fair value of financial assets at fair value through equity	(152)	5,153
Change in fair value recognised in equity	(600)	4,595
Change in fair value reported in net income	448	557
Changes in fair value of hedging instruments	58	115
Change in fair value recognised in equity	58	115
Change in fair value reported in net income	-	-
Changes in insurance finance income or expenses for insurance contracts	261	(4,599)
Changes in insurance finance income or expenses for reinsurance contracts	6	7
Income tax	(59)	(172)
Changes in equity-method investments	234	34
Items that are or may be reclassified to profit of loss	**311**	**579**
Changes in fair value of equity instruments designated as at fair value through equity	37	58
Remeasurement gains (losses) related to post-employment benefit plans	2	(3)
Income tax	(5)	(22)
Changes in equity-method investments	-	-
Items that will not be reclassified to profit or loss	**34**	**34**
Changes in assets and liabilities recognised directly in equity	**345**	**613**
TOTAL NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	1,195	1,232
Attributable to equity shareholders	1,167	1,200
Attributable to minority interests	29	32

5. Statement of changes in shareholders' equity

(in million of euros)	Group share				Total Group share	Minority interests	Total shareholders' equity
	Share capital	Additional paid-in capital	Consolidated reserves recognised directly in equity	Consolidated reserves			
CAPITAL AND RETAINED EARNINGS AT DECEMBER 31, 2022	150	2,089	(1,290)	1,855	2,804	348	3,152
Items that are or may be reclassified to profit or loss			566		566	13	579
Items that will not be reclassified to profit or loss			34	16	50	0	50
Changes in assets and liabilities recognised directly in equity (1)			600	16	616	13	629
Net consolidated income (2)	-	-	-	600	600	19	619
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)			600	616	1,216	32	1,248
Dividend distribution and interim dividend payments				(363)	(363)	(4)	(367)
Movements in own equity instruments				0	0	0	0
Movements in consolidation scope				0	0	(0)	0
Changes in the holdings companies without loss of control				0	0	-	0
Other changes			-	(1)	(1)	1	(0)
CAPITAL AND RETAINED EARNINGS AT DECEMBER 31, 2023	150	2,089	(690)	2,107	3,656	377	4,033
Items that are or may be reclassified to profit or loss			301		301	10	311
Items that will not be reclassified to profit or loss			34	3	37	0	37
Changes in assets and liabilities recognised directly in equity (3)			335	3	338	10	348
Net consolidated income (4)	-	-	-	831	831	19	850
Total net income and changes in assets and liabilities recognised directly in equity (3) + (4)			335	834	1,170	29	1,198
Dividend distribution and interim dividend payments				(416)	(416)	(53)	(469)
Movements in own equity instruments				(0)	(0)	0	(0)
Movements in consolidation scope				(0)	(0)	96	96
Changes in the holdings companies without loss of control				(0)	(0)	3	3
Other changes				0	0	3	4
CAPITAL AND RETAINED EARNINGS AT DECEMBER 31, 2024	150	2,089	(354)	2,525	4,409	456	4,865

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6. Cash flow statement

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Pre-tax operating income	**1,593**	**1,421**
Gains and losses on disposed investments	(469)	(348)
Net depreciation/amortisation expenses	111	45
Change in impairment	(4)	(26)
Change in insurance contracts assets/liabilities	14,567	3,902
Change in reinsurance contracts assets/liabilities	35	(27)
Net addition to provisions	(20)	(145)
Change in value of financial instruments at fair value through profit and loss (no cash and cash equivalents)	(2,084)	(973)
Share in associates and joint-ventures investments	(1)	6
Other items without cash out in operating income	1,190	2,439
Correction of items included in operating income with no corresponding cash flows and reclassification of financing and investment flows	**13,325**	**4,872**
Dividends received from equity-method entities	13	13
Change in operating receivables and liabilities	(155)	525
Change in securities sold or received under repurchase agreements	(22)	53
Net cash generated by other assets and liabilities	(510)	210
Net taxes paid	(295)	(137)
Net cash not related to income from operating activities	**(971)**	**663**
NET CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES	13,947	6,956
Net cash related to movements in consolidation scope	**(1,526)**	**(670)**
Net cash on disposals and repayments of financial assets	**100,656**	**51,676**
Net cash related to acquisitions or issues of financial assets	**(110,128)**	**(58,844)**
Net cash related to acquisitions and disposals of tangible and intangible assets	**(75)**	**(221)**
NET CASH AND EQUIVALENTS GENERATED BY INVESTMENT ACTIVITIES	(11,072)	(8,059)
Issuance of capital instruments	(0)	30
Dividends paid	(469)	(371)
Net cash from transactions with shareholders and members	**(469)**	**(340)**
Cash generated by financing debts issuance	1,331	40
Cash allocated to financing debts repayments	(2,942)	1,846
Interest paid on financing debts	(554)	(620)
Net cash related to Group financing	**(2,164)**	**1,266**
NET CASH AND EQUIVALENTS GENERATED BY FINANCING ACTIVITIES	(2,634)	926
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS	(16)	(27)
BALANCE OF CASH AND EQUIVALENTS AT THE START OF THE PERIOD	1,068	1,272
Net cash generated by operating activities	13,947	6,956
Net cash generated by investment activities	(11,072)	(8,059)
Net cash generated by financing activities	(2,634)	926
Effect of changes in foreign exchange rates on cash and cash equivalents	(16)	(27)
BALANCE OF CASH AND EQUIVALENTS AT THE END OF THE PERIOD	1,293	1,068
Asset cash and cash equivalents	1,479	1,284
On demand debts	(186)	(216)
of which related debts	1	8
Liability cash and cash equivalents	(185)	(208)

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NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

1.1 NORMATIVE ENVIRONMENT

1.1.1 Applicable accounting standards and statement of compliance

In accordance with Regulation (EC) No. 1606/2002, BNP Paribas Cardif Group's consolidated financial statements have been prepared in accordance with the IAS/IFRS standards and IFRIC interpretations applicable as of 31 December 2024 as adopted by the European Union. These standards are available on the European Commission website [3].

The financial statements were approved by the Board of directors on 27 March 2025.

1.1.2 IFRS first-time application

For the first-time application of IFRS in the preparation of its consolidated financial statements as of 31 December 2017, BNP Paribas Cardif Group chose the IFRS 1 option to maintain the valuations already used in the context of IFRS reporting for BNP Paribas Group, insofar as they are compatible with the preparation of consolidated financial statements at its insurance sub-group level.

1.1.3 IAS/IFRS standards applicable from 1 January 2024

Amendments to IAS 12 related to the international tax reform

Further to the Pillar Two recommendations of the Organisation for Economic Cooperation and Development (OECD) in relation to the international tax reform, the European Union adopted on 14 December 2022 the Directive (EU) 2022/2523 instituting a global minimum level of taxation for multinational enterprise groups, effective 1 January 2024.

To clarify the potential impacts of this directive, on 23 May 2023, the IASB issued a series of amendments to IAS 12 "Income Taxes", which were adopted by the European Union on 8 November 2023. In accordance with the provisions of these amendments, the BNP Paribas Group, of which BNP Paribas Cardif is a member, applies the mandatory and temporary exception not to recognise deferred taxes associated with this additional taxation.

The Pillar Two reform has no material impact for BNP Paribas Group [4].

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[3] The full set of standards adopted for use in the European Union can be found on the website of the European Commission at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en

[4] The BNP Paribas Group presents details by country of pre-tax income and corporate income tax in chapter 8 of the 2024 Universal Registration Document.

IAS 19 Employee Benefits

In France, modifications resulting from the pension reform enacted on 14 April 2023 constitute a change in post-employment benefits, according to IAS 19 § 104. The impact of this change recognised in the income statement for the period was non-material.

Other standards, amendments, and interpretations

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2024 (amendments to IFRS 16 on Lease liabilities in a sale and leaseback, amendments to IAS 1 on the classification of current and non-current liabilities, amendments to IAS 7 and IFRS 7 on supplier finance arrangements) had no effect on BNP Paribas Cardif Group's financial statements as at 31 December 2024.

1.1.4 New major accounting standards, published but not yet applicable

BNP Paribas Cardif Group has not applied any new standards, amendments or interpretations adopted by the European Union for which application in 2024 is optional.

The assessment of the impact of new standards and amendments not yet applicable by the Group is presented below.

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" relating to the classification and measurement of financial instruments

On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7, which will be applicable for annual reporting periods beginning on or after 1 January 2026. These amendments:

- clarify the recognition and derecognition dates for certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic payment system;
- clarify and provide guidance on how to assess whether a financial asset meets the cash flow criterion, *e.g.* its cash flows are solely payments of principal and interest on the principal outstanding (SPPI);
- require disclosures in the notes to the financial statements for certain instruments with contractual terms that could change the timing or amount of cash flows upon the occurrence or non-occurrence of a contingent event (*e.g.* financial instruments with characteristics linked to the achievement of environmental, social and governance objectives); and
- update the disclosure requirements for equity instruments measured at fair value through equity.

Publication of IFRS 18 "Presentation and Disclosure in Financial Statements" to replace IAS 1 "Presentation of Financial Statements"

IFRS 18 will be mandatory from 1 January 2027, with retrospective application.

IFRS 18 includes many of the requirements of IAS 1 without changes and supplements them with new requirements relating to:

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- the presentation of specific categories (operating, investment and financing) and subtotals in the statement of profit or loss;
- the information to be disclosed in the notes to the financial statements on management-defined performance measures (MPM);
- the aggregation and disaggregation of information in the statement of profit or loss.

BNP Paribas Group is currently assessing the detailed implications of applying IFRS 18 to the Group's consolidated financial statements. BNP Paribas Cardif must also analyse the impacts of the application of IFRS 18 on its own consolidated financial statements.

1.2 CONSOLIDATION PRINCIPLES AND METHODS

1.2.1 Scope of consolidation

Companies included in the scope of consolidation

The consolidated financial statements of BNP Paribas Cardif Group include entities that are controlled by the Group, jointly controlled and under significant influence, except for those entities whose consolidation is regarded as immaterial with respect to the preparation of the consolidated financial statements of BNP Paribas Cardif Group. Companies that hold shares in consolidated companies are also consolidated.

Date of entry into the scope of consolidation

Subsidiaries are consolidated from the date on which BNP Paribas Cardif Group obtains effective control. Companies under temporary control are also included in the consolidated financial statements until the date of their disposal.

Sale of subsidiaries and equity interests

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Gains and losses from sales of equity interests are recorded in the income statement under "Other non-current operating income and expenses".

1.2.2 Consolidation methods

Companies under exclusive control

Companies controlled by BNP Paribas Cardif Group are fully consolidated. The Group controls a subsidiary when its relationship with the entity exposes or entitles it to variable returns and, due to its power over the entity, it has the capacity to influence these returns.

For entities governed by voting rights, the Group generally controls the entity if it holds, directly or indirectly, the majority of the voting rights (and if there are no contractual provisions that alter the power of these voting rights), or if the power to steer the relevant activities of the entity is conferred on it by contractual agreements.

Structured entities are defined as entities that are not governed by voting rights, for instance when such voting rights pertain to decision tasks only and the management of relevant activities is governed by contractual agreements. These are often characterised by restricted activities, a narrow and well-defined objective and insufficient equity to enable them to finance their activities without subordinated financial support.

For these entities, the analysis of control considers the original purpose of the entity, the risks to which the entity is expected to be exposed and to what extent BNP Paribas Cardif Group absorbs the related variability. The assessment of control takes into account all facts and circumstances so as to determine BNP Paribas Cardif Group's effective capacity to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has control, BNP Paribas Cardif Group considers only substantive rights that it holds, or which are held by third parties, in relation to the entity. For a right to be substantive, the holder must have the effective capacity to exercise that right when decisions regarding the relevant activities of the entity need to be made.

Where BNP Paribas Cardif Group contractually holds the decision-making power, for instance where BNP Paribas Cardif Group acts as fund manager, it must determine whether it is acting as the agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own behalf and that it thus has control over these entities.

Control must be reassessed if facts and circumstances indicate that there are changes to one or more of the criteria used to determine control.

In the full consolidation method, the assets and liabilities of the consolidated company form an integral part of the assets and liabilities of BNP Paribas Cardif Group, whereas the share of equity not directly or indirectly attributable to the parent company, called "non-controlling interests" or "minority interests", is handled separately.

The calculation of these minority interests takes into account the outstanding cumulative preferred shares issued by subsidiaries and classified as equity instruments when such shares are held outside of BNP Paribas Cardif Group.

Minority interests are presented separately in the consolidated income statement and as equity in the consolidated balance sheet.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Companies under joint control

Whenever BNP Paribas Cardif Group carries out an activity with one or more partners sharing control by virtue of a contractual agreement which requires unanimous decisions to be made on relevant activities (those that significantly affect the entity's return), BNP Paribas Cardif Group exercises joint control over the activity.

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Where the jointly-controlled activity is carried out through a separate legal structure over which the partners have rights to the net assets, this joint venture is consolidated using the equity method applied to companies over which the Group exercises significant influence.

Where the jointly-controlled activity is not carried out through a separate legal structure or where the partners have rights to the assets and obligations relating to the liabilities of the jointly-controlled activity, BNP Paribas Cardif Group recognises its share of the assets, liabilities, income and expenses in accordance with the applicable IFRS.

For the first consolidation as of 30 June 2018 of the real estate entities under joint control, BNP Paribas Cardif Group elected to use the option to measure at fair value an equity interest held directly or indirectly in an associate through an entity that is a mutual fund, an open-ended investment company or a similar entity such as an investment-related insurance fund. An example of such a fund is a fund held by the Group as an underlying component of a group of direct profit-sharing investment or insurance contracts.

Companies over which the Group exercises significant influence

Companies under significant influence, known as associates, are accounted for using the equity method.

Significant influence is the power to participate in the financial and operating policy decisions of a company without exercising control. Significant influence is presumed to exist when BNP Paribas Cardif Group holds, directly or indirectly, 20% or more of the voting rights of a company.

Shareholdings below this threshold are excluded from the scope of consolidation unless they represent a strategic investment, and if BNP Paribas Cardif Group effectively exercises significant influence. This applies to companies developed in partnership with other groups where BNP Paribas Cardif Group participates in strategic decisions of the associate through representation on management bodies, exercises influence over the associate's operational management through the provision of management systems or senior managers, or provides technical assistance to support the development of the associate.

Changes in the equity of companies accounted for under the equity method are recognised in balance sheet assets under "Investments in equity-method companies" and in the relevant component of shareholders' equity in the balance sheet liabilities. Goodwill on companies accounted for under the equity method is also included under "Investments in equity-method companies".

Whenever there is an indication of impairment, the carrying amount of the equity-method investment (including goodwill) is tested for impairment. During this test, the recoverable amount of the equity-method company (equal to the greater of the value in use and the fair value net of disposal costs) is compared to its carrying amount. Where appropriate, impairment is recognised under "Share of net income of equity-method companies" in the consolidated income statement and can be reversed later.

If the Group's share of the losses of an equity-method company equals or exceeds the carrying amount of its investment in this company, the Group ceases to take into account its share of future losses. The investment is reported at nil value. Provisions for additional losses of the equity-method company are made only when BNP Paribas Cardif Group has a legal or implied obligation to do so or has made payments on behalf of this company.

For first consolidation as of 30 June 2018 of the real estate entities under significant influence, BNP Paribas Cardif Group elected to use the option to measure at fair value an equity interest in an associate held directly or indirectly through an entity that is a mutual fund, an open-ended investment company or

a similar entity such as an investment-related insurance fund. An example of such a fund is a fund held by the Group as an underlying component of a group of direct profit-sharing investment or insurance contracts.

Consolidated insurance company investment entities

For the purposes of their financial management activity, insurance companies are required to invest in entities that correspond economically to investment entities such as mutual funds, other vehicles for collective investments in securities and real estate companies or funds.

Regarding fully-consolidated funds, units held by third-party investors are recognised as debt instruments at fair value if they are redeemable at their fair value at the subscriber's initiative.

Real estate investment companies (SCIs) and mutual funds consolidated under the equity method are classified as investments in equity-method investment entities.

Entities under significant influence or under joint control measured at fair value are recognised on the balance sheet under "Financial investments at fair value through profit or loss".

1.2.3 Harmonisation of accounting methods

BNP Paribas Cardif Group is part of the scope of consolidation of BNP Paribas Group.

In accordance with IFRS 10 "Consolidated Financial Statements" and given the first-time application option selected, BNP Paribas Cardif Group's consolidated financial statements are prepared in accordance with international accounting standards using accounting methods that are consistent with those applied by BNP Paribas Group for transactions and other similar events occurring under similar circumstances.

1.2.4 Elimination of intragroup balances and transactions

Intragroup balances arising from transactions carried out between consolidated companies of BNP Paribas Cardif Group, and the transactions themselves (including income, expenses and dividends), are eliminated.

Profits and losses arising from intragroup sales of assets are eliminated, except where there is an indication that the asset sold is impaired.

Unrealised gains and losses included in the value of assets measured at fair value through equity are maintained in the consolidated financial statements.

By exception, amendments to IAS 32 and IFRS 9 allow intragroup financial assets to be retained in the balance sheet if they are held as underlying components of direct profit-sharing contracts. These assets are measured at fair value through profit or loss. These are:

- treasury shares under the amendment to IAS 32;
- financial liabilities issued by the entity under the amendment to IFRS 9.

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These provisions are applied by BNP Paribas Cardif Group insurance entities that issue direct profit-sharing contracts, the underlying components of which include securities issued by BNP Paribas Group either directly or through consolidated investment entities.

1.2.5 Translation of financial statements expressed in foreign currencies

Effects of changes in foreign currency exchange rates

The consolidated financial statements of BNP Paribas Cardif Group are prepared in euros.

The financial statements of entities (subsidiaries and branches) whose functional currency is not the euro are converted using the closing rate method. Under this method, all assets and liabilities, both monetary and non-monetary, are converted using the spot exchange rate at the closing date. Income and expense items are translated at the average exchange rate for the period.

Financial statements of the Group's subsidiaries and branches located in hyperinflationary economies, previously adjusted for inflation by applying a general price index, are converted at the closing rate. This rate also applies to the conversion of assets and liabilities as well as income and expenses.

The Group share of differences arising from the conversion of items on the balance sheet and income statement are recorded in equity under "Changes in assets and liabilities recognised directly in equity", and the portion attributable to third-parties under "Minority interests".

In the event of the liquidation or disposal of some or all of an equity interest held in a foreign entity located outside of the Eurozone, leading to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without maintaining significant influence), the cumulative exchange difference at the date of liquidation or sale is recognised in the income statement. This does not apply to equity interests held by entities of the subgroup sharing the same functional currency as the liquidated or sold equity interest.

Should the percentage of interest change without leading to a modification in the nature of the investment, the foreign currency translation reserve is reallocated between the Group share and minority interests, *pro rata* to the percentage of equity held if the entity is fully consolidated; if the entity is consolidated under the equity method, it is recorded in profit or loss for the portion related to the interest sold.

In March 2017, the IFRS Interpretation Committee ("IFRS IC", formerly IFRIC) provisionally decided that it would not be appropriate to create an exception to IFRS 1 to allow a subsidiary that moves to IFRS after its parent company to retain in its own financial statements the foreign currency translation reserve shown in the financial statements of its parent company.

Following this decision, BNP Paribas Cardif Group, having adopted the option offered by IFRS 1 for the preparation of its first consolidated financial statements under IFRS at 31 December 2017, has reset to zero in the opening balance sheet of 1 January 2016 the translation reserves that were presented at BNP Paribas Group level. Consequently, the translation reserves recognised by BNP Paribas Cardif are different from those recognised by BNP Paribas Group, and the profit or loss recorded on the

subsequent sale of activities abroad includes translation differences after the date of transition to IFRS but excludes previous translation differences.

Application of IAS 29

BNP Paribas Cardif Group applies IAS 29 for the presentation of the financial statements of its consolidated subsidiaries located in countries with hyperinflationary economies.

IAS 29 presents several quantitative and qualitative criteria to assess whether an economy is hyperinflationary, including a cumulative, three-year inflation rate approaching or exceeding 100%.

The standard requires that amounts in the balance sheet and income statement that are not expressed in the measuring unit at the end of the reporting period be restated by applying a general price index.

For this purpose:

- All non-monetary assets and liabilities, including equity, of subsidiaries in hyperinflationary countries are restated on the basis of changes in the Consumer Price Index (CPI) between the date of initial recognition in the balance sheet and the end of the reporting period. Each line of the income statement is restated on the basis of changes in CPI between the dates on which the transactions were finalised and the end of the reporting period;
- Assets and liabilities linked by agreement to changes in prices, such as index-linked bonds and loans, are adjusted on the reporting date, in accordance with the agreement.

During periods of inflation, an entity holding more monetary assets than monetary liabilities loses purchasing power, and an entity whose monetary liabilities exceed monetary assets gains purchasing power, to the extent that these assets and liabilities are not linked to a price level. The gain or loss on the net monetary position, which reflects this gain or loss in purchasing power, recorded by the Group during the reporting period, is determined by the difference arising from the restatement of non-monetary assets, equity and the income statement, as well as the adjustment of index-linked assets and liabilities. This gain or loss is recognised under "Other non-current operating income and expenses".

The restated financial statements of these subsidiaries are then translated into euros at the closing rate.

In accordance with the provisions of the IFRIC's decision of March 2020 on classifying the effects of indexation and the translation of the financial statements of subsidiaries in hyperinflationary economies, the Group has opted to present these effects (including the net book value effect at the date of the initial application of IAS 29) within changes in assets and liabilities recognised directly in equity under "Changes in exchange differences".

Since 1 January 2022, the Group has applied IAS 29 to the presentation of the financial statements of its consolidated subsidiaries located in Türkiye.

1.2.6 Business combinations

Since BNP Paribas Cardif Group chose the IFRS 1 option to maintain the valuations already used in the context of IFRS reporting for BNP Paribas Group, insofar as they are compatible with the preparation of consolidated financial statements at its insurance sub-group level, business combinations that occurred before the date of BNP Paribas Cardif's transition to IFRS have remained unchanged in BNP Paribas Group's financial statements.

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Identification and initial valuation of assets and liabilities acquired

Acquisition method

Business combinations are accounted for using the acquisition method.

Under this method, the acquired entity's identifiable assets acquired and liabilities assumed are measured at fair value or its equivalent at the acquisition date, except for non-current assets classified as assets held for sale, which are measured at fair value less disposal costs.

The acquired entity's contingent liabilities are recognised in the consolidated balance sheet only if they represent a current obligation on the acquisition date and their fair value can be reliably estimated.

Cost

The cost of a business combination is the fair value or its equivalent, at the date of exchange of assets transferred, liabilities incurred or assumed, and equity instruments issued to obtain control of the acquiree.

Costs directly attributable to acquisition

Costs directly attributable to the business combination are treated as a separate transaction and recognised in the income statement.

Earnouts

Any earnouts are included in the acquisition cost at fair value on the date of acquisition as soon as control is obtained. Subsequent changes in the value of any earnouts recognised as financial liabilities are recognised in the income statement.

Business combinations carried out in stages

On the acquisition date, any previously held equity interest in the acquiree is remeasured at its fair value through profit or loss.

If a business combination is carried out through several transactions (step acquisition), the goodwill is determined by reference to the fair value at the acquisition date.

Subsequent valuation of acquired assets and liabilities

The Group has twelve months after the acquisition date to finalise the recognition of any business combination.

1.3 GOODWILL AND GOODWILL IMPAIRMENT

1.3.1 Initial measurement of goodwill

Goodwill represents the difference between the acquisition cost and the Group's share in the fair value (or its equivalent) of the identifiable assets and liabilities acquired on the date of acquisition.

On this date, goodwill is recognised on the asset side of the acquirer's balance sheet if positive or recognised immediately in the income statement if negative.

Minority interests are measured at their share of the revalued net assets of the acquired entity. However, for each business combination, BNP Paribas Cardif Group can elect to measure minority interests at fair value, in which case a proportion of goodwill is allocated to them. To date, the Group has never made use of this option.

Goodwill is recognised in the functional currency of the acquired entity and then converted at the closing exchange rate.

Goodwill determined in business combinations prior to the effective date of IFRS 17 has not been restated, since the contracts acquired were already measured at fair or model value using the non-offset presentation authorised by IFRS 4.

1.3.2 Goodwill impairment testing of fully consolidated companies

BNP Paribas Cardif Group regularly conducts goodwill impairment tests.

Cash-generating units

The group has split all its activities into cash-generating units [5] representing major business lines, which correspond in practice to geographic regions.

This split is consistent with the Group's organisational structure and management methods and reflects the independence of each unit in terms of results and management approach.

This organisation is regularly reviewed to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major restructuring.

Testing cash-generating units for impairment

Impairment testing on the goodwill allocated to all cash-generating units is carried out whenever there is a risk of lasting impairment, and at least once a year.

The carrying amount of each CGU is compared with its recoverable amount. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised. This impairment is equal

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[5] https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en As defined by IAS 36.

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to the difference between the carrying amount and the recoverable amount of the relevant cash-generating unit.

Recoverable amount and value in use of a cash-generating unit

The recoverable amount of a cash-generating unit is the higher of the fair value of the unit less disposal costs, and its value in use.

The fair value corresponds to the amount likely to be obtained from the sale of the cash-generating unit under the market conditions prevailing at the valuation date. Market references are generally either based on prices observed during recent transactions on comparable entities or based on market multiples of comparable listed companies.

Value in use is based on an estimate of the future cash flows to be generated by the cash-generating unit, derived from the annual forecasts prepared by the unit's management and approved by Group Executive Management, and from analyses of long-term changes in the relative positioning of the unit's activities on their market. These cash flows are discounted at a rate that reflects the return that investors would expect from an investment in the relevant business sector and geographic region.

1.4 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Fixed assets included in BNP Paribas Cardif Group's balance sheet include property, plant and equipment (including operating properties) and intangible operating assets used for administrative purposes or for the production of services.

1.4.1 Initial measurement of fixed assets

Fixed assets are initially recognised at their cost of acquisition plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service.

Software

Software developed internally that meets the criteria for capitalisation is capitalised at direct development cost, which includes external expenses, and the labour costs of employees directly associated with the project.

Expenses that contribute to improving the functionality of the software or extending its useful life are added to the initial acquisition or development cost.

However, software maintenance costs are not capitalised and are recognised in the income statement when incurred.

Exclusive distribution agreements

The value of an exclusive distribution agreement represents the value of expected future flows of new business within the network of a partner covered by the agreement. These intangible assets are measured according to the terms and conditions specific to each distribution agreement.

1.4.2 Subsequent measurement of fixed assets

At the closing date, fixed assets are measured at cost less accumulated depreciation or amortisation and any impairment losses recognised.

Depreciation and amortisation of fixed assets

The depreciable amount of property, plant and equipment or the amortisable amount of an intangible asset is calculated after deducting the residual value of the asset.

Only assets leased under operating leases are deemed to have a residual value, as the useful life of assets used in operations is generally the same as their economic life.

Assets are depreciated or amortised using the straight-line method over the useful life of the asset. Amortisation and depreciation expenses are recognised in the income statement as charges by type according to their use.

Where an asset consists of different components which may require replacement at regular intervals, or which have different uses or generate economic benefits at different rates, each component is recognised separately and depreciated using a method appropriate to that component.

Software is amortised depending on its type, over a period of no more than 8 years for infrastructure developments and over a 3- or 5-year period for software developed primarily for customer services.

Exclusive distribution agreements are amortised using the following rules:

- Under the rule in force at BNP Paribas Group level, straight-line amortisation is first calculated over the life of the exclusivity, taking into account any residual value;
- Where these distribution agreements relate to the sale of insurance contracts, the annual amortisation is reclassified within the acquisition costs of the contracts underwritten over the period. This amount is thus amortised using the rules applicable to acquisition costs over the coverage period of the relevant contracts (see 1.12.2 *Acquisition costs allocated to contracts*).

For the depreciation methods of property valued at cost, see section 1.5.1.

Asset impairment tests

Depreciable property, plant and equipment and amortisable intangible assets are tested for impairment if there is an indication of potential impairment at the closing date.

Non-depreciable/non-amortisable assets are tested for impairment at least annually, using the same method as for goodwill allocated to cash-generating units.

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If there is an indication of impairment, the new recoverable amount of the asset is compared with the carrying amount.

If the asset is found to be impaired, an impairment loss is recognised in the income statement as expenses corresponding to the asset category.

This loss is reversed in the event of a change in the estimated recoverable amount or if there is no longer an indication of impairment.

1.4.3 Gains and losses on disposals of assets

Gains or losses on disposals of operating assets are recorded in the income statement under "Other current operating income and expenses".

1.4.4 Operating properties

Operating properties are recognised at amortised cost.

In accordance with the recommendation of the *Conseil National de la Comptabilité* (National Accounting Council) working groups on the implementation of IFRS by insurance organisations (January 2007), internal rents and corresponding revenues recognised in French insurance companies' financial statements are eliminated without impacting policyholder profit-sharing and thus the modelling thereof in insurance liabilities.

By way of exception, owner occupied property that is an underlying component of direct profit-sharing contracts is measured at fair value (by amendment to IAS 16).

1.5 INSURANCE COMPANY INVESTMENTS

1.5.1 Real estate investment

The "Investment real estate" line includes all real estate assets, including units of real estate companies underlying unit-linked investment contracts, except for shares of real estate companies, both listed and unlisted, classified as "Financial assets at fair value through profit or loss".

Investment property

Investment properties correspond to property held directly by insurance companies and consolidated real estate companies. They consist of land, buildings and, in certain special cases, business assets acquired with the buildings.

Initial measurement of investment properties

Land and buildings appear on the balance sheet at their acquisition cost, which includes directly attributable acquisition costs.

Real estate investments in the hotel industry can include acquired businesses that are non-depreciable and attached to land or buildings. These businesses, under lease management or management

contracts, constitute elements generating returns on insurance investments to cover insurance commitments.

Subsequent expenditures

Subsequent expenditures are capitalised if they can be measured reliably and are likely to generate future economic benefits.

Subsequent measurement of investment properties

Following the amendment to IAS 40 related to the entry into force of IFRS 17, an entity may choose:

- the fair value model ("fair value") and the cost model for all investment property backing liabilities that pay a return directly linked to the fair value of, or returns from, specified assets including that investment property, and
- the two measurement models for all other investment property.

Investment (and operating) property held as underlying assets under direct profit-sharing contracts and measured at fair value

BNP Paribas Cardif has chosen to measure investment property at fair value through profit or loss when it is backing liabilities that pay a return linked to the value of these properties (for buildings that are underlying components of direct profit-sharing contracts). Prior to the application of IFRS 17, the Group applied the fair value model only to property assets backing unit-linked contracts.

The same measurement method applies to operating properties used as underlying assets of direct profit-sharing contracts, following an amendment to IAS 16.

At the closing date, the fair value of investment property is its realisable value, which is determined on the basis of an expert appraisal carried out by one or more independent appraisers. Between two appraisals, the realisable value is updated at least annually. Appraisers follow professional rules to carry out these appraisals.

Three main methods are used in practice to determine the realisable value:

- the comparable transactions method;
- the yield capitalisation method (which is a rate applied to a rental basis);
- the discounted cash flow method.

The final value retained by the independent appraiser may be a compromise between these three methods.

Other investment (and operating) properties

BNP Paribas Cardif has chosen to measure investment property that is not held as an underlying component of direct profit-sharing contracts using the cost method: these properties are therefore recorded at cost less accumulated depreciation and any impairment losses.

Under the component-based approach, the total cost of buildings is divided into four different components: shell, facade, general and technical installations, and fixtures and fittings, each component being accounted for separately according to its useful life or the rate of economic benefits it provides.

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The depreciation period of the components used by the Group, defined individually for each component, depends on the category of the building (prestige building or other buildings) and its purpose (offices, retail, accommodation, car parks).

The depreciation periods used by the Group are as follows:

- Shell (depreciation period between 50 and 80 years);
- Facade (25 to 30 years);
- General and technical facilities (20 to 25 years);
- Fixtures and fittings (12 to 15 years).

Impairment of buildings measured at cost

If, at the closing date, the realisable value of a building measured at cost is more than 10% lower than its carrying amount (compared to 20% in 2023), a specific study is conducted to determine whether it is necessary to recognise a provision for impairment.

The recognition of impairment enables the carrying amount of buildings to be reduced to their realisable value when this is less than the carrying amount and their impairment loss to be recorded through profit or loss.

When the realisable value of investment properties subsequently becomes higher than their carrying amount, the provision for impairment is reversed through profit or loss.

Gains and losses on disposals of investment properties

Gains and losses on the sale of investment properties are recorded in the income statement under "Gains and losses on disposed investments net of depreciation and impairment reversals".

Shares of listed real estate companies

Shares of non-consolidated listed real estate companies are classified as financial assets at fair value through profit or loss and follow IFRS 9 rules applicable to this class of assets.

Shares of unlisted real estate companies

Shares of non-consolidated unlisted real estate companies and their related receivables (in particular current accounts and advances from associates) are treated as an overall investment and classified as financial assets at fair value through profit or loss. The amount of this investment is valued in relation to the fair value of the underlying assets.

Shares and equity of real estate companies related to unit-linked contracts

Shares of real estate companies (SCIs) and the shares or units in real estate mutual funds (OPCI) which back unit-linked insurance contracts, are valued on the closing date at their fair value (or its equivalent), with changes in fair value recognised in the income statement.

If these companies are fully consolidated, the properties they own are measured at fair value through profit or loss (see above).

1.5.2 Financial investments

Financial investments of insurance activities are accounted for in accordance with the rules defined by IFRS 9.

Financial assets

Financial assets are classified at amortised cost, at fair value through equity, or at fair value through profit or loss, depending on the business model and the contractual cash flow features of the instruments at initial recognition.

Financial assets are recognised in the balance sheet when BNP Paribas Cardif Group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets made within a period defined by the regulations or by an agreement on a given market are recognised in the balance sheet on the trading date.

Business model criterion

Financial assets that are managed to collect cash flows by receiving contractual payments over the life of the instrument correspond to the "hold to collect" and "hold to collect and sell" business models.

The realisation of disposals close to the maturity of the instrument and for an amount close to the remaining contractual cash flows, or due to an increase in the counterparty's credit risk, is consistent with a business model whose objective is to collect the contractual cash flows ("hold to collect"). Sales imposed by regulatory requirements or to manage the concentration of credit risk (without an increase in credit risk) are also consistent with this business model when they are infrequent or insignificant in value.

Cash flow criterion

The cash flow criterion is satisfied if the contractual terms of the debt instrument give rise, on specific dates, to cash flows that are solely repayments of principal and interest on the principal amount outstanding.

The criterion is not met in the event of a contractual term that exposes the holder to risks or to the volatility of contractual cash flows that are inconsistent with those of a non-structured or "basic loan" arrangement. It is also not deemed to be satisfied in the event of leverage that increases the variability of the contractual cash flows.

Interest consists of consideration for the time value of money, for the credit risk, and for other risks (*e.g.* liquidity risk), costs (*e.g.* administration fees) and a profit margin consistent with that of a basic loan arrangement. The existence of negative interest does not call into question the cash flow criterion.

The time value of money is the component of interest - usually referred to as the "rate" component - which provides consideration only for the passage of time. The relationship between the interest rate and the passage of time must not be modified by specific terms that could call into question compliance with the cash flow criterion.

Thus, when the variable interest rate of a financial asset is periodically reset at a frequency that does not match the duration for which the interest rate is established, the time value of money may be considered as modified and, depending on the significance of that modification, the cash flow criterion may not be met. Some financial assets held by the Group present a mismatch between the interest rate

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reset frequency and the maturity thereof, or interest rates indexed to an average of benchmark rates. The Group has developed a consistent methodology for analysing this alteration of the time value of money.

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the early redemption amount substantially represents the principal amount outstanding and the interest thereon, which may include reasonable compensation for the early termination of the contract. An option that permits the issuer or the holder of a financial instrument to change the interest rate from variable to fixed does not breach the cash flow criterion if the fixed rate is determined at the outset, or if it represents the time value of money for the residual maturity of the asset at the date of exercise of the option. Clauses included in financing granted to encourage the sustainable development of companies which adjust the interest margin depending on the achievement of environmental, social or governance (ESG) objectives, present in some obligations, do not call into question the cash flow criterion when such an adjustment is considered to be minimal. Structured instruments indexed to ESG market indices do not meet the cash flow criterion.

Financial assets at amortised cost

Financial assets are classified at amortised cost if the following two criteria are met: the business model objective is to hold the instrument in order to collect the contractual cash flows ("hold to collect"), and the cash flows consist solely of payments relating to principal and interest on the principal.

The only BNP Paribas Cardif Group financial assets classified at amortised cost are loans, security deposits related to securities and derivatives transactions, and other deposits with credit institutions.

Financial assets at fair value through equity

Debt instruments

Debt instruments are classified at fair value through equity if the following two criteria are met:

- Business model criterion: financial assets are held as part of a business model whose objective is achieved by both holding the financial assets in order to collect contractual cash flows and selling the financial assets ("hold to collect and sell"). The latter is not incidental but is an integral part of the business model;
- Cash flow criterion: principles are identical to those applicable to financial assets at amortised cost.

The financial assets of BNP Paribas Cardif Group are managed according to the "collect and sell" business model, with the exception of assets representing unit-linked contracts and debt instruments held by consolidated UCITS and managed at fair value through profit or loss.

On initial recognition, financial assets are recognised at their fair value, including costs directly attributable to the transaction. They are subsequently measured at fair value, and changes in fair value are recognised under a specific line of equity entitled "Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss". Similarly, these financial assets are subject from the outset to a calculation of impairment for expected losses in respect of credit risk(6). Upon disposal, amounts previously recognised in equity are reclassified to profit or loss.

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(6) See section "Impairment of assets at amortised cost and debt instruments at fair value through equity".

In addition, interest is recognised in the income statement using the effective interest method determined at the inception of the contract.

Equity instruments

Investments in equity instruments such as shares are classified at market value through profit or loss and optionally, on a case-by-case basis, as instruments at fair value through equity (under a specific line).

The choice of classification at fair value through equity was made for certain lines representing own equity and non-profit-sharing contracts.

In the latter case, upon disposal of the shares, changes in fair value previously recognised in equity are not recognised in profit or loss.

Only dividends, if they represent consideration for the investment and not repayment of capital, are recognised in profit or loss. These instruments are not subject to impairment.

Redeemable fund units do not meet the definition of equity instruments. They also do not meet the cash flow criterion and thus are recognised at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include instruments held for trading, debt instruments that do not meet the "hold to collect" or "hold collect and sell" business model criterion or that do not meet the cash flow criterion, including fund units. Also in this category are equity instruments for which the fair value through equity option has not been selected. Lastly, financial assets may be recognised at fair value through profit or loss if this enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in other categories.

These financial instruments are measured at fair value at initial recognition, with transaction costs recorded directly in the income statement. At the reporting date, changes in fair value are presented under "Net gains and losses on financial instruments at fair value through profit or loss". The same applies to income, dividends, and realised gains and losses on disposals related to held-for-trading transactions.

Impairment of financial assets at amortised cost and debt instruments at fair value through shareholders' equity

The impairment model for credit risk is based on expected losses.

This model applies to:

- debt instruments measured at amortised cost or at fair value through equity;
- loan commitments and financial guarantee contracts that are not recognised at fair value;
- lease receivables falling under IFRS 16; and
- trade receivables generated by transactions under IFRS 15.

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General model

The Group identifies three "stages" that each correspond to a specific status with regard to the evolution of counterparty credit risk since the initial recognition of the asset:

- 12-month expected credit losses ("stage 1"): if, at the reporting date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is impaired at an amount equal to 12-month expected credit losses (resulting from the risk of default over the next 12 months);
- lifetime expected credit losses for non-impaired assets ("stage 2"): the provision for impairment is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since its initial recognition, if the financial asset is not considered credit-impaired;
- lifetime expected credit losses for credit-impaired financial assets ("stage 3"): the provision for impairment is also measured for an amount equal to the lifetime expected credit losses when an asset is impaired.

This general model is applied to all instruments within the scope of IFRS 9 impairment.

The IFRS 9 expected credit loss approach is symmetrical, *i.e.* if lifetime expected credit losses have been recognised in a previous reporting period, and if it is assessed in the current reporting period that there is no longer any significant increase in credit risk since initial recognition, for the financial instrument and the reporting period in question, the provision is recalculated based on a 12-month expected credit loss.

In terms of interest income, under "stages" 1 and 2, it is calculated on the gross carrying amount. Under "stage 3", interest income is calculated on the basis of the amortised cost of the receivables (*i.e.* the gross carrying amount adjusted for the provision for impairment).

Definition of default

BNP Paribas Cardif is subject to Solvency II regulation. The definition of default in the Solvency II documentation is based on the Basel default used by BNP Paribas Group. BNP Paribas Cardif does not apply a specific presumption of default criterion because its International Asset Management department, in conjunction with the Risk Function, ensures that high-risk bonds are sold before a default event occurs.

The definition of default is used consistently for assessing the increase in credit risk and measuring expected credit losses.

Credit-impaired or doubtful financial assets

Definition

A financial asset is considered credit-impaired or doubtful and classified in "stage 3" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

As mentioned above, BNP Paribas Cardif normally sells high-risk bonds before a default event occurs. No assets are currently classified as "stage 3".

Significant increase in credit risk

A significant increase in credit risk may be assessed on an individual basis or on a collective basis (by grouping financial instruments according to common credit risk characteristics), taking into account all reasonable and justifiable information, and comparing the risk of default on the financial instrument at the reporting date with the risk of default on the financial instrument at the date of initial recognition.

Assessment of deterioration is based on the comparison of the likelihood of default or ratings as at the date of initial recognition with those existing at the reporting date.

There is also, according to the IFRS 9 standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when contractual payments are more than 30 days past due.

Measurement of expected credit losses

Expected credit losses are defined as an estimate of credit losses (*i.e.*, the present value of all cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of financial instruments. They are measured on an individual basis, for all exposures.

In practice, for stage 1 and stage 2 classified exposures, expected credit losses are calculated by multiplying the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"), discounted at the effective interest rate of the exposure (EIR). They are based on the risk of default within the next 12 months (stage 1), or the risk of default over the life of the instrument (stage 2).

For stage 3 classified exposures, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash flows that are due in accordance with the contract, and the cash flows that are expected to be received.

Maturity

Maturity refers to the maturity date of the bond. All contractual terms over the life of the financial instrument are taken into account, including early repayment, extensions and similar options. In rare cases where the expected life of the financial instrument cannot be reliably estimated, the residual contractual term is used. The standard specifies that the maximum period to be considered when measuring expected credit losses is the maximum contractual period.

Probability of Default (PD)

Probability of Default is an estimate of the likelihood of default over a given time horizon.

The measurement of expected credit losses requires the estimation of both 1-year probabilities of default and lifetime probabilities of default.

In the absence of its own credit rating tool and in order to ensure consistency with its parent company, BNP Paribas Cardif uses the probability of default provided by BNP Paribas, which associates each rating with an internal PD, as presented on the BNP Paribas scale.

Loss Given Default (LGD)

Loss Given Default is the difference between contractual cash flows and expected cash flows, discounted using the effective interest rate (or an approximation thereof) at the default date. LGD is expressed as a percentage of the Exposure At Default (EAD).

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The LGD used for IFRS 9 purposes is derived from the Basel LGD parameters. It is adjusted for downturn and conservatism margins, in particular regulatory margins, with the exception of margins for model uncertainties.

Exposure At Default (EAD)

Exposure At Default (EAD) of an instrument is the anticipated outstanding amount owed by the debtor at the time of default. It is based on the expected repayment profile taking into account, depending on the product type, the contractual repayment schedule, expected early repayments and expected future drawdowns for revolving facilities. For BNP Paribas Cardif, this relates only to bonds.

1.5.3 Repurchase agreements and securities lending/borrowing

Presentation of repurchase agreements on the balance sheet

Securities temporarily sold as part of a repurchase agreement are still recognised in the Group's balance sheet in their original portfolio, with the corresponding liability recognised under "Financial debts due to banking sector companies".

Presentation of reverse repurchase agreements on the balance sheet

Securities temporarily acquired under reverse repurchase agreements are not recognised in the Group's balance sheet. The corresponding receivable is recognised in accordance with the rules applicable to financial assets managed according to the "hold to collect and sell" model.

Securities lending and borrowing

Securities lending transactions do not result in the derecognition of the loaned securities, and securities borrowing transactions do not result in the recognition of the borrowed securities on the balance sheet.

In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised in the balance sheet under "Financial debts due to banking sector companies".

1.5.4 Derivatives

Derivatives are contracts included in the scope of application of IFRS 9 that meet the following three conditions:

- Their value fluctuates according to changes in one or more underlying factors (interest rate, price, exchange rate, price index, credit rating, any other similar variable);
- They do not require any initial net investment or a low initial net investment;
- Such contracts are settled at a future date.

Initial recognition and subsequent valuation of derivatives

All derivatives are recognised in the balance sheet on the trading date at their transaction price.

At the closing date, they are revalued at their fair value.

Changes in fair value between two valuations are recognised in the income statement under "Change in investments at fair value through profit or loss", except for derivatives classified as cash flow hedging instruments and net investments in foreign operations.

Derivative instruments and hedge accounting

BNP Paribas Cardif Group and BNP Paribas Group have chosen to use the option provided by the standard to maintain the hedge accounting requirements of IAS 39 until the future standard on macro-hedging comes into force. Furthermore, IFRS 9 does not explicitly address hedging the value of the interest rate risk on a portfolio of financial assets or liabilities. The IAS 39 provisions for these portfolio hedges, as adopted by the European Union, continue to apply.

Derivatives contracted as part of a hedging relationship are designated according to the purpose of the hedge, and the accounting principles for derivatives and hedged instruments depend on the hedging strategy.

Objectives pursued

A fair value hedge (FVH) is used to hedge the interest rate risk of fixed-rate assets or changes in share price.

A cash flow hedge (CFH) is used to hedge the interest rate risk of variable-rate and fixed-rate assets, including rollovers, and foreign exchange risks of initial flows and highly probable future flows in foreign currencies.

A net investment hedge (NIH) in foreign currencies makes it possible to hedge the foreign exchange position of the Group in relation to its investments in foreign currencies abroad (subsidiaries and branches).

Formal documentation prepared at the inception of the hedge

At the inception of the hedge, the Group prepares formal documentation that provides details on the type of instrument or portion of the instrument or risk hedged, the hedging strategy and the type of risk hedged, the designation of the hedging instrument and the methods used to assess the effectiveness of the hedging relationship.

At inception and at least quarterly, the Group assesses, in compliance with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship.

Retrospective hedge effectiveness testing

Retrospective effectiveness tests are designed to assess whether the ratio of actual changes in the fair value or cash flows of the hedging instrument and those in the hedged item is within a range of 80% to 125% (ratios applicable to fair value hedges and cash flow hedges).

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Recognition of a derivative as a fair value hedge

In the case of a fair value hedging relationship, derivatives are revalued in the balance sheet at their fair value with a corresponding item on the income statement under "Financial income excluding finance costs", in line with the revaluation of the instruments hedged for the corresponding risk.

In the balance sheet, the revaluation of the hedged component is recognised in accordance with the classification of the hedged instrument, in the case of a hedging relationship of identified assets or liabilities.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging derivatives are transferred to the trading book and accounted for using the principles applied to this category. In the case of initially hedged identified interest rate instruments, the remeasurement adjustment recognised in the balance sheet is amortised at the effective interest rate over the remaining life of the instrument. In the case of portfolios of interest rate instruments initially hedged against interest rates, the adjustment is amortised on a straight-line basis over the remainder of the original term of the hedge.

If the hedged item no longer appears in the balance sheet, in particular due to early repayments, the adjustment is presented on the income statement.

Recognition of a derivative as a cash flow hedge

In a cash flow hedging relationship, derivatives are revalued at their fair value in the balance sheet, with a corresponding item in other comprehensive income "Changes in deferred value of derivatives used for hedging purposes".

Amounts in this item over the life of the hedge are transferred to the income statement under "Investment income excluding finance costs" as and when the cash flows of the hedged instrument impact profit or loss. The hedged items continue to be accounted for using the rules specific to the category to which they belong.

If the hedging relationship ceases or no longer fulfils the effectiveness criteria, the cumulative amounts recognised in equity as a result of the remeasurement of the hedging instrument remain in equity until the hedged transaction itself impacts profit or loss or until it becomes clear that the transaction will not occur, at which point they are transferred to the income statement.

If the hedged item ceases to exist, the cumulative amounts recognised in equity are immediately recorded in the income statement.

Recognition of the ineffective portion of the hedge

Regardless of the hedging strategy adopted, the ineffective portion of a hedge is recognised in the income statement under "Change in value of investments recognised at fair value through profit or loss".

Net foreign investment hedges in subsidiaries or branches

Hedges of net foreign currency investments in subsidiaries or branches are accounted for in the same way as cash flow hedges. Hedging instruments may be currency derivatives or any other non-derivative financial instrument.

The gain or loss on a hedging instrument related to the effective portion of the hedge is recognised in equity. The gain or loss related to the ineffective portion of the hedge is immediately recognised in the income statement.

Cumulative gains and losses in equity are recorded in the income statement on disposal of the foreign entity. In the case of a partial disposal, only the proportionate share of the corresponding cumulative exchange differences is included profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (composite) instrument that also includes a non-derivative host contract, which has the effect of making a portion of the cash flows of the composite instrument vary in a manner similar to a stand-alone derivative.

1.5.5 Debt securities issued

Financial instruments issued by the Group are classified as debt instruments if the company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the securities. The same applies if the Group is required to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or to deliver a variable number of the Group's own equity instruments.

Issues of debt securities are initially recognised at the issue value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

1.5.6 Own equity instruments and own equity instrument derivatives

Treatment of "own equity instruments" and similar

The term "own equity instruments" refers to shares issued by the parent company and by its fully-consolidated subsidiaries. External costs that are directly attributable to an issue of new shares are deducted from equity, net of all related taxes.

Own equity instruments held by the Group, also known as treasury shares, are deducted from consolidated equity irrespective of the purpose for which they are held. Gains and losses arising on such instruments are eliminated from the consolidated income statement. BNP Paribas Cardif does not hold any treasury shares.

When the Group acquires equity instruments issued by subsidiaries under exclusive control that are considered equivalent to equity instruments issued by the parent company, the difference between the acquisition price and the share of net assets acquired is recorded under Consolidated reserves – Group share.

Treatment of "own equity instrument" derivatives

The liability corresponding to put options granted to minority shareholders in such subsidiaries, and changes in the value of that liability, are allocated to minority interests or, failing that, to consolidated reserves - Group share.

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Until these options have been exercised, the portion of net income attributable to minority interests is allocated to minority interests in the consolidated income statement. A decrease in the Group's interest in a fully-consolidated subsidiary is recognised in the Group's financial statements as a change in equity.

Own equity instrument derivatives are treated as follows, depending on the settlement method:

- as equity instruments, if they are settled by physical delivery of a fixed number of treasury shares for a fixed amount of cash or other financial asset. Such instruments are not revalued;
- as derivatives, if they are settled in cash or by physical delivery of treasury shares or cash. Changes in value of such instruments are recorded in the income statement.

If the contract includes an obligation for the Group, whether contingent or not, to repurchase its own shares, a debt is recognised at its present value with an offsetting entry in equity.

1.5.7 Determination of fair value

Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability under standard conditions between market participants in the principal market or most advantageous market, at the measurement date.

BNP Paribas Cardif Group determines the fair value of financial instruments for each financial asset and liability taken individually, either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (*e.g.* comparable method, discounted cash flow method, Black-Scholes model, interpolation techniques, etc...). They maximise the use of observable inputs and minimise the use of unobservable inputs. These techniques are calibrated to reflect current market conditions. Valuation adjustments are applied where necessary, when factors such as model, liquidity and credit risks are not taken into account in the valuation techniques or parameters used but are nevertheless considered by market participants when setting the market price.

The fair value is determined for each financial asset or financial liability taken individually, but it can be measured on a portfolio basis when certain conditions are met.

Thus, like BNP Paribas Group, BNP Paribas Cardif Group could apply this exception when a group of financial assets and financial liabilities and other contracts falling within the scope of the financial instruments standard is managed on the basis of its net exposure to similar market or credit risks that offset each other, in accordance with a duly documented internal risk management strategy.

Assets and liabilities measured or disclosed at fair value are categorised into the three following levels of the fair value hierarchy:

- Level 1: fair values are determined using directly quoted prices in active markets for identical assets and liabilities. Characteristics of an active market include the existence of a sufficient frequency and volume of activity, and of readily available prices;
- Level 2: fair values are determined based on valuation techniques for which significant inputs are observable on the market, either directly or indirectly. These techniques are regularly calibrated, and the inputs are corroborated with information from active markets;
- Level 3: fair values are determined using valuation techniques for which significant inputs are not available or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and a significant model risk. A non-observable input is data for which

no market information is available. It is therefore based on internal assumptions about the data that would be used by other market participants. The assessment of whether a product is illiquid or subject to significant model risks is a matter of judgement.

The fair value hierarchy level within which the asset or liability is classified in its entirety corresponds to the lowest level input that is significant to the fair value.

For financial instruments presented in Level 3 of the fair value hierarchy, and to a lesser extent for certain financial instruments presented in Level 2, a difference between the transaction price and the fair value may arise at initial recognition. This "Day One Profit" is deferred and transferred to the income statement over the period during which the valuation inputs are expected to remain non-observable. When inputs that were originally non-observable become observable, or when the valuation can be substantiated by comparisons with recent similar transactions in an active market, the unrecognised portion of the day one profit is presented on the income statement.

1.5.8 Derecognition of financial assets and financial liabilities

Derecognition of financial assets

The Group derecognises all or part of a financial asset either when the contractual rights to the cash flows from the asset expire or when the Group transfers the asset, either by transferring the contractual rights to its cash flows or by retaining the contractual rights to receive the cash flows of the asset while assuming the obligation to pay the cash flows of the asset under a qualifying repurchase agreement, along with substantially all the risks and rewards of ownership of the asset.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, and has not in practice retained control of the financial asset, the Group derecognises the financial asset and then records separately, if necessary, an asset or liability representing the rights and obligations created or retained upon transfer of the asset. If the Group has retained control of the financial asset, it maintains it on its balance sheet to the extent of its continuing involvement in that asset.

Upon the derecognition of a financial asset in its entirety, a gain or loss on disposal is recognised in the income statement for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, adjusted where appropriate for any unrealised gain or loss previously recognised directly in equity.

If all of these conditions are not met, the Group retains the asset in its balance sheet and recognises a liability for the obligations arising upon the transfer of the asset.

Derecognition of financial liabilities

The Group derecognises all or part of a financial liability when the liability is extinguished, *i.e.* when the obligation specified in the contract is extinguished, cancelled or expired. A financial liability may also be derecognised in the event of a substantial change in its contractual terms or if exchanged with the lender for an instrument with substantially different contractual terms.

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1.5.9 Offsetting financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is presented in the balance sheet if, and only if, the Group has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Repurchase agreements and derivatives processed with clearing houses whose operating principles meet the two criteria set out in the accounting standard are offset in the balance sheet.

1.6 INVESTMENTS IN ENTITIES IN THE BANKING SECTOR AND OTHER SECTORS OF ACTIVITY

BNP Paribas Cardif does not consolidate companies in the banking sector, but only companies in other sectors of activity.

Investments in such companies follow the classification, valuation and impairment rules defined by IFRS 9. They are presented under a specific heading in balance sheet assets if material.

1.7 FOREIGN CURRENCY TRANSACTIONS

The methods used to account for assets and liabilities relating to foreign currency transactions entered into by the Group, and to measure the foreign exchange risk arising on such transactions, depend on whether the asset or liability in question is classified as a monetary or a non-monetary item.

1.7.1 Monetary assets and liabilities expressed in foreign currencies

Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

Monetary assets and liabilities expressed in foreign currencies are translated into the functional currency of the relevant Group entity at the closing rate.

Foreign exchange differences are recognised in the income statement, with the exception of those arising from financial instruments designated as cash flow hedges or net foreign investment hedges (see the section on "Derivative instruments and hedge accounting"), which are recognised in equity.

For French insurance companies, this treatment broadly corresponds to the one used for assets and liabilities that create "operational" foreign exchange positions.

1.7.2 Non-monetary assets and liabilities expressed in foreign currencies

Non-monetary assets may be measured either at historical cost or at fair value. Non-monetary assets expressed in foreign currencies are converted using the exchange rate at the date of the transaction if they are measured at historical cost and at the closing rate if they are measured at fair value.

Foreign exchange differences on non-monetary assets expressed in foreign currencies and measured at fair value (variable-income securities) are recognised in the income statement if the asset is classified as "Financial investments at fair value through profit or loss", and in equity if the asset is classified as "Financial investments at fair value through equity", unless the financial asset in question is designated as an item hedged against foreign exchange risk in a fair value hedging relationship, in which case the translation difference is recognised in the income statement.

1.8 EQUITY - GROUP SHARE

1.8.1 Changes in assets and liabilities recognised directly in equity

The section "Changes in assets and liabilities recognised directly in equity" on the liabilities side of the balance sheet includes various types of changes for which the IFRS standards provide or allow for direct recognition in equity (in "other comprehensive income"), which may or may not be recycled to profit or loss.

These differences correspond in particular to unrealised gains and losses resulting from the remeasurement of financial instruments classified as "Financial assets at fair value through equity":

- debt securities classified according to the "hold to collect and sell" business model for which the amount taken to equity can be recycled to profit or loss;
- equity instruments for which this amount is not recyclable in profit or loss but will be transferred to other reserves in the event of disposal;
- revaluation effects of cash flow hedging derivatives.

In the case of insurance contracts and investment contracts with discretionary profit-sharing, the difference corresponds to those recognised under the options permitted by IFRS 17 to record:

- in the case of contracts valued using the general model, the effect of changes in the discount rate for insurance liabilities between the initial recognition date and the reporting date;
- in the case of direct profit-sharing contracts measured using the variable fee model, the adjustment of the accounting mismatch in the income statement between the revaluation of the underlying assets recognised and measured at fair value through equity and that of insurance liabilities recognised and measured at fair value through profit or loss.

For details on the application of the option to record changes in the discount rate on insurance liabilities in equity, see note 1.12.2.

Furthermore, in accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", these differences also include the effects of the revaluation of derivatives used as net foreign investment hedges.

Finally, this item records the change in deferred taxes linked to these various changes, if any.

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1.9 NON-CONTROLLING INTERESTS

Non-controlling interests, also called minority interests, represent the share held by third parties in the net assets and net income of fully consolidated Group companies whose capital is not fully owned, directly or indirectly, by the consolidating parent company.

1.10 SUBORDINATED DEBTS

The classification of perpetual subordinated debts as financing debt is based on the analysis of the contractual clauses and the criteria defined by IAS 32. These clauses specify that the issuing company reserves the right to repay its debt in advance.

Subordinated debt is measured at amortised cost, as are financing debt securities (see the paragraph "Debt securities issued").

1.11 INVESTMENT CONTRACTS WITHOUT DISCRETIONARY PROFIT-SHARING

Investment contracts without discretionary profit-sharing fall within the scope of IFRS 9 "Financial Instruments". These are essentially pure unit-linked contracts with no floor guarantee.

Consequently, premiums received under these contracts are recognised directly in the balance sheet as deposits received, without impact on the income statement. Similarly, benefits paid and claims settled are recorded in the balance sheet as repayments of deposits, without impact on the income statement.

Costs incurred in connection with investment contracts without discretionary profit-sharing (additional external costs directly related to the asset management service) are recognised as assets in the balance sheet. These costs are amortised over the life of the contracts.

Ancillary costs directly related to the management of these investment contracts are also recognised as assets if they can be separately identified, reliably measured and are likely to be recovered. They are then amortised over the term of the contract, symmetrically to the recognition of the corresponding profit.

Operating expenses related to investment contracts without discretionary profit-sharing are recognised in the income statement. The same rule applies to earned income, spread over the estimated term of the contract.

In the case of unit-linked contracts, at the inventory date, the commitments relating to these contracts are measured at the fair value of the underlying assets at that date.

1.12 INSURANCE CONTRACTS AND INVESTMENT CONTRACTS WITH DISCRETIONARY PROFIT-SHARING

1.12.1 Definition and classification of contracts

The contracts issued by BNP Paribas Cardif Group fall into two categories:

- insurance and reinsurance contracts and investment contracts with discretionary profit-sharing, which fall within the scope of IFRS 17 "Insurance Contracts";
- investment contracts without discretionary profit-sharing, which fall within the scope of IFRS 9 "Financial Instruments" (see above).

The main insurance contracts issued by BNP Paribas Cardif Group are:

- contracts covering risks related to persons or property: credit protection insurance contracts, protection contracts, contracts covering other non-life risks (car insurance, comprehensive home insurance, etc.). These contracts are measured according to the general model (Building Block Approach - BBA) or the premium allocation approach (PAA) for contracts eligible for this method;
- life insurance and savings contracts: single and multi-fund contracts (invested in general fund assets and unit-linked accounts) with or without insurance risk including a discretionary profit-sharing component, and unit-linked contracts with a floor guarantee in the event of death. These contracts are measured using the variable fee approach (VFA).

Insurance contracts

According to IFRS 17, an insurance contract is a contract under which one party (the issuer) assumes a significant insurance risk for another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects them.

An insurance risk is significant if, and only if, an insured event could cause the insurer to pay significant additional amounts in any single scenario, excluding scenarios that are devoid of commercial substance. A contract transfers a significant insurance risk only if there is a scenario that has commercial substance in which there is a possibility that the issuer will incur a loss based on the present value.

The main insurance risks insured by BNP Paribas Cardif Group entities relate to mortality (death guarantees), longevity (life guarantees, *e.g.* life annuities), morbidity (disability guarantees), incapacity, health (medical cover), unemployment, civil liability and property damage.

These types of risks are controlled by using appropriate mortality tables (certified tables in the case of annuity-holders), medical screening appropriate to the level of benefit offered, and statistical monitoring of insured populations and reinsurance programmes.

In the case of savings contracts, BNP Paribas Cardif distinguishes two types of risks that enable these contracts to be classified as insurance contracts in accordance with IFRS 17:

- Risk of survival: in the event of a life annuity in service or of a deferred life annuity, if the annuity is compulsory;
- Risk of death: if the death benefit is greater than the surrender value of the contracts.

BNP Paribas Cardif thus refers to the following criteria to define the classification of these contracts as insurance contracts:

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- Minimum death coverage for the General Fund, where the death benefit is at least equal to 105% of the surrender value;
- Minimum coverage for unit-linked contracts to cover unfavourable changes in the financial markets; this guarantee is always qualified as insurance risk;
- Annuities, if the annuity is in use or the annuity paid is optional after the accumulation phase but the rate is guaranteed at the time of the subscription, or the annuity paid is mandatory after the accumulation phase.

The following contracts meet the definition of an insurance contract and are considered as falling within the scope of IFRS 17:

- Euro-denominated contracts backed by the General Fund with minimum coverage;
- Multi-fund contracts with minimum coverage;
- Unit-linked contracts with minimum coverage.

IFRS 17 or other standards may also be applied to the following contracts:

- Contracts that meet the definition of an insurance contract although their primary purpose is the provision of flat-rate services. Such contracts may be accounted for under IFRS 15 instead of IFRS 17 if, and only if, specific conditions are met:
  - the entity does not set the price of the contract with a particular customer based on an assessment of the risk associated with that customer;
  - the contract provides for compensation to the customer through the provision of services rather than cash payments; and
  - the insurance risk transferred by the contract is mainly the result of the customer's use of services, rather than uncertainty regarding the costs of these services.

This selection is made on contract-by-contract case but is irrevocable for each contract.

Contracts that meet the definition of an insurance contract, but whose compensation for insured events is limited to the amount that would otherwise be required to settle the policyholder's obligation under the contract (*e.g.* loans with a death waiver). Such contracts may be accounted for under IFRS 17 or IFRS 9, unless they are excluded from IFRS 17 under paragraph 7. The choice is made for each portfolio of insurance contracts and is irrevocable.

Reinsurance contracts

A reinsurance contract (or treaty) is an insurance contract by which an insurer (transferor) transfers part of its risks to a reinsurer (transferee). The Group acts as a reinsurer by accepting risks related to persons or property from external insurers and as a transferor by transferring such risks to external reinsurers. Contracts may be proportional or non-proportional, depending on the nature of the risks and the appetite for the risk accepted or retained. They are measured either according to the general model or the premium allocation approach, since the standard prohibits the use of the variable fee approach for reinsurance contracts.

Investment contracts with discretionary profit-sharing

Investment contracts do not expose the insurer to a significant insurance risk. They fall within the scope of IFRS 17 if they are issued by entities that also issue insurance contracts.

Discretionary profit-sharing is defined as the contractual right to receive, in addition to an amount that is not at the issuer's discretion, additional amounts:

- that are likely to represent a significant portion of the total benefits provided under the contract;
- the timing or amount of which is contractually left to the issuer's discretion; and
- that are contractually based on the returns arising from a defined set of contracts or type of contract, or on the realised and/or unrealised investment returns from a defined set of assets held by the issuer, or the income of the entity or fund issuing the contract.

The following contracts qualify as investment contracts with discretionary profit-sharing and thus are within the scope of IFRS 17:

- Euro-denominated contracts backed by the General Fund with no minimum coverage;
- Multi-fund contracts with a General Fund component with no minimum coverage.

Financial guarantee contracts

Financial guarantee contracts fall within the scope of IFRS 9, but may be measured and recognised in accordance with IFRS 17 if they are issued in the form of insurance contracts and comply with the requirements of both standards. BNP Paribas Cardif has chosen to treat these contracts under IFRS 17.

1.12.2 Measurement and recognition of insurance contracts

The principles of measurement and recognition for insurance contracts have been developed on the basis of a general model, which applies by default to all contracts within the scope of IFRS 17.

The general model has been modified to adapt to the specificities of contracts designated by the standard as having "direct participation features", using a "variable fee approach" (VFA).

A simplified alternative (the "Premium Allocation Approach" or "PAA") is permitted as an approximation of an assessment according to the general model.

Finally, specific adaptations have been developed for reinsurance contracts held.

Contracts concerned

Contracts covering personal or property risks (credit protection insurance, protection and other non-life risks) are measured according to the general model when the contract boundary, expected changes in cash flows and the time value effect over the coverage period mean they are not eligible for the simplified approach, or by operational choice (a single measurement model for short and long-term contracts).

For subsidiaries controlled by the Group, insurance contracts and investment contracts with discretionary profit-sharing features backed by groups of underlying assets commonly referred to as "general funds" or "policyholders' funds" that correspond to assets isolated analytically, contractually or according to a regulation, as well as unit-linked contracts with a floor guarantee and multi-fund contracts backed by assets such as a "general fund", are measured using the variable fee approach. In the case of certain foreign entities under significant influence or joint control, the classification of the contracts and the choice of measurement model have been determined by the controlling shareholder and have been maintained if they do not conflict with the Group's accounting options.

Creditor insurance, protection insurance and other non-life insurance contracts, are measured using the simplified approach if the conditions are met (unless the general model is chosen for operational reasons).

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Initial recognition – common rules applicable to the different measurement models

The following rules are common to the different measurement models and to the different insurance or investment contracts with discretionary profit-sharing features.

Separation of components covered by other standards and not closely related

When insurance or investment contracts with discretionary profit-sharing include components which would fall within the scope of another standard if they were separate contracts, an analysis must be carried out to determine whether these components should be accounted for separately. Thus:

- An embedded derivative is separated from the host insurance contract and accounted for under IFRS 9 when its economic characteristics and risks are not closely related to those of the host contract;
- An investment component corresponds to the amount that the insurer is required to repay to the policyholder in all cases, whether the insured event occurs or not. It is separated from the host insurance contract and accounted for under IFRS 9 when it is distinct from the host insurance contract and when equivalent contracts could be sold separately in the same market or legal area. It is not separated if it is closely linked to the host contract. Changes in a non-distinct investment component (and in particular related payments) are not recognised in the income statement;
- A promise to transfer to the policyholder distinct goods or services other than the services of the insurance contract is separated from the host insurance contract and accounted for under IFRS 15.

In the case of life and savings contracts issued by BNP Paribas Cardif, the investment component corresponds to the surrender value of the contract where it exists. It is not separable from the host contract because it varies each year according to the profit-sharing and interest attributed to the contract (or the change in the value of the unit of account for unit-linked contracts) and is therefore closely related to it. Certain contracts issued abroad that combine protection and savings components may also have a non-distinct investment component.

Combination of insurance contracts

When a series of insurance contracts with the same counterparty is intended to have an overall commercial effect, BNP Paribas Cardif treats the whole set collectively to reflect the substance of these contracts.

Date of initial recognition

A group of insurance contracts is recognised from the earliest of:

- the beginning of its coverage period;
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- in the case of a group of onerous contracts, is the date on which the group becomes onerous.

Aggregation

Insurance contracts are recognised and measured based on aggregation, which is broken down as follows.

The first level of aggregation is the portfolio of insurance contracts covering similar risks and managed together.

For creditor insurance, protection and other non-life insurance contracts, BNP Paribas Cardif uses the following discriminatory criteria when constructing portfolios of homogeneous contracts: legal entity, nature of the risks and partner distributor. Accepted reinsurance contracts follow the same principles.

For life and savings contracts, BNP Paribas Cardif uses the following criteria for the life and savings portfolios: legal entity, product, and underlying asset. Savings and retirement activities have been classified in separate portfolios (including in the period before the transition) due to the existence of a risk of longevity in retirement activity.

For the reinsurance contracts held, BNP Paribas Cardif uses the following criteria: legal entity, hedged item and partner. A portfolio can sometimes be a single contract.

The second level of aggregation within a portfolio is the expected level of profitability on initial recognition, based on the contractual service margin level of the contracts (onerous contracts, profitable contracts with no significant possibility of becoming onerous and other contracts). BNP Paribas Cardif has decided to limit this subdivision to two groups: onerous contracts at initial recognition and other contracts (which therefore include contracts with a low probability of becoming onerous).

The third level of aggregation is generation (corresponding to an annual "cohort"): a group of contracts may contain only contracts issued within one year or less.

However, in accordance with the optional exemption introduced by Regulation (EU) 2021/2036 of 19 November 2021 adopting IFRS 17 Insurance Contracts, BNP Paribas Cardif has chosen not to group contracts by annual cohort for portfolios of profit-sharing contracts based on intergenerational mutualisation. This option has been applied to insurance contracts and investment contracts with discretionary profit-sharing that are eligible for the VFA model, euro-denominated single or multi-fund investments including a euro fund for which policyholders' profit-sharing is mutualised between the different generations of policyholders, mainly in France, Italy and Luxembourg.

Initial recognition

At initial recognition, a group of insurance contracts is measured as the sum of:

- the fulfilment cash flows, which include estimates of future cash flows, adjusted to reflect the time value of money and associated financial risks, and a risk adjustment for non-financial risk; and
- the contractual service margin.

In the case of the premium allocation model (or simplified model), for profitable contracts, the liability related to the remaining coverage corresponds to the premium received, without distinguishing between the fulfilment cash flows and the contractual service margin (for more details on the premium allocation model, see the dedicated section).

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Fulfilment cash flows

The assessment of a group of insurance contracts must include the best estimate of all future cash flows (payable or receivable) required to meet contractual obligations (the "Fulfilment Cash Flows") within the contract boundary of this group of contracts. The estimated future cash flows:

- objectively take into account the expected value of all possible outcomes concerning the amount, timing and uncertainty of these future cash flows, based on reasonable and justifiable available information;
- reflect the perspective of the insurer, taking into account observable market prices;
- are current: they reflect conditions at the measurement date, in particular regarding the future assumptions;
- are carried out independently of the adjustment for the time value of money and financial risk;
- do not reflect the issuer's own credit risk.

The cash flows within the contract boundary are those directly related to the performance of the contract, including those whose amount or timing is at the entity's discretion. They correspond to the flows relating to insurance contracts directly or through allocation methods:

- premiums;
- incurred and future claims payments (including benefits in kind);
- the acquisition costs allocated to the portfolio to which the contract belongs (including the amortisation of exclusive distribution rights for insurance contracts);
- claims handling costs;
- policy administration and maintenance costs;
- taxes directly related to contracts;
- potential cash inflows from recoveries on claims;
- fixed or variable overheads that are directly attributable to the performance of insurance contracts: they represent a share of the costs of accounting, human resources, information technology and technical support, building depreciation, rent, maintenance and general services. These overheads are allocated to groups of contracts using systematic and rational methods;
- investment management costs, for contracts that provide either investment return services, in the case of insurance contracts without direct profit-sharing features, or investment-related services, in the case of insurance contracts with direct profit-sharing features, which correspond to the management of the underlying assets on behalf of the insured.

Direct variable costs (such as commissions on premiums) are allocated directly. Variable costs in stages or the proportion of attributable fixed costs are determined by the management control of each entity based on business surveys and allocated through work units.

On the other hand, fulfilment cash flows exclude the following items:

- investment returns, which are accounted for, measured and presented separately;
- cash flows corresponding to future insurance contracts, which are outside the scope of existing contracts;
- cash flows relating to costs that are not directly attributable to portfolios of existing insurance contracts, such as certain product development and training costs. These costs are recognised in net income when they are incurred;
- cash flows corresponding to abnormal amounts (under-activity, lack of productivity), which are recognised in the income statement when they are incurred;

- provisions for contingencies and charges (amounts actually paid are treated using the cost allocation method);
- income tax.

Contract boundary

For insurance contracts, cash flows within the contract boundary must therefore be included in the measurement of the Best Estimate of fulfilment cash flows if they arise from substantial rights and obligations that exist during the reporting period in which BNP Paribas Cardif may require the policyholder to pay the premiums or has a substantial obligation to provide the policyholder with services described in the contract.

This substantial obligation to provide services ends when:

- BNP Paribas Cardif has the effective capacity to reassess the risks generated specifically by the policyholder and can set a price or level of benefits that fully reflects these risks; or
- BNP Paribas Cardif has the effective capacity to reassess the risks generated by the portfolio to which the contract belongs and can set a price or level of benefits that fully reflects the risk of this portfolio. The calculation of premiums up to the risk revaluation date does not take into account risks related to subsequent periods.

For investment contracts with discretionary profit-sharing, the cash flows included in the scope are those resulting from a substantial obligation on BNP Paribas Cardif to deliver cash on a current or future date (this is the case for top-up payments subject to the same pricing conditions). BNP Paribas Cardif does not have this substantial obligation if it has the effective capacity to set a price that fully reflects the amount promised and the associated risks. For more details on the contract boundary, see the different measurement models.

The contract boundary must be reassessed at each reporting date to take into account the effect that changes in circumstances have on the entity's substantive rights and obligations.

Acquisition cash flow and corresponding asset

Acquisition cash flows include costs related to the design of a new contract (if they can be linked to contracts on the market) and those directly related to the acquisition of insurance contracts: remuneration of intermediaries (agents, general agents, brokers), the costs of designing and underwriting the contract, and the costs of collecting the premiums.

Acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method:

- cash flows that are directly attributable to a contract or group of contracts are therefore allocated to that group and, where appropriate, to groups that will include contracts expected to be renewed; or
- cash flows that are directly attributable only to a portfolio of contracts and are distributed between the portfolio's contract groups.

The acquisition cash flows paid (or in respect of which a liability has been recognised under another IFRS standard) before the initial recognition of the corresponding group of contracts are recognised as an asset provided that the contracts are acquired within a maximum period of 12 months, or if they anticipate the renewal of such contracts. Otherwise, acquisition cash flows are recognised as expenses.

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The assets corresponding to the acquisition cash flows of contracts that have not yet been recognised are presented as a deduction of insurance liabilities in the financial statements.

This asset is then derecognised when the group of insurance contracts to which it is allocated is recognised.

In the case where acquisition cash flows are paid taking into account the expected renewal of the contracts, they are also recognised as assets until allocated to the contracts or the renewal of the contracts.

At each reporting date, if the facts and circumstances indicate that the acquisition cash flows asset may be impaired, a recoverability assessment is performed. The aim of the recoverability assessment is to determine whether the expected future cash flows of the group of contracts are sufficient to recover the acquisition cash flows.

If the asset includes costs allocated to contract renewals, this assessment is performed at two levels. A first assessment is carried out at the level of the groups of contracts which will include the expected renewals. The second relates solely to the future cash flows of expected renewals.

If the recoverability assessment concludes that there is a risk of non-recovery, the carrying amount of the asset is adjusted. If the conditions that gave rise to the impairment disappear or improve, the impairment loss is reversed in profit or loss.

Acquisition cash flows allocated to contracts

In the case of the general model and the variable fee model, acquisition cash flows are deducted from the contractual service margin of the group of contracts to which they relate. They are then amortised over the coverage period of the group of contracts with the same coverage unit as that used for the contractual service margin.

Since the amount of the acquisition cash flows to be amortised was anticipated when the contract was initially recognised as a deduction from the contractual service margin, the recognition of the amortisation of these costs is reflected in the income statement in two opposite movements:

- the cost of amortising acquisition cash flows for the period is recognised as “Insurance activity expenses”, offset by
- the release of the profits allocated to the amortisation of the acquisition cash flows of the period is recognised in “Insurance activity income”.

In the case of the simplified premium allocation model, BNP Paribas Cardif Group has chosen the option of carrying forward acquisition costs over the coverage period and therefore deducting these costs from the unearned premiums, except where the contract coverage period coincides with the calendar year or the carry forward costs are not material. Acquisition cash flows are amortised over the premium amortisation period.

Multi-currency contracts

Insurance assets and liabilities are treated as monetary assets and liabilities.

In the case of contracts giving rise to cash flows in more than one currency (premiums, benefits, acquisition costs and management fees), BNP Paribas Cardif has elected to treat these contracts in one single currency corresponding to the currency in which the premiums and benefits are expressed. This accounting choice is one of two options provided by IFRS IC.

Discount rates

According to IFRS 17, the discount rates used to estimate future cash flows must:

- reflect the time value of money, the cash flow characteristics and liquidity characteristics of insurance contracts;
- match observable current market prices (if any) of financial instruments whose cash flows have characteristics that correspond to those of the insurance contracts in terms of timing, currency or liquidity; and
- exclude the effect of factors that influence these observable market prices, but not the future cash flows of insurance contracts.

The choice of the IFRS 17 discount rate curve is not required by the standard. The method of constructing the yield curve must be defined and justified for each portfolio. Two methodologies are proposed, one of which is to determine the yield curve based on the risk-free rate adjusted for factors specific to the characteristics of the insurance liabilities (in particular the liquidity difference) and the other where the yield curve is based on the rate of return on assets adjusted for factors that are not covered by the insurance contract (investment premium, credit risk, or any other investment risk borne by the entity) and on differences in the duration of the liability against the asset.

BNP Paribas Cardif has adopted the risk-free rate approach for the construction of the yield curve, with the following parameters:

- a risk-free yield curve by currency, based on an approach similar to that proposed by EIOPA in the prudential framework, with two components:
  - observable market and liquid component – rates are determined by reference to market financial instruments that meet liquidity criteria, are consistent with the liabilities and adjusted to limit the impact of credit risk;
  - the transition component towards a long-term rate – an expected long-term rate allows for the extrapolation of the yield curve for maturities beyond the liquid portion observable in the market.
- a liquidity premium specific to certain types of contracts, determined on the basis of portfolio assets.

When the cash flows from contracts do not take into account the return on underlying financial assets (as for Protection), BNP Paribas Cardif has used a discount rate corresponding to the risk-free rate, without quantifying a liquidity premium, due to the short duration of claims settlement on the main risks covered and the non-transferability to policyholders of the illiquidity of the liabilities.

When the cash flows from contracts take into account the return on underlying financial assets (in the case of contracts with direct profit-sharing), the risk-free yield curve is supplemented by a liquidity premium calculated on the basis of asset portfolio data representing savings and retirement contracts. BNP Paribas Cardif considers that bonds (sovereign and private) and diversified financial assets (Infrastructure, Private Equity, Real Estate and Debt Fund) benefit from a liquidity premium (or illiquidity).

Risk adjustment

For a group of insurance contracts, the risk adjustment is the compensation needed for bearing the uncertainty over the amount and timing of cash flows arising from the non-financial risk. It is determined separately from other estimates. It is part of the fulfilment cash flows.

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For contracts measured according to the general model and for incurred claims arising from contracts measured according to the premium allocation method, BNP Paribas Cardif has adopted a quantile method.

For direct profit-sharing contracts measured according to the variable fee model ("VFA") and certain contracts of the Cardif Assurance Vie Taiwan branch, BNP Paribas Cardif has adopted an approach based on the cost of capital required, including future premiums and the attributable costs of the contracts, but without taking into account the risk of mass lapses.

The parameters used in each of the two approaches are specified in the note on the level of confidence used in the determination of the adjustment for non-financial risk.

Contractual service margin

The contractual service margin of a group of insurance contracts represents the unearned profit, to be recognised as and when services are provided in the fulfilment of those contracts.

On initial recognition of a group of insurance contracts, if the total of the fulfilment cash flows, any cash flows arising on that date and/or any amount resulting from the derecognition of assets or liabilities previously recognised as cash flows related to the group (including assets related to acquisition costs):

- is a net inflow, then the group is profitable. In this case, the contractual service margin offsets the expected profit on initial recognition of the contracts;
- is a net outflow, then the group is onerous. In this case, this amount is immediately recognised as a loss in the income statement. This loss component is subject to extra-accounting monitoring to be reversed in profit or loss at the pace of the release of fulfilment cash flows or if these contracts become profitable again.

The "coverage units" used to release the contractual service margin must reflect the nature of the service(s) provided under the contract (see below).

The contractual service margin is not isolated in the premium allocation model.

Subsequent measurement

At each reporting date, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and of the liability for incurred claims:

- the liability for remaining coverage includes the fulfilment cash flows related to future services (estimated cash flows and risk adjustment) and the remaining contractual service margin at that date;
- the liability for incurred claims includes the estimate of future cash flows and the risk adjustment for incurred claims (including claims incurred but not yet reported and related expenses still payable), without any contractual service margin.

The assumptions used to estimate future cash flows and the adjustment for non-financial risk are updated, as is the discount rate, to reflect the situation at the reporting date.

Changes relating to future services are adjusted against the contractual service margin (or recognised as "Insurance activity income" in the income statement if the group of contracts is onerous).

Changes relating current or past services are recognised under "Insurance activity income" for the period.

The effects of time value of money, financial risks and their impacts on future cash flow estimates are recognised in "Insurance finance income or expense".

The contractual service margin is adjusted for changes in the estimate of non-financial assumptions relating to future services, is capitalised at the initial discount rate, then is released to the income statement in respect of services rendered during the period in "Insurance activity income". Acquisition cash flows deducted from the contractual service margin are released at the same rate as the contractual service margin.

In the case of contracts that become onerous, after consumption of the margin on contractual services, the loss is recognised over the period. In the case of onerous contracts that become profitable again due to favourable changes in assumptions, the contractual service margin is only reconstituted after offsetting the loss component.

Derecognition and modification

A contract is derecognised when:

- the obligation arising from the contract is extinguished, *i.e.* when the corresponding obligation expires, is discharged or cancelled; or
- the terms of the contract are amended in such a way that the accounting of the contract would have been substantially altered if these new terms had been provided for in the original contract.

If contract amendments do not cause the contract to be derecognised, the resulting changes in cash flows are treated as changes in estimated fulfilment cash flows.

On derecognition of a contract within a group of contracts not measured using the premium allocation method:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those relating to the derecognised contract;
- the contractual service margin of the group is adjusted for the change in fulfilment cash flows, unless these changes are allocated to the loss component; and
- the number of coverage units linked to the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised due to its transfer to a third party, the contractual service margin of the group is also adjusted for the premium charged by the third party.

If a contract is derecognised because its terms are modified, the contractual service margin of the group is adjusted for the premium that would have been charged had a similar contract been concluded. The new recognised contract is measured as if the corresponding premium had been received on the modification date.

Subsequent measurement of insurance contracts without direct profit-sharing measured under the general model (Building Block Approach – BBA)

For insurance contracts without direct profit-sharing, at each reporting date, the opening carrying amount of the contractual service margin of a group of contracts is adjusted for:

- the effect of new contracts added to the group during the period;
- interest capitalised on the contractual service margin during the year, using the initial discount rate;

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- changes in fulfilment cash flows related to future services, unless:
  - the increase in fulfilment cash flows exceeding the carrying amount of the contractual service margin gives rise to a loss recorded in the income statement and the creation of a loss component, or
  - the decrease in fulfilment cash flows is allocated to the loss component, leading to a reversal of the loss previously recognised in the income statement;
- the effect of currency exchange differences on the contractual service margin;
- the amount recognised as insurance activity income due to the provision of services under insurance contracts during the period.

The release of expected fulfilment cash flows for the period and change in past service estimates are recorded in "Insurance activity income". Actual fulfilment cash flows are recorded as "Insurance activity expenses". The difference between the estimated and actual amounts represents the experience adjustment which forms part of the profit or loss for the period.

BNP Paribas Cardif records in equity the effect of the change in the discount rate. The accretion expense is recognised under "Insurance finance income or expense" based on the original rate (initial rate for the liability for the remaining coverage period and rate on the date of occurrence for the liability for incurred claims). The difference between the value of liabilities discounted at a fixed rate at inception and the value of those same liabilities estimated using current discount rates is recognised in equity. The effect on liabilities of changes in financial variables, in particular the indexation of benefits under the contract, is also recognised in equity.

For these contracts, BNP Paribas Cardif uses a method based on the premium risk earned as the unit of coverage for the release of the contractual service margin, considering that this approach was in line with the various methods adopted at the Transition Resource Group meeting in May 2018, and is a good representation of the risk coverage borne by the insured (and thus of the service provided). This method is derived from the method previously used under IFRS 4 to determine the rate at which premiums are earned based on changes in the risk profile. Other methods may be used if it is shown that they produce comparable results.

Certain profit-sharing contracts issued by the Cardif Vie Taiwan branch are measured using the general model, with coverage units and a risk adjustment determined according to terms similar to those of the variable fee model.

Changes in the fulfilment cash flows related to future services include:

- experience adjustments arising from premiums received during the year for future services and associated cash flows, measured at the discount rates determined at initial recognition;
- changes in estimates of the present value of the future cash flows in the liability over the remaining coverage, measured at the discount rates determined at initial recognition, except for those arising from the effects of time value of money, the financial risk and changes thereto;
- experience adjustments on investment components and policy loans granted to a policyholder;
- changes in the adjustment for non-financial risk related to future services.

Changes in discretionary cash flows are considered as related to future services and therefore adjust the contractual service margin.

For contracts measured under the general model, the determination of portfolios and groups of contracts, the determination of the contract boundaries of these groups, the estimation of future cash flows (claims,

operating expenses), the choice of the discount rate, the quantile for the risk adjustment and the coverage unit to reflect the services rendered are considered to be significant judgements or estimates.

Subsequent measurement of insurance contracts with direct profit-sharing features measured under the Variable Fee Approach (VFA)

Contracts with direct profit-sharing features measured under the VFA are insurance or investment contracts for which:

- the contractual terms specify that the policyholder is entitled to a share of a clearly-defined pool of underlying assets;
- the insurer expects to pay the policyholder an amount equal to a substantial share of the return on the fair value of the underlying assets;
- the insurer expects that any variation in the amounts to be paid to the policyholder will be substantially attributable to the change in fair value of the underlying assets.

The assessment of compliance with these conditions is performed at the inception date and is not reviewed subsequently.

For these contracts, under which the insurer must pay the policyholder an amount equal to the fair value of clearly-defined underlying assets minus a variable fee, a specific model (called the "variable fee method") was developed by adapting the general model.

BNP Paribas Cardif assesses as direct profit-sharing contracts:

- insurance contracts and investment contracts with discretionary profit-sharing features backed by a share of a general fund, or by assets isolated analytically, contractually, or regulatorily;
- unit-linked contracts with a minimum guarantee and multi-fund contracts including a general-fund component.

In France, the underlying items of non-unit-linked direct profit-sharing contracts include a share of assets backing the "capitalisation reserve" set out in the statutory financial statements (and cancelled in the IFRS financial statements). This share is determined based on the breakdown of the capital gains on bonds included in the underlying assets and impacting the "capitalisation reserve" (in the statutory financial statements), which is distributed between the Best Estimate and the contractual service margin from the portion of the "capitalisation reserve" allocated to analytical, contractual or regulatory asset groups in the statutory financial statements, which therefore constitute the basis for calculating the policyholders' profit-sharing.

At each reporting date, the liabilities for these contracts are adjusted for the realised yield and changes in the fair value of the underlying assets: the policyholders' share is recorded in the fulfilment cash flows through insurance activity finance income, and the insurer's share, equal to the variable fee, increases the contractual service margin.

The contractual service margin is also adjusted for the effect of changes in fulfilment cash flows that do not vary directly with the underlying assets and that relate to future services: estimates of cash flows, risk adjustment, changes in the time value of money and in the financial risks not attributable to the underlying assets (*e.g.* the effect of financial guarantees).

Changes in fulfilment cash flows that do not vary with changes in the yields of underlying assets and that relate to past services are recognised in profit or loss. This is the case for management fees and attributable costs.

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Acquisition cash flows are deducted from the contractual service margin of the group of contracts to which they relate and amortised over the coverage period of the contracts, as in the general model.

Due to the mechanism for allocating the change in the value of the underlying assets between policyholders and insurer, income from these contracts is in principle mainly represented by the amortisation of the contractual service margin, the release of the risk adjustment and experience differences not allocated to the contractual service margin. When the underlying assets fully back the liabilities and are measured at fair value through profit or loss, the financial income earned from these contracts should be zero.

BNP Paribas Cardif has chosen to apply the option to reclassify in equity the change in the liabilities of direct profit-sharing contracts backed by the underlying assets not measured at fair value through profit or loss.

For insurance contracts with direct profit-sharing features, the change in the contractual service margin is therefore the result of:

- the effect of new contracts added to the group;
- the change in the amount of the insurer's share of the fair value of the underlying assets;
- the changes in fulfilment cash flows related to future services;
- where applicable, the effect of any foreign currency exchange differences on the contractual service margin;
- the release of the contractual services margin.

Life and savings contracts meeting the above definition of direct profit-sharing contracts are measured using the variable fee approach. When these contracts include a surrender value, it meets the definition of a non-distinct investment component, and changes in that investment component (and in particular, related payments) are therefore not recognised in the income statement.

BNP Paribas Cardif Group has chosen to apply the option introduced by the European regulation not to divide the portfolios of profit-sharing contracts based on intergenerational mutualisation by annual cohort (see above). This option is applied to insurance contracts and investment contracts with discretionary profit-sharing that are eligible for the variable fee model, single or multi-fund products including a euro component, for which the policyholders' profit-sharing is mutualised between different generations of policyholders, in France, Italy and Luxembourg. As a result, the assessment of the onerous nature is made on the basis of the portfolio and not on the basis of the annual cohorts.

The contract boundary includes future premiums as long as the applicable pricing is not modifiable (e.g. acquisition or management loadings), as well as the annuity phase in service when contracts provide for a mandatory or optional annuity (in this case, the option is probabilistic).

The discount rate is based on the risk-free rate, extrapolated over time beyond observable inputs and adjusted for a liquidity premium based on the underlying assets in order to take into account the illiquidity of the liabilities.

The risk adjustment is determined by combining the cost of capital method without considering the risk of mass lapses, including top-up premiums and considering only attributable costs, and the quantile method for the top-up premiums.

The coverage unit used by BNP Paribas Cardif to release the contractual service margin corresponds to the change in reserves belonging to policyholders (determined at present value), adjusted to take into account the impact of the expected real return on the underlying financial or real estate investments

compared to the neutral-risk actuarial projection. This "Over return" approach has been developed in order to correct the discrepancies found between "neutral risk" actuarial models and "real world" data. It captures the outperformance effect of the effective return on assets relative to a neutral risk projection. For its implementation, the coverage unit is the contract's mathematical reserve, adjusted by a coefficient reflecting the difference in performance between the two models, which is calculated at the end of each accounting period for the past period and the remaining coverage of the contracts. The main financial assumptions underlying the determination of the expected actual financial performance are those used by the Group for the strategic plan. Beyond this horizon, the rate and yield assumptions used are determined in line with those underlying the neutral risk projection.

The liabilities for incurred claims are measured using the variable fee approach if they are sensitive to changes in the value of the underlying assets and the general model if they are not.

For these contracts, the breakdown by portfolio, the economic scenarios used to estimate the future returns on the underlying investments (and hence the share belonging to policyholders and the insurer), the duration of contracts (and in particular the repayment and surrender assumptions), the choice of discount rate, the level of capital required for the risk adjustment and, finally, the choice of the coverage unit to reflect the services provided, including the outperformance of the actual return relative to the neutral risk, are deemed to be significant judgments or estimates.

Contracts measured under the Premium Allocation Approach (PAA)

Short-term contracts (less than one year) may be measured and accounted for using a simplified approach referred to as the "premium allocation method", which is also applicable to longer-term contracts if it produces results similar to those of the general model for the measurement of the liability for remaining coverage.

Creditor insurance, protection and other non-life insurance contracts, and reinsurance contracts accepted or held are measured using this approach if the conditions are met.

For profitable contracts, liabilities for the remaining coverage correspond to the deferred premiums received, using a profile representing the remaining coverage at the reporting date. Onerous contracts and liabilities for incurred claims are measured using the general model. The method used to determine the risk adjustment is the same as for the general model.

If, during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, BNP Paribas Cardif recognises a loss in the income statement and increases the liability for remaining coverage by the amount of the expected loss.

BNP Paribas Cardif Group has opted to defer acquisition costs over the coverage period and therefore presents them as a deduction from the deferred premiums, except where the coverage of the contracts coincides with the calendar year or the deferrable costs are not material.

For these contracts, the allocation of premiums for services rendered over the period is carried out using an approach based on the emergence profile of the risks covered, which may be linear or non-linear, depending on the nature of the guarantees and the method of collection of the premiums.

Liabilities for incurred claims are discounted if the expected settlement of claims is more than one year after the date of occurrence. The accretion expense is recognised as insurance finance income or expense as in the general model. In this case, the option of classifying in equity the effect of changes in the discount rate and financial variables, in particular the indexation of the benefits provided under the

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contract, is also applicable. BNP Paribas Cardif Group has selected this option for liabilities for incurred claims.

At each reporting date, the adjustment of liabilities for remaining coverage and for incurred claims is recognised in the income statement.

For these contracts, eligibility for the premium allocation method on contracts of more than one year and the estimates of future cash flows are deemed to be significant judgements or estimates.

Initial recognition of insurance contracts acquired as part of a portfolio transfer or a business combination

In the case of contracts acquired as part of a portfolio transfer or business combination within the scope of IFRS 3, the provisions relating to the definition of groups of contracts acquired applies as if the contracts had been issued on the date of the transaction.

The consideration received or paid in exchange for the contracts (or the fair value in the case of a business combination) is used as an approximation of the premiums received to calculate the contractual service margin at the initial recognition date.

In the case of a business combination within the scope of IFRS 3, the consideration received or paid is the fair value of the contracts at that date. For business combinations that have occurred after the first application of IFRS 17, this fair value has been determined by BNP Paribas Cardif by forecasting the value of liabilities under the Solvency II prudential approach, which constitutes a market benchmark. This valuation could be adjusted by taking into account assumptions different from those of Solvency II depending on their materiality in the valuation of the liability.

Liabilities transferred in respect of incurred claims with the previous insurer are treated as liabilities for remaining coverage at the level of the buyer.

In the context of a business combination, when insurance contracts acquired turn out to be onerous, the excess of fulfilment cash flows compared to the fair value of the contracts is recognised in goodwill or as profit if it results from an acquisition with advantageous terms.

In the case of a portfolio transfer, where the transferred insurance contracts issued turn out to be onerous, the excess of fulfilment cash flows compared to the consideration paid or received is recognised as a loss in net income.

In addition, an acquisition cash flow asset must be recognised, at fair value, for the acquisition costs related to the renewal of existing insurance contracts or the acquisition costs already paid by the acquired company for future contracts. BNP Paribas Cardif recognises such assets only if they are material and can be reliably measured.

The subsequent measurement of portfolios of insurance contracts and investment contracts with discretionary profit-sharing features follows the general principle of recognition as described in the previous sections.

1.12.3 Measurement and recognition of reinsurance contracts

Reinsurance contracts

Reinsurance contracts are contracts issued by one entity (the reinsurer) to compensate another entity (the transferor) for claims arising from one or more insurance contracts issued by that other entity (underlying contracts).

Even if a reinsurance contract does not expose the issuer to a significant risk of loss, it is considered to transfer a significant insurance risk if it transfers to the reinsurer substantially all of the insurance risk relating to the reinsured portion of the underlying insurance contracts.

BNP Paribas Cardif accepts the material insurance risk of other insurers (accepted reinsurance) and holds contracts whereby it transfers the material insurance risk to other insurers (transferred reinsurance).

Reinsurance contracts issued (reinsurance accepted)

Reinsurance accepted is treated as direct insurance contracts, either using the general model or the simplified model, depending on the coverage period of the reinsurance contracts.

The valuation and accounting provisions are identical except that reinsurance contracts issued cannot be measured using the variable fee model.

BNP Paribas Cardif accepts risks corresponding to those it covers as a direct insurer under proportional or non-proportional treaties.

Reinsurance contracts held

BNP Paribas Cardif cedes in reinsurance the risks against which it wishes to protect itself (*e.g.* non-proportional treaties covering peak risk, the risk of accumulation or exceeding the desired retention), or under the risk-sharing framework, of proportional treaties for technical or commercial reasons.

Insurance premiums, claims and liabilities transferred through ceded reinsurance transactions are determined based on the transfer agreements, using the accounting and measurement rules applicable to insurance contracts without elements of direct profit-sharing, modified as follows.

A group of reinsurance contracts held (reinsurance ceded) is recognised on the earliest of the following dates:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date on which a group of onerous underlying insurance contracts is recognised, if the entity has concluded the corresponding reinsurance contract held on or before that date.

BNP Paribas Cardif mainly holds proportional reinsurance contracts. Their date of initial recognition is deferred to the date of initial recognition of any underlying insurance contract, if that date is later than the start of the coverage period of the group of reinsurance contracts held.

For ceded reinsurance contracts, cash flows are within the contract scope if they arise from substantial rights and obligations that exist during the reporting period in which BNP Paribas Cardif is obliged to pay sums to reinsurers or has a substantial right to receive services from the reinsurers.

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The carrying amount of a group of reinsurance contracts held is the sum of the assets or liabilities for remaining coverage and incurred claims. The asset or liability for remaining coverage consists of the fulfilment cash flows related to the expected future services and the remaining contractual service margin at that date.

The assumptions used to estimate the discounted future cash flows of the group of reinsurance contracts are consistent with those used for the underlying contracts.

In the case of reinsurance contracts held, unlike insurance contracts issued, the estimates of the future cash flows of the group of reinsurance contracts reflect the effect of the issuer's non-performance risk (including the effect of guarantees and litigation losses), adjusted at each reporting date through the income statement.

The adjustment for non-financial risk corresponds to the amount of risk transferred by the holder to the issuer of the reinsurance contracts.

On initial recognition of a reinsurance contract held, the contractual service margin represents a net profit or a net cost on the acquisition of the reinsurance. Unlike for insurance contracts issued, it can therefore be negative. If a reinsurance contract offsets the losses of an underlying group of onerous contracts, the reinsurance gain is recognised immediately in the income statement. This "loss recovery component" is used to record amounts that are subsequently presented in net income.

During subsequent measurements, the contractual service margin is treated as per the general model.

The Group measures reinsurance contracts held using the simplified approach or the general model. The variable fee method is not permitted for these contracts.

1.12.4 Effect of accounting estimates on the interim financial statements

BNP Paribas Cardif Group has opted to modify the treatment of the accounting estimates set out in its previous interim financial statements in its subsequent interim financial statements and in its annual financial statements. Since BNP Paribas Cardif does not currently publish interim consolidated financial statements, this option applies to the quarterly reporting to BNP Paribas Group.

1.12.5 Presentation in the balance sheet

In the balance sheet, the carrying amount is shown separately between assets and liabilities:

- portfolios of insurance (and reinsurance) contracts issued, determined as the sum of provisions for remaining coverage and for incurred claims that are in an overall asset position or that are in an overall liability position;
- portfolios of reinsurance contracts held (ceded) that are in an overall asset position or are in an overall liability position.

Assets related to acquisition cash flows are presented with the carrying amount of the portfolios of contracts that include the contracts to which they relate.

BNP Paribas Cardif has elected to present on the balance sheet the premiums receivable from policyholders and intermediaries, as well as the amounts due to them, as a deduction from the liabilities (or assets) of the insurance and investment contracts to which they relate. Regarding the premiums

receivable from intermediaries, this choice of accounting policy complies with one of the two options authorised by IFRS IC.

Advances granted to policyholders on savings contracts are also shown as a deduction from the liabilities (or assets) of the contracts concerned, since if these advances/loans are not repaid before the end of the contract, they will be offset against the benefits due to policyholders.

In the case of a foreign entity which is subject to the advance payment to a tax authority in a third country of a tax representative of the withholding tax which will be charged on non-resident insured persons when the benefits are paid, the tax credit is also shown as a deduction from insurance liabilities, to the extent that the entity concerned is unable to use this tax credit to offset other tax debts with the same tax authority. Other entities subject to the same tax present this tax advance as a tax asset because they use this credit as a deduction for other tax debts.

1.12.6 Presentation in the income statement and the statement of other items recognised directly in equity

Income from insurance and reinsurance activities

The amounts recognised in the statements of net income and other comprehensive income are split between:

- insurance activity income, consisting of income from insurance activities and expenses arising from insurance activities; and
- insurance finance income or expenses.

All income and expenses arising from reinsurance contracts ceded are presented at their net amount as permitted by IAS 1.

Changes in the adjustment for non-financial risk are not broken down between the insurance activity income and insurance finance income or expenses. They are included in their entirety in insurance activity income.

Non-distinct investment components are excluded from income and expenses arising from insurance activities.

Insurance income - Contracts measured under the general model and variable fee model (VFA)

Insurance income is recognised in the income statement as the services are rendered. It consists of the following:

- the release of expected fulfilment cash flows over the period (excluding investment components);
- the change in the adjustment for non-financial risks related to services rendered over the period;
- the release of the contractual service margin for services rendered, measured on the basis of the coverage units;
- the amount allocated to the amortisation of acquisition costs;
- the amortisation of the loss component;

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- other amounts, *e.g.* experience adjustments arising from premiums collected, other than those relating to future services.

In addition, at each reporting period, the portion of premiums corresponding to the recovery of cash flows related to acquisition costs is systematically recognised as insurance income reflecting the passage of time. BNP Paribas Cardif has adopted a recovery method based on coverage units.

The amount to be recognised in the income statement for the release of the contractual service margin is determined as follows:

- after identifying the coverage units of the group of contracts, the contractual service margin is divided between the coverage units provided over the period and those to be provided subsequently; the number of coverage units corresponds to the volume of services provided under the contracts (see section on the subsequent measurement of contracts with and without direct profit-sharing features);
- the amount allocated to the coverage units provided over the period is recognised as insurance activity income.

In the case of insurance contracts, the services rendered correspond to the insurance coverage.

Contracts with direct profit-sharing correspond mainly to investment-related services, in particular the management of the underlying assets on behalf of policyholder.

Insurance income - Contracts measured under the premium allocation approach

For contracts measured under the premium allocation approach, the insurance activity income for the period is the amount of the premiums already received or expected to be received, allocated to the period using a risk profile approach (see above).

Loss components

For onerous contracts, a loss component of the liability for remaining coverage is determined and recognised in the income statement. This loss component is subsequently recorded in the income statement over the period of coverage, or if the contracts become profitable again. If the loss component is reduced to zero, a new contractual service margin is reconstituted.

Insurance activity expenses

Insurance activity expenses are recognised in the income statement as they are incurred. They include the following items:

- claims expenses and other expenses incurred in relation to insurance activities;
- amortisation of cash flows related to insurance acquisition costs;
- losses on onerous contracts and reversal of such losses;
- adjustments to the liability for incurred claims not associated with the time value of money or financial risk;
- impairments on assets for insurance acquisition costs and reversals of such impairments.

They exclude the repayments of investment components.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of the group of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes thereto. However, changes in a loss component for direct profit-sharing contracts are included in insurance activity expenses.

BNP Paribas Cardif has chosen to break down insurance finance income and expenses between net income and other comprehensive income.

In the case of contracts measured under the general model, the amount recognised in other comprehensive income is the difference between the amount of insurance liabilities measured at current rates and the amount determined using the following rates:

- for the liability for remaining coverage, at the initial discount rate;
- for the liability for incurred claims, at the discount rate at the date of the occurrence of the claim.

The effect on liabilities of changes in financial variables, in particular the indexation of benefits under the contract, is also recognised in equity.

The amount recorded in equity is recognised in the income statement according to the passage of time. In addition, in the event of a transfer or amendment of a contract leading to its derecognition, the corresponding portion of the amount shown in other comprehensive income is reclassified to profit or loss.

In the case of direct profit-sharing contracts, the amount included in other comprehensive income corresponds to the amount needed to avoid a mismatch between:

- the change in insurance liabilities related to the performance of the underlying assets held; and
- income or expenses recognised in the income statement in respect of these underlying items.

For non-profit-sharing and non-life contracts, insurance finance income and expenses are presented in net income.

Net income and expenses from reinsurance contracts held

Net income and expenses from reinsurance contracts held include the allocation of reinsurance premiums paid less amounts recovered from the reinsurer.

Reinsurance premiums paid are recognised in the income statement based on the services received during the period.

BNP Paribas Cardif has chosen to present the expenses and income from reinsurance contracts held in a net amount, as permitted by IAS 1.

Where a group of reinsurance contracts covers onerous underlying insurance contracts, the amount of the reinsured loss is presented as a "loss-recovery component" asset and is recognised as income in the income statement.

During subsequent measurements, the loss recovery component is adjusted to reflect changes in the loss component of onerous underlying contracts, but may not exceed the portion of the loss component of the underlying contracts recoverable from the reinsurance contracts.

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1.13 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges are intended to cover clearly-identified risks and expenses made probable by events that have occurred or are in progress at the end of the financial year but whose timing and amount are uncertain.

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and when a reliable estimate can be made of the amount of the obligation. The amount of this obligation is discounted to determine the amount of the provision as soon as the impact of discounting is significant.

At the closing date, provisions for contingencies and charges are determined based on the best estimate of the expenditure required to extinguish the obligation existing at that date.

Provisions recorded as liabilities in the Group's balance sheet, other than those relating to financial instruments, employee benefits and insurance contracts, mainly relate to restructuring, litigation, fines and penalties.

1.14 EMPLOYEE BENEFITS

Employee benefits provided by the Group are classified into four categories:

- Short-term benefits, such as salaries, annual leave, incentive plans, profit-sharing and additional payments;
- Long-term benefits, including paid leave, long-service awards, and other types of cash-based deferred compensation;
- Termination benefits;
- Post-employment benefits, including retirement bonuses in France and pension plans in other countries, some of which are managed through pension funds.

1.14.1 Short-term benefits

The Group recognises an expense when it has used services rendered by employees in exchange for employee benefits.

1.14.2 Long-term benefits

These are benefits, other than short-term benefits, post-employment benefits and termination benefits. They relate in particular to compensation deferred for more than twelve months and not indexed to the BNP Paribas share price, for which a provision is made in the financial statements for the period in which this compensation is earned.

The actuarial techniques used are similar to those used for defined post-employment benefits, except that the revaluation items are recognised in the income statement and not in equity.

1.14.3 Termination benefits

Termination benefits are employee benefits payable in exchange for the termination of an employee's contract as a result of either a decision by the Group to terminate a contract of employment before the legal retirement age, or a decision by an employee to accept voluntary redundancy in exchange for compensation.

Termination benefits due more than twelve months after the closing date are discounted.

1.14.4 Post-employment benefits

Defined-contribution plans and defined-benefit plans

In accordance with IFRS, the Group draws a distinction between defined-contribution plans and defined-benefit plans.

Defined-contribution plans do not give rise to an obligation for a company and do not require a provision. The amount of employer contributions payable during the period is recognised as an expense.

Only defined-benefit schemes give rise to an obligation for a company. This obligation must be measured and recognised as a liability by means of a provision.

The classification of plans into these one of these two categories is based on the economic substance of the plan, which determines whether the Group has a legal or implied obligation to pay the agreed benefits to employees.

Measurement and recognition of post-employment benefit obligations under defined-benefit plans

Post-employment benefit obligations under defined-benefit plans are measured using actuarial techniques that take demographic and financial assumptions into account.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defined-benefit obligation and the fair value of any plan assets (if they exist).

The present value of the defined-benefit obligation is measured on the basis of actuarial assumptions applied by the Group, using the projected unit credit method.

This method takes into account various parameters, specific to each country or Group entity, such as demographic assumptions, employees leaving before retirement age, salary increases, a discount rate and inflation. These parameters are specified in the note relating to obligations under defined-benefit plans and other post-employment benefits.

When the value of the plan assets exceeds the amount of the obligation, an asset is recognised if it represents a future economic benefit for the Group in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The annual expense recognised as salaries and employee benefits, with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability

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(asset), the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

In the case of plans that provide for progressive rights to benefits that will only be paid upon actual retirement, but where the number of years for which the rights can be taken into account is capped, the rights to benefits are recognised on a straight-line basis, taking into account the number of capped years up to the date of retirement.

Remeasurements of the net defined-benefit liability (asset) are recognised directly in equity and are never reclassified to profit or loss. They include actuarial gains and losses, the return on plan assets and any changes in the effect of the asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.15 SHARE-BASED PAYMENTS

Share-based payments are payments based on shares issued by the Group, whether the transaction is settled in the form of shares or cash payments, of which the amount is based on changes in the share price.

BNP Paribas Group grants employees stock subscription option plans and deferred share-based or share price-linked cash-settled compensation plans and offers them the option to purchase specially issued BNP Paribas shares at a discount, on the condition that they retain the shares for a specified period.

Some BNP Paribas Cardif employees have benefited from such plans in the past.

IFRS 2 requires share-based payments granted after 7 November 2002 to be recognised as an expense. The amount recognised is the value of the share-based payment granted to employees.

1.16 CURRENT AND DEFERRED TAXES

1.16.1 Current taxes

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

1.16.2 Deferred taxes

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences other than:

- taxable temporary differences on initial recognition of goodwill;
- taxable temporary differences on investments in companies under the exclusive or joint control of the Group, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the near future.

Deferred tax assets are recognised for all deductible temporary differences and tax losses carried forward only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate that is expected to apply to the period in which the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted before the closing date of that period. They are not discounted. If it is not possible to reliably determine the rates applicable on the date of reversal of the time difference, the current rate is used.

Deferred tax assets and liabilities are offset when they arise within the same tax group, they fall under the jurisdiction of a single tax authority, and there is a legal right to offset.

With regard to the assessment of uncertainty over income tax treatments, the Group adopts the following approach:

- it assesses the likelihood that a tax authority will accept an uncertain tax treatment;
- any uncertainty is reflected when determining the taxable profit (loss) by considering either the most likely amount (the highest likelihood of occurrence) or the expected value (sum of the probability-weighted amounts).

1.16.3 Recognition of current and deferred taxes

Current and deferred taxes are recognised as tax income or expenses in the income statement, except for current and deferred taxes relating to a transaction or an event recognised directly in equity, which are also charged to equity.

When tax credits on revenues from receivables and securities are used to settle corporate income tax payable for the period, the tax credits are recognised on the same line as the income to which they relate. The corresponding tax expense remains in the income statement under "Corporate income tax".

In accordance with the provisions of IAS 12, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with the additional tax resulting from the minimum income tax applied by international groups.

1.17 LEASES

Group companies may be either the lessee or the lessor in an operating lease.

1.17.1 Lessors under operating leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee.

The main contracts in which BNP Paribas Cardif acts as lessor are leases on investment properties. Rental income on investment properties is presented under "Investment income", and depreciation of the buildings valued at cost under “Investment expenses”.

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1.17.2 Lessees under operating leases

Leases entered into by the BNP Paribas Cardif Group, with the exception of those whose term is shorter than or equal to 12 months and low-value contracts, are recognised in the balance sheet as right-of-use assets (asset side) and financial liabilities for the rent and other payments to be made over the term of the lease (liability side). The right-of-use asset is amortised on a straight-line basis, and the financial liabilities are amortised on an actuarial basis over the term of the lease. Dismantling costs corresponding to specific and significant fittings and fixtures are included in the initial right-of-use estimate, offsetting the provisions for liabilities.

The main assumptions used in the measurement of right-of-use assets and lease liabilities are as follows:

- the lease terms correspond to the non-cancellable period of the leases, supplemented where appropriate by renewal options, the exercise of which is considered reasonably certain. In France, for example, the standard contract in real estate is the "three, six, nine" commercial lease, for which the basic enforceable period is a maximum of nine years, with a first non-cancellable period of three years followed by two optional three-year renewal periods; thus, according to the analyses, the terms adopted may be three, six or nine years, depending on the reasonably foreseeable economic terms of the leases. When investments such as fixtures and fittings are made under the lease, the lease term is aligned with the amortisation period of the leases. For tacitly renewable contracts (with or without an enforceable period), right-of-use assets and lease liabilities are recognised based on an estimate of the reasonably foreseeable economic life of the leases, including the minimum period of occupancy;
- the discount rates used to calculate the right-of-use and the lease liability are determined for each asset as the implicit contract rate if available, or more generally, on the basis of the marginal borrowing rate of the lessee at the date of signature. The marginal debt ratio is determined by taking into account the average term of the lease;
- in the event of a contract amendment, a new assessment of the lease liability is made by taking into account the new residual term of the lease, and therefore a new assessment of the right-to-use asset and the lease liability.

1.18 REVENUE FROM CONTRACTS WITH CUSTOMERS

Income from services provided falls under the scope of IFRS 15 "Revenue from Contracts with Customers". The Group records this revenue in profit or loss as the service is rendered, for instance in proportion to the costs incurred (or the statistical estimate of these costs) for car maintenance contracts.

1.19 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell non-current assets and it is highly probable that the sale will occur within twelve months, these assets are presented separately in the balance sheet, under "Non-current assets held for sale". Any liabilities associated with these assets are also presented separately in the balance sheet, under "Liabilities associated with non-current assets held for sale". When the Group is

committed to a plan to sell involving loss of control of a subsidiary and the sale is highly probable within one year, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, non-current assets and groups of assets and liabilities are measured at the lower of their carrying amount and their fair value less costs to sell.

Such assets are no longer depreciated or amortised. If an asset or group of assets and liabilities becomes impaired, impairment is recognised in the income statement. Impairment losses may be reversed.

In addition, where a group of assets and liabilities held for sale represents a cash-generating unit, it is categorised as a discontinued operation. Discontinued operations include operations that are held for sale, operations that have been shut down and subsidiaries acquired exclusively with a view to resell.

All gains and losses related to discontinued operations are shown separately in the income statement, under "Net income from discontinued operations or in the process of being sold". This line includes the net income from the operation, the net income arising from its measurement at fair value less disposal costs, and the net income from the sale of the operation.

In the event that the conditions for classification as Non-current assets held for sale are no longer met due to the abandonment or failure of the disposal plan, the entity's assets and liabilities are reclassified to the relevant balance sheet items and are measured in accordance with the initial methods as if the reclassification had not been carried out.

1.20 USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the Group's financial statements requires managers of business lines and corporate functions to make assumptions and use estimates that are reflected in the measurement of income and expenses in the income statement, for instance in the measurement of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers to rely on their judgement and use information available at the date of preparation of the financial statements when making their estimates. The actual future results from operations where managers have used estimates may in reality differ significantly from these estimates, mainly due to market conditions. This may have a material impact on the financial statements.

The following examples are among the external factors that may influence future results:

- National and international financial market activities;
- Fluctuations in interest rates and foreign exchange rates;
- Economic and political conditions in certain business sectors or countries;
- Changes in laws or regulations;
- Behaviour of policyholders;
- Demographic changes.

The exercise of judgement and the formulation of assumptions applies in particular to:

- The analysis of the cash flow criterion for specific financial assets;

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- The measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, the determination of different economic scenarios and their weighting;
- The analysis of renegotiated loans, in order to assess whether they should be maintained on the balance sheet or derecognised;
- The assessment of an active market and the use of internally-developed models for the measurement of the fair value of financial instruments not listed on an active market classified in "Financial assets at fair value through equity", or "Financial instruments at fair value through profit or loss", whether as assets or liabilities, and more generally calculations of the fair value of financial instruments for which information is provided in the notes to the financial statements;
- The assumptions applied to assess the sensitivity to each type of market risk of the fair value of financial instruments and the sensitivity of these valuations to the main unobservable inputs as disclosed in the notes to the financial statements;
- The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- Impairment tests performed on intangible assets;
- The estimate of residual asset values under operating lease agreements. These values are used as a basis for the determination of depreciation as well as any impairment, notably in relation to the impact of environmental considerations on the assessment of future prices of second-hand vehicles;
- Deferred tax assets;
- The measurement of insurance and investment contract with discretionary profit-sharing liabilities and assets, by groups of contracts, on the basis of discounted and probability-weighted future fulfilment cash flows, based on assumptions that can be derived from market or entity-specific data, and the recognition of the income from such contracts on the basis of the services rendered over the coverage period. The main judgements and estimates are specified for each measurement model;
- The measurement of uncertainty over income tax treatments and other provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Estimated provisions are made by taking into account all available information at the date of preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

1.21 CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. This method is generally used by insurance groups. The balance of cash and similar accounts consists of the net balance of cash accounts and central banks, as well as the net balances of loans and borrowings from credit institutions.

1.21.1 Classification of cash flows related to investment activities

All investment-related flows, including flows of securities classified as "hold to collect and sell", are presented as investment transactions in the cash flow statement.

This classification differs from the one adopted for the income statement, in which, in accordance with the approach commonly used by insurance groups, income from financial investments is presented in operating income. This presentation, which is consistent with the one adopted by banking sector groups, allows for more consistent cash flow statement presentation for bancassurance groups.

1.21.2 Classification of dividends and interest received

In accordance with the provisions of IAS 7 "Statement of Cash Flows" for financial institutions, dividends and interest received are presented as operating cash flows.

1.21.3 Presentation of investment activities

In addition to the flows related to investments broken down into acquisitions and disposals, this item also includes:

- Acquisitions and disposals of intangible assets and property, plant and equipment (excluding investment properties), including revenue (net of expenses) on these investments;
- Changes in the scope of consolidation.

1.21.4 Presentation of financing activities

This section includes only financing transactions, excluding investment-related transactions.

Note 2 ASSUMPTIONS, ESTIMATES AND RISKS RELATED TO INSURANCE CONTRACTS

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2.1 YIELD CURVES

The table below presents the average discount rates used in the measurement of savings and protection contracts for the main maturities of the euro curve.

In percentage	31 December 2024		31 December 2023	
	Savings	Protection	Savings	Protection
1 year	3.17%	2.24%	4.00%	3.36%
5 years	3.07%	2.14%	2.96%	2.32%
10 years	3.20%	2.27%	3.03%	2.39%
15 years	3.26%	2.33%	3.10%	2.47%
20 years	3.19%	2.26%	3.04%	2.41%
40 years	3.09%		3.04%	

The Savings and Protection discount rate curves differ because the illiquidity premiums for the liabilities are not identical.

For more details on the calculation of the discount rate by contract type, refer to note 1.12.2 *Discount rates*.

2.2 CONFIDENCE LEVEL USED TO DETERMINE THE ADJUSTMENT FOR NON-FINANCIAL RISKS

For savings contracts measured under the variable fee approach, the risk adjustment is determined according to the cost of capital method by including premium payments and excluding the risk of mass lapses. It is measured within a confidence interval of 60-70%. This was 65% at 31 December 2024 (65% at 31 December 2023).

For protection contracts measured under the general model, and for liabilities for incurred claims under the simplified approach, the level of confidence used to determine the adjustment for the non-financial risks of the main countries is 70% (based on the quantile method).

2.3 ACTUAL ECONOMIC ASSUMPTIONS

The main "Real World" economic assumptions underlying the "Over return" method (described in the Accounting Principles in section 1.12.2 "Subsequent measurement of insurance contracts with direct profit-sharing features measured under the Variable Fee Approach (VFA)") used on 31 December 2024 are presented below. These economic assumptions, rates in particular, correspond to the end-of-period rates.

31 December 2024

Index	2025	2026	2027
1-year Swap rate, EUR (*)	1.60%	1.60%	1.60%
10-year Swap rate, EUR (*)	2.30%	2.25%	2.25%
10-year OAT (*)	3.10%	3.10%	3.10%
Eurostoxx 50 (**)	5 255	5 415	5 575
France, real estate prices (y/y) (**)	0.53%	1.10%	1.98%

(*) Beyond 2027, rates are calculated using forward rate assumptions.

(**) Beyond 2027, yields are based on historical data.

31 December 2023

Index	2024	2025	2026
1-year Swap rate, EUR (*)	3.42%	2.95%	2.95%
10-year Swap rate, EUR (*)	3.19%	3.19%	3.19%
10-year OAT (*)	3.34%	3.34%	3.34%
Eurostoxx 50 (**)	4 570	4 710	4 850
France, real estate prices (y/y) (**)	-1.80%	0.50%	1.50%

(*) Beyond 2026, rates are calculated using a forward rate assumptions.

(**) Beyond 2026, yields are based on historical data.

2.4 SPECIFIC INFORMATION RELATED TO THE MEASUREMENT OF INSURANCE AND REINSURANCE CONTRACTS AT THE TRANSITION DATE

2.4.1 Cumulative amounts presented in other comprehensive income for insurance and reinsurance contracts measured using the modified retrospective application or the fair value approach

(In thousands of Euros)	31 December 2024	31 December 2023
Opening balance of accumulated amounts included in other comprehensive income	4 106	5 104
Change during the period	(418)	(1 343)
Related tax	110	345
Closing balance of accumulated amounts included in other comprehensive income	3 798	4 106

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2.5 RISKS RELATED TO INSURANCE CONTRACTS UNDER IFRS 17

2.5.1 Risk management system

Risk management is an integral part of BNP Paribas Cardif Group's business model. The Group has developed and implemented a risk management framework to identify, assess, control and monitor risks related to its various activities.

Risk management involves identifying, measuring, monitoring, managing and reporting risks arising from the external environment as well as those intrinsic to insurance activities. Its objective is to guarantee the Group's solvency, business continuity and business development under satisfactory conditions of risk and profitability.

The general risk management framework is presented in note 7.2 "Risks related to insurance activities". This framework has been developed to meet the needs of the Solvency II prudential regulation.

Under IFRS 17, the nature and extent of risks arising from the Group's insurance and investment contracts are determined by their contractual characteristics. Underwriting and financial risks are the main risks to which the Group is exposed in its insurance activities.

Underwriting risks

According to IFRS 17, underwriting risks include:

- insurance risk: risks related to mortality, morbidity, longevity or risk of increased loss experience in Protection (including non-life);
- the risk related to policyholder behaviour, in particular the risk of surrender;
- charge risk: the risk of deviation of contract management fees from tariffed loads.

Through its life and savings insurance activities, BNP Paribas Cardif Group is mainly exposed to:

- risk of surrender: the surrender clause in savings contracts allows the holder to request the repayment, in full or in part, of the accumulated savings. The insurer is therefore at risk of surrender volumes exceeding the forecasts used in asset-liability management models, leading to capital losses on asset disposals needed to finance excess surrenders;
- insurance risk: certain unit-linked commitments provide that the capital paid to beneficiaries on the death of the insured must not be less than the sum of the premiums invested in the contract, regardless of the financial market conditions at the time of death. The risk is therefore characterised by a statistical component (likelihood of a claim) and a financial component (market value of the units of account).

The risks related to protection relate mainly to the marketing of credit protection insurance contracts, but also to activities such as individual death and disability, extended warranty, theft or damage to property, civil liability, annuity policies in France, and health, with geographical coverage in many countries.

Creditor insurance mainly covers the risks of death, disability, critical illnesses, incapacity for work, loss of employment and financial losses on permanent, personal and real estate loans. This activity is based on a multitude of contracts involving low risk and premium amounts, the profitability of which depends on the size of the contract base, the effective pooling of risks and the control of operating expenses.

The insurer is also exposed to the risk of surrender in the event of the early redemption, or transfer of the contract to another insurer, where permitted by regulation.

Other activities (personal protection, extended warranty, theft, accidental damage to property, annuity policies in France, civil liability, health) relate to personal risk (death, accidental death, hospitalisation, critical illness, care expenses) or to property and/or liabilities (accidental damage, breakdown or theft of consumer goods or automobiles, civil liability, etc.). These contracts are characterised by individual insured sums, which are generally low, whether they are indemnities or lump sums.

Lastly, mainly through the Cardif IARD entity in France, motor vehicle cover (material damage, civil liability, breakdown assistance, etc.) and comprehensive home insurance policies are also underwritten. These policies are also developing internationally, particularly in Latin American countries.

Framework for managing underwriting risk

The underwriting risk monitoring and management system is based on documented governance and processes. Underwriting operations for direct and intermediary activities and accepted reinsurance are based on similar principles. Within BNP Paribas Cardif Group, the underwriting risk complies with specific delegation rules involving several levels, both local and central. The level of delegation depends on the level of assessment of the maximum acceptable loss, the estimated Solvency II capital requirement and the estimated profitability of the contracts concerned. The experience gained from managing geographically diversified portfolios enables the databases used for risk pricing to be updated regularly, taking into account numerous parameters (type of loan for creditor insurance, warranties, insured population, etc.). Each price is calculated on the basis of the measurement and monitoring of profitability and the return on equity set by the Group's Executive Management.

Contractual clauses allow underwriting risk to be managed in accordance with regulatory and commercial frameworks through technical and legal measures, such as price revision clauses provided for in the contract in the event of changes in taxation or increase in loss experience, and limitation of the duration of certain warranties.

The partners are interested in the quality of the risks introduced in order to encourage compliance with the Group's best underwriting practices.

Reinsurance is a complementary element of the underwriting risk management system. It aims to protect the Group from the main risks to which it is exposed.

In savings, underwriting risk is managed through monitoring and supervision of the offering, adapted to the market context. The Group thus limits the exposure to risk, which is characterised by an insufficient performance of the investments compared with the contractual remuneration obligation. Thus, 97% of Cardif Assurance Vie's outstanding savings and retirement contracts currently being set up do not offer a guaranteed minimum rate or a guaranteed minimum rate of more than one year beyond the capital guarantee, and for the French portfolio, the guaranteed average rate is below 0.1%. In Italy, Cardif Vita offers an average guaranteed minimum rate of less than 0.1% on the main Capital Vita general fund. In Italy, 3 segregated funds, currently in run-off, whose total outstandings represent less than 2% of the subsidiary's outstandings, have an average guaranteed minimum rate of 2.20%.

In addition, the average surrender rates observed for the general funds of BNP Paribas Cardif Group were 6.2% in France (7.9% in 2023), 14.0% in Italy (21.1% in 2022) and 10.6% in Luxembourg (23.8% in 2023).

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Breakdown of insurance contract liabilities by geographic area (excluding reinsurance)

The table below presents the liabilities related to insurance contracts, excluding reinsurance, by country of issue. They include discounted future cash flows, the contractual service margin and the adjustment for non-financial risk.

In millions of euros	31 December 2024	31 December 2023
France (a)	180,289	158,470
Italy (a)	28,109	23,236
Luxembourg (a)	31,138	28,158
Other Europe (a)	1,547	1,492
Asia (a)	5,714	6,055
Latin America b	703	526
TOTAL	247,500	217,937

(a) Savings and protection.

(b) Protection only.

Underwriting risk sensitivity analysis

The table below shows the gross tax impact on income and equity of reasonably likely changes in the main underwriting risk variables at the reporting date (namely changes in surrenders and mortality for life savings activities and changes in claims for protection activities). Shocks are applied to current-year death claims and surrenders. Sensitivity to non-financial risks is presented excluding reinsurance contracts and assuming that all other variables remain unchanged.

In millions of euros	31 December 2024		31 December 2023	
	Potential impact on profit and loss	Potential impact on equity	Potential impact on profit and loss	Potential impact on equity
Savings				
Mortality rates (increase/decrease of 1%)				
Morbidity rates (increase/decrease of 5%)	-/+2	0	-/+2	0
Protection	-/+95		-/+94	
Ultimate claims (increase/decrease of 5%)				

Market risks

Qualitative information on the measurement of the carrying amount and fair value of financial instruments is provided in note 1.5 "Insurance company investments". Quantitative information on the carrying amount of financial instruments is provided in notes 4.4 to 4.7.

IFRS 17 defines market risk as the risk that changes in market prices (*e.g.* interest rates, foreign exchange rates, share prices) affect the fulfilment cash flows on insurance and reinsurance contracts and the fair value or future cash flows of financial instruments. Market risk includes:

- interest rate risk: the risk that the fair value or future cash flows of a financial instrument, as well as insurance or reinsurance contract fulfilment cash flows, will fluctuate due to changes in market interest rates;
- price risk: the risk that the fair value or future cash flows of a financial instrument, as well as insurance or reinsurance contract fulfilment cash flows, will fluctuate due to changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether these changes are caused by factors specific to the instrument or contract in question or to its issuer, or by factors affecting all similar financial instruments traded on the market or all similar contracts;
- foreign exchange risk: the risk that the fair value or future cash flows of a financial instrument, as well as insurance or reinsurance contract fulfilment cash flows, will fluctuate due to changes in foreign exchange rates.

Market risk management framework

For its insurance activities, BNP Paribas Cardif Group has acquired the necessary steering tools to calibrate its strategic asset allocation and to measure asset-liability matching risks. Asset-liability studies project expected flows on both the assets and the liabilities of the various general funds. In particular, they allow the duration of assets to be adjusted according to the profile of the various liabilities.

The investment policy dictates the framework for asset management. It defines the principles for aligning the structure of asset portfolios with the commitments made to policyholders, while optimising the expected return on investment relative to the risk limit set. Thus, in particular in the case of BNP Paribas Cardif, the implementation of the investment policy, entrusted to the Asset Management Department, is governed for each portfolio by a management agreement that specifies the investment limits according to asset classes. Market risk can also be managed through the use of financial hedging instruments.

Exposure to market risk is also monitored through targeted studies such as the review of securities with an unrealised loss.

In addition, foreign exchange risk exposure arises from the investments made by branches, from equity investments in foreign currency, or the investment strategy for foreign currency-denominated assets in general funds. Foreign exchange risk may be hedged by forward financial instruments, such as cross-currency swaps, or by foreign currency borrowings.

For unit-linked commitments, market risk is mainly transferred to policyholders.

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Interest rate risk sensitivity analysis

Sensitivity on insurance contracts arises from the following effects:

- For insurance contracts without direct profit-sharing features (protection, creditor and non-life), the cash flows are discounted using a discount rate curve that depends on the closing interest rates. The risk is therefore mainly related to the level of adequacy between the return on investments and insurance finance income or expenses;
- For insurance contracts with direct profit-sharing features (*e.g.* life savings contracts), the change in the value of insurance contracts reflects that of the underlying financial assets. The main risk therefore relates to the change in the insurer's share (variable fees) in the fair value of the underlying financial assets and the increase in redemptions/surrenders.

The table below shows the gross tax impact on income and equity of reasonably likely changes affecting interest rates at the reporting date. Sensitivities are presented on all financial assets, excluding assets representing unit-linked contracts.

Sensitivity was determined for the most significant countries, *i.e.* France, Italy and Luxembourg.

	31 December 2024					
	Potential impact on P&L [1]			Potential impact on equity		
In millions of euros	Related to investments fair value [1]	Related to insurance contracts	Net impact	Related to investments fair value	Related to insurance contracts	Net impact
+50 bps interest rate	(190)	178	(12)	(4 019)	3 738	(281)
-50 bps interest rate	249	(237)	12	4 015	(3 738)	277

[1] *Excluding investments in representation of unit-link contracts.*

	31 December 2023					
	Potential impact on P&L [1]			Potential impact on equity		
In millions of euros	Related to investments fair value [1]	Related to insurance contracts	Net impact	Related to investments fair value	Related to insurance contracts	Net impact
+50 bps interest rate	(225)	206	(19)	(3 662)	3 330	(332)
-50 bps interest rate	239	(220)	19	3 662	(3 330)	332

[1] *Excluding investments in representation of unit-link contracts.*

Price risk sensitivity analysis

The table below shows the gross tax impact on income and equity of reasonably likely changes affecting market and real estate prices at the reporting date. Sensitivities are presented excluding unit-linked contracts.

Sensitivity was determined for the most significant countries, *i.e.* France, Italy and Luxembourg.

	31 December 2024					
	Potential impact on P&L [1]			Potential impact on equity [2]		
In millions of euros	Related to investments fair value [1]	Related to insurance contracts	Net impact	Related to investments fair value	Related to insurance contracts	Net impact
+10% variation of stock market	1 310	(1 246)	64	175	(3)	172
-10% variation of stock market	(1 310)	1 246	(64)	(175)	3	(172)
+10% variation of real estate market	1 183	(1 153)	30	0	0	0
-10% variation of real estate market	(1 183)	1 153	(30)	0	0	0

[1] *Excluding investments in representation of unit-link contracts.*

[2] *Since real estate is valued at fair value through profit or loss, the impact of shocks impacts the result.*

By 2023, part of this impact had been wrongly allocated to equity

	31 December 2023					
	Potential impact on P&L [1]			Potential impact on equity		
In millions of euros	Related to investments fair value [1]	Related to insurance contracts	Net impact	Related to investments fair value	Related to insurance contracts	Net impact
+10% variation of stock market	1 834	(1 760)	74	61	0	61
-10% variation of stock market	(1 834)	1 760	(74)	(61)	0	(61)
+10% variation of real estate market	1 062	(1 031)	31	37	0	37
-10% variation of real estate market	(1 062)	1 031	(31)	(37)	0	(37)

[1] *Excluding investments in representation of unit-link contracts.*

For savings contracts valued using the variable fee model, the change in the value of underlying financial assets is largely offset by the change in the value of liabilities, provided that the contractual service margin remains positive. Potential effects on P&L and equity are therefore mainly derived from non-profit-sharing contracts and assets representing the equity of insurance entities.

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Credit risks

IFRS 17 defines credit risk as the risk that a party to a financial instrument, an insurance contract issued which is an asset or reinsurance contract held, fails to meet one of its obligations and thereby causes the other party to suffer a financial loss.

As regards credit risk related to contracts subject to IFRS 17, it relates mainly to reinsurance contracts held (risk of default by a reinsurer that would no longer allow it to assume a share of the amount due thereto) and to receivables with the partners to whom the collection of premiums has been delegated.

Counterparty risk management on reinsurers is achieved through rigorous selection of reinsurers, negotiation of guarantees provided and regular monitoring of major exposures. The guarantees required may be real guarantees, such as deposits in the form of financial guarantees and security pledges, or endorsements and letters of guarantee.

The amount of reinsurance assets ceded according to the credit ratings of reinsurers is presented in the following table.

Exposure by rating (in %)	31 December 2024	31 December 2023
Assets of reinsurance contracts	**534**	**483**
AAA	6	7
AA	137	148
A	77	68
BBB	115	123
< BBB(*)	201	138

The counterparty risk of BNP Paribas Cardif's partners comes under the Partners and Reinsurers credit governance. As with a reinsurer, exposure to a partner may affect real or personal security. Depending on the quality of the counterparty, the following techniques may be used: parent company guarantee, first-demand bank guarantee, segregated account of the rest of the assets in the event of bankruptcy, etc.

The amount of receivables and payables relating to insurance contracts represent a net asset of EUR 896 million at 31 December 2024, compared with a net asset of EUR 527 million at 31 December 2023.

Liquidity risks

IFRS 17 defines liquidity risk as the difficulty of honouring commitments related to insurance contracts and financial liabilities that are to be settled through the provision of cash or other financial assets.

Tactical asset management is carried out to release the cash needed to settle benefits, in keeping with the fund's current management framework, while minimising impacts on the rate of return on assets.

Liquidity risk is managed centrally on the basis of studies carried out at intervals appropriate to the risk exposure.

Stress tests are carried out as part of asset-liability management studies. They test the ability to honour commitments in adverse financial market situations, taking into account the impact of these situations on the behaviour of policyholders. These medium and long-term asset-liability management analyses are based on a projection of the medium and/or long-term income statement and balance sheet under various economic scenarios. The analysis of the results thus obtained makes it possible to take, where appropriate, measures to adjust the constraints on asset allocation (strategic allocation, diversification, derivatives, etc.).

The table below details the estimated maturity of discounted future cash flows for all insurance and reinsurance contracts.

In millions of euros	Estimates of present value of future cash flows							31 December 2024
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Five to ten years	More than ten years	
Insurance contracts	8,873	8,108	7,003	7,253	8,103	34,449	158,117	**231,906**
Reinsurance contracts	211	(22)	(91)	(48)	(34)	(8)	188	**195**

In millions of euros	Estimates of present value of future cash flows							31 December 2023
	1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Five to ten years	More than ten years	
Insurance contracts	7,423	6,608	6,489	6,367	5,870	20,778	149,843	**203,379**
Reinsurance contracts	222	(41)	(20)	(10)	(4)	1	32	**181**

The amounts payable on demand correspond, for profit-sharing contracts, to the surrender values of the savings contracts.

In millions of euros	31 December 2024		31 December 2023	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
Direct profit-sharing contracts	227,706	241,278	197,551	212,297
Non-profit-sharing contracts	57	6,222	70	5,640
TOTAL	**227,763**	**247,500**	**197,621**	**217,937**

NOTE 3 SCOPE OF CONSOLIDATION

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3.1 SCOPE OF CONSOLIDATION

Name	Country	31 December 2024				31 December 2023			
		Consolidation method	control (%)	interest (%)	Ref.	Consolidation method	control (%)	interest (%)	Ref.
HOLDINGS									
Cardif Insurance Holdings PLC (ex.CPIH)	UK	Full	100,0	100,0		Full	100,0	100,0	
Cardif Nordic AB	Sweden	Full	100,0	100,0		Full	100,0	100,0	
Icare Holding SA	France	Full	100,0	100,0		Full	100,0	100,0	
NCVP Participacoes Societarias SA	Brazil	Full	100,0	100,0		Full	100,0	100,0	
Pinnacle Pet Holdings Ltd	UK	EM	24,7	24,7		EM	24,7	24,7	(V)
INSURANCE									
BNP Paribas Cardif	France	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Compania de Seguros y Reaseguros SA	Peru	Full	100,0	100,0	(V)	EM*	100,0	100,0	
BNP Paribas Cardif Emeklilik AS	Turkey	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Hayat Sigorta Anonim Sirketi Vie	Turkey	EM*	100,0	100,0		EM*	100,0	100,0	
BNP Paribas Cardif Life Insurance Co Ltd	Korea	Full	85,0	85,0		Full	85,0	85,0	
BNP Paribas Cardif Pojistovna AS	Czech Republic	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Seguros de Vida SA	Chile	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Seguros Generales SA	Chile	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Sigorta Anonim Sirketi	Turkey	EM*	100,0	100,0		EM*	100,0	100,0	
BNP Paribas Cardif TCB Life Insurance Company Ltd	Taïwan	EM	49,0	49,0		EM	49,0	49,0	
BNP Paribas Cardif Vita Compagnia di Assicurazione e Riassicurazioni SPA	Italy	Full	100,0	100,0		Full	100,0	100,0	
BOB Cardif Life Insurance Co Ltd	China	EM	50,0	50,0		EM	50,0	50,0	
Cardif Assurance Vie	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Austria)	Austria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Belgium)	Belgium	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Bulgaria)	Bulgaria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Germany)	Germany	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Italy)	Italy	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Netherlands)	Netherlands	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Portugal)	Portugal	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Roumania)	Romania	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Spain)	Spain	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Switzerland)	Switzerland	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Taïwan)	Taïwan	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Austria)	Austria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Belgium)	Belgium	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Bulgaria)	Bulgaria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Germany)	Germany	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Italy)	Italy	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Netherlands)	Netherlands	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Poland)	Poland	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Portugal)	Portugal	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Romania)	Romania	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Spain)	Spain	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Switzerland)	Switzerland	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Taïwan)	Taïwan	Full	100,0	100,0		Full	100,0	100,0	
Cardif Biztosito Magyarorszag Zartkoruen	Hungary	NI	-	-	(S)	EM*	100,0	100,0	
Cardif Colombia Seguros Generales SA	Colombia	Full	100,0	100,0		Full	100,0	100,0	
Cardif do Brasil Seguros e Garantias SA	Brazil	Full	100,0	100,0		Full	100,0	100,0	
Cardif Do Brasil Vida e Previdencia SA	Brazil	Full	100,0	100,0		Full	100,0	100,0	
Cardif El Djazair	Algeria	EM*	85,0	85,0	(V)	EM*	100,0	100,0	
Cardif Forsakring AB	Sweden	Full	100,0	100,0		Full	100,0	100,0	
Cardif Forsakring AB (succ. Denmark)	Denmark	Full	100,0	100,0		Full	100,0	100,0	
Cardif Forsakring AB (succ. Norway)	Norway	Full	100,0	100,0		Full	100,0	100,0	
Cardif IARD	France	Full	66,0	66,0		Full	66,0	66,0	
Cardif Life Insurance Japan	Japan	Full	75,0	75,0		Full	75,0	75,0	
Cardif Livforsakring AB	Sweden	Full	100,0	100,0		Full	100,0	100,0	
Cardif Livforsakring AB (succ. Denmark)	Denmark	Full	100,0	100,0		Full	100,0	100,0	
Cardif Livforsakring AB (succ. Norway)	Norway	Full	100,0	100,0		Full	100,0	100,0	
Cardif Lux Vie	Luxembourg	Full	66,7	66,7		Full	66,7	66,7	
Cardif Mexico Seguros de Vida SA de CV	Mexico	Full	100,0	100,0	(V)	EM*	100,0	100,0	
Cardif Mexico Seguros Generales SA de CV	Mexico	Full	100,0	100,0	(V)	EM*	100,0	100,0	

Natio comes out of the scope following the merger absorption into BNP Paribas Cardif with retroactive effect from 1 January 2024.

BNP PARIBAS CARDIF

Name	Country	31 December 2024				31 December 2023			
		Consolidation method	control (%)	interest (%)	Ref.	Consolidation method	control (%)	interest (%)	Ref.
INSURANCE									
BCC Vita	Italy	Full	70,0	70,0	(E)				
Cardif Non Life Insurance Japan	Japan	Full	100,0	75,0		Full	100,0	75,0	
Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	NI	-	-	(S)	EM*	100,0	100,0	
Cardif Retraite**	France	Full	100,0	100,0		Full	100,0	100,0	
Icare Assurance	France	Full	100,0	100,0		Full	100,0	100,0	
Luizaseg Seguros SA	Brazil	Full	100,0	100,0		Full	100,0	100,0	(V)
Natio Assurance	France	NI	-	-	(S)	Full	100,0	100,0	
Neutize Vie	France	Full	100,0	100,0	(E)				
Poistovna Cardif Slovakia AS	Slovakia	NI	-	-	(S)	EM*	100,0	100,0	
OTHER ACTIVITIES									
BNP Paribas Cardif BV	Netherlands	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Services SRO	Czech Republic	Full	100,0	100,0	(V)	EM*	100,0	100,0	
BNP Paribas Cardif Servicios y Asistencia Ltda	Chile	Full	100,0	100,0	(V)	EM*	100,0	100,0	
Cardif Limitada	Brazil	Full	100,0	100,0	(V)	EM*	100,0	100,0	
Cardif Services AEIE	Portugal	NI	-	-	(S)	Full	100,0	100,0	
Cardif Servicios de Colombia	Colombia	Full	100,0	100,0	(E)				
Cardif Servicios SAC	Peru	NI	-	-	(S)	EM*	100,0	100,0	
Cardif Support Unipessoal Lda	Portugal	Full	100,0	100,0		Full	100,0	100,0	(E)
GIE BNP Paribas Cardif	France	Full	99,4	99,4		Full	99,4	99,4	
Karapass Courtage	France	NI	-	-	(S)	EM*	100,0	100,0	
Paris Management Consultant Co Ltd	Taiwan	NI	-	-	(S)	EM*	100,0	100,0	
INSURANCE INVESTMENTS									
AEW Immocommercial	France	MV	20,5	20,5		MV	20,5	20,5	
Agathe Retail France	France	MV	33,3	33,3		MV	33,3	33,3	
Assu-vie (Société Francaise d'Assurances sur la Vie)	France	EM	50,0	50,0		EM	50,0	50,0	
Batipart Participations SAS	Luxembourg	MV	29,7	29,7		MV	29,7	29,7	
Cardimmo	France	Full	100,0	100,0		Full	100,0	100,0	
Carma Grand Horizon SARL	France	Full	100,0	100,0		Full	100,0	100,0	
Centre Commercial Francilia	France	MV	21,7	21,7		MV	21,7	21,7	
CFH Capital France Hôtel	France	Full	98,5	98,5		Full	98,5	98,5	
CFH Alexanderplatz Hotel Sarl	Luxembourg	Full	100,0	93,5		Full	100,0	93,5	(E)
CFH Algonquin Management Partners France	Italy	Full	100,0	98,5		Full	100,0	98,5	
CFH Bercy	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Bercy Hotel	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Bercy Intermédiaire	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Berlin GP GmbH	Luxembourg	Full	100,0	98,5		Full	100,0	98,5	(E)
CFH Berlin HoldCo SARL	Luxembourg	Full	100,0	98,5		Full	100,0	98,5	
CFH Boulogne	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Cap d'Ail	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Hibernia	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Hostel Berlin Sarl	Luxembourg	Full	100,0	93,5		Full	100,0	93,5	(E)
CFH Hotel Project Sarl	Luxembourg	Full	100,0	93,5		Full	100,0	93,5	(E)
CFH HVP SAS	France	NI	-	-	(S)	Full	100,0	98,5	
CFH Milan Holdco SRL	Italy	Full	100,0	98,5		Full	100,0	98,5	
CFH Montmartre	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Montparnasse	France	Full	100,0	98,5		Full	100,0	98,5	
CFH Astridplaza	Belgium	Full	100,0	98,5		Full	100,0	98,5	
C-Santé OPPCI	France	Full	100,0	100,0	(V)	MV	100,0	100,0	(V)
EP L SAS	France	MV	34,3	34,3		MV	34,3	34,3	
FONDEV SAS (ex. FDI Poncelet SAS)	France	Full	100,0	100,0		Full	100,0	100,0	
Fleur SAS	France	NI	-	-	(S)	MV	33,3	33,3	
Foncière partenaires	France	MV	20,0	20,0		MV	20,0	20,0	
Fonds Investissements Immobiliers pour le commerce et la distribution FONDIS	France	MV	25,0	25,0		MV	25,0	25,0	
Fundamenta	Italy	Full	100,0	100,0		Full	100,0	100,0	
Harewood Helena 2 Ltd	UK	Full	100,0	100,0		Full	100,0	100,0	
Horizon Development GmbH	Germany	MV	33,3	33,3		MV	33,3	33,3	
ID Cologne A1 GmbH	Germany	Full	44,6	44,6	(V)	MV	44,6	44,6	(V)
ID Cologne A2 GmbH	Germany	Full	44,6	44,6	(V)	MV	44,6	44,6	(V)
Korian et Partenaires Immobilier 1 SCI	France	MV	24,5	24,5		MV	24,5	24,5	

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Name	Country	31 December 2024				31 December 2023			
		Consolidation method	control (%)	interest (%)	Ref.	Consolidation method	control (%)	interest (%)	Ref.
INSURANCE INVESTMENTS									
Korian et Partenaires Immobilier 2 SAS	France	MV	24,5	24,5		MV	24,5	24,5	
OC Health Real Estate GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
Opéra Rendement SCPI	France	Full	99,8	99,8		Full	99,8	99,8	
PWH SPPPICAV	France	MV	47,5	47,5		MV	47,5	47,5	
Rubin SARL	Luxembourg	MV	50,0	50,0		MV	50,0	50,0	
SAS Defense CB3	France	MV	25,0	25,0		MV	25,0	25,0	
SAS EP1 Grands Moulins	France	Full	34,3	34,3	(V)	MV	34,3	34,3	
SAS Preim Healthcare	France	MV	24,4	24,4		MV	24,4	24,4	
SAS Velizy	France	MV	33,3	33,3		MV	33,3	33,3	
Schroder European Operating Hotels Fund 1	Luxembourg	MV	18,2	17,7		MV	18,2	17,7	
SCI 68/70 rue de Lagny-Montreuil	France	Full	100,0	99,9		Full	100,0	99,9	
SCI Alpha Park	France	NI	-	-	(S)	MV	50,0	50,0	
SCI Batipart Chadesrent	France	MV	20,0	20,0		MV	20,0	20,0	
SAS BIV Malakoff	France	MV	23,3	23,3		MV	23,3	23,3	
SCI BNP Paribas Pierre I	France	Full	100,0	100,0		Full	100,0	100,0	
SCI BNP Paribas Pierre II	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Bobigny Jean Rostand	France	NI	-	-	(S)	Full	100,0	100,0	
SCI Bouleragny	France	MV	50,0	50,0		MV	50,0	50,0	
SCI Cardif Logement	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Citylight Boulogne	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Clichy Nuovo	France	MV	50,0	50,0		MV	50,0	50,0	
SCI Corosa	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Défense Etoile	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Défense Vendôme	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Etoile du Nord	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Fontenay Plaisance	France	Full	100,0	100,0		Full	100,0	100,0	
SCI GPInvest 10	France	MV	50,0	50,0		MV	50,0	50,0	
Hémisphère Holding	France	MV	20,0	20,0		MV	20,0	20,0	
SCI Imefa Vélizy	France	MV	21,8	21,8		MV	21,8	21,8	
SCI Le Mans Gare	France	NI	-	-	(S)	Full	100,0	100,0	
SCI Panfin Les Moulins	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Nanterre Guilleraies	France	NI	-	-	(S)	Full	100,0	100,0	
SCI Nantes Carnot	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Odyssée	France	Full	100,0	100,0		Full	100,0	100,0	(V)
SCI Paris Batignolles	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Paris Cours de Vincennes	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Paris Grande Armée	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Paris Turenne	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Portes de Claye	France	EM	45,0	45,0		EM	45,0	45,0	
SCI Reumal Investissements	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Rue Moussorgski	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Rueil Ariane	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Rueil Caudron	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Saint-Denis Jade (Ex- SCI Porte d'Asnières)	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Saint Denis Landy	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Saint Denis Mitterrand	France	Full	100,0	100,0		Full	100,0	100,0	
SCI SCOO (Société des Centres d'Oc et d'Oïl)	France	MV	46,4	46,4		MV	46,4	46,4	(V)
SCI Valeur Pierre Epargne	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Vendôme Athènes	France	MV	50,0	50,0		MV	50,0	50,0	
SCI Villeurbanne Stalingrad	France	NI	-	-	(S)	Full	100,0	100,0	
SECAR (Centre d'Affaires Régional de Rungis)	France	Full	55,1	55,1		MV	55,1	55,1	
Seniorenzentren Deutschland Holding SARL	Luxembourg	MV	20,0	13,3		MV	20,0	13,3	
Seniorenzentren Reinbek-Oberursel-München Objekt GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
Seniorenzentrum Butzbach Objekt GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
Seniorenzentrum Heilbronn Objekt GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
Seniorenzentrum Kassel Objekt GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
Seniorenzentrum Wolfratshausen Objekt GmbH	Germany	MV	35,0	23,3		MV	35,0	23,3	
SNC Batipart Poncelet	France	MV	25,0	25,0		MV	25,0	25,0	
SNC Batipart Mermoz	France	MV	25,0	25,0		MV	25,0	25,0	
Société Immobilière du Royal Building SA	Luxembourg	Full	100,0	66,7		Full	100,0	66,7	

Name	Country	31 December 2024 Consolidation method	31 December 2024 Consolidation method	31 December 2024 Ref.	31 December 2023 Consolidation method	31 December 2023 Consolidation method	31 December 2023 Ref.
STRUCTURED ENTITIES							
Becquerel	France	Full	Full Consolidation		Full	Full Consolidation	
BNPP Diversifiex	France	NI	Non integrated	(S)	Full	Full Consolidation	
BNPP CP Cardif Private Debt	France	NI	Non integrated	(S)	Full	Full Consolidation	
BNPP France Crédit	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif Alternatives Part I	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP AM Emerging Bond	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Signatures	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Smid Cap Euro	France	NI	Non integrated	(S)	Full	Full Consolidation	
Cardif CPR Global Return (Ex- Cardif CPR Base Credit)	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif Edrim Signatures	France	Full	Full Consolidation		Full	Full Consolidation	
FP Cardif Convex Fund USD	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP AM Sustainable Europe Equity-10327 (ex NFA 5)	France	Full	Full Consolidation		Full	Full Consolidation	(V)
Natio Fonds Colline International	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP AM Sustainable Euro Equity (ex NFCI 1)	France	Full	Full Consolidation		Full	Full Consolidation	(V)
Cardif BNPP AM Euro Paris Climate Aligned (ex NFCI 3)	France	Full	Full Consolidation		Full	Full Consolidation	(V)
Natio-Fonds Ampère 1	France	Full	Full Consolidation		Full	Full Consolidation	
New Alpha Cardif Incubator Fund	France	Full	Full Consolidation		Full	Full Consolidation	
Permal Cardif Co Investment Fund	France	Full	Full Consolidation		Full	Full Consolidation	
Sanso Carbon Initiative Trends	France	Full	Full Consolidation		Full	Full Consolidation	
Tikehau Cardif Loan Europe	France	Full	Full Consolidation		Full	Full Consolidation	
Valfitres FCP	France	Full	Full Consolidation		Full	Full Consolidation	(V)

The percentage of interest reflects the direct and indirect profit-sharing of the Group in the company concerned, in accordance with the presentation of our parent company BNP Paribas.
(E) Consolidated.
*(EM *) Controlled entities subject to simplified consolidation using the equity method due to their insignificant nature.*
(NI) Non-integrated entities.
(S) Deconsolidated.
(V) Change of rates or consolidation method.
(VM) Participation in an entity under significant influence or joint control valued at fair value through profit or loss.

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3.2 SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

3.2.1 Significant restrictions related to the ability of entities to transfer cash to BNP Paribas Cardif Group

The ability of entities to pay dividends or to repay loans and advances depends, *inter alia*, on local regulatory requirements on capitalisation and legal reserves, and their financial and operating performance.

During the 2024 and 2023 financial years, no BNP Paribas Cardif Group entity was subject to significant restrictions other than those related to regulatory requirements.

3.2.2 Significant restrictions related to BNP Paribas Cardif Group's ability to use assets pledged as collateral or under repurchase agreements

The financial instruments pledged by BNP Paribas Cardif Group as collateral or under repurchase agreements are presented in notes 4.8 *Transfers of financial assets* and 4.23 *Financing and guarantee commitments.*

3.3 MAIN MINORITY INTERESTS

The assessment of the materiality of minority interests is based on the contribution of the relevant subsidiaries to the BNP Paribas Cardif Group balance sheet and income statement.

As part of the acquisition of certain entities, BNP Paribas Cardif Group granted minority shareholders put options on their holdings. Where these options do not correspond to a liability or are exercisable on the basis of fair value, they are not recognised in the balance sheet.

	31 December 2024				
	Percentage of equity securities owned by minority shareholders	Percentage of voting rights held by minority shareholders	Total Balance Sheet [1]	Net income attributed to minority interests of the subsidiary	Dividends paid to minority shareholders
BCC Vita	30.0%	30.0%	5,652	(2)	-
Cardif Lux Vie	33.3%	33.3%	34,732	4	(45)
Société Immobilière du Royal Building SA	33.3%	33.3%	76	1	(1)
Cardif Insurance Japan (Life and Non-Life company)	25.0%	25.0%	724	15	(8)
Cardif IARD	34.0%	34.0%	526	3	-

(1) Amounts before elimination of intragroup balances and transactions

	31 December 2023				
	Percentage of equity securities owned by minority shareholders	Percentage of voting rights held by minority shareholders	Total Balance Sheet [1]	Net income attributed to minority interests of the subsidiary	Dividends paid to minority shareholders
Cardif lux Vie	33.3%	33.3%	32,027	5	-
Société Immobilière du Royal Building SA	33.3%	33.3%	75	0	(1)
Cardif Insurance Japan (Life and Non-Life company)	25.0%	25.0%	738	10	(4)
Cardif IARD	34.0%	34.0%	483	(0)	-

(1) Amounts before elimination of intragroup balances and transactions

3.4 BUSINESS COMBINATIONS

Acquisitions during financial year 2024

BCC Vita

On 15 May 2024, BNP Paribas Cardif SA acquired 51% of the share capital of BCC Vita, in conjunction with an agreement to purchase an additional 19% stake. In this context, ICCREA granted BCC Vita, whose portfolio of life insurance contracts represents EUR 4 billion in assets, exclusive distribution rights for its life insurance products mainly in its banking network

BNP Paribas Group acquired exclusive control over this entity to the extent of 70% and fully consolidates it. The remaining 30% is held by minority shareholder ICCREA.

The Group's consolidated balance sheet at the reporting date increased by EUR 5.6 billion, mainly from investments in BCC Vita's insurance activities.

Provisional goodwill on this transaction stands at EUR 100 million.

Neuflize Vie

On 31 October 2024, BNP Paribas Cardif SA acquired 100% of the share capital of Neuflize Vie, whose portfolio of life insurance contracts represents EUR 8 billion of unit-linked assets and EUR 4 billion of General Fund assets.

BNP Paribas Group acquired exclusive sole control over this entity and fully consolidates it. This transaction resulted in a EUR 12 billion increase in the Group's balance sheet at the acquisition date, mainly from insurance activity investments.

Negative goodwill is provisional, valued at EUR 15 million.

Disposals during financial year 2024

Cardif Insurance Company

The Cardif subsidiary in Russia was deconsolidated on 30 June 2023. The actual transfer took place on 4 April 2024 once all the necessary authorisations had been obtained from the local regulators in Russia.

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Acquisitions during financial year 2023

Luizaseg

In October 2023, through its subsidiary NCV Participacoes Societarias SA, BNP Paribas Cardif bought back the 50% stake in Luizaseg, owned by its partner Magazine Luiza. This led to the acquisition of control of this entity and its full consolidation. A capital gain related to the revaluation of the 50% stake already owned by Cardif was recognised for EUR 12.8 million, and provisional goodwill was valued at EUR 18 million.

Disposals during financial year 2023

Cardif Insurance Company

A process to dispose of the Russian subsidiary was initiated during the first quarter of 2022 after the invasion of Ukraine by Russia. The sale agreement led to a loss of control over the Cardif subsidiary before the effective date of the disposal, reflected in its deconsolidation as of 30 June 2023. Once the necessary authorisations had been obtained from the local regulators, the disposal was finalised in March 2024.

Cardif Seguros SA

The Cardif Seguros Vida subsidiary in Argentina was sold to Grupo ST SA on 11 December 2023 following approval from the Argentinian regulator on 6 December 2023.

3.5 ACTIVITIES HELD FOR SALE

IFRS 5 Application "Assets held for sale"

BNP Paribas Cardif has initiated a plan to sell an entity that no longer meets the criteria set out in IFRS 5, resulting in the line-by-line consolidation of its contribution to the balance sheet at 31 December 2024. At 31 December 2023, the aggregates of assets held for sale and liabilities related to assets held for sale are thus settled. The entity's contribution to the balance sheet is also presented on a line-by-line basis in the consolidated balance sheet with no impact on consolidated equity.

NOTE 4 NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 GOODWILL

(In millions of euros)	31 December 2024	31 December 2023
CARRYING AMOUNT AT START OF PERIOD	144	126
Acquisitions	100	18
Effect of movements in exchange rates	(3)	(0)
CARRYING AMOUNT AT END OF PERIOD	242	144
Gross carrying amount	293	195
Accumulated impairment recognised at the end of period	(51)	(51)

On 15 May 2024, Cardif SA acquired 70% of BCC Vita generating provisional goodwill of EUR 100 million.

Goodwill split by cash-generating unit is as follows:

(In millions of euros)	Carrying amount		Impairment recognised during the period		Acquisition during the period	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
France	37	37	-	-	-	-
Italy	188	88	-	-	100	-
Rest of Europe	-	-	-	-	-	-
Asia	1	1	-	-	-	-
Latin America	15	18	-	-	-	18
TOTAL GOODWILL	242	144	-	-	100	18

Goodwill valuation tests can be based on three distinct valuation methods; the first is based on the observation of transactions carried out on entities with comparable activities, the second consists of researching the market parameters derived from the listing of entities with comparable activities, and the third relates to expected future profitability ("discounted cash flow method" - DCF).

If one of the two methods based on comparable activities indicates the need for impairment, or in the absence of available market parameters, the DCF method is used.

The DCF method is based on several assumptions regarding projected revenues, expenses and capital requirements based on medium-term plans.

Cash flows are projected from 5 to 10 years according to the type of activity and on the basis of a perpetual growth rate.

The discount rate is determined on the basis of a risk-free rate and a risk-weighted market risk premium specific to each country. The values of these parameters are obtained from internal and external information sources.

The perpetual growth rate used is 2% for homogeneous groups of entities.

The level of capital is determined, for each homogeneous group, according to the required solvency coverage levels as defined by insurance regulations, in line with the capital management policies of the legal entities that make up the cash-generating unit.

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4.2 OTHER INTANGIBLE ASSETS

The table below presents the intangible assets other than goodwill.

(Amounts in millions of euros)	31 December 2024			31 December 2023		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Purchased software	207	(172)	35	182	(156)	26
Internally-developed software	635	(496)	139	525	(411)	115
Other intangible assets	707	(103)	603	367	(35)	331
OTHER INTANGIBLE ASSETS	1,548	(771)	777	1,074	(603)	472

Other intangible assets include leasehold rights, concessions, rights and patents, business assets and intangible assets in progress acquired by BNP Paribas Cardif Group. The increase in intangible assets is mainly due to the acquisition of BBC Vita on 31 May 2024.

The amount of depreciation and amortisation net of reversals recorded for the 2024 financial year is EUR 164 million, compared with a EUR 59 million for the 2023 financial year.

The amount of net reversals of impairment on intangible assets recorded in profit or loss is EUR 4 million for 2024, compared to EUR 0.8 million for 2023.

Other intangible assets linked to insurance activities with our partners are analysed on an annual basis to justify their valuation.

4.3 INVESTMENT PROPERTIES

The “Investment Property” item corresponds to land, buildings and business assets acquired with the properties, including those allocated to unit-linked contracts. This item represents assets invested in the life insurance business.

(Amounts in millions of euros)	31 December 2024			31 December 2023		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property at fair value			5,482			5,588
Investment property at amortised cost	205	(56)	150	201	(52)	149
INVESTMENT PROPERTY	205	(56)	5,631	201	(52)	5,737

Investment property at fair value, which totalled EUR 5,482 million at the end of 2024, represents underlying assets of profit-sharing contracts, revalued at EUR 500 million at 31 December 2024, compared with EUR 553 million at 31 December 2023. The value of investment property classified in level 3 stood at EUR 547 million at 31 December 2024, while other investment property is classified in level 2. The amount of depreciation and amortisation net of reversals for the year ended 31 December 2024 was EUR 3.7 million, compared with EUR 0.6 million for the year ended 31 December 2023.

4.4 FINANCIAL ASSETS AT AMORTISED COST

4.4.1 Breakdown of loans and repurchase agreements

(in millions of EUR)	31 December 2024			31 December 2023		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Repurchase agreements and loans	547	(0)	547	487	(1)	486
TOTAL FINANCIAL ASSETS AT AMORTISED COST	547	(0)	547	487	(1)	486
including Financial investments of insurance activities	508	(0)	508	463	(1)	462
including Financial investments of other activities	39	-	39	24	-	24

At 31 December 2024, the EUR 331 million of financial assets at amortised cost are composed of term deposits with credit institutions and securities deposits. This figure was EUR 551 million at 31 December 2023.

4.4.2 Breakdown of loans and repurchase agreements by stage

Loans and repurchase agreements amounted to EUR 547 million at the end of December 2024. In 2023, they totalled EUR 486 million, including impairment of EUR 1 million.

(in millions of EUR)	31 December 2024			31 December 2023		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
REPURCHASE AGREEMENTS AND LOANS	547	()	547	487	(1)	486
of which stage 1	547	(0)	547	487	(1)	486
of which stage 2	-	-	-	-	-	-
of which stage 3	-	-	-	-	-	-

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4.5 FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

4.5.1 Financial assets at fair value through equity

(in millions of euros)	31 December 2024		31 December 2023	
	Fair value	of which changes in value taken directly to equity	Fair value	of which changes in value taken directly to equity
Debt securities	100,343	(5,288)	89,056	(5,128)
Government bonds and similar	52,920	(3,246)	44,527	(2,223)
Other debt securities	47,423	(2,042)	44,529	(2,905)
Equity securities	1,729	106	646	69
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	102,072	(5,182)	89,702	(5,059)

4.5.2 Hierarchy of debt instruments and loans by stage

(in millions of euros)	31 December 2024			31 December 2023		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
DEBT SECURITIES	100,374	(31)	100,343	89,089	(33)	89,056
of which stage 1	*99,535*	*(12)*	*99,523*	*88,273*	*(17)*	*88,256*
of which stage 2	*840*	*(19)*	*820*	*817*	*(16)*	*800*
of which stage 3						

4.6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31 December 2024			31 December 2023		
	Financial instruments designated as at fair value through profit or loss	Other financial instruments at fair value through profit or loss	Total	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	2,243	163,312	165,554	2,421	147,907	150,327
Debt securities	2,243	18,741	20,984	2,421	16,132	18,553
Equity securities		144,571	144,571		131,774	131,774
Loans		586	586		764	764
Derivative asset instruments		1,920	1,920		1,935	1,935
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,243	165,817	168,060	2,421	150,605	153,026
Derivative liability instruments		1,586	1,586		1,528	1,528
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,586	1,586		1,528	1,528

This aggregate includes the financial assets and liabilities valued at fair value through profit or loss.

DERIVATIVE FINANCIAL INSTRUMENTS

The positive or negative fair value of derivative financial instruments classified in the trading portfolio represents the replacement value of those instruments.

4.6.1 Fair value by derivative financial instrument

The fair value of derivative instruments on the assets and liabilities sides of the balance sheet breaks down as follows:

In millions of euros	31 December 2024		31 December 2023	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate derivatives	1,641	642	1,592	535
Foreign exchange derivatives	174	259	180	82
Equity derivatives	104	685	163	911
DERIVATIVE FINANCIAL INSTRUMENTS	1,920	1,586	1,935	1,528
of which insurance company investments	*1,920*	*1,586*	*1,935*	*1,528*

The amounts corresponding to the fair values of interest rate and foreign exchange derivative financial instruments used for hedging purposes are detailed in the table below:

In millions of euros	31 December 2024			31 December 2023		
	Notional amounts	Positive fair value	Negative fair value	Notional amounts	Positive fair value	Negative fair value
Cash flow hedges	**13,862**	**74**	**289**	**7,519**	**36**	**152**
Net foreign investment hedges	**2,885**	**65**	**58**	**2,648**	**50**	**65**
DERIVATIVES USED FOR HEDGING PURPOSES	16,747	139	348	10,167	86	217

With regard to interest rate risk, BNP Paribas Cardif Group has been using derivative financial instruments since 2024 to hedge changes in expenses related to variable-rate subordinated loans. Changes in the value of these hedging derivatives are recorded in equity. The amounts recorded in equity during the life of the hedge are transferred to the income statement as interest expenses relating to the hedged loans are incurred. During the year, no cash flow hedging relationships were disqualified.

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4.6.2 Notional amounts of derivative financial instruments

The notional amounts of derivative financial instruments are merely an indication of the volume of BNP Paribas Cardif Group's activities in financial instrument markets, and do not reflect the market risks associated with such instruments.

The table below presents the notional amounts of derivative financial instruments.

In millions of euros	31 December 2024				31 December 2023			
	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives		2,222	26,438	28,661		2,694	20,057	22,752
Foreign exchange derivatives			15,045	15,045			14,713	14,713
Equity derivatives			6,914	6,914			9,765	9,765
DERIVATIVE FINANCIAL INSTRUMENTS	-	2,222	48,398	50,620	-	2,694	44,536	47,230

4.7 DETERMINATION OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The principle of BNP Paribas Cardif Group is to have a single and integrated process for producing and monitoring the valuation of financial instruments. This process is used for day-to-day risk management and for financial reporting purposes. It is based on a common economic valuation which is a core component of BNP Paribas Cardif business decisions and risk management strategies. In its regular assessment of asset valuations, BNP Paribas Cardif Group has defined a "Level Policy" for determining the appropriate level, a reference document setting out the criteria to be applied in the assignment of financial instrument levels.

4.7.1 Description of main instruments in each level

As detailed in the note "Accounting principles and methods", financial instruments at fair value are divided into three levels. Investment property is also valued at fair value through profit or less and is split between levels 2 and 3. This hierarchy is also applied to financial instruments, both assets and liabilities, which are recognised at amortised cost.

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial instruments at fair value	181,860	72,625	15,786	270,271
Financial instruments at fair value through equity	**83,924**	**18,143**	**5**	**102,072**
Debt securities	82,196	18,143	5	100,343
Government bonds and similar	45,852	7,053	-	52,905
Other debt securities	36,343	11,091	5	47,438
Equity securities	1,729	-	(0)	1,729
Loans and advances	-	0	-	0
Financial instruments at fair value through profit or loss	**97,936**	**54,482**	**15,781**	**168,199**
Securities	97,936	51,837	15,781	165,554
Repurchase agreements and loans	-	586	-	586
Derivative instruments	-	2,059	-	2,059
Fair value of financial instruments carried at amortised cost	-	547	-	547
Loans and repurchase agreements	-	547	-	547
Securities	-	-	-	-
FINANCIAL ASSETS	181,860	73,172	15,786	270,818
Financial instruments at fair value	-	1,934	-	1,934
Financial instruments at fair value through profit or loss	**-**	**1,934**	**-**	**1,934**
Derivative instruments	-	1,934	-	1,934
Fair value of financial instruments carried at amortised cost	-	17,722	-	17,722
Subordinated debt	-	5,109	-	5,109
Repurchase agreements	-	5,663	-	5,663
Borrowings	-	6,950	-	6,950
FINANCIAL LIABILITIES	-	19,656	-	19,656

	31 December 2023			
	Level 1	Level 2	Level 3	Total
Financial instruments at fair value	173,384	55,002	14,428	242,815
Financial instruments at fair value through equity	**81,187**	**8,500**	**15**	**89,702**
Debt securities	80,541	8,500	15	89,056
Government bonds and similar	43,021	1,506		44,527
Other debt securities	37,520	6,995	15	44,529
Equity securities	646			646
Loans and advances				
Financial instruments at fair value through profit or loss	**92,198**	**46,502**	**14,413**	**153,112**
Securities	92,165	43,750	14,413	150,327
Repurchase agreements and loans		764		764
Derivative instruments	33	1,988		2,021
Fair value of financial instruments carried at amortised cost	-	665	-	665
Loans and repurchase agreements		665		665
Securities				
FINANCIAL ASSETS	173,384	55,667	14,428	243,479
Financial instruments at fair value	160	1,585	-	1,745
Financial instruments at fair value through profit or loss	**160**	**1,585**	**-**	**1,745**
Derivative instruments	160	1,585		1,745
Fair value of financial instruments carried at amortised cost	-	18,659	-	18,659
Subordinated debt	-	5,023	-	5,023
Repurchase agreements	-	8,304	-	8,304
Borrowings	-	5,332	-	5,332
FINANCIAL LIABILITIES	160	20,244	-	20,404

Financial liabilities related to unit-linked investment contracts without discretionary profit-sharing features are measured at fair value through profit or loss in accordance with IFRS 9. They are classified in level 2 for EUR 7.8 billion and level 3 for EUR 0.8 billion.

In 2024, real estate investments measured at fair value through profit or loss were mainly classified in level 2 –EUR 4.9 billion and level 3 –EUR 0.5 billion.

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Fair value of financial instruments recognised at fair value

The following section provides a description of the criteria used to assign each level of the hierarchy, and the main instruments assigned to each level.

- Level 1: this includes all securities and derivatives that are listed on stock exchanges or listed continuously on other active markets.

This category notably includes liquid shares and bonds. It also includes fund units and mutual funds whose net asset value is calculated daily.

- Level 2: this level is composed of securities which are less liquid than those in level 1. They are classified in level 2 when external prices quoted by a reasonable number of active market makers for the same security can be regularly observed without being directly executable. These prices are derived in particular from the market consensus publication services to which active market makers contribute, as well as indicative prices produced by active brokers or traders.

This category includes:

- shares listed on a regulated market, but listed more than weekly;
- certain government or company bonds whose valuations are infrequent (less than once per month);
- fund units and mutual funds with at least quarterly valuations;
- derivatives on an over-the-counter market.

- Level 3: level 3 securities consist primarily of fund units and unlisted equities other than those classified as level 2, which mainly comprise shares in venture capital companies and funds.

Unlisted level 3 equities and other variable-income securities are valued using one of the following methods: share of net asset value, multiples of equivalent companies, discounting of future cash flows generated by the company's business, multi-criteria approach.

Fair value of financial instruments carried at amortised cost

The information presented regarding the fair value of financial instruments recognised at amortised cost should be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments at 31 December 2024. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and the credit quality of the counterparties. In particular, they may differ significantly from the amounts actually received or paid upon maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately;
- The revaluation of financial instruments carried at historical cost often involves the use of valuation models, conventions and assumptions that may vary from one institution to another. Consequently, the comparison of the fair values presented for financial instruments recognised at historical cost by different financial institutions is not necessarily relevant.

The valuation techniques and assumptions used ensure a consistent measure of the fair value of the financial assets and liabilities recognised at amortised cost within BNP Paribas Cardif Group; if prices listed on an active market are available, they are used to determine fair value. Otherwise, the fair value is determined using valuation techniques, such as discounting estimated future cash flows for loans, debts and held-to-maturity financial assets, or specific cash flow models for other financial instruments. The fair value used for loans, debts and held-to-maturity assets with an initial maturity of less than one year is the carrying amount.

4.7.2 Table of movements in Level 3 financial instruments

For level 3 financial instruments, the following movements occurred during the financial year:

In millions of SWEK	Financial Assets			Financial Assets		
	Financial instruments at fair value through net income statement	Financial assets at fair value through equity	31 December 2024	Financial instruments at fair value through net income statement	Financial assets at fair value through equity	31 December 2023
Opening balance	**14,413**	**15**	**14,428**	**12,851**	**181**	**13,032**
Incoming entities	749	-	749			
Purchases	2,184	0	2,184	2,218	8	2,227
Sales	(2,458)	0	(2,458)	(1,414)	(47)	(1,461)
Settlements	(5)	(5)	(10)	128	(59)	69
Reclassification	359	-	359	664	4	668
Transfers to Level 3	549	-	549	65		65
Transfers from Level 3	(45)	(17)	(62)	(23)	(66)	(89)
Gains recognised in the profit or loss (assets +)	310	0	310	200	0	200
Losses recognised in the profit or loss (assets -)	(284)	-	(284)	(322)	(0)	(322)
Items related to exchange rate movements	9	10	19	47	0	47
Changes in assets recognised in equity	-	1	1	-	(6)	(6)
Closing balance	**15,781**	**5**	**15,786**	**14,413**	**15**	**14,428**

Transfers between levels may occur when an instrument fulfils the classification criteria for the new level, which is generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events affecting the life of the instrument. Transfers have been reflected as if they had taken place at the beginning of the reporting period.

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4.8 TRANSFERS OF FINANCIAL ASSETS

4.8.1 Transfers of assets that have not been derecognised

Temporary sales of securities made under repurchase agreements are included under "Transfers of assets that have not been derecognised". The debt representing securities sold under repurchase agreements is included in the liabilities side of the balance sheet under "Liabilities due to banking sector companies".

Transfers of assets	31 December 2024		31 December 2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Repurchase agreements	5,442	5,497	9,198	8,506
TOTAL	**5,442**	**5,497**	9,198	8,506

Repurchase agreements concern securities at fair value through equity.

4.8.2 Disposal transactions resulting in an outflow of assets

BNP Paribas Cardif Group has not carried out any significant transfers leading to the partial or full derecognition of financial assets, or an ongoing involvement in them.

4.9 OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The following tables present the amounts of financial assets and liabilities before and after offsetting. This information, required by IFRS 7, aims to enable comparability with the accounting treatment applicable in accordance with generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IAS 32 as regards offsetting.

"Amounts offset on the balance sheet" have been determined according to IAS 32. Thus, a financial asset and a financial liability are offset and the net amount presented on the balance sheet when, and only when, BNP Paribas Cardif Group has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

"Financial instruments given or received as collateral" include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in the event of default, insolvency or bankruptcy of one of the contracting parties.

"Financial instruments given or received as collateral" include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in the event of default, insolvency or bankruptcy of one of the contracting parties.

	31 December 2024					
	Gross amounts of financial assets/liabilities	Gross amounts offset on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given / received as collateral	Net amounts
Financial instruments at fair value through profit or loss	168,199	-	168,199	-	-	168,199
Securities	165,554	-	165,554	-	-	165,554
Loans and repurchase agreements	586	-	586	-	-	586
Derivative financial instruments (incl. hedging instruments)	2,059	-	2,059	-	-	2,059
Financial assets at amortised cost	3,038	-	3,038	-	-	3,038
of which repurchase agreements	37	-	37	-	-	37
Accrued income and other assets	4,389	-	4,389	-	-	4,389
of which guarantee deposits paid	377	-	377	-	-	377
Other assets not subject to offsetting	111,008	-	111,008	-	-	111,008
TOTAL ASSETS	**286,633**	-	**286,633**	-	-	**286,633**
Financial instruments at fair value through profit or loss	1,934	-	1,934	-	-	1,934
Derivative financial instruments (incl. hedging instruments)	1,934	-	1,934	-	-	1,934
Financial liabilities at amortised cost	12,613	-	12,613	-	5,091	17,704
of which repurchase agreements	5,663	-	5,663	-	5,091	10,754
Accrued expense and other liabilities	5,123	-	5,123	-	-	5,123
of which guarantee deposits received	71	-	71	-	-	71
Other liabilities not subject to offsetting	262,099	-	262,099	-	-	262,099
TOTAL LIABILITIES	**281,769**	-	**281,769**	-	**5,091**	**286,860**

	31 December 2023					
	Gross amounts of financial assets/liabilities	Gross amounts offset on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given / received as collateral	Net amounts
Financial instruments at fair value through profit or loss	152,932	-	152,932	-	-	152,932
Securities	150,327	-	150,327	-	-	150,327
Loans and repurchase agreements	584	-	584	-	-	584
Derivative financial instruments (incl. hedging instruments)	2,021	-	2,021	-	-	2,021
Financial assets at amortised cost	2,679	-	2,679	-	-	2,679
of which repurchase agreements	17	-	17	-	-	17
Accrued income and other assets	3,497	-	3,497	-	-	3,497
of which guarantee deposits paid	321	-	321	-	-	321
Other assets not subject to offsetting	98,426	-	98,426	-	-	98,426
TOTAL ASSETS	**257,534**	-	**257,534**	-	-	**257,534**
Financial instruments at fair value through profit or loss	1,745	-	1,745	-	-	1,745
Derivative financial instruments (incl. hedging instruments)	1,745	-	1,745	-	-	1,745
Financial liabilities at amortised cost	13,592	-	13,592	-	8,865	22,457
of which repurchase agreements	8,304	-	8,304	-	8,865	17,169
Accrued expense and other liabilities	5,947	-	5,947	-	-	5,947
of which guarantee deposits received	594	-	594	-	-	594
Other liabilities not subject to offsetting	232,216	-	232,216	-	-	232,216
TOTAL LIABILITIES	**253,500**	-	**253,500**	-	**8,865**	**262,365**

"Financial instruments given or received as collateral" include guarantee deposits and securities collateral recognised at fair value. These guarantees can only be exercised in the event of default, insolvency or bankruptcy of one of the contracting parties.

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4.10 INVESTMENTS IN EQUITY-METHOD COMPANIES

Cumulative financial information relating to associates and joint ventures is presented in the following table:

In millions of euros	31 December 2024				31 December 2023			
	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments	Share of net income	Share of changes in assets and liabilities recognised directly in equity	Share of net income and changes in assets and liabilities recognised directly in equity	Equity-method investments
Joint ventures	2	200	202	453	7	19	26	239
Associates	29	(67)	(38)	654	26	1	27	791
EQUITY METHOD COMPANIES	32	133	165	1,107	33	20	53	1,030
Associates	1	1	1	82	(6)	1	(5)	89
EQUITY METHOD INVESTMENT ENTITIES	1	1	1	82	(6)	1	(5)	89

(1) Including controlled but non material entities consolidated under the equity method

Securities representing insurance investments consolidated under the equity method are presented under insurance activity investments.

The carrying amount of BNP Paribas Cardif Group's share of investment in the main joint ventures and associates is presented in the following table:

In millions of euros	Country of registration	Category of entity consolidated under the equity method	31 December 2024		31 December 2023	
			Interest (%)	Share of net assets (including GW)	Interest (%)	Share of net assets (including GW)
JOINT VENTURES						
BOB-CARDIF LIFE INSUR COMP LIMITED	China	Corporate	50	453	50	239
ASSOCIATES						
Pinnacle Pet Holdings Ltd	United Kingdom	Corporate	25	407	25	393
BNP Pb Ass TCB Life Insurance Cy Ltd	Taiwan	Corporate	49	161	49	163

4.11 PROPERTIES, PLANTS AND EQUIPMENTS

In millions of euros	31 December 2024			31 December 2023		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Owner-occupied property at fair value			310			344
TANGIBLE ASSETS AT FAIR VALUE			310			344
Land and buildings	161	(62)	99	152	(53)	99
Equipment, furniture and fixtures	36	(15)	21	26	(10)	16
Other property, plant and equipment	77	(59)	18	75	(60)	15
TANGIBLE ASSETS AT AMORTISED COST	273	(136)	138	253	(123)	130
of which right of use	101	(51)	50	93	(44)	49
TANGIBLE ASSETS			448			474

The revaluation of property, plant and equipment recognised at fair value is equal to –EUR 34 million for the 2024 financial year, compared to –EUR 56 million for 2023. Excluding the depreciation on right-of-use assets of leased buildings, depreciation net of reversals is –EUR 8 million for the 2024 financial year, compared to –EUR 4 million for 2023.

4.12 OTHER RECEIVABLES AND PAYABLES

[illegible]	31 December 2024	31 December 2023
Tax and social security receivables	23	8
Receivables related to investments and securities settlement accounts	-	0
Deposits and guarantees paid	7	7
Other receivables and accruals	4,661	3,560
TOTAL OTHER RECEIVABLES	4,692	3,574
Social security and tax debts	453	772
Related debt and securities settlement accounts	10	(0)
Deposits and guarantees received	971	1,379
Other payables and accruals	4,402	4,271
TOTAL OTHER PAYABLES	5,836	6,422

4.13 SHARE CAPITAL

4.13.1 Change in share capital

BNP Paribas Cardif's share capital amounted to EUR149,959,051 at 31 December 2024 (unchanged compared to 31 December 2023).

4.13.2 Capital management objectives, policies and procedures

Since 1 January 2016, BNP Paribas Cardif Group has been subject to the Solvency II regulation, a standard for calculating the solvency coverage ratio (Directive 2009/138/EC as transposed into French law).

The objective of Solvency II is:

- to improve risk management processes, matching them more closely with the actual risks to which insurance companies are exposed;
- to standardise insurance activity regulations across Europe;
- to strengthen the power of supervisory authorities.

Solvency II is divided into three pillars:

- Pillar 1: to assess solvency using what is known as an economic capital-based approach;
- Pillar 2: to introduce qualitative requirements, *i.e.* governance and risk management rules that include a forward-looking approach to risk assessment. This assessment is called ORSA "Own Risk & Solvency Assessment";
- Pillar 3: to improve the transparency of insurance activities by making solvency the cornerstone of disclosures to the public and the supervisory authority.

BNP Paribas Cardif Group complies with this regulation both in terms of risk management and governance, as well as calculations and reporting. Solvency II data is available in BNP Paribas Cardif Group's Solvency and Financial Condition Report[7].

[7] Cf official website https://www.bnpparibascardif.com

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Solvency II provides for two capital requirements:

- the "Solvency Capital Requirement" (SCR);
- the "Minimum Capital Requirement" (MCR) or, for groups, Group Minimum SCR.

The SCR is the level of own funds required to absorb a series of significant losses after accounting for the correlation between risks. It is calibrated to cover such an event with a probability of occurrence of once in every 200 years on the basis of a 99.5% "Value-at-Risk" confidence level over one year. The BNP Paribas Cardif Group's SCR is measured using the standard formula.

The Capital Management Policy of BNP Paribas Cardif Group aims in particular to ensure that prudential solvency requirements are met, to cover at least 100% of the SCR defined within the scope of the ORSA assessment and to structure own funds so that the best balance can be found between the share capital, subordinated debt and other own funds elements, complying with the limits and levels laid down by the regulation.

4.14 FINANCING DEBTS

4.14.1 Breakdown of subordinated debts at amortised cost and financing debt securities

BNP Paribas Cardif Group's financing debts consist solely of subordinated debt valued on the balance sheet at their nominal amount.

Breakdown of subordinated debt at 31 December 2024

In millions of euros	Issuer	Subscriber	Issue date	Maturity	Call date	Interest rate before call date	Rate after 1st call date	Nominal value
SFN	BNP PARIBAS CARDIF	Third party	2014/11/25	Undetermined	2025/11/25	4.03%	Euribor 3 month + 3,93%	1,000
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2017/09/26	2047/09/26	2027/09/26	Euribor 3 month + 2,68%	Euribor 3 month + 2,68%	760
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2017/09/29	2047/09/29	2027/09/29	Euribor 3 month + 2,73%	Euribor 3 month + 2,73%	710
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2017/12/14	2047/12/17	2027/12/14	Euribor 3 month + 1,80%	Euribor 3 month + 1,80%	170
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2019/06/27	2049/06/27	2029/06/27	Euribor 3 month + 2,72%	Euribor 3 month + 2,72%	200
SFN	BNP PARIBAS CARDIF	BNP PARIBAS	2019/09/27	Undetermined	2029/09/27	Euribor 3 month + 4,20%	Euribor 3 month + 4,20%	450
SFN	CARDIF LUX VIE	BGL BNP Paribas	2014/12/17	Undetermined	2025/12/17	4.03%	Euribor 3 month + 4,5%	15
RSN	CARDIF LUX VIE	BGL BNP Paribas	2022/15/12	2032/15/12	2027/15/12	Euribor 3 month + 3,29%	Euribor 3 month + 3,29%	43
RSN	CARDIF LUX VIE	BGL BNP Paribas	2019/11/26	2029/11/25	2024/11/25	1.39%	1.39%	35
RSN	CARDIF LUX VIE	BGL BNP Paribas	2019/11/26	2026/11/25	2024/11/25	0.70%	0.70%	17
RSN	CARDIF LUX VIE	BGL BNP Paribas	2018/12/21	2028/12/21	2023/12/20	2.55%	2.55%	29
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2022/28/03	2042/28/03	2032/28/03	Euribor 3 month + 2,76%	Euribor 3 month + 2,76%	650
RSN	CARDIF IARD	Third party	2020/03/24	2030/03/23	2025/03/24	2.14%	2.14%	3
RSN	CARDIF IARD	Third party	2020/12/09	2030/12/08	2025/12/08	1.20%	1.20%	5
RSN	SCC VITA	Third party	2020/05/08	2030/05/08	2025/05/08	5.50%	5.50%	25
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2024/11/27	2044/11/27	2034/11/27	fixed rate 4,652% (2,242 + 2,32) _ variable rate . ESTR + 2.32 (margin)	fixe rate 4,652% (2,242 + 2,32) _ variable rate . ESTR + 2,32 (marge)	250
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2024/11/27	2042/11/27	2032/11/27	fixed rate 4,419% (2,169 + 2,25) _ variable rate ESTR + 2.25 (margin)	fixe rate 4,419% (2,169 + 2,25) _ variable rate ESTR + 2,25 (marge)	250
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2024/11/27	2043/11/27	2033/11/27	fixed rate . 4,494% (2,204 + 2,29) _ variable rate ESTR + 2.29 (margin)	fixe rate . 4,494% (2,204 + 2,29) _ variable rate . ESTR + 2,29 (marge)	250
RSN	CARDIF IARD	Third party	2021/12/10	2031/12/10	2026/12/10	1.60%	1.60%	4
Total subordinated debt - Nominal amount								5,067
Related debt and amortised debt issuance costs								42
TOTAL SUBORDINATED DEBT								5,109

Transactions carried out in 2024

On 29 November 2024, BNP Paribas Cardif redeemed a redeemable subordinated debt (RSD) with a nominal value of EUR 750 million and a 10-year maturity, taken out with BNP Paribas on 29 November 2017.

On 27 November 2024, BNP Paribas Cardif issued a redeemable subordinated debt (RSD) with a nominal value of EUR 250 million and a maturity of 18 years. This RSD was taken out by BNP Paribas with a fixed rate of 4.419%.

On 27 November 2024, BNP Paribas Cardif issued a redeemable subordinated debt (RSD) with a nominal value of EUR 250 million and a maturity of 19 years. This RSD was taken out by BNP Paribas with a fixed rate of 4.494%.

On 27 November 2024, BNP Paribas Cardif issued a redeemable subordinated debt (RSD) with a nominal value of EUR 250 million and a maturity of 20 years. This RSD was taken out by BNP Paribas with a fixed rate of 4.652%.

On 8 May 2024, BCC Vita issued two redeemable subordinated debts (RSD) with a nominal value of EUR 25 million and a maturity of 10 years. The RSD was taken out with a non-Group third party with an interest rate of 5.50%.

Transactions carried out in 2023

On 20 September 2023, Cardif Life Insurance Japan redeemed a subordinated loan with a nominal value of EUR 11 million and a maturity of 10 years. It was taken out with a non-Group third party.

4.14.2 Maturities of subordinated debt

	31 December 2024									
	< 5 years	5 to 10 years	> 10 years	Undetermined	Total	< 5 years	5 to 10 years	> 10 years	Undetermined	Total
Redeemable subordinated debt	1,932	1,680	-	-	3,612	2,552	1,050	-	-	3,602
Undated subordinated debt	37	-	-	1,461	1,498	4	-	-	1,461	1,465
TOTAL SUBORDINATED DEBT	1,968	1,680	-	1,461	5,109	2,556	1,050	-	1,461	5,067

4.14.3 Financial debts due to banking sector companies

These include foreign currency borrowings taken out to cover equity investments in subsidiaries outside of the Eurozone.

4.15 MOVEMENTS IN THE OPENING AND CLOSING BALANCES OF THE CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

4.15.1 Movements in the opening and closing balances of the carrying amounts of insurance contracts issued

Insurance and investment contracts - Reconciliation of balance sheet Net carrying value	31 December 2024		31 December 2024	
	assets	liabilities	assets	liabilities
Closing balance of insurance and investment contracts in the statement of movements in the opening and closing balances of the carrying amounts of insurance contracts issued	38	247,944	25	217,978
Cash flows not yet received or disbursed	-	(896)	-	(527)
Insurance and investment contracts - balance sheet	38	247,049	25	217,451

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BNP PARIBAS CARDIF

Movements completed in 2024

	Liabilities for contracts not measured under Premium Allocation Approach					Liabilities for contracts measured under Premium Allocation Approach							Total
	Liabilities for remaining coverage			Total LIC	Total liabilities	Liabilities for remaining coverage			Liabilities for incurred claims			Total liabilities	
	Excl. loss component	Loss component	Total LRC			Excl. loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment	Total LIC		
Net opening insurance assets & liabilities	213 337	159	213 496	2 585	216 081	592	17	609	1 157	106	1 263	1 872	217 953
Opening insurance contracts assets	(81)	6	(76)	54	(22)	(5)	(1)	(6)	3	0	3	(3)	(25)
Opening insurance contracts liabilities	213,419	153	213,572	2,531	216,103	597	18	615	1,154	106	1,260	1,875	217,978
Insurance revenue	(5,544)	-	(5,544)	-	(5,544)	(3,548)	-	(3,548)	-	-	-	(3,548)	(9,092)
Other contracts - underwritten post transition including contracts under the full retrospective approach	(1,531)	-	(1,531)	-	(1,531)	(3,548)	-	(3,548)	-	-	-	(3,548)	(5,078)
Contracts under the modified retrospective approach	(3,951)	-	(3,951)	-	(3,951)	-	-	-	-	-	-	-	(3,951)
Contracts under the fair value approach	(62)	-	(62)	-	(62)	-	-	-	-	-	-	-	(62)
Insurance service expenses	1,161	19	1,179	2,851	4,031	1,715	(2)	-	1,398	(2)	1,395	3,109	7,139
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(38)	(38)	2,914	2,877	-	(0)	(0)	1,316	(2)	1,314	1,314	4,191
Changes that relate to past service	-	-	-	(63)	(63)	-	-	-	81	-	81	81	18
Changes that relate to future service	-	57	57	-	57	-	(2)	(2)	-	-	-	(2)	55
Amortisation of insurance acquisition cash flows	1,161	-	1,161	-	1,161	1,715	-	1,715	-	-	-	1,715	2,876
Impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance service result	(24,025)	19	(24,006)	22,492	(1,514)	(1,833)	(2)	(3,548)	1,398	(2)	1,395	(439)	(1,953)
Insurance finance income or expenses [2]	10,863	3	10,867	78	10,944	89	-	89	85	0	85	174	11,119
Total changes in the statement of P&L and OCI	(13,162)	22	(13,139)	22,570	9,431	(1,744)	(2)	(1,745)	1,482	(2)	1,481	(265)	9,166
Investment component	(19,641)	-	(19,641)	19,641	-	-	-	-	-	-	-	-	-
Cash flows	0	0	0	0	0	-	-	-	-	-	-	-	-
Premiums received for insurance contracts issued	28,550	-	28,550	-	28,550	3,655	-	3,655	-	-	-	3,655	32,206
Insurance acquisition cash flows	(1,258)	-	(1,258)	-	(1,258)	(1,803)	-	(1,803)	-	-	-	(1,803)	(3,061)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cashflows	-	-	-	(22,605)	(22,605)	-	-	-	(1,380)	-	(1,380)	(1,380)	(23,985)
Total Cash flows	27,292	-	27,292	(22,605)	4,686	1,852	-	1,852	(1,380)	-	(1,380)	473	5,159
Other movements	15,444	(0)	15,444	(1)	15,442	82	(1)	82	90	14	104	186	15,628
Closing insurance assets & liabilities (1) (3)	242 912	181	243 092	2 548	245 641	783	15	798	1 349	118	1 468	2 265	247 906
Closing insurance contracts assets	(103)	6	(97)	63	(34)	(5)	-	(5)	1	0	1	(4)	(38)
Closing insurance contracts liabilities	243,015	174	243,189	2,485	245,675	789	15	803	1,349	118	1,467	2,270	247,944

(1) Including claims and liabilities relating to insurance contracts for a net asset of EUR 896 million at 31 December 2024, compared with a net asset of EUR 527 million at 31 December 2023.
(2) Including financial expenses and income which were recorded directly in equity.
(3) Including contractual claims under the premium allocation approach (PAA) for a net liability of EUR 1,468 million at 31 December 2024, of which EUR 1,349 million in respect of discounted cash flows and EUR 118 million in respect of non-financial risk.

LRC Liability for Remaining Coverage
LIC Liability for Incurred Claims

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Movements completed in 2023

Insurance contracts issued (LRC/LIC) - Movement 2023	Liabilities for contracts not measured under the premium allocation approach					Liabilities for contracts measured under the premium allocation approach							
	Liabilities for remaining coverage			Liabilities for incurred claims		Liabilities for remaining coverage			Liabilities for incurred claims				
	Excl. loss component	Loss component	Total LRC	Total LIC		Excl. loss component	Loss component	Total LRC	Present value of future cash flows	Risk adjustment	Total LIC		
Net opening insurance assets & liabilities	205 626	129	205 755	2 214	207 969	443	23	466	1 141	124	1 265	1 731	209 699
Opening insurance contracts assets	95	5	100	41	141	(9)	-	(9)	2	0	2	(7)	134
Opening insurance contracts liabilities	205,531	124	205,655	2,173	207,827	453	23	475	1,139	123	1,262	1,738	209,565
Insurance revenue	(5,423)	-	(5,423)	-	(5,423)	(2,916)	-	(2,916)	-	-	-	(2,916)	(8,339)
Other contracts - underwritten post transition including contracts under the full retrospective approach	(1,191)	-	(1,191)	-	(1,191)	(2,916)	-	(2,916)	-	-	-	(2,916)	(4,106)
Contracts under the modified retrospective approach	(4,232)	-	(4,232)	-	(4,232)	-	-	-	-	-	-	-	(4,232)
Contracts under the fair value approach	0	-	0	-	0	-	-	-	-	-	-	-	0
Insurance service expenses	1,267	28	1,295	2,680	3,975	1,346	(5)	1,193	1,193	(17)	1,176	2,517	6,492
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(39)	(39)	2,815	2,775	-	0	0	1,116	(17)	1,099	1,099	3,875
Changes that relate to past service	-	-	-	(135)	(135)	-	-	-	78	(0)	78	78	(57)
Changes that relate to future service	-	67	67	-	67	-	(5)	(5)	-	-	-	(5)	62
Amortisation of insurance acquisition cash flows	1,267	-	1,267	-	1,267	1,346	-	1,346	-	-	-	1,346	2,612
Impairment of asset for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of asset for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment component	(23,892)	-	(23,892)	23,892	-	-	-	-	-	-	-	-	-
Insurance service result	(28,048)	28	(28,020)	26,572	(1,448)	(1,570)	(5)	(2,916)	1,193	(17)	1,176	(396)	(1,846)
Insurance finance income or expenses	14,535	2	14,537	32	14,569	82	-	82	24	-	24	106	14,675
Total changes in the statement of P&L and OCI	(13,513)	30	(13,483)	26,604	13,121	(1,488)	(5)	(1,493)	1,217	(17)	1,200	(292)	12,828
Cash flows	0	0	0	0	0	-	-	-	-	-	-	-	-
Premiums received for insurance contracts issued	22,605	-	22,605	-	22,605	2,956	-	2,956	-	-	-	2,956	25,562
Insurance acquisition cash flows	(1,170)	-	(1,170)	-	(1,170)	(1,393)	-	(1,393)	-	-	-	(1,393)	(2,562)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cashflows	-	-	-	(26,221)	(26,221)	-	-	-	(1,185)	-	(1,185)	(1,185)	(27,407)
Total Cash flows	21,436	-	21,436	(26,221)	(4,785)	1,564	-	1,564	(1,185)	-	(1,185)	378	(4,407)
Other movements	(211)	(0)	(211)	(11)	(223)	73	(1)	72	(16)	(1)	(17)	55	(167)
Closing insurance assets & liabilities	213 337	159	213 496	2 585	216 081	592	17	609	1 157	106	1 263	1 872	217 953
Closing insurance contracts assets	(81)	6	(76)	54	(22)	(5)	(1)	(6)	3	0	3	(3)	(25)
Closing insurance contracts liabilities	213,419	153	213,572	2,531	216,103	597	18	615	1,154	106	1,260	1,875	217,978

BNP PARIBAS CARDIF

4.15.2 Movements in opening and closing balances of the carrying amounts of reinsurance contracts held

Reinsurance contracts held - Reconciliation of net position with balance sheet (millions of euro)	31 December 2024		31 December 2023	
	assets	liabilities	assets	liabilities
Closing balance of reinsurance contracts held in the statement of movements in the opening and closing balances of the book values of reinsurance contracts held	575	(0)	507	(24)
Cash flows not yet received or disbursed	(22)	-	(24)	-
Reinsurance contracts held - balance sheet	552	(0)	483	(24)

Movements completed in 2024

Reinsurance contracts held as of 31 December 2024 (millions of euro)	assets for contracts not measured under Premium Allocation Approach				assets for contracts measured under Premium Allocation Approach					Total
	assets for remaining coverage		assets for incurred claims	Total assets	assets for remaining coverage		assets for incurred claims		Total assets	
	Excluding loss-recovery component	Loss-recovery component			Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment		
Opening reinsurance assets & liabilities	278	18	141	439	(7)	-	97	3	92	531
Opening reinsurance contracts assets	275	18	140	434	4	-	66	3	74	507
Opening reinsurance contracts liabilities	3	0	2	5	(12)	-	30	(0)	18	24
Net expenses from reinsurances contracts held	(243)	(2)	157	(87)	(99)	-	53	2	(44)	(131)
Allocation of reinsurance premiums paid	(243)	-	-	[illegible]	[illegible]	-	-	-	(99)	(342)
Amounts recoverable from reinsurers	-	(2)	157	156	-	-	53	2	55	211
Recoveries of incurred claims and other insurance service expenses	-	(12)	174	162	-	-	49	2	50	212
Adjustments to assets for incurred claims	-	-	(17)	(17)	-	-	4	-	5	(12)
Recoveries and reversal of recoveries of losses on onerous underlying contracts	-	11	-	11	-	-	-	-	-	11
Investment component	-	-	-	-	-	-	-	-	-	-
Effect of changes in non-performance risk of the reinsurers	-	-	-	-	-	-	-	-	-	-
Insurance finance income or expenses from reinsurance contracts held	6	1	6	13	8	-	3	-	3	15
Total changes in the statement of P&L and OCI	(237)	(1)	163	(75)	(90)	-	56	2	(41)	(116)
Cash flows	235	-	(162)	73	97	-	(61)	-	33	106
Premiums paid	235	-	-	235	97	-	-	-	97	332
Amounts received	-	-	[illegible]	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Other movements	[illegible]	[illegible]	[illegible]	30	0	-	[illegible]	4	24	54
Closing reinsurance assets & liabilities	306	17	141	467	(9)	-	108	9	108	575
Closing reinsurance contracts assets	297	17	141	455	4	-	106	9	120	575
Closing reinsurance contracts liabilities	9	0	3	12	(13)	-	2	(0)	(12)	0

Movements completed in 2023

Reinsurance contracts held as of 31 December 2023 (millions of euro)	assets for contracts not measured under Premium Allocation Approach				assets for contracts measured under Premium Allocation Approach					Total
	assets for remaining coverage		assets for incurred claims	Total assets	assets for remaining coverage		assets for incurred claims		Total assets	
	Excluding loss-recovery component	Loss-recovery component			Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment		
Opening reinsurance assets & liabilities	293	11	162	466	(6)	-	107	3	110	575
Opening reinsurance contracts assets	283	10	155	448	5	-	66	3	74	522
Opening reinsurance contracts liabilities	10	0	7	18	(5)	-	41	(0)	35	53
Net expenses from reinsurances contracts held	(247)	8	142	(97)	(69)	-	34	(0)	(34)	(132)
Allocation of reinsurance premiums paid	(247)	-	-	[illegible]	[illegible]	-	-	-	(69)	(316)
Amounts recoverable from reinsurers	-	8	142	150	-	-	34	(0)	34	184
Recoveries of incurred claims and other insurance service expenses	-	(11)	155	145	-	-	26	(0)	26	170
Adjustments to assets for incurred claims	-	-	(14)	(14)	-	-	9	-	9	(5)
Recoveries and reversal of recoveries of losses on onerous underlying contracts	-	19	-	19	-	-	-	-	-	19
Investment component	-	-	-	-	-	-	-	-	-	-
Effect of changes in non-performance risk of the reinsurers	-	-	-	-	-	-	-	-	-	-
Insurance finance income or expenses from reinsurance contracts held	13	0	2	15	1	-	(2)	-	(1)	14
Total changes in the statement of P&L and OCI	(233)	8	143	(82)	(68)	-	32	(0)	(36)	(117)
Cash flows	216	1	(167)	51	61	-	(41)	-	20	71
Premiums paid	216	1	-	217	61	-	-	-	61	278
Amounts received	-	-	[illegible]	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Other movements	2	[illegible]	[illegible]	1	(0)	-	[illegible]	(0)	(3)	(2)
Closing reinsurance assets & liabilities	278	16	143	439	(7)	-	97	3	92	531
Closing reinsurance contracts assets	275	18	140	434	4	-	66	3	74	507
Closing reinsurance contracts liabilities	3	0	2	5	(12)	-	30	(0)	18	24

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4.16 MOVEMENTS IN THE OPENING AND CLOSING BALANCES OF THE CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD NOT MEASURED USING THE PREMIUM ALLOCATION APPROACH BY CONTRACT VALUATION COMPONENT

4.16.1 Movements in the opening and closing balances of the carrying amounts of insurance contracts issued and not measured using the premium allocation approach by contract valuation component

Movements completed in 2024

Insurance contracts issued and reinsurance contracts held	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
Net opening insurance assets & liabilities	202,141	1 603	455	11 883	-	216 081
Opening insurance contracts assets	(142)	12	68	40	-	(22)
Opening insurance contracts liabilities	202,283	1,591	386	11,843	-	216,103
Changes that relate to future service	(1,990)	293	639	1,082	33	57
Changes in estimates	(867)	171	252	466	7	28
Changes that adjust the contractual service margin	(933)	184	252	466	7	(14)
Changes that do not adjust the contractual service margin	65	(24)	-	-	-	42
Contracts initially recognised in the period*	(1,123)	123	386	616	26	29
Changes that relate to current service	(5)	(118)	(178)	(1,187)	(15)	(1,504)
Contractual service margin recognised in profit or loss for services provided for the period	-	-	(178)	(1,187)	(15)	(1,381)
Changes in risk adjustment for non-financial risk that does not relate to future service or past service	-	(118)	-	-	-	(118)
Experience adjustments	(5)	-	-	-	-	(5)
Adjustments to liabilities for incurred claims and other items that relate to past service	(45)	(21)	-	-	-	(66)
Adjustement to liabilities for incurred claims – past accident period	(42)	(21)	-	-	-	(63)
Experience adjustments - Premiums net of ACF related to past coverage period	(3)	-	-	-	-	(3)
Insurance service result [2]	(2,040)	154	460	(105)	18	(1,514)
Insurance finance income or expenses from insurance contracts issued [3]	10,867	18	20	39	1	10,944
Total changes in the statement of P&L and OCI	8,827	172	481	(67)	18	9,431
Cash flow	4,686	-	-	-	-	4,686
Premiums received for insurance contracts issued (or paid for reinsurance contracts held)	28,550	-	-	-	-	28,550
Insurance acquisition cash flows	(1,258)	-	-	-	-	(1,258)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued - excluding insurance acquisition cashflows	(22,605)	-	-	-	-	(22,605)
Other movements	14,884	98	0	(102)	556	15,442
Closing insurance assets & liabilities (1)	230,544	1 873	935	11 714	575	245 641
Closing insurance contracts assets	(307)	17	160	96	-	(34)
Closing insurance contracts liabilities	230,851	1,856	775	11,618	575	245,675

(*) Contracts initially recognised during the period and valued according to the variable fees model correspond to a lump-sum allocation of the closing contractual service margin equal to the portion of outstandings relating solely to initial payments on new contracts for the period, recorded under technical provisions.

(1) Including receivables and payables relating to insurance contracts for a net asset of **EUR 765 million** at 31 December 2024, compared with a net asset of **EUR 488 million** at 31 December 2023.

(2) Including an experience adjustment of **–EUR 8 million** for 2024 and **+EUR 39 million** for 2023.

(3 Including financial expenses and income which have been recorded directly in equity.

Other changes correspond mainly to the changes in scope (Neuflize Vie and BCC Vita).

Movements completed in 2023

Insurance contracts issued as of 31 December 2023 / In millions of euros	Present value of future cashflows	Risk adjustment	Contractual service margin			Total
Net opening insurance assets & liabilities	193 877	1 048	567	12 477	-	207 969
Opening insurance contracts assets	(920)	17	290	754	-	141
Opening insurance contracts liabilities	194,797	1,031	277	11,723	(0)	207,827
Changes that relate to future service	(1,188)	692	(8)	570	0	67
Changes in estimates	(310)	597	(314)	61	0	34
Changes that adjust the contractual service margin	(373)	603	(314)	61	0	(23)
Changes that do not adjust the contractual service margin	63	(5)	-	-	-	57
Contracts initially recognised in the period	(878)	95	307	510	-	33
Changes that relate to current service	39	(103)	(114)	(1,202)	-	(1,380)
Contractual service margin recognised in profit or loss for services provided for the period	-	-	(114)	(1,202)	-	(1,316)
Changes in risk adjustment for non-financial risk that does not relate to future service or past service	-	(103)	-	-	-	(103)
Experience adjustments	39	-	-	-	-	39
Adjustments to liabilities for incurred claims and other items that relate to past service	(95)	(39)	-	-	-	(135)
Adjustement to liabilities for incurred claims – past accident period	(96)	(39)	-	-	-	(135)
Experience adjustments - Premiums net of ACF related to past coverage period	0	-	-	-	-	0
Insurance service result	(1,244)	549	(121)	(631)	-	(1,448)
Insurance finance income or expenses from insurance contracts issued	14,510	8	9	42	-	14,569
Total changes in the statement of P&L and OCI	13,265	557	(112)	(590)	-	13,121
Cash flow	(4,786)	-	-	-	-	(4,786)
Premiums received for insurance contracts issued (or paid for reinsurance contracts held)	22,605	-	-	-	-	22,605
Insurance acquisition cash flows	(1,170)	-	-	-	-	(1,170)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued - excluding insurance acquisition cashflows	(26,221)	-	-	-	-	(26,221)
Other movements	[illegible]	[illegible]	8	[illegible]	-	(223)
Closing insurance assets & liabilities	202 141	1 603	455	11 883	-	216 081
Closing insurance contracts assets	(142)	12	68	40	-	(22)
Closing insurance contracts liabilities	202,283	1,591	386	11,843	-	216,103

(1) Contracts initially recognised during the period and valued according to the variable fee model correspond to a lump-sum allocation of the closing contractual service margin equal to the portion of outstandings relating solely to initial payments on new contracts for the period, recorded under technical provisions.

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4.16.2 Movements in the opening and closing balances of the carrying amounts of reinsurance contracts held and not measured under the premium allocation approach by contract valuation component

Movements completed in 2024

Reinsurance contracts held as of 31 December 2024 Intra-Group eliminations	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
Net opening reinsurance contracts held in assets & liabilities position	115	24	21	279	-	439
Opening reinsurance contracts assets	132	22	16	264	-	434
Opening reinsurance contracts liabilities	(17)	2	5	15	-	5
Changes that relate to future service	(129)	3	125	11	0	11
Changes in estimates	(46)	(1)	54	11	(1)	18
Changes that adjust the contractual service margin	(53)	(1)	54	14	(1)	13
Changes that do not adjust the contractual service margin	8	0	-	(3)	-	5
Contracts initially recognised in the period	(84)	4	78	0	2	1
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(8)	-	-	(8)
Changes that relate to current service	24	(3)	(56)	(45)	(0)	(81)
Contractual service margin recognised in profit or loss for services provided for the period	-	-	(56)	(45)	(0)	(102)
Changes in risk adjustment for non-financial risk that does not relate to future services or past services	-	(3)	-	-	-	(3)
Experience adjustments	24	-	-	-	-	24
Adjustments to assets for incurred claims and other items that relate to past service	(13)	(4)	-	-	-	(17)
Experience adjustments on premiums ceded net of reinsurance commissions - past services	-	-	-	-	-	-
Changes to incurred claims component	(13)	(4)	-	-	-	(17)
Effect of changes in the risk of non-performance by the issuer	-	-	-	-	-	-
Net expenses from reinsurance contracts held	(119)	(3)	69	(35)	(0)	(87)
Insurance finance income or expenses from reinsurance contracts held	0	3	4	5	0	13
Total changes in the statement of P&L and OCI	(118)	0	73	(30)	0	(75)
Cash flow	73	-	-	-	-	73
Premiums paid for reinsurance contracts held	235	-	-	-	-	235
Incurred claims and other insurance service expenses recovered under reinsurance contracts held	(162)	-	-	-	-	(162)
Other movements	24	1	(0)	0	5	30
Closing reinsurance contracts held assets & liabilities	*94*	*24*	*94*	*249*	*5*	*467*
Closing reinsurance contracts assets	97	23	88	243	5	455
Closing reinsurance contracts liabilities	(3)	2	7	6	-	12

Movements completed in 2023

Reinsurance contracts held as of 31 December 2023 *In millions of euros*	Present value of future cash flows	Risk adjustment	Contractual Service Margin			Total
			Entity contracts recognised relating the future	Entity contracts recognised relating past service	Entity contracts recognised at fair value	
Net opening reinsurance contracts held in assets & liabilities position	142	28	(4)	299	-	466
Opening reinsurance contracts assets	242	23	(15)	198	-	448
Opening reinsurance contracts liabilities	(99)	4	12	101	-	18
Changes that relate to future service	(68)	8	46	32	-	19
Changes in estimates	(20)	5	(3)	32	-	15
Changes that adjust the contractual service margin	(35)	3	(3)	33	-	(1)
Changes that do not adjust the contractual service margin	15	2	-	(1)	-	16
Contracts initially recognised in the period	(48)	3	51	0	-	6
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(2)	-	-	(2)
Changes that relate to current service	(18)	(3)	(22)	(58)	-	(102)
Contractual service margin recognised in profit or loss for services provided for the period	-	-	(22)	(58)	-	(81)
Changes in risk adjustment for non-financial risk that does not relate to future services or past services	-	(3)	-	-	-	(3)
Experience adjustments	(18)	-	-	-	-	(18)
Adjustments to assets for incurred claims and other items that relate to past service	(10)	(4)	-	-	-	(14)
Experience adjustments on premiums ceded net of reinsurance commissions - past services	(0)	-	-	-	-	(0)
Changes to incurred claims component	(10)	(4)	-	-	-	(14)
Effect of changes in the risk of non-performance by the issuer	-	-	-	-	-	-
Net expenses from reinsurance contracts held	(96)	1	24	(26)	-	(97)
Insurance finance income or expenses from reinsurance contracts held	14	(5)	1	5	-	16
Total changes in the statement of P&L and OCI	(82)	(4)	25	(21)	-	(82)
Cash flow	54	-	-	-	-	54
Premiums paid for reinsurance contracts held	217	-	-	-	-	217
Incurred claims and other insurance service expenses recovered under reinsurance contracts held	(162)	-	-	-	-	(162)
Other movements	1	(0)	(0)	0	-	1
Closing reinsurance contracts held assets & liabilities	*115*	*24*	*21*	*279*	-	*439*
Closing reinsurance contracts assets	132	22	16	264	-	434
Closing reinsurance contracts liabilities	(17)	2	5	15	-	5

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4.17 PROVISIONAL SCHEDULE OF AMORTISATION FOR THE CONTRACTUAL SERVICE MARGIN

The schedule below shows the amortisation of the contractual service margin still to be recognised in profit or loss for the insurance contracts valued using the general model, and for savings contracts valued using the variable fee approach model. For the latter, the outperformance of financial assets compared to a neutral risk scenario is taken into account.

In millions of euros	One to five years	Five to ten years	More than ten years	31 December 2024
Savings	4,584	3,966	1,942	10,492
Protection	1,303	602	826	2,731
Remaining contractual service margin from insurance contracts	**5,887**	**4,568**	**2,768**	**13,223**
Reinsurance contracts - Net position	- 19	184	184	349
Remaining contractual service margin from reinsurance contracts	**- 19**	**184**	**184**	**319**

In millions of euros	One to five years	Five to ten years	More than ten years	31 December 2023
Savings	3,916	3,400	2,618	9,933
Protection	1,172	516	716	2,405
Remaining contractual service margin from insurance contracts	**5,088**	**3,916**	**3,334**	**12,337**
Reinsurance contracts - Net position	168	37	94	300
Remaining contractual service margin from reinsurance contracts	**168**	**37**	**94**	**300**

4.18 CLAIMS DEVELOPMENT

The table below presents changes in provisions for claims incurred without actualization, from their initial valuation at claims' occurrence through to the financial year in which their cost uncertainty was removed. This period cannot exceed ten years.

Given the nature of the insurance contract guarantees issued by BNP Paribas Cardif entities, the uncertainty time frame used for provisions for claims incurred generally does not exceed five years.

In millions of euros	2020	2021	2022	2023	2024
Gross claims reserves occurring as originally presented	1,284	1,250	1,319	1,426	
Gross claims reserves occurring adjusted with the exchange rate and scope occurring in N	1,253	1,228	1,295	1,408	
Cumulative payments paid					
One years later	755	699	654	781	
Two years later	875	817	764		
Three years later	993	927			
Four years later	1,016				
Five years later					
Re-estimated final cost					
One years later	1,230	1,216	1,236	1,363	
Two years later	1,118	1,157	1,176		
Three years later	1,083	1,122			
Four years later	1,057				
Five years later					
Surplus (deficiency) of the initial reserves compared to the final re-estimated cost (gross)					
Amount	196	106	119	44	
Percentage	16%	9%	9%	3%	

4.19 COMPOSITION OF UNDERLYING ITEMS AND FAIR VALUE OF CONTRACTS WITH DIRECT PROFIT-SHARING FEATURES

In millions of euros	31 December 2024	31 December 2023
Investment properties	5,303	5,563
Investments	226,746	210,230
Derivative instruments	25	7
Cash and cash equivalent	616	399
Total	232,690	216,199

The financial assets presented above correspond to the assets held directly by the main life insurance entities and their underlying investment entities.

4.20 PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	31 December 2023	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	Change of consolidation scope	31 December 2024
Provisions for employee benefits	83	15	(8)	(1)	(2)	8	95
Provisions for litigations	5	1	(0)	-	(1)	2	8
Other provisions for contingencies and charges	261	(23)	(6)	-	(4)	13	240
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	349	(7)	(14)	(1)	(6)	24	344

The amount of provisions for contingencies and charges in the consolidated balance sheet published in 2023 was EUR 271 million, compared to EUR 349 million for the opening of the year 2024.

This difference relates to the cancellation of the reclassification as Liabilities held for sale as previously required by IFRS 5.

4.21 LIABILITIES DUE TO BANKING SECTOR COMPANIES

In millions of euros	31 December 2024	31 December 2023
Repurchase agreements	5,663	8,304
On demand accounts	186	216
Loans	1,390	858
TOTAL LIABILITIES DUE TO BANKING SECTOR COMPANIES	7,239	9,378

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4.22 MATURITIES OF FINANCIAL INSTRUMENTS

In millions of euros, 31 December 2024	Undetermined maturity	Overnight and on demand	Overnight (excluded) to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial investments at fair value through equity	1,729	-	51	2,354	1,286	9,874	86,778	102,072
Financial investments at fair value through profit and loss	148,790	3	2	1,077	50	776	17,362	168,060
Financial investments at amortised cost	-	295	38	74	104	0	37	547
Derivatives used for hedging purposes	74	5	-	-	60	-	-	139
FINANCIAL ASSETS	**150,593**	**304**	**91**	**3,505**	**1,499**	**10,650**	**104,177**	**270,818**
Subordinated debt	1,461	-	-	47	-	81	3,520	5,109
Financing and operating debt due to banking sector companies	-	185	-	110	6,070	29	556	6,950
Due to credit institutions - Repurchase agreements	-	-	825	1,828	3,011	-	-	5,663
Derivative instruments	1,876	2	-	-	56	-	-	1,934
FINANCIAL LIABILITIES	**3,337**	**187**	**825**	**1,985**	**9,137**	**109**	**4,077**	**19,656**

In millions of euros, 31 December 2023	Undetermined maturity	Overnight and on demand	Overnight (excluded) to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Financial investments at fair value through equity	646	-	350	2,383	5,956	17,434	62,928	89,702
Financial investments at fair value through profit and loss	136,186	6	4	232	386	3,157	13,055	153,026
Financial investments at amortised cost	-	147	167	18	49	-	104	486
Derivatives used for hedging purposes	36	-	-	-	50	-	-	86
FINANCIAL ASSETS	**136,868**	**154**	**522**	**2,638**	**6,440**	**20,591**	**76,087**	**243,300**
Subordinated debt	1,461	-	-	60	747	1,749	1,050	5,066
Financing and operating debt due to banking sector companies	-	28	409	276	4,387	-	9	5,108
Due to credit institutions - Repurchase agreements	-	-	86	8,161	4	32	21	8,304
Derivative instruments	1,680	-	8	-	56	-	-	1,745
FINANCIAL LIABILITIES	**3,141**	**28**	**503**	**8,496**	**5,194**	**1,781**	**1,080**	**20,223**

4.23 FINANCING AND GUARANTEE COMMITMENTS

In millions of euros	31 December 2024	31 December 2023
Securities received as collateral from reinsurers	672	591
Other financing commitments received	1,189	1,545
COMMITMENTS RECEIVED	1,861	2,136
Endorsements, deposits and guarantees given	734	535
Other guarantee commitments given	6,660	9,257
Financial instruments given in guarantee	-	306
of which securities given through repurchases	-	-
COMMITMENTS GIVEN	7,394	10,098
of which stage 1	*927*	*1,438*
of which stage 2	-	-
of which stage 3	-	-

NOTE 5 NOTES TO THE INCOME STATEMENT

5.1 INVESTMENT INCOME

5.1.1 Investment income excluding financing expenses

In millions of SEK	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Investment income	2,926	2,652
Investment expenses	(165)	(216)
Change in impairments on investments	2	26
of which stage 1	5	(3)
of which stage 2	(3)	29
Capital gains and losses on disposal of investments net of reversals of impairments and amortisation	(419)	(443)
Total income from the debt securities portfolio at fair value through equity	**2,345**	**2,018**
Investment income	84	13
Investment expenses	-	-
Total income from the equity securities portfolio at fair value through equity	**84**	**13**
Investment income	74	69
Investment expenses	(364)	(295)
Change in impairments on investments	1	(0)
of which stage 1	1	(0)
Capital gains and losses on disposal of investments net of reversals of impairments and amortisation	1	0
Total income from assets portfolio at amortised cost	**(288)**	**(225)**
Investment income	1,608	1,356
Investment expenses	(0)	18
Changes in market value of investments at fair value through profit or loss	7,696	8,204
Capital gains and losses on disposal of investments	871	908
Total income from assets portfolio at fair value through profit or loss	**10,176**	**10,486**
Investment income	52	55
Investment expenses	-	-
Changes in market value of investments designated at fair value through profit or loss	44	138
Capital gains and losses on disposal of investments	4	(3)
Total income from assets portfolio designated as at fair value through profit or loss	**100**	**191**
Income from currency instruments and derivatives	**(1,733)**	**(1,797)**
Rental income - real estate investments	218	81
Gains and losses on investments - real estate investments	26	(447)
Change in provisions on investments - real estate investments	(4)	(4)
Total income from real estate investments	**240**	**(370)**
Share in associates and joint ventures representing investments	**1**	**(6)**
Investment management fees	(10)	(14)
Other income and expenses related to investments	937	9
TOTAL INVESTMENT INCOME EXCLUDING FINANCING EXPENSES	11,852	10,305

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5.1.2 Finance income and expenses linked with insurance and reinsurance

(in € millions)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Finance income or expenses on insurance contracts		
Changes in fair value of underlying items of direct participation contracts	(11,169)	(9,899)
Interest accreted	(202)	(174)
Effect of changes in interest rates and other financial assumptions	70	109
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(79)	(111)
Total finance income or expenses on insurance contracts in the statement of profit or loss	**(11,380)**	**(10,076)**
Finance income or expenses on reinsurance contracts		
Interest accreted	9	8
Total finance income or expenses on reinsurance contracts in the statement of profit or loss	**9**	**8**
TOTAL FINANCE INCOME OR EXPENSES ON INSURANCE AND REINSURANCE CONTRACTS IN THE STATEMENT OF PROFIT OR LOSS	(11,371)	(10,069)

5.1.3 Comprehensive financial income

(in € millions)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Investment income excluding financing expenses		
Amounts recognised in profit or loss	11,852	10,305
Amounts recognised in other comprehensive income	209	5,407
Total investment income excluding financing expenses recognised in profit of loss and other comprehensive income	**12,061**	**15,712**
Finance income or expenses on insurance and reinsurance contracts		
Amounts recognised in profit or loss	(11,371)	(10,069)
Amounts recognised in other comprehensive income	266	(4,589)
Total finance income or expenses on insurance and reinsurance contracts recognised in profit of loss and other comprehensive income	**(11,105)**	**(14,658)**
Amounts recognised in profit or loss	481	236
Amounts recognised in other comprehensive income	475	818
COMPREHENSIVE FINANCIAL INCOME	956	1,054

5.2 INSURANCE REVENUE

(in € millions)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Contracts not measured under the premium allocation approach	**5,544**	**5,423**
Changes in the liability for remaining coverage	4,384	4,156
Insurance service expenses incurred during the period	2,860	2,726
Change in the risk adjustment for non-financial risk	133	122
Contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period	1,381	1,316
Other insurance income	9	(8)
Recovery of insurance acquisition cash flows	**1,161**	**1,267**
Contracts measured under the premium allocation approach	**3,548**	**2,916**
TOTAL INSURANCE REVENUE	9,092	8,339

5.3 EFFECTS OF CONTRACTS INITIALLY RECOGNISED DURING THE FINANCIAL YEAR

5.3.1 Impact of insurance contracts issued recognised during the financial year

	Insurance contracts issued					
	Profitable contracts	Onerous contracts	Year to 31 Dec. 2024	Profitable contracts	Onerous contracts	Year to 31 Dec. 2023
Present value of expected cash outflows	(803)	(203)	(1,006)	(13,846)	(168)	(14,014)
Present value of expected cash inflows	1,951	178	2,129	14,754	138	14,892
Risk adjustment for non-financial risk	(119)	(4)	(123)	(92)	(3)	(95)
Contractual service margin	(1,029)	-	(1,029)	817		817
Losses recognised on initial recognition	(0)	(29)	(29)		(33)	(33)

5.3.2 Impact of reinsurance contracts issued recognised during the financial year

	Reinsurance contracts held					
	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Year to 31 Dec 2024	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Year to 31 Dec 2023
Present value of expected cash outflows	(135)	-	(135)	(100)		(100)
Present value of expected cash inflows	51	-	51	53		53
Risk adjustment for non-financial risk	3	0	3	3		3
Loss recovery recognised on initial recognition	-	12	12	-	6	6
Contractual service margin	66	2	68	45	-	45

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5.4 RECONCILIATION OF EXPENSES BY TYPE AND BY FUNCTION

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Commissions, fees and other expenses	(4,479)	(3,919)
Staff costs	(831)	(775)
Taxes	(97)	(86)
Depreciation, amortisation and impairment	(176)	(31)
TOTAL EXPENSES BY TYPE	(5,582)	(4,810)
Allocation of insurance acquisition cash flows to the liabilities for remaining coverage during the year	3,061	2,562
Amortisation and impairment of the total insurance acquisition cash flows included in the liabilities for remaining coverage	(2,876)	(2,612)
TOTAL EXPENSES BY TYPE RECOGNISED IN PROFIT OR LOSS AFTER ADJUSTMENT FOR ACQUISITION CASH FLOWS (*)	(5,397)	(4,860)
Insurance attributable expenses recognised in Insurance service result	(4,549)	(4,188)
Insurance non attributable and other activities expenses recognised in Operating expenses	(848)	(673)
TOTAL EXPENSES BY FUNCTION RECOGNISED IN PROFIT OR LOSS	(5,397)	(4,860)

(*) Acquisition cash flows are initialy allocated to the LRC, then amortised in the P&L according to coverage units.

Acquisition costs of the period are deducted from total expenses in order to be reclassified as a decrease in the insurance liabilities (contractual service margin or deferred premiums) and amortised over the coverage duration of the contracts.

5.5 OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

In 2024, other non-current operating income and expenses mainly reflect the effect of the proposed disposal and deconsolidation due to thresholds of three subsidiaries in Eastern Europe.

In 2023, other non-current operating income and expenses corresponded mainly to the capital gain on the disposal of Cardif Seguros SA in Argentina and the remeasurement at fair value of the Group's previously held interest in Luizaseg in Brazil.

5.6 FINANCING EXPENSES

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Interest expense on subordinated debt at amortised cost	(268)	(246)
Interest expense on borrowings	(254)	(171)
TOTAL FINANCING EXPENSES	(522)	(417)

Financing expenses totalled –EUR 522 million in 2024, compared to –EUR 417 million in 2023. This increase is mainly attributable to BNPPC for –EUR 65 million, Italy for –EUR 24 million (of which –EUR 14 million in scope effect related to the consolidation of BCC VITA and –EUR 10 million for CARDIF VITA), and to Cardif Vie for –EUR 10 million. Note that the financing expenses published in 2023 amounted to –EUR 578 million, -EUR 417 million after adjustment. They were adjusted by +EUR 161 million due to the reclassification of interest on intragroup subordinated debt classified last year as investment income.

The amount of the reclassification is disclosed in notes 5.1.1 *Investment income excluding financing expenses* and 5.1.3 *Comprehensive financial income* for –EUR 161 million, bringing total investment income to EUR10,305 million over the period, compared with EUR 10,466 million in the consolidated financial statements published in 2023. Note 5.1.1 has been amended accordingly on the item "Income from the debt securities portfolio at fair value through equity" for –EUR 71 million and item "Income from currency instruments and derivatives" for –EUR 90 million.

In terms of interest rate risk, BNP Paribas Cardif Group has been using derivative financial instruments since 2024 to hedge the change in expenses related to subordinated loans with variable interest rates. Changes in the value of these hedging derivatives are recognised in equity. The amounts recognised in equity over the life of the hedge are transferred to the income statement as soon as interest expenses on the hedged borrowings are recognised. During the year, no cash flow hedging relationships were disqualified.

5.7 CORPORATE INCOME TAX

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5.7.1 Corporate income tax expense

Reconciliation of the effective tax expense to the corporate tax rates in France	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	In millions of euros	Tax rate	In millions of euros	Tax rate
Theoretical tax expense on net profit before tax[1]	**(263)**	**26%**	**204**	**26%**
Impact of differently taxed foreign profits	(0)	0%	1	0%
Impact of the securities taxation	5	-1%	(16)	2%
Impact of activating loss carryforwards and prior time differences	(78)	8%	(134)	17%
Effets linked to the economy of the tax Group	123	-12%	103	-13%
Other effects	(8)	1%	35	-5%
Profit tax expense	(221)	22%	(215)	27%

(1) Restated for income from companies accounted for by the equity method

The deferred tax assets recognised in respect of tax loss carry forwards generated in 2024 stood at EUR 5 million, compared to EUR 51 million in 2023.

5.7.2 Change in deferred tax assets and liabilities by type

In millions of euros	31 December 2023	Change recognised in income	Change recognised in recyclable equity	Change recognised in non-recyclable equity	Change in scope, translation differences and miscellaneous	31 December 2024
Financial instruments	(961)	(170)	(10)	(8)	48	(1,101)
Insurance and reinsurance contracts	1,129	224	(41)		(125)	1,187
Provisions for employee benefit obligations	29	2		(0)	(0)	31
Other items	239	16	0		(38)	217
Tax loss carryforwards	60	(86)	-	-	96	69
NET DEFERRED TAXES	496	(15)	(51)	(8)	(20)	403
Deferred tax assets	743	42	51	-	(67)	770
Deferred tax liabilities	247	57	110	-	(47)	367

NOTE 6 EMPLOYEE COMPENSATION AND BENEFITS

6.1 STAFF COSTS

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Fixed and variable remuneration, incentive bonuses and profit-sharing	(528)	(486)
Employee benefit expense	(256)	(244)
Payroll taxes	(47)	(45)
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE	*(831)*	*(775)*

6.2 POST-EMPLOYMENT BENEFITS

IAS 19 distinguishes between two categories of plans, each of which is treated differently depending on the risk borne by the company. When the company's commitment consists solely of paying a defined amount (expressed as a percentage of the beneficiary's annual salary, for example) to an external organisation, which ensures the payment of benefits according to the assets available to each plan participant, it is classed as a defined-contribution plan. On the other hand, when the commitment consists of the company managing the financial assets financed by the collection of contributions from employees and assuming the cost of the benefits itself - or guaranteeing the final amount subject to future contingencies - it is classed as a defined-benefit plan. The same applies if the company mandates an external body to manage the collection of contributions and the payment of benefits, but retains the risk associated with the management of the assets and/or the future development of benefits.

6.2.1 Defined-contribution pension plans for BNP Paribas Cardif Group

Over the past few years, BNP Paribas Cardif Group has implemented a voluntary policy of converting defined-benefit plans into defined-contribution plans.

Thus, in France, BNP Paribas Cardif Group pays contributions to various national basic and top-up pension schemes. BNP Paribas Cardif and certain subsidiaries have set up a funded pension plan under a company-wide agreement. Under this plan, employees will receive an annuity or lump sum on retirement, in addition to pensions paid by nationwide schemes.

The amounts paid into defined-contribution post-employment plans for the 2024 financial year totalled EUR 30 million, compared with EUR 28 million for the 2023 financial year.

The breakdown by major contributors is as follows:

(in millions of EUR)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
France	(24)	(23)
Outside France	(6)	(5)
TOTAL	(30)	(28)

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6.2.2 Main defined-benefit pension plans for BNP Paribas Cardif Group

Defined-benefit pension plans

In Belgium, employees benefit from defined-benefit plans that legally require employers to guarantee a minimum return on invested financial assets. A provision has therefore been made for these plans, as this return guarantee is not covered in full by the insurer.

In Luxembourg, the defined-benefit pension plan has been closed to new members.

Other post-employment benefits

BNP Paribas Cardif Group employees receive various other post-employment benefits, defined according to minimal legal requirements (French Labour Code, collective agreements) or specific company-level agreements.

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2024, this obligation was 60% covered by financial assets, compared with 62% at 31 December 2023.

In Italy, gross obligations related to these other benefits correspond to vested rights up to 31 December 2006, as the plans have since been converted into a defined-contribution plan.

The IFRIC's decision in May 2021 impacted the commitment relating to post-employment benefits in France, as some of the scales applicable within Cardif Group companies are capped either by length of service or the vesting of rights, or both. The overall impact as at 1 January 2021, recorded as a reserve at the time, was a gain of EUR 0.4 million.

6.2.3 Obligations under defined-benefit plans and other post-employment benefits

Assets and liabilities recognised on the balance-sheet

[illegible] at 31 December 2024	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Net obligation	of which obligation recognised in the balance sheet for defined-benefit plans
France	42	0	42	(24)	18	18
Outside France	9	17	26	(9)	17	17
Total	51	17	68	-33	35	35

[illegible] at 31 December 2023	Defined-benefit obligation arising from wholly or partially funded plans	Defined-benefit obligation arising from unfunded plans	Present value of defined-benefit obligation	Fair value of plan assets	Net obligation	of which obligation recognised in the balance sheet for defined-benefit plans
France	42	0	42	(25)	17	17
Outside France	8	11	19	(8)	11	11
Total	50	11	61	-33	28	28

Change in the present value of obligations

[illegible]	Year to 31 Dec. 2024	Year to 31 Dec. 2023
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT START OF PERIOD	61	55
Current service cost	4	4
Interest cost	2	2
Actuarial gains/(losses) on change in demographic assumptions	-	-
Actuarial gains/(losses) on change in financial assumptions	(3)	3
Actuarial gains/(losses) on experience gaps	-	1
Benefits paid directly by the employer	(1)	(1)
Benefits paid to beneficiaries of funded benefits	(2)	(1)
Exchange rate gains/(losses) on obligation	-	(1)
Gains/(losses) on obligation related to changes in the consolidation scope	1	-
Others	6	(1)
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT END OF PERIOD	68	61

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Change in the fair value of plan assets

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
FAIR VALUE OF PLAN ASSETS AT START OF PERIOD	33	32
Interest income from assets	1	1
Actuarial gains/(losses) on assets	-	
Contributions paid by BNP Paribas Cardif	1	(1)
Benefits paid to beneficiaries of funded benefits	(2)	(1)
Gains/(losses) on assets related to changes in the consolidation scope	-	
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	33	33

Components of defined-benefit plan costs

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Service costs	4	3
Current service cost	4	3
Net financial expense	1	1
Interest cost on obligation	2	2
Interest income from pension assets	(1)	(1)
TOTAL RECOGNISED IN STAFF COSTS	5	4

Other items recognised directly in equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Other items recognised directly in equity	3	(4)
Actuarial (losses)/gains on plan assets or reimbursement rights	0	-
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	-	-
Actuarial (losses)/gains of financial assumptions on the present value of obligations	3	(3)
Experience (losses)/gains on obligations	-	(1)

Main actuarial assumptions used to calculate obligations

Range of discount rates

For the Eurozone, BNP Paribas Cardif Group calculates the future value of its obligations based on high-quality private bonds, the terms of which are consistent with the duration of the obligations.

The ranges of rates used are as follows:

	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	Discount rate	Compensation increase rate [1]	Discount rate	Compensation increase rate [1]
France	3.30% - 3.40%	2.10% - 4.10%	3.20%	2.94% - 3.03%
Outside France	1.30% - 3.40%	2.00% - 3,40%	0.20% - 3.60%	1.80% - 3.40%

[1] *Including price increases (inflation)*

In the Eurozone, the average discount rate observed was 3.39% at 31 December 2024 for an average weighted duration of 13.6 years, compared to 3.28% for an average weighted duration of 14.1 years at 31 December 2023.

Impact of a change in discount rates on the present value of post-employment benefit obligations

The impact of a 100 bp change in discount rates on the present value of post-employment benefit obligations would be:

	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	Discount rate -100 bp	Discount rate +100 bp	Discount rate -100 bp	Discount rate +100 bp
France	6	(5)	6	(5)
Outside France	1	(1)	1	(1)

Inflation

The inflation assumption used to calculate the Group's obligations is centrally determined.

The average inflation rate weighted by the value of obligations in the Eurozone is 2.12% for the year ended 31 December 2024, compared to 2.31% for the year ended 31 December 2023.

The impact of a 100 bp increase in inflation rates on the value of post-employment benefit obligations would be:

	Year to 31 Dec. 2024	Year to 31 Dec. 2023
	Inflation rate +100 bp	Inflation rate +100 bp
France	6	6
Outside France	0	0

The effects of changes in inflation and discount rates shown above are not cumulative.

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Effective yield of plan assets during the period

	Year to 31 Dec 2024	Year to 31 Dec 2023
France	2.80%	2.62%
Outside France	2.68%	1.68%

Asset Liability Management (ALM) strategies

BNP Paribas Cardif Group has put in place strict governance regarding the management of assets backing the post-employment defined-benefit obligations with the main objective of managing and controlling the investment risk.

This policy notably details the principles guiding investments, in particular the definition of an investment strategy for hedging assets based on financial objectives and the management of these to specify the way in which the hedging assets are to be managed within the financial management delegation mandates.

As part of the investment strategy, an asset liability management study must be carried out at least every 3 years for plans with a total asset value in excess of EUR 100 million and on a regular basis for plans with an asset value of between EUR 20 and EUR 100 million.

6.3 OTHER LONG-TERM BENEFITS

BNP Paribas Cardif Group offers its employees various long-term benefits, which may include long-service awards and the ability to save up paid annual leave in time savings accounts.

The corresponding net provision stood at EUR 43 million at 31 December 2024, compared to EUR 42 million at 31 December 2023.

Annual deferred compensation plans are set up for certain employees whose contribution to the performance of BNP Paribas Cardif Group is significant or pursuant to special regulatory frameworks. Under these plans, the payment of variable compensation is deferred over time and is subject, if applicable, to conditions relating to the performance of BNP Paribas Cardif Group.

In 2013, BNP Paribas introduced a Group loyalty scheme with a cash payment at the end of a three-year vesting period, which fluctuates according to BNP Paribas Group's intrinsic performance. The aim of this loyalty scheme is to encourage different categories of managerial staff to play an active role in the development and profitability objectives of BNP Paribas Group. These staff members are representative of BNP Paribas Cardif Group's talent and its managerial framework, *i.e.* senior managers, managers in key positions, line managers or experts, high-potential managers, high-performing young executives with good career development prospects, and key contributors to BNP Paribas Group results.

The amounts granted under this plan are 80% indexed to BNP Paribas Group's operating performance over the entire term of the plan, and 20% indexed to the achievement of BNP Paribas Group's Corporate

Social Responsibility (CSR) objectives. These objectives, of which there are 10, are in line with the 4 pillars that make up the basis of BNP Paribas Group's CSR policy. In addition, the final payment is subject to a condition of continuous presence within BNP Paribas Group between the grant date and the payment date, provided that BNP Paribas Group's operating income and pre-tax income in the year preceding the payment are strictly positive.

The net provision related to BNP Paribas Cardif Group's variable compensation plans and loyalty scheme amounts to EUR10.6 million at 31 December 202, compared to EUR 9.1 million at 31 December 2023.

In millions of euros	Year to 31 Dec 2024	[illegible]
Net provisions for other long-term benefits	53	51
of which obligation recognised in the balance sheet under the other long-term benefits	53	51

6.4 SHARE-BASED PAYMENTS

As part of the variable compensation policy implemented within BNP Paribas, annual deferred compensation plans established for the benefit of certain employees whose contribution to the performance of BNP Paribas Cardif Group is significant, or pursuant to specific regulatory provisions, provide for variable compensation over a multi-year period and payable in cash indexed to the increase or decrease in the BNP Paribas share price, the payment being deferred over several years.

Expense represented by share-based payments

In millions of euros	Year to 31 Dec 2024	[illegible]
Prior deferred compensation plans	(89)	(17)
Deferred compensation plans for the year	978	1,013
TOTAL	889	999

NOTE 7 OTHER INFORMATION

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7.1 LEGAL INFORMATION

BNP Paribas Cardif, a limited company with share capital of EUR 149,959,574, registered under number 382 983 922 RCS Paris, has its registered office at 1 Boulevard Haussmann, 75009 PARIS, France. A wholly owned subsidiary of BNP Paribas Group, BNP Paribas Cardif SA is consolidated using the full consolidation method. BNP Paribas Cardif specialises in the design and distribution of protection and savings solutions, the underwriting, purchase and sale of securities and movable or immovable property, and the acquisition of equity stakes and investments in all insurance and reinsurance undertakings. It may also carry out any reinsurance, disposal, retrocession or similar transactions with insurance, reinsurance and insurance brokerage undertakings.

7.2 BNP PARIBAS CARDIF GROUP INTERNAL CONTROL SYSTEM

7.2.1 Internal control definition, objectives and standards

BNP Paribas Cardif Group has set up an internal control and risk management system whose main aim is to ensure the overall control of risks and provide reasonable assurance that the company's goals in this area will be achieved.

The implementation of this control system relies on three levels of defence:

- The operational entities are the first line of defence and implement the risk management system for the activities under their responsibility;
- The second line of defence functions define the normative framework under which they perform their risk management and ensure the proper implementation of the system;
- The third line of defence notably carries out audits on the efficiency and quality of the permanent control process.

BNP Paribas Cardif's Internal Control and operational risk management policy, defined on the basis of BNP Paribas Group's internal control charter, specifies the scope of this system and is the internal reference base for internal control. Its aim is to contain any operational risk within acceptable limits through actions to reduce, transfer or avoid risks while maintaining a balance between the risks taken and the cost of their management. It is the deployment for BNP Paribas Cardif of the internal control policy of BNP Paribas Group, and reiterates first of all the internal control objectives designed to ensure:

- the development of a risk culture among employees;
- the effectiveness and quality of the company's internal operations;
- the reliability of internal and external information;
- the security of transactions;
- compliance with applicable laws, regulations and internal policies.

The policy then lays down rules relating to the organisation, lines of responsibility and remit of the various players involved in internal control and establishes the principle that the different control functions (primarily Internal Audit, Compliance, Legal, Actuarial and Risk Management) must operate independently.

7.2.2 Scope of internal control

One of the fundamental principles of internal control is that it must be exhaustive in scope; it applies to risks of all kinds, to all activities and to all entities under BNP Paribas Cardif's operational management. It also extends to core and important services and operational activities that have been outsourced, in accordance with regulatory requirements.

7.2.3 Fundamental principles of internal control

BNP Paribas Cardif's internal control system is based on the values and the code of conduct of BNP Paribas, as well as the principles of the following additional actions:

- clearly identified responsibilities: internal control is the responsibility of every employee, irrespective of their seniority or responsibilities. The exercise of a managerial function carries the additional responsibility of ensuring the proper implementation of the internal control system within the scope managed;
- a structured risk identification, assessment and management system (involving, among others, a decision-making, delegation, organisational principles, controls, reporting and whistleblowing system, etc.);
- control and oversight that is independent of risk: the heads of the operational activities have the ultimate responsibility for risks created by their activities, and as such, the foremost responsibility of implementing and operating a system that identifies, assesses and manages risk. The internal control system provides for mandatory intervention, and as early as possible, of functions exercising independent control under a second level of control. This intervention takes the following forms:
  - defining the overall normative framework for risk identification, assessment and management;
  - defining cases where a second prior review by a function exercising a second-level control shared with the operational entity is necessary for decision-making;
  - independent controls, called second-level controls, carried out by said function on the system implemented by the heads of the operational activities and on their operation (result of the risk identification and assessment process, relevance and compliance of the risk management systems and in particular, compliance with the limits set);
- separation of duties: this is a key element of the risk management system. It consists of assigning certain operational tasks that contribute to the performance of a single process to stakeholders at various hierarchical levels or separating these tasks by other means, *e.g.* electronically;
- proportionality of risks: the internal control system must be implemented as part of an approach and with an intensity that is proportionate to the risks involved. This proportionality is determined on the basis of one or more criteria:
  - risk intensity;
  - amount of allocated capital and/or solvency ratios;
  - complexity of the products designed or marketed and/or services provided;
- appropriate governance: the internal control system is subject to governance involving the different stakeholders and covering the various aspects of internal control, in terms of organisation, monitoring and oversight;

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- requirement for formalisation and traceability: internal control relies on formal policies and procedures approved by Executive Management. The various controls, their results, their implementation and the feedback from entities to the higher levels of the Group's governance are documented and traceable;
- duty of transparency: all employees, irrespective of their position, have a duty to communicate, in a transparent manner, spontaneously and promptly, to a higher level within the organisation to which they belong:
  - any information required for a full analysis of the situation within the entity in which the employee works, and which may impact the risks or the reputation of the entity or Group;
  - any issues that the employee could not resolve independently in the performance of their duties;
  - any anomaly of which they become aware.

  In addition, all employees have a duty to report, under the protection of confidentiality, as provided for by the BNP Paribas Group Code of conduct and exercised within the framework of the whistleblowing system established by Compliance;
- continuous adaptation of the system in response to changes: the internal control system must be actively managed by its various stakeholders. Adaptations in response to changes of any kind faced by BNP Paribas Group must be carried out according to a regular cycle defined in advance and at any time when justified by events.

Compliance with these principles is verified on a regular basis, in particular through duties carried out by the periodic control teams (Internal Audit).

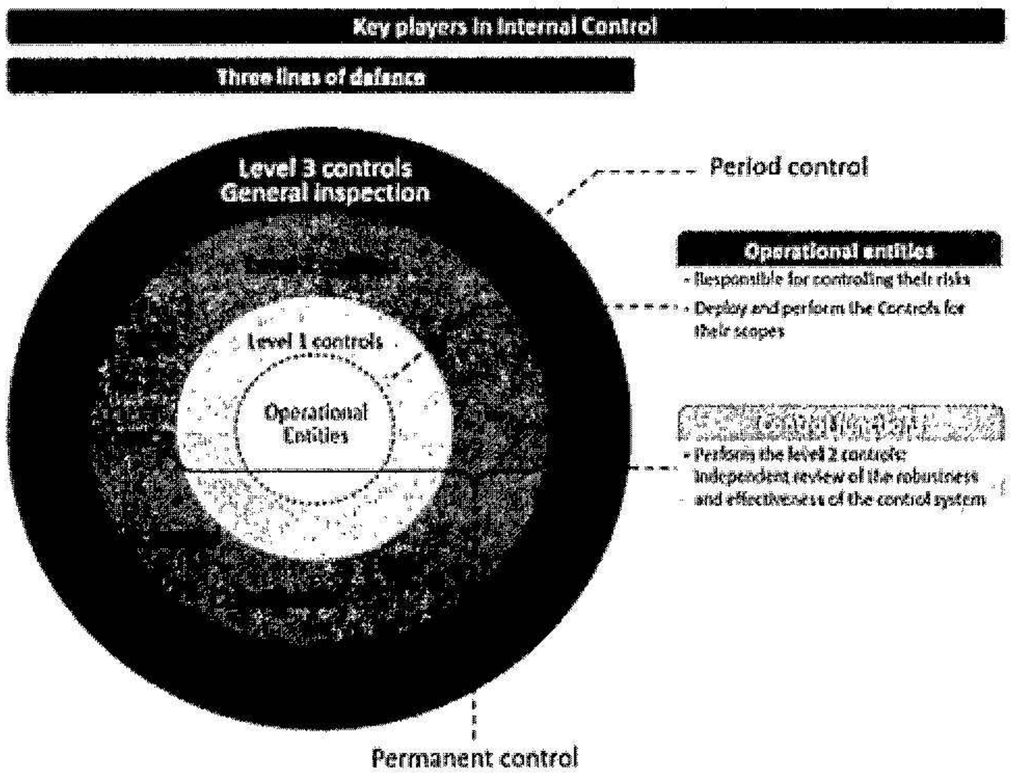
7.2.4 Organisation of internal control

BNP Paribas Cardif's internal control system is based on three lines of defence, under the responsibility of Executive Officers and under the oversight of the Board of directors.

Permanent control is the ongoing implementation of the risk management system and is provided by the first two lines of defence. Periodic control, provided by the third line of defence, is an audit and assessment function that is performed according to its own audit cycle.

The functions exercising the second and third lines of defence are so-called functions exercising independent control. The Compliance, Risk Management, Actuarial and Internal Audit functions report on the performance of their duties to the Board of directors or to its specialised committees.

Discussions take place regularly between permanent control and periodic control to enhance the flow of information, to coordinate actions and to improve the efficiency of the internal control system in strict compliance with the independence of periodic control.



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7.3 RISKS RELATED TO INSURANCE ACTIVITIES

7.3.1 BNP Paribas Cardif Group risk management system

BNP Paribas Cardif Group is mainly exposed to credit risk, underwriting risk and market risk. BNP Paribas Cardif Group closely monitors its exposure, taking into account these various risks and the adequacy of its own funds to meet regulatory solvency requirements. It strives to keep any potential losses, in adverse scenarios, to acceptable levels.

Risk management is a process that allows for the identification, measurement, monitoring, management and reporting of both the risks arising from the external environment as well as risks inherent to BNP Paribas Cardif Group. The objective is to ensure the solvency, business continuity and development of the Group under satisfactory risk and profitability conditions.

Within the framework of the provisions of article L.354-2 of the French Insurance Code and the Solvency II directive, the Group conducts annual forward-looking assessments of its solvency and risks, notably including:

- the definition and assessment of a capital requirement specific to the risk profile;
- the level of capital that the Group wishes to hold to cover this specific requirement;
- the forward-looking solvency ratios under the medium-term plan;
- the resilience of these ratios in stress test cases.

Depending on the observed solvency ratios and the forecasts made under ORSA (Own Risk and Solvency Assessment), remedial action may be undertaken to adjust its own capital.

The risk typology adopted by BNP Paribas Cardif Group in the context of Solvency II is changing in line with methodological work and regulatory requirements. It is presented according to the main categories as follows:

- market risk: risk of financial losses arising from adverse movements in financial markets. These adverse movements are notably reflected in price fluctuations (foreign exchange rates, bonds, equities and commodities, derivatives, real estate, etc.) and derived from fluctuations in interest rates, credit spreads, volatilities and correlations;
- liquidity risk: risk of being unable to fulfil current or future foreseen or unforeseen liquidity requirements associated with insurance commitments to policyholders due to an inability to sell assets in a timely manner and at an acceptable price without having a significant impact on market prices, and/or securing access to alternative financing instruments in a timely manner;
- credit risk: risk of losses or adverse changes in financial position due to fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which the Group is exposed, in the form of counterparty risk. Among the debtors, risks related to financial instruments (including the banks in which the Group holds deposits) and risks related to receivables generated by the insurance activities (premium collection, reinsurance balances, etc.) are divided into two categories: credit risk on assets and credit risk on liabilities;

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- underwriting risk: risk of financial losses caused by a sudden, unexpected increase in insurance claims that may result from inadequate pricing or provisioning assumptions due to internal or external factors, including sustainability risks. Depending on the type of insurance activity (life, non-life), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters;
- operational risk: risk of loss resulting from inadequate or failed internal processes, IT failures or from external events, whether accidental or natural. This includes legal, tax and non-compliance risks, but excludes risks arising from strategic decisions and reputational risks.

The Group is exposed mainly to credit, underwriting, and market risks. It closely monitors its exposures, taking into account these various risks and the adequacy of its capital with regard to regulatory solvency requirements. It endeavours to contain potential losses in adverse scenarios at acceptable levels.

The risk strategy is implemented and monitored through an organisation tailored to the broad risk classes and supported by *ad hoc* governance structures. The governance and risk management systems are presented in sections B. System Governance and C. Risk Profile of the Group's Solvency and Financial Condition Report (SFCR), available on the website at https://www.bnpparibascardif.com/en/who-we-are/financial-information/.

The Group's solvency requirements under Solvency II are presented in section E. "Management of Capital", Solvency Capital Requirement and Minimum Capital Requirement of the SFCR.

Financial and underwriting risks related to insurance contracts within the scope of IFRS 17 are disclosed in note 2.5 *Risks related to insurance contracts under IFRS 17*. The note presents the assessment of these risks in accordance with the principles of IFRS 17 as well as the risk management framework implemented by the Group.

7.3.2 Market risk

Market risk arises mainly in the Savings business, where technical reserves represent most of the BNP Paribas Cardif Group's insurance subsidiary liabilities.

General framework for monitoring market risk

The Group has the necessary management tools to calibrate its strategic asset allocation and to measure its asset-liability management risks. The asset-liability studies help to forecast expected flows on both the assets and the liabilities of the various general funds. They allow the duration of assets to be adjusted according to the profile of the different liabilities.

The investment policy dictates the framework applicable to asset management. It defines the principles along which the structure of asset portfolios can be matched with the undertakings made to policyholders, while optimising the expected return on investment in relation to the risk limit set.

The implementation of the investment policy, entrusted to the Asset Management Department, is regulated for each portfolio by a management agreement that specifies the investment limits relevant to each asset class. Market risk can also be managed through financial hedging instruments

Exposure to market risk is also monitored through specific targeted studies such as the review of securities in an unrealised loss position.

In addition, the exposure to foreign exchange risk results from allocations to branches, foreign currency equity investments or the investment strategy for foreign currency assets in general funds and non-profit-sharing funds.

Interest rate risk management

Managing the interest rate risk for the general life savings and asset funds, representing the protection activities and equity, leads to a majority of fixed-income securities, including government and private issuer securities within the Eurozone. The asset diversification policy dictates investment in listed and non-listed equities as well as real estate assets.

The euro funds for life insurance policies are measured based on either a contractual fixed rate or a variable rate, with or without a minimum guaranteed return. All of these policies give rise to an interest rate and asset value risk resulting from the performance of investments made in return for premiums received being lower than the contractual amounts payable to policyholders or remuneration defined by taking into account market expectations and the positioning of other market players. In France, the average rate guaranteed by Cardif Assurance Vie in 2024 is below 0.1%.

Credit spread risk management

Euro funds are mainly invested in bond assets that generate credit spread risk. Limits by issuer and rating type (Investment Grade, non-Investment Grade) are monitored regularly. Issuer credit quality is also reviewed frequently.

Management of the change in the value of assets risk

Besides the quality of the assets, the diversification and hedging policy of the portfolios, the exposure to the risk of a decline in the value of assets (interest rate, credit spread, equities, real estate) for contracts with a profit-sharing clause is mitigated by the variable fee accounting model (VFA), with changes in the value of financial assets adjusting the fulfilment cash flows for the share accruing to policyholders and the contractual services margin for the share accruing to the insurer.

Foreign exchange risk management

Currency risk hedging may be provided by forward financial instruments such as currency swaps, or by currency borrowings.

7.3.3 Liquidity risk

Exposure to liquidity risk is appraised over a one-year horizon, mainly through the liquidity policy, approved by the Written Policy Validation Committee under the aegis of the Asset Management Department, and over the medium term through studies carried out by the Actuarial Department on forecasted expected cash flows on the assets and liabilities of BNP Paribas Cardif Group's general funds.

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Tactical investment management provides the necessary liquidity to settle benefit payments within the regular asset management framework, while minimising the impact on the rate of return on assets.

Liquidity risk is centrally managed through reviews carried out at a frequency tailored to the risk exposure.

Stress tests are regularly conducted as part of asset-liability management studies. These stress tests make it possible to check the ability of BNP Paribas Cardif to honour its undertakings in adverse financial market situations by taking account of the impact of these situations on the behaviour of policyholders. Asset-liability matching analyses over the medium to long term are also carried out regularly by Asset-Liability Management in order to supplement the measurement of the financial risks incurred. They are based on medium- and/or long-term profit and loss account and balance sheet projections prepared using a range of economic scenarios. The results of these reviews are analysed in order to determine measures to adjust asset allocation constraints (through strategic allocation, diversification, use of derivatives, etc.).

7.3.4 Credit risk

The rules for the dispersion of assets are laid down in the management agreements of the general funds. They specify the dispersion ratios per issuer on rate instruments and rating category. The credit doctrine formalised through the CRC – GCL (Credit Risk Consumption – Global Concentration Limit) also specifies the dispersion rules at the consolidated level for the general funds of entities based within the Eurozone, which are the most significant.

The counterparty risk on reinsurers is managed through the stringent selection of counterparties, the negotiation of the guarantees provided, and the regular monitoring of the main exposures. The Risk Transfer and the Credit Risk departments are responsible for this monitoring. The guarantees required may be actual guarantees, such as deposits in the form of a financial guarantee and pledged securities, or as sureties and letters of guarantee.

Partner counterparty risk comes under the credit governance for Partners and Reinsurers. The governance determines the delegated powers granted to local entities and provides for an agreement with the Credit Risk Department, if the latter are outside the framework of the local delegation. Exposure to a partner may be the subject of a collateral or a personal guarantee. Depending on the quality of the counterparty, any of the following techniques may be used: parent company endorsements, bank guarantees payable on first demand, an account segregated from all other assets in the event of bankruptcy, etc.

Group BNP Paribas Cardif investments

At 31 December 2024, in addition to unit-linked investments, BNP Paribas Cardif Group manages a total of EUR 168.6 billion at net book value and fair value, mainly through its subsidiaries in France, including Cardif Assurance Vie, for EUR 133.3 billion, as well as its subsidiaries in Italy, including Cardif Vita, representing EUR 22.6 billion and its subsidiary in Luxembourg, Cardif Lux Vie –EUR 8.6 billion.

The breakdown of assets by measurement method is presented in notes 4.2 to 4.6 in the notes to the consolidated financial statements.

The breakdown of the Group's investments (excluding unit-linked investments) is as follows:

En millions d'euros	31 December 2024		31 December 2023	
	Net book value	Fair value	Net book value	Fair value
Shares and variable income securities (including vehicules for collective investments)	43 189	43 189	44 866	44 866
Investment properties	7 721	7 721	7 266	7 266
Including buildings	*3 976*	*3 976*	*4 136*	*4 136*
Including real estate companies	*3 745*	*3 745*	*3 130*	*3 130*
Government bonds and similar	53 877	53 877	45 544	45 544
Other bonds	60 519	60 519	57 051	57 051
Derivatives and other	3 274	3 268	3 540	3 538
Total financial assets without unit linked assets	**168 580**	**168 574**	**158 267**	**158 266**

Bond exposure by type and issuer rating (excluding unit-linked investments and EuroCroissance contracts)

Exposure by rating (in €m)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Financial investments – Government	**54,110**	**45,832**
AAA	8,949	3,506
AA	28,108	30,872
A	4,896	2,022
BBB	12,125	9,085
< BBB(*)	31	347
Financial investments – Corporate	**67,217**	**61,778**
AAA	4,968	1,836
AA	9,410	37,442
A	33,983	15,099
BBB	15,470	6,385
< BBB(*)	3,386	1,017

7.3.5 Insurance underwriting risk

Underwriting risk arises mainly from the surrender, the longevity and the mortality risks in the savings business, and in creditor insurance contracts for the protection business. The underwriting risk management is detailed in note 2.5 *Risks related to insurance contracts under IFRS 17.*

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7.4 STRUCTURED ENTITIES

Consolidated structured entities

Consolidated structured entities correspond to all funds dedicated to the insurance business. These fund units are designed to meet the needs of BNP Paribas Cardif Group, which is the sole investor.

Non-consolidated structured entities

As part of the asset allocation strategy corresponding to investments related to the premiums for unit-linked insurance contracts or the General Fund, BNP Paribas Cardif Group subscribes to shares of structured entities.

These short- or medium-term investments are held for their financial performance and meet the risk diversification criteria inherent to the business. For all these investments, BNP Paribas Cardif Group does not act as a manager and does not have the option to interfere in the investment decisions of the management companies.

At 31 December 2024, outstanding assets amounted to EUR 60,974 million, compared with EUR 68,940 million at 31 December 2023.

7.5 RELATED PARTY DISCLOSURES

Within the meaning of IAS 24 "Related Party Disclosures", parties are related if an entity has direct or indirect exclusive control or significant influence over another entity, or both entities are under the control or significant influence of a third-party entity or natural person.

According to this definition, the parties related to BNP Paribas Cardif Group consist of the companies of BNP Paribas Group and the senior managers of BNP Paribas Cardif Group. Entities managing the post-employment benefit plans offered to employees (except for multi-employer and multi-industry schemes) are also referred to as related parties.

7.5.1 Relations with BNP Paribas Group companies

BNP Paribas Cardif Group's relations with BNP Paribas Group companies mainly concern the marketing and management of its insurance products, its investment policy and its refinancing policy.

Marketing and management of insurance products

In some countries, BNP Paribas Cardif Group distributes a significant portion of its insurance products through BNP Paribas Group's commercial networks.

For example, BNP Paribas' Retail Banking in France (FRB) and its international banking networks (including BNP Paribas Fortis in Benelux and BNL BC in Italy) are important distribution channels for life insurance and protection policies, and BNP Paribas Personal Finance (BNPP, Cetelem brand) mostly markets creditor insurance contracts.

These commercial networks are remunerated by fees from business introducers whose rates differ according to the product marketed and the duties carried out (acquisition, contract management), and in some cases, by a variable commission according to the results of the business underwritten, with all terms of remuneration being negotiated so as to apply market conditions to policyholders.

BNP Paribas Cardif Group's investment policy

BNP Paribas Cardif Group may invest the funds paid by policyholders in mutual funds (or similar) managed by the asset management entities of BNP Paribas Group, and BNP Paribas Asset Management in particular.

As representation of the General Fund's commitments, BNP Paribas Cardif Group also underwrites negotiable debt securities issued by BNP Paribas Group.

At 31 December 2024, these investments totalled EUR 1,495 million, compared to EUR 3,416 million at 31 December 2023.

Lastly, as part of its investment hedging strategies (whether designated or not as such under IFRS), BNP Paribas Cardif Group carries out transactions on forward financial instruments, mainly swaps and options, for which BNP Paribas Group's banking entities, mainly BNP Paribas SA, act as intermediaries to enable BNP Paribas Cardif Group companies to enter the market.

BNP Paribas Cardif Group's refinancing policy

To ensure its long-term financing, BNP Paribas Cardif Group takes out subordinated loans or issues of subordinated securities underwritten in full by the entities of BNP Paribas Group. At 31 December 2024, this financing represents a total nominal value of EUR 4,035 million, compared to EUR 3,292 million at 31 December 2023.

In connection with investments in its subsidiaries and branches, BNP Paribas Cardif Group borrows from the banking entities of BNP Paribas Group. At 31 December 2024, the amount of financing and operating borrowings contracted for this purpose amounted to EUR 6,395 million, compared to EUR 4,833 million at 31 December 2023.

As part of the management of its General Fund and in compliance with the French Insurance Code, which defines the maximum amount of repurchase transactions that a French insurance company may carry out with its parent company, BNP Paribas Cardif Group, in particular Cardif Assurance Vie and Cardif Assurance Risques Divers, carries out repurchase agreements with BNP Paribas Group. **At 31 December 2024, the amount of repurchase agreements with BNP Paribas Group amounted to EUR 1,303 million, compared with EUR 90 million at 31 December 2023.**

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Profit or loss impact of relations with BNP Paribas Group companies

All of these relations with BNP Paribas Group companies generated a net expense of EUR 2,198 million in 2024, compared to EUR 1,939 million in 2023, mainly from marketing fees and financing expenses, as well as structural expenses invoiced by BNP Paribas Group (IT services and back-office costs), which were partially offset by net investment income.

7.5.2 Relations between BNP Paribas Cardif Group consolidated companies

Note 4.1 *Scope of consolidation* presents the list of companies consolidated by BNP Paribas Cardif Group.

Transactions and outstanding amounts at the end of the period between the fully-consolidated companies of BNP Paribas Cardif Group are fully eliminated in the preparation of the consolidated financial statements.

At 31 December 2024, transactions with equity-method companies in the BNP Paribas and BNP Paribas Cardif Groups represent a net loss of EUR 2 million, compared to a net loss of EUR 1 million in 2023.

7.6 SUBSEQUENT EVENTS

To date, no significant events have occurred since the reporting date.

7.7 COMPENSATION OF SENIOR EXECUTIVES

The total amount of compensation, excluding employer costs, awarded to members of the Executive Committee is EUR 9.95 million for 2024, versus EUR 9.72 million for 2023.

7.8 FEES PAID TO THE STATUTORY AUDITORS

(millions of EUR)	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Statutory audits and contractual audits	(7)	(6)
Services other than those required for their statutory audit engagement	(2)	(2)
TOTAL FEES PAID TO STATUTORY AUDITORS	(9)	(8)

Services other than the certification of financial statements mainly include work performed in connection with acquisitions, work related to regulatory requirements and tax consultancy.

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