BNP PARIBAS
CARDIF

20240710354446

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 2024-06-28. Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Göteborg
2024-06-28

Åsa Blessner

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Säte: Göteborg

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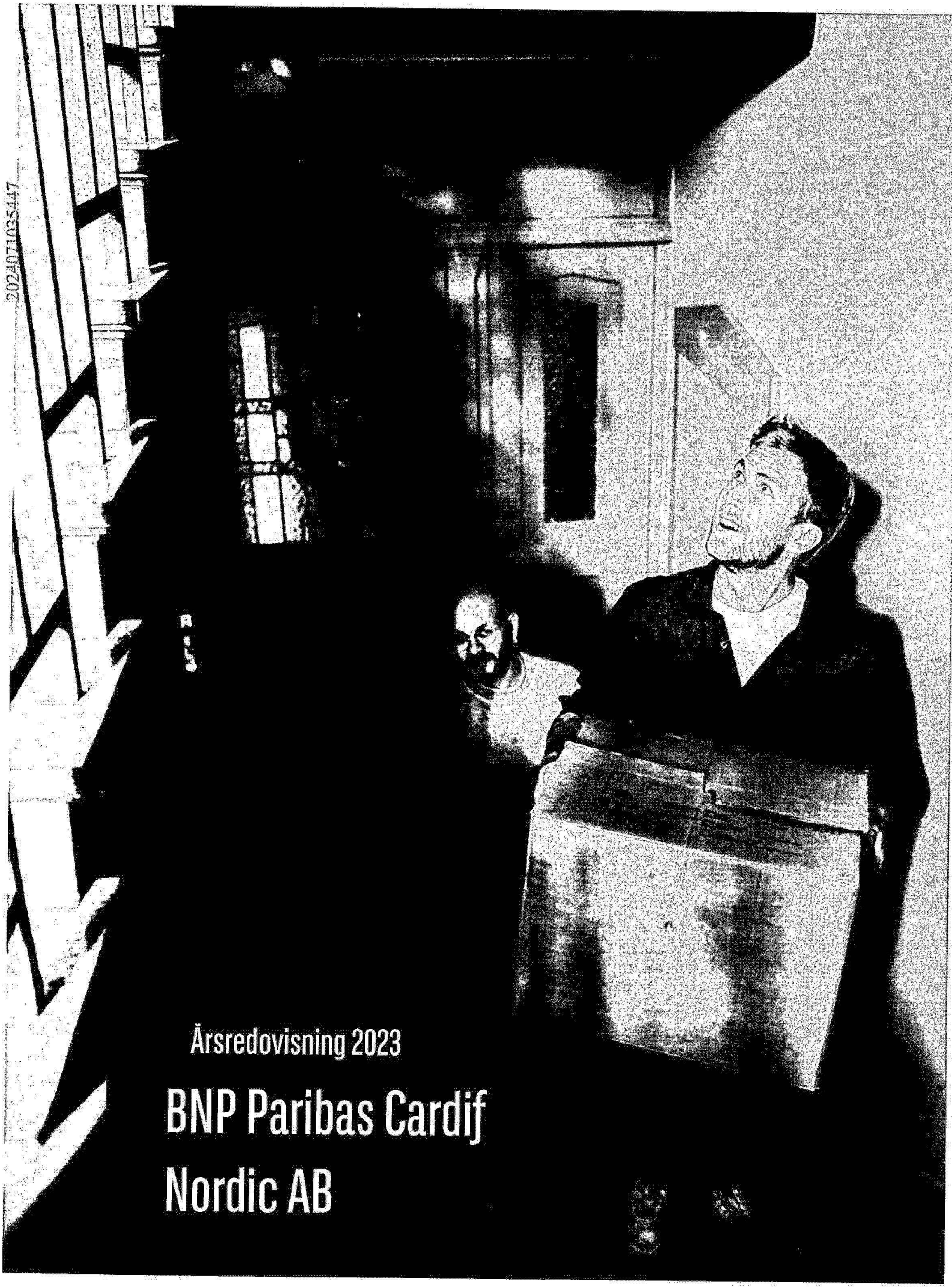

BNP PARIBAS
CARDIF

The insurer for
a changing world

20240710354448

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Styrelsen och verkställande direktören för BNP Paribas Cardif Nordic AB avger härmed årsredovisning för räkenskapsåret 2023.

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

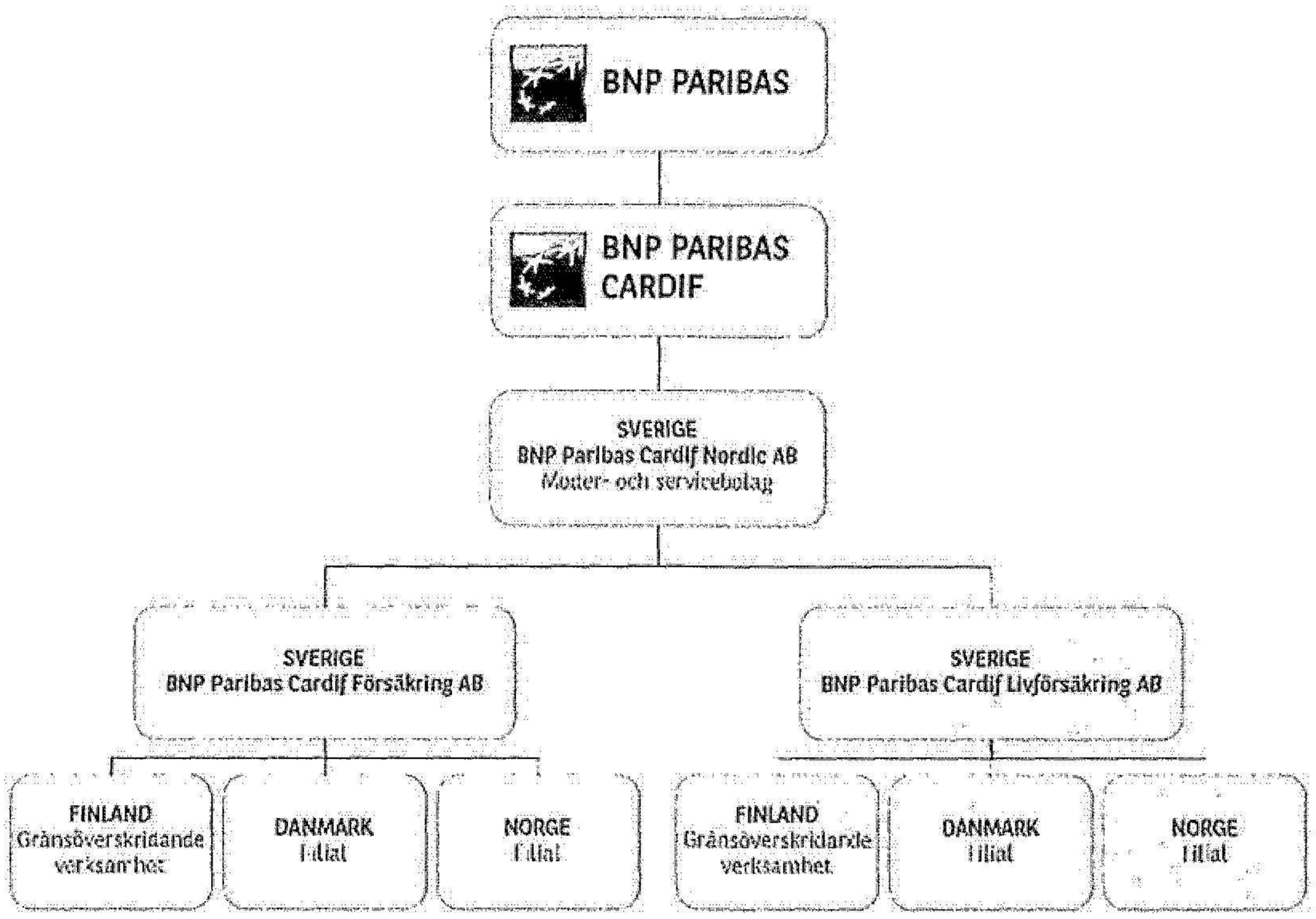

Bild: Legal bolagsstruktur

BNP Paribas

BNP Paribas är en ledande europeisk aktör inom global bank- och finansverksamhet. Gruppen har ca 183 000 anställda och verkar i 63 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.

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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 8 000 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, 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 idstöldsförsäkring. 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.

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Verksamheten under räkenskapsåret

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

Väsentliga händelser under räkenskapsåret

2023 blev ett år präglat av en utmanande makroekonomisk miljö och ökad geopolitisk osäkerhet, som skapat oro och osäkerhet med historiskt hög inflation och räntor till följd. Centralbanker världen över har vidtagit åtgärder för att bekämpa inflationen, som under hösten började vika nedåt, vilket föranlett ökad optimism och positivare börsklimat.

Trots positiva makroekonomiska signaler noterades en tydlig inbromsning i de nordiska ländernas ekonomiska tillväxt, vilket även speglades i en ökad arbetslöshet, sjukskrivningar och minskad efterfrågan på krediter. Det höga ränteläget har två effekter på dotterbolagens försäljning. Höjda genomsnittliga premier till följd av att försäkringen skall täcka högre räntebetalningar, har en positiv påverkan på dotterföretagens försäljning. Detta kompenseras dock av den minskade efterfrågan på krediter och därmed också minskad efterfrågan på försäkringslösningar.

I linje med EIOPA (European Insurance and Occupations Pension Authority) strävar Cardif kontinuerligt efter ett förbättrat produkterbjudande och ökat kundvärde. Detta återspeglas bland annat i dotterbolagens resultat; en ökning i antalet reglerade skador, framför allt på grund av ökad arbetslöshet, sjukskrivningar och volatilitet i antalet anmälda dödsfall.

Sedan 1 januari 2023 tillämpas redovisningsstandarden IFRS 9, Finansiella instrument, i dotterbolagen, vilket inneburit en förändring i hur bolagen redovisar orealiserade värdeförändringar. För 2023 redovisas majoriteten av dessa i balansräkningen istället för resultaträkningen, i jämförelse med föregående räkenskapsår.

Till följd av ett flertal år med negativt resultat i dotterbolaget BNP Paribas Cardif Försäkring AB har aktierna under året skrivits ner med ett värde om 171 555 tkr. Redovisat värde motsvarar per balansdagen eget kapital i dotterbolaget.

Resultat

Bolagets intäkter kommer från de tjänster som sålts till dotterbolagen, vilka efter kostnadsavdrag ger ett resultat före skatt på -172 709 tkr (-1 897 tkr).

BNP Paribas Cardif Nordic har under 2023 mottagit ett koncernbidrag om 10 000 tkr från dotterbolaget BNP Paribas Cardif Livförsäkring AB och lämnat ett koncernbidrag om 25 365 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 2023

Hållbarhetsrapporten är upprättad i enlighet med 6:e kapitlet Årsredovisningslagen, vilket omfattar sidorna 7-15. 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 15.

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 % (90 % år 2022) av bolagets tjänstebilar i slutet av 2023 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.

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VÅRA STYRKOR

Våra styrkor är hörnstenarna i BNP Paribaskoncernen. De bidrar till att vi kan bevara vår integrerade universella bankmodell och våra toppositioner även i framtiden.

Stabilitet
Vi baserar vår verksamhet på vår solida och långsiktiga managementmodell, vår diversifierade och integrerade affärsmodell och vår internationella närvaro.

Ansvar
Vi baserar vår verksamhet på en kultur av ansvar och integritet för att i ständigt högre grad kunna tillvarata våra kunders intressen.

Expertis
Vi baserar vår verksamhet på våra teams erkända och ständigt ökande kunskaper.

En bra arbetsplats
Vi verkar för en stimulerande arbetsplats där medarbetarna behandlas rättvist och med respekt.

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 2023 uppgick till 9,7 % (13 % år 2022) 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 och även undervisning i svenska språket 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.

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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. Från februari 2023 har bolaget inlett ett samarbete med en av Nordens ledande försäkringsförmedlare, och detta innebär ökade 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 2023 uppgick den totala sjukfrånvaron till 1,6 % (1,8 % år 2022).

Alla anställda erbjuds friskvårdsbidrag. Via förmånsportalen "My Benify" kan man som anställd teckna avtal med olika träningsanläggningar till rabatterade priser. År 2023 nyttjade 76,3 % (79,6 % år 2022) av bolagets anställda sitt friskvårdsbidrag.

BNP Paribas Gruppen arrangerar årligen en tennisturnering, We Are Tennis, för alla anställda i olika 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 feedback- och coaching för att samtal och uppföljningar med anställda ska genomföras på ett professionellt sätt.

Uppföljningar av ovanstående aktiviteter sker i vårt HR-verktyg About Me. I About Me ska anställda registrera sin karriärsprofil, 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.

VÅRA DRIVKRAFTER

Drivkrafterna är de områden som medarbetarna ständigt måste arbeta på och utveckla för att lyckas med sina utmaningar och bygga BNP Paribaskoncernens framtid.

Flexibilitet

Vi vill förenkla vårt arbete och ta till oss användbar innovation och digital transformation.

Regelefterlevnadskultur

Vi tror på att ha tydliga regler för att verka för en stark kultur av regelefterlevnad och etik.

Kundnöjdhet

Vi tror på att våra framgångar är beroende av att vi är kundernas förstahandsval. Vi har som mål att lyssna noga på dem och föra ett nära samarbete med dem.

Öppenhet

Vi vill ha en öppen attityd gentemot våra intressenter. Vi har som mål att alla i koncernen ska känna sig inkluderade, kunna säga vad de tycker och vara delaktiga.

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Under 2023 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 71 % - 75 % (75 % år 2022). Bolagets Net Promoting Employee (NPE), har ökat från -22 år 2019 till +30 år 2023, en ökning med totalt +52.

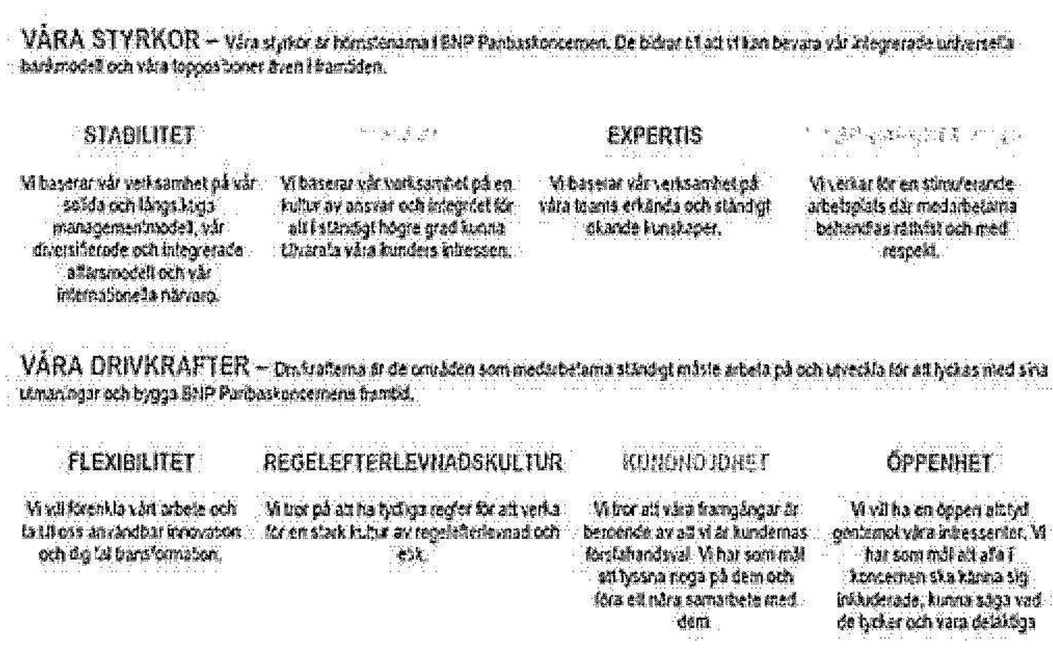
Bolaget erbjuder anställda att arbeta 50 % hemifrån. Det förutsätter dock att arbetet och verksamheten tillåter det. I årets medarbetarundersökning ser vi att resultatet på frågan om möjligheten att balansera arbete med sitt privatliv har minskat något, där 89 % (93 % år 2022) av de anställda är mycket nöjda. Vi tolkar detta som att möjligheten att arbeta hemifrån är uppskattat av bolagets anställda.

Bolaget har arbetat aktivt sedan 2019 med sitt Employer Branding, detta arbete har fortsatt under 2023 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 2023 har specifik utbildning för ledare fokuserats på att främja "psykologisk trygghet" inom organisationen, i alla led.

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.

20240710354457

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 oh lokala kulturer.

BNP Paribaskoncernen 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 är resultatet 89 % nöjdhet (94 % år 2022).

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 50 % 2023 (50 % kvinnor år 2022). I bolagets verkställande ledning är fördelningen 43 % kvinnor (43 % kvinnor år 2022).

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 och hittills har vi lyckats uppfylla målet. 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 2023 har bolaget anställda som deltagit i mentorskapsprogrammet och stöttat adepter ut i arbetslivet.

Som ett led i det sociala engagemanget valde BNP Paribas Cardif i Sverige även under 2023 att skänka en summa pengar till Stadsmissionens arbete i Göteborg. 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.

Anställda bidrog även under våren och hösten med att samla in kläder till förmån för Stadsmissionen samt julgåvor på privat initiativ till Stadsmissionens "julklappsvagn".

BNP Paribas Cardif i Norden deltog i Blodomloppet våren 2023. Genom att delta främjar vi den viktiga blodgivningen i Sverige. Blodomloppet är ett motionslopp som arrangeras på 17 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. Sedan pandemins början har vi följt hur vårt samhälle drabbats av smitta och hur smittorisken i sin tur påverkat ekonomin. Vi förstår värdet av de produkter som BNP Paribas Cardif tillhandahåller och hur viktigt det är för våra kunder att kunna lita på oss när de drabbas. 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 terrorismfinansiering. Vi respekterar våra uppförandekoder och arbetar i enlighet våra värderingar. Alla ska behandlas rättvist, såväl anställda som kunder. I tabellen beskriver vi våra olika uppföranderegler.

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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 ochinbjudningar, 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 antikorruptionsutbildning 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 2023.

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,

UPPFÖRANDETEMAN	VÄRDERINGAR Styrkor och drivkrafter	UPPFÖRANDEREGLER
Kundernas intressen	✓ Expertis ✓ Kundnöjdhet ✓ Regelefterlevnadskultur	• Förstå kundernas behov • Garantera att kunderna behandlas rättvist • Skydda kundernas intressen • Skydda kundernas sekretess • Kommunicera transparent vid försäljning och marknadsföring • Hantera kundklagomål på ett rättvist sätt
Finansiell säkerhet	✓ Ansvar ✓ Regelefterlevnadskultur	• Bekämpa penningtvätt, mutor, korruption och terrorfinansiering • Tillämpa sanktioner och embargon
Marknadsintegritet		• Verka för fri och rättvis konkurrens • Följa regler mot marknadsmissbruk • Hantera intressekonflikter
Yrkesetik		• Aldrig använda insiderinformation vid privata transaktioner • Undvika intressekonflikter vid externa uppdrag • Vidta åtgärder mot mutor och korruption

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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 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 egen 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 vår finansiella säkerhet är god och 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 som 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.

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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	VÄLJA BORT	VÄLJA IN
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.	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.	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 har 2023 påbörjat arbetet för att förbereda den nya CSRD-förordningen och detta arbete kommer att fortsätta under 2024. Arbetet omfattar bland annat att identifiera nya krav i enlighet med europeisk standard för hållbarhetsrapportering (ESRS), utbilda och engagera viktiga intressenter, utvärdera aktuella rapporteringsprocesser, identifiera risker samt skapa handlingsplaner.

De områden där BNP Paribas Cardif ser den största inverkan är inom finansiella innehav, produkt- och kravhantering samt personal. Det är viktigt för BNP Paribas Cardif att vara ett ansvarsfullt företag som påverkar klimatet, miljön och samhället.

För att stötta detta arbete har företaget flera policyer och riktlinjer som:

- Code of Conduct
- Investment policy
- Capital Management policy
- Work Environment guideline
- Fit & Proper policy
- Risk policy

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För nyckeltal och ytteligare information hänvisas till dotterbolagens årsredovisningar.

Finansiell information

Femårsöversikt (Tkr)

Finansiella nyckeltal	2023	2022	2021	2020	2019
Nettoomsättning	212 989	213 762	181 468	154 534	131 531
Rörelseresultat	12 832	13 408	12 498	6 841	6 659
Resultat efter finansiella poster	-157 344	13 038	12 355	6 911	6 663
Årets resultat	-172 709	-1 897	-1 430	-1 371	-721
Eget Kapital	592 404	765 113	767 009	768 439	769 810
Balansomslutning	668 524	834 841	823 279	810 202	832 931
Soliditet*	89%	92%	93%	95%	92%

*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 25 364 810 kr till dotterbolaget BNP Paribas Cardif Försäkring AB försvarligt.

Styrelsen föreslår att bolagets disponibla vinstmedel, kronor 554 881 015, disponeras enligt följande:

Kr	
Överkursfond	769 244 934
Balanserat resultat	-41 655 017
Årets resultat	-172 708 902
Summa	554 881 015
Balanseras i ny räkning	554 881 015

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

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Resultaträkning

Belopp i kr	Not	2023	2022
Nettoomsättning koncernföretag	17	212 989 110	213 761 700
Aktiverat arbete för egen räkning	14	1 143 259	-
Övriga rörelseintäkter	4	121 678	81 372
		214 254 047	**213 843 072**
Rörelsens kostnader			
Övriga externa kostnader	5,6	-85 785 783	-96 758 844
Personalkostnader	3	-104 732 862	-92 906 123
Avskrivningar av materiella anläggningstillgångar	7	-3 130 221	-2 973 062
Avskrivningar av immateriella anläggningstillgångar	8	-7 773 520	-7 610 759
Övriga rörelsekostnader	9	-	-186 227
Rörelseresultat		**12 831 661**	**13 408 057**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	10	1 836 636	58 379
Nedskrivningar av fin. Anläggn.tilllgångar och kortfristiga placeringar	16	-171 555 000	-
Räntekostnader och liknande resultatposter		-457 389	-427 956
Resultat efter finansiella poster		**-157 344 092**	**13 038 480**
Bokslutsdispositioner	11	-15 364 810	-14 935 204
Resultat före skatt		**-172 708 902**	**-1 896 724**
Skatt på årets resultat	12	-	-
Årets resultat		**-172 708 902**	**-1 896 724**

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Balansräkning

Tillgångar, Belopp i kr	Not	2023-12-31	2022-12-31
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Mjukvara samt utveckling av Försäkringssystem	13	39 479 141	38 398 474
Pågående immateriella anläggningstillgångar	14	1 143 259	-
		40 622 399	**38 398 474**
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	15	9 209 716	8 190 810
		9 209 716	**8 190 810**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16	520 550 627	692 105 627
		520 550 627	**692 105 627**
Summa anläggningstillgångar		**570 382 742**	**738 694 911**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag	17	4 654 663	2 287 673
Övriga fordringar		20 662 797	16 660 690
Aktuella skattefordringar		3 730 333	3 379 476
Förutbetalda kostnader och upplupna intäkter	18	31 958 752	20 185 397
		61 006 545	**42 513 236**
Kassa och bank		37 134 435	53 632 455
Summa omsättningstillgångar		**98 140 980**	**96 145 691**
SUMMA TILLGÅNGAR		**668 523 722**	**834 840 602**

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Balansräkning

Eget kapital och skulder, Belopp i kr	Not	2023-12-31	2022-12-31
Eget kapital	19		
Bundet eget kapital			
Aktiekapital (84 450 aktier à 100 kr)		8 445 000	8 445 000
Fond för utvecklingsutgifter		29 077 729	29 005 987
		37 522 729	37 450 987
Fritt eget kapital			
Överkursfond		769 244 934	769 244 934
Balanserat resultat		-41 655 017	-39 686 551
Årets resultat		-172 708 902	-1 896 724
		554 881 015	727 661 659
		592 403 744	765 112 645
Övriga skulder			
Leverantörskulder		84 207	3 692 152
Skuld till koncernföretag	17	19 057 209	21 000 919
Övriga skulder		4 014 061	4 996 554
Upplupna kostnader och förutbetalda intäkter	20	52 964 500	40 038 332
		76 119 978	69 727 656
SUMMA EGET KAPITAL OCH SKULDER		668 523 722	834 840 602

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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 2022	**8 445 000**	**29 528 099**	**769 244 934**	**-38 779 119**	**-1 429 544**	**767 009 370**
Årets resultat					-1 896 724	-1 896 724
Utgifter för eget utvecklingsarbete						-
Avskrivning på aktiverade utgifter för eget utvecklingsarbete		-522 112		522 112		-
Disponering av föregående års resultat				-1 429 544	1 429 544	-
Utgående balans per 31 december 2022	**8 445 000**	**29 005 987**	**769 244 934**	**-39 686 551**	**-1 896 724**	**765 112 645**

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 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**

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Kassaflödesanalys

Den löpande verksamheten, Belopp i kr	Not	2023	2022
Den löpande verksamheten			
Resultat efter finansiella poster		-157 344 092	13 038 480
Justeringar för poster som inte ingår i kassaflödet, mm.		165 950 672	10 770 037
		8 606 580	23 808 517
Betald skatt		-2 035 585	-1 835 682
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital			
Ökning(-)/Minskning(+) av kortfristiga fordringar		-16 457 724	-11 915 926
Ökning(+)/Minskning(-) av kortfristiga skulder		21 327 225	35 976 605
Kassaflöde från den löpande verksamheten		11 440 497	46 033 514
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar	13	-8 854 187	-6 233 994
Förvärv av materiella anläggningstillgångar	15	-4 149 126	-4 467 051
Kassaflöde från investeringsverksamheten		-13 003 313	-10 701 045
Finansieringsverksamheten			
Erhållet koncernbidrag		-	8 733 333
Lämnade koncernbidrag		-14 935 204	-22 518 223
Kassaflöde från finansieringsverksamheten		-14 935 204	-13 784 890
Årets kassaflöde		-16 498 020	21 547 580
Likvida medel vid årets början		53 632 455	32 084 875
Likvida medel vid årets slut		37 134 435	53 632 455

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Tilläggsupplysningar kassaflödesanalys

Belopp i kr		2023	2022
Likvida medel			
Kassa och bank		37 134 435	53 632 455
Belopp vid årets slut		**37 134 435**	**53 632 455**
Räntor och utdelningar			
Ränteintäkter		1 836 636	58 379
Ränteutgifter		-457 389	-427 956
Summa		**1 379 247**	**-369 577**
Justeringar för poster som inte ingår i kassaflödet, mm.			
Avskrivningar		10 903 741	10 583 821
Nedskrivning finansiella anläggningstillgångar		171 555 000	-
Bokslutsdispositioner		-15 364 810	-
Aktiverat arbete för egen räkning		-1 143 259	-
Förlust vid avyttring av inventarier		-	186 216
Summa		**165 950 672**	**10 770 037**

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.

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Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är 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 aktiveringsmodellen 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 avskrivningsmetoder 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 nyttjandeperiod. 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 nedskrivningsbehov 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 anläggningstillgångar
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.

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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.

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.

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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.

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Not 3 ANSTÄLLDA OCH PERSONALKOSTNADER

	2023	2022
Medelantalet anställda	91	81
Varav män	49%	47%
Löner, andra ersättningar och sociala kostnader		
Styrelse och VD	3 199 653	3 721 297
(Varav Bonus)	*613 674*	1 527 052
Övriga anställda	59 770 460	52 817 301
(Varav Bonus)	*2 361 322*	1 915 331
Summa	62 970 113	56 538 598
Sociala kostnader	*33 501 108*	29 751 623
(varav pensionskostnader)	*10 552 932*	9 312 055

Av bolagets pensionskostnader avser 498 056 kr (f.å 93 300 kr) gruppens styrelse och VD.

Könsfördelning i företagsledningen	2023	2023	2022	2022
	Antal	Andel kvinnor	Antal	Andel kvinnor
Styrelsen och VD	4	50%	4	50%
Övriga ledande befattningshavare	7	43%	7	43%

Not 4 ÖVRIGA RÖRELSEINTÄKTER

	2023	2022
Övriga rörelseintäkter, uthyrning av personal	121 678	81 372
	121 678	81 372

Not 5 ARVODE OCH KOSTNADSERSÄTTNING TILL REVISORER

	2023	2022
	Deloitte AB	Deloitte AB
Revisionsuppdrag	160 000	167 306
Skatterådgivning	100 000	100 000
	260 000	267 306

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Not 6 LEASINGAVGIFTER AVSEENDE OPERATIONELL LEASING

	2023	2022
Framtida minimileasingavgifter som kommer att erläggas avseende icke uppsägningsbara leasingavtal:		
Förfaller till betalning inom ett år	7 702 691	7 621 791
Förfaller till betalning senare än ett men inom fem år	6 527 296	12 490 060
Förfaller till betalning senare än fem år	262 860	821 800
	14 492 847	20 933 651
Under perioden kostnadsförda leasingavgifter	6 982 270	8 353 788

Den operationella leasingen i företaget består av bilar, kontorsmaskiner och hyra kontorslokaler. Inga nya leasigavtal av väsentlig omfattning har tecknats under 2023.

Not 7 AVSKRIVNINGAR AV MATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2023	2022
Inventarier, verktyg och installationer	-3 130 221	-2 973 062
	-3 130 221	-2 973 062

Not 8 AVSKRIVNINGAR AV IMMATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2023	2022
Balanserade utgifter för Mjukvara samt utvecklingsarbete av Försäkringssystem	-7 773 520	-7 610 759
	-7 773 520	-7 610 759

Not 9 ÖVRIGA RÖRELSEKOSTNADER

	2023	2022
Förlust vid avyttring inventarier/datorer	–	-186 216
Övriga rörelsekostnader	–	-10
	–	-186 227

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Not 10 ÖVRIGA RÄNTEINTÄKTER OCH LIKNANDE RESULTATPOSTER

	2023	2022
Ränteintäkter	1 703 322	6
Kursdifferenser	133 314	58 373
	1 836 636	58 379

Not 11 BOKSLUTSDISPOSITIONER

	2023	2022
Erhållet koncernbidrag	10 000 000	–
Lämnat koncernbidrag	-25 364 810	-14 935 204
	-15 364 810	-14 935 204

Not 12 SKATT PÅ ÅRETS RESULTAT

	2023	2022
Aktuell skatt	–	–
	–	–
Redovisat resultat före skatt	-172 708 902	-1 896 724
Återföring ej skattemässigt påverkande nedskrivning	171 555 000	
Skattemässigt resultat	-1 153 902	
Skatt beräknad enl gällande skattesats (20,6%)	237 704	390 725
Skatteeffekt av ej avdragsgilla kostnader (20,6%)	-258 572	-390 726
Skatteeffekt av ej skattepliktiga intäkter	20 868	1
Redovisad skattekostnad	0	0

Per balansdagen uppgår bolagets redovisade skattemässiga underskott till 0 kr.

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Not 13 MJUKVARA SAMT UTVECKLING AV FÖRSÄKRINGSSYSTEM

	2023	2022
Ackumulerade anskaffningsvärden		
Vid årets början	117 508 909	111 274 915
Nyanskaffningar	8 854 187	6 233 994
Avyttringar och utrangeringar	-	-
	126 363 095	117 508 909
Ackumulerade avskrivningar enligt plan		
Vid årets början	-79 110 435	-71 499 676
Avyttringar och utrangeringar	-	-
Årets avskrivning enligt plan	-7 773 520	-7 610 759
	-86 883 955	-79 110 435
Redovisat värde vid årets slut	39 479 141	38 398 474

Not 14 PÅGÅENDE IMMATERIELLA ANLÄGGNINGSTILLGÅNGAR

	2023	2022
Vid årets början	-	-
Nyanskaffningar	1 143 259	-
Omklassificeringar	-	-
Redovisat värde vid årets slut	1 143 259	-

Not 15 INVENTARIER, VERKTYG OCH INSTALLATIONER

	2023	2022
Ackumulerade anskaffningsvärden		
Vid årets början	22 209 097	21 026 883
Nyanskaffningar	4 149 126	4 467 051
Avyttringar och utrangeringar	-94 861	-3 284 837
	26 263 362	22 209 097
Ackumulerade avskrivningar enligt plan		
Vid årets början	-14 018 287	-14 143 845
Avyttringar och utrangeringar	94 861	3 098 621
Årets avskrivning enligt plan	-3 130 221	-2 973 062
	-17 053 647	-14 018 287
Redovisat värde vid årets slut	9 209 716	8 190 810

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Not 16 ANDELAR I KONCERNFÖRETAG

	2023	2022
Ackumulerade anskaffningsvärden		
Vid årets början	692 105 627	692 105 627
Årets nedskrivningar (anskaffningsvärde)	-171 555 000	-
Redovisat värde vid årets slut	520 550 627	692 105 627

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	427 251 076	-110 833 100
BNP Paribas Cardif Livförsäkring AB	516406-0559	Västra Götalands län, Göteborgs Kommun	135 700 743	40 983 941

Not 17 NÄRSTÄENDE TRANSAKTIONER

Motpart	Nettofordran/skuld		Försäljning av tjänster		Köp av tjänster	
	2023	2022	2023	2022	2023	2022
BNPP Cardif Försäkring AB	-20 314 731	1 131 239	160 209 094	157 342 840	-	-
BNPP Cardif Skadeforsikring NUF	802 080	622 648	2 880 533	3 297 709	-	-
BNPP Cardif Forsikring	455 441	493 768	2 007 502	2 266 097	-	-
BNPP Cardif Livförsäkring AB	4 628 643	-21 000 919	47 746 635	50 700 053	-	-
BNPP Cardif Livskadeforsikring NUF	13 010	25 893	80 291	100 295	-	-
BNPP Cardif Livforsikring	13 010	14 124	65 055	54 706	-	-
	-14 402 547	-18 713 246	212 989 110	213 761 700	-	-

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

	2023	2022
Förutbetald hyra	1 566 779	1 169 575
Upplupna nettopremier	25 339 758	15 025 699
Övriga poster	5 052 215	3 990 123
	31 958 752	**20 185 397**

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

	2023	2022
Upplupen semesterlön inklusive sociala kostnader	5 259 692	5 055 832
Upplupen löneskatt pensionskostnader	4 786 163	4 125 083
Upplupna, övriga sociala kostnader	1 627 514	1 600 780
Upplupna kostnader bonus	8 266 140	7 998 599
Provisioner	17 031 116	11 874 923
Övriga poster	15 993 875	9 383 115
	52 964 500	40 038 332

Not 21 RESULTATDISPOSITION

	2023
Överkursfond	769 244 934
Balanserat resultat	-41 655 017
Årets resultat	-172 708 902
Summa	554 881 015
Balanseras i ny räkning	554 881 015

Not 22 HÄNDELSER EFTER BALANSDAGEN

Inga väsentliga händelser har inträffat från balansdagen till denna rapports undertecknande.

20240710354479

Göteborg 2024-06-19

Marc Edouard Pierre Wiebel
Ordförande

Marleke van Zulen – Bosma
Styrelseledamot

Åsa Blessner
Verkställande Direktör

Vår revisionsberättelse har lämnats

2024-06-28, Stockholm

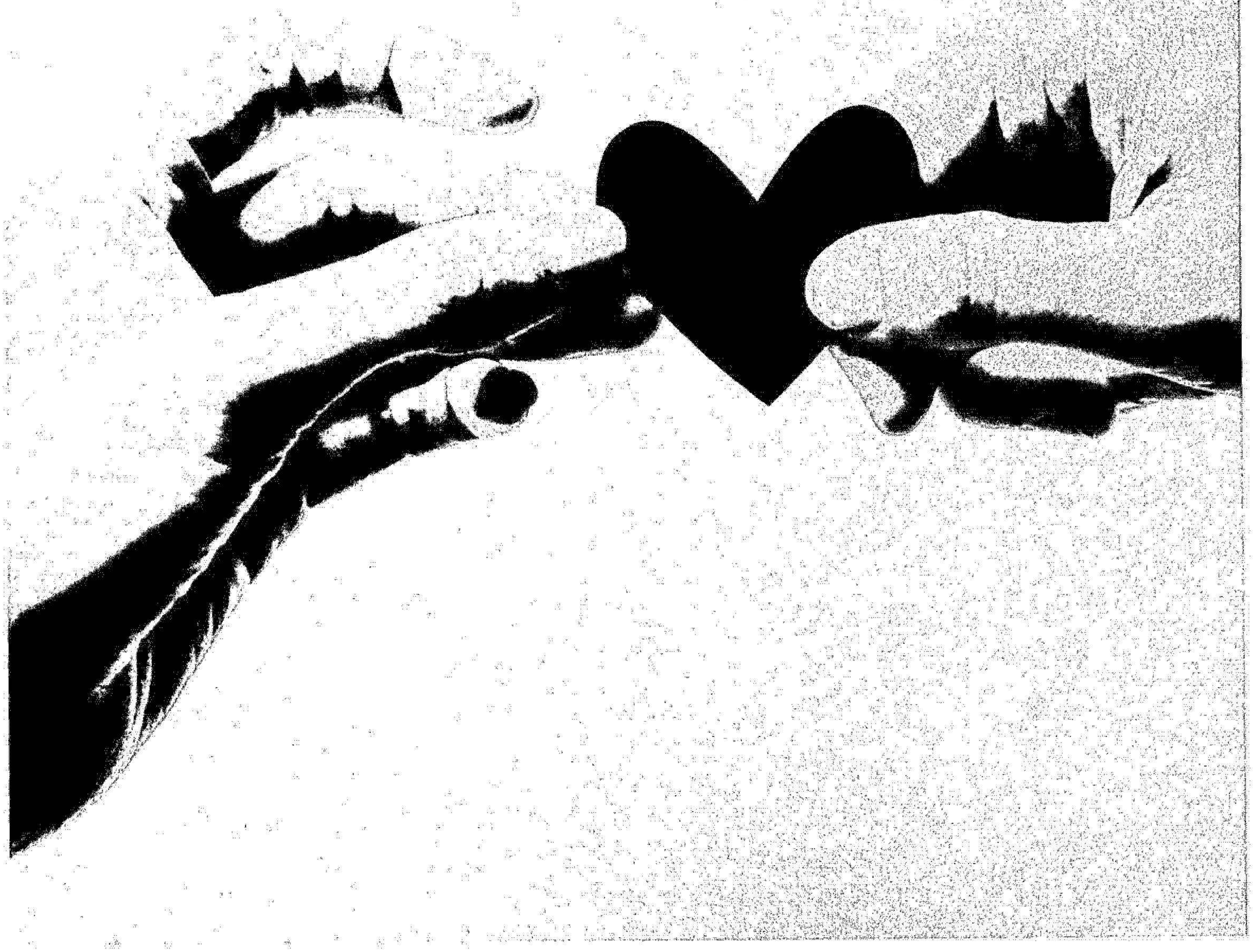
Deloitte AB

Emelie Lorentzson Lindholm
Auktoriserad revisor

20240710354480

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.



BNP PARIBAS CARDIF

The insurer for a changing world

Bestyrkt kopia
A Paulsson
Anna Paulsson
Tfn. 0763091890
2024-10-15

20241016020015

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i BNP Paribas Cardif Nordic AB
organisationsnummer 556591-7902

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för BNP Paribas Cardif Nordic AB för räkenskapsåret 2023-01-01 - 2023-12-31 med undantag för hållbarhetsrapporten på sidorna 7–15.

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 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Våra uttalanden omfattar inte hållbarhetsrapporten på sidorna 7-15. 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.

Övriga upplysningar

Annan information än årsredovisningen

Detta dokument innehåller även annan information än årsredovisningen och återfinns på sidorna 7-15. Det är styrelsen och verkställande direktören som har ansvaret för denna andra information.

Vårt uttalande avseende årsredovisningen omfattar inte denna information och vi gör inget uttalande med bestyrkande avseende denna andra information.

I samband med vår revision av årsredovisningen är det vårt ansvar att läsa den information som identifieras ovan och överväga om informationen i väsentlig utsträckning är oförenlig med årsredovisningen. Vid denna genomgång beaktar vi även den kunskap vi i övrigt inhämtat under revisionen samt bedömer om informationen i övrigt verkar innehålla väsentliga felaktigheter.

Om vi, baserat på det arbete som har utförts avseende denna information, drar slutsatsen att den andra informationen innehåller en väsentlig felaktighet, är vi skyldiga att rapportera detta. Vi har inget att rapportera i det avseendet.

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 huruvida 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 huruvida 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.

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 för BNP Paribas Cardif Nordic AB för räkenskapsåret 2023-01-01 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten 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.

Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Det är styrelsen som har ansvaret för hållbarhetsrapporten på sidorna 7–15 och för att den är upprättad i enlighet med årsredovisningslagen.

Vår granskning har skett enligt FARs rekommendation RevR 12 Revisorns yttrande om den lagstadgade hållbarhetsrapporten. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

En hållbarhetsrapport har upprättats.

Stockholm den 28 juni 2024

Deloitte AB

Emelie Lorentzson Lindholm
Auktoriserad revisor

20241024032257

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

BNP PARIBAS CARDIF

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2023

PricewaterhouseCoopers Audit
Membre de la Compagnie Régionale de Versailles
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Deloitte & Associés
Membre de la Compagnie Régionale de Versailles
6, place de la Pyramide 92908
Paris-La Défense Cedex

BNP PARIBAS CARDIF

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2023

To the annual general meeting of BNP Paribas Cardif,

BNP PARIBAS CARDIF
1 Boulevard Haussmann
75009 Paris

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying consolidated financial statements of BNP Paribas Cardif ("the Group") for the year ended 31 December 2023.

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In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of issue of our report, and in particular we did not provide any prohibited non-audit services referred to in Article 5, paragraph 1 of Regulation (EU) No 537/2014.

Observation

Without qualifying the opinion expressed above, we draw your attention to the changes in accounting policy relating to the recognition of insurance contracts and financial instruments, described in note 1.1.3 to the Consolidated Financial Statements, which sets out the impact of the first-time adoption of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" as from January 1, 2023.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of the Articles L. 821-53 and R. 821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of certain BNP Paribas Cardif financial assets classified in levels 2 and 3

- **Description of risk**

As part of its activities, BNP Paribas Cardif group holds investments on its balance sheet. Financial investments measured at fair value are presented according to the hierarchy defined by IFRS 13.

Financial assets are classified as level 2 when the external prices offered by a reasonable number of active market makers are regularly observable, without being directly executable. These prices are derived in particular from market consensus publication services to which active market makers contribute, as well as indicative prices produced by active brokers or traders.

The fair value of financial assets classified in level 3 is determined using valuation techniques whose significant parameters used are unobservable or cannot be corroborated by market data, for example due to the lack of liquidity of the instrument. or a significant model risk. An unobservable parameter is data for which no market information is available. It therefore arises from internal assumptions about the data that would be used by other market participants. Evaluating the absence of liquidity or identifying a model risk involves the exercise of judgment.

Given the uncertainty of the economic environment, we considered that the valuation of instruments classified in level 2 and 3 was a key point of our audit which requires the exercise of judgment by management.

At December 31, 2023, financial assets classified as level 2 and level 3 of the BNP Paribas Cardif group amounted to € 70.1 billion (see note 1.5.7 and 6.7 of the appendices to the consolidated financial statements of BNP Paribas Cardif), representing 28% of total financial assets (€ 247.3 billion).

- **Procedures implemented in response to the risk identified**

Our audit approach consisted of implementing the following procedures:

- Review of the processes and controls put in place by BNP Paribas Cardif to identify, assess and record financial assets classified as level 2 and 3.

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- Review of controls that we deemed key, such as review of price observability, independent verification of valuation parameters for venture capital funds and internal validation of valuation models for shares in non-equity companies and real estate securities held directly by BNP Paribas Cardif.
- For assets valued using internal valuation models, with the assistance of our financial instrument valuation specialists:
    - verification of the conformity of the assumptions, methods and parameters used with regard to market practices and the economic context.
    - assessment of the reasonableness of the valuations used and recognized as of December 31, 2023.
- For assets valued by management companies outside the BNP Paribas Cardif group and for real estate assets:
    - verification of the compliance of the valuations used as of December 31, 2023 with the reports sent by asset management companies and real estate experts.
    - for assets whose underlying activity is based on a market in economic difficulty due to the sanitary crisis: examination of how these impacts are taken into account in the valuation.
- For assets for which the valuation retained was established at a date prior to the closing: review of the analyses carried out by the group to verify the absence of a significant difference between the valuations used and the valuations at the closing date.
- Review of the sufficiency and appropriateness of the information in the appendix.

Assessment of the impact of first-time adoption of IFRS 17 "Insurance Contracts" on opening balances and comparatives

- **Description of risk**

The implementation of IFRS 17 "Insurance Contracts" from January 1, 2023 entails significant changes in accounting policies and valuation rules for insurance contracts, as well as changes in the presentation of financial statements. It has been applied retrospectively to insurance contracts in force at the transition date of January 1, 2022.

The impact of the first-time application of IFRS 17 for the BNP Paribas Cardif Group is an impact of € 534 million on opening shareholders' equity at January 1, 2022 (refer to the Statement of changes in shareholders' equity) and has led to the recognition of a contractual service margin of € 13.8 billion. Note 1.1.3 of the appendices of the consolidated financial statements describes the accounting methods chosen (mainly application of the modified retrospective approach (MRA) by BNP Paribas Cardif and the specific assumptions made by the Group at the transition date, depending on the type of contract (Protection or Life/Savings) and the methods used to measure liabilities under IFRS 17 (general model, simplified model or variable fee approach).

The application of IFRS 17 involves new accounting and actuarial estimates that call for greater judgment on the part of management in selecting the appropriate accounting methods at the time of transition and in determining the key assumptions and parameters to reflect the most likely estimated future situation. These include, at the transition date:

- Determining the transition approach applicable to each group of insurance contracts, and in particular assessing cases where full retrospective application (FRA) is possible (requiring

recalculation of accounting aggregates from the origin of the contracts and subject to available historical data);

- The methodologies and assumptions used to calculate the initial contractual service margin, depending on the transition approach adopted for groups of insurance contracts. This amount has mainly been estimated using the modified retrospective approach, due to the lack of information of sufficient granularity to apply the full retrospective method, which led management to make certain simplifications, notably in terms of grouping contracts, discount rates and reconstitution of past margins.

Given the significance of the changes in the measurement and recognition of insurance contract liabilities resulting from this new accounting standard, the choice of accounting methods and the significant nature of the judgments made by management in determining certain key valuation assumptions, we have considered the assessment of the impact of the first-time adoption of IFRS 17 "Insurance Contracts" on the opening balances and comparatives of the Group's consolidated financial statements to be a key audit issue.

- **Procedures implemented in response to the risk identified.**

With the assistance of our specialists in actuarial modelling and the accounting of financial instruments, we performed the following audit procedures:

- Review and assess the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at January 1, 2022 and on the comparative financial statements at December 31, 2022;
- Assess the appropriateness of the accounting policies and judgments used by management with regard to the provisions of IFRS 17.
- Appraise the parameters and assumptions used in the transition methods applied to calculate the contractual service margin (under the modified retrospective approach). In this context, we assessed the criteria used to document the impossibility of implementing the full retrospective approach and the methods for measuring and recognizing the contractual service margin at January 1, 2022 ;
- Assess, with the help of our actuarial modeling specialists, the methodologies and key judgments used in determining the actuarial valuation models (including in particular those relating to the determination of the contractual service margin and the key discount rate parameters used by management) in light of the provisions of IFRS 17. We have verified the application of these methods and assumptions as part of our audit procedures on the comparative information for the 2022 financial year.
- Carry out tests, based on sampling and our risk assessment, on the data, key modeling assumptions and parameters and on the restatements made and used in calculating the opening balances and comparative statements presented.
- Assess the appropriateness of the disclosures in the notes to the consolidated financial statements relating to the transition to the new IFRS 17 with respect to the requirements of IAS 8.

Valuation of technical provisions for "Life/Savings" insurance contracts

- **Description of risk**

As of December 31, 2023, the Group has recognized liabilities relating to "Life/Savings" insurance contracts amounting to €212 billion, as presented in note "9.5.2" of the appendices of the consolidated financial statements.

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As explained in note 1.12.2 of the appendices of the consolidated financial statements, the Cardif Group has assessed the eligibility of groups of insurance contracts for the accounting valuation models defined by IFRS 17. The Group therefore considered that liabilities relating to insurance contracts in the "Life/Savings" lines corresponded to directly participating insurance contracts and are specifically valued using the "variable fees" accounting model.

The valuation of insurance liabilities under this accounting model involves determining the best estimate of the present value of cash flows to be paid or received to meet contractual obligations to policyholders, an adjustment for non-financial risk based on a confidence level selected by the Group and taking into account risk diversification, and a contractual service margin representing unearned profit that will be recognized as services are rendered.

The valuation of these insurance liabilities using the variable fee approach is based on complex actuarial models that call on data and assumptions relating to future periods, such as the determination of the discount rate, policyholder behavior laws, future management decisions, the adjustment for non-financial risk or the definition of so-called real-world financial asset return assumptions, used for the release of the contractual service margin into income. Changes and updates in the parameters used are likely to have a significant impact on the amount of insurance liabilities in the Life/Savings segment.

Given the long-term nature of commitments related to "Life/Savings" insurance contracts, their high sensitivity to the economic and financial environment—which may impact policyholder behavior—and the significant degree of management judgment involved in selecting data and assumptions, as well as the use of complex commitment modeling techniques to reflect the most likely estimated future situation, we considered the valuation of technical provisions for "Life/Savings" insurance contracts to be a key audit matter.

- **Procedures implemented in response to the risk identified.**

With the assistance of our specialists in actuarial modelling and International Financial Reporting Standards accounting principles, we performed the following audit procedures:

- Review the processes and methodologies defined by Group management to determine, in accordance with IFRS 17, the best estimate of the present value of future cash flows required to settle contractual obligations towards policyholders under Life/Savings contracts.
- Perform audit procedures on the internal control environment of the information systems involved in data processing, the determination of estimates, and actuarial calculations concerning the valuation of commitments related to "Life/Savings" insurance contracts.
- Assess the eligibility of insurance contracts in the "Life/Savings" lines of business for the "variable fees" accounting valuation model and evaluate management's correct application of these valuation methods to "Life/Savings" insurance contracts in accordance with the provisions of IFRS 17.
- Assess and test the key controls implemented by management. Specifically, we evaluated the control systems relating to the methodologies, judgments, and key assumptions formulated by management, as well as those concerning governance and controls over the processes and validation of actuarial models for projecting discounted future cash flows applied to "Life/Savings" insurance contract commitments. We also

assessed the appropriateness of any changes in assumptions, parameters, or actuarial modeling processes used in the valuation of future cash flows.

- Test, on a sample basis, the principal methodologies, assumptions, and key actuarial parameters used in determining estimates of discounted future cash flows, the adjustment for non-financial risks, and the margin on contractual services. We assessed, on a sample basis, the reasonableness of these estimates.
- Perform an independent best estimate cash flow calculation on a sample basis of Life/Savings insurance liabilities.
- Test, on a sample basis, the reliability of the underlying data used in projection models and calculations of the best estimate of discounted future cash flows.
- Carry out analytical procedures on developments to identify any significant inconsistent or unexpected variations.
- Assess the appropriateness of the information disclosed in the notes to the consolidated financial statements.

General IT controls

- **Description of risk**

The reliability of IT systems is key for BNP Paribas Cardif, as it is for all financial institutions given the high volume of transactions processed every day. We pay particular attention to access controls for the main IT systems supporting the production of financial information, as well as to the management of changes to these systems.

We thus deemed the assessment of the general IT controls and the application controls specific to the information processing chains that contribute to the preparation of accounting and financial information to be a key audit matter.

In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to application settings or underlying data.

- **Procedures implemented in response to the risk identified**

For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work consisted primarily in:

- obtaining an understanding of the systems, processes and controls which underpin accounting and financial data ;
- assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on material systems (in particular accounting, consolidation and automatic reconciliation applications) ;
- examining the control for the authorisation of manual accounting entries.

We implemented additional diligences given that certain accounts have extended system rights and undertook additional procedures consisting mainly, depending on the situations and risks identified, of:

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- examining compensatory controls put in place by BNP Paribas Cardif;
- increasing the size of the samples in our control and substantive tests (testing of accounting entries, reconciliation of the characteristics of transactions with external supporting materials such as contracts, transaction advice notices and third-party confirmations, etc.) ;
- data analysis work in order to identify and analyse atypical transactions on premiums.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other Legal and Regulatory Verifications or Information

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BNP Paribas Cardif by the annual general meeting held on 11 May 2012 for Deloitte & Associés and on 14 May 2007 for PricewaterhouseCoopers.

As at 31 December 2023, Deloitte & Associés and PwC were in the 12th year and 17th year of total uninterrupted engagement including four years for both firms since the entity fell within the scope of public interest entities as defined by European legislation.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit

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evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, 17 juin 2024

PricewaterhouseCoopers

Deloitte & Associés

Gérard Courrèges Estelle Sellem Laurence Dubois

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CONSOLIDATED FINANCIAL STATEMENTS

BNP Paribas Cardif

31 December 2023

BNP PARIBAS CARDIF

The insurer for a changing world

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1. Balance sheet assets

In millions of euros	Notes	December 31, 2023	December 31, 2022
- Goodwill	6.1	144	126
- Other intangible assets	6.2	466	309
Intangible assets		**611**	**435**
Investment properties	6.3	**5,737**	**6,088**
- Securities		0	0
- Repurchase agreements and loans		655	637
Financial assets at amortised cost	6.4	**655**	**637**
- Debt securities		87,911	88,765
- Equity securities		646	210
- Loans and advances		0	0
Financial assets at fair value through equity	6.5	**88,557**	**88,975**
- Securities		149,491	137,620
- Repurchase agreements and loans		764	526
- Derivative instruments		1,935	2,146
Financial instruments at fair value through profit or loss	6.6	**152,189**	**140,291**
Derivatives used for hedging purposes	6.6.1	**86**	**62**
Investments in equity method investments entities	6.10	**89**	**114**
Investments		**247,313**	**236,167**
Equity-method investments	6.10	**1,030**	**760**
Insurance and investment contracts in an asset position		**23**	**3**
Reinsurance contracts held assets		**483**	**555**
Assets related to insurance and investment contracts	6.15	**506**	**558**
- Tangible assets	6.11	469	524
- Deferred tax assets	7.7.2	674	787
- Tax receivables		210	58
- Other receivables	6.12	3,573	4,463
Other assets		**4,926**	**5,833**
- Non current assets held for sale		1,985	1,794
Cash and cash equivalents		**1,270**	**1,794**
TOTAL ASSETS		257,640	247,341

2. Balance sheet liabilities

In millions of euros	Notes	December 31, 2023	December 31, 2022
- Share capital	6.13	150	150
- Additional paid-in capital		2,089	2,089
- Changes in assets and liabilities recognised directly in equity		(690)	(1,290)
- Non-distributed reserves		1,507	1,555
- Net income for the period attributable to shareholders		600	300
Shareholders' equity - Group share		**3,656**	**2,804**
Minority interests		**377**	**348**
Total Shareholders' equity		**4,033**	**3,152**
- Subordinated debt		5,067	5,051
- Financial debts due to banking sector companies		4,034	3,207
Financing debts	6.14	**9,100**	**8,258**
Investment contracts without discretionary participation features		**8,667**	**8,253**
Insurance and investment contracts in a liability position		**215,612**	**207,593**
Reinsurance contracts held liabilities		**(24)**	**34**
Liabilities related to insurance and investment contracts	6.15	**215,588**	**207,627**
Provisions for contingencies and charges	6.20	**271**	**435**
- Deferred tax liabilities	7.7	214	1
- Current tax liabilities		174	(64)
- Liabilities due to banking sector companies	6.21	9,558	9,977
- Derivative instruments	6.6	1,528	1,517
- Derivative instruments used for hedging purposes	6.6	217	407
- Other debts	6.12	6,387	6,074
Other liabilities		**18,079**	**17,911**
- Non current liabilities held for sale		1,901	1,705
TOTAL LIABILITIES		257,640	247,341

3. Income statement

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In millions of euros	Notes	Year to 31 Dec 2023	Year to 31 Dec 2022
Insurance revenue	7.2	8,339	8,236
Net expenses from reinsurance contracts held		(132)	(137)
Insurance service expenses		(6,492)	(6,471)
Insurance service result		**1,715**	**1,628**
Investment income		4,454	4,507
Investment expenses		(1,008)	(702)
Net realised gains and losses and change in fair value of investments at fair value through profit and loss		7,444	(15,061)
Net realised gains and losses relating to investments at fair value through shareholders' equity		(443)	(596)
Net realised gains and losses on derecognised financial assets at amortised cost		0	-
Net impairment loss on financial assets		26	22
Share of earnings of equity-method investment entities	6.11	(6)	(3)
Investment return		**10,466**	**(11,833)**
Insurance finance income or expenses from insurance contracts issued		(10,076)	11,702
Reinsurance finance income or expenses from reinsurance contracts held		8	3
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		**(10,069)**	**11,705**
Investment result	7.1	**398**	**(128)**
Income or expenses from other activities		(215)	(167)
Other operating expenses and income		(463)	(468)
Other current operating income and expenses		**(679)**	**(635)**
Other non-current operating income and expenses	7.5	(54)	(69)
Other operating expenses and income		**(733)**	**(704)**
Pre-tax operating income		**1,379**	**797**
Financing expenses	7.6	(578)	(240)
Share of earnings of equity-method entities	6.11	33	(9)
Corporate income tax	7.7	(215)	(244)
NET CONSOLIDATED INCOME		**619**	**303**
Net income attributable to minority interests		19	3
Net income attributable to equity shareholders		600	300

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

(In millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
Net consolidated income	619	303
Changes in exchange differences	42	39
Changes in fair value of financial assets at fair value through equity	5,153	(19,634)
Change in fair value recognised in equity	4,595	(19,636)
Change in fair value reported in net income	557	2
Changes in fair value of hedging instruments	115	(308)
Change in fair value recognised in equity	115	(308)
Change in fair value reported in net income	-	-
Changes in insurance finance income or expenses for insurance contracts	(4,599)	18,193
Changes in insurance finance income or expenses for reinsurance contracts	7	12
Income tax	(172)	444
Changes in equity-method investments	34	(115)
Items that are or may be reclassified to profit of loss	**579**	**(1,368)**
Changes in fair value of equity instruments designated as at fair value through equity	58	(107)
Remeasurement gains (losses) related to post-employment benefit plans	(3)	15
Income tax	(22)	29
Changes in equity-method investments	-	-
Items that will not be reclassified to profit or loss	**34**	**(63)**
Changes in assets and liabilities recognised directly in equity	**613**	**(1,431)**
TOTAL NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	**1,232**	**(1,127)**
Attributable to equity shareholders	1,200	(1,095)
Attributable to minority interests	32	(32)

5. Statement of changes in shareholders' equity

In millions of euros	Group share				Total Group share	Minority interests	Total shareholders' equity
	Share capital	Additional paid-in capital	Total changes recognised directly in equity	Non-distributed reserves			
CAPITAL AND RETAINED EARNINGS AT DECEMBER 31, 2021	150	2 588	533	1 989	5 260	360	5 620
Change of accounting methods under IAS 8	-	-	-	-	-	-	-
Impact of initial application of IFRS 17*, net of tax			1 842	(2 371)	(529)	(5)	(534)
Impact of initial application of IFRS 9, net of tax			(2 268)	2 250	(18)	-	(18)
RESTATED BALANCE AT DECEMBER 31, 2021	150	2 588	106	1 868	4 712	354	5 067
Items that are or may be reclassified to profit or loss			(1 333)		(1 333)	(35)	(1 368)
Items that will not be reclassified to profit or loss			(63)	52	(11)	0	(11)
Changes in assets and liabilities recognised directly in equity (1)			**(1 396)**	**52**	**(1 344)**	**(35)**	**(1 379)**
Net consolidated income (2)	-	-	-	300	300	3	303
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	**(1 396)**	**352**	**(1 044)**	**(32)**	**(1 076)**
Dividend distribution and interim dividend payments				(365)	(365)	(16)	(381)
Movements in own equity instruments	-	(500)		0	(500)	44	(456)
Movements in consolidation scope	-	-		(0)	(0)	(3)	(3)
Changes in the holdings companies without loss of control	-	-		0	0	(0)	0
Other changes	-	-		2	2	0	2
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 (3)			**600**	**16**	**616**	**13**	**629**
Net consolidated income (4)				600	600	19	619
Total net income and changes in assets and liabilities recognised directly in equity (3) + (4)	-	-	**600**	**616**	**1 216**	**32**	**1 248**
Dividend distribution and interim dividend payments				(363)	(363)	(4)	(367)
Movements in own equity instruments	-	-		-	-	-	-
Movements in consolidation scope	-	-		-	-	-	-
Changes in the holdings companies without loss of control	-	-		-	-	-	-
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

(*) *including the amendment of other standards which take effect at the same time (IAS 40, IAS 16)*

As of 1 January 2022, the impact on equity of the application of IFRS 17 and IFRS 9 and the different amendments to other standards is -EUR 553 million. This impact is -EUR 18 million regarding the transition from IAS 39 to IFRS 9 and -EUR 534 million regarding the transition from IFRS 4 to IFRS 17, including the impact of amendments to other standards applied at the same time (IAS 40, IAS 16).

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6. Cash flow statement

(from consolidation)	Year to 31 Dec 2023	Year to 31 Dec 2022
Pre-tax operating income	**1,421**	**755**
Gains and losses on disposed investments	(348)	822
Net depreciation/amortisation expenses	45	67
Change in impairment	(26)	(24)
Change in insurance contracts assets/liabilities	3,902	(12,413)
Change in reinsurance contracts assets/liabilities	(27)	66
Net addition to provisions	(146)	32
Change in value of financial instruments at fair value through profit and loss (no cash and cash equivalents)	(973)	13,714
Share in associates and joint-ventures investments	6	3
Other items without cash out in operating income	2,439	1,485
Correction of items included in operating income with no corresponding cash flows and reclassification of financing and investment flows	**4,872**	**3,753**
Dividends received from equity-method entities	13	18
Change in operating receivables and liabilities	525	(1,195)
Change in securities sold or received under repurchase agreements	53	(12)
Net cash generated by other assets and liabilities	210	165
Net taxes paid	(137)	(347)
Net cash not related to income from operating activities	**663**	**(1,371)**
NET CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES	**6,956**	**3,137**
Net cash related to movements in consolidation scope	**(670)**	**354**
Net cash on disposals and repayments of financial assets	**51,676**	**71,056**
Net cash related to acquisitions or issues of financial assets	**(58,844)**	**(73,784)**
Net cash related to acquisitions and disposals of tangible and intangible assets	**(221)**	**(126)**
NET CASH AND EQUIVALENTS GENERATED BY INVESTMENT ACTIVITIES	**(8,059)**	**(2,501)**
Issuance of capital instruments	30	(497)
Dividends paid	(371)	(381)
Net cash from transactions with shareholders and members	**(340)**	**(878)**
Cash generated by financing debts issuance	40	981
Cash allocated to financing debts repayments	1,846	(480)
Interest paid on financing debts	(620)	(199)
Net cash related to Group financing	**1,266**	**303**
NET CASH AND EQUIVALENTS GENERATED BY FINANCING ACTIVITIES	**926**	**(575)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS	**(27)**	**(10)**
BALANCE OF CASH AND EQUIVALENTS AT THE START OF THE PERIOD	**1,272**	**1,222**
Net cash generated by operating activities	6,956	3,137
Net cash generated by investment activities	(8,059)	(2,501)
Net cash generated by financing activities	926	(575)
Effect of changes in foreign exchange rates on cash and cash equivalents	(27)	(10)
BALANCE OF CASH AND EQUIVALENTS AT THE END OF THE PERIOD	**1,068**	**1,272**
Asset cash and cash equivalents	1,284	1,855
On demand debts	(216)	(583)
of which related debts	8	67
Liability cash and cash equivalents	(208)	(516)

As of 31 December 2023, EUR 14 million of cash and equivalent are reclassified in the balance sheet as non-current assets held for sale compared to EUR 61 million as of 31 December 2022.

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

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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 and IFRIC interpretations applicable as of 31 December 2023 as adopted by the European Union. These standards are available on the European Commission website[1].

The financial statements were approved by the Board of directors on 28 March 2024.

1.1.2 IFRS first time application

For the first time application of IFRS to prepare 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 sub-group insurance level.

1.1.3 IAS/IFRS standards applicable from 1 January 2023

IFRS 17 "Insurance Contracts"

Since 1 January 2023, BNP Paribas Cardif has applied IFRS 17 "Insurance Contracts" published in May 2017, amended in June 2020 and adopted by the European Union in November 2021, including the exemption provided for in Article 2 of regulation 2021/2036 of the European Commission regarding annual cohorts. This annual cohort exemption applies to profit-sharing contracts based on intergenerational pooling of returns on underlying assets backing the insurance liabilities.

The transition date for IFRS 17 is 1 January 2022 for the purposes of the opening balance sheet of the comparative period required by the standard.

Having deferred the application of IFRS 9 until the entry into force of IFRS 17, BNP Paribas Cardif group applies this standard from 1 January 2023.

In addition, the entry into force of IFRS 17 brings into effect various amendments to other standards, including IAS 1 for presentation, IAS 16 and IAS 40 for the valuation and presentation of real estate assets, IAS 28 for exemptions from the equity method.

Finally, the amendment to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative information" published by the IASB in December 2021 and adopted by the European Union on 9 September 2022

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[1] *https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en*

allows insurance companies applying IFRS 9 and IFRS 17 for the first time simultaneously to present 2022 comparative data as if IFRS 9 was already applied, using an "overlay" approach. The group applied this optional approach for all financial instruments, including those derecognised in 2022, for both classification and measurement purposes.

Transition from IFRS 4 to IFRS 17

The transition from IFRS 4 to IFRS 17 resulted in the offsetting in equity of the assets and liabilities of insurance contracts recognised in accordance with the previous standard net of deferred taxes effects: insurance liabilities and reinsurance assets held, deferred policyholders' participation arising from "shadow accounting" and intangible assets specific to insurance contracts when recognised. Receivables and liabilities related to insurance or reinsurance contracts were not cancelled but are now included in the new valuation of insurance asset and liabilities.

IFRS 17 applies retroactively to all contracts outstanding at the transition date, i.e. 1 January 2022 due to the mandatory comparative period. Three transition methods may be used: a full retrospective approach and, if this cannot be implemented, a modified retrospective approach or an approach based on the market or model value of the contracts at the transition date.

The BNP Paribas Cardif group applied the modified retrospective approach and, more marginally, for some portfolios, an approach based on the market or model value of contracts at the transition date. In fact, all the necessary information was not available or was not sufficiently granular, in particular due to systems migration and data retention requirements, to allow a full retrospective approach. In addition, the full retrospective approach would have required the reconstruction of what would have been the assumptions or intentions of management in previous periods.

The objective of the modified retrospective approach is to achieve a result that is as close as possible to the result that would have been obtained by the retrospective application of the standard, based on reasonable and justifiable information that can be obtained without incurring excessive costs or effort.

Thus, the modified retrospective approach has been applied to the majority of the existing contract portfolios, both in Protection and in Life/Savings, according to the principles below.

For Protection contracts valued according to the general model, the principle of the modified retrospective approach consists in reconstituting liabilities at the initial recognition date based on their valuation at the transition date, by retroactively reconstituting movements between the two dates with simplifications:

- cash flows at inception were estimated by adding the actual cash flows recorded between the two dates, to the amount at the transition date;
- the original discount rates were determined with yield curves simulating those at the date of first recognition;
- the changes in the adjustment for non-financial risk between the inception date and the transition date were estimated based on release patterns observed on similar contracts.

For liabilities representing the remaining coverage that are reconstituted in this way at the inception date, the contractual service margin at inception (if any), less any acquisition costs paid in the interim period, is amortised based on the services provided in the period prior to the transition, in order to determine the amount of the remaining contractual service margin at that date, less any remaining acquisition costs.

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When contracts are grouped into a single group on the transition date, the discount rate on that date or an average rate can be used.

The effect of the change in the discount rate on liabilities is recognised in profit or loss, unless the option to split financial changes between profit or loss and equity is retained. Choosing this option requires the amount carried in equity at the transition date to be recalculated from the inception rate for the liability representing the remaining coverage and from the rate at the date of claims occurrence for the liability representing incurred claims. Where such reconstitution is not possible, the amount shown in equity is zero.

For the purposes of this reconstitution, the simplifications mainly covered the following:

- the reconstitution of the annual cohorts or consolidation into a single group of contracts at the transition date according to available data;
- the reconstitution of fulfilment cash flows and unamortised acquisition costs;
- the release of the risk adjustment between the date of issuance of the contracts and the transition date;
- the discount rates (the rate at inception in the case of a reconstitution by annual cohorts or an average rate in the case of a consolidation into a single group of contracts at the transition date);
- the amount transferred to equity that may be reclassified to profit or loss at the transition date in respect of changes in the discount rate, that was reconstituted based on historical rates or reset to zero if such a reconstitution is not achievable.

For Protection contracts valued according to the simplified method, the reserves for remaining coverage were generally determined at transition from the previous reserves for unearned premiums, net of acquisition costs. The incurred claims reserves arising from these contracts consist of expected cash flows and risk adjustments for non-financial risks at the transition date. When cash flows were discounted and for portfolios for which the disaggregation option of financial changes between profit or loss and equity was chosen, the amount carried in equity that may be reclassified to profit or loss at the transition date in relation to changes in the discount rate was reconstituted based on the historical rates or set to zero if such a reconstitution was not achievable.

For Life/Savings contracts valued under the variable fee approach, the modified retrospective approach also consists in reconstituting the liability at the inception date, starting from the liability at the transition date. However, for these contracts, the standard provides that the contractual services margin at the transition date is determined using the following approach:

- the fair value of the underlying assets at the transition date was first reduced by the fulfilment cash flows (discounted cash flows and risk adjustment) at that date;
- to this amount were added the income received from the policyholders and changes in the risk adjustment, less the acquisition cashflows paid during the interim period;
- the contractual service margin net of the acquisition costs initially reconstituted was then amortised until the transition date to reflect the services provided to that date, as well as the remaining acquisition costs.

The main simplifications in implementing this approach were as follows:

- existing contracts were grouped according to the planned post-transition segmentation, without a breakdown in annual cohorts, in line with the election of the exemption provided for by the European regulation;
- for general funds common to participating and non-participating contracts and to equity, the underlying assets were defined on the basis of the breakdown used to calculate policyholders' profit-sharing;
- the contractual services margin at the transition date was reconstituted:
  - based on the fair value of the underlying assets less fulfilment cash flows at the transition date;
  - by adding the historical margins which were rolled over up to the transition date, using the same approach as that to be used after the transition, taking into account the "over-performance" on assets, and;
  - deducting any remaining acquisition costs;
- the amount recorded in equity that may be reclassified to profit or loss at the transition date as an adjustment for accounting mismatches was determined using the fair value of the underlying assets recognised in equity at the transition date.

Finally, under the fair value method, the contractual service margin at the transition date was determined as the difference at the transition date between the fair value determined without taking into account the amount payable on demand and the fulfilment cash flows. This approach was used on some non-material portfolios when the modified retrospective approach could not be implemented. For these portfolios, the fair value was estimated based on a Solvency 2 valuation and, in the case of a recent business combination dating from 2018, based on the amount allocated to the contracts during the acquisition price allocation process.

Transition from IAS 39 to IFRS 9

The financial assets and liabilities of insurance companies are managed by portfolios corresponding to the insurance liabilities they back or to the equity. The business models were therefore determined according to these portfolios at the date of transition to IFRS 9.

In accordance with the business model and cash flow criteria, debt instruments are largely classified according to the "hold to collect and sale" model, with the exception of those representing unit-linked contracts and debt instruments held by consolidated mutual funds and managed at net asset value, which are classified at fair value through profit or loss. Certain specific assets are optionally valued at fair value through profit or loss.

The majority of equity instruments are valued at fair value through profit or loss, except for certain assets in the portfolios backing equity and non-participating contracts, which are valued at fair value through equity on option.

Non-consolidated funds classified as available-for-sale financial assets under IAS 39 have been reclassified at fair value through profit or loss.

The treatment of derivatives remains unchanged, including for hedge accounting for which the rules of IAS 39 have been maintained by the BNP Paribas Group and by BNP Paribas Cardif.

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Amendments to other standards related to IFRS 17

BNP Paribas Cardif group also applied the changes in IAS 40 and IAS 16 resulting from IFRS 17, leading to the measurement of property held as underlying assets of direct profit-sharing contracts at fair value through profit or loss.

Business combinations (including goodwill) prior to the transition date were not modified except for the cancellation of specific intangible assets under IFRS 4.

BNP Paribas Cardif applies the exemption provided for in paragraph 18 of IAS 28 when a significant influence is held as an underlying element of direct profit-sharing insurance contracts or investment contracts with discretionary profit-sharing. This profit-sharing is measured at fair value through profit or loss in accordance with IFRS 9.

Amendments to IAS 12 related to the international tax reform

Further to the Pillar II 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 2022/2523 directive instituting a minimum corporate income tax for international groups, effective 1 January 2024.

To clarify the directive's potential impacts, the IASB issued on 23 May 2023 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 Group BNP Paribas, of which BNP Paribas Cardif is a member, applies the mandatory and temporary exception not to recognise deferred taxes associated with this additional taxation.

As a reminder, the additional tax will be determined at the level of the BNP Paribas Group, jurisdiction by jurisdiction. The Pillar II project is therefore carried out at the Group's top level and BNP Paribas Cardif contributes to this project.

Based on the available information, the impact of the Pillar II reform is expected to be non-material for the BNP Paribas Group once adopted.

Amendments to IAS 12 "Income Taxes": deferred taxes relating to assets and liabilities arising from the same transaction

These amendments clarify how entities must account for deferred taxes on transactions such as leases and decommissioning obligations. They enter into force for reporting periods after 1 January 2023, and apply to the relevant transactions occurring from the opening date of the first comparative year presented. These amendments had no significant effect.

IAS 19 Employee benefits

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

Amendments to IAS 8 "Changes in accounting estimates and errors"

These amendments aim to facilitate the distinction between a change in accounting methods and a change in accounting estimates. They shall apply prospectively from financial years beginning on 1 January 2023, with the possibility of early application.

Other standards, amendments, and interpretations

The entry into force of the other mandatory standards, amendments, and interpretations as from 1 January 2023 did not affect the financial statements for the 2023 financial year.

BNP Paribas Cardif group did not anticipate the application of the new standards, amendments and interpretations adopted by the European Union when the application in 2023 is optional.

1.1.4 IAS/IFRS standards published by IASB and adopted by the European Union applicable from 1 January 2024

Amendments to IAS 1 about the classification of liabilities as current and non-current liabilities

These amendments clarify, without changing the existing requirements, the principles for classifying a liability on the balance sheet as current or non-current.

They are applicable from financial years beginning on 1 January 2024 with the possibility of early application. BNP Paribas Cardif does not expect to be impacted by these amendments.

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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, with the exception of those entities whose consolidation is regarded as immaterial to 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 included in the consolidated financial statements until the date of disposal.

Sale of subsidiaries and affiliates

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.

Profits 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 it is exposed, or has rights, to variable returns from its involvement with the entity and can affect those returns through its power over the entity.

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 direct 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, such as when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: 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 shall consider the original purpose of the entity, the risks to which the entity is designed to be exposed and to what extent BNP Paribas Cardif group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine BNP Paribas Cardif group's practical ability 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. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be taken.

Where BNP Paribas Cardif group contractually holds the decision-making power, for instance where BNP Paribas Cardif group acts as fund manager, it shall determine whether it is acting as 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 account and that it thus has control over those entities.

Control shall be reassessed if facts and circumstances indicate that there are changes to one or more of the elements of 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 classified as equity instruments issued by subsidiaries, when such shares are held outside BNP Paribas Cardif group.

Minority interests are presented separately in the consolidated income statement and balance sheet within consolidated shareholders' equity.

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 consent on relevant activities (those that significantly affect the entity's return), BNP Paribas Cardif group exercises joint control over the activity.

Where the jointly controlled activity is structured through a separate vehicle in 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 structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, BNP Paribas

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Cardif group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRS.

For 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 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.

Companies over which the Group exercises significant influence

Companies under significant influence, known as associates, are accounted for by 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.

Investments below this threshold are excluded from consolidation unless they represent a strategic investment and 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 enterprise through representation on the Board of directors or equivalent governing body, exercises influence over the enterprise's operational management by supplying management systems or senior managers or provides technical assistance to support the enterprise's development.

Changes in the equity of companies accounted for under the equity method are recognised in balance sheet assets under "equity-method investments" 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 "equity-method investments".

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 earnings of equity-method entities" in the consolidated income statement and can be reversed later.

If the group's share of the losses of an equity-method entity equals or exceeds the carrying amount of its investment in this entity, the group discontinues including its share of further losses. The investment is reported at nil value. Additional losses of the equity-method entity are provided for only to the extent that BNP Paribas Cardif group has a legal or constructive obligation to do so, or has made payments on behalf of this entity.

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 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 vehicules for collective investments in securities and real estate companies or funds.

Regarding fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, as long as they are redeemable at market value at the subscriber's initiative.

Real estate investment companies (SCIs) and mutual funds consolidated under the equity method are reclassified as insurance activity investments.

Entities under significant influence or under joint control assessed at realisable 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 between consolidated enterprises, 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.

1.2.5 Translation of financial statements expressed in foreign currencies

Exchange rate adjustments

The consolidated financial statements of BNP Paribas Cardif group are prepared in euros.
The financial statements of enterprises 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 converted at the average exchange rate over the period. The same method is applied to the financial statements of group subsidiaries located in hyperinflationary economies, after adjusting for the effects of inflation by applying a general price index, if this is significant.

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Differences arising from the conversion of balance sheet items and profit or loss items are recorded in shareholders' equity under "Changes in assets and liabilities recognised directly in equity" for the portion attributable to shareholders, and in "Minority interests" for the portion attributable to third-party investors.

Should the liquidation or disposal of some or all of an interest held in a foreign entity located outside the Euro zone lead to a change in the nature of the investment (loss of control, loss of significant influence or loss of joint control without keeping a significant influence), the cumulative translation adjustment at the date of liquidation or sale is recognised in the income statement.

Should the percentage interest held change without any modification in the nature of the investment, the conversion adjustment is reallocated between the portion attributable to shareholders and that attributable to minority interests pro-rata to the percentage of the share capital held, if the company is fully consolidated.

For entities consolidated under the equity method, the conversion adjustment is recognised in the income statement for the portion related to the percentage 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 the foreign currency translation reserve shown in the financial statements of its parent company for its own financial statements.

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 conversion reserves which existed at BNP Paribas Group level. Because of this option, the gain or loss recorded on the subsequent disposal of foreign operations will include the conversion differences after the date of transition to IFRS but will exclude the prior conversion differences.

Application of IAS 29

IAS 29 sets out the presentation of the accounts of consolidated subsidiaries located in countries whose economies are in hyperinflation.

BNP Paribas Cardif has applied these provisions for its subsidiary in Turkey since 1 January 2022. However, the impact on the entities in Argentina was deemed immaterial at 31 December 2023, as they were sold at the end of the year. 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%.

All non-monetary assets and liabilities, including equity, of subsidiaries in hyperinflationary countries and each line of the income statement have been restated based on changes in the Consumer Price Index (CPI). This restatement between 1 January and the closing date results in the recognition of a gain or loss in its net monetary situation, recognised under "Net gain on non-current assets". Financial statements of these subsidiaries are 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 translation of financial statements of subsidiaries in hyperinflationary economies, the group has opted to present these effects (including the net position at the date of the initial application of IAS 29) within changes in assets and liabilities recognised directly through equity related to exchange differences.

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 to BNP Paribas Group provided that they are compatible with the preparation of consolidated financial statements at the level of its sub-group, business combinations that occurred before the date of BNP Paribas Cardif's transition to IFRS were kept at their value in BNP Paribas Group's financial statements.

Identification and initial valuation of assets and liabilities acquired

Acquisition method

Business combinations are accounted for using the acquisition method.

Under this method, the acquiree's identifiable assets acquired and liabilities assumed are measured at the fair value (or its equivalent) at the acquisition date.

As an exception, non-current assets classified as assets held for sale are recognised at fair value less costs to sell.
The acquiree'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 measured reliably.

Acquisition cost

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

Costs directly attributable to the acquisition

Costs directly attributable to the business combination are treated as a separate transaction and recognised through profit or loss.

Contingent consideration

Any additional price is included in the acquisition cost, as soon as control is obtained, at fair value on the date when control was acquired. Subsequent changes in the value of any contingent consideration recognised as a financial liability are recognised through profit or loss.

Business combinations achieved 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 achieved through more than one exchange transaction (acquisition in stages), the identifiable assets and liabilities of the acquiree are revalued at fair value at the effective date of control.

Subsequent valuation of acquired assets and liabilities

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

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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 interest in the fair value of the identifiable assets and liabilities acquired, such fair value being determined at the effective date of control.

At this date, goodwill is recognised in the acquirer's balance sheet if positive, or if negative, it is recognised immediately through profit or loss.

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

Minority interests correspond to the portion of the revalued net assets of the acquiree that does not belong to the Group.

BNP Paribas Cardif group did not choose the option to value minority interests at fair value, with a portion of the goodwill thus determined being allocated to minority interests (the so-called "full goodwill" method).

However, like BNP Paribas Group, BNP Paribas Cardif group can also choose, for each business combination, to measure minority interests at their fair value. A fraction of the goodwill thus determined is then allocated to them.

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

1.3.2 Impairment tests of goodwill of fully consolidated companies

BNP Paribas Cardif group regularly conducts impairment tests on goodwill allocated to each cash-generating unit.

Cash-generating units

The group has split all its activities into cash-generating units 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.

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

Testing cash-generating units for impairment

Tests to ensure that the goodwill allocated to all cash-generating units is not impacted by lasting impairments are carried out whenever there is an indication that a unit may be impaired, and at least once a year.

The carrying amount of the unit 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 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 costs to sell, and its value in use.

The fair value corresponds to the amount likely to be obtained from the sale of the cash-generating units under the market conditions prevailing at the valuation date. Market references are generally either based on the 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 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 require from an investment in the business sector and region involved.

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 valuation of fixed assets

Fixed assets are initially recognised at purchase price 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 fulfils the criteria for capitalisation is capitalised at direct development cost, which includes external expenses and the labour costs of employees directly attributable to the project.

Expenditures that are considered as upgrading the software or extending its useful life are included in the initial acquisition or development cost.

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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 that 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 given for simple lease are deemed to have a residual value, as the useful life of assets used in operations is generally the same as their economic life.

Fixed 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 amortized 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.

Fixed asset impairment tests

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

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.

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 corresponding expenses in the fixed 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 fixed 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 as investment properties measured 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 the insurance companies' financial statements are eliminated without effect on the policyholders' profit-sharing benefit.

By way of exception, property occupied by the owner entity that is an underlying item 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 Investments

The "Real estate Investment" caption includes all real estate assets, including units of real estate companies underlying unit-linked investment contracts, except for shares of real estate companies used as the underlying items of Unit-linked contracts, which appear under the heading "Investments in unit-linked contracts" and shares of real estate companies, both listed and unlisted, classified as "Financial assets at fair value through profit or loss".

Investment properties

Investment properties correspond to real estate 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 valuation of investment properties

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

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

Real estate investments in the hotel industry can include acquired leaseholds rights that are non-depreciable and accessory to lands and constructions. Those leaseholds rights, 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 valuation of investment properties

IAS 40 allows an entity to choose between:

- the market fair value model ("fair value") and the cost model for all investment property backing liabilities which return is directly linked to the fair value of specified assets such as investment property or to the return on such assets, and
- the two valuation models for all other investment property.

BNP Paribas Cardif has chosen to measure investment property at fair value through profit or loss when it is backing liabilities whose return is linked to the value of these properties and the cost to other properties. This is the case where these buildings are underlying assets of direct profit-sharing contracts.

Depreciation period of investment properties measured at cost

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 intended use (offices, retail, housing, car parks).

The depreciation periods used by the Group are as follows:

- shell (depreciation period between 50 and 80 years);
- facades (25 to 30 years);
- general and technical installations (20 to 25 years);
- fixtures and fittings (12 to 15 years).

Investment (and operating) properties held as underlying assets of direct profit-sharing contracts

Following the amendment to IAS 40 related to the entry into force of IFRS 17, when an investment property is held as an underlying asset of direct profit-sharing contracts, it is measured at fair value through profit or loss. Prior to the application of IFRS 17, the fair value model was only applied to properties investments backing unit-linked contracts.

The same valuation method is applied to operating properties used as underlying assets of direct profit-sharing contracts following an amendment to IAS 16.

At the balance sheet date, the fair value of investment property is its realisable value, which is determined on the basis of an expert appraisal delivered 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 comparative method of similar transactions,
- the yield method (which is a rate applied to a rental basis),
- the method of discounted cash flows.

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

Other investment (and operating) properties

After initial recognition, investment properties that are not held as underlying assets of direct profit-sharing contracts are recognised at cost less accumulated depreciation and any impairment losses.

Impairment of buildings measured at cost

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

Recognising an impairment reduces the carrying amount of the building to its realisable value, the impairment being 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 or losses on the sale of investment properties are recorded in the income statement under "Gains and losses on disposal of investment assets net of depreciation and amortisation reversals".

Shares of listed real estate companies

The 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 that class of assets.

Shares of unlisted real estate companies

Shares of unlisted real estate companies and their related receivables (in particular current accounts and advances from partners) 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 investment property (SCIs) and the shares or units in real estate mutual funds OPCI which back unit-linked insurance/investment contracts, are valued at their fair value (or its equivalent) at the reporting date, with changes in fair value recognised in the income statement.

If those companies are fully consolidated, the properties they own are valued at fair value through profit or loss as permitted by IAS 40 "Investment properties".

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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 features of the instruments at initial recognition.

Financial assets are recognised in the balance sheet when the BNP Paribas Cardif group becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets made within a period established by the regulations or by a convention in the relevant marketplace are recognised in the balance sheet at the trade date.

Business model criterion

The financial assets that are managed to collect cash flows by receiving the contractual payments over the life of the instrument correspond to the "collect" and "collect and sale" 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 ("collect"). Sales imposed by regulatory requirements or to manage the concentration of credit risk (without an increase in the asset's 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 specified 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 characteristic 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 lending" arrangement. It is also not 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 the remuneration of other risks (e.g. liquidity risk), costs (e.g. administration fees), and a profit margin consistent with that of a basic lending 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 for only the passage of time. The relationship between the interest rate and the passage of time must not be modified by specific characteristics that could call into question the respect of the cash flow criterion.

Thus, when the variable interest rate of the 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 reset frequency and the maturity of the index, or interest rates indexed to an average of benchmark rate. 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 prepayment 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 floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument 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 and disclosed in Chapter 7 of the Universal registration document of BNP Paribas, 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 and the cash flows consist solely of payments relating to principal and interest on the principal.

The only financial assets of the BNP Paribas Cardif group 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 shareholders' 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 in 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 ("collect and sale"). The latter is not incidental but is an integral part of the business model.
- cash flow criterion: the principles are identical to those applicable to financial assets at amortised cost.

The financial assets of the BNP Paribas Cardif group are managed according to the "collect and sale" 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 transaction 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

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directly in equity". Similarly, these financial assets are subject from the outset to a calculation of impairment for expected losses in respect of credit risk[2].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 on option, and on a case-by-case basis, at fair value through equity (under a specific line). The choice of fair value through equity was made for certain lines representing own equity and non-profit-sharing contracts. In this case, on disposal of the shares, changes in fair value previously recognised in equity are not recognised in profit or loss. Only dividends, if they represent remuneration for the investment and not repayment of capital, are recognised in profit or loss. These instruments are not subject to impairment.

Investments in mutual funds puttable to the issuer do not meet the definition of equity instruments. They do not meet the cash flow criterion either, 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 "collect" or "collect and sale" business model criterion or that do not meet the cash flow criterion, as well as equity instruments for which the fair value through equity option has not been retained. Finally financial assets may be designated 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 directly posted in profit or loss. At the reporting date, they are measured at fair value, with changes presented in "Net gain/loss on financial instruments at fair value through profit or loss". Income, dividends, and realised gains and losses on disposal related to held-for-trading transactions are accounted for in the same profit or loss account.

Impairment of 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:

- loans and 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 and contract assets covered by IFRS 15.

General model

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

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[2] *See section "Impairment of assets at amortised cost and debt instruments at fair value through equity".*

- 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 within the next 12 months);
- lifetime expected credit losses for non-impaired assets ("stage 2"): the loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition, but the financial asset is not considered credit-impaired or doubtful;
- lifetime expected credit losses for credit-impaired or doubtful financial assets ("stage 3"): the loss allowance is also measured for an amount equal to the lifetime expected credit losses.

This general model is applied to all instruments within the scope of IFRS 9 impairment, except for purchased or originated credit-impaired financial assets and instruments for which a simplified model is used (see below).

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, the loss allowance reverts to a 12-month expected credit loss.

As regards interest income, under "stages" 1 and 2, it is calculated on the gross carrying amount. Under "stage 3", interest income is calculated on the amortised cost (i.e. the gross carrying amount adjusted for the loss allowance).

Definition of default

BNP Paribas Cardif is subject to Solvency 2 regulation. The definition of default in the Solvency 2 documentation is based on the Basel default used by the 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 in "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 of the financial instrument at the reporting date with the risk of default of the financial instrument at the date of initial recognition.

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Assessment of deterioration is based on the comparison of the probabilities of default derived from the ratings on the date of initial recognition with those existing at the reporting date.

There is also, according to the standard, a rebuttable presumption that the credit risk of an instrument has significantly increased since initial recognition when the 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 the financial instruments. They are measured on an individual basis, for all exposures.

In practice, for exposures classified in stage 1 and stage 2, expected credit losses are measured as the multiplication of 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 result from the risk of default within the next 12 months (stage 1), or from the risk of default over the maturity of the facility (stage 2). For exposures classified in stage 3, 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 of the financial instrument are taken into account, including prepayment, extension and similar options. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term is used. The standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period.

Probabilities 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 posted 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).

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), except for 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 determined by the expected payment profile taking into account, depending on the product type: the contractual repayment schedule, expected early repayments and expected future drawings for revolving facilities. For BNP Paribas Cardif, only bonds are concerned.

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 debt 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 "collect and sale" model.

Securities lending and borrowing

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in 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 on the balance sheet under "Financial debt due to banking sector companies".

1.5.4 Derivatives

Derivatives are contracts included in the scope 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 "Net change in investments at fair value through profit or loss", with the exception of derivatives designated as cash flow hedging instruments and net investments abroad.

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Derivative instruments and hedge accounting

The group has retained 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 the fair value hedge of the interest rate risk on a portfolio of financial assets or liabilities. The provisions in IAS 39 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 in particular to hedge the interest rate risk of floating-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, investments in subsidiaries and branches in particular.

Formal documentation prepared at the inception of the hedge

At the inception of the hedge, the group prepares a formal documentation that details the hedging relationship, identifying the instrument, or portion of the instrument or of 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 consistency with the original documentation, the actual (retrospective) and expected (prospective) effectiveness of the hedging relationship.

Retrospective effectiveness tests for hedges

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).

Recognition of a derivative in fair value hedge

For a fair value hedging relationship, derivatives are revalued in the balance sheet at their fair value through the income statement under "Investment income excluding financing expense", 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 for a hedging relationship for identified assets or liabilities.

If a hedging relationship ceases or no longer fulfils the effectiveness criteria, the hedging derivatives are transferred to the trading book and accounted for using the treatment applied to this category. In the case of identified fixed-income 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 interest rate risk hedged fixed-income portfolios, 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 prepayments, the adjustment is taken to the income statement immediately.

Recognition of a derivative as a cash flow hedge

In a cash flow hedging relationship, the derivatives are revalued at fair value in the balance sheet, offset by a specific line in other comprehensive income "Changes in deferred value of derivatives used for hedging instruments".

Amounts in this item over the life of the hedge are transferred to the income statement under "Investment income excluding financing expense" as the cash flows of the hedged instrument impact profit or loss. The hedged items continue to be accounted for using the treatment 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 profit or loss.

If the hedged item ceases to exist, the cumulative amounts recognised in equity are immediately taken to profit or loss.

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 "Net change in investments 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 profit or loss.

Cumulative gains and losses in shareholders' equity are recorded in the income statement on the 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 compound instrument vary in a manner similar to a stand-alone derivative.

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1.5.5 Debt securities issued

Financial instruments issued by the BNP Paribas group are qualified as debt instruments if the group company issuing the instruments has a contractual obligation to deliver cash or another financial asset to the holder of the instrument. 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 shares

The term "own equity instruments" refers to shares issued by the parent company (BNP Paribas SA) 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 shareholders' 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 its own shares.

When the group acquires equity instruments issued by subsidiaries under the exclusive control and 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 in the consolidated retained earnings 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 offset initially against minority interests, with any surplus offset against retained earnings group share.

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 shareholders' 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 own equity instruments 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 choice by physical delivery of the shares or in cash. Changes in value of such instruments are taken to 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 shareholders' equity.

1.5.7 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market or most advantageous market, at the measurement date.

The group determines the fair value of financial instruments 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. discounted cash flows, Black-Scholes model and interpolation techniques). 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 captured by the valuation techniques or parameters used but are nevertheless taken into account 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, the Group applies 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 market data, 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 unobservable or cannot be corroborated by market-based observations, due for instance to illiquidity of the instrument and significant model risk. A non-observable parameter is data for which no market information is available. It is therefore derived from 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 level in the fair value hierarchy within which the asset or liability is categorised in its entirety is based upon the lowest level input that is significant to the entire fair value.

For financial instruments disclosed 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 released to the income statement over the period during which the valuation parameters are expected to remain non-observable. When parameters that were originally non-observable become observable, or when the valuation can be substantiated in comparison with recent similar transactions in an active market, the unrecognised portion of the day one profit is released to the income statement.

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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 contractual rights to the cash flows from the asset and substantially all the risks and rewards of ownership of the asset. Unless these conditions are fulfilled, the group retains the asset in its balance sheet and recognises a liability for the obligation created because of the transfer of the asset. The group derecognises all or part of a financial liability when the liability is extinguished in full or in part.

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 held as part of the 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 these conditions are not met, the group retains the asset in its balance sheet and recognises a liability for the obligations arising on 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.

1.5.9 Offsetting financial assets and liabilities

A financial asset and a financial liability are offset, and the net amount presented in the balance sheet if, and only if, the Group has a legally enforceable right to set off 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 that 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.

The investments of those 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 profit or loss, except for those arising from financial instruments designated as a cash flow hedge or a net foreign investment hedge (see paragraph "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 denominated in foreign currencies and measured at fair value (variable-income securities) are recognised in profit or loss if the asset is classified under "Financial investments at fair value through profit or loss", and in equity if the asset is classified under "Financial investments at fair value through other comprehensive income", 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 profit or loss.

1.8 SHAREHOLDERS' EQUITY - GROUP SHARE

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 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.

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

- debt securities classified according to the "collect and sale" 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 hedge 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 according to the general model, the effect of changes in the discount rate between initial recognition and the reporting date;
- in the case of participating direct contracts measured using the variable fee model, the adjustment of the accounting mismatch in the income statement between the revaluation of the underlying assets and that of insurance liabilities.

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.

Besides, 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.

1.9 MINORITY 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 DEBT

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 are within the scope of IFRS 9 "Financial Instruments". These are essentially pure unit-linked contracts with no floor guarantee. They are recorded as deposits.

Consequently, premiums received under these contracts are recognised directly in the balance sheet as deposits received, without going through 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.

The costs incurred in connection with investment contracts without direct profit-sharing (additional external costs directly related to the asset management service) are recognised as assets in the balance sheet. These costs are amortized 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 as the corresponding profit is recognised.

The operating expenses related to investment contracts without discretionary profit-sharing are recognised in profit or loss. The same rule applies to earned income, spread over the estimated duration of the contract.

In the case of unit-linked contracts, at the inventory date, the commitments relating to these contracts are valued 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 the BNP Paribas Cardif group fall into two categories:

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

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 indemnify the policyholder if a specified future uncertain event (the insured event) is detrimental to the policyholder.

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

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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), disability, health (medical coverage), unemployment, civil liability, and property damage.

These types of risks are controlled by the use of 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 programs.

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:

- 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;
- multiple investments 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 about the costs of these services.

  This election is performed contract by contract, but is irrevocable for each contract.
- Contracts which 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 either IFRS 17 or IFRS 9 unless they are excluded from IFRS 17 para 7. The choice is made for each portfolio of insurance contracts and is irrevocable.

Investment contracts with discretionary profit-sharing

Investment contracts do not expose the insurer to significant insurance risk. They are 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 result of the entity or fund issuing the contract.

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

- euro-denominated contracts backed by the General Fund with no minimum coverage;
- multiple investments contracts with a General Fund component without minimum coverage.

Financial guarantee contracts

Financial guarantee contracts are 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 that 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 measurement and recognition principles 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.

This general model has been modified to adapt to the specificities of contracts designated by the standard as "direct profit-sharing", using a "variable fee approach" (VFA).

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

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

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 participating 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;

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- an investment component corresponds to the amount that the insurer is required to repay to the insured 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 linked 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
- when facts and circumstances indicate that the group is onerous.

Aggregation level

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. The reinsurance contracts shall 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 treaty.

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 others). 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 the 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 or multiple investment, 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 for remaining coverage corresponds to the premium received, without distinguishing between the future cash flows and the contractual service margin (for more details on the premium allocation model, see the dedicated section).

Fulfilment cash flows

The assessment of the 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") and included in the group's contract boundary. The expected cash flows:

- objectively takes into account the expected value of all possible results concerning the amount, timing and uncertainty of these expected cash flows, based on reasonable and justifiable available information;
- reflects the perspective of the insurer, taking into account observable market prices;
- is current: it reflects conditions at the measurement date, in particular the future assumptions;
- is carried out independently of the time value adjustment for money and financial risk;
- does 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, contract acquisition and management costs, claims and benefits, indirect costs, taxes and depreciation of tangible and intangible assets.

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- 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;
- the policy administration and maintenance costs;
- transaction-based taxes directly related to contracts;
- potential cash inflows from recoveries on claims;
- fixed or variable overheads that are directly attributable to the fulfilment 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 elements of direct profit-sharing, or investment-related services, in the case of insurance contracts with elements of direct profit-sharing, 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 contrary, cash flows exclude the following items:

- the 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 expenses (amounts actually paid are treated using the expense 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 provided for in the contract.

This substantial obligation to provide services ends when:

- BNP Paribas Cardif has the practical ability 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 practical ability to reassess the risks generated by the portfolio to which the contract belongs and can set a price or level of services 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 practical ability to set a price that fully reflects the amount promised and the associated risks.

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

Capitalised acquisition costs

Capitalised acquisition costs include costs related to the design of a new contract (if they can be linked to contracts actually commercialised) and those directly related to the selling of insurance contracts: remuneration of intermediaries (agents, general agents, brokers), the costs of designing and underwriting the contract, and the costs of collecting the premium.

Cash flows arising from acquisition costs are allocated to groups of insurance contracts using a systematic and rational method:

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

The acquisition costs 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 is recognised as an asset provided that the contracts are acquired within a maximum period of 12 months. Otherwise, acquisition costs are recognised as expenses.

The assets corresponding to the acquisition costs 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 costs 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 costs asset may have impaired, a recoverability assessment is performed. The recoverability assessment aims at determining whether the expected future cash flows of the group of contracts are sufficient to recover the activated acquisition costs.

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

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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 costs allocated to contracts

In the case of the general model and the variable fee model, acquisition costs 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 costs 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 costs for the period is recognised as "insurance service expenses", offset by
- the release of the profits allocated to the amortisation of the acquisition costs of the period recognised in "insurance revenue".

In the case of the simplified premium allocation model, BNP Paribas Cardif has chosen the option of carrying forward acquisition costs over the coverage period and therefore deducting these costs form the unearned premiums. Acquisition costs 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 and management fees), BNP Paribas Cardif has elected to treat these contracts in one single currency corresponding to the functional 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, 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 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 interest rate curve based on the risk-free rate adjusted for factors specific to the characteristics of 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 with the asset.

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

- a risk-free rate 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 – interest rates are determined by reference to market financial instruments that meet liquidity criteria, consistency with liabilities and adjusted to limit the impact of credit risk;
  - the transition component towards a long-term interest rate – an expected long-term interest rate allows 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 retained a discount rate corresponding to the risk-free rate, without quantifying a liquidity premium.

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 from 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.

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 Cardif Assurance Vie Taiwan branch, BNP Paribas Cardif has adopted an approach based on the cost of capital required, including future premiums but without taking into account the risk of mass surrender.

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 the services are provided in the fulfilment of those contracts.

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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 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 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 estimation 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 well as 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 service result " in the income statement if the group of contracts is onerous).

Changes relating current or past services are recognised in the "Insurance service result" of 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 estimation 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 provided during the period in "Insurance service result". 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 becoming 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 resulting from 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 for the contract would have been substantially altered if those 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 cash flows.

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

- the fulfilments 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 a 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 services 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 general model (Building Block Approach – BBA)

For non-profit-sharing insurance contracts, at each reporting date, the opening balance of the contractual service margin of a group of contracts is adjusted by:

- the effect of new contracts added to the group during the period;
- interest accreted on the contractual service margin during the year, using the initial discount rate;
- changes in fulfilment cash flows related to future services, unless:
  - the increase in cash flows exceeding the carrying amount of the contractual service margin gives rise to a loss recorded in profit or loss 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 profit or loss;
- the effect of currency exchange differences on the contractual service margin;
- the amount recognised as income from insurance activities due to the provision of services under insurance contracts during the period.

The release of expected fulfilment cash flows for the period and the variation of past service estimates are recorded in "Insurance service result". Actual fulfilment cash flows are recorded as "insurance service expenses". The difference between the expected and actual amounts is the experience adjustment which is 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 passage of time is recognised as "insurance finance income or expense" based on the original rate (initial rate for the

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liability for remaining coverage 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 coverage units 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 represents 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 lead to comparable results.

Certain profit-sharing contracts issued by Cardif Vie Taiwan branch are measured under 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 for remaining coverage, measured at the discount rates determined on initial recognition, with the exception of those arising from the effects of time value of money, of the financial risk and its changes;
- experience adjustments on investment components and policy loans granted to a policyholder;
- changes in the risk 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 significant judgements or estimates.

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

Direct profit-sharing contracts measured under the VFA are insurance or investment contracts for which:

- the contractual terms specify that the policyholder participates in 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 shall be substantially attributable to the variation in the fair value of the underlying assets.

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

For these contracts, for which the insurer must pay the policyholder an amount equal to the fair value of clearly identified underlying assets minus a variable fee for service, 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 backed by a share of a general fund, or by assets ring-fenced analytically, contractually, or regulatorily,
- unit-linked contracts with a minimum guarantee and multi-investment 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 up in the statutory financial statements (and cancelled in the IFRS accounts). 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' participation.

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 the insurance finance income, and 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 changes in the financial risks that do not result from the underlying assets (for instance, 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 service events are recognised in profit or loss.

Due to the mechanism for allocating the change in the value of the underlying assets between policyholders and insurer, the result of 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 result under these contracts should be nil.

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 direct profit-sharing insurance contracts, 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 the fulfilment cash flows related to future services;
- where applicable, the effect of any currency exchange differences on the contractual service margin;

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- 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 method. 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 has chosen to apply the option introduced by the European regulation not to divide the portfolios of participating 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 to the variable fee model, non-unit linked products or multi-investments including an 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 profitability 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 fees), as well as the annuity phase in service when contracts provide for a mandatory annuity exit.

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 according to the cost of capital method, including future premiums but without taking into account the risk of a massive surrender.

The coverage unit used by BNP Paribas Cardif to release the contractual service margin corresponds to the change in savings belonging to policyholders (determined at current 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 real 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 BNP Paribas 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.

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 the 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 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 leads to similar results than those of the general model for the measurement of the liability for remaining coverage.

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

For profitable contracts, the liability for the remaining coverage is measured based on unearned premiums, following a logic like that previously used under IFRS 4. Onerous contracts and liabilities for incurred claims are measured under the general model.

If, during the hedging 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 has opted to carry forward acquisition cash flows over the duration of the coverage (these costs are therefore deducted from the deferred premiums).

For these contracts, the allocation of premiums for services provided during the period is based on an approach of 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 takes place one year after the date of occurrence. The passage of time is recognised as insurance finance income or expense as in the general model. In this case, the option of classifying the effect of changes in the discount rate and financial variables into equity, in particular the indexation of the benefits provided under the contract, is also applicable. BNP Paribas Cardif has retained this option for incurred claims.

At each reporting date, the adjustment of the remaining coverage and incurred claims is recognised in profit or loss.

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

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

In the case of contracts acquired by transfer of portfolio or business combination within the scope of IFRS 3, the provisions relating to the definition of groups of contracts acquired shall apply 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. Liabilities transferred in respect of incurred claims with the previous insurer are treated as liabilities for remaining coverage at the level of the buyer.

As part of a business combination, when insurance contracts acquired turn out to be onerous, the excess of fulfilment cash flows over the fair value of the contracts is recognised in goodwill or as gain in the profit or loss if it results from an acquisition on advantageous terms.

In the case of a portfolio transfer, where there is a loss on the transferred insurance contracts issued, the excess of the fulfilment cash flows over the consideration paid or received is recognised as a loss net income.

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In addition, an asset for acquisition cash flows 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.

The subsequent measurement of portfolios of insurance contracts and investment contracts with discretionary profit-sharing 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 indemnify another entity 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 substantially all of the insurance risk relating to the reinsured portion of the underlying insurance contracts to the reinsurer.

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

Reinsurance contracts held

Insurance premiums, claims and liabilities transferred through ceded reinsurance transactions are determined based on the reinsurance 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.

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 present value of the future cash flows of the group of reinsurance contracts shall be 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 on at each reporting date through the income statement.

The risk 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 profit or a net cost on the acquisition of the reinsurance. Unlike the insurance contracts issued, it can therefore be negative.

During the subsequent measurement, the contract service margin is treated as in the general model.

The reinsurance contracts held are measured by the group using the simplified approach or the general model. The variable fee method is not allowed for these contracts.

Reinsurance contracts issued

Reinsurance contracts issued are recognised as insurance contracts. The measurement and accounting provisions are similar except as follows: reinsurance contracts issued may not be insurance contracts with direct profit-sharing.

1.12.4 Effect of accounting estimates on interim financial statements

BNP Paribas Cardif group has chosen the option 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 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 the technical reserves for remaining coverage and for incurred claims that are in an active global position or that are in a passive global position;
- portfolio 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 accounting policy choice complies with one of the two options authorised by IFRS IC.

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Policy loans 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 changes in assets and liabilities recognised directly in equity

Insurance and reinsurance result

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

- the result of insurance activities, 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 held are presented at their net amount as permitted by IAS 1.

Changes in the risk adjustment for non-financial risk are not broken down between the result of insurance activities and insurance finance income or expenses. They are included as a whole in the profit or loss from insurance activities.

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

Insurance revenue - Contracts measured under the general model et variable fee model (VFA)

Insurance revenue is recognised as income as the services are rendered. They consist of the following:

- the release of expected fulfilment cash flows for the current period (excluding investment components);
- the change in the risk adjustment for non-financial risks related to current services;
- the release of the contractual service margin for current services measured on the basis of the coverage units;
- the amount allocated to amortisation of acquisition costs;
- the amortisation of the loss component;
- other amounts, e.g. experience adjustments arising from premium receipts 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 in the insurance revenue reflecting the passage of time. BNP Paribas Cardif has adopted a recovery method based on coverage units.

The amount to be recognised in profit or loss 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 for the current period and those to be provided subsequently; the number of coverage units corresponds to the quantity of benefits provided under the contracts (cf. section on the subsequent measurement of contracts without direct profit-sharing and with direct profit-sharing);
- the amount allocated to the coverage units provided in the period is recognised as insurance revenue.

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

In the case of contracts with direct profit-sharing, they correspond mainly to investment-related services, in particular the management of the underlying assets on behalf of policyholder of the contract.

Insurance revenue - Contracts measured under premium allocation approach

For contracts measured under the premium allocation approach, the insurance revenue 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 component

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

Insurance service expenses

Insurance service expenses are recognised in profit or loss as they are incurred. They exclude repayments of investment components and include the following items:

- incurred claims and other expenses incurred related to insurance activities;
- amortisation of insurance acquisition costs;
- losses on onerous contracts and reversal of such losses;
- adjustments to the liability for incurred claims that do not arise from the effects of the time value of money or financial risk;
- impairments on assets for insurance acquisition costs and reversals of such impairments.

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 their changes. However, changes in a loss component for direct investment contracts are included in insurance service expenses.

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BNP Paribas Cardif has chosen to disaggregate insurance finance income or expenses between profit or loss 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 liability for remaining coverage, at the initial discount rate;
- 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 shareholder's 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 as other items in the 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 profit of loss in respect of these underlying items.

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

Net income or expenses from reinsurance contracts held

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

Reinsurance premiums paid are recognised in profit or loss 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 a revenue in the income statement.

In subsequent measurement, 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.

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 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 in one of four categories:

- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated absences, 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 operated 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. This relates in particular to compensation deferred for more than 12 months and not linked to the BNP Paribas share price, which is accrued in the financial statements for the period in which it 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 12 months after the closing date are discounted.

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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 the group and do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

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

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

Valuation 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 existing.

The present value of the defined-benefit obligation is measured based on the 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, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. 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 in the income statement (and presented in the notes) 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 (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 in shareholders' 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 asset ceiling (excluding amounts included in net interest on the defined-benefit liability or asset).

1.15 SHARE-BASED PAYMENTS

Share-based payment transactions are payments based on shares issued by the group, whether the transaction is settled in the form of equity or cash 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 possibility to purchase specially issued BNP Paribas shares at a discount, on 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 income tax charge is determined based on the tax laws and tax rates in force in each country in which the group operates during the period in which the income is generated.

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 enterprises 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 reverse in the near future.

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

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

As regards the assessment of uncertainty over income tax treatments, the group adopts the following approach:

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- the group assesses whether it is probable that a taxation authority will accept an uncertain tax treatment;
- any uncertainty shall be reflected when determining the taxable profit (loss) by considering either the most likely amount (having the higher probability of occurrence), or the expected value (sum of the probability-weighted amounts).

1.16.3 Recognition of current taxes 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 directly recognised in shareholders' equity, which are also charged to shareholders' 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 continues to be carried in the income statement under "Corporate income tax".

1.17 LEASES

Group companies may 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 for investment properties are presented in "Investment income" and depreciation of the buildings valued at cost in "Investment expenses".

1.17.2 Lessees under operating leases

Lease contracts concluded by the group, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognised in the balance-sheet in the form of a right-of-use of the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the term of the lease. 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 estimation, by offsetting the provisions for liabilities.

1.18 INCOME FROM REGULAR ACTIVITIES IN CONTRACTS WITH CUSTOMERS

Income from services is in the scope of IFRS 15 "Revenue from Contracts with Customers". The group records the 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 assets or a group of assets and liabilities and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, under the caption "Assets held for sale". Any liabilities associated with these assets are also shown separately in the balance sheet, under the caption "Liabilities associated with assets held for sale". When the group is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, assets and the group of assets and liabilities are measured at the lower of carrying amount or 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, an impairment is recognised in the income statement. Impairments 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, on the line "Post-tax gain/loss on discontinued operations and assets held for sale". This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from revaluation at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

1.20 USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the income statement and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires that the managers rely on their judgement and use information available at the date of the 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 those estimates, mainly according to market conditions. This may have a material impact on the financial statements.

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

- national and international financial market activities;

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- 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;
- 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 the 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 quoted in an active market classified in "Financial assets at fair value through equity", or in "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 subject to a fair value disclosure requirement;
- 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 estimation of residual assets values under simple lease agreements. These values are used as a basis for the determination of depreciation as well as any impairment, notably in relation to the effect of environmental considerations on the evaluation of future prices of second-hand vehicles;
- the deferred tax assets;
- the measurement of insurance and investment contracts 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 results of such contracts on the basis of the services rendered over the coverage period. The main judgments or estimates are specified at the level of each evaluation 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. Provision estimation is established by taking into account all available information at the date of the 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 as this method is generally used by insurance groups.

1.21.1 Classification of cash flows related to investing activities

All investment-related flows, including flows of securities classified as "held to collect and sale", 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 heading includes:

- acquisitions and disposals of intangible assets and property, plant and equipment (excluding investment properties), including revenues (net of expenses) for those 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 ESTIMATES AND JUDGEMENTS APPLIED UNDER IFRS 17

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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 millions of euros	December 31, 2023		December 31, 2022 *Restated following IFRS 17 et 9*	
	Savings	Protection	Savings	Protection
1 Year	4,00%	3,36%	3,64%	2,67%
5 Years	2,96%	2,32%	3,60%	2,92%
10 Years	3,03%	2,39%	3,56%	3,07%
15 Years	3,10%	2,47%	3,50%	3,07%
20 Years	3,04%	2,41%	3,29%	2,85%
40 Years	3,04%		3,10%	

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 type of contracts, refer to note 1.12.2 *Discount rate*.

2.2 LEVEL OF THE CONFIDENCE RANGE 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 free payments and excluding massive surrenders. It is measured within a confidence interval of 60-70%. This was 65% at 31 December 2023 (64% at 31 December 2022).

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 HYPOTHESIS

The main "Real World" economic assumptions underlying the «Over return» method (described in the Accounting Principles in section 1.12.2 "the subsequent valuation of insurance contracts with direct profit-sharing valued according to the variable fee approach (VFA) model") used on 31 December 2023 are presented below.
These economic assumptions, in particular rates, correspond to the end-of-period rates.

31 December2023

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 realisation approach.
(**) Beyond 2026, yields are based on historical data.

31 December 2022

Index	2023	2024	2025
1-year Swap rate, EUR (*)	2,71%	1,85%	1,80%
10-year Swap rate, EUR (*)	3,10%	2,40%	2,40%
10-year OAT (*)	3,15%	2,55%	2,55%
Eurostoxx 50 (**)	4 035	4 160	4 285
France, Real Estate prices (y/y) (**)	-2,00%	-1,50%	0,00%

NOTE 3 IMPACT OF THE IMPLEMENTATION OF IFRS 9 AND IFRS 17

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The transition to IFRS 9, IFRS 17 and amendments to other standards related to the transition to IFRS 17 are set out in Note 1.1.3.
The main effects of these changes are detailed in the tables below.

3.1 IMPACT OF THE IMPLEMENTATION OF IFRS 9 AND IFRS 17 ON THE BALANCE SHEET AT 31/12/2022

[illegible]	[illegible] 2022 (US$ equivalent)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
- Goodwill	126								126
- Value of insurance company contract portfolios acquired	136							(136)	
- Other intangible assets	310								310
Intangible Assets	573							(136)	437
Investment properties	4,638					1,449			6,088
- Securities		0	0	0	0				0
- Repurchase agreements and loans		1,478	0	(0)	(0)	(834)			645
Financial assets at amortised cost		1,478	0	(0)	(0)	(834)	0		645
Held-to-maturity financial assets	967	(967)							
- Debt securities		89,613	93	(59)	34				89,647
- Equity securities		210	0	0	0				210
- Loans and advances		0	0	0	0				0
Financial assets at fair value through equity		89,823	93	(59)	34	0	0		89,856
Available-for-sale financial assets	105,440	(105,440)							
- Securities		138,258	206	0	206				138,463
- Repurchase agreements and loans		541	(15)	0	(15)				526
- Derivative instruments		2,055	81	0	81				2,146
Financial instruments at fair value through profit or loss	39,438	101,425	272	0	272	0	0		141,135
Loans and receivables	1,750	(1,750)							
Derivatives used for hedging purposes		62							62
Derivative instruments assets	2,130	(2,130)							
Investments in equity affiliates and co-companies constituting investments of insurance companies	292	(177)	(1)		(1)	0		1	114
Unit-linked investments	81,891	(81,891)							
Investments	236,547	433	365	(59)	305	1,449	(834)	0	237,908
Equity-method investments	769		(0)		(0)			(9)	760
Reinsurers' share in insurance and investment contracts liabilities	2,271							(2,271)	
Insurance and investment contracts in an asset position							149	(134)	15
Insurance acquisition cash flows on contracts not yet recognised								0	0
Reinsurance contracts held assets							33	522	555
Assets related to insurance and investment contracts							182	388	570
- Tangible assets	448					81			529
- Deferred acquisition costs and equivalent	946							(946)	
- Deferred policyholders' surplus reserve	2,686							(2,686)	
- Deferred tax assets	648	(1)	(109)	15	(93)	(392)		630	792
- Tax receivables	66								66
- Receivables from direct insurance and reinsurance operations	1,537	(1,537)							
- Other receivables	3,119	2,097					(711)		4,505
Other assets	9,651	559	(109)	15	(93)	(311)	(711)	(3,203)	5,892
Cash and cash equivalents	1,856	(1)							1,855
TOTAL ASSETS	251,686	991	256	(44)	212	1,139	(1,362)	(5,231)	247,414
- Capital, retained earnings and net income for the period attributable to shareholders	4,517	463	134	(41)	93	1,130		(2,110)	4,094
- Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	11	13	0		0				24
- Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	(1,311)	(476)	50		50			424	(1,314)
Shareholders' equity - Group share	3,217	0	184	(41)	143	1,130	0	(1,686)	2,804
- Retained earnings and net income for the period attributable to minority interests	389	(6)	42	(3)	39	9		(18)	412
- Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	0	0	0		0				0
- Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	(50)	6	3		3			(23)	(64)
Minority interests	339	0	44	(3)	42	9	0	(41)	348
Total shareholders' equity	3,556	0	228	(44)	185	1,139	0	(1,727)	3,152
- Subordinated debt	5,051								5,051
- Financial debts due to banking sector companies	3,207								3,207
Financing debts	8,258								8,258
- Technical liabilities arising from insurance contracts	98,518							(98,518)	
- Technical liabilities arising from unit-linked insurance contracts	74,631							(74,631)	
Technical liabilities arising from technical contracts	173,149							(173,149)	
- Technical liabilities arising from investment contracts with discretionary participation features	39,729							(39,729)	
- Technical liabilities arising from unit-linked investment contracts	8,255							(8,255)	
Technical liabilities arising from investment contracts	47,984							(47,984)	
Deferred policyholders' surplus reserve	0							0	
Technical reserves on insurance and investment contracts	221,134							(221,134)	
Investment contracts without discretionary participation features								8,253	8,253
Insurance and investment contracts in a liability position							(315)	209,585	209,269
Reinsurance contracts held liabilities							88	(53)	34
Liabilities related to insurance and investment contracts							(227)	209,512	209,284
Provision for contingencies and charges	510								510
- Deferred tax liabilities	1	(1)			0				(1)
- Debts owed to unit holders of consolidated UCITS	0	0							0
- Liabilities from direct insurance and reinsurance operations	3,285	(3,285)							
- Current tax liabilities	(64)								(64)
- Liabilities due to banking sector companies	9,977	(0)							9,977
- Derivative instruments	1,972	(456)							1,516
- Derivative instruments used for hedging purposes		407							407
- Other debts	3,039	4,326	28		28		(1,135)	(136)	6,122
Other liabilities	18,209	990	28	0	28	0	(1,135)	(136)	17,956
TOTAL LIABILITIES	248,110	990	28	0	28	0	(1,362)	(3,505)	244,261
TOTAL LIABILITIES AND EQUITY	251,686	990	256	(44)	212	1,139	(1,362)	(5,231)	247,414

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The balance sheet transition table above is presented before reclassification of assets and liabilities to be sold in separate aggregates under IFRS 5.

The transition from IFRS 4 to IFRS 17 led to the cancellation of insurance contract assets and liabilities recognised under the previous standard, net of deferred tax, by offsetting them against shareholders' equity: insurance liabilities, reinsurance assets held, and deferred policyholders' participation arising from "shadow accounting". Receivables and payables related to insurance or reinsurance contracts were not cancelled but are included in the new measurement of insurance liabilities and assets ((see column entitled "Reclassifications" in the table above)

The main impacts linked to the first-time application of IFRS 4 and IFRS 17 at 31 December 2022 are:

(a) the cancellation of insurance assets and liabilities recognised under IFRS 4:

- On the assets side, -EUR 6,240 million within "Investments and other assets related to insurance activities": -EUR 136 million in respect of the value of the portfolios of contracts of the insurance companies acquired, -EUR 2,271 million linked to reinsurance assets held, -EUR 946 million for deferred acquisition costs and -EUR 2,886 million in respect of deferred profit-sharing arising from shadow accounting;

- on the liabilities side, -EUR 221,134 million of insurance contract liabilities previously recorded as "Technical reserves and other insurance liabilities".

(b) The recognition of assets and liabilities relating to insurance contracts under IFRS 17 for +EUR 570 million euros and +EUR 209,284 million euros respectively, including:

- the best estimate of future fulfilment cash flows together with the risk adjustment and the contractual service margin measured in accordance to IFRS 17;
- other assets and liabilities linked to insurance contracts (mainly policyholders' receivables and payables).

The methods used at transition date for the measurement of the insurance contracts are described in note 1.1.3 *Applicable accounting standards – Transition from IFRS 4 to IFRS 17*

(c) The BNP Paribas Cardif Group has also applied amendments to IAS 40 and IAS 16, leading to measure at fair value through profit or loss the buildings held as underlying items of direct profit-sharing contracts and recognise +EUR 1,449 million for investment real estate and +EUR 81 million euros for operating properties included in tangible assets.

(d) The application of IFRS 17 and IFRS 9 results in a -EUR 413 million impact to equity attributable to shareholders, net of tax effect at 31 December 2022: +EUR 143 million euros for changes in value and adjustment of impairment of financial instruments, +EUR 1,130 million euros for the revaluation of investment real estate and operating properties and – EUR 1,686 million euros for assets and liabilities related to insurance and reinsurance contracts.

IFRS 9 AND IFRS 17 FIRST TIME APPLICATION IMPACTS ON "INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES"

Investment properties	4,638									1,449	6,086
- Securities		0	0	-1,068	0	1 068	0	0	0	0	0
- Repurchase agreements and loans		0	0	0	-165	1 643	1 478	0	0	834	645
Financial assets at amortised cost		0	0	-1,068	-165	2,711	1,478	0	0	834	645
Held-to-maturity financial assets	967					-967	-967				
- Debt securities		-7,012	0	967	0	95,657	89,613	93	-59	0	89,647
- Equity securities		0	-7,649	0	0	7 859	210	0	0	0	210
- Loans and advances		0	0	0	0	0	0	0	0	0	0
Financial assets at fair value through equity		-7,012	-7,649	967	0	103,516	89,823	93	-59	0	89,856
Available-for-sale financial assets	105,440					-105,440	-105,440				
- Securities		7,012	7,649	101	0	123,495	138,257	207	0	0	138,463
- Repurchase agreements and loans		0	0	0	165	376	541	-15	0	0	526
- Derivative instruments		0	0	0	0	2,065	2,065	81	0	0	2,146
Financial instruments at fair value through profit or loss	39,438	7,012	7,649	101	165	86,498	101,424	273	0	0	141,135
Loans and receivables	1,750					-1,750	-1,750				
Derivatives used for hedging purposes						62	62				62
Derivative instruments assets	2,130					-2,130	-2,130				
Investments in equity affiliates and co-companies constituting investments of insurance companies	292					-177	-177	-1	0	1	114
Unit-linked investments	81,891					-81,891	-81,891				
Investments	236,547					432	432	365	-59	648	237,900

The balance sheet transition table above is presented before reclassification of assets and liabilities to be sold in separate aggregates under IFRS 5.

Financial assets and liabilities of insurance entities are managed by portfolios corresponding to the insurance liabilities they back up or to the own funds. The business models were therefore determined according to these portfolios at the transition date to IFRS 9

Under the business model and cash flow criteria, debt instruments that meet the cash flow criterion are largely classified according to the "collect and sale" model (and thus in market value by equity, with depreciation based on expected losses), except for those representing unit-linked contracts, debt instruments held by consolidated UCITS and managed at disposal value, which are measured at fair value through profit or loss. Certain specific assets are designated at fair value option through profit or loss and others at amortized cost.

Most equity instruments are measured at fair value through profit or loss, except for certain assets backing own-funds and non-participating contracts portfolios, which are measured at fair value through equity. Non-consolidated funds classified as available-for-sale financial assets under IAS 39 have been reclassified at fair value through profit or loss.

The treatment of derivatives remains unchanged, including for hedge accounting, for which the principles of IAS 39 continue to be applied by the Group (see note 1.5.4)

3.2 SPECIFIC INFORMATION RELATED TO THE EVALUATION OF INSURANCE AND REINSURANCE CONTRACTS AT THE TRANSITION DATE

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3.2.1 Investment return in OCI related to insurance and reinsurance contracts measured under the modified retrospective or fair value transition approach

(in millions of euros)	December 31, 2023	December 31, 2022
Opening balance of the cumulative amounts included in other comprehensive income	5,104	6,420
Change of the period	(1,343)	(1,785)
Related income tax	345	469
Closing balance of the cumulative amounts included in other comprehensive income	4,106	5,104

NOTE 4 SCOPE OF CONSOLIDATION

4.1 SCOPE OF CONSOLIDATION

Entity	Country	December 31, 2023				December 31, 2022			
		Consolidation method	control (%)	Interest (%)	Ref	Consolidation method	control (%)	Interest (%)	Ref
HOLDINGS									
BNP Paribas Cardif	France	Consolidating company	100,0	100,0		Consolidating company	100,0	100,0	
Cardif Nordic AB	Sweden	Full	100,0	100,0		Full	100,0	100,0	
Cardif Insurance Holdings PLC (ex CPIH)	UK	Full	100,0	100,0		Full	100,0	100,0	
Icare Holding SA	France	Full	100,0	100,0		Full	100,0	100,0	
HCVP Participacoes Societarias SA	Brazil	Full	100,0	100,0		Full	100,0	100,0	
Finnadie Pet Holdings Ltd	UK	EM	24,7	24,7	(V)	EM	30,0	30,0	(E)
INSURANCE									
BNP Paribas Cardif Emeklilik AS	Turkey	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Compania de Seguros y Reaseguros SA	Peru	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	Taiwan	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 Assurances Risques Divers (succ. Allemagne)	Germany	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Autriche)	Austria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Belgique)	Belgium	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Bulgarie)	Bulgaria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Espagne)	Spain	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Italie)	Italy	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Pay-Bas)	Netherlands	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Pologne)	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. Roumanie)	Romania	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Suisse)	Switzerland	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurances Risques Divers (succ. Taiwan)	Taiwan	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 Assurance Vie (succ. Allemagne)	Germany	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Autriche)	Austria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Belgique)	Belgium	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Bulgarie)	Bulgaria	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Espagne)	Spain	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Italie)	Italy	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Pays-Bas)	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. Roumanie)	Romania	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Suisse)	Switzerland	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie (succ. Taiwan)	Taiwan	Full	100,0	100,0		Full	100,0	100,0	
Cardif Assurance Vie	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif Biztosito Magyarorszag Zartkoruen	Hungary	EM*	100,0	100,0		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*	100,0	100,0		EM*	100,0	100,0	
Cardif Forsakring AB	Sweden	Full	100,0	100,0		Full	100,0	100,0	
Cardif Forsakring AB (succ. Danemark)	Denmark	Full	100,0	100,0		Full	100,0	100,0	
Cardif Forsakring AB (succ. Norvège)	Norway	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	
Cardif IARD	France	Full	66,0	66,0		Full	66,0	66,0	
Cardif Insurance Co LLC	Russia	NI	-	-	(S)	Full	100,0	100,0	
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. Danemark)	Denmark	Full	100,0	100,0		Full	100,0	100,0	
Cardif Livforsakring AB (succ. Norvège)	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	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Mexico Seguros Generales SA de CV	Mexico	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Non Life Insurance Japan	Japan	Full	100,0	75,0		Full	100,0	75,0	
Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Renacle**	France	Full	100,0	100,0		Full	100,0	100,0	(E)
Cardif Seguros SA	Argentina	NI	-	-	(S)	EM*	100,0	100,0	
Icare Assurance	France	Full	100,0	100,0		Full	100,0	100,0	
Lutraseg Seguros SA	Brazil	Full	100,0	100,0	(V)	EM	50,0	50,0	
Nano Assurance	France	Full	100,0	100,0		Full	100,0	100,0	
Postovna Cardif Slovakia AS	Slovakia	EM*	100,0	100,0		EM*	100,0	100,0	

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Name	Country	December 31, 2023				December 31, 2022			
		Consolidation method	control (%)	Interest (%)	Ref	Consolidation method	control (%)	Interest (%)	Ref
OTHER ACTIVITIES									
BNP Paribas Cardif BV	Netherlands	Full	100,0	100,0		Full	100,0	100,0	
BNP Paribas Cardif Services SRO	Czech Republic	EM*	100,0	100,0		EM*	100,0	100,0	
BNP Paribas Cardif Servicios y Asistencia Ltda	Chili	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Ltda	Brazil	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Service AEIE	Portugal	Full	100,0	100,0		Full	100,0	100,0	
Cardif Servicios SAC	Peru	EM*	100,0	100,0		EM*	100,0	100,0	
Cardif Support Unipessoal Ltda	Portugal	Full	100,0	100,0	(E)				
GIE BNP Paribas Cardif	France	Full	99,4	99,4		Full	99,4	99,4	
Paris Management Consultant Co Ltd	Taiwan	EM*	100,0	100,0		EM*	100,0	100,0	
Karapass Courtage	France	EM*	100,0	100,0		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 Française 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	(E)
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	(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	(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	(E)				
CFH Hotel Project Sarl	Luxembourg	Full	100,0	93,5	(E)				
CFH HVP SAS	France	Full	100,0	98,5		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	MV	100,0	100,0	(V)	Full	100,0	100,0	
EP L SAS	France	MV	34,3	34,3		MV	34,3	34,3	
FDI Poncelet SAS	France	Full	100,0	100,0		Full	100,0	100,0	
Fleur SAS	France	MV	33,3	33,3		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	MV	44,6	44,6	(V)	MV	34,6	34,6	
ID Cologne A2 GmbH	Germany	MV	44,6	44,6	(V)	MV	34,6	34,6	
Korian et Partenaires Immobilier 1 SCI	France	MV	24,5	24,5		MV	24,5	24,5	
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	
Powerhouse OPPCI	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	MV	34,3	34,3		MV	34,3	34,3	
SAS Preum 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 I	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	MV	50,0	50,0		MV	50,0	50,0	
SCI Batipart Chadesreni	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	Full	100,0	100,0		Full	100,0	100,0	
SCI Bouteragny	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 Cityight 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	
SCI Hémisphère	France	MV	20,0	20,0		MV	20,0	20,0	
SCI Ineta Vélizy	France	MV	21,8	21,8		MV	21,8	21,8	
SCI Le Mans Gare	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Parilin Les Moulins	France	Full	100,0	100,0		Full	100,0	100,0	
SCI Nanterre Guilleraies	France	Full	100,0	100,0		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	(V)	Full	100,0	100,0	

Name	Country	December 31, 2023				December 31, 2022			
		Consolidation method	control (%)	Interest (%)	Ref.	Consolidation method	control (%)	Interest (%)	Ref.
INSURANCE INVESTMENTS									
SCI Paris Beignolles	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 Reuilly 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 Cautron	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'Oil)	France	MV	46,4	46,4	(V)	EM	46,4	46,4	
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	Full	100,0	100,0		Full	100,0	100,0	
SECAR (Centre d'Affaires Régional de Rungis)	France	MV	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 Puncelet	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	
Structured entities									
Becquerel	France	Full	100,0	100,0		Full	100,0	100,0	
BNPP Diversitex	France	Full	100,0	100,0		Full	100,0	100,0	(E)
BNPP CP Cardif Private Debt	France	Full	100,0	100,0		Full	100,0	100,0	
BNPP France Crédit	France	Full	100,0	100,0		Full	100,0	100,0	
BNPP Moderate Focus Italia	France	NI	-	-	(S)	Full	100,0	100,0	
BNPP Monétaire Assurance	France	NI	-	-	(S)	Full	100,0	100,0	
Carrgesion Obligataire	France	NI	-	-	(S)	Full	100,0	100,0	
Cardif Alternatives Part I	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif BNPP AM Emerging Bond	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif BNPP IP Global Senior Corporate Loans	France	NI	-	-	(S)	Full	100,0	100,0	
Cardif BNPP IP Signatures	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif BNPP IP Small Cap Euro	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif CPR Global Return (Ex- Cardif CPR Base Credit)	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif Edrim Signatures	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif Vita Convex Fund Eur	France	NI	-	-	(S)	Full	100,0	100,0	
Edrim	France	NI	-	-	(S)	Full	100,0	100,0	
FP Cardif Convex Fund USD	France	Full	100,0	100,0		Full	100,0	100,0	
G C Thematic Opportunities II	France	NI	-	-	(S)	Full	100,0	100,0	
'Sc'Cardif BNPP AM Sustainable Europe Equity-10327 (ex NFA5)	France	Full	100,0	93,8	(V)	Full	100,0	93,8	(V)
Nabo Fonds Colline International	France	Full	100,0	100,0		Full	100,0	100,0	
Nabo Fonds Collines Investissement 1	France	Full	100,0	100,0	(V)	Full	100,0	100,0	
Nabo Fonds Collines Investissement 3	France	Full	100,0	100,0	(V)	Full	100,0	100,0	
Nabo-Fonds Ampère 1	France	Full	100,0	100,0		Full	100,0	100,0	
New Alpha Cardif Incubator Fund	France	Full	100,0	100,0		Full	100,0	100,0	
Pemal Cardif Co Investment Fund	France	Full	100,0	100,0		Full	100,0	100,0	
Sanso Carbon Initiative Trends	France	Full	100,0	100,0		Full	100,0	100,0	
Tikehau Cardif Loan Europe	France	Full	100,0	100,0		Full	100,0	100,0	
Vectres FCP	France	Full	100,0	100,0	(V)	Full	100,0	100,0	

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. The holding rate of structured entities is not indicated.
(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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4.2 SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

4.2.1 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 for capitalisation and legal reserves, and their financial and operating performance.

During 2023 and 2022, no BNP Paribas Cardif Group entity was subject to significant restrictions other than those related to regulatory requirements.

4.2.2 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 the notes *Transfers of financial assets* (note 6.9) and *Financing and guarantee commitments* (note 6.24).

4.3 MAIN MINORITY INTERESTS

The assessment of the materiality of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet and BNP Paribas Cardif Group income statement.

In connection with 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.

(Millions of euros)	December 31, 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 (Companies Life and No Life)	25.0%	25.0%	738	10	(4)
Cardif IARD	34.0%	34.0%	483	(0)	-
Other minority interests					

(1) Amounts before elimination of intragroup balances and transactions

(Millions of euros)	December 31, 2022				
	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%	30,964	(2)	(10)
Société Immobilière du Royal Building SA	*33.3%*	*33.3%*	*76*	*3*	*(0)*
Cardif Insurance Japan (Companies Life and No Life)	25.0%	25.0%	857	10	(6)
Cardif IARD	34.0%	34.0%	492	(7)	-
Other minority interests					

(1) Amounts before elimination of intragroup balances and transactions

NOTE 5 BUSINESS COMBINATIONS

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Transactions completed in 2023

Cardif Insurance Company

A process to dispose of the Russian subsidiary was launched from the first quarter of 2022 after the invasion of Ukraine by Russia. The sale agreement led to a loss of control of the Cardif subsidiary before the effective date of the disposal reflected in the deconsolidation as of 30 June 2023. After getting the necessary approval of the local regulating authorities, the disposal finally took place in March 2024.

Luizaseg

Through its subsidiary NCV Participacoes Societarias S.A (holding), BNP Paribas Cardif bought back during the month of October the 50% owned by its partner Magazine Luiza into the Company Luizaseg. This led to the acquisition of control of this entity and its full consolidation. A realised gain due to the revaluation of the 50% previously owned by Cardif was recognised for EUR 12.8 million and provisional goodwill was valued at EUR 18 million.

Cardif Seguros SA

The subsidiary Cardif Seguros Vida in Argentina was disposed of to Grupo ST SA on 11 December 2023 following the approval from the Argentinian regulator on 6 December 2023.

Transactions completed in 2022

Pinnacle Pet Holdings Ltd

Following approval from the UK regulator on 17 June 2022, a partnership between JAB group and BNP Paribas Cardif was agreed on 30 June 2022. A new company, Pinnacle Pet Holdings Ltd was created at the same time as the disposal by BNPP Cardif to JAB of Pinnacle Insurance Plc, Cardif Pinnacle Insurance Management Service Plc and Everypaw Ltd.

This company is owned 70% by JAB and 30% by BNP Paribas Cardif through Cardif Pinnacle Holding, with the objective of developing the fast growing Pan-European pet insurance market ("Pet").

As a result of this transaction, provisional goodwill was recognised.

BNP Paribas Cardif General Insurance Co Ltd

On 30 June 2022, BNPP Cardif General Insurance Co.Ltd was sold to Shinhan Financial Group Co.Ltd, one month after receiving authorisation for the disposal from the Korean local authorities. This transaction generated a loss on disposal of EUR 18 million.

NOTE 6 NOTES TO THE CONSOLIDATED BALANCE SHEET

6.1 GOODWILL

(in millions of euros)	December 31, 2023	December 31, 2022
CARRYING AMOUNT AT START OF PERIOD	126	141
Acquisitions	18	-
Disposals	-	(15)
Impairment losses recognised during the period	-	-
Effect of movements in exchange rates	(0)	-
Other movements	-	-
CARRYING AMOUNT AT END OF PERIOD	144	126
Gross carrying amount	195	177
Accumulated impairment recognised at the end of period	(51)	(51)

On 31st October 2023, NCVP Participações Societarias SA acquired 50% of the capital of Luizaseg Seguros SA, generating a provisional goodwill of EUR 18 million.

Goodwill split by cash-generating unit is as follows:

(in millions of euros)	Carrying amount		Impairment recognised during the period		Acquisitions during the period	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
France	37	37	-	-	-	-
Italy	88	88	-	-	-	-
Asia	1	1	-	-	-	-
Latin America	18	-	-	-	18	-
TOTAL GOODWILL	144	126	-	-	18	-

Goodwill valuation tests can be based on three distinct valuation methods, one based on the observation of transactions carried out on entities with comparable activities, the second consisting of researching the market parameters derived from the quotations of entities with comparable activities, finally the third resulting from expected future profitability ("discounted cash flow method" or 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 about projected revenues, expenses and capital requirements based on medium-term plans.

Cash flows are projected from 5 to 10 years, 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 levels as defined by the insurance regulation, in line with the capital management policies of the legal entities that constitute the cash-generating unit.

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6.2 OTHER INTANGIBLE ASSETS

The table below presents the intangible assets other than goodwill.

Intangible assets (Millions)	December 31, 2023			December 31, 2022		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Purchased software	182	(156)	26	171	(147)	24
Internally-developed software	525	(411)	115	470	(367)	103
Other intangible assets	367	(35)	331	224	(41)	183
OTHER INTANGIBLE ASSETS	1,074	(603)	472	865	(554)	310

Other intangible assets include leasehold rights, concessions, rights and patents, intangible business assets and intangible assets in progress acquired by BNP Paribas Cardif Group.

The amount of depreciation and amortisation net of reversals recorded for the 2023 financial year is EUR 59 million, compared with a net expense of -EUR 56 million for the 2022 financial year.

The amount of net reversals of impairment losses on intangible assets taken into profit or loss is +EUR 0.8 million for the year 2023, compared to a net impairment of EUR 2 million for the year 2022.

6.3 INVESTMENT PROPERTY

The "Investment Property" item corresponds to land, buildings and intangible business assets acquired with the properties and which are not allocated to unit-linked contracts presented under "Investments in Unit-linked Contracts". This item is representative of assets invested in the life insurance business.

Investment property (Millions)	December 31, 2023			December 31, 2022		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Investment property at fair value			5,588			5,939
Investment property at amortised cost	201	(52)	149	201	(52)	149
INVESTMENT PROPERTY	201	(52)	5,737	201	(52)	6,088

The revaluation of Real Estate recognised at fair value is equal to -EUR 322 million for 2023, compared to -EUR 154 million in 2022. The amount of depreciation net of reversals for the 2023 financial year amounted to +EUR 0.6 million compared to -EUR 3.8 million for the 2022 financial year.

6.4 FINANCIAL ASSETS AT AMORTISED COST

6.4.1 Detail of loans and repurchase agreements

Net amounts	December 31, 2023			December 31, 2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Repurchase agreements and loans	667	(1)	666	646	(1)	645
TOTAL FINANCIAL ASSETS AT AMORTISED COST	667	(1)	666	646	(1)	645
including Financial investments of insurance activities	643	(1)	642	619	(1)	618
including Financial investments of other activities	24	-	24	26	-	26

As of 31 December 2023, EUR 551 million of the financial assets at amortised cost are composed of term deposits with credit institutions and securities deposits to be compared to EUR 528 million on 31 December 2022.

6.4.2 Detail of loans and repurchase agreements by stage

The loans and repurchase agreements amount to EUR 666 million at the end of December 2023, including an impairment of EUR 1 million.
This is to be compared in 2022 with an amount of EUR 645 million, including an impairment of EUR 1 million.

Net amounts	December 31, 2023			December 31, 2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
REPURCHASE AGREEMENTS AND LOANS	667	(1)	666	646	(1)	645
of which stage 1	667	(1)	665	646	(1)	644
of which stage 2	-	-	-	-	-	-
of which stage 3	-	-	-	-	-	-
SECURITIES	-	-	-	-	-	-

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6.5 FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

6.5.1 Financial assets at fair value through equity

In millions of euros	December 31, 2023		December 31, 2022	
	Fair value	of which changes in value taken directly to equity	Fair value	of which changes in value taken directly to equity
Debt securities	89,056	(5,128)	89,647	(10,279)
Government bonds and similar	44,527	(2,223)	46,280	(4,950)
Other debt securities	44,529	(2,905)	43,366	(5,329)
Equity securities	646	69	210	12
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	89,702	(5,059)	89,856	(10,268)

As of 31 December 2023, EUR 1,146 million of financial assets at fair value through equity are reclassified in the balance sheet into the line non-current assets held for sale, compared to EUR 882 million as of 31 December 2022.

6.5.2 Hierarchy of debts and loans by stage

In millions of euros	December 31, 2023			December 31, 2022		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
DEBT SECURITIES	89,090	(33)	89,056	89,706	(59)	89,647
of which stage 1	88,273	(17)	88,256	88,165	(14)	88,151
of which stage 2	817	(16)	800	1,542	(45)	1,496
of which stage 3	-	-	-	-	-	-

6.6 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

This aggregate includes the financial assets and liabilities valued at fair value through profit or loss.

In millions of euros	December 31, 2023			December 31, 2022		
	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	2,421	147,907	150,327	2,446	136,017	138,463
Debt securities	2,421	16,132	18,553	2,446	14,481	16,928
Equity securities		131,774	131,774		121,536	121,536
Loans		764	764		526	526
Derivative asset instruments		1,935	1,935		2,146	2,146
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	2,421	150,605	153,026	2,446	138,689	141,135
Derivative liability instruments		1,528	1,528		1,516	1,516
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,528	1,528		1,516	1,516

As of 31 December 2023, EUR 837 million of financial assets at fair value through profit or loss are reclassified in the balance sheet into the line non-current assets held for sale, compared to EUR 844 million as of 31 December 2022.

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.

6.6.1 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:

	December 31, 2023		December 31, 2022	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	1,592	535	1,774	260
Foreign exchange derivatives	180	82	253	811
Equity derivatives	163	911	119	455
DERIVATIVE FINANCIAL INSTRUMENTS	1,935	1,528	2,146	1,516
of which insurance company investments	1,935	1,528	*2,146*	*1,516*
of which investments from other businesses	-	-	-	-

These amounts correspond to the fair values of the derivative financial instruments used for hedging foreign exchange, as detailed in the table below:

	December 31, 2023			December 31, 2022		
	Notional amounts	Positive fair value	Negative fair value	Notional amounts	Positive fair value	Negative fair value
Cash flow hedges	7,519	36	152	7,552		348
Net foreign investment hedges	2,648	50	65	1,719	62	59
DERIVATIVES USED FOR HEDGING PURPOSES	10,167	86	217	9,271	62	407

6.6.1 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 instruments markets, and do not reflect the market risks associated with such instruments.

The table below presents the notional amounts of derivative financial instruments.

	December 31, 2023				December 31, 2022			
	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		2,694	20,057	22,752		4,085	19,454	23,539
Foreign exchange derivatives			14,713	14,713			13,935	13,935
Equity derivatives			9,765	9,765			8,652	8,652
Other derivatives								
DERIVATIVE FINANCIAL INSTRUMENTS	-	2,694	44,536	47,230	-	4,085	42,040	46,125

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6.7 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 a day to day risk management and for financial reporting purposes. All these processes are 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 assets valuation, BNP Paribas Cardif Group has defined a "Level Policy" for allocating levels, a reference document containing the criteria to be taken into account for the positioning of financial instrument levels.

6.7.1 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. This hierarchy is also applied to financial instruments, both assets and liabilities, which are recognised at amortised cost.

[illegible]	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial instruments at fair value	-	-	-	-
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	-	(0)	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	-	-	-	-
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**

[illegible]	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial instruments at fair value	-	-	-	-
Financial instruments at fair value through equity	**82,595**	**7,081**	**181**	**89,856**
Debt securities	82,385	7,081	181	89,647
Government bonds and similar	45,474	685	121	46,280
Other debt securities	36,911	6,396	60	43,366
Equity securities	210			210
Loans and advances				
Financial instruments at fair value through profit or loss	**81,478**	**46,867**	**12,851**	**141,197**
Securities	81,475	44,188	12,801	138,463
Repurchase agreements and loans		512	14	526
Derivative instruments	4	2,167	37	2,207
Fair value of financial instruments carried at amortised cost	-	645	0	645
Loans and repurchase agreements		645		645
Securities				
FINANCIAL ASSETS	**164,073**	**54,592**	**13,032**	**231,698**
Financial instruments at fair value	-	-	-	-
Financial instruments at fair value through profit or loss	-	**1,922**	-	**1,922**
Derivative instruments		1,922		1,922
Fair value of financial instruments carried at amortised cost	**708**	**17,526**	-	**18,234**
Subordinated debt	708	4,343	-	5,051
Repurchase agreements	-	8,154	-	8,154
Borrowings	-	5,030	-	5,030
FINANCIAL LIABILITIES	**708**	**19,449**	-	**20,157**

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Fair value of financial instruments recognised at fair value

The following section provides a description of the criteria used to allocate the instruments in each level in the hierarchy.

- Level 1: this level includes all securities and derivatives that are listed on stock exchanges or quoted continuously in other active markets.

This category in particular includes liquid shares and bonds. It includes shares of funds 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 the level 1. They are classified in level 2 notably when external prices for the same security can be regularly observed from a reasonable number of active market makers, but those prices do not represent directly quoted prices. 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 whose quotation is more than weekly,
- certain government or company bonds whose valuations are infrequent (less than one quotation per month),
- shares of funds and mutual funds with a valuation at least quarterly,
- derivatives on an over-the-counter market.

- Level 3: level 3 securities consist primarily of fund shares and unlisted equities, other than those classified in 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 revalued net assets, 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 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 2023. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on 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 recognised value.

6.7.2 Table of movements in Level 3 financial instruments

For level 3 financial instruments, the following movements occurred during the financial year:

[illegible]	Financial Assets		December 31, 2023	Financial Assets		December 31, 2022
	Financial instruments at fair value through profit or loss	Financial assets at fair value through equity		Financial instruments at fair value through profit or loss	Financial assets at fair value through equity	
Opening balance	**12,851**	**181**	**13,032**	**8,438**	**100**	**8,538**
Incoming entities	-	-	-	-	-	-
Purchases	2,218	8	2,227	3,701	292	3,993
Issues	-	-	-	-	-	-
Sales	(1,414)	(47)	(1,461)	(2,876)	(372)	(3,248)
Settlements	128	(59)	69	(393)	(4)	(397)
Reclassification	664	4	668	-	(1)	(1)
Transfers to Level 3	65	-	65	2,423	248	2,671
Transfers from Level 3	(23)	(66)	(89)	(41)	(80)	(121)
Gains recognised in the profit or loss (assets +)	200	-	200	1,945	10	1,955
Losses recognised in the profit or loss (assets -)	(322)	-	(322)	(345)	(6)	(351)
Items related to exchange rate movements	47	-	47	(1)	-	(1)
Changes in assets recognised in equity	-	(6)	(6)	-	(6)	(6)
Merger / Acquisition / Split	-	-	-	-	-	-
Variation in control rate	-	-	-	-	-	-
Outgoing entities	-	-	-	-	-	-
Closing balance	**14,413**	**15**	**14,428**	**12,851**	**181**	**13,032**

Transfers between levels may occur when an instrument fulfils the criteria defined in the new level, which are generally market and product dependent. The main factors influencing transfers are changes in the observation capabilities, passage of time, and events during the transaction lifetime. Transfers have been reflected as if they had taken place at the beginning of the reporting period.

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6.8 TRANSFER OF FINANCIAL ASSETS

6.8.1 Transfer of financial 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".

In millions of euros	December 31, 2023		December 31, 2022	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations	-	-	-	-
Repurchase agreements	9,198	8,506	7,497	8,136
TOTAL	**9,198**	**8,506**	7,497	8,136

Securities lending and repurchase agreements concern securities at fair value through equity.

6.8.2 Disposal transactions resulting in an outflow of assets

BNP Paribas Cardif Group has not carried out any significant transfers leading to partial or full derecognition of financial assets and a continuing involvement in them.

6.9 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 the 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 case of default, insolvency or bankruptcy of one of the contracting parties.

[illegible]	December 31, 2023					
	Gross amounts of financial assets/liabilities	Gross amounts set off 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	153,112	-	153,112	-	-	153,112
Securities	150,327	-	150,327	-	-	150,327
Loans and repurchase agreements	764	-	764	-	-	764
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	**257,714**	-	**257,714**	-	-	**257,714**
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	232,396	-	232,396	-	-	232,396
TOTAL LIABILITIES	**253,680**	-	**253,680**	-	8,865	**262,545**

[illegible]	December 31, 2022					
	Gross amounts of financial assets/liabilities	Gross amounts set off 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	141,197	-	141,197	-	-	141,197
Securities	138,463	-	138,463	-	-	138,463
Loans and repurchase agreements	526	-	526	-	-	526
Derivative financial instruments (incl. hedging instruments)	2,207	-	2,207	-	-	2,207
Financial assets at amortised cost	3,648	-	3,648	-	-	3,648
of which repurchase agreements	70	-	70	-	-	70
Accrued income and other assets	3,539	-	3,539	-	-	3,539
of which guarantee deposits paid	945	-	945	-	-	945
Other assets not subject to offsetting	99,033	-	99,033	-	-	99,033
TOTAL ASSETS	**247,417**	-	**247,417**	-	-	**247,417**
Financial instruments at fair value through profit or loss	1,922	-	1,922	-	-	1,922
Derivative financial instruments (incl. hedging instruments)	1,922	-	1,922	-	-	1,922
Financial liabilities at amortised cost	13,183	-	13,183	-	7,497	20,680
of which repurchase agreements	8,154	-	8,154	-	7,497	15,650
Accrued expense and other liabilities	5,382	-	5,382	-	-	5,382
of which guarantee deposits received	13	-	13	-	-	13
Other liabilities not subject to offsetting	223,776	-	223,776	-	-	223,776
TOTAL LIABILITIES	**244,263**	-	**244,263**	-	7,497	**251,760**

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6.10 EQUITY METHOD INVESTMENTS

Cumulative financial information of associates and joint ventures is presented in the following table:

	December 31, 2023				December 31, 2022			
In millions of euros	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	7	19	26	239	5	19	24	252
Associates	26	1	27	791	(14)	(22)	(36)	508
EQUITY METHOD FIRMS	33	20	53	1,030	(9)	(3)	(12)	760
Associates	(6)	1	(5)	89	(3)	(3)	(6)	114
EQUITY METHOD INVESTMENT ENTITIES	(6)	1	(5)	89	(3)	(3)	(6)	114

(1) *Including controlled but non material entities consolidated under the equity method*

Securities representing insurance investments consolidated under the equity-method are presented in insurance activity investments.

The carrying amount of BNP Paribas Cardif Group's investment in the main joint ventures and associates is presented in the following table:

			December 31, 2023		December 31, 2022	
In millions of euros	Country of registration	Category of entity consolidated under the equity method	Interest (%)	Equity-method investments	Interest (%)	Equity-method investments
JOINT VENTURES						
Luizaseg Seguros	Brazil	Corporate	100	-	50	20
BOB-CARDIF LIFE INSUR COMP LIMITED	China	Corporate	50	239	50	231
ASSOCIATES						
Pinnacle Pet Holdings Ltd	United-Kingdom	Corporate	25	393	30	180
BNP Pb Ass TCB Life Insurance Cy Ltd	Taiwan	Corporate	49	163	49	161

BNP Paribas Cardif bought back during October through its subsidiary NCV Participacoes Societarias S.A the 50% owned by its partner Magazine Luiza into the Company Luizaseg. This led to the acquisition of control into this entity and its full consolidation.

6.11 PROPERTY, PLANT AND EQUIPMENT

[illegible]	December 31, 2023			December 31, 2022		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Owner-occupied property at fair value			344			400
TANGIBLE ASSETS AT FAIR VALUE			344			400
Land and buildings	152	(53)	99	172	(74)	99
Equipment, furniture and fixtures	26	(10)	16	23	(10)	14
Other property, plant and equipment	75	(60)	15	73	(57)	16
TANGIBLE ASSETS AT AMORTISED COST	253	(123)	130	269	(141)	128
of which right of use	93	(44)	49	115	(66)	49
TANGIBLE ASSETS			474			529

Revaluation of property, plant and equipment recognised at fair value is equal to -EUR 56 million for the 2023 financial year, compared to -EUR 9 million for 2022. Excluding the depreciation of the right-of-use of leased buildings, the depreciation net of reversal is equal to -EUR 4 million for the 2023 financial year compared to net -EUR 3 million for 2022.

6.12 OTHER RECEIVABLES AND DEBTS

[illegible]	December 31, 2023	December 31, 2022
Tax and social security receivables	8	7
Receivables related to investments and securities settlement accounts	0	5
Deposits and guarantees paid	7	17
Other receivables and accruals	3,560	4,476
TOTAL OTHER RECEIVABLES	3,574	4,505
Social security and tax debts	772	596
Related debt and securities settlement accounts	(0)	16
Deposits and guarantees received	1,379	1,297
Other payables and accruals	4,271	4,213
TOTAL OTHER DEBTS	6,422	6,122

As of 31 December 2023, EUR 43 million of other receivables were reclassified in the balance sheet into the line non-current assets held for sale compared to EUR 61 million as of 31 December 2022.
As of 31 December 2023, EUR 58 million of other debts were reclassified in the balance sheet into the line non-current liabilities held for sale compared to EUR 48 million as of 31December 2022.

6.13 CAPITAL

6.13.1 Changes in share capital

BNP Paribas Cardif's share capital amounted to EUR 149,959,051 at 31 December 2023 (unchanged compared to 31 December 2022).

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6.13.2 Capital management objectives, policies and procedures

Since 1 January 2016, BNP Paribas Cardif Group has been subject to the Solvency II regulation, a new 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 systems matching them more closely with the actual risks to which insurance companies are exposed;
- to harmonise the insurance regulatory regimes 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 the insurance business by making solvency the cornerstone of disclosures to the public and the supervisory authority.

The BNP Paribas Cardif Group complies with this regulation both in terms of risk management and governance, as well as calculation and reporting. Solvency II data are available in BNP Paribas Cardif Group solvency and financial position report[3].

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 within a one-year horizon "Value at Risk" of 99.5%. BNP Paribas Cardif Group SCR is evaluated using the standard formula.

The Capital Management Policy of BNP Paribas Cardif Group aims in particular to ensure that the 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 regulations.

6.14 FINANCING DEBTS

6.14.1 Detail of subordinated debt 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.

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[3] *See corporate website https://www.bnpparibascardif.com*

Breakdown of subordinated debt at 31 December 2023

In millions of euros	Issuer	Subscriber	Issue date	Maturity	Call date	Interest rate before call date	Rate after 1st call date	Nominal value
SPN	BNP PARIBAS CARDIF	BNP PARIBAS	2014/11/25	Undetermined	2025/11/25	4.03%	Euribor 3 month + 3,93%	1
SPN	BNP PARIBAS CARDIF	Third party	2014/11/25	Undetermined	2025/11/25	4.03%	Euribor 3 month + 3,93%	569
RSN	BNP PARIBAS CARDIF	BNP PARIBAS	2017/09/26	2047/09/26	2017/09/26	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	2017/11/29	2024/11/29	2022/11/29	1.12%	1.12%	4
RSN	BNP PARIBAS CARDIF	Third party	2017/11/29	2024/11/29	2022/11/29	1.12%	1.12%	746
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
SPN	BNP PARIBAS CARDIF	BNP PARIBAS	2019/06/27	Undetermined	2029/06/27	Euribor 3 month + 4,20%	Euribor 3 month + 4,20%	450
SPN	CARDIF LUX VIE	BGL BNP Paribas	2014/12/17	Undetermined	2025/12/17	4.03%	Euribor 3 month + 4,5%	16
RSN	CARDIF LUX VIE	BGL BNP Paribas	2022/15/12	2032/15/12	2027/15/12	Euribor 3 month + 3,25%	Euribor 3 month + 3,25%	43
RSN	CARDIF LUX VIE	BGL BNP Paribas	2015/11/26	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%	850
RSN	CARDIF IARD (EX PETALE 76)	Third party	2020/03/24	2030/03/23	2025/03/24	2.14%	2.14%	3
RSN	CARDIF IARD (EX PETALE 76)	Third party	2020/12/08	2030/12/08	2025/12/08	1.20%	1.20%	5
RSN	CARDIF IARD (EX PETALE 76)	Third party	2021/12/10	2031/12/10	2026/12/10	1.60%	1.60%	4
Total subordinated debt 0								5,042
Related debt and amorts 0								25
TOTAL SUBORDINATED DEBT								5,067

Transactions carried out in 2023

On 20 September 2023, Cardif Life Insurance Japan redeemed a subordinated note with a nominal value of EUR 11 million with a maturity of 10 years purchased by a third-party outside from the BNPP Group.

Transactions carried out in 2022

On 28 March 2022, Cardif Assurances Risques Divers redeemed a Redeemable Subordinated Note (RSN) with a nominal value of EUR 200 million and a maturity of 10 years purchased by BNP Paribas on 28 June 2016.

On 28 March 2022, Cardif Assurance Risques Divers issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 200 million and a maturity of 10 years. This RSN was purchased by BNP Paribas Cardif.

On 28 March 2022, Cardif Assurance Vie redeemed a Redeemable Subordinated Note (RSN) with a nominal value of EUR 650 million and a maturity of 10 years. This RSN was purchased by BNP Paribas Cardif on 27 September 2016.

On 28 March 2022, Cardif Assurance Vie issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 650 million and a maturity of 10 years. This RSN was purchased by BNP Paribas Cardif.

On 28 March 2022, BNP Paribas Cardif issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 850 million and a maturity of 20 years. This RSN was purchased by BNP Paribas Cardif.

On 15 December 2022, Cardif Lux Vie issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 130 million and a maturity of 10 years. This RSN was purchased by each one of its shareholders up to their share of equity, respectively BNP Paribas Cardif for 67% and BGL for 33%.

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6.14.2 Maturities of subordinated debt

	December 31, 2023					December 31, 2022				
	< 5 years	5 to 10 years	> 10 years	Undetermined	Total	< 5 years	5 to 10 years	> 10 years	Undetermined	Total
Redeemable subordinated debt	2,552	1,050	-		3,602	2,537	1,050	-	-	3,587
Undated subordinated debt	4	-	-	1,461	1,465	3	-	-	1,461	1,464
TOTAL SUBORDINATED DEBT	2,556	1,050	-	1,461	5,067	2,540	1,050	-	1,461	5,051

6.14.3 Financial debts due to banking sector companies

This includes foreign currency borrowings to cover equity investments in subsidiaries outside the Euro zone.

6.15 MOVEMENTS IN THE OPENING AND CLOSING BALANCES OF THE CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD

6.15.1 Movements in the opening and closing balances of the carrying amounts of insurance contracts issued

Insurance and investment contracts - Reconciliation of roll-forward with balance sheet	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Insurance and investment contracts - roll-forward	25	217,978	(134)	209,565
Unsetled cash flows	-	(527)	149	(315)
Insurance and investment contracts - balance sheet	25	217,451	15	209,250

As of 31 December 2023, EUR 1,839 million of insurance and investment contracts on liability side are reclassified in the balance sheet into the line non-current liabilities held for sale compared to EUR 1,657 million in 2022. The insurance and investment contracts on the asset side are reclassified in 2023 into the line non-current assets held for sale for EUR 2.4 million compared to EUR 11.1 million in 2022.

Movements completed in 2023

Insurance contracts issued as of December 31, 2023 In millions of euros	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	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	(1,242)	-	(1,242)	-	(1,242)	(2,916)	-	(2,916)	-	-	-	(2,916)	(4,158)
Contracts under the modified retrospective approach	(4,172)	-	(4,172)	-	(4,172)	-	-	-	-	-	-	-	(4,172)
Contracts under the fair value approach	(10)	-	(10)	-	(10)	-	-	-	-	-	-	-	(10)
Insurance service expenses	1,287	28	1,295	2,680	3,975	1,346	(5)		1,193	(17)	1,176	2,517	5,492
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(39)	(39)	2,815	2,776	-	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	1,287	-	1,287	-	1,287	1,346	-	1,346	-	-	-	1,346	2,632
Impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of asses 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	(398)	(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													-
Premiums received for insurance contracts issued	22,606	-	22,606	-	22,606	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 - including investment component	-	-	-	(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	(75)	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

Movements completed in 2022

Insurance contracts issued as of December 31, 2022	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	
In millions of euros	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	236,327	71	236,398	2,443	238,841	499	18	518	1,198	144	1,342	1,860	240,700
Opening insurance contracts Assets	(153)	1	(152)	49	(103)	(8)	-	(8)	1	0	1	(7)	(110)
Opening insurance contracts Liabilities	236,480	69	236,550	2,394	238,944	507	18	526	1,197	144	1,341	1,866	240,810
Insurance revenue	(5,472)	-	(5,472)	-	(5,472)	(2,764)	-	(2,764)	-	-	-	(2,764)	(8,236)
Other contracts - underwritten post transition including contracts under the full retrospective approach	(831)	-	(831)	-	(831)	(2,764)	-	(2,764)	-	-	-	(2,764)	(3,595)
Contracts under the modified retrospective approach	(4,642)	-	(4,642)	-	(4,642)	-	-	-	-	-	-	-	(4,642)
Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	1,410	58	1,468	2,515	3,983	1,264	5	23	1,232	(13)	1,219	2,488	6,471
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(15)	(15)	2,684	2,668	23	-	23	1,168	(13)	1,155	1,178	3,847
Changes that relate to past service	-	-	-	(169)	(169)	-	-	-	64	-	64	64	(105)
Changes that relate to future service	-	73	73	-	73	-	5	5	-	-	-	5	78
Amortisation of insurance acquisition cash flows	1,410	-	1,410	-	1,410	1,241	-	1,241	-	-	-	1,241	2,651
Impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment component	(18,080)	-	(18,080)	18,080	-	-	-	-	-	-	-	-	-
Insurance service result	(22,143)	58	(22,085)	20,595	(1,489)	(1,500)	5	(2,741)	1,232	(13)	1,219	(276)	(1,766)
Insurance finance income or expenses	(29,812)	0	(29,812)	(43)	(29,855)	58	-	58	(99)	-	(99)	(41)	(29,896)
Total changes in the statement of P&L and OCI	(51,955)	58	(51,897)	20,552	(31,345)	(1,442)	5	(1,437)	1,133	(13)	1,120	(317)	(31,662)
Cash flows	0	0	0	0	0	-	-	-	-	-	-	-	-
Premiums received for insurance contracts issued	22,682	-	22,682	-	22,682	2,699	-	2,699	-	-	-	2,699	25,381
Insurance acquisition cash flows	(1,207)	-	(1,207)	-	(1,207)	(1,248)	-	(1,248)	-	-	-	(1,248)	(2,456)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cashflows	-	-	-	(20,781)	(20,781)	-	-	-	(1,131)	-	(1,131)	(1,131)	(21,912)
Total Cash flows	21,475	-	21,475	(20,781)	693	1,451	-	1,451	(1,131)	-	(1,131)	320	1,013
Allocation from assets for insurance acquisition cash flows to groups of insurance contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other movements	(221)	0	(221)	(0)	(221)	(65)	(1)	(66)	(59)	(7)	(66)	(132)	(352)
Closing insurance assets & liabilities	205,626	129	205,755	2,214	207,969	443	23	466	1,141	124	1,265	1,731	209,699
Closing insurance contracts Assets	95	5	100	41	141	(9)	-	(9)	2	0	2	(7)	134
Closing insurance contracts Liabilities	205,531	124	205,655	2,173	207,827	453	23	475	1,139	123	1,262	1,738	209,565

6.15.2 Movements in opening and closing balances of the carrying amounts of reinsurance contracts held

Reinsurance contracts held Reconciliation of the carrying amounts (non-insurance)	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Reinsurance contracts held - roll-forward	507	(24)	522	(53)
Unsettled cash flows	(24)	-	33	88
Reinsurance contracts held - balance sheet	483	(24)	555	34

Movements completed in 2023

Reinsurance contracts held Reconciliation of the carrying amounts (non-insurance)	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	(9)		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)	-	-	(247)	(69)	-	-	-	(69)	(316)
Amounts recoverable from reinsurers	-	8	142	150	-	-	34	(0)	34	184
Recoveries of incurred claims and other insurance service expenses	-	(11)	155	146	-	-	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	(162)	54	61	-	(41)	-	20	75
Premiums paid	216	1	-	217	61	-	-	-	61	278
Amounts received	-	-	(162)	(162)	-	-	(41)	-	(41)	(203)
Other movements	2	(1)	(0)	1	(0)	-	(2)	(0)	(3)	(2)
Closing reinsurance assets & liabilities	278	18	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

Movements completed in 2022

Reinsurance contracts held Reconciliation of the carrying amounts (non-insurance)	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	300	5	208	514	55		136	8	199	713
Opening reinsurance contracts Assets	321	5	198	524	62	-	90	8	160	683
Opening reinsurance contracts Liabilities	(21)	0	11	(10)	(7)	-	46	0	39	29
Net expenses from reinsurances contracts held	(248)	5	129	(114)	(77)	(2)	41	(4)	(42)	(156)
Allocation of reinsurance premiums paid	(249)	-	-	(249)	(77)	-	-	-	(77)	(326)
Amounts recoverable from reinsurers	-	5	129	135	0	(2)	41	(4)	35	170
Recoveries of incurred claims and other insurance service expenses	-	(6)	146	140	-	-	55	(4)	51	190
Adjustments to assets for incurred claims	-	-	(16)	(16)	0	(2)	(14)	-	(15)	(32)
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	0	-	-	0	-	-	-	-	-	0
Insurance finance income or expenses from reinsurance contracts held	24	(0)	(6)	18	1	2	13	-	15	33
Total changes in the statement of P&L and OCI	(224)	5	123	(96)	(76)	-	54	(4)	(27)	(122)
Cash flows	217	-	(189)	40	66	-	(48)	-	21	60
Premiums paid	217	-	-	217	66	-	-	-	66	284
Amounts received	-	-	(189)	(189)	-	-	(48)	-	(48)	(215)
Other movements	(0)	0	(0)	(0)	(46)	-	(39)	(0)	(84)	(84)
Closing reinsurance assets & liabilities	293	11	162	466	(9)		107	3	110	575
Closing reinsurance contracts Assets	283	10	155	448	5	-	66	3	74	522
Closing reinsurance contracts Liabilities	10	0	7	18	(5)	-	41	(0)	35	53

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6.16 MOVEMENTS IN THE OPENING AND CLOSING BALANCES OF THE CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED AND REINSURANCE CONTRACTS HELD NOT VALUED USING THE PREMIUM ALLOCATION METHOD BY CONTRACT VALUATION COMPONENT

6.16.1 Movements in the opening and closing balances of the carrying amounts of insurance contracts issued and not measured under the premium allocation approach by contract valuation component

Movements completed in 2023

[illegible]	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			[illegible]	[illegible]	[illegible]	
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	-	207,827
Changes that relate to future service	(1,188)	692	(8)	570	-	67
Changes in estimates	(310)	597	(314)	61	-	34
Change that adjust the contractual service margin	(373)	603	(314)	61	-	(23)
Change that do not adjust the contractual service margin	63	(5)	-	-	-	57
Contracts initially recognised in the period[1]	(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)
Change 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	(216)	(2)	8	(5)	-	(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) *The contracts initially recognised during the period valued under the variable fee model correspond to a lump sum allocation of the closing contractual service margin equal to the portion of outstandings relating only to initial payments of new contracts for the period, compared to the balance of technical provisions.*

Movements completed in 2022

Insurance contracts issued and reinsurance contracts held	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin			Total
Net opening insurance assets & liabilities	223 779	1 260	-	13 802	-	238 841
Opening insurance contracts Assets	(685)	13	-	769	-	(103)
Opening insurance contracts Liabilities	224,664	1,247	-	13,033	-	238,944
Changes that relate to future service	(429)	(61)	649	(85)	-	73
Changes in estimates	334	(118)	45	(251)	-	10
Change that adjust the contractual service margin	311	(100)	45	(251)	-	5
Change that do not adjust the contractual service margin	23	(17)	-	-	-	5
Contracts initially recognised in the period	(762)	56	604	166	-	63
Changes that relate to current service	(28)	(77)	(78)	(1,204)	-	(1,388)
Contractual service margin recognised in profit or loss for services provided for the period	-	-	(78)	(1,204)	-	(1,283)
Change in risk adjustment for non-financial risk that does not relate to future service or past service	-	(77)	-	-	-	(77)
Experience adjustments	(28)	-	-	-	-	(28)
Adjustments to liabilities for incurred claims and other items that relate to past service	(138)	(34)	-	-	-	(172)
Adjustement to liabilities for incurred claims – past accident period	(135)	(34)	-	-	-	(169)
Experience adjustments - Premiums net of ACF related to past coverage period	(3)	-	-	-	-	(3)
Insurance service result	(595)	(172)	570	(1,290)	-	(1,486)
Insurance finance income or expenses from insurance contracts issued	(29,853)	(39)	(4)	40	-	(29,855)
Total changes in the statement of P&L and OCI	(30,448)	(211)	567	(1,249)	-	(31,341)
Cash flow	690	-	-	-	-	690
Premiums received for insurance contracts issued (or paid for reinsurance contracts held)	22,679	-	-	-	-	22,679
Insurance acquisition cash flows	(1,207)	-	-	-	-	(1,207)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued - excluding insurance acquisition cashflows	(20,781)	-	-	-	-	(20,781)
Other movements	(144)	(1)	9	(75)	-	(221)
Closing insurance assets & liabilities	193 877	1 048	567	12 477	-	207 969
Closing insurance contracts Assets	(920)	17	290	754	-	141
Closing insurance contracts Liabilities	194,797	1,031	277	11,723	-	207,827

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6.16.2 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 2023

Reinsurance contracts held as of December 31 2023 In m. of euros	Present value of future cash flows	Risk adjustment	Contractual service margin			Total
			[illegible]	[illegible]	[illegible]	
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
Change that adjust the contractual service margin	(35)	3	(3)	33	-	(1)
Change 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	-	-	(22)	(58)	-	(81)
Change in risk adjustment for non-financial risk that does not relate to future 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	(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	-	15
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	(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

Movements completed in 2022

Reinsurance contracts held as of December 31 2022 Amounts in € millions	Pre-claims provision flows	Risk adjustment	Contractual service margin			Total
Net opening reinsurance contracts held in assets & liabilities position	140	30	5	339	-	514
Opening reinsurance contracts Assets	270	27	2	225	-	524
Opening reinsurance contracts Liabilities	(130)	3	3	113	-	(10)
Changes that relate to future service	(21)	2	(0)	30	-	11
Changes in estimates	(31)	(5)	11	30	-	5
Change that adjust the contractual service margin	(38)	(4)	11	34	-	2
Change that do not adjust the contractual service margin	7	(1)	0	(4)	-	3
Contracts initially recognised in the period	10	7	21	-	-	38
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	(32)	-	-	(32)
Changes that relate to current service	(25)	(1)	(8)	(75)	-	(109)
Contractual service margin recognised in profit or loss for services provided for the period	(3)	-	(8)	(75)	-	(85)
Change in risk adjustment for non-financial risk that does not relate to future services or past services	-	(1)	-	-	-	(1)
Experience adjustments	(22)	-	-	-	-	(22)
Adjustments to assets for incurred claims and other items that relate to past service	(12)	(4)	-	-	-	(16)
Experience adjustments on premiums ceded net of reinsurance commissions - past services	(0)	-	-	-	-	(0)
Changes to incurred claims component	(12)	(4)	-	-	-	(16)
Effect of changes in the risk of non-performance by the issuer	0	-	-	-	-	0
Net expenses from reinsurance contracts held	(58)	(3)	(8)	(45)	-	(114)
Insurance finance income or expenses from reinsurance contracts held	12	1	(0)	5	-	18
Total changes in the statement of P&L and OCI	(46)	(2)	(8)	(39)	-	(96)
Cash flow	48	-	-	-	-	48
Premiums paid for reinsurance contracts held	217	-	-	-	-	217
Incurred claims and other insurance service expenses recovered under reinsurance contracts held	(169)	-	-	-	-	(169)
Other movements	0	0	(0)	(0)	-	(0)
Closing reinsurance contracts held assets & liabilities	142	28	(4)	299	-	466
Closing reinsurance contracts Assets	242	23	(15)	198	-	448
Closing reinsurance contracts Liabilities	(99)	4	12	101	-	18

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6.17 PREVISIONAL SCHEDULE OF THE DEPRECIATION AMORTISATION OF THE CONTRACTUAL SERVICE MARGIN

The below schedule shows the amortisation of the contractual services margin still to be recognised in profit or loss for the insurance contracts valued with the general model as well as for saving life contracts valued with the variable fee approach model. For the later the over return of invested assets is included into the calculation compared a neutral risk scenario.

Items in thousands	One to five years	Five to ten years	More than ten years	December 31, 2023	December 31, 2022
Savings	3,916	3,400	2,618	9,933	10,630
Protection	1,172	516	716	2,405	2,414
Remaining contractual service margin from insurance contracts	5,088	3,916	3,334	12,337	13,044
Reinsurance contracts - Net position	168	37	94	300	296
Remaining contractual service margin from reinsurance contracts	168	37	94	300	296

6.18 OCCURRENCE OF CLAIMS

The table below shows changes in claims reserves, 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.

However, given the nature of the guarantees granted to BNP Paribas Cardif, the uncertainty horizon chosen does not exceed five years.

Items in thousands	2019	2020	2021	2022	2023
Gross claims reserves occurring as originally presented	2,701	2,880	3,070	3,023	
Gross claims reserves occurring adjusted with the exchange rate and scope occurring in N	2,701	2,880	3,070	3,023	
Cumulative payments paid					
One years later	565	618	603	814	
Two years later	910	705	1,089		
Three years later	920	1,056			
Four years later	1,087				
Five years later					
Re-estimated final cost					
One years later	1,196	2,704	2,182	2,669	
Two years later	1,919	2,739	2,910		
Three years later	2,641	2,773			
Four years later	2,641				
Five years later					
Surplus (deficiency) of the initial reserves compared to the final re-estimated cost (gross)					
Amount	60	107	161	354	
Percentage	2%	4%	5%	12%	

6.19 COMPOSITION OF THE UNDERLYING ITEMS AND FAIR VALUE OF CONTRACTS WITH DIRECT PROFIT-SHARING FEATURES

Millions of euros	December 31, 2023	December 31, 2022
Investment properties	5,563	5,911
Investments	210,230	200,610
Derivatives instruments	7	17
Cash and cash equivalents	399	506
Total	216,199	207,044

The invested assets listed above represent the assets owned directly by the main life entities as follows: Cardif Assurance Vie, Cardif Luxembourg Vie, Cardif Assurance Vie Taiwan branch, Cardif Retraite, Cardif Vita in Italy including the investment entities which are owned by those entities.

6.20 PROVISIONS FOR CONTINGENCIES AND CHARGES

Millions of euros	December 31, 2022	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	December 31, 2023
Provisions for employee benefits	71	22	(11)	3	(1)	(0)	83
Provisions for litigations	13	(10)	(0)	-	(0)	2	5
Other provisions for contingencies and charges	426	(121)	(21)	-	(23)	(0)	261
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	510	(110)	(32)	3	(24)	2	349

6.21 LIABILITIES DUE TO BANKING SECTOR COMPANIES

Millions of euros	December 31, 2023	December 31, 2022
Repurchase agreements	8,304	8,154
On demand accounts	216	583
Loans	1,038	1,240
TOTAL LIABILITIES DUE TO BANKING SECTOR COMPANIES	9,558	9,977

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6.22 MATURITIES OF FINANCIAL INSTRUMENTS

In millions of euros, December 31, 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	2,388	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	-	327	167	18	49	-	104	666
Derivatives used for hedging purposes	36	-	-	-	50	-	-	86
FINANCIAL ASSETS	**136,868**	**334**	**522**	**2,638**	**6,440**	**20,591**	**76,087**	**243,480**
Subordinated debt	1,461	-	-	60	747	1,749	1,050	5,066
Financing and operating debt due to banking sector companies	-	208	409	275	4,387	-	9	5,288
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**	**208**	**503**	**8,496**	**5,194**	**1,781**	**1,080**	**20,403**

In millions of euros, December 31, 2022	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	210	-	1,081	3,691	5,868	20,359	58,647	89,856
Financial investments at fair value through profit and loss	126,021	(0)	72	523	713	1,886	11,920	141,135
Financial investments at amortised cost	-	501	8	71	37	0	26	645
Derivatives used for hedging purposes	0	18	-	-	43	-	-	62
FINANCIAL ASSETS	**126,231**	**519**	**1,162**	**4,284**	**6,662**	**22,246**	**70,594**	**231,698**
Subordinated debt	1,461	-	(1)	17	29	2,495	1,050	5,051
Financing and operating debt due to banking sector companies		516	26	1,392	3,096	-	-	5,030
Due to credit institutions - Repurchase agreements	-	5	651	1,951	5,546	-	-	8,154
Derivative instruments	1,864	2	-	-	56	-	-	1,922
FINANCIAL LIABILITIES	**3,325**	**524**	**677**	**3,360**	**8,727**	**2,495**	**1,050**	**20,157**

6.23 FINANCING AND GUARANTEE COMMITMENTS

In millions of euros	December 31, 2023	December 31, 2022
Securities received as collateral from reinsurers	591	523
Other financing commitments received	1,545	1,537
COMMITMENTS RECEIVED	2,136	2,060
Endorsements, deposits and guarantees given	535	325
Other guarantee commitments given	9,257	9,864
Financial instruments given in guarantee	306	132
of which securities given through repurchases	-	-
COMMITMENTS GIVEN	10,098	10,322
of which stage 1	*1,438*	*1,347*
of which stage 2	-	-
of which stage 3	-	-

NOTE 7 NOTES TO THE INCOME STATEMENT

7.1 FINANCIAL RESULT

7.1.1 Investment income excluding financing expense

(in millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
Investment income	2,723	2,745
Investment expenses	(216)	(264)
Change in impairments on investments	26	23
of which stage 1	(3)	7
of which stage 2	29	16
Capital gains and losses on disposal of investments net of reversals of impairments and amortisation	(443)	(596)
Total income from the debt securities portfolio at fair value through equity	**2,090**	**1,909**
Investment income	13	24
Investment expenses	-	-
Total income from the equity securities portfolio at fair value through equity	**13**	**24**
Investment income	69	49
Investment expenses	(295)	(17)
Change in impairments on investments	(0)	(1)
of which stage 1	(0)	(1)
Capital gains and losses on disposal of investments net of reversals of impairments and amortisation	0	-
Total income from assets portfolio at amortised cost	**(225)**	**30**
Investment income	1,356	1,426
Investment expenses	18	1
Changes in market value of investments at fair value through profit or loss	8,204	(16,030)
Capital gains and losses on disposal of investments	908	(226)
Total income from assets portfolio at fair value through profit or loss	**10,486**	**(14,830)**
Investment income	55	69
Investment expenses	-	(0)
Changes in market value of investments designated at fair value through profit or loss	138	(397)
Capital gains and losses on disposal of investments	(3)	(2)
Total income from assets portfolio designated as at fair value through profit or loss	**191**	**(330)**
Income from currency instruments and derivatives	**(1,707)**	**1,252**
Rental income - real estate investments	81	76
Gains and losses on investments - real estate investments	(447)	(161)
Change in provisions on investments - real estate investments	(4)	(10)
Total income from real estate investments	**(370)**	**(95)**
Share in associates and joint ventures representing investments	**(6)**	**(3)**
Investment management fees	(14)	(16)
Other income and expenses related to investments	9	227
TOTAL INVESTMENT INCOME EXCLUDING FINANCING EXPENSES	10,466	(11,833)

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7.1.2 Finance income and expenses linked with insurance and reinsurance

Amounts in millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Finance income or expenses on insurance contracts		
Changes in fair value of underlying items of direct participation contracts	(9,899)	13,248
Effects of risk mitigation	-	-
Interest accreted	(174)	(93)
Effect of changes in interest rates and other financial assumptions	109	(63)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	(111)	(1,391)
Net foreign exchange loss	-	-
Total finance income or expenses on insurance contracts in the statement of profit or loss	**(10,076)**	**11,702**
Finance income or expenses on reinsurance contracts		
Interest accreted	8	3
Total finance income or expenses on reinsurance contracts in the statement of profit or loss	**8**	**3**
TOTAL FINANCE INCOME OR EXPENSES ON INSURANCE AND REINSURANCE CONTRACTS IN THE STATEMENT OF PROFIT OR LOSS	(10,069)	11,705

7.1.3 Comprehensive financial result

Amounts in millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Investment income excluding financing expenses		
Amounts recognised in profit or loss	10,466	(11,833)
Amounts recognised in other comprehensive income	5,407	(20,169)
Total Investment income excluding financing expenses recognised in profit of loss and other comprehensive income	**15,873**	**(32,002)**
Finance income or expenses on insurance and reinsurance contracts		
Amounts recognised in profit or loss	(10,069)	11,705
Amounts recognised in other comprehensive income	(4,589)	18,228
Total finance income or expenses on insurance and reinsurance contracts recognised in profit of loss and other comprehensive income	**(14,658)**	**29,933**
Amounts recognised in profit or loss	398	(128)
Amounts recognised in other comprehensive income	818	(1,941)
COMPREHENSIVE FINANCIAL RESULT	**1,215**	**(2,069)**

7.2 INSURANCE REVENUE

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Contracts not measured under the premium allocation approach	**5,423**	**5,472**
Changes in the liability for remaining coverage	4,156	4,059
Insurance service expenses incurred during the period	2,726	2,809
Change in the risk adjustment for non-financial risk	122	102
Contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period	1,316	1,283
Other	(8)	(134)
Recovery of insurance acquisition cash flows	1,267	1,413
Contracts measured under the premium allocation approach	**2,916**	**2,764**
TOTAL INSURANCE REVENUE	8,339	8,236

7.3 EFFECTS OF CONTRACTS INITIALLY RECOGNISED DURING THE FINANCIAL YEAR

7.3.1 Impact of insurance contracts issued recognised during the financial year

In millions of euros	Insurance contracts issued					
	Profitable contracts	Onerous contracts	Year to 31 Dec 2023	Profitable contracts	Onerous contracts	Year to 31 Dec 2022
Present value of expected cash outflows	(13,846)	(168)	(14,014)	(17,881)	(414)	(18,295)
Present value of expected cash inflows	14,754	138	14,892	19,177	365	19,541
Risk adjustment for non-financial risk	(92)	(3)	(95)	(86)	(14)	(99)
Contractual service margin	**(817)**		**(817)**	**(1,211)**		**(1,211)**
Losses recognised on initial recognition	**(0)**	**(33)**	**(33)**	**(0)**	**(63)**	**(63)**

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7.3.2 Impact of reinsurance contracts held recognised during the financial year

In millions of euros	Reinsurance contracts held					
	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Year to 31 Dec 2023	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Year to 31 Dec 2022
Present value of expected cash outflows	(100)	-	(100)	(113)		(113)
Present value of expected cash inflows	53	-	53	123		123
Risk adjustment for non-financial risk	3	-	3	7		7
Loss recovery recognised on initial recognition	-	6	6	-	38	38
Contractual service margin	45	-	45	21	-	21

7.4 RECONCILIATION OF EXPENSES BY FUNCTION AND BY TYPE

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Commissions, fees and other expenses	(3,919)	(3,805)
Staff costs	(775)	(714)
Taxes	(86)	(95)
Depreciation, amortisation and impairment	(31)	(68)
TOTAL EXPENSES BY TYPE	(4,810)	(4,682)
Allocation of insurance acquisition cash flows to the liabilities for remaining coverage during the year	2,562	2,456
Amortisation and impairment of the total insurance acquisition cash flows included in the liabilities for remaining coverage	(2,612)	(2,651)
TOTAL EXPENSES BY TYPE RECOGNISED IN PROFIT OR LOSS AFTER ADJUSTMENT FOR ACQUISITION CASH FLOWS (*)	(4,860)	(4,877)
Insurance attributable expenses recognised in Insurance service result	(4,188)	(4,173)
Insurance non attributable and other activities expenses recognised in Operating expenses	(673)	(704)
TOTAL EXPENSES BY FUNCTION RECOGNISED IN PROFIT OR LOSS	(4,860)	(4,877)

(*) 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 the total of expenses in order to be reclassified as a decrease in the insurance liabilities (contractual service margin or projected premiums) and amortised over the coverage duration of the contracts.

7.5 OTHER NON-CURRENT OPERATING INCOME AND EXPENSES

In 2023, other non-current operating income and expenses correspond mainly to the 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. In 2022, other non-current operating income and expenses corresponded to the capital gain on the disposal of Pinnacle Insurance in Great Britain, to the capital gain on the sale of Cardif GI in Korea, to the provisions for contingencies of Cardif Insurance Company

in Russia plus the recognition of the hyperinflation impact in Turkey. (Application of IAS 29 as of 1 January 2022).

7.6 FINANCING EXPENSES

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Interest expense on subordinated debt at amortised cost	(336)	(143)
Interest expense on borrowings	(243)	(98)
TOTAL FINANCING EXPENSES	(578)	(240)

Financing expenses are equal to EUR 578 million in 2023 compared to EUR 240 million in 2022. This increase is mainly explained by the increase in interest rates.

7.7 CORPORATE INCOME TAX

7.7.1 Corporate income tax expense

Reconciliation of the effective tax expense to the theoretical tax expense described in France	Year to 31 Dec 2023		Year to 31 Dec 2022	
	In millions of euros	Tax rate	In millions of euros	Tax rate
Theoretical tax expense on net profit before tax[1]	**(204)**	**26%**	**(144)**	**26%**
Impact of differently taxed foreign profits	1	0%	7	-1%
Impact of the securities taxation	(16)	2%	(9)	2%
Impact of activating loss carryforwards and prior time differences	(134)	17%	(67)	12%
Effets linked to the economy of the tax Group	103	-13%	38	-7%
Other effects	35	-5%	(70)	13%
Profit tax expense	(215)	27%	(244)	44%

(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 2023 stood at EUR 51 million compared to EUR 10 million in 2022.

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7.7.2 Change in deferred tax assets and liabilities by type

In millions of euros	December 31, 2022	Change recognized in income	Change recognized in recyclable equity	Change recognized in non-recyclable equity	Change in scope, translation differences and miscellaneous	December 31, 2023
Financial instruments	191	(4)	(1,321)	(22)	196	(961)
Insurance and reinsurance contracts	107	28	1,147		(153)	1,129
Provisions for employee benefit obligations	25	4		0	0	29
Other items	450	(42)	(4)		(165)	239
Tax loss carryforwards	20	41	-	-	(0)	60
NET DEFERRED TAXES	792	27	(178)	(22)	(123)	496
Deferred tax assets	791	(2,669)	(264)	-	2,849	710
Deferred tax liabilities	1	(2,695)	(64)	-	2,972	214

NOTE 8 SALARIES AND EMPLOYEE BENEFITS

8.1 SALARIES AND EMPLOYEE BENEFITS EXPENSE

(millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
Fixed and variable remuneration, incentive bonuses and profit-sharing	(486)	(477)
Employee benefit expense	(244)	(197)
Payroll taxes	(45)	(41)
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE	(775)	(714)

8.2 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 participant in the plan, it is qualified 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 qualified 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.

8.2.1 Defined-contribution pension plans for BNP Paribas Cardif Group entities

BNP Paribas Cardif Group has implemented over the past few years a voluntary campaign of converting defined-benefit plans into defined-contribution plans.

Thus, in France, BNP Paribas Cardif Group pays contributions to various nationwide 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 on retirement in addition to the pension paid by nationwide schemes.

The amounts paid into defined-contribution post-employment plans for the 2023 financial year are EUR 28 million, compared with EUR 29 million for the 2022 financial year.

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The breakdown by major contributors is determined as follows:

Contribution amount (millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
France	(23)	(22)
Outside France	(5)	(7)
TOTAL	(28)	(29)

8.2.2 Main defined-benefit pension plans for BNP Paribas Cardif Group entities

Defined-benefit pension plans

Defined-benefit pension plans were all closed to new entrants and transformed into additive-type plans. The amounts allocated to residual beneficiaries, subject to their presence within BNP Paribas Cardif Group at retirement, were fixed when these schemes were closed. These pension plans were outsourced to insurance companies.

Other post-employment benefits

BNP Paribas Cardif Group employees receive various other contractual post-employment benefits, such as indemnities payable on retirement, determined according to minimal legal requirements (Labour Code, collective agreements) or according to 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 2023, this obligation was 62% covered by financial assets, compared with 69% at 31 December 2022.

Outside France, the gross obligations related to these other benefits correspond to vested rights until 31 December 2006, as the plans have been transformed, since that date, into a defined-contribution plan.

The French Act of 14 April 2023 modified the criteria for the age and the number of quarters necessary to activate the rights for retirement. The provisions of this Act were taken into consideration for accounting under IFRS, with an impact decreasing the value of the commitments equal to EUR 0.43 million.

8.2.3 Obligations under defined-benefit plans and other post-employment benefits

Assets and liabilities recognised on the balance-sheet

Items / As of 31 Dec 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

Items / As of 31 Dec 2022	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	36	-	36	(25)	11	11
Outside France	8	11	19	(7)	12	12
Total	44	11	55	(32)	23	23

Change in the present value of the defined benefit obligation

Items / As of 31 Dec	Year to 31 Dec 2023	Year to 31 Dec 2022
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT START OF PERIOD	55	65
Current service cost	4	5
Interest cost	2	1
Actuarial gains/(losses) on change in demographic assumptions	-	-
Actuarial gains/(losses) on change in financial assumptions	3	(14)
Actuarial gains/(losses) on experience gaps	1	1
Benefits paid directly by the employer	(1)	(1)
Benefits paid to beneficiaries of funded benefits	(1)	(1)
Exchange rate gains/(losses) on obligation	(1)	(1)
Gains/(losses) on obligation related to changes in the consolidation scope	-	-
Others	(1)	-
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT END OF PERIOD	61	55

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Change in the fair value of plan assets

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
FAIR VALUE OF PLAN ASSETS AT START OF PERIOD	32	32
Interest income from assets	1	-
Actuarial gains/(losses) on assets	-	(1)
Contributions paid by BNP Paribas Cardif	(1)	(1)
Benefits paid to beneficiaries of funded benefits	(1)	(1)
Gains/(losses) on assets related to changes in the consolidation scope		
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	33	32

Components of the cost of defined-benefit plans

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Service costs	3	5
Current service cost	3	5
Net financial expense	1	1
Interest cost on obligation	2	1
Interest income from pension assets	(1)	-
TOTAL RECOGNISED IN SALARY AND EMPLOYEE BENEFIT EXPENSE	4	6

Other items recognised directly in equity

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Other items recognised directly in equity	-4	14
Actuarial (losses)/gains on plan assets or reimbursement rights	0	1
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)	14
Experience (losses)/gains on obligations	(1)	(1)

Main actuarial assumptions used to calculate obligations

Range of interest rates

For the Euro zone, BNP Paribas Cardif Group discounts its obligations using the yield of high-quality corporate bonds, with a term consistent with the duration of the obligations.

The ranges of rates used are as follows:

	Year to 31 Dec 2023		Year to 31 Dec 2022	
In %	Discount rate	Compensation increase rate [1]	Discount rate	Compensation increase rate [1]
France	3,20%	2,94% - 3,03%	3,80%	2,20% - 3,45%
Outside France	0,20% - 3,60%	1,80% - 3,40%	0,20% - 3,10%	1,80% - 3,30%

[1] *Including price increases (inflation)*

For the Euro zone, the average discount rate observed was 3.28% at 31 December 2023 compared to 3.50% at 31 December 2022.

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 is as follows:

	Year to 31 Dec 2023		Year to 31 Dec 2022	
	Discount rate -100 bp	Discount rate +100 bp	Discount rate -100bp	Discount rate +100bp
France	6	(5)	5	(4)
Outside France	1	(1)	1	(1)

Inflation rate

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 euro zone is 2.31% for the year ended 31 December 2023, compared to 2.22% for the year ended 31 December 2022.

The impact of a 100 bp increase in inflation rates on the value of post-employment benefit obligations is as follows:

	Year to 31 Dec 2023	Year to 31 Dec 2022
	Inflation rate +100 bp	Inflation rate +100bp
France	6	6
Outside France	0	0

The effects of the changes in inflation rates and discount rates shown above are not cumulative.

Effective yield of plan assets during the period

	Year to 31 Dec 2023	Year to 31 Dec 2022
France	2,62%	2.57%
Outside France	1,68%	2.84%

Asset Liability Management (ALM) strategies

BNP Paribas Cardif Group has put in place a strict governance around the management of assets backing the post-employment obligations with defined-benefit characteristics with the main objective of supervising and controlling the investment risk.

This management policy details among other the principles guiding the investments, in particular the definition of an investment strategy for coverage assets based on financial objectives and the supervision of those to detail the way in which the coverage assets have to be managed, within the delegated assets management mandates for financial monitoring.

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The investment strategy foresees an asset liability management study to be run at least every 3 years for the assets plans with a total asset value over EUR 100 million and regularly for the assets plans between EUR 20 and 100 million.

8.3 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 net corresponding provision amounted to EUR 43 million at 31 December 2023 compared to EUR 34 million at 31 December 2022.

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, payment of variable compensation is deferred over time and is subject, if applicable, to performance conditions for BNP Paribas Cardif Group.

Since 2013, BNP Paribas has introduced a Group loyalty scheme with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group's intrinsic performance. The aim of this loyalty scheme is to make different categories of managerial staff partners in BNP Paribas Group's development and profitability objectives. These personnel 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 the BNP Paribas Group's operating performance over the entire term of the plan, and 20% indexed to the achievement of the BNP Paribas Group's Corporate Social Responsibility (CSR) objectives. These objectives, of which there are 10, are in line with the 4 pillars forming the basis of the BNP Paribas Group's CSR policy. In addition, the final payment is subject to a condition of continuous presence in the 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 obligation related to BNP Paribas Cardif Group's variable compensation plans and loyalty schemes amounts to EUR 9.1 million at 31 December 2023 compared to EUR 9.4 million at 31 December 2022.

(in millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
Net provisions for other long-term benefits	51	43
of which obligation recognised in the balance sheet under the other long-term benefits	51	43

8.4 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 the BNP Paribas Cardif Group is significant, or in application of 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 of share-based payments

(in millions of euros)	Year to 31 Dec 2023	Year to 31 Dec 2022
Prior deferred compensation plans	(17)	(456)
Deferred compensation plans for the year	1,016	1,112
TOTAL	999	656

NOTE 9 OTHER INFORMATION

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9.1 BNP PARIBAS CARDIF GROUP INTERNAL CONTROL SYSTEM

9.1.1 Internal control definition, objectives and standards

The Executive Management of the BNP Paribas Cardif Group has set up an internal control 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 being achieved.

The implementation of this control system relies on three levels:

- the operational entities are the first line of defence and implement the risk control framework for the activities under their responsibilities.
- functions exercising second-level control define the general normative framework under which they perform risk management and are responsible for the supervision of its current implementation.
- the third line of defence notably ensures the audit of the efficiency and the quality of permanent control process.

The BNP Paribas Cardif's Internal Control and operational risk management policy, used on the basis of the BNP Paribas Group's internal control charter, specifies the scope of this system and is the reference base for internal control. It aims to contain 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 the management system. It is the deployment for BNP Paribas Cardif of the internal control policy of the BNP Paribas Group, and recalls first of all the objectives of internal control which aim 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 the 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.

9.1.2 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 fully or jointly controlled by BNP Paribas Cardif. It also extends to core services or essential operational activities that have been outsourced, in accordance with regulatory requirements.

9.1.3 Fundamental principles of internal control

BNP Paribas Cardif' internal control system is based on BNP Paribas values and the code of conduct 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 subject to regulation;
- a structured risk identification, assessment and management system (involving, among others, a decision-making system, delegation, organisational principles, controls, reporting and alert mechanism, etc.);
- control and oversight that is independent of risk: the heads of the operational activities have the ultimate responsibility for those 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 conformity of the risk control systems and in particular, compliance with the limits set);
- separation of duties: it is a key element of the risk control system. It consists of assigning certain operational tasks that contribute to the performance of a single process to stakeholders at various hierarchical levels or to separate these tasks by other means, in particular by electronic means;
- proportionality of risks: the internal control system must be implemented under an approach and with an intensity that is proportionate to the risks involved. This proportionality is determined based on one or more criteria:
  - risk intensity,
  - amount of allocated capital and/or ratios in terms of solvency,
  - 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, both organisational and monitoring and oversight;
- requirement for formalisation and traceability: internal control relies on the instructions of Executive Officers, written policies and procedures and audit trails. The related controls, their results, their implementation and the feedback from the 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, that is, spontaneously and promptly, to a higher level within the organisation to which they belong:
  - any information required for a proper analysis of the situation of the entity in which the employee operates, and which may impact the risks or the reputation of the entity or the group,

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- any question that the employee could not resolve independently in the performance of his duties,
- any anomaly of which he becomes aware.

In addition, he or she has a duty to alert, 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. This adjustment in response to changes of any kind that the BNP Paribas Group must face must be done according to a periodic cycle defined in advance but also continuously as soon as events so justify.

Compliance with these principles is verified on a regular basis, in particular through assignments carried out by the periodic control teams (Internal Audit).

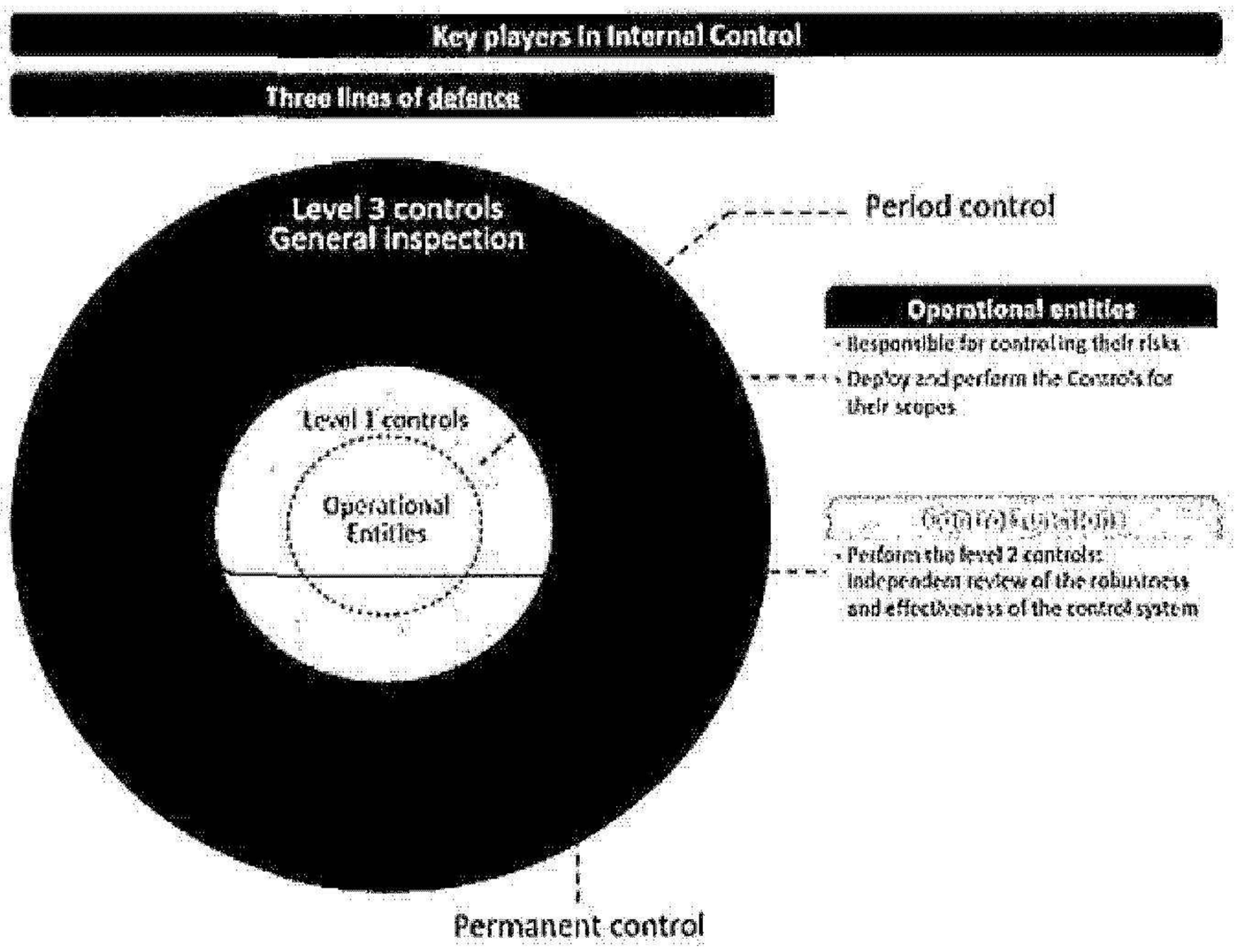
9.1.4 Organisation of internal control

BNP Paribas Cardif's internal control system is organised around 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 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. With respect to Compliance, Risk, Actuarial and Internal Audit functions, they report on the performance of their duties to the Board of directors or to its specialised committees.

Discussions between permanent control and periodic control regularly takes place to enhance the flow of information, to coordinate each action and to improve the efficiency of internal oversight in strict compliance with the independence of periodic control.



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9.2 BNP PARIBAS CARDIF GROUP RISK MANAGEMENT SYSTEM

Risk management is a process that allows to identify, gauge, monitor, manage and report on the risks arising from both outside the BNP Paribas Cardif Group and intrinsically from within. The objective is to guarantee the solvency, the continuity of business and the development of the BNP Paribas Cardif group under satisfactory conditions of risk and profitability.

Within the provision of article L354-2 of the French Insurance Code, the BNP Paribas Cardif group conducts a forward looking assessment of its solvency and risks every year under the Solvency II framework, in particular:

- the definition and evaluation of capital requirement specific to the risk profile;
- the level of capital that the BNP Paribas Cardif 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 tests cases.

Depending on the observed solvency ratios and the forecasts made under ORSA (Own Risk and Solvency Assessment), remedial actions may be undertaken to adjust own capital.

The risk typology adopted by the BNP Paribas Cardif Group is changing in pace with methodological work and regulatory requirements. It is presented according to the main categories as follows:

- **underwriting risk** is the risk of a financial loss caused by a sudden, unexpected increase in insurance claims compared to the priced risk that may result from inadequate pricing or provisioning assumptions due to internal or external factors, including sustainability risks. Depending on the type of insurance business (life, non-life), it may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters.
- **market risk** is the risk of a financial loss arising from adverse movements of financial markets. These adverse movements are notably reflected in prices (foreign exchange rates, bonds, equity and commodities, derivatives, real estate, etc.) and derived from fluctuations in interest rates, credit spreads, volatilities and correlations.
- **liquidity risk** is the risk of being unable to fulfil current or future foreseen or unforeseen cash requirements coming from insurance commitments to policyholders, because of an inability to sell assets in a timely manner, and at an acceptable cost without a significant impact on market prices; and / or get access to alternative financing instruments in a timely manner;
- **credit risk** is the risk of loss or adverse change in the financial situation resulting from the credit quality of issuers of securities, counterparties and any debtors to which the BNP Paribas Cardif Group is exposed as a counterparty. Among the debtors, risks related to financial instruments (including the banks in which the BNP Paribas Cardif group holds deposits) and risks related to receivables generated by the underwriting activities (premium collection, reinsurance recovering, etc.) are divided into two categories: asset credit risk and liabilities credit risk.
- **operational risk** is the risk of loss resulting from the inadequate or failed internal processes, information systems, IT failure, or from external events, whether deliberate, accidental or natural. It includes legal, tax and compliance risks, but excludes risks arising from strategic decisions and reputational risks.

The BNP Paribas Cardif Group is exposed mainly to credit, underwriting, and market risks. The BNP Paribas Cardif Group closely monitors its exposures and profitability, taking into account these

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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.

9.3 MARKET RISK

Market risk arises mainly in the Savings business, where technical reserves represent most of the BNP Paribas Cardif group insurance subsidiaries liabilities.

Interest rate risk management for the general insurance funds and the asset diversification policy have driven investment in real estate assets, equities and fixed- or floating-income securities, including government bonds particularly in the Eurozone countries.

BNP Paribas Cardif Group manages EUR 158.3 billion in net carrying amount and fair value, mainly in its subsidiaries in France, including Cardif Assurance Vie with EUR 127.7 billion, in Italy, including Cardif Vita with EUR 18.5 billion and in Luxembourg Cardif Lux Vie with EUR 7.9 billion.

In millions of euros	December, 31 2023		December, 31 2022	
	Net book value	Fair value	Net book value	Fair value
Shares and variable income securities (including vehicules for collective investments)	44 866	44 866	39 580	39 580
Investments properties	7 266	7 266	8 044	8 044
including buldings	4 136	4 136	4 453	4 453
including real estate companies	3 130	3 130	3 591	3 591
Governement bonds and similar	45 544	45 544	47 324	47 324
Others bonds	57 051	57 051	55 676	55 676
Derivatives and other	3 540	3 539	3 493	3 492
Total financial assets without unit linked assets	**158 267**	**158 266**	**154 117**	**154 116**

Market risk falls into four categories:

- interest rate risk;
- liquidity risk;
- spread risk ;
- change in the value of assets.

9.3.1 Interest rate risk

Euro funds in underwritten life insurance policies are measured based on either a contractual fixed rate or a variable rate, with or without a minimum guaranteed return. All these policies give rise to an interest rate and asset value risk, corresponding to the risk that the return on admissible assets is less than the contractual return payable to policyholders or return payable defined in consideration of the market expectations and the positioning of the market players. In France, the average rate guaranteed by Cardif Assurance Vie in 2023 is below 0.1%.

9.3.2 Liquidity risk

Liquidity risk with a 24-month horizon is managed by the Asset Management Department. Asset-liability matching analyses over the medium to long term are also carried out regularly by Asset-Liability Management teams in order to supplement the control of the financial risks incurred. They are based on medium- and/or long-term income statement and balance sheet projections prepared using a range of economic scenarios. The results of these reviews are analysed in order to determine any adjustments to required asset allocation constraints (through strategic allocation, diversification, use of derivatives, etc.).

Stress tests are performed as part of the Asset Liability Management (ALM). They allow to check the capacity of BNP Paribas Cardif as a group to honour its commitments in harsh financial markets conditions, by taking into account the impact on the behaviour of insureds in such situations.

Most recent sensitivity analyses proved that the main general funds included assets with sufficient liquidity.

The table below details the provisional maturity of the present value of future cash-flows.

[illegible]	Estimates of present value of future cash flows							December 31, 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

[illegible]	Estimates of present value of future cash flows							December 31, 2022
	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	6,500	5,653	5,546	5,439	5,006	22,492	144,381	195,017
Reinsurance contracts	181	-33	-16	-8	-3	1	26	148

The table below details the components of insurance liabilities outside the simplified model recognised in the financial statements.

[illegible]	December 31, 2023		December 31, 2022	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
Direct participating contracts	197,580	211,819	193,164	203,514
Non-participating contracts	70	5,099	147	5,296

On the balance sheet for the BNP Paribas Cardif Group between profit-sharing and non- profit-sharing contracts, as well as the corresponding surrender values (amounts payable on demand).

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9.3.3 Spread risk

Limits by issuer and rating type (Investment Grade, non-Investment Grade) are monitored regularly. Issuer credit quality is also reviewed frequently.

Concentration of risk by issuer and rating (excluding investments in unit-linked and Eurocroissance contracts)

Exposure by ratings (in %)	Year to 31 Dec 2023	Year to 31 Dec 2022
Reinsurance contracts assets	**483**	**555**
AAA	7	-
AA	148	190
A	68	249
BBB	123	68
< BBB(*)	138	49
Financial investments – Government	**45,832**	**47,632**
AAA	8,521	7,101
AA	22,629	23,774
A	3,164	5,835
BBB	11,135	10,703
< BBB(*)	383	220
Financial investments – Corporate	**61,778**	**58,943**
AAA	4,406	3,902
AA	14,534	6,313
A	25,493	22,294
BBB	14,669	17,286
< BBB(*)	2,676	9,148
TOTAL	**108,093**	**107,130**

Concentration of risk by issuing country (Investments in government bonds)

In millions of euros	December 31, 2023		December 31, 2022
	Ratings	Carrying amount	Carrying amount
France	AA	16,523	17,383
Italy	BBB	10,253	10,487
Spain	A-	1,904	3,656
Belgium	AA-	7,494	4,352
Austria	AA+	313	785
Germany	AAA	1,922	1,717
Netherlands	AAA	674	1,024
Irland	A+	96	252
Portugal	BBB-	57	454
Others	-	7,595	7,521
TOTAL		45,832	47,632

9.3.4 Change in the value of assets

The sensitivity impacts applied to financial assets are presented globally. The neutralisation of changes in the value of financial assets by liabilities for savings contracts valued using the variable fee method is virtually perfect, with no real effect on equity or income. The option of reclassifying to equity the change in liabilities linked to the fair value of underlying investments that are not marked to market or to the model through profit or loss for protection contracts valued using the general model transfers the effect of changes in interest rates to equity. Only the liabilities of non-profit-sharing contracts and shareholders' equity are affected by changes in the value of representative assets.

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Sensitivity of the valuation of financial assets and liabilities related to insurance contracts, on the income statement and in equity to a variation of +/-50bps of interest rates and to a variation of +/-10% of the equity market and real estate market.

The table below presents impacts before tax:

In M. of euros, as of December 31, 2023	Potential impact on P&L (*)			Potential impact on equity (*)		
	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
+10% variation of stock market	1,834	-1,760	74	61		61
-10% variation of stock market	-1,834	1,760	-74	-61		-61
+10% variation of real estate market	1,062	-1,031	31	37		37
-10% variation of real estate market	-1,062	1,031	-31	-37		-37

(*) Amounts before tax

[1] Excluding investments in representation of unit-link contracts.
The sensitivity was calculated for the largest contributing countries, i.e. France, Italy and Luxembourg.

9.4 UNDERWRITING RISK

Underwriting risk arises mainly from the surrender, the longevity and the mortality risk in the savings business line, and in creditor insurance contracts for the protection business. There are three types of underwriting risk.

9.4.1 Savings - Surrender risk

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. The insurer is thus exposed to the risk of surrender volumes being higher than the forecasts used for ALM purposes, leading to potential capital losses on asset disposals needed to finance excess surrenders.

BNP Paribas Cardif adopted a monitoring framework and tools to reduce the surrender risk:

- expected short-, medium- and long-term liability flows are regularly estimated and any liquidity gaps with expected asset flows are identified and controlled in order to reduce the risk of large scale instant asset disposals. Changes in assets and liabilities are projected over periods of up to forty years, in order to identify cash flow mismatches and over or under covered maturities giving rise to a liquidity risk. These analyses are then used to determine the choice of maturities for new investments and the assets to be sold.
- the guaranteed revaluation of policies is completed by a participating benefit feature, partly discretionary, that raises the total return to a level in line with market benchmarks and reduces the risk of an increase in surrenders. The policyholders' surplus reserve is the mechanism in France that enables the surplus actually paid out to be pooled and spread between generations of policyholders and to manage the performance of contracts over time ;the return on financial assets may be protected through the use of hedging instruments.

Average redemption rates for BNP Paribas Cardif Group general funds stood in France at 7.9% (compared to 6.7% in 2022), in Italy at 21.1% (compared to 9.4% in 2022) and in Luxembourg at 23.8% (compared to 22.5% in 2022).

9.4.2 Savings - Unit-Linked contracts with a minimum coverage

The insurer's liabilities are covered by the assets held, which are used as a valuation reference. The consistency of this coverage is controlled on a monthly basis.

Certain unit-linked commitments provide for the payment of a death benefit at least equal to the cumulative premiums invested in the contract, whatever the conditions on the financial markets at the time of the insured's death. The risk on these contracts is both statistical (probability of a claim) and financial (market value of the units).

The capital guarantee is generally subject to certain limits. In France, for example, most contracts limit the guarantee to one year (renewable annually), an age limit of 80 years old to benefit from the guarantee and a maximum of EUR 1 million per person insured.

The minimum coverage reserve, included in liabilities for the remaining coverage, is (re)assessed every quarter and takes into account the probability of death, based on a deterministic scenario, and stochastic analyses of changing financial market prices. The reserve amounted to EUR 4.9 million at 31 December 2023 (compared to EUR 18.9 million at 31 December 2022).

9.4.3 Protection

These risks result mainly from the sale of creditor insurance, as well as activities as individual death and disability, extended warranty, theft, accidental damage, third party liability, annuity policies in France, and health, with geographic coverage in many countries.

Creditor insurance mainly covers death, disability, critical illness, work disability, loss of employment and financial loss risks for revolving credit, personal loans and mortgage loans. The insurance book comprises a very large number of policies representing low risks and low premiums. Margins depend on the size of the insurance book, effective pooling of risks and tight control of administrative costs. The term of these contracts is usually equal to the term of the underlying loan and the premium is either deducted once upon issuance of the policy (single premium) or deducted regularly throughout the term of the policy (regular or periodic premiums).

Other contracts (individual death and disability, extended warranty, theft, accidental damage, and annuity policies in France, civil liability, health) are either for personal risk (death, accidental death, hospitalisation, critical illness, healthcare expenses) or property & casualty risk and/or responsibilities (accidental damage, breakdown or theft of consumer goods or vehicles, civil liability, etc.). The individual sums insured under these contracts are generally low, whether they are indemnities or lump sum payments.

Lastly, principally through its expanding entity, Cardif IARD in France, automobile contracts (material damage, civil liability, car assistance) and comprehensive household coverage are also underwritten. This type of insurance coverage is also developing in the international market, namely in Latin America.

9.4.4 Risk Gove monitoring and management

The governance set up to prevent and control actuarial risks in France and internationally is based on guidelines and tools that describe the principles, rules, methods and best practices to be followed by

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each actuary throughout the policies' life cycle, the tasks to be performed by the actuaries and their reporting obligations. It also sets out the practices that are excluded or that are allowed only if certain conditions are met.

Risks underwritten must comply with delegation limits set at various local and central levels depending on the estimated maximum acceptable losses, the estimated Solvency II capital requirements and the estimated margins on the policies concerned. The experience acquired in managing geographically diversified portfolios is used to regularly update risk pricing databases comprising a wide range of criteria such as loan type for creditor insurance, the type of guarantee and the insured population, etc. Each contract is priced by reference to the profitability and return-on-equity targets set by the Executive Management of the BNP Paribas Cardif group.

Reinsurance is a complementary element of the underwriting risk management system. Its objective is to protect the BNP Paribas Cardif group against three main risks:

- the so-called "peak" risk from exposure to an individual risk exceeding a certain threshold, called "retention". The peak risk can be managed by reinsurance which may take the form of surplus or excess of loss treaties;
- the so-called "claim accumulation" risk, which corresponds mainly to the disaster risk associated with exposure to a single low occurrence event, but very strong financial impact (concentration risk). This risk can be reinsured in the form of a catastrophe excess of loss treaty;
- risk on new products, linked to insufficient mutualisation, wrong definition of the technical databases or uncertainty over the insured portfolio data. This risk can be reinsured in the form of quota share, stop loss or excess of loss treaties, depending on the levels of risk identified.

Risk exposures are monitored periodically by the Executive Committee of the BNP Paribas Cardif group through the Commitment Monitoring Committees that are based on a two-pronged approach:

- quarterly monitoring of loss ratios at each accounting quarter end;
- supplemented by monitoring of the portfolio characteristics according to a schedule based on the type of product (monthly, quarterly or annually).

Contract pricing for annuity contracts is based on mortality tables applicable under insurance regulations, adjusted in some cases by portfolio-specific data which is certified by independent actuaries. The result is a low annuity risk.

Underwriting risks are covered by various reserves in accordance with IFRS 17:

- a reserve for the cash flows related to the future coverage period, including an adjustment for non-financial risks;
- a reserve for the contractual service margin yet to be recognised;
- a reserve for all incurred claims whether reported or not, including an adjustment for non-financial risks.

The level of confidence used to determinate the non-financial risk adjustment corresponds to the 70% quantile for the main countries.

Underwriting risk concentration

The table below presents liabilities related to insurance contracts of BNP Paribas Cardif net of reinsurance contracts by country of issuance.

In millions of euros	December 31, 2023	December 31, 2022
France (a)	158,278	148,212
Italy (a)	23,119	25,745
Luxembourg (a)	27,906	26,840
Other Europe (a)	1,071	1,136
Asia (a)	6,028	6,228
Latin America [b]	518	553
TOTAL	216,919	208,714

(a) Savings and protection

(b) Protection only

Sensitivity of underwriting risk measurement, on the income statement and on equity to a change of 1% in mortality rate, 5 % in lapse rate and 5% in ultimate loss rate.

Realised sensitivities assume a 5% change in surrenders over the period (up/down) and a 5% change in the final claims expense observed during the financial year (up/down).

The table below shows the impacts excluding reinsurance contracts and assuming all other variables remain unchanged.

The potential impact on profit (loss) is presented gross of deferred taxes."

In millions of euros	31 December 2023	
	Potential impact on income	Potential impact on equity
Savings		
Mortality rates (1% increase/decrease)	-	-
Lapse rates (5% increase/decrease)	-/+2	-
Protection		
Ultimate loss rate (5% increase/decrease)	-/+94	-

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9.5 STRUCTURED ENTITIES

Consolidated structured entities

Consolidated structured entities correspond to all funds dedicated to the insurance business. These Fund shares are designed for the needs of the BNP Paribas Cardif Group, which is the sole investor.

Unconsolidated structured entities

As part of the asset, allocation strategy corresponding to investments related to the premiums for unit-linked contracts or for the General Fund, BNP Paribas Cardif Group subscribes to units 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 2023, outstanding assets amounted to EUR 68,940 million compared with EUR 65,628 million at 31 December 2022.

9.6 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.

9.6.1 Relationships with BNP Paribas Group companies

BNP Paribas Cardif Group's relationships with BNP Paribas Group companies mainly concern the marketing and management of its insurance products, its investment policy and 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 provident policies, and BNP Paribas Personal Finance (BNP, Cetelem brand) mostly markets creditor insurance contracts.

These commercial networks are remunerated by fees from business introducers whose rate differs according to the product marketed and the missions entrusted (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 funds) managed by the asset management entities of BNP Paribas Group, in particular BNP Paribas Asset Management.

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 2023, these investments totalled EUR 3,416 million compared to EUR 3,556 million at 31 December 2022.

Finally, as part of investment hedging strategies (whether designated or not as such under IFRS), BNP Paribas Cardif Group transacts 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 contracts subordinated loans or issues subordinated securities underwritten in full by the entities of BNP Paribas Group. At 31 December 2023, this financing represents a total nominal value of EUR 3,292 million compared to EUR 3,284 million at 31 December 2022.

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 2023, the amount of financing and operating borrowings contracted for this purpose amounted to EUR 4,833 million compared to EUR 4,394 million at 31 December 2022.

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 2023, the amount of repurchase agreements with BNP Paribas Group amounted to EUR 90 million compared with EUR 1,241 million at 31 December 2022.

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Profit or loss impact of relationships with BNP Paribas Group companies

All of these relationships with BNP Paribas Group companies generated a net expense of EUR 1,939 million in 2023, compared to EUR 1,668 million in 2022, 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.

9.6.1 Relationships 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 2023, transactions with equity method companies in the BNP Paribas and the BNP Paribas Cardif Groups represent a net loss of EUR 1 million, compared to a net profit of EUR 21 million in 2022.

9.7 EVENTS AFTER THE REPORTING PERIOD

There are no significant post-closing events, known to date.

9.8 REMUNERATION OF SENIOR EXECUTIVES

The total amount of remuneration awarded to the Chairman and all members of the Executive Committee amounts to EUR 9.72 million for 2023 versus EUR 9.64 million for 2022.

9.9 FEES PAID TO THE STATUTORY AUDITORS

In millions of euros	Year to 31 Dec 2023	Year to 31 Dec 2022
Statutory audits and contractual audits	(6)	(5)
Services other than those required for their statutory audit engagement	(2)	(1)
TOTAL FEES PAID TO STATUTORY AUDITORS	(8)	(6)

Services other than the certification of financial statements mainly include tasks related to regulatory requirements (Solvency 2 & IFRS 17), tax advice and due diligence in connection with disposals.