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PRESS RELEASE

## **BNP PARIBAS ASSURANCE: RESULTS AS OF DECEMBER 31, 2007**

### **INTERNATIONAL BUSINESS DRIVES GROWTH AT BNP PARIBAS ASSURANCE**

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- ➔ 2007 GROSS WRITTEN PREMIUMS: 18 BILLION EUROS
  - ➔ NET BANKING INCOME DOUBLES IN FOUR YEARS TO 1.4 BILLION EUROS
  
  - ➔ MARKET SHARE ADVANCES NEARLY ONE POINT IN FRANCE DESPITE DIFFICULT CLIMATE
  - ➔ BNP PARIBAS ASSURANCE NO. 4 LIFE INSURER IN FRANCE
  
  - ➔ ACCELERATED INTERNATIONAL DEVELOPMENT WITH LAUNCH OF BUSINESS IN SEVEN NEW COUNTRIES
  - ➔ 40% OF GROSS WRITTEN PREMIUMS GENERATED IN INTERNATIONAL MARKETS
  - ➔ BNP PARIBAS ASSURANCE: WORLD LEADER IN CREDITOR INSURANCE
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On March 26, 2007, the Board of Directors of BNP Paribas Assurance approved the company's accounts for the 2007 financial year. To reflect the insurance business of BNL, figures for 2006 gross written premiums are pro forma<sup>1</sup>, consolidating 49% of BNL Vita.

#### 2007 Key Figures

##### Business

- **Gross Written Premiums:** 18 billion euros (up 5% over 2006 on a pro forma basis)
- **Assets under management:** 106 billion euros (up 8% over 2006 on a pro forma basis)
- **Operations in 42 countries**
- **Employees:** over 7,000 employees (64% outside France)

##### Income statement

- **Net Banking Income<sup>2</sup>:** 1.4 billion euros (up 13% over 2006)
- **Pretax income:** 789 million euros (up 13% over 2006)
- **Cost/income ratio:** 46.2%

##### Sound financial foundations

- **S&P Rating<sup>3</sup>:** AA+ for two primary operating entities

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<sup>1</sup> Pro forma figures for 2006: comparable data consolidating 49% of BNL Vita

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

<sup>3</sup> Standard & Poor's rating for Cardif AssuranceVie and Cardif Assurances-Risques Divers

Commenting on these results, Eric Lombard, Chairman and Chief Executive Officer of BNP Paribas Assurance said: *“In a difficult market environment in 2007 BNP Paribas Assurance delivered dynamic business performance with all our partners in France and around the world. We maintained our positions in France, recording savings inflows higher than the market average and fully leveraged the benefits of our international growth strategy. International business represented nearly 40% of our gross written premiums. BNP Paribas Assurance has doubled its net banking income in four years, a tangible sign of the long-term efficiency of our business model. We will continue to strengthen our position among the global leaders in insurance services provided via distribution partnerships.”*

### **Net Banking Income doubles in four years**

BNP Paribas Assurance had 2007 gross written premiums of 18 billion euros, an increase of 5% over the previous year on a pro forma<sup>4</sup> basis. The share of gross written premiums from international operations increased 4 points to 39%. Savings gross written premiums were 14.7 billion euros, or 82% of total gross written premiums, while Protection gross written premiums were 3.2 billion euros.

Growth in gross written premiums was fueled by international business, which increased 14% year-on-year. Gross written premiums in France were stable following exceptional performance in France in 2006 due to specific factors. For the past four years BNP Paribas Assurance has recorded average annual growth of 17.9%, reflecting its solid business model and the dynamic performance of its distribution channels (banks, other partners and Independent Financial Advisors).

Assets under management at December 31, 2007 totaled 106 billion euros, an increase of 8% on a pro forma basis.

BNP Paribas Assurance's Net Banking Income increase 13% between 2006 and 2007 to 1.4 billion euros. **NBI has doubled in four years. Average annual growth for the period was 18.3%, reflecting dynamic growth in both savings and protection, coupled with international growth, which benefited from balanced diversification between countries experiencing strong growth and those with mature markets.**

Pretax income rose 13% to 789 million euros. The cost/income ratio was 46.2%. Return On Notional Equity was 25.6%, representing an increase of 2.3 points in four years.

The two primary operating entities of BNP Paribas Assurance, Cardif Assurance Vie and Cardif Assurances-Risques Divers, were both rated AA<sup>+</sup> by Standard & Poor's in 2007, giving them the best rating among French insurance companies and one of the best in Europe.

### **Market share up nearly 1 point in France in a difficult climate**

Gross written premiums in France were stable compared with the previous year, totaling 11 billion euros, or 61% of total gross written premiums.

- **Savings: BNP Paribas Assurance No. 1 in unit-linked products**

BNP Paribas Assurance gross written premiums for the savings segment were 10.1 billion euros. The decline in this segment was contained at 1%, a result better than the overall market, which saw a 3% drop in savings inflows<sup>4</sup>. BNP Paribas Assurance maintained inflows at levels nearly equivalent to 2006 despite a more difficult market environment than 2006, which was an exceptional year due to transfers of assets under the Fourgous legislation and to the change in legislation governing housing savings plans, energizing the entire segment.

BNP Paribas Assurance retained its position as the fourth-largest life insurer in France in 2007. Its market share in the bancassurance segment rose 0.8 points in a year to 13.5%.

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<sup>4</sup> Source : FFSA – French Federation of Insurance Companies (2006/2007 trend for direct life insurance and financial savings inflows)

This good performance was due in particular to an increase in new cash from clients of BNP Paribas Private Bank in France, and to the marketing of new products such as BNP Paribas Multiplacements Avenir (an intergenerational transfer product distributed by BNP Paribas retail branches) and innovative services for Independent Financial Advisors (financial alerts, arbitrage mandates, etc.). Performance was also energized by strong inflows for flagship life insurance products: BNP Paribas Multiplacements 2, BNP Paribas Multiplacements Privilège and Cardif MultiPlus 3.

Unit-linked products represented 42% of savings inflows, which is 17% better than the market average. This strengthens BNP Paribas Assurance's position as **the French leader in unit-linked products**. In particular, 55% of inflows via the Cardif network and its partners represents unit-linked products. For the BNP Paribas French Retail Banking network, the share of unit-linked products remains a high 37%, well ahead of the average for French bancassurers (23%).

- **Protection and Property & Casualty Insurance**

Gross written premiums from Protection insurance in France (including property & casualty premiums) rose 11% to 937 million euros. The Cardif Garantie Emprunteur individual creditor insurance policy was sold to nearly 39,000 clients in 2007. To better identify personal protection needs, Cardif introduced an innovative approach with Independent Financial Advisors, enabling them to review in depth their clients' needs in terms of asset protection using a special software application.

Gross written premiums from Property & Casualty insurance totaled 49.1 million euros, an increase of 15.2%. This segment saw an increase in gross written premiums from comprehensive home insurance policies (up 8% to 23.4 million euros) and automobile insurance (up 27% to 22.3 million euros).

### **International operations: double-digit growth and accelerated development**

In international markets, gross written premiums totaled 6.9 billion euros, an increase of 14%, representing nearly 40% of total gross written premiums.

**In Savings**, gross written premiums were up 20% on a pro forma basis compared to 2006, totaling 4.6 billion euros. Savings accounted for 67% of gross written premiums outside France. This segment benefited from the launch of new products such as Flexible Asset Bonds (FABs) in the United Kingdom, where savings business surged 126% (total savings inflows were 1.5 billion euros).

BNP Paribas Assurance also enjoys strong positions in Asia, a continent that represents 25% of international savings business. In India, SBI Life, a joint venture between Cardif and State Bank of India, is now the No. 3 insurance company in the country, recording 144% growth in gross written premiums. In Taiwan Cardif is No. 2 in the sale of unit-linked products via branch banking networks and recorded 607 million euros in gross written premiums. In South Korea, total gross written premiums nearly doubled in one year, rising 76% to 618 million euros.

**In Protection**, gross written premiums totaled 2.3 billion euros, an increase of 4% on a pro forma basis. International business accounts for over two-thirds of protection gross written premiums. BNP Paribas Assurance is the world leader in creditor insurance, with over 50 million policyholders worldwide.

In Italy, the largest market for Protection insurance outside France, BNP Paribas Assurance had gross written premiums of 508 million euros, an increase of 30%. In the buoyant Spanish market, gross written premiums were up 51% to 162 million euros. In Latin America, where Cardif is present in six countries, both bancassurance and the sale of insurance products via mass retail outlets saw efficient distribution performance. In Brazil, for example, protection gross written premiums nearly doubled, rising 94% to 83 million euros. In Argentina gross written premiums were up 63%, while in Chile Cardif is the leading bancassurance player.

**International operations provide a powerful growth engine and BNP Paribas Assurance accelerated its global coverage with the launch of operations in seven new countries in 2007: Ukraine, Croatia, Norway, Turkey, Colombia, Denmark and Canada.** The markets where BNP Paribas Assurance expands are characterized by strong economic development, rapid growth in consumer credit and the established presence of major financial establishments, many of which are already partners of BNP Paribas Assurance.

*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 world leader in creditor insurance and the fourth-largest life insurance company in France. Its life and non-life insurance units have received an AA+ rating from Standard & Poor's.*

*It had gross written premiums of 18 billion euros in 2007. With operations in 42 countries, BNP Paribas Assurance generated 43% of its 2007 gross written premiums outside the BNP Paribas group and 39% of gross written premiums outside France. It counts over 7,000 employees, more than 60% of them outside France*

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