

CONSOLIDATED FINANCIAL STATEMENTS

BNP Paribas Cardif

First half 2020



**BNP PARIBAS
CARDIF**

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1. Balance sheet assets

<i>In millions of euros</i>	<i>Notes</i>	30 June 2020	31 December 2019
Goodwill	4.1	248	249
Value of insurance company contract portfolios acquired		289	307
Other intangible assets		254	257
Intangible assets		791	813
Investment property	4.2	3,297	3,247
Held-to-maturity financial assets	4.3	1,640	1,911
Available-for-sale financial assets	4.4	127,959	128,890
Financial investments at fair value through profit and loss	4.5	37,369	39,112
Loans and receivables	4.6	1,906	1,716
Derivative instruments assets	4.7	969	935
Investments in equity-method investment entities		296	297
Unit-linked investment assets	4.8	70,095	74,340
Investments		243,531	250,448
Equity-method investments		711	711
Reinsurers' share in insurance and investment contracts liabilities		2,816	2,939
Tangible assets	4.11	500	512
Deferred acquisition costs and equivalent		1,247	1,446
Deferred tax assets		225	76
Receivables from direct insurance and reinsurance operations		1,097	1,170
Current tax receivables		103	204
Other receivables		2,760	2,178
Other assets		5,932	5,585
Cash and cash equivalents		2,364	2,119
TOTAL ASSETS		256,145	262,615

2. Balance sheet liabilities

<i>In millions of euros</i>	Notes	30 June 2020	31 December 2019
Share capital	4.12	150	150
Additional paid-in capital		2,588	2,588
Changes in assets and liabilities recognised directly in equity		804	1,153
Non-distributed reserves		1,472	776
Net income for the period attributable to shareholders		329	2,293
Interim dividends		-	(1,164)
Shareholders' equity - Group share		5,344	5,797
Minority interests		358	316
TOTAL SHAREHOLDERS' EQUITY		5,702	6,113
Subordinated debt		5,377	5,337
Financial debt due to banking sector companies		2,320	2,076
Financing debts	4.13	7,697	7,413
Technical liabilities arising from insurance contracts		96,627	97,491
Technical liabilities arising from unit-linked insurance contracts		62,948	67,059
Technical liabilities arising from insurance contracts	4.14	159,575	164,550
Technical liabilities arising from investment contracts with discretionary participating feature		40,053	40,722
Technical liabilities arising from unit-linked investment contracts		7,424	7,456
Technical reserves on investment contracts	4.14	47,477	48,178
Deferred policyholders' surplus reserve	4.15	16,617	19,578
TECHNICAL RESERVES ON INSURANCE AND INVESTMENT CONTRACTS		223,669	232,306
Provisions for contingencies and charges		355	299
Deferred tax liabilities		321	326
Liabilities due to companies in the banking sector		10,828	8,760
Liabilities from direct insurance and reinsurance operations		3,393	3,611
Current tax liabilities		257	160
Derivative instruments liabilities		1,017	898
Other debts		2,906	2,727
Other liabilities		18,722	16,482
TOTAL LIABILITIES		256,145	262,615

3. Profit and loss account

<i>In millions of euros</i>	First half 2020	First half 2019
Gross written premiums	9,597	12,521
Change in unearned premiums	86	(74)
Gross earned premiums	9,684	12,447
Income from other activities	29	14
Investment income	2,160	2,365
Investment expense	(626)	(335)
Gains and losses on disposed invested assets, net of depreciation and amortisation reversals	290	202
Share of net income (equity-method investment entities)	6	8
Net change in investments at fair-value through profit or loss	(6,197)	7,273
Net change in investments impairment	(146)	(114)
Investment income excluding financing expense	(4,513)	9,400
Technical charges related to contracts	(2,179)	(18,611)
Net result from ceded reinsurance	(122)	(58)
Expenses from other activities	(118)	(131)
Acquisition costs on contracts	(1,370)	(1,476)
Depreciation on acquired portfolios	(18)	(18)
Administration expenses	(751)	(728)
Other current operating income and expenses	(5)	11
Other current income and expenses	(4,564)	(21,010)
Other non-current operating income and expenses	30	1,428
Pre-tax operating income	667	2,279
Financing expenses	(78)	(73)
Share of earnings of equity-method entities	(2)	39
Corporate income tax	(249)	(277)
NET CONSOLIDATED INCOME	337	1,967
Net income attributable to minority interests	8	11
Net income attributable to equity shareholders	329	1,957

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

<i>In millions of euros</i>	First half 2020	First half 2019
Net consolidated income	337	1 967
Changes in foreign translation adjustments	(103)	27
Changes in fair value of available-for-sale financial assets	(702)	4 049
Changes in fair value of available-for-sale financial assets reported in net income	(333)	(173)
Changes in deferred value of hedging instruments	(93)	16
Changes in shadow accounting adjustments, net of deferred tax	880	(3 439)
Changes in equity-method investments	1	30
Items that are or may be reclassified to profit or loss	(350)	510
Remeasurement gains (losses) related to post-employment benefits plans	(0)	(4)
Changes in equity method investments	(0)	0
Items that will not be reclassified to profit or loss	(0)	(4)
Changes in assets and liabilities recognised directly in equity	(351)	506
TOTAL NET INCOME AND CHANGES IN ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY	(13)	2 473
Attributable to equity shareholders	(20)	2 444
Attributable to minority interests	7	29

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 2018	150	2,988	565	897	4,601	271	4,872
Changes of method first application IFRS16	-	-	-	(3)	(3)	-	(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 (1)	-	-	487	-	487	19	506
Net consolidated income (2)	-	-	-	1,957	1,957	11	1,967
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	487	1,957	2,444	29	2,473
Interim dividend payments (a)	-	-	-	(1,283)	(1,283)	(1)	(1,285)
Changes in the holdings companies without loss of control	-	-	-	(2)	(2)	1	-
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
Changes in assets and liabilities recognised directly in equity (1)	-	-	101	-	101	(9)	93
Net consolidated income (2)	-	-	-	336	336	5	341
Total net income and changes in assets and liabilities recognised directly in equity (1) + (2)	-	-	101	336	438	(4)	434
Interim dividend payments (a)	-	-	-	-	-	(4)	(4)
Movements in own equity	-	-	-	79	79	27	106
Movements in consolidation scope	-	-	-	(209)	(209)	-	(209)
Changes in the holdings companies without loss of control	-	-	-	129	129	(2)	127
Other movements	-	-	-	3	3	(2)	1
CAPITAL AND RETAINED EARNINGS AT 31 DECEMBER 2019	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)
Dividend distribution and interim dividend payments	-	-	-	(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

(a) of which € 1,164 millions paid as interim dividends in 2019

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 2020	First half 2019
Pre-tax operating income	667	2,279
Gain and losses on disposed investments	(341)	(1,614)
Net depreciation/amortisation expense	66	87
Change in deferred acquisition costs	112	(29)
Change in depreciation	109	76
Net addition to technical provisions for insurance and financial liabilities	(7,056)	10,446
Net addition to other provisions	66	24
Change in value of financial instruments at fair value through profit and loss (no cash and cash equivalents)	8,726	(8,160)
Share in associates and joint-ventures investments	(6)	(8)
Other items without cash out in operating income	(143)	117
Correction of items included in operating income with no corresponding cash flows and reclassification of financing and investment flows	1,533	938
Dividends received from equity-method entities	19	30
Change in operating receivables and liabilities	(156)	679
Change in securities sold or received under repurchase agreements	(33)	(15)
Net cash generated by other assets and liabilities	(332)	768
Net taxes paid	(171)	(327)
Net cash not related to income from operating activities	(673)	1,135
NET CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES	1,526	4,352
Net cash related to movements in consolidation scope	3	1,238
Net cash on disposals and repayments of financial assets	21,840	16,610
Net cash related to acquisitions or issues of financial assets	(24,943)	(20,236)
Net cash related to acquisitions and disposals of tangible and intangible assets	(35)	(31)
NET CASH AND EQUIVALENTS GENERATED BY INVESTMENT ACTIVITIES	(3,135)	(2,420)
Issuance of capital instruments	33	392
Dividends paid	(433)	(1,284)
Net cash from transactions with shareholders and members	(399)	(892)
Cash generated by financing debts issuance	7	250
Cash allocated to financing debts repayments	2,030	(840)
Interest paid on financing debts	(78)	(73)
Net cash related to Group financing	1,959	(663)
NET CASH AND EQUIVALENTS GENERATED BY FINANCING ACTIVITIES	1,559	(1,555)
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS	(21)	(4)
BALANCE OF CASH AND EQUIVALENTS AT THE START OF THE PERIOD	1,485	1,631
Net cash generated by operating activities	1,526	4,352
Net cash generated by investment activities	(3,135)	(2,420)
Net cash generated by financing activities	1,559	(1,555)
Effect of charges in foreign exchange rates on cash and cash equivalents	(21)	(4)
BALANCE OF CASH AND EQUIVALENTS AT THE END OF THE PERIOD	1,414	2,004
Asset cash and cash equivalents	2,364	2,762
On demand debts	(954)	(760)
of which related debts	3	1
Liability cash and cash equivalents	(950)	(759)

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 2020 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 2019, 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 2019 of BNP Paribas Cardif Group and shall be read jointly with those financial statements. They are presented in comparison with:

- 31 December 2019 for the Balance Sheet, and
- 30 June 2019 for the Profit and Loss Account.

The accounting and evaluation principles applied by BNP Paribas Cardif Group as at 30 June 2020 are the same as those used for the financial statements as at 31 December 2019 to which are added the principles corresponding to new standards and interpretations mandatory as from 1st January 2020. They are compliant with IAS/IFRS, IFRIC amendments and interpretations as adopted by the European Union as at 30 June 2020.

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 2020.

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 July 3 recommendations of ANC relative to the recognition of the event Covid-19 consequences in the accounts and situations established as of 1st January 2020, on the basis of judgments and assumptions making it possible 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.

Established on the basis of business continuity, BNP Paribas Cardif's consolidated accounts as at 30 June 2020 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:

The contribution to the solidarity fund of VSEs is recorded under "other current operating expenses";

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 late adequacy test is thus indicated with the detail of the technical reserves).

1.1.1 New standards applicable as from 1st January 2020

Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): Closing periods following
<p><i>Amendments to IFRS 3 Business Combinations called « Definition of a business »</i></p> <p>Amendments to IFRS 3 help entities to determine whether an acquired set of activities and assets is a business or not. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs.</p>	<p>21 April 2020 (UE 2020/551)</p>	<p>1st January 2020</p>
<p><i>Amendments to IAS 1 and IAS 8 on « Definition of material »</i></p> <p>Improve the definition of « material » and harmonise this definition across all IFRS standards.</p>	<p>29 November 2019 (UE 2019/2104)</p>	<p>1st January 2020</p>
<p><i>Amendments to IAS 39, IFRS 9 et IFRS 7 « Interest Rate Benchmark Reform » Phase 1 et Phase 2</i></p> <p>Aims to simplify the application criteria of hedge accounting during the transition period to new rates.</p>	<p>20 January 2020 (UE 2020/34)</p>	<p>1st January 2020 – Phase 1</p>
<p><i>Amendments to references to the Conceptual Framework in IFRS standards</i></p> <p>Replacement of the references to the previous conceptual framework to align them with the new conceptual framework published in 2018.</p>	<p>29 November 2019 (UE 2019/2075)</p>	<p>1st January 2020</p>

1.1.2 New standards and interpretations published as of 30 June 2020

Standards and interpretations published by IASB and adopted by the European Union as of 30 June 2020		
Standards, amendments or interpretations	Date of the European Union regulation	Date of First Time Application (mandatory): Closing periods following
<i>IFRS 9 Financial Instruments</i> Replacement of IAS 39 Financial Instruments: recognition and measurement ¹	22 November 2016 (UE 2016-2067)	1 st January 2018 1 st 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
<i>Amendment to IFRS 9 Prepayment Features with Negative Compensation</i>	22 March 2018 (UE 2018-498)	1 st January 2023 (idem IFRS 9) *
<i>Amendment to IAS 28 Investments in Associates and Joint Ventures</i> 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 (UE 2019/237)	1 st January 2023 (idem IFRS 9)*

¹ Extended deferral by IASB to 1st January 2023, subject to the adoption of amendments to IFRS 4 of July 2020 by EU.

* Deferral expected to 1st January 2023 (Amendments to IFRS 17 published in June 2020)

1.1.3 New standards or amendments published by IASB not yet applicable

Standards published by IASB but not adopted by European Union at 30 June 2020	
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 2023 *
Amendments to IFRS 17 (June 2020) Amendments to standard IFRS 17 have been accepted by 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 st January 2023.	1 st January 2023 *
Amendments to IFRS 4 related to the exemption of temporary extension of the first application of IFRS 9 Possibility offered to eligible insurers to defer the application of standard IFRS 9 from 1 st January 2021 to 1 st January 2023.	1 st July 2020
Amendments to standard IFRS 16 Leases related to the rent concessions linked to Covid-19	1 st June 2020
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 st January 2022
Amendments to IAS 37 « Provisions, Contingent Liabilities and Contingent Assets », called « Onerous contracts – Cost of fulfilling a contract » These amendments specify the costs that the company must take into account to determine if a contract is onerous.	1 st January 2022
Amendments to IAS 16 « Property, Plant & Equipment » The amendments « Proceeds before Intended Use » prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	1 st January 2022
IFRS Annual Improvements - 2018-2020 Cycle Minor amendments of standards IFRS 1 (evaluation of conversion gaps), IFRS 9 (derecognition test), IFRS 16 (deletion of example 13 on rental advantages) and IAS 41 (valuation of biological assets).	1 st January 2022

* Expected deferral to 1st January 2023 (Amendments to IFRS 17 published in June 2020)

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 (or micro hedging).

Mandatory for the closing periods following 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 defer the application until 1st January 2023, based on amendments to IFRS 4.

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 1st January 2019, an earlier application being authorized.

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

The preparatory work to implement IFRS 9 by BNP Paribas Cardif continued in the first half of the year 2020 and will be sequenced throughout the deferral period. It will take into account the Group BNP Paribas’ position on the date BNP Paribas Cardif will apply standard IFRS 9 for the first time, notably with respect to hedge accounting which continues to be governed by the provisions of standard IAS 39. BNP Paribas Cardif decided to maintain until the entry into force of the future standard on macro-hedging, in accordance with the choice left in this area by standard IFRS 9.

IFRS 17 Insurance Contracts and amendments to IFRS 17

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 from 1st January 2021 has been postponed to 1st January 2023 (Amendments to IFRS 17 published on 26 June 2020). The standard will have to be first adopted by the European Union for its enforcement in Europe.

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 began getting prepare for the implementation of IFRS 17 from 1st semester 2017. This anticipation project continued in 2019 and will be monitored throughout the years 2020–2022 in line with the planned schedule.

Amendments to standard 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 it was 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 exercises beginning after 1st June 2020 with possible earlier application. It has been approved by the “Conseil des normes comptables” (CNC French Accounting body) on 12 June 2020, however the amendment has not yet been adopted at European level.

BNP Paribas Cardif Group entities have not benefited from rental concessions directly linked to the Covid-19 pandemic since the beginning of year 2020.

1.2 CONSOLIDATION PRINCIPLES AND METHODS

The accounting and evaluation principles applied by the BNP Paribas Cardif Group as at 30 June 2020 are identical to those used for the financial statements as at 31 December 2019.

NOTE 2 SCOPE OF CONSOLIDATION

			30 June 2020				31 December 2019			
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 Emekliik AS	Turkey	Full	100,0	100,0		Full	100,0	100,0		
BNP Paribas Cardif General Insurance Co Ltd	Korea	EM *	91,3	91,3		EM *	91,3	91,3		
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 Servicios y Asistencia Ltda	Chile	EM *	100,0	100,0		EM *	100,0	100,0		
BNP Paribas Cardif Sigorta Anonim Sirket	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 (Luxembourg branch)	Luxembourg	NI	-	-	(S)	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 (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 (Italy branch)	Italy	Full	100,0	100,0		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. 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 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		
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		
Pojistovna Cardif Slovakia AS	Slovakia	EM *	100,0	100,0		EM *	100,0	100,0		
Scotia Seguros de Vida SA	Chile	EM *	100,0	100,0	(E)					
Vietcombank Cardif Life Insurance Co Ltd	Vietnam	NI	-	-	(S)	EM	55,0	55,0	(V)	

Consolidated financial statements as at 30 June 2020

			30 June 2020				31 December 2019			
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 Service AEIE	Portugal	Full	100,0	100,0		Full	100,0	100,0	(E)	
Cardif Servicios SAC	Peru	EM *	100,0	100,0		EM *	100,0	100,0		
Cardif Servicios SA	Argentina	NI	-	-	(S)	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	(E)	
INSURANCE INVESTMENTS										
AEW Immo commercial	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 Boulogne	France	Full	100,0	98,4		Full	100,0	98,4		
CFH Cap d'Ail	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	(E)	
CFH Astridplaza	Belgium	Full	100,0	98,4		Full	100,0	98,4	(E)	
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		MV	33,3	33,3	(E)	
High Street Retail	UK	MV	26,2	26,2	(V)	MV	23,8	23,8	(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	(V)	
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 6870 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 Bouléragny	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	(E)	
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 Guillaumes	France	Full	100,0	100,0		Full	100,0	100,0		
SCI Nantes Carnot	France	Full	100,0	100,0		Full	100,0	100,0		
SCI Odyssée	France	Full	100,0	100,0		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	(E)					
SCI Paris Turenne	France	Full	100,0	100,0		Full	100,0	100,0	(E)	
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	(V)	
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 Wolftrahausen 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		

		30 June 2020			31 December 2019		
Name	Country	Consolidation method	Méthode de consolidation	Ref.	Consolidation method	Méthode de consolidation	Ref.
Structured entities							
BNPP CP Cardif Alternative	France	Full	Full Consolidation		Full	Full Consolidation	
BNPP CP Cardif Private Debt	France	Full	Full Consolidation		Full	Full Consolidation	
BNPP France Crédit	France	Full	Full Consolidation		Full	Full Consolidation	
BNPP Monétaire Assurance	France	Full	Full Consolidation				
Camgestion Obilflexible	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif Alternatives Part I	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP AM Emerging Bond	France	Full	Full Consolidation	(E)			
Cardif BNPP IP Convertibles World	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Equity Frontier Markets USD	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Signatures	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Smid Cap Euro	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif BNPP IP Smid Cap Europe	France	NI	Non integrated	(S)	Full	Full Consolidation	
Cardif CPR Global Return (Ex- Cardif CPR Base Credit)	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif Edrim Signatures	France	Full	Full Consolidation		Full	Full Consolidation	
Cardif Vita Convex Fund Eur	France	Full	Full Consolidation		Full	Full Consolidation	
Cedrus Carbon Initiative Trends	France	Full	Full Consolidation		Full	Full Consolidation	
FP Cardif Convex Fund USD	France	Full	Full Consolidation		Full	Full Consolidation	
G C Thematic Opportunities II	Ireland	Full	Full Consolidation		Full	Full Consolidation	
Natio Fonds Athènes Investissement 5	France	Full	Full Consolidation		Full	Full Consolidation	
Natio Fonds Colline International	France	Full	Full Consolidation		Full	Full Consolidation	
Natio Fonds Collines Investissement 1	France	Full	Full Consolidation		Full	Full Consolidation	
Natio Fonds Collines Investissement 3	France	Full	Full Consolidation		Full	Full Consolidation	
New Alpha Cardif Incubator Fund	France	Full	Full Consolidation		Full	Full Consolidation	
Permal Cardif Co Investment Fund	France	Full	Full Consolidation		Full	Full Consolidation	
Tikehau Cardif Loan Europe	France	Full	Full Consolidation		Full	Full Consolidation	
Valltres FCP	France	Full	Full Consolidation		Full	Full Consolidation	

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 from perimeter

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

(NI) No integrated entities

(S) Exit from perimeter

(V) Variation of rates

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 2019 and 2020, no BNP Paribas Cardif Group entity was subject to significant restrictions other than those related to regulatory requirements.

2.2 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 connection with the acquisition of certain entities, BNP Paribas Cardif Group granted to minority shareholders eventual put options on their holdings.

			30 June 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%	28,532	4	-
Cardif Insurance Japan (companies Life and No Life)	25.0%	25.0%	838	9	-
Cardif IARD	34.0%	34.0%	524	(2)	-
Other minority interests	-	-	202	(1)	-

(1) Amounts before elimination of intercompany

			31 December 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
<i>In millions of euros</i>					
Cardif Lux Vie and subsidiaries	33.3%	33.3%	29,948	7	(1)
Cardif Insurance Japan (companies Life and No Life)	25.0%	25.0%	791	12	(4)
Cardif IARD	34.0%	34.0%	489	(5)	-
Other minority interests	-	-	212	3	

(1) Amounts before elimination of intercompany

NOTE 3 BUSINESS COMBINATIONS

Transactions of first half 2020

Scotia Seguros de Vida SA

On May 29, 2020, Cardif Seguros de Vida and Cardif Seguros Generales, subsidiaries of BNP Paribas Cardif in Chile, acquired Scotia Seguros de Vida SA. This transaction was carried out as part of the strategic alliance signed by BNP Paribas Cardif and Scotiabank in Latin America. The 15-year agreement provides for the development of provident and insurance solutions for Scotiabank's 9 million customers in Chile, Colombia, Mexico and Peru.

SCI Paris Grande Armée (Paris 17)

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

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"

Astridplaza

On 16 April 2019, Cardif Assurance Vie, via its investment subsidiary, Capital France Hotel ("CFH"), acquired 100 % of the shares in the Belgian company, Astridplaza NV ("Astridplaza"), which owns and operates the Radisson Blu Astrid and Park Inn by Radisson Antwerp hotels located in Antwerp (Belgium).

NOTE 4 NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 GOODWILL

<i>In millions of euros</i>	30 June 2020	31 December 2019
CARRYING AMOUNT AT START OF PERIOD	249	248
Acquisitions	-	-
Effect of movements in exchange rates	(1)	1
CARRYING AMOUNT AT END OF PERIOD	248	249
Gross carrying amount	248	249

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 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
France	37	37	-	-	-	-
Italy	196	196	-	-	-	-
Rest of Europe	14	15	-	-	-	-
Asia	1	1	-	-	-	-
TOTAL GOODWILL	248	249	-	-	-	-

Goodwill impairment tests are based on three different methods: observation of transactions related to comparable businesses, or share price data for listed companies with a comparable business, or finally the third option based on expected future cash flows and yield ("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 relying 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 INVESTMENT PROPERTY

The "Investment property" 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".

In millions of euros	30 June 2020				31 December 2019			
	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	3,921	(624)	3,297	5,051	3,845	(598)	3,247	4,829

Net depreciation and amortisation expense for the first half of 2020 stands at EUR 12 million versus EUR 67 million for the 2019 financial year.

Net impairment expenses on investment property booked for the first half of 2020 amounted to 471 thousand euros. The amount recognized in profit or loss during the 2019 financial year was EUR 10 million.

4.3 HELD-TO-MATURITY FINANCIAL ASSETS

In millions of euros	30 June 2020		31 December 2019	
	Carrying amount	of which impairment	Carrying amount	of which impairment
Listed government bonds	1,626	-	1,897	-
Other listed bonds	14	-	14	-
TOTAL HELD-TO-MATURITY FINANCIAL ASSETS	1,640	-	1,911	-
<i>of which insurance companies investments</i>	<i>1,640</i>		<i>1,911</i>	

4.4 AVAILABLE-FOR-SALE FINANCIAL ASSETS

In millions of euros	30 June 2020			31 December 2019		
	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	7,381	(523)	1,290	7,828	(417)	2,009
Bonds and other fixed-income securities	120,578	-	11,938	121,062	-	12,603
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	127,959	(523)	13,227	128,890	(417)	14,612
<i>of which insurance companies investments</i>	<i>127,406</i>	<i>-</i>	<i>-</i>	<i>128,200</i>	<i>-</i>	<i>-</i>
<i>of which investments from other activities</i>	<i>552</i>	<i>-</i>	<i>-</i>	<i>690</i>	<i>-</i>	<i>-</i>

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

In millions of euros	30 June 2020			31 December 2019		
	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"	11,938	1,290	13,227	12,603	2,009	14,612
Deferred tax linked to these changes in value	(3,188)	(338)	(3,526)	(3,385)	(491)	(3,876)
Insurance policyholders' surplus profit from insurance entities, after deferred tax	(7,749)	(843)	(8,592)	(8,166)	(1,222)	(9,388)
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	4	74	78	8	36	44
Unamortised changes in value of available-for-sale securities reclassified as loans and receivables	(6)	-	(6)	(6)	-	(6)
TOTAL ⁽¹⁾	999	183	1,182	1,054	332	1,386

⁽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 designated by the Group to be valued at fair value through profit and loss.

In millions of euros	30 June 2020	31 December 2019
Equities and variable income securities	29,190	31,411
Bonds and other fixed-income securities	8,179	7,701
TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT	37,369	39,112
of which insurance companies investments	37,329	39,079
of which investments from other activities	40	34

4.6 LOANS AND RECEIVABLES

In millions of euros	Carrying amount	of which impairment	Carrying amount	of which impairment
LOANS AND RECEIVABLES	1,906	-	1,716	-
of which insurance companies investments	1,879	-	1,694	-
of which investments from other activities	27	-	22	-

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 2020		31 December 2019	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Interest rate derivatives	747	727	757	574
Foreign exchange derivatives	51	254	71	154
Equity derivatives	171	36	107	170
DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES	969	1 017	935	898
<i>of which insurance companies investments</i>	<i>960</i>	<i>1 012</i>	<i>926</i>	<i>898</i>
<i>of which investments from other activities</i>	<i>9</i>	<i>5</i>	<i>9</i>	<i>1</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 2020			31 December 2019		
	Exchanges	Over the counter	Total	Exchanges	Over the counter	Total
Interest rate derivatives	5,196	23,250	28,446	590	24,727	25,317
Foreign exchange derivatives	-	15,658	15,658	-	13,832	13,832
Equity derivatives	11	3,563	3,574	-	3,538	3,538
DERIVATIVES (NOTIONAL AMOUNTS)	5,207	42,471	47,678	590	42,097	42,687

The total notional amount of derivatives used for hedging purposes stood at EUR 8,654 million for the first half of 2020 versus EUR 7,240 million at 31 December 2019.

4.8 UNIT-LINKED ASSETS

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

<i>In millions of euros</i>	30 June 2020	31 December 2019
Equities and variable income securities	27,512	29,087
Share of real estate companies	2,958	2,716
Treasury bills	801	935
Government Bonds	30	36
Other bonds	1,070	1,158
UCIT bonds and shares	36,129	38,866
Financial instruments	68,500	72,798
Real estate investments in unit-linked contracts	1,595	1,542
TOTAL UNIT-LINKED ASSETS	70,095	74,340

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.

<i>In millions of euros</i>	30 June 2020				31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at market value								
Available-for-sale financial assets	96,404	30,931	624	127,959	107,585	21,056	250	128,890
Financial instruments at fair value through profit or loss (1)	79,016	19,958	6,894	105,869	85,133	19,462	7,315	111,910
Derivatives and separate embedded derivatives	-	969	-	969	-	935	-	935
Fair value of financial instruments at amortised cost								
Loans and receivables	65	1,877	-	1,942	121	1,611	18	1,750
Held-to-maturity financial assets	1,912	-	-	1,912	2,221	-	-	2,221
FINANCIAL ASSETS	177,398	53,735	7,518	238,650	195,060	43,065	7,582	245,707
Financial instruments at market value								
Derivative liability instruments	1	1,016	-	1,017	-	898	-	898
Fair value of financial instruments at amortised cost								
Subordinated debt	-	5,439	-	5,439	-	5,659	-	5,659
Repurchase agreements granted	-	9,154	-	9,154	-	7,418	-	7,418
Loans from credit institutions	-	3,994	-	3,994	-	3,418	-	3,418
FINANCIAL LIABILITIES	1	19,603	-	19,604	-	17,393	-	17,393

⁽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 30 June 2020. 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 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	250	7,315	7,564
Purchases	437	1,455	1,892
Sales	(16)	(884)	(901)
Settlements	(7)	(82)	(89)
Reclassification	(19)	-	(19)
Transfers to Level 3	0	26	26
Transfers from Level 3	(2)	(782)	(785)
Gains recognised in the income statement (assets +)	3	212	215
Losses recognised in the income statement (assets -)	(0)	(365)	(365)
Items related to exchange rate movements	(7)	0	(7)
Changes in assets recognised in equity	(14)	-	(14)
Position as at 31 December 2019	624	6,894	7,518

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 in accordance with the BNP Paribas Cardif 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:

In millions of euros	30 June 2020	31 December 2019	Variation
	Market value	Market value	
Treasury bills and government bonds	55,964	58,287	(2,323)
Other obligations	59,728	59,631	97
Total	115,692	117,918	(2,226)

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 shown below:

In millions of euros	30 June 2020	31 December 2019	Variation
	Market value	Market value	
Equities and variable income securities (including UCI)	36,571	39,239	(2,668)
Treasury bills and government bonds	431	662	(231)
Other obligations	15,052	12,928	2,124
Derivatives	931	886	45
UL Investments	70,095	74,340	(4,245)
Total	123,080	128,055	(4,975)

4.10.3 Credit quality of financial assets fulfilling the cash flow criterion

Notations	30 June 2020	31 December 2019
In millions of euros	Gross value	Gross value
AAA	6,443	8,078
AA	39,989	39,405
A	35,470	34,970
BBB	31,208	32,782
< BBB (*)	2,283	2,353
Total	115,393	117,588

(*)including unrated securities

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

Notations	30 June 2020		31 December 2019	
<i>In millions of euros</i>	Gross value	Market value	Gross value	Market value
BB+	476	476	279	279
BB	129	129	21	21
BB-	193	193	212	212
B	-	-	21	21
Not listed	1,485	1,485	1,820	1,820
Total	2,283	2,283	2,353	2,353

4.11 TANGIBLE ASSETS

<i>In millions of euros</i>	30 June 2020			31 December 2019		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
Lands and buildings	607	(137)	470	612	(130)	482
Equipment, furniture and fixtures	16	(10)	6	16	(10)	6
Other property, plant and equipment	79	(56)	23	77	(52)	24
TANGIBLE ASSETS	702	(202)	500	705	(193)	512
<i>of which rate of use tangible assets</i>	<i>137</i>	<i>(60)</i>	<i>77</i>	<i>141</i>	<i>(57)</i>	<i>84</i>

Net depreciation and amortisation expense for the first half 2020 was EUR 9 million, compared with EUR 7 million for the first half 2019.

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 2020 (unchanged compared to 31 December 2019).

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 report .

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.

²See corporate website <https://www.bnpparibascardif.com>

4.13 FINANCING DEBT

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.

Breakdown of subordinated debt as at 30 June 2020

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 12/22/2014 then 2,50%	2,50%	125
SPL	Cardif Assurance Vie	BNP Paribas	23/12/2004	Undetermined	23/12/2019	4,40% until 12/22/2014 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%	998
SPN	BNP Paribas Cardif	BNP Paribas	25/11/2014	Undetermined	25/11/2025	4,03%	Euribor 3 Months + 3,93%	2
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%	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	29/11/2022	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
Total subordinated debt - Nominal amount								5,341
Related debt and amortised debt issuance costs								36
TOTAL SUBORDINATED DEBT								5,377

Transactions carried out in first half 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%.

Transactions carried out in first half 2019

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

- A Redeemable Subordinated Note (RSN) with a nominal value of EUR 200 million and a maturity of 30 years. This loan offers a variable rate coupon of 3-month Euribor + 2.72%.
- An Undated Super Subordinated Note with a nominal value of EUR 450 million and perpetual maturity. This loan offers a variable rate coupon of 3-month Euribor +4.20%.

These two subordinated loans were fully subscribed by BNP Paribas. The coupon is paid quarterly. These loans may be redeemed after 10 years.

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

In millions of euros	30 June 2020			31 December 2019		
	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance	Gross value of reinsurance	Reinsurance sold	Net value of reinsurance
Unearned premium reserve	2,343	288	2,056	2,566	292	2,274
Claim reserves	1,867	302	1,565	1,854	319	1,535
Deferred participation reserve	2	-	2	2	-	2
Other Technical reserves	187	3	183	183	3	179
Non-Life Insurance Contracts	4,399	593	3,806	4,605	614	3,990
Mathematical reserves arising from insurance contracts	84,065	1,657	82,408	85,418	1,730	83,688
Mathematical reserves arising from unit-linked insurance contracts	62,948	460	62,488	67,059	498	66,561
Mathematical reserves arising from investment contracts with discretionary participating feature	40,053	-	40,053	40,722	-	40,722
Technical liabilities arising from unit-linked investment contracts without discretionary participating feature	7,424	-	7,424	7,456	-	7,456
Benefits payable (claims, buybacks, terms)	2,062	102	1,959	1,721	93	1,627
Deferred participation reserve	5,946	-	5,946	5,556	-	5,556
Other Technical reserves	155	4	151	190	4	187
Life insurance contracts and investment contracts	202,653	2,223	200,430	208,124	2,325	205,799
TOTAL TECHNICAL LIABILITIES FROM INSURANCE AND INVESTMENT CONTRACTS	207,052	2,816	204,236	212,728	2,939	209,789
of which technical liabilities from insurance contracts	159,575	2,816	156,759	164,550	2,939	161,610
of which technical liabilities from investment contracts	47,477	-	47,477	48,178	-	48,178

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 30 June 2020, this test led to the recognition of additional provisions on three life insurance entities in Asia for a total amount of EUR 13 million. For life insurance entities in the domestic markets (France, Italy and Luxembourg), the test did not reveal any kind of insufficiency.

In millions of euros	30 June 2020		31 December 2019	
	policyholders' surplus reserve – liability	Total	policyholders' surplus reserve – liability	Total
Deferred profit-sharing recognised through profit and loss account	4,975	4,975	6,727	6,727
Deferred profit-sharing recognised through shareholders equity	11,642	11,642	12,851	12,851
TOTAL	16,617	16,617	19,578	19,578

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 with 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 in terms of rates granted to customers and new business inflows.