

PRESS RELEASE

Contribution to BNP Paribas Group 2020 results

2020 results: BNP Paribas Cardif mobilizes to support partners and policyholders amidst the Covid-19 crisis

Results confirm robust business model and strong commercial momentum

- Good resilience for business activities
- Strong mobilization to meet challenges of health crisis
- Dynamic development of offers and services for customers
- Over 100 new or renewed partnerships



“The need for protection among our policyholders and our partners naturally increased due to the health crisis. We have stepped up to meet this challenge since the very beginning of the crisis, emphasizing direct and close relations and a dynamic of continual adaptation as we roll out new offers, new services and new customer experiences to make insurance more accessible. This means insurance that is easier to understand, more inclusive and easier to use,” says Renaud Dumora, Chief Executive Officer of BNP Paribas Cardif.

Solid results in an unprecedented crisis environment

In an environment marked by the health and economic crisis, insurer BNP Paribas Cardif confirmed the **resilience of its business model**. The world leader in bancassurance partnerships¹ and creditor insurance², BNP Paribas Cardif was able to leverage its diversification strategy and digital expertise to surmount the challenges faced in 2020.

- **Pre-tax net profit** was **1.4 billion euros**, dropping 19.5%³ due to the health crisis, which resulted in an increase in claims and lower business volume, despite a pick up in activity at the end of the year. This compares with record results in 2019.
- **Gross written premiums** for the insurance business of the BNP Paribas Group totalled **24.8 billion euros**, a decline of 16%⁴ compared with 2019. Protection insurance gross written premiums declined in Latin America but recorded good performance in France and Asia. Net savings inflows continued, with nearly 40% invested in unit-linked products in 2020.
- At 31 December 2020 BNP Paribas Cardif had **264 billion euros** in **assets under management**, an increase of 1.7% compared with 2019. In 2020 the insurer announced a commitment to accelerating the deployment of its **responsible investment policy**, targeting an additional 5 billion euros in investments for activities with a positive environmental and social impact **by the end of 2024**. New impact investments in 2020 totalled **1.2 billion euros**. The insurer had 42.6 billion euros in unit-linked assets at 31 December 2020 in France, nearly **one-quarter of which in certified⁵ impact investment vehicles** (10.5 billion euros).



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Global savings inflows totalled **18 billion euros** at 31 December 2020, a decline of 20%⁴. The beginning of the year was marked by the consequences of lockdowns and market volatility. Savings activity subsequently posted **good performance during the last quarter**, notably for investments in unit-linked contracts.

- **Domestic markets** (France, Italy and Luxembourg) recorded inflows of 14.7 billion euros (-15%), including 9.3 billion euros in France, where **the recovery of commercial momentum was particularly significant**.
- Savings inflows in **international markets** (Asia, Latin America and Europe, excluding domestic markets) amounted to **3.3 billion euros** at year-end 2020. This 36%⁴ drop was due to market volatility and the health crisis, especially in **Asia (2.4 billion euros** in inflows at end 2020), where Taiwan had recorded good performance in 2019.

Gross written premiums for the **protection segment** were **6.7 billion euros**, a decline limited to just 3%⁴.

- **Gross written premiums in domestic markets** totalled **2.3 billion euros** (-2%). In **France**, business increased 4% to **1.6 billion euros**, supported by good performance from Cardif Libertés Emprunteur⁶ and the effects of the insurer's diversification strategy. Development of other businesses in addition to creditor insurance continued with Cardif IARD in property and casualty insurance, as well as a partnership with Orange in personal protection insurance (insurance of mobile devices against damage or theft).
- Protection gross written premiums in **international markets** amounted to **4.4 billion euros**, a decline of 4%⁴. This decrease was limited thanks to the growth of creditor insurance in Japan. **Asia** recorded gross written premiums of **1 billion euros** in this segment, an increase of 10%⁴. Gross written premiums in **Latin America** were **1.2 billion euros**, a drop of 12%⁴, despite a good start for the partnership with Scotiabank. The extended lockdown, closures of retail outlets and an economic slowdown weighed against business in Chile (-27%⁴ vs. 2019), Brazil (-7%⁴ vs. 2019) and Argentina (-7%⁴). **European countries** (outside domestic markets) and **emerging markets** recorded a decline of 4%⁴ compared with 2019, ending the year with gross written premiums of **2.2 billion euros**. Business suffered significantly in Spain (-24% vs. 2019), but benefited from growth generated by the pet protection offer created for customers of Sainsbury's Bank in the United Kingdom.

Strong mobilization to address the health crisis

BNP Paribas Cardif mobilized to support its customers and partners. The company ensured business continuity thanks to **rapid and agile organization**, supported by a **massive transition to remote working around the world**. In France, 98% of staff were able to work from home during the health crisis.

BNP Paribas Cardif allocated **160 million euros** to support its policyholders:

- **To meet the challenges of an unprecedented public health crisis**, BNP Paribas Cardif expanded **eligibility coverage conditions** for hospitalization due to Covid-19 (Italy and Japan) and **extended coverage** for policyholders even if premiums had not been paid (in France, Belgium, Italy and the United Kingdom). To ensure coverage for additional claims, the insurer also waived the last **pandemic exclusion clauses for individual policyholders** that remained applicable in countries where it does business.
- BNP Paribas Cardif also introduced **new services to simplify the lives of its policyholders**. In France, policyholders with supplemental health insurance from BNP Paribas had access to telemedicine appointments with no additional fees. The insurer also **simplified procedures** in many countries, reducing the number of supporting documents needed in order to speed claims payments. BNP Paribas Cardif also **simplified the medical approval process for creditor insurance** to enable its policyholders to move forward with their projects.

To support its partners in responding to the new needs of their customers, BNP Paribas Cardif offered **new coverage** for risks that became especially salient during the crisis:

- To add new value to its offerings, the insurer introduced a **life and health insurance** product in Latin America for customers of its partner Scotiabank. This 100% online offer includes a complete ecosystem of services. The insurer also created an **“employability platform”** for policyholders in Latin America, including access to over 1,500 different online courses in a host of in-demand skills for the future, such as data analysis, artificial intelligence and web development. This offer helps people improve their skills and prepare for a job market that is undergoing major transformations. This proactive initiative reflects the insurer’s commitment to increasing useful day-to-day support for its policyholders.
- This same approach applied in Asia, where the insurer included **unemployment cover** in creditor insurance marketed by Sumitomo Mitsui Trust Bank in Japan, a country that previously had enjoyed virtually full employment. In several European markets (Germany, Italy, Spain, Czech Republic, Poland and others), BNP Paribas Cardif developed extended job loss cover for its partner Volkswagen Financial Services, which has integrated the offer in financing for all new or used vehicles purchased by its customers since the end of April 2020, bringing them true peace of mind. Some **80,000 policies** had already been subscribed in Germany at the end of January 2021.
- Working with its partner BNL in **Italy**, BNP Paribas Cardif added free of charge **two cover extensions to the UNICA health insurance policy**. These guarantees cover people who test positive for the Covid virus and must be hospitalized or must quarantine at home. New services were proposed as well, including a chatbot to provide policyholders with geolocation information such as emergency numbers and the nearest medical facilities, as well as advice and details of their coverage.

In addition, BNP Paribas Cardif actively contributed to support for the economic recovery in 2020. The company invested **100 million euros** in the **Sustainable Recovery Investment Program** led by French insurers and the Caisse des Dépôts, created to support SMEs and mid-caps in the food, tourism, leisure, research and healthcare sectors in particular. The insurer also took part in a state solidarity fund created to aid small business, allocating **16 million euros**.

As a long-term investor, BNP Paribas Cardif continued to support businesses and provide financing for the economy. Following the recommendations of the Tibi report, the insurer joined other institutional investors to pledge **funding for tech businesses**.

BNP Paribas Cardif continues development underpinned by digital maturity and diversification

BNP Paribas Cardif’s support for policyholders and partners and its resilience in surmounting the crisis have been possible thanks to the insurer’s **solid fundamentals**. They are also the fruit of the **Cardif Forward 2020 strategic plan**, which was centered on **diversification** – of geographies, distribution channels and products – and **digitalization**.

Extensive automation proved an essential asset for the insurer when the Covid-19 crisis broke out:

- **Digitalized procedures** for creditor insurance **in France** have since 2017 made it possible for nearly **412,000 BNP Paribas customers** to complete medical approval procedures directly online. This process makes it possible for over 80% of customers to obtain immediate medical approval online. In under ten minutes, applicants simply complete a personalized medical questionnaire in order to take out creditor insurance.



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- Similar initiatives have been introduced in **several countries around the world**. In the **Netherlands**, an online platform facilitates subscription of creditor insurance distributed by brokers in the country. During the lockdown in **Chile**, digitalization of claims submissions became essential to ensure continuity of service for policyholders. Teams mobilized to enable customers to go online to submit their claim, track their request and rapidly receive compensation. A total of **250,000 claims were processed in 2020** in Chile in these exceptional circumstances. This project elevated the customer experience for the long-term.
- Development of **callbots** enabled automated handling of frequently asked questions from policyholders. In **Russia**, for example, a callbot is able to handle over 50% of phone calls and provide initial information on policy coverage. Other initiatives include the DDobaghi chatbot in **South Korea**, which gives quick answers to partners 24/7 thanks to artificial intelligence. In **Brazil**, a chatbot accelerates processing of claims and requests for information regarding policies. Over 18,700 customers took advantage of this service with their creditor insurance policy in 2020, and over 31,000 requests have been recorded since the introduction of the chatbot in 2018.
- These automation innovations have been possible thanks to the **Data Lab**, created in 2015. BNP Paribas Cardif has reorganized around this inhouse center of expertise to roll out more efficient and faster services using data to **make insurance more accessible**. At the end of 2020 **some 15 different countries** where BNP Paribas Cardif does business used this platform, and **around 30 models were in production**. Projects using tools developed by the Data Lab will continue to ramp up. Automated document processing will be introduced internationally, for example, accelerating claims processing in multiple countries.

Thanks to diversification and digitalization, BNP Paribas Cardif was able to pursue its growth in 2020 and drive **very sustained commercial momentum**. The insurer signed or renewed **more than 100 partnerships in 2020**, reflecting this **dynamic business development**. In **Latin America** BNP Paribas Cardif signed a new partnership with **Brasilseg**, a Brazilian bancassurance specialist, and with **Financiera Oh**, a subsidiary of the retail group Inretail in Peru. The insurer also renewed its partnership with **Grupo Aval** in Colombia. In Asia, BNP Paribas renewed partnerships with **HNB** in Taiwan and with **Citibank** in South Korea.

In France, in late 2020 BNP Paribas Cardif expanded its partnership with **Welcom'**, a mobile phone specialist that works with multiple operators. BNP Paribas Cardif has insured the mobile phones of Welcom' customers against theft or damage since 2019. The insurer now provides coverage for other nomadic devices as well (laptops, tablets, etc.). Already a partner of **Matmut** in property and casualty insurance through Cardif IARD, BNP Paribas Cardif expanded its partnership to include savings in 2020. The Complice Vie life insurance contract, designed with AEP⁷, has been marketed by Matmut Patrimoine since July 2020. The product is expected to be offered via the entire Matmut network from June of this year. This partnership in savings will continue to expand in 2021 with the launch of an individual retirement savings plan (branded Complice Retraite). The product will debut with high net worth clientele by this summer before being launched for the general public in 2022. A Luxembourg-domiciled life insurance contract developed by Cardif Lux Vie (Complice Vie Premium) is also planned for distribution via the Matmut Patrimoine network.

The **2020 key figures infographic** is available on bnpparibascardif.com.

About BNP Paribas Cardif

The world leader in bancassurance partnerships¹ and creditor insurance², BNP Paribas Cardif plays an essential role in the lives of its customers, providing them with savings and protection solutions that let them realize their goals while protecting themselves from unforeseen events. As a committed insurer, BNP Paribas Cardif works to have a positive impact on society and to make insurance more accessible. In a world that has been deeply transformed by the emergence of new uses and lifestyles, the company, a subsidiary of BNP Paribas, has a unique business model anchored in partnerships. It co-creates solutions with more than 500 partner distributors in a variety of sectors (including banks and financial institutions, automotive sector companies, retailers, telecommunications companies, energy companies among others), as well as financial advisors and brokers who market the products to their customers. With a presence in 33 countries and strong positions in three regions – Europe, Asia and Latin America – BNP Paribas Cardif is a global specialist in personal insurance and a major contributor to financing for the real economy. With nearly 8,000 employees worldwide, BNP Paribas Cardif had gross written premiums of €24.8 billion in 2020.

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Press contacts

Valérie Oberlin – 07 60 13 49 12 – valerie.oberlin@bnpparibas.com

Marion Saraf – 06 80 93 40 40 – marion.saraf@bnpparibas.com

Laure Berkovits – 06 99 31 36 92 – laure.berkovits@bnpparibas.com

Sophie Le Blévec – 06 65 88 38 39 – sophie.s.leblevec@bnpparibas.com

¹ Source: Finaccord - 2018

² Source: Finaccord - 2020

³ At historical scope and exchange rates

⁴ At constant exchange rates

⁵ Independent organizations managed in several different European countries certify investments as socially responsible and regularly review their certifications.

⁶ A BNP Paribas Cardif creditor insurance contract marketed by financial advisors

⁷ AEP is a trading name of BNP Paribas Cardif and a leader in the high-end life insurance segment.