

CONSOLIDATED FINANCIAL STATEMENTS

1st half 2019



BNP PARIBAS
CARDIF

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world

Table of contents

1. BALANCE SHEET ASSETS	4
2. BALANCE SHEET LIABILITIES	5
3. PROFIT AND LOSS ACCOUNT	6
4. STATEMENT OF NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	7
5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	8
6. CASH-FLOW STATEMENT	9
7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	10
Note 1 ACCOUNTING PRINCIPLES AND METHODS	10
1.1 Normative environment	10
1.2 Consolidation Principles and Methods	14
Note 2 IMPACT OF IMPLEMENTATION OF IFRS 16 STANDARD	15
Note 3 SCOPE OF CONSOLIDATION	16
3.1 Scope of consolidation	16
3.2 Minority interests	19
Note 4 BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE	20
Note 5 NOTES TO THE CONSOLIDATED BALANCE SHEET	21
5.1 Goodwill	21
5.2 Investment Property	21
5.3 Held-To-Maturity Financial Assets	22
5.4 Available-For-Sale Financial Assets	22
5.5 Financial Investments At Fair Value Through Profit And Loss	23
5.6 Loans And Receivables	23
5.7 Derivative Instruments And Separate Embedded Derivatives	23
5.8 Unit-Linked Assets	24
5.9 Determination Of Market Value Of Financial Instruments	24
5.10 Information Required Due To Deferred Of Ifrs 9	27
5.11 Tangible Assets	28
5.12 Share Capital	29
5.13 Financing Debt	29
5.14 Technical Liabilities From Insurance Policies And Investment Contracts Excluding Policyholders' Surplus Reserve	30
5.15 Policyholders' Deferred Surplus Reserve	31



1. Balance sheet assets

<i>In millions of euros</i>	Notes	30 June 2019	31 December 2018
Goodwill	5.1	248	248
Value of insurance company contract portfolios acquired		324	342
Other intangible assets		245	248
Intangible assets		818	838
Investment property	5.2	3 202	3 138
Held-to-maturity financial assets	5.3	2 210	3 717
Available-for-sale financial assets	5.4	125 202	114 941
Financial investments at fair value through profit and loss	5.5	39 493	37 065
Loans and receivables	5.6	1 844	1 680
Derivative instruments assets	5.7	726	675
Investments in equity-method investment entities		295	298
Unit-linked investment assets	5.8	70 578	64 533
Investments		243 550	226 047
Equity-method investments		606	771
Reinsurers' share in insurance and investment contracts liabilities		2 959	3 006
Tangible assets	5.11	520	433
Deferred acquisition costs and equivalent		1 434	1 391
Deferred tax assets		81	313
Receivables from direct insurance and reinsurance operations		1 069	1 088
Current tax receivables		119	57
Other receivables		2 326	2 257
Other assets		5 549	5 538
Cash and cash equivalents		2 762	2 449
TOTAL ASSETS		256 244	238 649



2. Balance sheet liabilities

<i>In millions of euros</i>	Notes	30 June 2019	31 December 2018
Share capital	5.12	150	150
Additional paid-in capital		2 588	2 988
Changes in assets and liabilities recognised directly in equity		1 052	565
Non-distributed reserves		(390)	211
Net income for the period attributable to shareholders		1 957	686
Shareholders' equity - Group share		5 357	4 601
Minority interests		301	271
TOTAL SHAREHOLDERS' EQUITY		5 658	4 872
Subordinated debt	5.13	5 344	4 666
Financial debts due to banking sector companies		1 938	2 510
Financing debts		7 282	7 177
Technical liabilities arising from insurance contracts	5.14	96 228	93 882
Technical liabilities arising from unit-linked insurance contracts	5.14	66 169	60 979
Technical liabilities arising from insurance contracts	5.14	162 397	154 861
Technical liabilities arising from investment contracts with discretionary participating feature	5.14	40 083	38 604
Technical liabilities arising from unit-linked investment contracts	5.14	4 626	3 834
Technical reserves on investment contracts	5.14	44 709	42 438
Deferred policyholders' surplus reserve	5.15	18 643	12 557
TECHNICAL RESERVES ON INSURANCE AND INVESTMENT CONTRACTS		225 749	209 856
Provisions for contingencies and charges		272	252
Deferred tax liabilities		359	277
Liabilities due to companies in the banking sector		9 599	10 074
Liabilities from direct insurance and reinsurance operations		3 329	3 411
Current tax liabilities		136	224
Derivative instruments liabilities		735	624
Other debts		3 125	1 883
Other liabilities		17 283	16 493
TOTAL LIABILITIES		256 244	238 649



3. Profit and loss account

<i>In millions of euros</i>	First half 2019	First half 2018
Gross written premiums	12 521	12 812
Change in unearned premiums	(74)	6
Gross earned premiums	12 447	12 818
Income from other activities	14	21
Investment income	2 365	2 202
Investment expense	(335)	(259)
Gains and losses on disposed invested assets, net of depreciation and amortisation reversals	202	333
Share of net income (equity-method investment entities)	8	1
Net change in investments at fair-value through profit or loss	7 273	(658)
Net change in investment impairment	(114)	(13)
Investment income excluding financing expense	9 400	1 606
Technical charges related to contracts	(18 611)	(11 500)
Net result from ceded reinsurance	(58)	(60)
Expenses from other activities	(131)	(131)
Acquisition costs on contracts	(1 476)	(1 512)
Depreciation on acquired portfolios	(18)	(4)
Administration expenses	(728)	(628)
Other current operating income and expenses	11	12
Other current income and expenses	(21 010)	(13 823)
Other non-current operating income and expenses	1 428	44
Pre-tax operating income	2 279	666
Financing expenses	(73)	(67)
Share of earnings of equity-method entities	39	62
Corporate income tax	(277)	(230)
NET CONSOLIDATED INCOME	1 967	431
Net income attributable to minority interests	11	0
Net income attributable to equity shareholders	1 957	431



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

<i>In millions of euros</i>	First half 2019	First half 2018
Net consolidated income	1 967	431
Changes in foreign translation adjustments	27	(40)
Changes in fair value of available-for-sale financial assets	4 049	(1 342)
Changes in fair value of available-for-sale financial assets reported in net income	(173)	(183)
Changes in deferred value of hedging instruments	16	(7)
Changes in shadow accounting adjustments, net of deferred tax	(3 439)	1 332
Changes in equity-method investments	30	(48)
Items that are or may be reclassified to profit or loss	510	(288)
Remeasurement gains (losses) related to post-employment benefits plans	(4)	1
Changes in equity method investments	(0)	(0)
Items that will not be reclassified to profit or loss	(4)	1
Changes in assets and liabilities recognised directly in equity	506	(287)
TOTAL NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	2 473	144
Attributable to equity shareholders	2 444	133
Attributable to minority interests	29	11



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 2017	150	2 988	1 062	742	4 942	46	4 988
Changes in assets and liabilities recognised directly in equity (1)	(0)	0	(298)	(0)	(298)	11	(287)
Net consolidated income (2)	-	-	-	431	431	0	431
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	(0)	0	(298)	431	133	11	144
Dividend distribution	-	-	-	(0)	(0)	(2)	(2)
Interim dividend payments	-	-	-	-	-	-	-
Equity components of share-based payment plans	-	-	-	-	-	-	-
Movements in consolidation scope	(0)	-	0	0	0	0	0
Changes in the holdings companies without loss of control	-	-	-	44	44	98	142
Other movements	-	-	-	(0)	(0)	(3)	(4)
CAPITAL AND RETAINED EARNINGS AT 30 JUNE 2018	150	2 988	765	1 217	5 120	149	5 269
Changes in assets and liabilities recognised directly in equity (1)	0	(0)	(200)	-	(200)	(7)	(207)
Net consolidated income (2)	-	-	-	255	255	8	263
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	0	(0)	(200)	255	55	1	56
Dividend distribution	-	-	-	-	-	(2)	-
Interim dividend payments	-	-	-	(573)	(573)	-	(573)
Changes in the holdings companies without loss of control	-	-	-	(1)	(1)	121	120
Other movements	-	-	-	(1)	(1)	1	(0)
CAPITAL AND RETAINED EARNINGS AT 31 DECEMBER 2018	150	2 988	565	897	4 601	271	4 872
Changes of method first application IFRS16	-	-	0	(3)	(3)	(0)	(3)
CAPITAL AND RETAINED EARNINGS AT 1ST JANUARY 2019	150	2 988	565	895	4 598	271	4 869
Changes in assets and liabilities recognised directly in equity (3)	(0)	-	487	(0)	487	19	506
Consolidated net income (4)	-	-	-	1 957	1 957	11	1 967
Total net income and changes in assets and liabilities recognised directly in equity (3) + (4)	(0)	-	487	1 957	2 444	29	2 473
Dividend distribution	-	-	-	(119)	(119)	(1)	(121)
Interim dividend payments	-	-	-	(1 164)	(1 164)	0	(1 164)
Movements in consolidation scope	0	-	-	-	0	-	0
Changes in the holdings companies without loss of control	0	-	-	(2)	(2)	1	(0)
Other movements	-	(400)	-	-	(400)	-	(400)
CAPITAL AND RETAINED EARNINGS AT 30 JUNE 2019	150	2 588	1 052	1 567	5 357	301	5 658

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 2019	First half 2018
Pre-tax operating income	2 279	666
Gain and losses on disposed investments	(1 614)	(319)
Net depreciation/amortisation expense	87	71
Change in deferred acquisition costs	(29)	19
Change in depreciation	76	(22)
Net addition to technical provisions for insurance and financial liabilities	10 446	4 599
Net addition to other provisions	24	24
Change in value of financial instruments at fair value through profit and loss (no cash and cash equivalents)	(8 160)	111
Share in associates and joint-ventures investments	(8)	(1)
Other items without cash out in operating income	117	(31)
Correction of items included in operating income with no corresponding cash flows and reclassification of financing and investment flows	938	4 451
Dividends received from equity-method entities	30	50
Change in operating receivables and liabilities	679	(247)
Change in securities sold or received under repurchase agreements	(15)	(8)
Net cash generated by other assets and liabilities	768	399
Net taxes paid	(327)	66
Net cash not related to income from operating activities	1 135	260
NET CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES	4 352	5 377
Net cash related to movements in consolidation scope	1 238	148
Net cash on disposals and repayments of financial assets	16 610	10 204
Net cash related to acquisitions or issues of financial assets	(20 236)	(13 885)
Net cash related to acquisitions and disposals of tangible and intangible assets	(31)	(22)
NET CASH AND EQUIVALENTS GENERATED BY INVESTMENT ACTIVITIES	(2 420)	(3 555)
Issuance of capital instruments	392	50
Dividends paid	(1 284)	(2)
Net cash from transactions with shareholders and members	(892)	48
Cash generated by financing debts issuance	250	12
Cash allocated to financing debts repayments	(840)	(493)
Interest paid on financing debts	(73)	(67)
Net cash related to Group financing	(663)	(548)
NET CASH AND EQUIVALENTS GENERATED BY FINANCING ACTIVITIES	(1 555)	(500)
EFFECT OF MOVEMENT IN EXCHANGES RATES ON CASH AND EQUIVALENTS	(4)	1
BALANCE OF CASH AND EQUIVALENTS AT THE START OF THE PERIOD	1 631	631
Net cash generated by operating activities	4 352	5 377
Net cash generated by investment activities	(2 420)	(3 555)
Net cash generated by financing activities	(1 555)	(500)
Effect of charges in foreign exchange rates on cash and cash equivalents	(4)	1
BALANCE OF CASH AND EQUIVALENTS AT THE END OF THE PERIOD	2 004	1 954
Asset cash and cash equivalents	2 762	2 792
On demand debts	(760)	(838)
of which related debts	1	-
Liability cash and cash equivalents	(759)	(838)



7. Notes to the Consolidated Financial Statements

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

1.1 NORMATIVE ENVIRONMENT

The interim consolidated financial statements of BNP Paribas Cardif Group as at 30 June 2019 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 2018, 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 2018 of BNP Paribas Cardif Group and shall be read jointly with those financial statements. They are presented in comparison with:

- 31 December 2018 for the Balance Sheet, and
- 30 June 2018 for the Profit and Loss Account.

The accounting and evaluation principles applied by BNP Paribas Cardif Group as at 30 June 2019 are the same as those used for the financial statements as at 31 December 2018 to which are added the principles corresponding to new standards and interpretations mandatory as from 1st January 2019. They are compliant with IAS/IFRS, IFRIC amendments and interpretations as adopted by the European Union as at 30 June 2019.

BNP Paribas Cardif Group did not anticipate the implementation of new norms, amendments and interpretations as adopted by the European Union as at 30 June 2019 when this application is optional.

1.1.1 New standards applicable as from 1st January 2019

Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): Closing periods following
IFRS 16 Leases Replacement of IAS 17 Leases	31 October 2017 (UE 2017-1986)	1 st January 2019
IFRIC 23 Uncertainty over income tax treatments Clarifies the application of IAS 12 Income taxes on recognition and evaluation when there is uncertainty over income tax treatments.	23 October 2018 (UE 2018-1595)	1 st January 2019

IFRS 16 Leases

IFRS 16 « Leases » published in January 2016 and adopted by the European Union in November 2017, is officially in force as from 1st January 2019. It replaces IAS 17 « Leases » and the interpretations linked with the accounting of such contracts.

IFRS 16 provides a new definition of lease contracts, which implies on one hand the identification of an asset, and on the other hand the control by the lessee of the utilisation right of that asset. From the point of view of the lessor, the impact is limited, the provisions chosen remaining mainly unchanged compared to the previous standard IAS 17.

For the lessee, the standard imposes to account for all lease contracts in the balance sheet as a right of use on the leased asset, booked under fixed assets and as a financial debt on the liability side regarding the lease-charge and other payments due throughout the lease period. The right of use will be amortized with the straight-line method and the financial debt will be discounted over the lease period.

This new standard means a change mostly for the standard or operational lease contracts, which under IAS17 did not lead to the accounting of the leased assets in the balance sheet.

BNP Paribas Cardif applies the new norm since 1st January 2019

IFRS 23 Uncertainty over income tax treatments

Interpretation IFRIC 23 regarding uncertainty over income tax treatment had no impact on the half-year financial statements as at 30 June 2019.



1.1.2 New standards and interpretations published as of 30 June 2019

Standards and interpretations published by IASB and adopted by the European Union as of 30 June 2019		
Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): Closing periods following
IFRS 9 Financial Instruments Replacement of IAS 39 Financial Instruments: recognition and measurement	22 November 2016 (UE 2016-2067)	1 st January 2018 1 st January 2021 * 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 (UE 2018-498)	1 st January 2021 (as for IFRS 9) *

Standards published by IASB but not adopted by the European Union as at 30 June 2019	
Standards, amendments or interpretations	Date of First Time Application (mandatory): Closing periods following
IFRS 17 Insurance Contracts Replacement of IFRS 4 Insurance Contracts	1 st January 2021 *

*Expected postponement the application until 1st January 2022 at the latest, based on the IASB proposition (Exposure Draft Amendments on IFRS17 published on 26 June 2019).

1.1.3 News standards adopted by the European Union at 31 December 2018 and not yet applicable

IFRS 9 Financial Instruments and amendment to IFRS 9 Prepayment Features with Negative Compensation

Published by 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.

Mandatory for the closing periods following the 1st 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 postpone the application until 1st January 2021 at the latest, based on amendments to IFRS 4. However, the IASB proposed to defer the date to 1st January 2022, in line with IFRS 17 (ED published on 26 June 2019).

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 closing periods following the 1st January 2019, an earlier application being authorized.

The option chosen by the BNP Paribas Cardif Group to postpone the application of IFRS 9 until 1st January 2022 (if this date is adopted by IASB) means that the deferral will also apply for the amendment to IFRS 9 mentioned above.

IFRS 17 Insurance Contracts

IFRS 17 « Insurance Contracts », replacing the current IFRS 4, was issued by IASB on 18 May 2017, for a mandatory first application initially planned as from 1st January 2021, but which the IASB proposes to postpone to 1st January 2022 (Exposure Draft Amendments to IFRS 17 published on 26 June 2019). The standard will have to be previously adopted by the European Union for its enforcement in Europe. It sets the principles for recognition, valuation and presentation of insurance contracts (and investment contracts in its scope) and the disclosures to provide. The standard requires to value the insurance liabilities on the basis of the future discounted and probabilized estimated cash flows, (commonly designated as “Best Estimate”), completed with an adjustment for risk (« Risk Adjustment ») covering the uncertainty on the estimates, and with a “Contractual Service Margin” (“CSM”) representing the future profits expected from the contract.

The above approach, corresponding to the General model, is adapted for contracts with a discretionary participation feature which, if they comply predefined conditions can qualify as “Direct participating contracts”, have to be measured using a specific model (the « Variable Fee Approach » - VFA). Under this model, the CSM captures at the same time the impact of the change of estimates on liabilities and on underlying assets.

Short-term contracts can be measured using a simplified approach (the « 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 equal to those obtained when applying the general model.

BNP Paribas Cardif insurance contracts with participating features distributed in Europe and certain contracts in Asia should be eligible to the VFA. Contracts with participating features that could not comply with the criteria for the application of the VFA would be treated as contracts with indirect participating features and measured using the General model. Creditors’ insurance contracts and protection contracts shall be eligible to the General model or the simplified approach (« Premium Allocation Approach ») if the conditions are fulfilled.

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 began preparing for the implementation of IFRS 17 from 1st semester 2017. This project will continue throughout the years 2019–2021 in line with the planned schedule, until the date of the first application of the standard.



1.2 CONSOLIDATION PRINCIPLES AND METHODS

The accounting and evaluation principles applied by the BNP Paribas Cardif Group as at 30 June 2019 are identical to those used for the financial statements as at 31 December 2018.

NOTE 2 IMPACT OF IMPLEMENTATION OF IFRS 16 STANDARD

On January 1, 2019, BNP Paribas Card implemented the new IFRS 16 accounting standard "Leases" in line with the choices of the BNPP Group decided to apply the simplified retrospective method to recognize the cumulative effect of the standard in shareholders equity.

This impact on shareholders equity is equal to difference between:

- a right of use (RoU) and its depreciation calculated as if the standards was applied from the date of the beginning of the lease, updated at the date of the first application of the standard;
- a lease debt liability at the date of the first time application (FTA).

The actualization rate used for the right of use (RoU) and for the lease debt liability is the incremental borrowing rate for a duration corresponding to a remaining term of the contracts at the date of first time application of the standard.

The Group used the main simplification provided in the context of the application of the retrospective simplified method, in particular the non booking of a right of use for contracts for which the remaining term at the date of the first time application of the standard is not less than 12 months.

Almost all leases scoped by the new standard are building leases. They are usually linked with operating properties abroad.

BNP Paribas Cardif also made the choice not to be exempted from the initial recognition of deferred tax assets (DTA) and deferred tax liabilities (DTL) as permitted by paragraphs 15 and 24 of Standard IAS 12 "Income Taxes" As a result, deferred tax liabilities and deferred taxes assets were booked in the balance sheet respectively in link with the rights of use and the lease debt liabilities.

The main impact on the balance sheet is a negative impact of Eur 3 million (net of tax) on the shareholders' equity, due to the application of the simplified retrospective method, an increase in property, plant and equipment (net of depreciation) of Eur 89 million and a lease debt liability for Eur 90 million.

<i>In millions of euros</i>	31 December 2018	<i>Effects of First application IFRS 16</i>	1st January 2019
ASSETS			
Tangible Assets	433	89	521
<i>of Gross value</i>	555	134	688
<i>of Accumulated depreciation, amortisation and impairment</i>	(122)	(45)	(167)
Deferred tax assets	313	(3)	310
EFFECTS ON TOTAL ASSETS		86	
LIABILITIES			
Changes in assets and liabilities recognised directly in equity	565	0	565
Non-distributed reserves	211	(3)	209
Minority interests	271	(0)	271
EFFECTS ON TOTAL SHAREHOLDERS' EQUITY		(3)	
Provisions for contingencies and charges	252	3	254
Deferred tax liabilities	277	(4)	273
Other debts	1 883	90	1 973
EFFECTS ON TOTAL LIABILITIES		86	



NOTE 3 SCOPE OF CONSOLIDATION

3.1 SCOPE OF CONSOLIDATION

			30 June 2019				31 December 2018			
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		
CB UK Ltd	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 *	90,0	90,0		EM *	90,0	90,0		
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 Poistovna 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 Servicios y Asistencia Ltda	Chile	EM *	100,0	100,0		EM *	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 (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 (Germany branch)	Germany	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 (Japan branch)	Japan	NI				Full	100,0	100,0		
Cardif Assurances Risques Divers (Luxembourg branch)	Luxembourg	Full	100,0	100,0		Full	100,0	100,0		
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 (Spain branch)	Spain	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 (Zurich branch)	Switzerland	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 (Austria branch) Other	Austria	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 (Germany branch)	Germany	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 (Japan branch)	Japan	NI				Full	100,0	100,0		
Cardif Assurance Vie (Portugal branch)	Portugal	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 (succ. Belgique)	Belgium	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. Taiwan)	Taiwan	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	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		
BNPP Cardif Compania de Seguros y Reaseguros SA	Peru	EM *	100,0	100,0		EM *	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		
Cardif Life	Luxembourg	Full	100,0	66,7		Full	100,0	66,7		
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	Full	100,0	100,0		Full	100,0	100,0		
Icare Assurance	France	Full	100,0	100,0		Full	100,0	100,0		
LLC Insurance Company Cardif	Russia	Full	100,0	100,0		Full	100,0	100,0		
Luitaseg	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		
Poistovna Cardif Slovakia AS	Slovakia	EM *	100,0	100,0		EM *	100,0	100,0		
State Bank India Life Insurance Co Ltd	India	NI			(S)	EM	22,0	22,0		
Vietcombank Cardif Life Insurance Co Ltd	Vietnam	EM	55,0	55,0	(V)	EM	43,0	43,0		



			30 June 2019				31 December 2018			
Name	Country	Consolidation method	Control (%)	Interest (%)	Ref.	Consolidation method	Control (%)	Interest (%)	Ref.	
OTHER ACTIVITIES										
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 Servicios SAC	Peru	EM *	100,0	100,0		EM *	100,0	100,0		
Cardif Servicios SA	Argentina	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	ME	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 Astridplaza	Belgium	Full	100,0	98,4	(E)					
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 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		
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		
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	(E)					
High Street Retail	France	MV	20,5	20,5	(E)					
Opéra Rendement SCPI	France	Full	99,8	99,8		Full	99,8	99,8		
Powerhouse OPPCI	France	MV	47,4	47,4		MV	47,4	47,4		
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 Preim Healthcare	France	MV	24,4	24,4		MV	24,4	24,4		
SAS Velizy	France	MV	33,3	33,3		MV	33,3	33,3		
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 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	99,9	99,9		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 Imefa 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 Guillaeries	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 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	59,0	59,0		MV	59,0	59,0		
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		
Société Immobilière du Royal Building SA	Luxembourg	Full	100,0	66,7		Full	100,0	66,7		



Name	Country	30 June 2019				31 December 2018			
		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	
Camgestion Obliflexible	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 IP Convertibles World	France	Full	100,0	100,0		Full	100,0	100,0	
Cardif BNPP IP Equity Frontier Markets USD	France	Full	100,0	100,0		Full	100,0	100,0	
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		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	Full	100,0	100,0		Full	100,0	100,0	
Cedrus Carbon Initiative Trends	France	Full	100,0	100,0		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	Ireland	Full	100,0	100,0		Full	100,0	100,0	
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	
Takehau Cardif Loan Europe	France	Full	100,0	100,0		Full	100,0	100,0	
Valtres FCP	France	Full	100,0	100,0		Full	100,0	100,0	

3.2 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 millions of euros			30 June 2019		
	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 and subsidiaries	33,3%	33,3%	29 300	7	(1)
Cardif Insurance Japan (companies Life and No Life)	25,0%	25,0%	754	5	-
Cardif IARD	34,0%	34,0%	160	(3)	-
Other minority interests	-	-	198	2	-

In millions of euros			31 December 2018		
	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 and subsidiaries	33,3%	33,3%	27 048	-	-
Cardif Insurance Japan (companies Life and No Life)	25,0%	25,0%	728	10	-
Cardif IARD	34,0%	34,0%	116	(3)	-
Other minority interests	-	-	169	(4)	(2)

(1) Amounts before elimination of intercompany

As part of its investment in certain entities, the BNP Paribas Cardif Group has granted minority shareholders options to sell their shares.

Following the acquisition of the 33.33% owned by Ageas, the consolidation of Cardif Lux Vie changed from the equity to the full consolidation method.

BNP Paribas Cardif Group sold 25% of Cardif Life Insurance Japan and Cardif Non-Life Insurance Japan as part of expanding partnerships in Japan.

A dilutive capital increase in Cardif IARD reduced BNP Paribas Cardif Group's interest to 66%.

In connection with the acquisition of certain entities, Group granted minority shareholders put options on their holdings.



NOTE 4 BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE

Transactions of first half 2019

State Bank of India Life Insurance Co Ltd

During the first half of 2019, three successive transfers of 9.2%, 5.1% and 2.5% of the capital of State Bank of India Life Insurance Co Ltd (SBI Life) took place on the Indian market.

At 30 June 2019, the Group ceased to exercise significant influence over SBI Life.

The remaining 5.2% stake held by BNP Paribas Cardif Holding is now recognized as available-for-sale financial assets.

All these transactions generated an overall capital gain of EUR 1,450 million before tax accounted in "Other non-current operating income and expenses"

Transactions of first half 2018

Natio Assurance

On 29 June 2018, BNP Paribas Cardif acquired the shares in Natio Assurance held by Axa (50%) leading to the full consolidation of Natio Assurance from the closing date of 30 June 2018.

This acquisition resulted in a EUR 608 million increase in BNP Paribas Cardif Group balance sheet at the purchase date. The transaction did not lead to the recognition of a goodwill.

NOTE 5 NOTES TO THE CONSOLIDATED BALANCE SHEET

5.1 GOODWILL

<i>In millions of euros</i>	30 June 2019	31 December 2018
CARRYING AMOUNT AT START OF PERIOD	248	248
Acquisitions	-	-
Effect of movements in exchange rates	-	-
CARRYING AMOUNT AT END OF PERIOD	248	248
Gross carrying amount	248	248
Accumulated impairment recognised at the end of period	-	-

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 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
France	37	37	-	-	-	-
Italy	196	196	-	-	-	-
Rest of Europe	14	14	-	-	-	-
Asia	1	1	-	-	-	-
TOTAL GOODWILL	248	248	-	-	-	-

5.2 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". These are representative of the assets invested as part of the life insurance business.

<i>In millions of euros</i>	30 June 2019				31 December 2018			
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Market value	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Market value
TOTAL INVESTMENT PROPERTY	3 755	(553)	3 202	4 352	3 662	(524)	3 138	4 142



5.3 HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	30 June 2019		31 December 2018	
	Carrying amount	of which impairment	Carrying amount	of which impairment
Listed government bonds	2 196	-	3 703	-
Other listed bonds	14	-	14	-
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	2 210	-	3 717	-
of which insurance companies investments	2 210		3 717	
of which investments from others activities	-		-	

5.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	30 June 2019			31 December 2018		
	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
Equities and other variable-income securities	7 263	(416)	1 396	5 954	(311)	677
Bonds and other fixed-income securities	117 939	-	12 968	108 988	-	8 292
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	125 202	(416)	14 364	114 941	(311)	8 969
of which insurance companies investments	124 666	-	-	114 874	-	-
of which investments from other activities	536	-	-	67	-	-

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

In millions of euros	30 June 2019			31 December 2018		
	Fixed-income securities	Equities and other variable-income securities	Total	Fixed-income securities	Equities and other variable-income securities	Total
Non-hedged changes in value of securities, recognised in "Available-for-sale financial assets"	12 968	1 396	14 364	8 292	677	8 969
Deferred tax linked to these changes in value	(3 469)	(370)	(3 839)	(2 219)	(181)	(2 400)
Insurance policyholders' surplus profit from insurance entities, after deferred tax	(8 380)	(921)	(9 301)	(5 394)	(412)	(5 806)
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	5	33	38	7	4	11
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(9)	-	(9)	(7)	-	(7)
TOTAL ⁽¹⁾	1 115	138	1 253	679	88	767

⁽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

5.5 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

This item includes financial assets designated by the Group to be valued at market or model value through profit and loss.

<i>In millions of euros</i>	30 June 2019	31 December 2018
Equities and variable income securities	32 904	30 615
Bonds and other fixed-income securities	6 589	6 449
TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	39 493	37 065
<i>of which insurance companies investments</i>	39 391	37 043
<i>of which investments from other activities</i>	102	21

5.6 LOANS AND RECEIVABLES

<i>In millions of euros</i>	30 June 2019		31 December 2018	
	Carrying amount	impairment	Carrying amount	impairment
LOANS AND RECEIVABLES	1 844	-	1 680	-
<i>of which insurance companies investments</i>	1 817	-	1 654	-
<i>of which investments from other activities</i>	27	-	26	-

5.7 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.

5.7.1 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:

<i>In millions of euros</i>	30 June 2019		31 December 2018	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate derivatives	676	665	477	557
Foreign exchange derivatives	50	34	92	67
Equity derivatives	-	35	106	-
DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES	726	735	675	624
<i>of which insurance companies investments</i>	709	734	631	624
<i>of which investments from other activities</i>	17	1	44	1



5.7.2 Notional amounts of derivatives 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 2019			31 December 2018		
	Exchanges	Over the counter	Total	Exchanges	Over the counter	Total
Interest rate derivatives	1 171	25 850	27 021	369	23 500	23 870
Foreign exchange derivatives	-	13 552	13 552	-	12 009	12 009
Equity derivatives	-	2 500	2 500	-	1 400	1 400
DERIVATIVES (NOTIONAL AMOUNTS)	1 171	41 902	43 073	369	36 909	37 279

5.8 UNIT-LINKED ASSETS

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

In millions of euros	30 June 2019	31 December 2018
Equities and variable income securities	28 211	25 756
Share of real estate companies	2 337	2 067
Treasury bills	845	752
Government Bonds	40	46
Other bonds	1 306	1 098
UCIT bonds and shares	36 284	33 315
Financial instruments	69 023	63 034
Real estate investments in unit-linked contracts	1 555	1 499
TOTAL UNIT-LINKED ASSETS	70 578	64 533

5.9 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.

5.9.1 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.

In millions of euros	30 June 2019				31 December 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at market value	-	-	-	-	-	-	-	-
Available-for-sale financial assets	97 079	27 900	222	125 202	99 363	15 260	318	114 941
Financial instruments at fair value through profit or loss (1)	83 925	17 709	6 881	108 515	76 660	16 904	6 535	100 099
Derivatives and separate embedded derivatives	0	726	-	726	0	674	-	675
Fair value of financial instruments at amortised cost	-	-	-	-	-	-	-	-
Loans and receivables	124	1 737	21	1 881	125	1 563	21	1 708
Held-to-maturity financial assets	2 569	-	-	2 569	4 113	-	-	4 113
FINANCIAL ASSETS	183 697	48 072	7 124	238 894	180 261	34 401	6 875	221 536
Financial instruments at market value	-	-	-	-	-	-	-	-
Derivative liability instruments	1	734	-	735	1	624	-	624
Fair value of financial instruments at amortised cost	-	-	-	-	-	-	-	-
Subordinated debt	-	5 532	-	5 532	-	4 534	-	4 534
Repurchase agreements granted	-	8 177	-	8 177	-	8 239	-	8 239
Loans from credit institutions	-	3 361	-	3 361	-	4 345	-	4 345
FINANCIAL LIABILITIES	1	17 803	-	17 804	1	17 742	-	17 743

(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),
 - 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 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 31 December 2018. 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;
- 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 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.

5.9.2 Table of movements in Level 3 financial instruments

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

<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 2019	318	6 535	6 854
Purchases	56	1 058	1 114
Sales	(216)	(698)	(913)
Settlements	(3)	(77)	(80)
Reclassification	(87)	-	(87)
Transfers to Level 3	156	51	207
Transfers from Level 3	(60)	(100)	(160)
Gains recognised in the income statement (assets +)	44	202	246
Losses recognised in the income statement (assets -)	(27)	(77)	(104)
Items related to exchange rate movements	0	(13)	(13)
Changes in assets recognised in equity	41	-	41
Position as at 30 June 2019	222	6 881	7 103

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.

5.10 INFORMATION REQUIRED DUE TO DEFERRED OF IFRS 9

The following notes are published in accordance with the Group obtaining the deferred application of IFRS 9 (note 1.1.3).

5.10.1 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 interest on principal is presented in detail in the table below:

<i>In millions of euros</i>	30 June 2019	31 December 2018	Variation
	Market value	Market value	
Treasury bills and government bonds	57 541	53 811	3 730
Other obligations	57 940	54 934	3 006
Total	115 481	108 745	6 736



5.10.2 Value of financial assets which respond 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:

In millions of euros	30 June 2019	31 December 2018	Variation
	Market value	Market value	
Equities and variable income securities (including UCI)	40 167	36 569	3 598
Treasury bills and government bonds	588	557	31
Other obligations	11 668	10 789	879
Derivatives	690	612	78
UL Investments	70 578	64 533	6 045
Total	123 692	113 061	10 631

5.10.3 Credit quality of financial assets fulfilling the cash flow criterion

Notations In millions of euros	30 June 2019	31 December 2018
	Gross value	Gross value
AAA	7 483	7 842
AA	38 905	37 593
A	35 201	29 783
BBB	30 964	30 427
< BBB (*)	2 541	2 679
Total	115 094	108 324

(*)including unrated securities

5.10.4 Value of financial assets whose credit quality is less than BBB

Notations In millions of euros	30 June 2019		31 December 2018	
	Gross value	Market value	Gross value	Market value
BB+	364	364	408	408
BB	-	-	179	179
BB-	191	191	2	2
B	-	-	-	-
Not listed	1 986	1 994	2 091	2 091
Total	2 541	2 549	2 679	2 679

5.11 TANGIBLE ASSETS

In millions of euros	30 June 2019			31 December 2018		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Lands and buildings ⁽¹⁾	612	(120)	492	472	(66)	406
Equipment, furniture and fixtures ⁽¹⁾	15	(9)	6	16	(9)	7
Other property, plant and equipment ⁽¹⁾	72	(50)	22	68	(48)	20
TANGIBLE ASSETS	700	(180)	520	555	(122)	433
of which Rate of Use Tangible Assets	143	(51)	92	-	-	-

(1) the period changes include the effects of the IFRS16 first application (cf. note 2)

5.12 SHARE CAPITAL

BNP Paribas Cardif's share capital amounts to EUR 149,959,051 at 30 June 2019, unchanged compared to 31 December 2018; it is composed of 62,482,938 shares with a per value of EUR 2.40 per share.

5.13 FINANCING DEBT

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

Breakdown of subordinated debt as at 30 June 2019

In millions of euros	Issuer	Subscriber	Issue date	Maturity	Call date	Interest rate before call date	Rate after 1st call date	Nominal value
SPL	Cardif Assurance Vie	BNP Paribas	23/12/2004	Undetermined	23/12/2019	4,40% until 22/12/2014 then 2,50%	2,50%	125
SPL	Cardif Assurance Vie	BNP Paribas	23/12/2004	Undetermined	23/12/2019	4,40% until 22/12/2014 then 2,50%	2,50%	32
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
SPN	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%	13
RSL	Cardif Assurance Vie	BNP Paribas	23/12/2011	18/12/2025	18/12/2020	Euribor 3 Months + 2,46%	Euribor 3 Months + 2,66%	182
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	29/11/2027	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	30/03/2012	30/03/2022	30/03/2022	5,85%	5,85%	4
RSN	Cardif Lux Vie	BGL BNP Paribas	27/06/2014	27/06/2024	27/06/2024	3,84%	3,84%	14
RSN	Cardif Lux Vie	Sagip	27/06/2014	27/06/2024	27/06/2024	3,84%	3,84%	14
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
Total subordinated debt - Nominal amount								5 319
Related debt and amortised debt issuance costs								25
TOTAL SUBORDINATED DEBT								5 344

Transactions carried out in first half 2019

On 27 June 2019, Cardif Life Insurance Japan issued two Redeemable Subordinated Loan:

- A RSL with a nominal value of EUR 200 million and a maturity of 30 years. This loan was subscribed in totality by BNP Paribas. This loan offers a variable rate coupon of Euribor 3 months + 2.72%, the coupon is payable quarterly. This title maybe refunded from 27 June 2029 on the interest payment dates.
- A RSL Not Issued with a nominal value of EUR 450 Million. This loan was subscribed in totality by BNP Paribas. It offers a variable rate coupon of Euribor 3 months + 4.20%, the coupon is payable quarterly. This title maybe refunded from 27 June 2029 on the interest payment dates.



Transactions carried out in first half 2018

On 20 March 2018, Cardif Life Insurance Japan issued a Redeemable Subordinated Loan with a par value of YEN 7,700 million and a maturity of 10 years. This loan was subscribed by Sumitomo Mitsui Trust Bank for 20% (or EUR 12 Million). The remaining 80% were subscribed by BNP Paribas Cardif and were eliminated at the consolidated level. This loan offers a fixed-rate coupon of 1.18178% for the first 5 years then a variable-rate coupon of 6-month Tibor +1.90% payable semi-annually. It may be redeemed at the end of a 5-year period.

5.14 TECHNICAL LIABILITIES FROM INSURANCE POLICIES AND INVESTMENT CONTRACTS EXCLUDING POLICYHOLDERS' SURPLUS RESERVE

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 contract liabilities under IFRS 4 and IAS 39 is as follows:

In millions of euros	30 juin 2019			31 décembre 2018		
	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance
Unearned premium reserve	2 643	333	2 311	2 549	333	2 216
Claim reserves	1 743	279	1 464	1 794	293	1 501
Deferred participation reserve	2	-	2	2	-	2
Other Technical reserves	176	3	173	177	5	173
Non-Life Insurance Contracts	4 565	615	3 950	4 523	631	3 892
Mathematical reserves arising from insurance contracts	84 576	1 759	82 817	82 665	1 758	80 907
Mathematical reserves arising from unit-linked insurance contracts	66 169	480	65 689	60 979	514	60 465
Mathematical reserves arising from investment contracts with discretionary participating feature	40 083		40 083	38 604		38 604
Technical liabilities arising from unit-linked investment contracts without discretionary participating feature	4 626		4 626	3 834		3 834
Benefits payable (claims, buybacks, terms)	1 690	101	1 589	1 543	99	1 444
Deferred participation reserve	5 208	-	5 208	4 991	-	4 991
Other Technical reserves	189	4	186	160	4	156
Life insurance contracts and investment contracts	202 541	2 344	200 197	192 776	2 375	190 401
TOTAL TECHNICAL LIABILITIES FROM INSURANCE AND INVESTMENT CONTRACTS	207 106	2 959	204 147	197 299	3 006	194 293
<i>of which technical liabilities from insurance contracts</i>	<i>162 397</i>	<i>2 959</i>	<i>159 438</i>	<i>154 861</i>	<i>3 006</i>	<i>151 856</i>
<i>of which technical liabilities from investment contracts</i>	<i>44 709</i>	<i>-</i>	<i>44 709</i>	<i>42 438</i>	<i>-</i>	<i>42 438</i>

5.15 POLICYHOLDERS' DEFERRED SURPLUS RESERVE

In millions of euros	30 June 2019			31 December 2018		
	policyholders' surplus reserve – asset	policyholders' surplus reserve – liability	Total	policyholders' surplus reserve – asset	policyholders' surplus reserve – liability	Total
Deferred profit-sharing recognised through profit and loss account	-	5 911	5 911	-	4 475	4 475
Deferred profit-sharing recognised through shareholders equity	-	12 732	12 732	-	8 081	8 081
TOTAL	-	18 643	18 643	-	12 557	12 557

The policyholders' deferred surplus 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 valued through stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates granted to customers and new business inflows. For France, this resulted in an interest of 90% in 2019, unchanged from 2018.