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PRESS RELEASE

## BNP PARIBAS ASSURANCE : RESULTS AS AT DECEMBER 31, 2005

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- A YEAR OF SUSTAINED REVENUE GROWTH AND INITIATIVES TO STREAMLINE AND INDUSTRIALIZE OPERATIONS AND PROCESSES
  - NET BANKING INCOME EXCEEDS ONE BILLION EUROS, AN INCREASE OF 17.3%
  - PRETAX INCOME<sup>1</sup> : 580 MILLION EUROS, UP 24 %
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On March 23, 2006, the board of directors of BNP Paribas Assurance approved the company's accounts for the 2005 financial year.

### Sustained growth

BNP Paribas Assurance's insurance inflows in 2005 totaled 13 billion euros, up 14% over 2004. At constant size (restated to reflect the sale of Cardif's stake in Antarius), the insurance business expanded 18.8% between 2004 and 2005.

This robust growth confirms a long-term trend since average annual growth since 2002 stands at 16%.

Gross written premiums increased 18.4% in international markets, which now represent 27% of total gross written premiums.

Assets under management increased 15% to 87.1 billion euros at December 31, 2005. Two-thirds of this 11 billion euro increase came from higher net inflows.

BNP Paribas Assurance's Net Banking Income<sup>2\*</sup> (NBI) rose 17.3% to 1 billion euros.

### Dynamic growth of market shares

Throughout 2005, BNP Paribas Assurance expanded its coverage of new clientele franchises in both the Savings and Protection segments. In France, BNP Paribas Assurance acquired the retail network of J. P. Morgan, rebranded Patrimoine Management & Associés, creates an additional distribution channel. It also signed a partnership agreement with electricity utility EDF to propose the first ever insurance coverage for payment of electricity bills in France. This move creates access to a very broad base of potential clients.

Outside France, BNP Paribas Assurance formed a joint insurance venture with Magazine Luiza, the leading specialized retail chain in Brazil, set up a local office in Vietnam and established a presence in Mexico.

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<sup>1</sup> Contribution to BNP Paribas income under IFRS.

<sup>2</sup> Net Banking Income: gross written premiums from operations and financial margin net of commissions paid to distributors and before general and administrative expenses.

### **Savings: growth in unit-linked products in France and success for products launched in Asia**

Gross written premiums for the Savings segment rose 14% to 10.3 billion euros, representing 79% of total gross written premiums.

Savings inflows in France (84% of total Savings inflows) advanced 13% to 8.7 billion euros. The share of unit-linked products was 34%, well above the market average of 23%.

The key factors behind this performance were a 47% increase in unit-linked product inflows via BNP Paribas retail branches and a record 46% surge in inflows for the Cardif network via Independent Financial Advisors (IFAs), totaling 1.4 billion euros. The Cardif network now accounts for over 10% of BNP Paribas Assurance gross written premiums.

In international markets, gross written premiums totaled 1.6 billion euros, an increase of 25%. This strong rise was driven by business in Asia. In South Korea, a market that BNP Paribas Assurance entered in 2003, gross written premiums tripled to 172.2 million euros (consolidated gross written premiums represented 50% of the company's business). In Taiwan, assets gathered increased by 67%.

### **Protection and Property & Casualty Insurance: continued dynamic growth in international markets and success of individual creditor insurance in France. Ramp-up of auto insurance business with a 130% rise in contracts.**

Gross written premiums from Protection and P&C insurance were up 11.7% to 2.7 billion euros.

International business accounted for 70% of protection gross written premiums. Protection gross written premiums outside France totaled 1.9 billion euros, an increase of 13%.

Excluding the Netherlands and the United Kingdom, where the credit market slowed in 2005, growth reached 37%.

In France, protection premiums totaled 792 million euros, an increase of 10%. Performance in this segment was energized by Cardif Garantie Emprunteur policies (over 89,000 contracts in the portfolio) sold by agents and partners, and by the dynamic start of auto insurance. BNP Paribas retail banking branches in France recorded a 130% increase in the number of auto insurance policies sold (21,000 new contracts in 2005).

### **Streamlined organizations and industrialized processes to drive future growth**

BNP Paribas Assurance refocused on its core business in 2005. The activities of Banque Financière Cardif were transferred to other BNP Paribas units and Cardif Asset Management, which manages assets for third parties, is now part of the BNP Paribas Asset Management business.

BNP Paribas Assurance has also taken responsibility for coordinating support available to investment advisors at BNP Paribas retail branches in France for the Asset Management and Services businesses. In addition, BNP Paribas Assurance is in charge of coordinating all teams that work with IFAs.

The merger of Cardif Assurance Vie and Natio Vie in France, effective October 2005, streamlines operations and enhances the performance of financial management activities.

### **Net profit up 24%**

Gross Operating Income increased 14% to 536 million euros. The cost/income ratio stood at 47.3%. Pre-tax income totaled 580 million euros, an increase of 24%.

**BNP Paribas Assurance ([www.assurance.bnpparibas.com](http://www.assurance.bnpparibas.com)) is the Life and Property & Casualty insurance unit of BNP Paribas. It develops and markets products and services under two commercial brands. Products distributed through the BNP Paribas retail branch network in France are branded BNP Paribas. Those distributed by other channels in France and in international markets are branded Cardif.**

**BNP Paribas Assurance is the fourth-largest life insurance company in France and No. 2 worldwide in creditor insurance. It had 2005 gross written premiums of 13 billion euros. With operations in 31 countries, BNP Paribas generated 44% of its 2005 gross written premiums outside the BNP Paribas group and 27% of gross written premiums outside France.**

**BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) is a European leader in banking and financial services, with a significant and growing presence in the United States and leading positions in Asia. The group has one of the largest international banking networks, a presence in over 85 countries and employs more than 110 000 employees, including approximately 80,000 in Europe. BNP Paribas enjoys key positions in its three core businesses: Corporate and Investment Banking, Asset Management & Services and Retail Banking.**

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