BNP PARIBAS CARDIF 2014 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (before appropriation)

(in millions of euros)

ASSETS	Note	31.12.2014	31.12.2013
Goodwill	3.1.1	**185.7**	**128.0**
Intangible assets	3.1.2	**365.6**	**418.4**
Insurance company investments	3.1.3	**119,511.6**	**112,142.6**
- Investments in real estate properties		*5,017.0*	*4,195.3*
- Investments in affiliated undertakings and participating interests		*3,656.0*	*3,851.6*
- Other investments		*110,838.6*	*104,095.7*
Investments backing unit-linked contracts	3.1.4	**36,276.7**	**33,282.9**
Investments from other companies	3.1.5	**365.7**	**294.7**
Investments in associates - Equity method	3.1.6	**576.3**	**432.1**
Receivables arising from outward reinsurance operations	3.1.7	**2,899.8**	**2,819.7**
Receivables from direct insurance or reinsurance	3.1.8	**1,242.6**	**1,105.1**
Receivables from entities in the banking sector	3.1.9	**964.8**	**797.5**
Other receivables	3.1.10	**1,482.7**	**1,367.5**
Other assets	3.1.11	**22.9**	**18.1**
Accrued income and other assets	3.1.12	**3,422.2**	**3,220.4**
- Deferred acquisition costs		*1,335.5*	*1,231.3*
- Other		*2,086.7*	*1,989.1*
Foreign exchange differences		**-**	**-**
TOTAL ASSETS		**167,316.4**	**156,027.0**

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless indicated.

(in millions of euros)

LIABILITIES	Note	31.12.2014	31.12.2013
Shareholders' equity - Group share	3.2.1	**3,920.1**	**4,067.8**
- Share capital		*150.0*	*151.0*
- Shares premiums		*3,340.5*	*3,813.3*
- Consolidated reserves		*24.3*	*(284.0)*
- Net consolidated income		*405.3*	*387.5*
Minority interests		**36.5**	**33.3**
Subordinated debts	3.2.2	**2,902.6**	**2,588.7**
Gross technical reserves	3.2.3	**108,584.3**	**101,689.2**
- Life Technical reserves		*104,890.0*	*98,208.0*
- Non Life Technical reserves		*3,694.3*	*3,481.2*
Technical reserves related to unit-linked contracts	3.1.4	**36,856.7**	**33,810.6**
Provisions for risks and charges	3.2.4	**196.8**	**166.3**
Debts arising out of direct insurance or reinsurance	3.2.5	**3,248.4**	**3,146.3**
Liabilities due to banking sector companies	3.2.6	**9,966.6**	**8,684.7**
Other debts	3.2.7	**1,398.3**	**1,648.2**
Accrued expenses and other liabilities	3.2.8	**206.1**	**189.7**
Foreign exchange differences			**2.2**
TOTAL LIABILITIES		**167,316.4**	**156,027.0**

References in the "Notes" column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless otherwise indicated.

CONSOLIDATED TABLE OF COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)

COMMITMENTS RECEIVED AND GIVEN	Note	31.12.2014		31.12.2013	
Commitments received	3.3.1		**863.4**		**839.6**
- Insurance companies		*791.4*		*767.6*	
- Other companies		*72.0*		*72.0*	
Commitments given	3.3.1		**1,290.1**		**1,179.8**
- Insurance companies		*1,083.1*		*970.0*	
- Other companies		*207.0*		*209.9*	

Commitments relating to financial instruments are detailed in a specific schedule in note 3.3.2.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

(in millions of euros, except earnings per share in euros)

	Note	Non-life insurance	Life insurance	Banking	Other businesses	31.12.2014	31.12.2013
Gross written premiums	4.2	2,816.5	18,288.1			21,104.6	19,807.4
Change in unearned premiums		(88.1)	-			(88.1)	(96.9)
Earned gross premiums		**2,728.4**	**18,288.1**	-	**-**	**21,016.5**	**19,710.5**
Income from other activities	4.1.3				20.6	20.6	15.8
Other operating income		12.3	261.9			274.2	216.2
Net investment income	3.4.1	166.4	6,373.2		(133.9)	6,405.7	6,133.3
Operating revenues		**2,907.1**	**24,923.2**	**-**	**(113.3)**	**27,717.0**	**26,075.7**
Technical charges related to insurance activities		(950.5)	(21,546.3)			(22,496.8)	(21,152.2)
Net result from outward reinsurance	4.1	(47.7)	16.0			(31.7)	22.6
Expenses from other activities	4.1.3				(185.6)	(185.6)	(179.8)
Management expenses	3.4.2	(1,660.5)	(2,581.5)			(4,242.0)	(4,095.0)
Operating expenses		**(2,658.7)**	**(24,111.8)**	**-**	**(185.6)**	**(26,956.2)**	**(25,404.4)**
Net operating income		**248.4**	**811.3**	**-**	**(299.0)**	**760.8**	**671.4**
Other income and expenses						9.1	3.5
Exceptional result	3.4.3					(18.8)	10.4
Corporate income Tax	3.4.4					(370.6)	(320.6)
NET INCOME FROM CONSOLIDATED COMPANIES						**380.5**	**364.6**
Shares in earnings of associates						40.5	30.8
Goodwill amortization	3.1.1					(15.5)	(7.2)
NET CONSOLIDATED INCOME AFTER TAX						**405.5**	**388.2**
Minority interests						(0.2)	(0.8)
NET CONSOLIDATED INCOME - GROUP SHARE						**405.3**	**387.5**
Earnings per share (in euros)						6.49	6.20
Diluted earnings per share (in euros)						6.49	6.20

References in the “Notes” column refer to notes in the Appendices, in which all figures are expressed in millions of euros unless indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CONSISTENCY OF ACCOUNTING PRINCIPLES

1.1. Basis for preparation

The consolidated financial statements of BNP PARIBAS CARDIF are prepared in compliance with the rules on consolidation and presentation set out in regulation n°2000-05 dated 7 December 2000 of the Comité de la Réglementation Comptable (CRC) for companies governed by the French Insurance Code (Code des assurances), including any modification introduced subsequently by other CRC regulations.

The consolidated financial statements present the Group's business activities by segment. These categorise business activities into Life Insurance, Non-Life Insurance and other businesses. Each segment follows its own chart of accounts, respectively the insurance company chart of accounts (as defined in Decree n°94-481 of 8 June 1994 and its implementing order of 20 June 1994) and the general chart of accounts (for other businesses), subject to specific provisions regarding to consolidation and presentation rules of consolidated financial statements mentioned above.

1.2. Changes in accounting standards

Accounting rules and methods used for the financial year were unchanged from those used for the preparation of the 2013 financial statements.

Please note that for 2013, BNP Paribas Group chose to comply with the option set out in the ANC recommendation dated 7 November 2013 (n°2013-02) regarding the rules for the valuation and recognition of pension and similar obligations. This option results in the recognition of all actuarial differences in the income statement, whether they relate to adjustments based on experience or to the effects of changes in assumptions, with no possible deferral (elimination of the "corridor" method). As a result, in the consolidated financial statements at 1 January 2013, the commitments of BNP Paribas Cardif increased by EUR 2,534,000 recognised as a liability under "Provisions for risks", with a balancing entry to the change in "Other consolidated reserves".

1.3. Highlights

➢ **Change in the scope of consolidation**

Changes in the scope of consolidation between 2013 and 2014 are detailed in note 2.4 "Main changes".

➢ **Changes in BNP Paribas Cardif financing**

In order to fund the growth of its solvency margin requirement (under Solvency 1), BNP Paribas Cardif carried out :

- A revision of its subordinated debt with :
    - November 25th : the issuance of 1 billion euros of perpetual subordinated debt on Luxembourg Euro MTF regulated market,
    - December : early redemptions for a total amount of 436 million euros regarding 3 TSDIs contracted by BNP Paribas SA.

- A reduction in the equity with repayment of share premium to shareholders, in June 2014 for 222.8 million euros and in December 2014 for 250 million euros. The total amount of reimbursement is 472.8 million euros.

➢ **French corporate tax rate**

The 2014 budget act, law n° 2013-1278 dated on December 29th, 2013, introduced an increase of the exceptional corporate tax rate as set out in article 235 ter ZAA in the CGI charge, from 5% to 10.7% for French companies with annual revenue of more than EUR 250 million. This rate took the total corporate tax rate from 36.1% to 38%, excluding the 3% contribution on dividends. Amending Finance act, law n°2014-891 dated on August 8th, 2014, confirmed that this rate will be applicable for accounting periods closing between 31 December 2014 and 31 December 2015. For subsequent years, the rate assumed is 34.43%.

➢ **BNP Paribas Cardif Group's exposure to Euro zone sovereign credit risk** (fully consolidated entities)

	31.12.2014		31.12.2013	
(in millions of euros)	**Acquisition cost net of impairments**	**Market value**	**Acquisition cost net of impairments**	**Market value**
Germany	1,203	1,419	1,114	1,228
Austria	1,519	1,804	1,655	1,813
Belgium	3,188	3,833	3,861	4,081
Spain	3,858	4,387	2,154	2,204
France	14,557	17,416	13,969	14,818
Ireland	906	979	547	559
Italy	14,559	17,523	12,380	13,413
Netherlands	1,063	1,307	979	1,119
Portugal	103	103	182	182
Other	1,333	1,645	1,350	1,480
Total Euro Zone	42,288	50,415	38,193	40,898
Bonds and other fixed-income securities (Note 3.1.3)	93,261	108,805	87,671	95,531

The BNP Paribas Cardif Group has not held Greek sovereign debt since October 2012.

1.4. Post balance sheet events

No events arising since the closure of accounts are likely to have an impact on the consolidated financial statements.

2. CONSOLIDATION METHODS, RECOGNITION AND MEASUREMENT PRINCIPLES

2.1. Consolidation methods and principles

2.1.1. Consolidation methods

The consolidation scope includes all companies in which the Group's exercise exclusive control (subsidiaries), joint control (joint ventures) or significant influence (associate undertakings). They are accounted for under the appropriate method. Exclusively controlled companies are fully consolidated and joint ventures are accounted for using the proportional method. Companies in which the Group has significant influence are consolidated by the equity method.

An entity is included in consolidation scope when its consolidation, or the one established by the sub-group it heads, is material in nature.

Three criteria are used to assess this material nature: total assets, operating profit and the equivalent to "financial and technical income", which corresponds to the sum of financial margin and technical margin. The thresholds applicable are defined according to the nature of control.

In accordance with the provisions of paragraph 1011 of CRC regulation 2000-05, investment funds backing unit linked contracts are excluded from the scope of consolidation, as are real estate companies backing insurance obligations when the conditions set out by regulation are met.

2.1.1.1. Exclusively and jointly controlled companies

A Group has an exclusive control over an entity when being able to govern its financial and operating policies so as to obtain benefits from its activities. Such control stems from:

- direct or indirect ownership of the majority of voting rights in the company; or
- the election, for two successive years, of the majority of the members of the administrative, management or supervisory bodies of the company; or
- the right to exercise dominant influence over the company as per contracts or clauses in the company's articles of association, when allowed by law.

Joint control is the shared control of a company operated jointly by a limited number of partners or shareholders, to the extent that financial and operational policy is the result of their agreement.

Exclusively controlled companies are fully consolidated by BNP PARIBAS CARDIF. Jointly controlled companies are consolidated under the proportional method when they represent a contribution to the Group consolidated financial statements greater than one of the following thresholds:

- +/- EUR 8 million for technical and financial income;
- +/- EUR 4 million for gross operating income or net income before tax;
- EUR 40 million in total assets.

Controlled companies that do not meet these thresholds but have gross operating profit or net income before tax of between +/- EUR 1 million and +/- EUR 4 million are consolidated under the equity method, a simplified consolidation method, thus reflecting their significant nature. Other controlled companies that do not reach the thresholds are not consolidated.

2.1.1.2. Companies under significant influence

Significant influence is the power to participate in the financial and operating policies of a company without exercising control. In particular, significant influence may result from representation on the management or supervisory bodies of the company, participation in strategic decisions, existence of significant inter-enterprise transactions, exchange of management staff or dependency stemming from technical interactions.

Significant influence over the financial and operating policy of a company is presumed when the consolidating company owns, directly or indirectly, at least 20% of the voting rights of the company.

For companies under significant influence, the following thresholds apply:

- EUR 40 million for total assets on an equity basis;
- +/- EUR 1 million for net income on an equity basis.

2.1.2. Goodwill and valuation differences

Goodwill is measured as the excess of the equity securities acquisition cost over the net of the identifiable assets acquired and the liabilities assumed at acquisition date. It is amortised according to conditions specific to each acquisition. Goodwill relating to fully consolidated and proportionally consolidated companies is shown under the heading “Goodwill”. Goodwill allocated to associated undertakings balance sheet entries were previously recognised under the heading “Investment in associates – Equity method”. They are now recognised under the heading “Goodwill” in accordance with paragraph 291 of CRC n°2000-05.

The revaluation differences measured as the difference between the fair value of assets and liabilities at the acquisition date and the carrying amount of these items is recognised according to the general accepted accounting practices applicable to such items.

2.1.3. Currency translation method for foreign subsidiaries

The consolidated financial statements of BNP PARIBAS CARDIF are prepared in euros.

The financial statements of companies whose functional currency is not euro are translated using the closing exchange rate method based on the official rates at 31 December. Under this method, all assets and liabilities, both monetary and non-monetary, are translated using the spot exchange rate at the balance sheet date. Income and expense items are translated at the average exchange rate over the period.

Foreign exchange differences relating to financial instruments hedging structural investments in foreign currencies (loans or forward sales of currencies) are recognised in shareholder’s equity under “Translation differences” (see § 2.2.4).

When a consolidated entity with a functional currency other than the euro is disposed of, the gain or loss on disposal includes translation differences previously recognised in the Group share of the shareholder’s equity.

2.1.4. Closing date for consolidated entities

Consolidated financial statements are prepared based on the financial statements of the consolidated companies closed on December 31st. By way of exception, consolidated companies that have a different statutory closing date prepare accounting documents for consolidation purposes that cover the period from January 1st to December 31st. This is the case for Cardif Seguros SA Argentina that closes its accounts on June 30th.

2.1.5. Segment reporting of consolidated financial statements

Consolidated financial statements are presented by business segment: the “Life Insurance” and “Non-life Insurance” segments cover life insurance companies and non-life insurance companies respectively. The “non-life” element of mixed companies is included in the “Non-life Insurance segment”. The “Other Businesses” segment consists of the parent company, BNP PARIBAS CARDIF S.A., intermediate holding companies and brokerage and asset management companies.

During the consolidation process, intragroup transactions are eliminated whether within a segment or between segments.

2.2. RECOGNITION AND MEASUREMENT POLICIES

2.2.1. Intangible assets

Software are recorded as intangible fixed assets at acquisition cost and amortised linearly whether purchased or created internally. Their amortization period depend on the nature of the software. They are amortized over a period of no more than 8 years for infrastructure developments, and over a 3 or 5 year period for software developed primarily for the customer services.

Intangible assets must be impaired if there is any indication that their value has decreased, particularly if significant changes have already occurred or are anticipated. Those changes include plans for the disposal or restructuring of the activity to which the asset belongs or plans to dispose of the asset by anticipation. Regarding software, accounting standards allow for two possible methods:

- The asset is definitively disposed of, in which case it must be removed from the balance sheet at the date of scrapping (when it is no longer in use);
- The asset is temporarily abandoned, but may be used subsequently either individually or as part of a new project. In this case, a provision must be recognised to bring the asset to its value in use taking account of its useful life.

Exclusive distribution rights acquired are amortised in accordance with the underlying assumptions used in their valuation.

2.2.2. Investments

2.2.2.1. Investments from life insurance and non-life insurance companies

➢ *Land and buildings – shares in real estate companies*

Real estate investments include both the investment properties held by Cardif Assurance Vie and shares in unlisted real estate companies that are not included in the consolidation scope as set out in paragraph 1011 of CRC regulation n°2000-05.

Regarding land and buildings, the Group applies the CRC regulation n°2002-10 relating to the amortisation and depreciation of assets, CRC regulation n° 2003-07 relating to components and CRC regulation n° 2004-06 relating to the definition, recognition and valuation of assets.

Real estate assets are classified into four main components: structure, façades, general and technical equipment and fixtures and fittings. Land is recognised separately and is not depreciated.
The component life cycle is defined asset by asset and depends on the type of building. Ranges for depreciation periods are given below:

- Structure: 50 to 80 years;
- Facades: 25 to 30 years;
- General and technical equipment: 20 to 25 years;
- Fixtures and fittings: 12 to 15 years.

The residual value of such assets is nil.

The buildings' realisable value is determined on a five-year basis carried out by an independent expert, approved by the regulatory authority (ACPR). An interim review is performed annually and is also certified by an expert. The realisable value of shares in real estate entities (SCI) is based on the liquidation value of their real estate portfolio, which is certified by an independent expert once a year.

When the market value of properties is more than 20% below their net carrying amount at the closing date, the net carrying amount is challenged in order to determine whether it has to be impaired.

➢ *Bonds and other fixed-income securities*

Bonds and other fixed-income securities include amortizable securities that meet the following criteria:

- securities issued by an entity incorporated under private law which head office is in an OECD member state;
- securities issued and/or guaranteed by an OECD member state;
- securities for which there is a repayment date and which repayment is guaranteed.

Fixed-income securities are recognised at acquisition cost. The difference between the acquisition cost and the redemption value is recognised profit or loss for the period remaining to the date of redemption.

Unrealized losses, being the difference between the carrying amount and the realizable value, are not subject to provisions unless a counterparty risk is ascertained.

CNC advisory note n° 2006-07 of 30 June 2006 relating to the impairment of securities referred to in article R332-19 of the French Insurance Code sets out the objective evidences that a counterparty risk is ascertained as being any information relating to significant financial difficulties of the issuer, and notably:

- default on payments of interest or principal;
- a collective proceeding or a financial restructuring of the issuer becoming likely;
- the introduction, due to the financial difficulties faced by the issuer, of a facility that the holder (lender) would not have granted under other circumstances;
- the disappearance of an active market for these assets due to difficulties faced by the issuer.

In addition, the following observable data should be considered. Together with other events, they could be a sign of the financial difficulties faced by the issuer:

- a significant downgrading of the issuer's rating or an abnormal widening of its spread compared to the spreads of similar issuers with similar rating, and for debt securities with similar duration;
- a significant unrealised loss on the security in a declining interest rate environment.

- *Variable income securities*

For the BNP PARIBAS CARDIF Group, equities and other variable income securities are primarily held though the General Funds of Cardif Assurance Vie and Cardif Risques Divers in France, Cardif Vita Assicurazione in Italy and Cardif Luxembourg Vie in Luxembourg.

Equities and other variable-income securities are recognised at acquisition cost. It should be noted that the acquisition related costs are recognised as an expense for the period in which they are incurred.

The realisable value at closing date is determined in accordance with the rules set out in article R.332-20-1 of the French Insurance Code (Code des assurances) and corresponds to the following values:

- for investment and listed securities of all nature, the last market price at closing date;
- for unlisted equity securities, their value in use for the company;
- for other unlisted securities their fair value, determined through quotations from brokers and other counterparties;
- for units in mutual funds such as SICAV (sociétés d'investissement à capital variable) and FCP (fonds communs de placement), the last bid price published at closing date.

Equities and other variable-income securities are subject to impairment when they show a permanent diminution in value. The loss in value is deemed permanent when one of the three following conditions is met:

- the securities has already been impaired;
- the investment has permanently shown unrealized losses compared to its carrying value during a 6-month period prior to closing; under circumstances of high market volatility, the usual threshold of 20% unrealised loss may exceptionally be revised in accordance with advisory note 2002-F from the CNC Emergency Committee dated 18 December 2002;
- there are objective evidence that the company will be unable to recover all or part of the carrying amount of the investment.

In the event of impairment, the provision is based on the realisable value determined using a multi-criteria forward-looking approach including the discounted future cash flows, the net asset value method, as well as analysis of ratios commonly used to assess future yields of each line of assets.

Where listed securities are intended to be sold in the short term, the impairment is based on the market price.

- *Amortizable securities*

ANC regulation n° 2013-03 of 13 December 2013 that relates to the impairment rules of amortizable securities referred to in article R332-20 of the French Insurance code introduces the principle of premium/discount. The difference between the acquisition cost and the redemption value is recognised in income over the remaining life of the security on an actuarial basis, and using the yield to maturity observed at the time of acquisition. The amortised portion is recognised in the balance sheet as an asset (discount) or liability (premium) in prepayment or accrual accounts.

Amortizable securities referred to in article R332-20 are impaired according to ANC regulation 2013-03 of 13 December 2013. This regulation defines the general method of depreciation that takes into account the company intent and capacity to hold the instruments and that distinguishes between credit risk and other risks relating to market fluctuations.

If the insurance company has the intention and the ability to hold the debt securities referred to in article R.332-20 of the French Insurance code up to maturity, permanent impairment is analysed only in view of credit risk; if no credit risk is ascertained, the unrealized loss due to the increase in risk free rate is not booked in the financial statements.

If the insurance company does not have the intention nor the ability to hold these investments to maturity, permanent impairment is recognised based of an analysis of all risks identified for the investment, and taking into account the projected holding period.

2.2.2.2. Investments backing unit-linked contracts

Securities and shares backing unit-linked contracts are recognised at fair value at the closing date in accordance with article R.332-5 of the French Insurance code. Valuation differences thus observed are recognised in income and presented as adjustments to unit linked contracts (as income or expense). As being recognized in a way to balance changes in technical reserves on unit-linked contracts, these adjustments have no impact have no impact on technical income and net income for the year.

2.2.2.3. Investments from other companies

These investments include the ones made by companies in the “Other businesses” segment and are mainly related to the equity holdings of BNP PARIBAS CARDIF S.A., the parent company, and the British holding company Pinnacle Insurance Holding Inc. They also include short-term investments by the holding companies.

- *Bonds and other fixed-income securities*

  Bonds and negotiable debt securities are valued at their average market price over the last month of the accounting period. When this line-by-line valuation is lower than the carrying amount, no impairment is booked for the difference. The difference between the acquisition cost and the redemption price (premium or discount) is either amortised or recognised as income over the remaining life of the securities.

- *Variable income securities*

  Shares and units in UCITS are valued at their probable trading price. This is usually defined by reference to the last known trading price or liquidation value at the closing date. When this line-by-line valuation is lower than the carrying amount, impairment is booked for the difference.

- *Participating interests*

  Participating interests are equity shares that are held during a long lasting which make them considered to be useful for the Group's activity. Consequently, they enable the group to achieve various benefits mainly from an economic point of view, as they may allow for special trading relationships.

  Such investments are recognised at their acquisition cost. At closing date, they are valued at their value in use. For unlisted participating interests, the value in use is based on available information such as discounted future cash flows, net asset value, prudential valuations (Solvency 2) or the appropriate ratios commonly used to assess future yields and exit opportunities for each line of securities. The difference between the carrying value and the value in use is booked as impairment.

  When being significant and related to external costs (advisory, translation and business provider fees, etc.), transaction costs may be included in the acquisition price.

2.2.3. Financial instruments

Derivatives transactions entered into on various markets by an insurance company are either related to assets held or to be held. They may also be made in anticipation of investments. Derivatives instruments are either part of an investment strategy or a divestment one. They may also be a part of a performance management strategy.

Forward interest rate derivatives, whether closed or conditional, that are traded on an organised market or equivalent are valued by reference to their market value at the closing date. Corresponding gains and losses whether realised or unrealised are recognised over the course of the strategy. Coupons relating to over-the-counter contracts are recognised in income pro rata temporis.

Forward exchange rate contracts are mainly initiated as part of the net investment hedging of BNP PARIBAS CARDIF foreign investments. Differences in interest relating to such forward currency transactions (premiums and discounts) are recognised in income over the effective life of the hedged transaction.

Premiums paid on caps, index contract options and share options are spread over the life of the options purchased or sold.

2.2.4. Payables and receivables in foreign currency

Transactions in foreign currencies, including those of branches, are converted at the closing exchange rates. Exchange rate differences that are unrealised at the closing date are recognised in income during the period to which they are related.

As an exception, differences relating to the translation of permanent foreign currency financing at closing exchange rates (including forward contracts) that hedges investments in foreign subsidiaries and branches are recognised in equity. Symmetrically, the foreign currency translation adjustment relating to these entities is recognised in equity. When the Group does not have access to local capital markets, the hedging is achieved through a composite instrument that combines a borrowing in dollars and a forward sale contract of the considered currency against dollars.

2.2.5. Deferred acquisition costs

For Life Insurance, acquisition costs are deferred within the limit of the product future net margin that includes a duly justified financial margin, notably where there is a difference between the discount rate used and the expected rate of return prudently estimated. They are amortised on a consistent basis with the recognition of contracts future net margins, revalued at each closing date. When appropriate, they are impaired if the contract future margins prove insufficient compared to the amortisation schedule.

For Non-life Insurance, deferred acquisition costs on creditor's insurance policies are computed solely based on unearned commissions. Such deferred costs are amortised on a basis that is consistent with unearned premiums amortization.

2.2.6. Technical reserves

2.2.6.1. Life insurance

Technical reserves represent the difference between the expected present value of commitments of the insurer and the insured. They must be sufficient to meet the insurer's commitment. Future management costs that are not covered are subject to a management reserve.

The BNP PARIBAS CARDIF Group values its life insurance reserves using a discount rate not exceeding the expected return, cautiously estimated, on the assets backing these reserves. The rates used by the various life insurance companies in discounting their commitments in their local financial statements are representative of rates not exceeding the expected return, cautiously estimated, on the assets backing these reserves.

Technical reserves on variable insurance contracts are revalued based on the fair value of the unit linked at the closing date.

When claims have been submitted, their recognition is made in the year of their occurrence. Otherwise, their recognition is made on estimation basis.
Claim reserves, relating to claims incurred and reported, are valued using the technical basis applied for the pricing of risk. The valuation of claim reserves includes settlement costs for estimated claims. Late reported claims are valued using either a flat-rate method if the claims historical experience is not sufficient, or using triangulation methods.

For diversified contracts, a technical diversification reserve is created to absorb fluctuations in the values of the assets backing the contract, and over which each policyholder holds individual rights in the form of units. This provision is supplemented by all or part of the premiums paid by policyholders and by the share of the contract return that is not allocated as technical reserves. It is reduced by deduction of losses, fees charged, and withdrawals for benefits paid and by retention of the policyholders' shares in technical reserves.

For certain collective contracts covering life risks (mainly death) and issued in branches, detailed information for each insured person is not available as required for the calculation of technical reserves. In such cases, the mathematical reserve is approximated using a premium deferral approach applied contract by contract after deduction of acquisition costs.

Life insurance and savings companies must share their technical and financial benefits with the policyholders as set out in the contract terms and conditions, and as specified by the regulation. In France, the regulation sets a minimum level of profit sharing to be allocated by the company for each financial year. This minimum amount is equal to the credit balance of the profit sharing account determined in accordance with article A.331-4 of the French Insurance code, less the interest credited to technical reserves. For the segregated diversified contracts, profit sharing is calculated for each segregated accounts.

There are two different types of deferred policyholder benefit recognised in the Group's financial statements:

- unconditional profit sharing is recognised whenever there is a difference between the basis of calculation of future policyholders benefits in statutory accounts and in the consolidated accounts. This is notably the case for policyholder benefits relating to valuation differences and restatements of individual accounts, whether positive or negative. Their amount is modified according to a method that is consistent with the initial valuation and the reversal to income of valuation differences or restatements.

- contingent profit sharing is recognised when there is a difference between the basis of calculation of future policyholders benefits between statutory accounts and consolidated accounts but becomes due as a result of a management decision or the occurrence of an event. This is notably the case for policyholder rights linked to the restatement of the capitalisation reserve.

All liabilities relating to deferred policyholder benefits are recognised; assets relating to deferred policyholder benefits are only recognised if it is highly probable that they will be offset against future policyholder benefit, on a company by company basis, In such cases the deferred policyholder benefit asset are recognised for their recoverable amount under the heading "Receivables arising from insurance operations".

2.2.6.2. Non-life insurance

Premiums being booked when issued, premiums earned but not yet issued may be recognised.

An unearned premium reserve is recorded regarding to the part of premium that is issued but related to subsequent years. It is calculated either contract by contract or by using a statistical method when its results are very close to those that would have been obtained by applying the contract-by-contract approach. The methods used are based on the risk emergence profile.

The unexpired risk reserve is designed to cover future claims costs when premiums are not sufficient. For each company within consolidation scope, the reserve is computed by homogenous group of contracts based the expected futures losses.

Claims are recognised by accident year. They are based on claim reports when they have been notified. Otherwise, there are estimated. Outstanding claim reserves are recognised to cover incurred and reported insurance claims. They are valued using the technical basis used for risk pricing. Their valuation covers estimated claims handling costs. Late reported claims are valued either using a fixed rate where the claims history is not adequate, or using triangulation methods.

The increasing risk reserve is related to accident and health risks. It is recorded for contracts with constant regular premium and for which the risk increases with the age of the insured.

2.2.6.3. Other technical reserves

- Equalisation reserve: Groups providing creditors insurance are exposed to certain events that occur rarely but which can have a significant effect in terms of costs (catastrophes, macroeconomic shocks, changes in behaviour, pandemics, etc.). For these contracts, an equalisation reserve may be recorded in accordance with §30013 of CRC regulation n°2000-05. It is intended to cover the risk evolution over time for those created by the production structure and which have a low frequency of occurrence and high unit costs.

- Capitalisation reserve: Changes during the accounting period that affect the capitalisation reserve and that are recorded in French entities individual accounts are eliminated in the consolidated financial statements. The bulk part of the elimination is balanced by a change in the deferred profit sharing reserve. For segregated accounts (PERP, PERI,…), it should be noted that the capitalisation reserve is reclassified to technical reserves.

- Capital losses on future assets sales reserve: this reserve is eliminated in consolidated financial statements. The restatement is balanced by corresponding adjustments to the deferred profit sharing reserve where changes in capital losses on future assets sales reserve in individual accounts are taken into account for the determination of such profit sharing.

2.2.7. Reinsurance

Elements received from ceding companies are immediately booked. Accounts not received are estimated at 31 December. They are booked as receivables and debts arising from reinsurance transactions. Where a loss arising on assumed reinsurance operations is known, a provision is set aside for the expected loss.

Elements ceded (premiums, claims, technical reserves) are determined depending on the reinsurance treaties using the same accounting and valuation rules applied to gross elements.

2.2.8. Provisions for risks and charges

Provisions for risks and charges recognised the liabilities resulting from an obligation that is probable or certain at the closing date but which timing or amount has not been precisely determined.

2.2.9. Employee benefits

Under various agreements, the BNP PARIBAS CARDIF Group is committed to pay to its employees:

- long-term benefits, including compensated absences and long-service awards; The actuarial techniques used are similar to those used for defined benefit post-employment benefits, the revaluation items are recognised immediately in profit and loss account.
- post-employment benefits which consisted primarily of retirement bonuses in France at 31 December 2014: in accordance with the ANC recommendation, retirement benefits are considered as defined-benefit scheme, representing a commitment for the company, which must be valued and funded.

Post-employment benefits obligations under defined benefit plans are reviewed on a yearly basis. The corresponding liability is adjusted to reflect the change in the net present value of the obligations, so as to ensure that they are fully provided for. It is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This valuation takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The net liability recognised with respect to post-employment benefit plans is the difference between the present value of the defi ned-benefit obligation and the fair value of any plan assets. The present value of the defined-benefit obligation is measured on the basis of the actuarial assumptions applied by the Group, using the projected unit credit method. This valuation method takes into account various parameters such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate.

The annual expense with respect to defined-benefit plans includes the current service cost (the rights vested by each employee during the period in return for service rendered), the net interests linked to the effect of discounting the net defined-benefit liability/asset, the past service cost arising from plan amendments or curtailments, and the effect of any plan settlements.

Remeasurements of net defined-benefit liability are recognised directly in profit and loss account. They include actuarial gains and losses, the return on plan assets and any changes in the effect of asset ceiling (excluding amounts included in net interest on the defined-benefit liability/asset).

2.2.10. Current and deferred taxes

The current income tax charge is determined on the basis of the tax laws and tax rates in force in each country in which the Group operates during the period in which the income is generated.

Deferred taxes are recognised when temporary differences arise between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused carryforwards of tax losses only to the extent that it is probable that the entity in question will generate future taxable profits against which these temporary differences and tax losses can be offset.

Deferred tax assets and liabilities are measured using the liability method, using the tax rate which is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been or will have been enacted by the balance sheet date of that period. They are not discounted.

BNP PARIBAS CARDIF S.A. and French subsidiaries in which it holds a stake of more than 95% are eligible to be members of the tax group created around BNP PARIBAS S.A. In accordance with the terms of the tax consolidation agreement, companies within the tax subsidiaries recognise in their profit and loss an expense equal to the tax that they would have paid were there no tax group.

2.2.11. Overheads segmental analysis

Overheads for companies in the “Other Businesses” segment are recognised by nature of expenses, whilst those for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised by intended use: technical expenses, non-technical expenses and exceptional expenses.

In principle, expenses in the “Non-life Insurance” and “Life Insurance” segments are technical expenses. However, expenses incurred for activities without a technical relationship with insurance activities are recognised as non-technical expenses.Transactions which by their nature are non-recurring and outside the scope of standard operations are recognised as exceptional expenses. Technical expenses are broken down into claims settlement costs, acquisition costs, administrative costs, investment management costs and other technical costs. Recognition of expenses by their intended use is carried out individually for expenses that can be directly allocated to one category. Where an expense item has more than one intended use or cannot be directly allocated, it is split between categories using an allocation keys. The allocation of expenses to their intended use is carried out by the so called uniform sections method, which consists of analysing each consolidated company by cost centres which are allocated to the various intended use.

2.2.12. Segment on net investment income

Investment income and expenses for companies in the “Non-life Insurance” and “Life Insurance” segments are recognised in the non-life insurance technical account or the life insurance technical account respectively.

The financial margin contractually charged by insurers under unit-linked contracts is reclassified as financial income due to its nature.

2.2.13. Earnings per share

Calculation methods for earnings per share and diluted earnings per share are based on the Ordre des Experts-Comptables advisory note n°27. Earnings per share are calculated by dividing the net income for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. Calculation of diluted earnings per share is similar to that of earnings per share with the difference that net income for the year (Group share) of the parent and the weighted average number of shares outstanding are adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares.

CONSOLIDATION SCOPE

2.3. Consolidation scope

The 51 companies consolidated at 31 December 2014 (32 fully consolidated, 3 proportionally consolidated, 16 consolidated using the equity method) were as follows:

Name	Country	Interest 2014.12 (%)	Voting 2014.12 (%)	Change in the scope of consolidation	Interest 2013.12 (%)	Consolidation method
INSURANCE						
Life insurance						
. Assuvie	France	50	50		50	Equity
. SAS Capital France Hotel	France			(2)	60.14	-
. Cardif Leven	Belgium	100	100		100	Fully consolidated
. BNP Paribas Cardif Levensverzekeringen NV	Netherlands	100	100		100	Fully consolidated
. Cardif Liv Forsakring AB	Sweden	100	100	(1)	-	Equity (*)
. Cardif Lux Vie	Luxembourg	33.33	33.33		33.33	Equity
. Cardif Mexico Seguros de Vida SA	Mexico	100	100		100	Equity (*)
. BNPP Cardif Seguros de Vida SA	Chile	100	100		100	Fully consolidated
. SAS Hibernia	France			(2)	60.14	-
. SBI Life Insurance Company Ltd	India	26	26		26	Equity
. SCI Odyssée	France	100	100		100	Fully consolidated
Non-life insurance						
. Cardif Biztosito Zrt	Hungary	100	100		100	Equity (*)
. Cardif Assurance Risques Divers SA	France	100	100		100	Fully consolidated
. Cardif Colombia Seguros Generales SA	Colombia	100	100		100	Fully consolidated
. Cardif Forsakring AB	Sweden	100	100		100	Equity (*)
. LLC Insurance Company Cardif	Russia	100	100		100	Fully consolidated
. Cardif Mexico Seguros Generales SA	Mexico	100	100		100	Equity (*)
. BNPP Cardif Schadeverzekeringen NV	Netherlands	100	100		100	Fully consolidated
. Cardif do Brasil Seguros e Garantias SA	Brazil	100	100		100	Fully consolidated
. BNPP Cardif Seguros Generales	Chile	100	100		100	Fully consolidated
. Luizaseg	Brazil	49.99	49.99		49.99	Proportional
. Natio Assurance	France	50	50		50	Proportional
. Icare Assurance SA	France	100	100	(3)	-	Fully consolidated
. BNPP Cardif General Insurance Co Ltd	Korea	75	75	(3)	-	Equity (*)
. CARGEAS Assicurazioni S.p.A	Italy	50	50	(3)	-	Equity

The percentage of voting indicates the Group's direct and indirect holding in the company concerned.

(1) Companies passing qualifying thresholds as defined by the Group
(2) Companies removed from the scope because under qualifying thresholds
(3) Purchase
(*) Fully controlled companies with operating income between +/-1 and +/-4 million euros are subject to simplified consolidation by the equity method.

Name	Country	Interest 2014.12 (%)	Voting 2014.12 (%)	Change in the scope of consolidation	Interest 2013.12 (%)	Consolidation method
Mixed insurance (Life and Non-life)						
. BNPPA Cardif TCB Life Insurance Company Ltd	Taiwan	49	49		49	Equity
. Cardif Seguros	Argentina	100	100		100	Fully consolidated
. BNPP Cardif Vita Assicurazioni S.p.A	Italy	100	100		100	Fully consolidated
. Cardif Assurance Vie SA	France	100	100		100	Fully consolidated
. Cardif Del Peru Compania de Seguros	Peru	100	100		100	Equity (*)
. Cardif Do Brasil Vida e Previdencia S.A	Brazil	100	100		100	Fully consolidated
. BNPP Cardif Hayat Sigorta A.S	Turkey	100	100		100	Fully consolidated
. BNPP Cardif Pojist'ovna	Czech Republic	100	100		100	Fully consolidated
. BNPP Cardif Emeklilik A.S	Turkey	100	100		100	Fully consolidated
. Pinnacle Insurance PLC	United Kingdom	100	100		100	Fully consolidated
. Poistovna Cardif Slovakia	Slovakia	100	100		100	Equity (*)
. Cardif Polska	Poland	100	100		100	Fully consolidated
. BNPP Cardif Life Insurance Co.	Korea	85	85		85	Fully consolidated
. BoB Cardif Life Insurance Company	China	50	50	(3)	-	Proportional
OTHER BUSINESSES						
. Poczty lion PTE SA	Poland	33.33	33.33		33.33	Equity
. BNP Paribas Cardif Servicios y Asistencia	Chile	100	100	(1)	-	Equity (*)
. Financial Telemarketing Services Ltd	United Kingdom	-	-	(2)	100	
. BNPP PSC Limited	United Kingdom	100	100		100	Fully consolidated
. GIE BNP Paribas Cardif	France	98.49	98.49		98.49	Fully consolidated
. Cardif I Services	France	100	100		100	Fully consolidated
. Cardif Pinnacle Insurance Management Services	United Kingdom	100	100		100	Fully consolidated
HOLDINGS						
. BNP Paribas Cardif SA	France	100	100		100	Consolidating company
. BNPP Cardif BV	Netherlands	100	100		100	Fully consolidated
. Cardif Nordic AB	Sweden	100	100		100	Fully consolidated
. CB (UK) - Fond 'C'	United Kingdom	100	100		100	Fully consolidated
. F&B Insurance Holdings	Belgium	50	50		50	Equity
. NCVP Participacoes SA	Brazil	100	100		100	Fully consolidated
. Cardif Pinnacle Insurance Holdings PLC	United Kingdom	100	100		100	Fully consolidated
. Icare Holding SA	France	100	100	(3)	-	Fully consolidated

The percentage holding indicates the Group's direct and indirect holding in the company concerned.

(1) Companies passing qualifying thresholds as defined by the Group
(2) Companies removed from the scope because under qualifying thresholds
(3) Purchase
(*) Fully controlled companies with operating income between +/-1 and +/-4 million euros are subject to simplified consolidation by the equity method.

2.4. Main changes

The BNP PARIBAS CARDIF Group made the following changes to the scope of consolidation in 2014:

- **Purchase, gain of control or significant influence**

BNP Paribas Cardif General Insurance Co Ltd (South Korea): On July 29th, BNP Paribas Cardif SA purchased 75% of Ergo - Daum Direct, a non-life company in South Korea. This acquisition strengthen the historical partnership with Shinan, which owns 10% of the company. At the end of the year, Axa remains a minority shareholder of the company with 15% of interest. The company is subject to simplified consolidation by the equity method. The impact of first consolidation is a negative goodwill ("badwill") of 1.6 million euros.

ICARE (France): Icare has become on December 9th a new brand of BNP Paribas Cardif in Motor vehicle insurance and services. The company offers personalized solutions for extended warranties, maintenance and other services for automobile professionals and their customers. This transaction brings BNP Paribas Cardif new expertise for the automobile sector. The goal is to develop Icare's business outside France, building on existing partnerships like BNP Paribas Personal Finance and leveraging new distribution channels. The impact of first consolidation is a goodwill of 33.9 million euros.

BoB Cardif Life Insurance Company (China): December 31st, BNP Paribas Cardif finalized its partnership with Bank of Beijing, establishing a position in the Chinese savings and protection insurance markets, a major future growth outlet. The purchase of 50% of BoB Cardif Life Insurance Company is consolidated proportionally for 50% of interest. The consolidation gave rise to the valuation of distribution agreement with Bank of Beijing, for the amount of 20.4 million euro. It is accounted for in "Intangible assets" on the balance sheet.

CARGEAS Assicurazioni S.p.A (Italy): BNP Paribas Cardif and Ageas have been equal partners since 2009 in the Italian non-life insurance company UBI Assicurazioni, from now on CARGEAS. They acquired the outstanding stake held by former parent company UBI Banca. CARGEAS remain consolidated by equity method. The impact of the acquisition is goodwill of 0.2 million euro.

- **Companies passing qualifying thresholds as defined by the Group**

Cardif Livforsakring (Sweden) is the swedish life insurance subsidiariy of Cardif Nordic AB Group. **BNP Paribas Cardif Servicios y Asistencia** (Chile) is the Chilian service company for warranty extension and telemarketing, and part of its expenses are related to the presence of cardif in Latin America. First consolidated in January 2014, it merged with non-consolidated entity Cardif Servicios in July 2014.
They both passed qualifying thresholds of simplified consolidation by equity method in 2014.
The impact of first consolidation is a total amount of 0.6 million euros, in "Shares of earnings in associates".

- **Companies that no longer comply with group thresholds**

Financial Telemarketing Services Ltd (United Kingdom) is in liquidation process.

Real estate entities, **SAS Capital France Hotel (CFH)** et **SAS Hibernia** were proportionally consolidated since 2007. CFH is the fully shareholder of Hibernia, and holds other real estate companies. It is owned at 60% by Cardif Assurance Vie General Fund. The deconsolidation of those two entities is mainly due to operational reasons. The study of financing structure of these entities concludes that deconsolidation is not to alter faithful view of consolidated financial statements, mainly "Liabilities due to banking sector entities". The impact of deconsolidation is accounted for in "Consolidated reserves".

3. NOTES TO BALANCE SHEET, TABLE OF COMMITMENTS GIVEN AND RECEIVED AND INCOME STATEMENT

3.1 BALANCE SHEET ASSETS

3.1.1 Goodwill

	31.12.2014	31.12.2013
Cardif Lux. Vie (Luxembourg)	2.9	3.0
BNPP Cardif Vita Assicurazioni S.p.A (Italy)	117.9	125.0
CARGEAS Assicurazioni S.p.A (Italy)	22.5	
Groupe ICARE (France)	33.9	
BoB Cardif Life Insurance Company (China)	8.5	
TOTAL	185.7	128.0

The amortisation of Cardif Lux Vie and BNP Paribas Cardif Vita Assicurazione (ex-BNL Vita) is fully compensated by new goodwill on 2014 purchases ICARE (France) and BoB Cardif Life Insurance Company (China).

Since the additional acquisition of 25% in CARGEAS Assicurazioni S.p.A, BNP Paribas Cardif Group owns 50%-1 of the company, via BNP Paribas Cardif SA. The historical indirect detention through F&B Insurance Holding has no more substance, and F&B is in liquidation process. The historical goodwill of the first acquisition was accounted for in the balance sheet in "Investment of associates – Equity method" in 2013. It is now accounted for in "Goodwill" for its net asset value.

3.1.2 Intangible assets

	31.12.2014			31.12.2013		
	Gross value	Accumulated amortization and impairment	Net value	Gross value	Accumulated amortization and impairment	Net value
Value of business in force	307.4	(202.9)	104.4	306.4	(141.8)	164.5
Purchased and internally developped software	442.1	(313.6)	128.5	409.5	(275.5)	134.0
Other intangible assets	187.9	(55.2)	132.7	160.0	(40.1)	119.8
TOTAL	**937.3**	**(571.7)**	**365.6**	**875.8**	**(457.4)**	**418.4**

The change in the heading "Value of business in force" between 2013 and 2014 was mainly due to the amortisation of the value of the business in force of BNP Paribas Cardif Vita Assicurazioni S.p.A for an amount of EUR 56,000,000.

According to CRC 2000-05 § 211, the valuation of the distribution agreement of BoB Cardif Life Insurance Company with Bank of Beijing (China) is accounted for in "Other intangible assets" for EUR 20,400,000.

3.1.3 Insurance company investments

	31.12.2014			31.12.2013		
	Gross value	Net value	Realisable value	Gross value	Net value	Realisable value
Real estate investments	5,178.0	5,017.0	5,791.3	4,362.3	4,195.3	4,992.3
Equities and variable income securities	4,475.9	4,171.4	4,623.1	4,149.0	3,780.9	4,379.4
Shares in equities UCITS	9,124.9	8,984.1	9,253.3	8,504.4	8,383.4	9,306.3
Bonds and other fixed-income securities	93,277.1	93,261.3	108,804.9	87,658.3	87,670.8	95,531.0
Shares in bonds UCITS	6,633.5	6,633.5	7,440.8	7,088.9	7,083.4	7,315.8
Other investments	1,444.3	1,444.3	1,396.5	1,028.7	1,028.7	1,108.9
Total investments	**120,133.7**	**119,511.6**	**137,309.9**	**112,791.8**	**112,142.6**	**122,633.7**
Total listed investments	109,363.5	109,036.6	126,088.5	102,701.9	102,392.6	111,965.0
Total non listed investments	10,770.2	10,475.0	11,221.4	10,089.8	9,750.0	10,668.7
Life insurance investments	116,046.4	115,445.5	132,638.2	108,930.4	108,303.5	118,435.5
Non-life insurance investments	4,087.3	4,066.1	4,671.7	3,861.3	3,839.1	4,198.2

Realisation of capital gains will give rise to profit sharing to policyholders and minority shareholders and to a tax liability.

3.1.4 Investments backing unit-linked contracts

	Net value	
	31.12.2014	31.12.2013
Real estate investments	1,190.7	1,051.0
Equities and variable income securities	5,353.0	4,108.0
Bonds and other fixed-income securities	2,611.9	2,506.6
Shares in bonds UCITS	3,287.6	3,649.9
Other UCITS	23,833.5	21,967.5
TOTAL	**36,276.7**	**33,282.9**

In December 31st 2014, technical reserves relating to unit-linked contracts, which stood at EUR 36,857 million (EUR 33,811 million at 31 December 2013), were covered both by the investments representing these provisions for a total of EUR 36,277 million (EUR 33,283 million in December 31st 2013) and by securities received as collateral from reinsurers of EUR 587 million (EUR 565 million on December 31st 2013).

3.1.5 Investments from other companies

	31.12.2014			31.12.2013		
	Gross carrying value	Provisions	Net carrying value	Gross carrying value	Provisions	Net carrying value
Investments in subsidiaries	160.2	(55.4)	104.8	220.6	(38.8)	181.8
Loans	66.1	-	66.1	62.9	-	62.9
Marketable securities	194.8	-	194.8	50.0	-	50.0
TOTAL	**421.1**	**(55.4)**	**365.7**	**333.5**	**(38.8)**	**294.7**

At December, 31st 2014, provisions on « Investments in non-consolidated subsidiaries" are up to EUR 25,200,000 (EUR 24,300,000 at December 31st 2013) and EUR 30,200,000 for Cardif Pinnacle Insurance Holding PLC (EUR 14,500,000 at December 31st 2013).

3.1.6 Investments in associates - Equity method

	31.12.2014		31.12.2013	
	Share of equity	*of wich* *Share of income for*	Share of equity	*of wich* *Share of income for*
Europe	285.7	*24.4*	194.7	*3.1*
Latin America	61.9	*(11.7)*	58.9	*(1.2)*
Asia	228.7	*27.8*	178.5	*28.7*
TOTAL	**576.3**	***40.5***	**432.1**	***30.6***

For Europe, variation in Share of equity is mainly due to the change in share-ownership of CARGEAS Assicurazioni S.p.A (EUR 75,300,000) and increase of interest in this company. It includes for instance the valuation of a distribution agreement with privileged partner UBI Banca. First consolidation of Cardif Livforsakring (Sweden) explains de remaining variation. Regarding variation of share of income, another explanation is the growth of Cardif Lux. Vie.

For America, results in Mexico and first consolidation of BNP Paribas Cardif Servicios y Asistencia (Chile) explain most of the variation in share of income. This company accounts for shareholders expenses for Latin America, and local tax on these expenses. Capital increase in Mexico and Peru explain th increase of share of equity.

For Asia, exchange rate impacts in India and Taiwan and purchase of BNPP Cardif General Insurance Co Ltd (South Korea) explain positive variation in both share of equity and share of income.

Table below shows the proportion in “share of equity” and “share of income” either the entities are under significant influence or controlled one but consolidated by equity method as simplified method.

	31.12.2014		31.12.2013	
	Share of equity	*of wich Share of income for the year*	Share of equity	*of wich Share of income for the year*
Entities under significant influence	399.6	*46.4*	340.1	*28.5*
Controled Entities consolidated by Simplified Equity method	176.7	*(5.9)*	92.0	*2.1*
TOTAL	**576.3**	***40.5***	**432.1**	***30.6***

3.1.7 Receivables arising from outward reinsurance operations

	31.12.2014		31.12.2013	
Life Technical reserves		**1,955.9**		**1,938.1**
- Life Technical reserves	*1,866.3*		*1,852.0*	
- Claim reserves	*84.9*		*81.7*	
- Other technical reserves	*4.7*		*4.4*	
Reserves relating to unit-linked contracts		**492.1**		**464.4**
Total Life insurance		**2,448.0**		**2,402.5**
Non-Life Technical reserves				
- Provisions for unearned premiums	*282.8*		*264.8*	
- Claim reserves	*160.3*		*142.9*	
- Other technical reserves	*8.7*		*9.5*	
Total Non-life insurance		**451.8**		**417.2**
TOTAL		**2,899.8**		**2,819.7**

3.1.8 Receivables from direct insurance or reinsurance

	31.12.2014			31.12.2013		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Premiums earned not yet written	53.0	-	53.0	38.0	-	38.0
Other receivables	985.9	(13.0)	972.9	884.6	(4.3)	880.3
Receivables from reinsurance	216.7	-	216.7	186.7	-	186.7
TOTAL	**1,255.6**	**(13.0)**	**1,242.6**	**1,109.3**	**(4.3)**	**1,105.1**

Receivables arising from insurance or reinsurance transactions are due in less than one year.

Other receivables include notably a policyholders’ loss reserve at BNPP Cardif Vita Assicurazioni S.p.A for EUR 185 million (EUR 220 million on 31 December 2013). In accordance with accounting policies, this amount will be reversed in line with disposals and redemptions of the securities which gave rise to this valuation difference. This heading also includes receivables from policyholders for EUR 290 million and from insurance intermediaries for EUR 472 million. Receivables arising from reinsurance transactions represent mainly cedants’ current accounts.

3.1.9 Receivables from entities in the banking sector

	31.12.2014			31.12.2013		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance companies – bank cash	899.5	(0.2)	899.3	730.1	0.0	730.1
Other companies – bank cash	65.5	-	65.5	67.4	-	67.4
TOTAL	**965.0**	**(0.2)**	**964.8**	**797.5**	**0.0**	**797.5**

Receivables from entities in the banking sector are due in less than one year.

3.1.10 Other receivables

	31.12.2014			31.12.2013		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Insurance						
- Tax and social security receivables	781.2	-	781.2	691.1	-	691.1
- Other receivables	611.3	(2.4)	608.8	580.2	(6.6)	573.6
Total insurance company receivables	**1,392.5**	**(2.4)**	**1,390.0**	**1,271.4**	**(6.6)**	**1,264.7**
Other companies						
- Tax and social security receivables	5.4	-	5.4	14.7	-	14.7
- Other receivables	88.0	(0.7)	87.3	88.1	(0.1)	88.0
Total other company receivables	**93.4**	**(0.7)**	**92.7**	**102.9**	**(0.1)**	**102.8**
TOTAL	**1,485.9**	**(3.1)**	**1,482.7**	**1,374.2**	**(6.7)**	**1,367.5**

Tax and social security receivables include deferred tax assets of EUR 442 million in 2014 and the BNP Paribas current account relating to tax consolidation for EUR 36 million.

Third party accounts are recognised as assets or liabilities depending on their net debtor or creditor position.

3.1.11 Other assets

	31.12.2014			31.12.2013		
Property, plant and equipment	**Gross value**	**Accumulated amortization and impairment**	**Net value**	**Gross value**	**Accumulated amortization and impairment**	**Net value**
Office equipment	28.7	(20.6)	8.1	25.3	(17.4)	7.9
Fixtures and fittings	13.1	(7.3)	5.7	10.3	(6.2)	4.1
Other	20.4	(11.4)	9.1	18.0	(11.9)	6.1
TOTAL	**62.3**	**(39.3)**	**22.9**	**53.6**	**(35.5)**	**18.1**

3.1.12 Accrued income and other assets

	31.12.2014			31.12.2013		
	Life	Non-life	Total	Life	Non-life	Total
Deferred acquisition costs	149.4	1,186.0	1,335.5	112.3	1,119.0	1,231.3

Acquisition costs for creditors insurance sold in Italy, Germany, Chile, Taiwan and Brazil represent the bulk of the amounts carried on the balance sheet. They are calculated in a manner consistent with the calculation of provisions for unearned premiums.

Other adjustment accounts broke down as follows:

	31.12.2014	31.12.2013
Insurance companies		
- accrued interest and rent	1,904.5	1,850.5
- other	173.5	130.3
Other companies	8.7	8.3
TOTAL	**2,086.7**	**1,989.1**

3.2 BALANCE SHEET LIABILITIES

3.2.1 Statement of changes in shareholders' equity

	Share capital	Shares premiums	Consolidated reserves	Retained earnings	Total shareholders' equity
Position at 31 December 2012	**151.0**	**3,813.3**	**(157.1)**	**383.4**	**4,190.6**
- Appropriation of net income for 2012	-	-	383.4	(383.4)	-
- Net income for 2013	-	-	-	387.5	387.5
- Changes in share capital	-	-	(0.0)	-	(0.0)
- Dividend payment	-	-	(462.4)	-	(462.4)
- Exchange rates	-	-	(45.4)	-	(45.4)
- Retrospective impact of ANC recommandation 2013-02 on "Emplyee benefits"	-	-	(2.5)	-	(2.5)
Position at 31 December 2013	**151.0**	**3,813.3**	**(284.0)**	**387.5**	**4,067.8**
- Appropriation of net income for 2013	-	-	387.5	(387.5)	-
- Net income for 2014	-	-	-	405.3	405.3
- Dividend payment	-	-	(74.4)	-	(74.4)
- Exchange rates	-	-	(5.9)	-	(5.9)
- Repayment of share premiums	-	(472.8)		-	(472.8)
- Others	(1.0)	-	1.0	-	-
Position at 31 December 2014	**150.0**	**3,340.5**	**24.3**	**405.3**	**3,920.1**

The changes in BNP Paribas Cardif financing gave rise to a reduction in the equity for a total of 472.8 million euros, through repayment of share premiums. (cf. 1.3 "Highlights").

3.2.2 Subordinated debts

Subordinated debts issued by Group entities have the following characteristics:

Type	Issuer	Subscriber	Issue date	Maturity	Amount 31.12.2014
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004	-	125.0
PSLN	Cardif Assurance Vie	BNP Paribas SA	23/12/2004	-	32.0
PSLN	BNP Paribas Cardif SA	External	25/11/2014	-	1,000.0
PSLN	BNP Paribas Cardif SA	BNP Paribas SA	30/03/2012	-	710.0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	23/12/2011	23/12/2021	753.0
RSLN	BNP Paribas Cardif SA	BNP Paribas SA	17/12/2012	17/12/2022	277.0
Subordinated debts issued by insurance companies					**157.0**
Subordinated debts issued by BNP Paribas Cardif S.A.					**2,740.0**
Accrued interest					**5.6**
TOTAL SUBORDINATED DEBTS					**2,902.6**

The Perpetual Subordinated Loan Notes (PSLN), issued by Cardif Assurance Vie for the amount of 157 million euros and by BNP Paribas Cardif for 710 million euros were subject to amendments in 2014. From December 2019, they are redeemable at par value.

The Redeemable Subordinated Loan Notes (RSLN), for a global amount of 1,030 million euros are redeemable for their total amount after 5 years or at maturity date. The RSLN of 277 million euro can nevertheless be replaced by any debt of same characteristics and same nominal value within the first 5 years. One of 753 million euros is partially redeemable within the first 5 years. They all are redeemable in case of prudential evolutions or new circumstances that were unpredictable.

The 1 billion euro PSLN issued by BNPP Cardif can be early repaid at nominal value after 11 years. It is redeemable in case of prudential evolutions or new circumstances that were unpredictable.

Redemption of the PSLN and RSLN in the event of liquidation of the company will be subordinated to full repayment of all preferred and unsecured creditors.

3.2.3 Technical reserves

	31.12.2014		31.12.2013	
Life Technical reserves:		**104,890.0**		**98,208.0**
- Life Technical reserves	100,439.2		94,531.1	
- Claim reserves	1,351.5		1,475.6	
- Participation benefit and other technical reserves	3,099.3		2,201.3	
Non Life Technical reserves:		**3,694.3**		**3,481.2**
- Provisions for unearned premiums	2,434.7		2,367.6	
- Claim reserves	1,109.2		966.7	
- Provisions for unexpired risks	3.7		2.7	
- Participation benefit and other technical reserves	146.7		144.3	
TOTAL		**108,584.3**		**101,689.2**

Policyholders' benefit reserve breaks down as follows:

	31.12.2014		31.12.2013	
Participation benefit due		**215.7**		**200.9**
Policyholders' surplus reserve		**2,683.0**		**1,863.8**
- Unconditional :	**1,859.1**		**1,248.4**	
- Conditional :	**823.9**		**615.4**	
- relating to the elimination of the capitalisation reserve	848.1		638.3	
- relating to changes in the mortality table	(9.2)		(11.6)	
TOTAL		**2,898.7**		**2,064.7**

The deferred policyholder assets have been recognised in accordance with the CNC release dated on January 10th, 2007 regarding the accounting treatment of the effects of changes in the mortality table for annuities.

3.2.4 Provisions for risks and charges

	31.12.2014	31.12.2013
Provisions for risks	95.2	77.2
Provision for "Employee benefits"	38.1	28.5
Income tax provision	63.5	60.6
Provisions for other costs		
TOTAL	**196.8**	**166.3**

Tax provisions correspond to deferred tax liabilities.

The variation in "Provisions for risks" is mainly due to provisions on non-consolidated subsidiaries for a total amount of 5.8 million euros, an unpaid commission from a partner up to 5.6 million euros, and litigations for 2 million euros. The negative goodwill on BNP Paribas Cardif General Insurance Co Ltd (South Korea) for 1.5 million euros is also booked in this aggregate.

The change in provision for Employee benefits of 9.6 million euros is mainly due to actualisation impacts for 3.9 million euros, ISIS plan for 1.4 million euros, and 4.3 million euros for other long term commitments.

3.2.5 Debts arising out of direct insurance or reinsurance

	31.12.2014		31.12.2013	
Debts from direct insurance		**1,357.1**		**1,277.8**
- Policyholders	195.2		235.5	
- Other debts	1,161.9		1,042.3	
Debts from reinsurance		**1,891.3**		**1,868.5**
- Cash deposits from reinsurers	1,729.1		1,728.2	
- Other debts	162.2		140.3	
TOTAL		**3,248.4**		**3,146.3**

Debts from direct insurance or reinsurance transactions are due in less than one year.

3.2.6 Liabilities due to banking sector companies

	31.12.2014		31.12.2013	
Insurance companies		**7,867.9**		**6,924.5**
- Financing debt	421.5		222.4	
- Loans	370.8		311.1	
- Repurchase agreements	7,075.7		6,391.0	
Other companies		**2,098.7**		**1,760.2**
- Loans	2,098.7		1,760.1	
TOTAL		**9,966.6**		**8,684.7**

Debts to credit institutions fall due in less than one year.

3.2.7 Other debts

	31.12.2014		31.12.2013	
Insurance companies		**1,032.1**		**1,351.9**
- Employee profit sharing	2.5		2.8	
- Staff	10.8		10.1	
- State	171.0		182.0	
- Income tax due	91.6		67.5	
- Other creditors and miscellaneous liabilities	756.2		1,089.4	
Other companies		**366.2**		**296.4**
- Staff	18.5		19.7	
- State	13.8		7.1	
- Income tax due	0.6		0.2	
- Other creditors and miscellaneous liabilities	333.4		269.3	
TOTAL		**1,398.3**		**1,648.2**

Other debts fall due in less than one year.

3.2.8 Accrued expenses and other liabilities

	31.12.2014		31.12.2013	
Insurance companies		**196.8**		**189.4**
- Deffered income	3.4		3.0	
- Other	193.4		186.4	
Other companies		**9.3**		**0.3**
TOTAL		**206.1**		**189.7**

Liability adjustment accounts for insurance companies concern mainly the carrying of commissions received from reinsurers for a total of EUR 156 million.

3.3 COMMITMENTS GIVEN AND RECEIVED

3.3.1 Commitments given and received in the Insurance segment and other businesses

	31.12.2014		31.12.2013	
Commitments received		**863.4**		**839.7**
- Securities received as collateral from reinsurers	587.3		565.0	
- Other commitments received	276.1		274.6	
Commitments given		**1,290.1**		**1,179.8**
- Endorsements, deposits and guarantees given	25.8		41.6	
- Other commitments given	1,264.3		1,138.2	

The consolidated table of commitments given and received does not include:

- Commitments given to and received from internal investment funds, owned by certain foreign insurance companies, to the extent that they match the valuation of unit-linked policies, for which the internal funds in question serve as investment vehicles. Their effects are therefore recognised in the consolidated balance sheet and income statement.
- Commitments given and received relating to the activities of BNP Paribas Cardif Emeklilik as an intermediary for pension fund products. Such commitments totalled approximately EUR 411 million on December 31st 2014.
- Commitments given to and received from Cardif Luxembourg Vie, a company consolidated as an associate, which totalled EUR 401 million on December 31st 2014.

3.3.2 Commitments given and received on financial instruments

Taking all business segments together, commitments given and received on financial instruments were as follows:

Commitments received	31.12.2014	31.12.2013
- Forward foreign exchange transactions	1,073.2	918.8
- Currency swap contracts	88.8	71.2
- CAP contracts	11,400.0	11,600.0
- Discount remaining to be amortised	44.0	33.0
- Other commitments received on financial instruments	1,400.2	889.9
TOTAL	**14,006.2**	**13,512.8**

CAP contracts at Cardif Assurance Vie correspond to a macro-hedge of fixed income products.

Commitments given	31.12.2014	31.12.2013
- Forward foreign exchange transactions	1,226.6	907.7
- Currency swap contracts	88.1	74.3
- Other commitments given on financial instruments	1,407.2	883.4
TOTAL	**2,721.9**	**1,865.4**

Forward foreign exchange transactions concern the hedging of net foreign currency investments of foreign subsidiaries and branches whose functional currency is not the euro. These investments are hedge by a foreign currency loan recognised in the balance sheet:

- Undertakings given correspond to the foreign currency to be delivered in the investment currency converted into euros.
- Undertakings received correspond to the foreign currency to be received in the hedging currency converted into euros.

Other undertakings given and received on financial instruments concerned an equity swap at Cardif Assurance Vie for EUR 300 million and currency swap contracts totalling EUR 1,097 million in force in December 31st, 2014. This last exposure concerns principally USD currency.

3.4 INCOME STATEMENT

3.4.1 Net financial income

	31.12.2014				31.12.2013
	Non-life	Life	Other activities	Total	Total
Yield on investments	132.5	4,243.4	11.1	4,387.0	4,237.7
Other investment income	4.0	397.2	3.6	404.8	279.8
Realised gains	51.8	875.4	13.9	941.1	790.7
Unit-linked adjustments (unrealised gains) on unit-linked contracts	-	2,144.0	-	2,144.0	2,685.7
Investment internal and external handling expenses and interests paid	(4.2)	(209.7)	(165.2)	(379.1)	(381.8)
Other investment expenses	(10.7)	(339.0)	48.9	(300.8)	(381.4)
Realised losses	(6.9)	(273.4)	(46.3)	(326.6)	(547.5)
Unit-linked adjustments (unrealised losses) on unit-linked contracts	-	(464.7)	-	(464.7)	(549.8)
NET INVESTMENT INCOME	**166.5**	**6,373.2**	**(133.9)**	**6,405.7**	**6,133.3**

3.4.2 Management expenses

The Group's general resources are, for French entities, managed by the BNP Paribas Cardif Economic Interest Group (EIG) which invoices its services to Group entities in proportion of use. This internal allocation is eliminated in the presentation of management costs by their intended use.

	31.12.2014				31.12.2013
	Non Life Insurance	Life Insurance	Other businesses	TOTAL	TOTAL
External fees and services	(75.8)	(78.5)	(308.2)	(462.5)	(431.1)
Commissions and deferred commissions	(1,347.0)	(1,921.5)	(18.2)	(3,286.7)	(3,227.1)
Taxes and duties	(28.9)	(49.0)	(24.9)	(102.8)	(99.0)
Staff costs	(80.5)	(97.8)	(272.2)	(450.5)	(442.7)
Other income and expense	8.8	(3.4)	201.1	206.5	273.5
Amortisation, depreciation and impairment	(23.3)	(113.8)	(39.5)	(176.6)	(187.4)
Reversals of provisions	5.9	16.8	7.9	30.6	18.8
Management expenses by nature	**(1,540.8)**	**(2,247.2)**	**(454.0)**	**(4,242.1)**	**(4,095.0)**
Internal eliminations and other reclassification	(119.7)	(334.4)	454.0	-	-
Total management expenses	**(1,660.6)**	**(2,581.6)**	**-**	**(4,242.1)**	**(4,095.0)**

3.4.3 Exceptional result

	31.12.2014	31.12.2013
Net realized result on sale of subsidiaries	(15.0)	(1.3)
Provisions for country risk		14.4
Fines to ACPR	(10.1)	
Other income and expense	6.4	(2.7)
TOTAL	**(18.8)**	**10.4**

In 2014, exceptional results corresponds to capital losses on Cortal sale for -16.5 million euros ("Net realized result on sale of subsidiaries")

The ACPR (Autorité de Controle Prudentiel et Résolutions) gave Cardif Assurance Vie a 10 million euros fine regarding "escheated life insurance policies", following its audit from 2013 May 26 to June 6th .

Finally, BNP Paribas Cardif Group reversed provisions accounted for in 2011 on Antin Epargne Pension (an entity that merged with Cardif Assurance Vie) on tax and accounting risks, that no longer exist. Gain is booked symmetrically to the historical loss for the amount of 7 million euros.

3.4.4 Corporate income tax

The analysis of the tax charge between deferred tax and tax due was as follows:

	31.12.2014	31.12.2013
- Taxes due	(385.1)	(298.6)
- Deferred taxes	14.6	(22.0)
TOTAL	**(370.6)**	**(320.6)**

The reconciliation of the total tax charge recognised and the theoretical tax charge, calculated by applying the tax rate applicable to BNP PARIBAS CARDIF to income before tax, is as follows:

Reconciliation of the effective tax expense at 31 December 2014	**Base**	**Tax**
Corporate tax expense on pre-tax income at standard tax rate in France	751.1	(285.4)
Impact of differently taxed foreign profits	421.8	32.2
Other items	-	3.1
Impact of previously unrecognised deffered taxes (tax losses and temporary differences)	236.1	(90.2)
Impact of permanent differences	61.4	(30.3)
Tax	**1,470.4**	**(370.6)**

The analysis of deferred tax assets and liabilities is as follows:

	31.12.2014		31.12.2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences	442.6	51.4	418.2	41.4
Non-capitalised temporary differences	370.4	-	300.9	-

Temporary differences include deferred tax on tax loss carryforwards which stood at EUR 17.2 million at 31 December 2014 from EUR 41.2 million at 31 December 2013.

3.4.5 Other information

At 31 December 2014 the company had 6,424 FTE (full-time equivalent) employees. This represents the employees at fully consolidated companies within the scope of consolidation of BNP Paribas Cardif. At 31 December 2013 this figure was 6,137 FTE employees.

4. SEGMENT INFORMATION

4.1 Income statement by segment

4.1.1 Non-life insurance technical account

	31.12.2014			31.12.2013
	Gross	Ceded	Net	Net
Earned premiums	**2,728.4**	**(287.8)**	**2,440.6**	**2,253.3**
- Gross written premiums	2,816.5	(305.5)	2,511.0	2,330.1
- Change in unearned premiums	(88.1)	17.7	(70.4)	(76.8)
Net investment income	**166.4**	**-**	**166.4**	**135.1**
Other operating income	**12.3**	**-**	**12.3**	**7.8**
Claims costs	**(942.8)**	**111.0**	**(831.8)**	**(669.3)**
- Claims and expenses paid	(836.7)	96.7	(740.0)	(653.8)
- Change in outstanding claim reserves	(106.1)	14.2	(91.9)	(15.5)
Changes in other technical reserves	**6.8**	**(1.1)**	**5.7**	**(0.9)**
Participation benefits	**(18.4)**	**3.1**	**(15.3)**	**(15.8)**
Acquisition and administration costs	**(1,581.9)**	**126.9**	**(1,455.0)**	**(1,374.6)**
- acquisition costs	(1,451.9)	-	(1,451.9)	(1,386.2)
- administration costs	(130.1)	-	(130.1)	(124.3)
- Commissions received from reinsurers	-	126.9	126.9	135.9
Other technical expenses	**(78.6)**	**-**	**(78.6)**	**(67.8)**
Change in equalization reserve	**4.0**	**0.3**	**4.3**	**(2.7)**
Non life insurance technical income	**296.2**	**(47.6)**	**248.4**	**265.1**

4.1.2 Life insurance technical account

	31.12.2014			31.12.2013
	Gross	Ceded	Net	Net
Premiums	**18,288.1**	**(443.8)**	**17,844.3**	**16,744.7**
Net investment income	**4,693.9**	**-**	**4,693.9**	**3,993.3**
Unit-linked adjustments (unrealised gains) on unit-linked contracts	**2,144.0**	**-**	**2,144.0**	**2,685.7**
Other technical income	**261.9**	**-**	**261.9**	**208.3**
Claims	**(12,687.9)**	**253.4**	**(12,434.5)**	**(13,319.3)**
- Claims and expenses paid	(12,812.3)	251.0	(12,561.3)	(13,039.7)
- Change in outstanding claim reserves	124.4	2.5	126.9	(279.6)
Changes in life insurance technical reserves and other technical reserves	**(5,381.1)**	**(4.1)**	**(5,385.2)**	**(3,250.3)**
- Life insurance reserves	(2,330.5)	(17.7)	(2,348.2)	(836.9)
- Unit-linked contracts	(3,051.2)	13.6	(3,037.6)	(2,413.8)
- Other technical reserves	0.5	-	0.5	0.3
Participation benefit	**(3,481.8)**	**49.3**	**(3,432.5)**	**(3,506.4)**
Acquisition and administration costs	**(2,403.1)**	**160.9**	**(2,242.2)**	**(2,169.3)**
- Acquisition costs	(1,539.3)	-	(1,539.3)	(1,574.9)
- Administration costs	(863.8)	-	(863.8)	(806.1)
- Commissions received from reinsurers	-	160.9	160.9	211.7
Unit-linked adjustments (unrealised losses) on unit-linked contracts	**(464.7)**	**-**	**(464.7)**	**(549.8)**
Other technical expenses	**(178.5)**	**-**	**(178.5)**	**(135.6)**
Change in equalization reserve	**4.5**	**0.2**	**4.7**	**(0.2)**
Employee profit sharing	**-**	**-**	**-**	**-**
Life insurance technical income	**795.3**	**15.9**	**811.3**	**701.3**

4.1.3 Operating account – Other businesses

	31.12.2014	31.12.2013
Operating income	20.6	15.8
Operating expenses	(185.6)	(179.8)
Net charges/reversals to depreciation, amortisation and provisions	(0.1)	(0.0)
OPERATING INCOME	**(165.1)**	**(164.0)**
Net Investment income	(133.9)	(131.1)
Recurring operating income	**(299.0)**	**(295.1)**

Operating income changed by EUR 4.8 million and concerned mainly income from reinvoicing by Cardif Pinnacle Insurance Management Services (PIMS° to non-consolidated entity SPC (UK).

Operating expenses changed by EUR 6.8 million. That is mainly due to PIMS;

4.2 Other segment information

The analysis of earned premiums by geographic area and category is shown below:

	Life insurance		Non-life insurance	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
- France	9,680.2	9,944.5	632.4	619.2
- Italy	5,299.0	4,334.3	184.4	180.2
- Luxembourg	-	-	0.7	0.6
- Rest of Europe	527.3	534.2	927.8	863.6
- Latin America	375.5	356.1	775.6	676.9
- Asia	2,406.2	2,005.4	207.5	195.5
TOTAL EARNED PREMIUMS	**18,288.2**	**17,174.5**	**2,728.4**	**2,536.0**

	Life and Non-life insurance	
	31.12.2014	31.12.2013
- Individual savings	15,399.2	13,913.9
- Individual protection	4,470.4	4,414.2
- Employee benefits	749.0	1,095.9
- Property and casualty	397.9	286.5
TOTAL WRITTEN PREMIUMS	**21,016.6**	**19,710.5**

The analysis of gross technical reserves by category is shown below:

	Life and Non-life insurance	
	31.12.2014	31.12.2013
- Individual savings	131,366.0	121,535.9
- Individual protection	4,708.2	5,475.5
- Employee benefits	8,342.9	7,529.5
- Other global reserves	611.0	638.3
- Property and casualty	412.9	320.6
TOTAL GROSS TECHNICAL RESERVES	**145,441.0**	**135,499.8**