

CONSOLIDATED FINANCIAL STATEMENTS

BNP Paribas Cardif

First half 2021



**BNP PARIBAS
CARDIF**

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world

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1. Balance sheet assets

<i>In millions of euros</i>	<i>Notes</i>	30 June 2021	31 December 2020
Goodwill	4.1	141	165
Value of insurance company contract portfolios acquired		168	277
Other intangible assets		270	306
Intangible assets		579	749
Investment property	4.2	2,989	2,950
Held-to-maturity financial assets	4.3	1,038	1,440
Available-for-sale financial assets	4.4	128,043	131,419
Financial investments at fair value through profit and loss	4.5	42,385	40,856
Loans and receivables	4.6	1,892	1,759
Derivative instruments and Separate embedded derivatives	4.7	1,413	1,263
Investments in equity-method investment entities		296	296
Unit-linked investment assets	4.8	85,120	76,588
Investments		263,176	256,571
Equity-method investments		657	705
Reinsurers' share in insurance and investment contracts liabilities		2,630	2,788
Tangible assets	4.11	473	487
Deferred acquisition costs and equivalent		1,118	1,192
Deferred tax assets		11	9
Receivables from direct insurance and reinsurance operations		1,737	1,225
Current tax receivables		129	173
Other receivables		2,956	2,934
Other assets		6,424	6,019
Cash and cash equivalents		2,637	2,067
TOTAL ASSETS		276,102	268,898

2. Balance sheet liabilities

<i>In millions of euros</i>	Notes	30 June 2021	31 December 2020
Share capital	4.12	150	150
Additional paid-in capital		2,588	2,588
Changes in assets and liabilities recognised directly in equity		663	981
Non-distributed reserves		1,238	1,470
Net income for the period attributable to shareholders		604	565
Interim dividends		-	-
Shareholders' equity - Group share	5	5,244	5,755
Minority interests	5	382	373
TOTAL SHAREHOLDERS' EQUITY		5,626	6,128
Subordinated debt	4.13	5,030	5,002
Financial debt due to banking sector companies		2,474	3,047
Financing debts		7,504	8,049
Technical liabilities arising from insurance contracts	4.14	96,851	96,366
Technical liabilities arising from unit-linked insurance contracts	4.14	76,812	69,197
Technical liabilities arising from insurance contracts		173,663	165,563
Technical liabilities arising from investment contracts with discretionary participating feature	4.14	41,355	40,916
Technical liabilities arising from unit-linked investment contracts	4.14	8,122	7,612
Technical reserves on investment contracts		49,477	48,528
Deferred policyholders' surplus reserve	4.15	20,657	21,953
TECHNICAL RESERVES ON INSURANCE AND INVESTMENT CONTRACTS		243,797	236,044
Provisions for contingencies and charges		452	403
Deferred tax liabilities		107	168
Liabilities due to companies in the banking sector		10,353	10,841
Liabilities from direct insurance and reinsurance operations		3,228	3,170
Current tax liabilities		86	197
Derivative instruments liabilities		1,388	1,303
Other debts		3,561	2,595
Other liabilities		18,723	18,274
TOTAL LIABILITIES		276,102	268,898

3. Profit and loss account

<i>In millions of euros</i>	First half 2021	First half 2020
Gross written premiums	13,836	9,597
Change in unearned premiums	5	86
Gross earned premiums	13,841	9,684
Income from other activities	14	29
Investment income	2,121	2,160
Investment expense	(422)	(626)
Gains and losses on disposed invested assets, net of depreciation and amortisation reversals	382	290
Share of net income (equity-method investment entities)	(2)	6
Net change in investments at fair-value through profit or loss	6,984	(6,197)
Net change in investments impairment	(17)	(146)
Investment income excluding financing expense	9,046	(4,513)
Technical charges related to contracts	(19,822)	(2,179)
Net result from ceded reinsurance	(20)	(122)
Expenses from other activities	(111)	(118)
Acquisition costs on contracts	(1,319)	(1,370)
Depreciation on acquired portfolios	(17)	(18)
Administration expenses	(817)	(751)
Other current operating income and expenses	24	(5)
Other current income and expenses	(22,083)	(4,564)
Other non-current operating income and expenses	84	30
Pre-tax operating income	903	667
Financing expenses	(63)	(78)
Share of earnings of equity-method entities	(10)	(2)
Corporate income tax	(214)	(249)
NET CONSOLIDATED INCOME	616	337
Net income attributable to minority interests	11	8
Net income attributable to equity shareholders	604	329

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

<i>In millions of euros</i>	First half 2021	First half 2020
Net consolidated income	616	337
Changes in foreign translation adjustments	(24)	(103)
Changes in fair value of available-for-sale financial assets	(2,038)	(702)
Changes in fair value of available-for-sale financial assets reported in net income	(289)	(333)
Changes in deferred value of hedging instruments	(48)	(93)
Changes in shadow accounting adjustments, net of deferred tax	2,064	880
Changes in equity-method investments	6	1
Items that may be reclassified to profit or loss	(329)	(350)
Remeasurement gains (losses) related to post-employment benefits plans	3	(0)
Changes in equity method investments	(0)	0
Items that may be not reclassified to profit or loss	3	(0)
Changes in assets and liabilities recognised directly in equity	(326)	(351)
TOTAL NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	289	(13)
Attributable to equity shareholders	286	(20)
Attributable to minority interests	4	7

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 31 DECEMBER 2019	150	2,588	1,153	1,905	5,797	316	6,113
Changes of method first application IFRS16	-	-	-	-	-	-	-
CAPITAL AND RETAINED EARNINGS AT 1ST JANUARY 2020	150	2,588	1,153	1,905	5,797	316	6,113
Changes in assets and liabilities recognised directly in equity (1)	-	-	(349)	-	(349)	(1)	(350)
Net consolidated income (2)	-	-	-	329	329	8	337
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	(349)	329	(20)	7	(13)
Interim dividend payments (a)	-	-	-	(433)	(433)	-	(433)
Movements in own equity	-	-	-	-	-	33	33
Movements in consolidation scope	-	-	-	(1)	(1)	1	-
Other movements	-	-	-	1	1	-	1
CAPITAL AND RETAINED EARNINGS AT 30 JUNE 2020	150	2,588	804	1,801	5,344	358	5,701
Changes in assets and liabilities recognised directly in equity (1)	-	-	177	-	177	9	186
Net consolidated income (2)	-	-	-	236	236	9	245
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	177	236	413	18	431
Interim dividend payments	-	-	-	-	0	(4)	(4)
Movements in own equity	-	-	-	(2)	(2)	1	(1)
Movements in consolidation scope	-	-	-	-	(0)	(1)	(1)
Changes in the holdings companies without loss of control	-	-	-	1	1	(0)	1
Other movements	-	-	-	(1)	(1)	1	0
CAPITAL AND RETAINED EARNINGS AT 31 DECEMBER 2020	150	2,588	981	2,035	5,755	373	6,128
Changes in assets and liabilities recognised directly in equity (1)	-	-	(319)	-	(319)	(7)	(326)
Net consolidated income (2)	-	-	-	604	604	11	616
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	(319)	604	286	4	290
Interim dividend payments (b)	-	-	-	(796)	(796)	(5)	(801)
Movements in own equity	-	-	-	(0)	(0)	10	10
CAPITAL AND RETAINED EARNINGS AT 30 JUNE 2021	150	2,588	663	1,842	5,244	382	5,626

(a) of which € 226 thousands paid as interim dividends in 2020

(B) of which € 511 millions paid as interim dividends in 2021

6. Cash-flow statement

As permitted by ANC ("Autorité des Normes Comptables" or French accounting standards body) recommendation No.2013-05, BNP Paribas Cardif Group has used the indirect method to prepare the cash flow statement.

<i>In millions of euros</i>	First half 2021	First half 2020
Pre-tax operating income	903	667
Gain and losses on disposed investments	(318)	(341)
Net depreciation/amortisation expense	80	66
Change in deferred acquisition costs	32	112
Change in depreciation	(14)	109
Net addition to technical provisions for insurance and financial liabilities	10,343	(7,056)
Net addition to other provisions	63	66
Change in value of financial instruments at fair value through profit and loss (no cash and cash equivalents)	(4,125)	8,726
Share in associates and joint-ventures investments	2	(6)
Other items without cash out in operating income	485	(143)
Correction of items included in operating income with no corresponding cash flows and reclassification of financing and investment flows	6,547	1,533
Dividends received from equity-method entities	11	19
Change in operating receivables and liabilities	(116)	(156)
Change in securities sold or received under repurchase agreements	(46)	(33)
Net cash generated by other assets and liabilities	1,206	(332)
Net taxes paid	(203)	(171)
Net cash not related to income from operating activities	853	(673)
NET CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES	8,302	1,526
Net cash related to movements in consolidation scope	321	3
Net cash on disposals and repayments of financial assets	13,689	21,840
Net cash related to acquisitions or issues of financial assets	(19,529)	(24,943)
Net cash related to acquisitions and disposals of tangible and intangible assets	(50)	(35)
NET CASH AND EQUIVALENTS GENERATED BY INVESTMENT ACTIVITIES	(5,570)	(3,135)
Issuance of capital instruments	10	33
Dividends paid	(801)	(433)
Net cash from transactions with shareholders and members	(791)	(399)
Cash generated by financing debts issuance	14	7
Cash allocated to financing debts repayments	(1,788)	2,030
Interest paid on financing debts	(63)	(78)
Net cash related to Group financing	(1,838)	1,959
NET CASH AND EQUIVALENTS GENERATED BY FINANCING ACTIVITIES	(2,629)	1,559
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS	1	(21)
BALANCE OF CASH AND EQUIVALENTS AT THE START OF THE PERIOD	1,295	1,485
Net cash generated by operating activities	8,302	1,526
Net cash generated by investment activities	(5,570)	(3,135)
Net cash generated by financing activities	(2,629)	1,559
Effect of charges in foreign exchange rates on cash and cash equivalents	1	(21)
BALANCE OF CASH AND EQUIVALENTS AT THE END OF THE PERIOD	1,400	1,414
Asset cash and cash equivalents	2,637	2,364
On demand debts	(1,242)	(954)
of which related debts	5	3
Liability cash and cash equivalents	(1,237)	(950)

7. Notes to the consolidated financial statements

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

1.1 NORMATIVE ENVIRONMENT

General principles

The interim consolidated financial statements of BNP Paribas Cardif Group as at 30 June 2021 have been prepared and are presented in accordance with IAS 34 “Interim Financial Reporting”, which allows the issuance of condensed half-year financial statements and defines the accounting and evaluation principles applicable to them.

Therefore, the interim and condensed financial statements of BNP Paribas Cardif Group include the financial statements as required by IAS 1 “Presentation of Financial Statements”, prepared with the same format as the financial statements as at 31 December 2020, and enriched with a selection of notes documenting the most significant changes and detailing the performance of BNP Paribas Cardif Group.

Those Half-year condensed financial statements aim at updating the financial statements as at 31 December 2020 of BNP Paribas Cardif Group and shall be read jointly with those financial statements. They are presented in comparison with:

- 31 December 2020 for the Balance Sheet, and
- 30 June 2020 for the Profit and Loss Account.

The accounting and evaluation principles applied by BNP Paribas Cardif Group as at 30 June 2021 are the same as those used for the financial statements as at 31 December 2020 to which are added the principles corresponding to new standards and interpretations mandatory as from 1 January 2021 if any. They are compliant with IAS/IFRS, IFRIC amendments and interpretations as adopted by the European Union as at 30 June 2021. Except for the amendment to IFRS 4 relating to the extension of the temporary exemption from applying IFRS 9, no new standard or interpretation was applied as at 30 June 2021.

Inclusion of publications and recommendations of regulators and standardizers in the current context of the Covid-19 pandemic for the preparation of the Half-year accounts 2021.

The World Health Organization has recognized the epidemic of coronavirus as pandemic on 11 March 2020. In this context, financial support measures for businesses and individuals have been taken by the governments of several states. In addition to government measures, financial organizations and insurers have taken private initiatives aimed at supporting their clients.

In the current context linked to the pandemic, the preparation of BNP Paribas Cardif's half-yearly accounts has been carried out taking into account the recommendations of regulators and standardizers, especially the 3 July 2020 and the 9 July 2021 recommendations of ANC related to the recognition of the Covid-19 event's consequences in the accounts and situations established as of 1st January 2020, on the basis of judgments and assumptions enabling to identify and evaluate the significant impacts of the pandemic on the accounts.

Special attention has been paid to the valuation and depreciation of financial assets (due to market conditions), as well as the inclusion and accounting method of certain government measures, such as the contribution to the solidarity fund created by the State for VSEs following Covid-19, the recognition of assistance measures taken with regard to our policyholders, and all other impacts deemed significant with regard to the IFRS standards currently in force.

After a sharp slowdown in France and in the international business due to the pandemic during the second quarter 2020, a gradual rebound in activity continues in 2021, thanks to collection recovery plans put in place.

Established on the basis of business continuity, BNP Paribas Cardif's consolidated accounts as at 30 June 2021 take into account the impact of these measures that have been recorded according to the accounting standards in force.

With reference to the ANC recommendation specific to insurance companies, the following accounting treatment has been adopted:

- Waivers of premiums are recognized as a reduction of premiums for the period ;
- Extensions of the duration of coverage of contracts granted without additional premiums have been included in the calculation of unearned premium reserves ;
- Claims compensations related to the Covid-19 event are recorded under "contract service charges".

Impacts resulting from fluctuations in financial markets due to the Covid-19 event are shown in the disclosures to the various notes concerned if they are material or when this location seems more relevant, (the result of the liability adequacy test is thus indicated with the detail of the technical reserves).

1.1.1 New standards and amendments applicable as from 1st January 2021

Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): reporting periods beginning on or after
<p><i>Amendment to IFRS 4 relating to the extension of the temporary exemption from applying IFRS 9</i></p> <p>It extends the expiry date of the temporary exemption from applying IFRS 9 for the first time until the 1 January 2023</p>	<p>15 December 2020 (UE 2020/2097)</p>	<p>1st January 2021</p>
<p><i>Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"</i></p> <p>They address the impacts on the financial statements of an entity replacing the former interest rate benchmark with an alternative benchmark rate following the reform.</p>	<p>13 January 2021 (UE 2021/25)</p>	<p>1st January 2021*</p>

*The entry into force of the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16 had no impact on the financial statements as at 30 June 2021.

1.1.2 New standards and amendments published by the IASB and adopted

Standards published by the IASB and adopted by the European Union as at 30 June 2021		
Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): reporting periods beginning on or after
IFRS 9 Financial Instruments Replacement of IAS 39 Financial Instruments: recognition and measurement	22 November 2016 (EU 2016-2067)	1 January 2018 1 January 2023 for the insurance companies opting, under conditions, for the application of the deferral of IFRS 9 as authorized by the amendment to IFRS 4 on 3 November 2017
Amendment to IFRS 9 Prepayment Features with Negative Compensation	22 March 2018 (EU 2018-498)	1 January 2023 (idem IFRS 9)
Amendment to IAS 28 Investments in Associates and Joint Ventures IFRS 9, including provisions relating to depreciation, applies to long-term interests in associates and joint ventures to which the equity method is not applied.	8 February 2019 (EU 2019/237)	1 January 2023 (idem IFRS 9)
Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": "Onerous Contracts – Cost of Fulfilling a Contract" These amendments specify the costs that an entity should include when assessing whether a contract is onerous.	28 June 2021 (EU 2021/1080)	1 January 2022
Amendments to IAS 16 "Property, Plant and Equipment" These amendments prohibit deducing from the cost of a property, plant and equipment any proceeds from selling items produced while bringing that asset into the location and condition necessary for it to be capable of operating in the manner intended by management.	28 June 2021 (EU 2021/1080)	1 January 2022

Standards published by the IASB and adopted by the European Union as at 30 June 2021		
Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): reporting periods beginning on or after
<i>Annual Improvements to IFRS Standards 2018-2020 Cycle</i> Minor amendments to IFRS 1 (measurement of translation differences), IFRS 9 (test of derecognition), IFRS 16 (removing the Illustrative Example 13 on lease incentives) and IAS 41 (recognition and measurement of biological assets).	28 June 2021 (EU 2021/1080)	1 January 2022

1.1.3 New standards or amendments published by IASB not yet applicable

Standards published by the IASB but not yet adopted by the European Union as at 30 June 2021	
Standards, amendments or interpretations	Date of First Time Application (mandatory): reporting periods beginning on or after
IFRS 17 Insurance Contracts Replacement of IFRS 4 Insurance Contracts	1 January 2023
Amendments to IFRS 17 (June 2020) Amendments to the standard IFRS 17 have been accepted by the IASB on ten subjects having different impacts on the project IFRS 17. Among these amendments the deferral of the date of entry into force as at 1 January 2023.	1 January 2023
Amendments to IFRS 16 "Leases" : Covid-19-related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IAS 1 about the classification of liabilities as current and non-current liabilities These amendments clarify the principles for classifying a liability on the balance sheet as current or non-current.	1 January 2023
Amendments to IAS 1 and Guidance on how to apply the concept of materiality to accounting policy disclosures These amendments aim at helping entities identify the useful information about accounting policies to provide with users of the financial statements. They require companies to disclose their material accounting policy information rather than their significant accounting policies.	1 January 2023
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" These amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.	1 January 2023
Amendments to IAS 12 "Income Taxes" : Deferred Tax related to Assets and Liabilities arising from a Single Transaction These amendments clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.	1 January 2023

IFRS 9 Financial Instruments and amendments to IFRS 9 Prepayment Features with Negative Compensation and Interest Rate Benchmark Reform

Published by the IASB in July 2014 and voted by the European Union on 22 November 2016, IFRS 9 “Financial Instruments” replaces IAS 39 “Financial Instruments: recognition and measurement” regarding the classification and evaluation of financial instruments.

IFRS 9 defines new principles regarding the classification and evaluation of financial instruments, the depreciation for credit risk on the invested assets and the global hedge accounting (or micro hedging).

Mandatory for annual reporting periods beginning on or after 1 January 2018, IFRS 9 is applicable to European companies in all business sectors, excluding insurance companies, which are permitted, as an option and under conditions, to defer the application until 1 January 2023, based on amendments to IFRS 4.

The BNP Paribas Cardif Group intends to apply the standard IFRS 9 on the date of first time application of IFRS 17: 1 January 2023. It is planned to apply the standard retrospectively in the conditions which will be in force at the time, to meet the requirements of IFRS 17 regarding the mandatory comparative information.

An amendment to IFRS 9 “Prepayment Features with Negative Compensation” published by IASB in October 2017 and adopted by the European Union in March 2018, clarifies the classification of invested assets providing reimbursement clauses which can lead to the collection of an indemnity by the borrower. This amendment will be mandatory from the annual reporting periods beginning on or after 1 January 2019, an earlier application being permitted.

The option chosen by the BNP Paribas Cardif Group to defer the application of IFRS 9 until 1 January 2023 means that the deferral will also apply for the amendment to IFRS 9 “Prepayment Features” and other amendments to the standard IFRS 9.

The preparatory work to implement IFRS 9 by BNP Paribas Cardif continued in the first half of the year 2021 and will be sequenced throughout the deferral period. Dry-run tests are ongoing on IFRS 9, in conjunction with the ones performed for IFRS 17. The implementation timetable is clearly set up within the BNP Paribas Group, as well as within its provider in charge of investments bookkeeping. The options or positions chosen by the BNP Paribas Group will also be taken into account (notably with respect to hedge accounting) on the date BNP Paribas Cardif will apply the standard IFRS 9 for the first time.

IFRS 17 Insurance Contracts and amendments to IFRS 17

The standard IFRS 17 “Insurance Contracts” from May 2017 that will replace the current standard IFRS 4, has been completed by amendments published in June 2020. Its mandatory first application initially planned as of 1 January 2021 has been postponed to 1 January 2023 (Amendments to IFRS 17 published in June 2020). The standard will have to be first adopted by the European Union for its enforcement in Europe. Therefore, the transition date to IFRS 17 will be on 1 January 2022 for the purpose of the opening balance of the comparative period required by the standard.

The standard requires to value the insurance liabilities at “Best Estimate” on the basis of the future discounted and probabilised estimated cash flows, completed with an adjustment for risk (RA or “Risk Adjustment”) covering the uncertainty on the estimates, and with a “Contractual Service Margin” (“CSM”) representing the future profits expected from the contract.

This approach, corresponding to the General model, is adapted for contracts with a discretionary participation feature which, if they comply with predefined conditions, can benefit from a specific model (the “Variable Fee Approach”) in which the CSM captures at the same time the impact of the change of estimates on the liabilities and on the underlying assets.

Short-term contracts can be measured using a simplified approach (PAA or “Premium Allocation Approach”) comparable to the premiums deferral as currently applied for the non-life insurance contracts. This approach can also be applied to some longer-term contracts if the results are equivalent to those obtained when applying the general model.

Most of the BNP Paribas Cardif insurance contracts with participating features should be eligible to the “Variable Fee Approach”. Creditors’ insurance contracts and protection contracts should be eligible to the general model or the simplified approach (“Premium Allocation Approach”) if the conditions are met.

In addition to the expected changes regarding the recognition of insurance liabilities and reinsurance assets, the new standard shall generate significant changes as regards to revenue recognition from insurance contracts and expenses linked to those contracts in the Statement of comprehensive income.

BNP Paribas Cardif started the preparation of the IFRS 17 implementation project in 2017; it continues in 2021, until the date of the first application of the standard. A forth Dry-Run test launched at the end of 2020 is ongoing with provisional options. The rollout of new modelling and reporting tools continues as planned in the timetable. Some options remain to be finalised based on studies in progress and normative interpretations in discussion.

Amendments to IFRS 16 Leases with rent concessions linked to Covid-19

These amendments offer a simplification measure allowing the lessee to exempt himself from evaluating if rent relief linked to Covid-19 is a contract modification. This exemption allows the lessee to record the rent reliefs linked to the pandemic as if they were not contract changes and to recognize the impact of such reductions in the profit and loss for the period.

The date of entry into force of this amendment is set for the annual reporting periods beginning on or after 1 June 2020 with permitted earlier application. The amendment received an endorsement advice from EFRAG; however, it has not yet been adopted at European level.

The entities of the BNP Paribas CARDIF Group have not benefited from rent concessions directly related to the Covid-19 pandemic since the beginning of the year 2021.

1.2 CONSOLIDATION PRINCIPLES AND METHODS

The accounting and evaluation principles applied by the BNP Paribas Cardif Group as at 30 June 2021 are identical to those used for the financial statements as at 31 December 2020.

NOTE 2 SCOPE OF CONSOLIDATION

			30 June 2021				31 December 2020			
Name	Country	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		
BNP Paribas Cardif BV	Netherlands	Full	100.0	100.0		Full	100.0	100.0		
Cardif Nordic AB	Sweden	Full	100.0	100.0		Full	100.0	100.0		
Cardif Pinnacle Insurance Holdings PLC	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		
NCVP Participacoes Societarias SA	Brazil	Full	100.0	100.0		Full	100.0	100.0		
INSURANCE										
BNP Paribas Cardif Emeklik AS	Turkey	Full	100.0	100.0		Full	100.0	100.0		
BNP Paribas Cardif General Insurance Co Ltd	Korea	EM *	92.7	92.7		EM *	92.5	92.5		
BNP Paribas Cardif Compania de Seguros y Reaseguros SA	Pérou	EM *	100.0	100.0		EM *	100.0	100.0		
BNP Paribas Cardif Levensverzekeringen NV	Netherlands	Full	100.0	100.0		Full	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 Schadeverzekeringen NV	Netherlands	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 (Germany branch)	Germany	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Austria branch)	Austria	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Belgique branch)	Belgium	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Spain branch)	Spain	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Italy branch)	Italy	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (succ. Netherlands)	Netherlands	Full	100.0	100.0		Full	100.0	100.0	(E)	
Cardif Assurances Risques Divers (Pologne branch)	Poland	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Roumanie branch)	Romania	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Zurich branch)	Switzerland	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurances Risques Divers (Taiwan branch)	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 (Germany branch)	Germany	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurance Vie (Austria branch) Other	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 (Bulgaria branch)	Bulgaria	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurance Vie (Spain branch)	Spain	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurance Vie (Italy branch)	Italy	Full	100.0	100.0		Full	100.0	100.0		
Cardif Assurance Vie (succ. Netherlands)	Netherlands	Full	100.0	100.0		Full	100.0	100.0	(E)	
Cardif Assurance Vie (Portugal branch)	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 (Zurich branch)	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 Zartkrouen	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	EM *	100.0	100.0		EM *	100.0	100.0		
Cardif Forsakring AB (Denmark branch)	Denmark	EM *	100.0	100.0		EM *	100.0	100.0		
Cardif Forsakring AB (Norway branch)	Norway	EM *	100.0	100.0		EM *	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		
LLC Insurance Company Cardif	Russia	Full	100.0	100.0		Full	100.0	100.0		
Cardif Life Insurance Japan	Japan	Full	75.0	75.0		Full	75.0	75.0		
Cardif Livforsakring AB	Sweden	EM *	100.0	100.0		EM *	100.0	100.0		
Cardif Livforsakring AB (Denmark branch)	Denmark	EM *	100.0	100.0		EM *	100.0	100.0		
Cardif Livforsakring AB (Norway branch)	Norway	EM *	100.0	100.0		EM *	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 Seguros SA	Argentina	Full	100.0	100.0		Full	100.0	100.0		
Cargeas Assicurazioni SPA	Italy	Ni	-	-	(S)	Full	100.0	100.0		
Icare Assurance	France	Full	100.0	100.0		Full	100.0	100.0		
Luizaseg	Brazil	EM	50.0	50.0		EM	50.0	50.0		
Nato Assurance	France	Full	100.0	100.0		Full	100.0	100.0		
Pinnacle Insurance PLC	UK	Full	100.0	100.0		Full	100.0	100.0		
Pojstovna Cardif Slovakia AS	Slovakia	EM *	100.0	100.0		EM *	100.0	100.0		

Consolidated financial statements as at 30 June 2021

			30 June 2021				31 December 2020			
Name	Country	Consolidation method	Control (%)	Interest (%)	Ref.	Consolidation method	Control (%)	Interest (%)	Ref.	
OTHER ACTIVITIES										
BNP Paribas Cardif Services SRO	Czech Republic	EM *	100.0	100.0		EM *	100.0	100.0	(E)	
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 Pinnacle Insurance Management Services PLC	UK	Full	100.0	100.0		Full	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		
GIE BNP Paribas Cardif	France	Full	99.5	99.5		Full	99.5	99.5		
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	(E)	
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		
CFH Capital France Hôtel	France	Full	98.4	98.4		Full	98.4	98.4		
CFH Algonquin Management Partners France	Italy	Full	100.0	98.4		Full	100.0	98.4		
CFH Bercy	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Bercy Hotel	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Bercy Intermédiaire	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Berlin HoldCo SARL	Luxembourg	Full	100.0	98.4	(E)					
CFH Boulogne	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Cap d'Al	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Hibernia	France	Full	100.0	98.4		Full	100.0	98.4		
CFH HVP SAS	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Milan Holdco SRL	Italy	Full	100.0	98.4		Full	100.0	98.4		
CFH Montmartre	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Montparnasse	France	Full	100.0	98.4		Full	100.0	98.4		
CFH Astridplaza	Belgium	Full	100.0	98.4		Full	100.0	98.4		
C-Santé OPPCI	France	Full	100.0	100.0		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	(E)	
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 GmbH	Germany	MV	33.3	33.3		MV	33.3	33.3		
High Street Retail	UK	NI	-	-	(S)	MV	26.2	26.2	(V)	
Korian et Partenaires Immobilier 1 SCI	France	MV	24.5	24.5		MV	24.5	24.5	(E)	
Korian et Partenaires Immobilier 2 SAS	France	MV	24.5	24.5		MV	24.5	24.5	(E)	
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	(E)	
SAS Prem Healthcare	France	MV	24.4	24.4		MV	24.4	24.4		
SAS Velizy	France	MV	33.3	33.3		MV	33.3	33.3		
Schroder European Operating Hotels Fund 1	Luxembourg	MV	18.2	18.2	(E)					
SCI 68/70 rue de Lagny-Montreuil	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Alpha Park	France	MV	50.0	50.0		MV	50.0	50.0		
SCI Batipart Chadesrent	France	VM	20.0	20.0	(E) (V)					
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 Boulagny	France	MV	50.0	50.0		MV	50.0	50.0		
SCI Cardif Logement	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Citylight Boulogne	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Clichy Nuovo	France	MV	50.0	50.0		MV	50.0	50.0		
SCI Corosa	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Défense Etoile	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Défense Vendôme	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Etoile du Nord	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Fontenay Plaisance	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Hémisphère	France	MV	20.0	20.0		MV	20.0	20.0		
SCI Imela 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 Pantin Les Moulins	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Liberté	France	MV	50.0	50.0		MV	50.0	50.0		
SCI Nanterre Guillaies	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 Odysée	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Paris Batignolles	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Paris Cours de Vincennes	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Paris Grande Armée	France	Full	100.0	100.0		Full	100.0	100.0	(E)	
SCI Paris Turenne	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Portes de Claye	France	EM	45.0	45.0		EM	45.0	45.0		
SCI Reumal Investissements	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Rue Moussorgski	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Rueil Ariane	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Rueil Caudron	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Saint-Denis Jade (Ex- SCI Porte d'Asnières)	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Saint Denis Landy	France	Full	100.0	100.0		Full	100.0	100.0		
SCI Saint Denis Mitterrand	France	Full	100.0	100.0		Full	100.0	100.0		
SCI SCOO (Société des Centres d'Oc et d'Oil)	France	EM	46.4	46.4		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 Wolfatshausen Objekt GmbH	Germany	MV	35.0	23.3		MV	35.0	23.3		
SNC Batipart Poncelet	France	MV	23.3	23.3		MV	23.3	23.3	(E)	
Société Immobilière du Royal Building SA	Luxembourg	Full	100.0	66.7		Full	100.0	66.7		

Consolidated financial statements as at 30 June 2021

			30 June 2021				31 December 2020			
Name	Country	Consolidation method	Control (%)	Interest (%)	Ref.	Consolidation method	Control (%)	Interest (%)	Ref.	
Structured entities										
BNPP CP Cardif Alternative	France	Full	100.0	100.0		Full	100.0	100.0		
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	Full	100.0	100.0		Full	100.0	100.0	(E)	
BNPP Monétaire Assurance	France	NI	-	-	(S)	Full	100.0	100.0	(E)	
Camgestion Obilflexible	France	Full	100.0	100.0		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	(E)	
Cardif BNPP IP Convertibles World	France	Full	100.0	100.0		Full	100.0	100.0		
Cardif BNPP IP Global Senior Corporate Loans	France	Full	100.0	100.0		Full	100.0	100.0	(E)	
Cardif BNPP IP Signatures	France	Full	100.0	100.0		Full	100.0	100.0		
Cardif BNPP IP Smid Cap Euro	France	Full	100.0	100.0		Full	100.0	100.0		
Cardif BNPP IP Smid Cap Europe	France	Full	100.0	100.0	(E)					
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	Full	100.0	100.0		Full	100.0	100.0		
Elegia septembre 2028	France	Full	100.0	100.0		Full	100.0	100.0	(E)	
FP Cardif Convex Fund USD	France	Full	100.0	100.0		Full	100.0	100.0		
G C Thematic Opportunities II	Ireland	Full	100.0	100.0		Full	100.0	100.0		
Natio-Fonds Ampère 1	France	Full	100.0	100.0		Full	100.0	100.0	(E)	
Natio Fonds Athènes Investissement 5	France	Full	100.0	89.6		Full	100.0	89.6		
Natio Fonds Colline International	France	Full	100.0	100.0		Full	100.0	100.0		
Natio Fonds Collines Investissement 1	France	Full	100.0	100.0		Full	100.0	100.0		
Natio Fonds Collines Investissement 3	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		
Permal 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		
Vattires FCP	France	Full	100.0	100.0		Full	100.0	100.0		

The percentage of interest reflects the direct and indirect participation 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) Entry in the scope of consolidation

(EM *) Controlled entities subject to simplified consolidation using the equity method due to their insignificant nature

(NI) Not integrated entities

(S) Removals from the scope of consolidation

(V) Change in rates or consolidation method

(MV) Participation in an entity under significant influence or joint control valued at market value through profit or loss

2.1 SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

2.1.1 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 2020 and 2021, no BNP Paribas Cardif Group entity was subject to significant restrictions other than those related to regulatory requirements.

2.2 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 to BNP Paribas Cardif Group profit and loss account.

In connection with the investment in certain entities, BNP Paribas Cardif Group granted to minority shareholders eventual put options on their holdings.

			30 June 2021		
	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
<i>In millions of euros</i>					
Cardif Lux Vie and subsidiaries	33.3%	33.3%	32,151	7	-
Cardif Insurance Japan (companies Life and No Life)	25.0%	25.0%	822	6	(5)
Cardif IARD	34.0%	34.0%	574	(3)	-
Other minority interests	-	-	260	1	-

(1) Amounts before elimination of intercompany

					31 December 2020
	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
<i>In millions of euros</i>					
Cardif Lux Vie and subsidiaries	33.3%	33.3%	30,247	10	-
Cardif Insurance Japan (companies Life and No Life)	25.0%	25.0%	847	15	(4)
Cardif IARD	34.0%	34.0%	483	(4)	-
Other minority interests	-	-	225	(3)	-

(1) Amounts before elimination of intercompany

NOTE 3 BUSINESS COMBINATIONS

Transactions of first half 2021

Cargeas Assicurazioni SPA

On 21 February, BNP Paribas Cardif signed a memorandum of understanding with Intesa San Paolo with the prospect of a sale in the first half of 2021 of 100% of the shares in the subsidiary Cargeas Assicurazioni SPA, a non-life bankinsurer player, operating in the Italian market. The effective sale took place at the end of May after the authorisation given by the local regulator.

This transaction generated a disposal result of 86 million euros.

CFH Berlin HoldCo

On 30 June 2021, Cardif Assurance Vie, through its investment subsidiary Capital France Hotel ("CFH"), acquired 94.9% of the shares of three real estate companies which own and which operate hotels located in Berlin (Germany).

Transactions completed in 2020

Korian and Partenaires Immobilier

On 30 December 2020, the BNPP Cardif Group, through its subsidiaries Cardif Assurance Vie and Cardimmo, subscribed to 24.5% shares in real estate vehicles of the Korian Group in the capital of SCI Korian and Partenaires Immobilier 1 and of SAS Korian and Partenaires Immobilier 2

FDI Poncelet SAS

On 28 September 2020, Cardif Assurance Vie subscribed for 100% of the shares in the capital of FDI Poncelet SAS. On 7 October 2020, this fund acquired 23.26% of SNC Batipart Poncelet, owner of a building in the future state of completion.

Karapass Courtage

On 3 July 2020, BNP Paribas Cardif acquired 100% of the shares of Karapass Courtage, a brokerage and claims management company, until now the main manager of BNPP Cardif affinity programs in France.

Scotia Seguros de Vida SA

On 29 May 2020, Cardif Seguros de Vida and Cardif Seguros Generales, subsidiaries of BNP Paribas Cardif in Chile, have acquired Scotia Seguros de Vida SA. This transaction was realized on the part of the strategic alliance signed by BNP Paribas Cardif and Scotiabank in Latin America. The 15-years agreement provides for the development of provident and insurance solutions for Scotiabank's 9 million customers in Chile, Colombia, Mexico and Peru. On 5 December 2020, following an agreement with the Chilean regulator, the BNPP Cardif Group merged and absorbed the latter by the controlled subsidiary Cardif Seguros de Vida.

SCI Paris Grande Armée (Paris 17)

On 15 April 2020, Cardif Assurance Vie and Cardimmo subscribed respectively 70% and 30% of the shares in the capital of SCI Paris Grande Armée amounting to EUR 82 million. The Company's activity is the management of real estate assets.

NOTE 4 NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 GOODWILL

<i>In millions of euros</i>	30 June 2021	31 December 2020
CARRYING AMOUNT AT START OF PERIOD	165	249
Disposals	(25)	-
Depreciation recognized during the period	-	(83)
Effect of movements in exchange rates	1	(1)
CARRYING AMOUNT AT END OF PERIOD	141	165
Gross carrying amount	192	248
Accumulated impairment recognised at the end of period	(51)	(83)

Goodwill by cash-generating unit is as follows:

<i>In millions of euros</i>	Carrying amount		Impairment recognised during the period		Acquisitions during the period	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
France	37	37	-	-	-	-
Italy	88	113	-	(83)	-	-
Rest of Europe	14	14	-	-	-	-
Asia	1	1	-	-	-	-
TOTAL GOODWILL	141	165	-	(83)	-	-

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 in 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 a few assumptions about projected revenues, expenses and capital requirements based on medium-term plans.

Cash flows are projected from 5 to 15 years and beyond, 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 growth rate to perpetuity used is 2% for homogeneous group 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.

4.2 REAL ESTATE INVESTMENT

The "Real Estate Investment" aggregate 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". These are representative of the assets invested as part of the life insurance business.

	30 June 2021				31 December 2020			
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Market value	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Market value
<i>In millions of euros</i>								
TOTAL REAL ESTATE INVESTMENT	3,628	(639)	2,989	4,577	3,572	(622)	2,950	4,543
<i>of which insurance companies investments</i>	3,628	(639)	2,989	4,577	3,645	(598)	3,247	4,543
<i>of which investments from other activities</i>	-	-	-	-	-	-	-	-

The amortisation expense for the first half of 2021 amounted to EUR 31 million offset by a reversal of EUR 13 million related to the disposal of buildings during the period against an allocation of EUR 68 million fully offset by the reversal of depreciation in 2020.

The impairment expenses for the first half of 2021 has not been allocated, although it amounted to EUR 10 million for the 2020 financial year.

4.3 HELD-TO-MATURITY FINANCIAL ASSETS

	30 June 2021		31 December 2020	
	Carrying amount	of which impairment	Carrying amount	of which impairment
<i>In millions of euros</i>				
Listed government bonds	1,038	-	1,440	-
Other listed bonds	-	-	-	-
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	1,038	-	1,440	-
<i>of which insurance companies investments</i>	1,038	-	1,440	-

4.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2021			31 December 2020		
	Carrying amount	of which impairment	of which changes in value taken directly to equity	Carrying amount	of which impairment	of which changes in value taken directly to equity
<i>In millions of euros</i>						
Equities and other variable-income securities	10,129	(687)	2,736	9,268	(696)	2,110
Bonds and other fixed-income securities	117,914	-	11,021	122,151	-	14,822
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	128,043	(687)	13,757	131,419	(696)	16,932
<i>of which insurance companies investments</i>	127,961	-	-	130,839	-	-
<i>of which investments from other activities</i>	82	-	-	580	-	-

Changes in value of assets booked directly to equity are detailed as follows:

	30 June 2021			31 December 2020		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
<i>In millions of euros</i>						
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	11,021	2,736	13,757	14,822	2,110	16,932
Deferred tax linked to these changes in value	(2,952)	(713)	(3,665)	(3,968)	(541)	(4,510)
Insurance policyholders' surplus profit from insurance entities, after deferred tax	(7,283)	(1,829)	(9,112)	(9,747)	(1,384)	(11,132)
Group share of changes in value of available-for-sale securities owned by entities consolidated under the equity method, after deferred tax and deferred profit-sharing	19	59	78	16	68	84
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	-	-	-	(6)	-	(6)
TOTAL ⁽¹⁾	805	253	1,057	1,117	253	1,370

⁽¹⁾ This total is included in the category "Total changes recognised directly in equity" of the summary table 5 Statement of changes in shareholders' equity

4.5 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

This item includes financial assets valued at fair value through profit and loss.

<i>In millions of euros</i>	30 June 2021	31 December 2020
Equities and variable income securities	34,144	32,782
Bonds and other fixed-income securities	8,240	8,075
TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	42,385	40,856
<i>of which insurance companies investments</i>	42,318	40,844
<i>of which investments from other activities</i>	67	12

4.6 LOANS AND RECEIVABLES

	30 June 2021		31 December 2020	
	Carrying amount	of which impairment	Carrying amount	of which impairment
<i>In millions of euros</i>				
LOANS AND RECEIVABLES	1,892	-	1,759	-
<i>of which insurance companies investments</i>	1,860	-	1,730	-
<i>of which investments from other activities</i>	32	-	29	-

4.7 DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

The positive or negative fair value of derivative financial instruments classified in the trading portfolio represents the replacement value of those instruments.

4.7.1 Fair value by derivative financial instruments

The market value of derivative instruments on the assets and liabilities sides of the balance sheet breaks down as follows:

In millions of euros	30 June 2021		31 December 2020	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate derivatives	766	446	772	574
Foreign exchange derivatives	499	423	366	440
Equity derivatives	148	519	124	288
DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES	1,413	1,388	1,263	1,303
<i>of which insurance companies investments</i>	<i>1,409</i>	<i>1,388</i>	<i>1,262</i>	<i>1,274</i>
<i>of which investments from other activities</i>	<i>4</i>	<i>-</i>	<i>1</i>	<i>29</i>

4.7.2 Notional amounts of derivative financial instruments

The notional amounts of derivative 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.

In millions of euros	30 June 2021			31 December 2020		
	Exchanges	Over the counter	Total	Exchanges	Over the counter	Total
Interest rate derivatives	6,753	16,950	23,703	5,689	20,050	25,739
Foreign exchange derivatives	-	17,990	17,990	-	16,347	16,347
Equity derivatives	-	9,104	9,104	-	5,919	5,919
DERIVATIVES (NOTIONAL AMOUNTS)	6,753	44,044	50,797	5,689	42,316	48,004

The total notional amount of derivatives used for hedging purposes stood at EUR 9,698 million for the first half of 2021 versus EUR 8,544 million at 31 December 2020.

4.8 UNIT-LINKED INVESTMENTS

Assets representing unit-linked contracts are valued at their fair value on the closing date. They are broken down as follows:

<i>In millions of euros</i>	30 June 2021	31 December 2020
Equities and variable income securities	31,832	28,944
Share of real estate companies	3,291	3,127
Treasury bills	898	941
Government Bonds	19	31
Other bonds	1,291	1,517
UCIT bonds and shares	46,055	40,541
Financial instruments	83,386	75,101
Real estate investments in unit-linked contracts	1,734	1,487
TOTAL UNIT-LINKED INVESTMENTS	85,120	76,588

4.9 DETERMINATION OF MARKET VALUE OF FINANCIAL INSTRUMENTS

BNP Paribas Cardif has retained the fundamental principle that it should have a single and integrated processing chain for producing and controlling the valuations of financial instruments that are used for the purpose of daily risk management and financial reporting. 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 asset 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.

4.9.1 Description of main instruments in each level

As detailed in the note 1 "Accounting principles and methods", financial instruments at market value are divided into three levels. This hierarchy is also applied to financial instruments, both assets and liabilities, which are recognised at amortised cost.

	30 June 2021				31 December 2020			
<i>In millions of euros</i>	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at market value								
Available-for-sale financial assets	113,135	14,433	474	128,043	116,704	14,505	211	131,419
Financial instruments at fair value through profit or loss (1)	93,538	24,435	7,797	125,771	85,877	23,215	6,865	115,957
Derivatives and separate embedded derivatives	-	1,413	-	1,413	-	1,263	-	1,263
Fair value of financial instruments at amortised cost								
Loans and receivables	-	1,903	-	1,903	65	1,724	-	1,790
Held-to-maturity financial assets	1,238	-	-	1,238	1,683	-	-	1,683
FINANCIAL ASSETS	207,911	42,185	8,272	258,368	204,329	40,706	7,076	252,112
Financial instruments at market value								
Derivative liability instruments	-	1,388	-	1,388	0	1,303	-	1,303
Fair value of financial instruments at amortised cost								
Subordinated debt	1,926	3,396	-	5,322	1,902	3,365	-	5,267
Repurchase agreements granted	-	8,287	-	8,287	-	9,391	-	9,391
Loans from credit institutions	-	4,540	-	4,540	-	4,497	-	4,497
FINANCIAL LIABILITIES	1,926	17,610	-	19,536	1,902	18,556	-	20,458

⁽¹⁾ including investments in unit-linked contracts

Market 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 notably 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. This comprises, amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers.

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),
- 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 market 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 as at 30 June 2021. 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 at maturity of the instrument. In most cases, the fair value is not intended to be redeemed immediately, and in practice might not be realised immediately;
- estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank; this means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful.

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 taken 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 booked value.

4.9.2 Table of movements in Level 3 financial instruments

For Level 3 financial instruments, the following movements occurred during the first half 2021:

<i>In millions of euros</i>	Financial Assets		
	Available-for-sale financial instruments	Financial instruments at fair value through profit or loss	Total
Position as at 1st January 2021	211	6,865	7,076
Purchases	253	2,865	3,117
Sales	(65)	(2,327)	(2,391)
Settlements	(2)	(125)	(127)
Reclassification	22	-	22
Transfers to Level 3	41	43	84
Transfers from Level 3	-	(121)	(121)
Gains recognised in the income statement (assets +)	33	642	675
Losses recognised in the income statement (assets -)	(4)	(46)	(51)
Items related to exchange rate movements	(0)	1	1
Changes in assets recognised in equity	(11)	-	(11)
Sortie de périmètre	(3)	-	(3)
Position as at 30 June 2021	474	7,797	8,271

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.

4.10 INFORMATION REQUIRED DUE TO DEFERRAL OF IFRS 9

The following notes are published from the 2018 financial year, in accordance with the Group obtaining the deferred application of IFRS 9.

4.10.1 Value of financial assets meeting the contractual cash flow characteristics

The fair value of financial assets with contractual cash flows corresponding only to payments of principal and interests on principal is presented in detail in the table below:

<i>In millions of euros</i>	30 June 2021	31 December 2020	Variation
	Market value	Market value	
Treasury bills and government bonds	56,614	57,937	(1,323)
Other obligations	53,740	57,991	(4,251)
Total	110,354	115,928	(5,574)

4.10.2 Value of financial assets responding to the criterion of cash flows and assets not eligible for testing

The fair value of other financial assets corresponding to all instruments that do not meet the previously mentioned criteria is presented below:

<i>In millions of euros</i>	30 June 2021	31 December 2020	Variation
	Market value	Market value	
Equities and variable income securities (including UCI)	44,274	42,049	2,224
Treasury bills and government bonds	367	474	(107)
Other obligations	17,203	16,014	1,189
Derivatives	1,283	1,003	280
UL Investments	85,120	76,588	8,532
Total	148,246	136,128	12,118

4.10.3 Credit quality of financial assets fulfilling the cash flow criterion

Notations	30 June 2021	31 December 2020
<i>In millions of euros</i>	Gross value	Gross value
AAA	7,078	6,625
AA	37,695	39,962
A	30,737	33,171
BBB	31,602	33,204
< BBB (*)	3,042	2,688
Total	110,154	115,650

(*)including unrated securities

4.10.4 Value of financial assets whose credit quality is less than BBB (Non Invest Grade)

Notations	30 June 2021		31 December 2020	
<i>In millions of euros</i>	Gross value	Market value	Gross value	Market value
BB+	968	968	704	704
BB	195	195	200	200
BB-	154	154	161	161
B	13	13	16	16
Not listed	1,712	1,712	1,607	1,607
Total	3,042	3,042	2,688	2,688

4.11 TANGIBLE ASSETS

<i>In millions of euros</i>	30 June 2021			31 December 2020		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Lands and buildings ⁽¹⁾	584	(139)	445	589	(131)	458
Equipment, furniture and fixtures ⁽¹⁾	17	(12)	6	17	(11)	6
Other property, plant and equipment ⁽¹⁾	81	(58)	23	83	(60)	23
TANGIBLE ASSETS	682	(209)	473	689	(203)	487
<i>of which rate of use tangible assets</i>	<i>137</i>	<i>(60)</i>	<i>77</i>	<i>137</i>	<i>(60)</i>	<i>77</i>

Net depreciation and amortisation expense for the first half 2021 was EUR 6 million, compared with EUR 18 million for the 2020 financial year.

4.12 SHARE CAPITAL

4.12.1 Changes in share capital

BNP Paribas Cardif's share capital amounted to EUR 149,959,051 at 30 June 2021, unchanged compared to 31 December 2020.

4.12.2 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 give more power to 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 report¹.

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 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.

¹See corporate website <https://www.bnpparibascardif.com>

4.13 FINANCING DEBTS

4.13.1 Detail of subordinated debt at amortised cost and financing debt securities

BNP Paribas Cardif Group's financing debts consist solely of subordinated debts valued on the balance sheet at their nominal amount.

Breakdown of subordinated debts as at 30 June 2021

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	Third party	25/11/2014	Undetermined	25/11/2025	4.03%	Euribor 3 Months + 3,93%	1,000
SPN	Cardif Lux Vie	BGL BNP Paribas	17/12/2014	Undetermined	17/12/2025	4.03%	Euribor 3 Months + 4,50%	16
SSPN	BNP Paribas Cardif	BNP Paribas	27/06/2019	Undetermined	27/06/2029	Euribor 3 Months + 4,20%	Euribor 3 Months + 4,20%	450
RSL	Cardif Life Insurance Japan	Third party	20/03/2018	20/03/2028	20/03/2023	Swap Tibor + 0,90%	Tibor 6 Months + 1,90%	12
RSN	Cardif Assurance Risques Divers	BNP Paribas	28/06/2016	28/06/2026	28/06/2021	Euribor 3 Months + 3,15%	Euribor 3 Months + 3,15%	200
RSN	Cardif Assurance Vie	BNP Paribas	27/09/2016	27/09/2026	27/09/2021	Euribor 3 Months + 2,71%	Euribor 3 Months + 2,71%	650
RSN	BNP Paribas Cardif	BNP Paribas	26/09/2017	26/09/2047	26/09/2027	Euribor 3 Months + 2,68%	Euribor 3 Months + 2,68%	760
RSN	BNP Paribas Cardif	BNP Paribas	29/09/2017	29/09/2047	29/09/2027	Euribor 3 Months + 2,73%	Euribor 3 Months + 2,73%	710
RSN	BNP Paribas Cardif	Third party	29/11/2017	29/11/2024	29/11/2022	1.12%	1.12%	750
RSN	BNP Paribas Cardif	BNP Paribas	14/12/2017	14/12/2047	14/12/2027	Euribor 3 Months + 1,80%	Euribor 3 Months + 1,80%	170
RSN	Cardif Lux Vie	BGL BNP Paribas	21/12/2018	21/12/2028	20/12/2023	2.55%	2.55%	29
RSN	Cardif Lux Vie	BGL BNP Paribas	26/11/2019	25/11/2029	26/11/2024	1.39%	1.39%	35
RSN	Cardif Lux Vie	BGL BNP Paribas	26/11/2019	25/11/2026	26/11/2024	0.70%	0.70%	17
RSN	BNP Paribas Cardif	BNP Paribas	27/06/2019	27/06/2049	27/06/2029	Euribor 3 Months + 2,72%	Euribor 3 Months + 2,72%	200
RSN	Cardif IARD	Third party	24/03/2020	24/03/2030	24/03/2025	Euribor 3 Months + 2,72%	Euribor 3 Months + 2,72%	3
RSN	Cardif IARD	Third party	08/12/2020	08/12/2030	08/12/2025	Euribor 3 Months + 2,72%	Euribor 3 Months + 2,72%	5
Total subordinated debt - Nominal amount								5,006
Related debt and amortised debt issuance costs								24
TOTAL SUBORDINATED DEBT								5,030

Transactions carried out in first half 2021

No financing transaction was carried out during the first half of 2021.

Transactions carried out in 2020

On 24 March 2020, Cardif IARD has issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 2.7 million with a maturity of 10 years. This title was subscribed by MATMUT. It offers a fixed remuneration of 2.14%.

On 8 December 2020, Cardif IARD issued a Redeemable Subordinated Note (RSN) with a nominal value of EUR 4.76 million with a maturity of 10 years. This title was subscribed by MATMUT. It offers a fixed-rate coupon of 1.20%.

On 18 December 2020, Cardif Assurance Vie repaid a Redeemable Subordinated Loan (RSL) issued on December 18, 2015 with a nominal value of EUR 182 million. This issue offered the subscriber, BNP Paribas SA, Euribor 3-month variable compensation + 2.46%.

On 23 December 2020, Cardif Assurance Vie reimbursed two Undetermined Subordinated Loans issued on 23 December 2004, which were the subject of amendments on 23 December 2014 with a nominal value respectively of EUR 125 million and EUR 32 million. These issues offered the subscriber, BNP Paribas SA, a fixed remuneration of 2.498%.

4.13.2 Financing debt due to banking sector companies

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

4.14 TECHNICAL LIABILITIES FROM INSURANCE POLICIES AND INVESTMENT CONTRACTS

In accordance with ANC Recommendation No. 2013-05, liabilities arising from insurance and reinsurance contracts are broken down into technical liabilities related to insurance contracts under IFRS 4 and technical liabilities relating to investment contracts, which fall in principle under IAS 39, but are subdivided into discretionary profit-sharing contracts recognised in accordance with IFRS 4 and deposits relating to investment contracts recognised in accordance with IAS 39.

Under these two headings, the liabilities related to unit-linked contracts are kept separate.

The breakdown of insurance and investment contracts liabilities under IFRS 4 and IAS 39 is as follows:

In millions of euros	30 June 2021			31 December 2020		
	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance
Unearned premium reserve	2,023	242	1,781	2,249	282	1,968
Claim reserves	1,683	254	1,429	1,931	293	1,638
Deferred participation reserve	3	-	3	2	-	2
Other Technical reserves	215	3	212	209	3	206
Non-Life Insurance Contracts	3,924	500	3,425	4,392	578	3,814
Mathematical reserves arising from insurance contracts	84,404	1,450	82,954	83,879	1,589	82,290
Mathematical reserves arising from unit-linked insurance contracts ⁽¹⁾	76,812	565	76,248	69,197	513	68,684
Mathematical reserves arising from investment contracts with discretionary participating feature	41,355	-	41,355	40,916	-	40,916
Technical liabilities arising from unit-linked investment contracts without discretionary participating feature ⁽¹⁾	8,122	-	8,122	7,612	-	7,612
Benefits payable (claims, buybacks, terms)	1,924	111	1,812	1,902	105	1,797
Deferred participation reserve	6,430	-	6,430	6,025	-	6,025
Other Technical reserves	168	4	165	168	4	165
Life insurance contracts and investment contracts	219,215	2,130	217,085	209,699	2,210	207,489
TOTAL TECHNICAL LIABILITIES FROM INSURANCE AND INVESTMENT CONTRACTS	223,140	2,630	220,510	214,091	2,788	211,303
of which technical liabilities from insurance contracts	173,663	2,630	171,033	165,563	2,788	162,775
of which technical liabilities from investment contracts	49,477	-	49,477	48,528	-	48,528

The liability adequacy test provided for by IFRS4, carried out by portfolio of contracts, consists of comparing the provisions recognised (net of deferred acquisition costs) with a prospective assessment of discounted cash flows.

On 31 December 2020, this test led to the recognition of additional provisions on three life insurance entities in Asia for a total amount of EUR 18 million. For life insurance entities in the domestic markets (France, Italy and Luxembourg), the test did not reveal any kind of insufficiency.

On 30 June 2021, the analysis carried out confirms the level of impairment.

4.15 DEFERRED PROFIT SHARING RESERVE

<i>In millions of euros</i>	30 June 2021		31 December 2020	
	policyholders' surplus reserve – liability	Total	policyholders' surplus reserve – liability	Total
Deferred profit-sharing recognised through profit and loss account	8,237	8,237	6,715	6,715
Deferred profit-sharing recognised through shareholders equity	12,420	12,420	15,238	15,238
TOTAL	20,657	20,657	21,953	21,953

The deferred profit sharing reserve arises from the application of shadow accounting, which represents the share of policyholders within life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is determined from stochastic calculations modelling the unrealized gains or losses attributable to policyholders according to economic scenarios, as well as assumptions for rates served and collection.