



2011

The French banking
and insurance market
in figures

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INTRODUCTION

In 2011, credit institutions and insurance companies were adversely impacted by the particularly difficult and uncertain economic and financial conditions. However, thanks to the strength of their financial and prudential situation, they were able to absorb the shocks while continuing to show profits.

Thus, in 2011, the consolidated net income of the five major banking groups¹ stood at EUR 14 billion, down by 36% compared to 2010 but up by 21% compared to 2009, a year of significant recovery after the 2008 crisis. Net banking income (NBI) decreased slightly overall, but earnings in French retail banking remained strong. After a 36% decline in 2010, the cost of risk increased by 28%, following the setting-up of provisions for Greek government bonds held in portfolios.

Thanks to the allocation of earnings to reserves and improved risk management, the French banks which took part in the exercise coordinated by the European Banking Authority showed from end-2011 their ability to meet the target of a core capital ratio (Core Tier 1) of 9% in June 2012, thus preparing themselves for a rapid and smooth transition to the new Basel III standards that will come into force in 2013.

In addition, in 2011, the refinancing conditions of French and European banks deteriorated sharply. Access to liquidity in dollars tightened, the unsecured interbank market dried up while the cost of medium and long term bond financing increased significantly. However, these tensions eased during the first quarter of 2012, mainly owing to the level of the main ECB policy rate (1% at 14 December 2011, and 0.75% from 11 July 2012) and to large liquidity injections, conducted in particular in the framework of two three-year refinancing operations (Very long-term refinancing operations - VLTRO).

¹ BNP PARIBAS, SOCIÉTÉ GÉNÉRALE, GROUPE CRÉDIT AGRICOLE, GROUPE BPCE, GROUPE CRÉDIT MUTUEL

The deterioration in the financial environment also affected the insurance sector. While the turnover of the non-life insurance industry was up by close to 3.6% compared to 2010, that of life insurance posted a sharp decline on the previous year, with net inflows of EUR 7.8 billion (as against EUR 50 billion in 2010). In addition, their financial situation was affected by the occurrence of major shocks, such as the significant decline in equity markets, the widening of sovereign spreads and expectations of a prolonged low interest rate environment. Results are thus mixed: they increased sharply for non-life insurance, but were down for life insurance due to especially significant impairments on Greek sovereign bonds and equity portfolios. Overall, the portfolio of insurers continues to show unrealised capital gains, to the tune of EUR 16 billion at the end of 2011 (against EUR 55 billion at end-2010). Despite this difficult environment, the solvency margin of the industry as a whole was still well above the required minimum. However, individual situations differed. The margin of non-life insurers remained generally comfortable (on average 450%). In contrast, due to the fall in unrealised gains, life insurance companies covered on average 1.3 times their margin requirement in 2011, down from 2010.

In this context, the *Autorité de contrôle prudentiel* remains particularly vigilant as to the risks faced by the French financial sector. In particular, all efforts as regards risk management and corporate governance are to be pursued.

Banks

1. The banking sector in 2011

1.1. Credit institutions, investment firms and payment institutions

Following a trend observed for several years, the number of credit institutions authorised in France (including European Economic Area branches set up under the freedom of establishment) posted a further and large decrease, which reflects the continued consolidation and adjustment of the banking and financial system structures (656 institutions at end-2011 against 683 at end-2010). This quantitative decline in the number of authorised institutions mainly concerned financial corporations (-10), banks (-9), but also mutual and cooperative banks (-6). The respective numbers of municipal credit banks and specialised financial institutions remained unchanged. The total number of investment firms authorised by the *Autorité de contrôle prudentiel* (ACP) remained stable in 2011 (97). Conversely, compared to 2010, the population of payment institutions increased significantly, from 3 to 12 in the case of institutions authorised by the ACP, and 1 to 4 in the case of branches set up under the freedom of establishment. The number of credit institutions authorised to do business in Monaco remained unchanged at 24 institutions.

Credit institutions, investment firms and payment institutions in France and credit institutions in Monaco

A – CREDIT INSTITUTIONS AUTHORISED IN FRANCE	2010	2011	Change (number)
1. INSTITUTIONS AUTHORISED TO ENGAGE IN ALL BANKING TRANSACTIONS	325	310	-15
1.1 Banks	206	197	- 9
(incl. Branches of banks registered outside France)	(23)	(22)	(- 1)
1.2. Mutual and cooperative banks	101	95	- 6
1.3. Municipal credit banks	18	18	-
2. FINANCIAL CORPORATIONS	287	277	- 10
3. SPECIALISED FINANCIAL INSTITUTIONS	3	3	0
SUB-TOTAL	615	590	- 25
B – BRANCHES OF EEA CREDIT INSTITUTIONS DOING BUSINESS UNDER THE FREEDOM OF ESTABLISHMENT	68	66	- 2
TOTAL France	683	656	- 27
– CREDIT INSTITUTIONS AUTHORISED IN MONACO	2010	2011	Variation (nombre)
1. INSTITUTIONS AUTHORISED TO ENGAGE IN ALL BANKING TRANSACTIONS	23	23	0
1.1 Banks	22	23	1
1.2. Institution comparable to a municipal credit bank belonging to the French Banking Federation	1	0	- 1
2. FINANCIAL CORPORATIONS	1	1	-
2.1. Financial corporations engaging in different types of business and belonging to the French Association of Financial Corporations	1	1	-
TOTAL MONACO	24	24	-
TOTAL FRANCE and MONACO	707	680	- 27

INVESTMENT FIRMS	2010	2011	Change (number)
1. Investment firms authorised by the ACP	97	97	-
Branches of investment firms doing business under the freedom of establishment	59	52	- 7
2. Portfolio management companies authorised by the Autorité des marchés financiers (*)	629	629	-
TOTAL	785	778	- 7

(*) data taken from the GECO database available on the website of the Autorité des marchés financiers.

PAYMENT INSTITUTIONS	2010	2011	Change (number)
Payment institutions authorised by the ACP	3	12	+ 9
Branches of payment institutions doing business under the freedom of establishment	1	4	+ 3
TOTAL	4	16	+ 12

Source: ACP General Secretariat.

The French banking and financial system is characterised by a broad shareholder base and a wide international exposure, which is illustrated both by the significant presence of foreign institutions in France and that of French credit institutions abroad. Thus, at end-2011, of the 656 credit institutions operating in France, 461 (70%) were held by French capital, and 195 (30%) by foreign capital.

A. A broad shareholder base

At end-2011, of the total number of credit institutions, 74% of them belonged to non-public banking groups (of which 55% to French mutual banking group), and 26% were controlled by shareholders in other economic sectors (8% were owned by industrial, commercial and service sector groups, 2% by insurance groups, 7% by other financial or shared ownership groups, 4% to shareholders essentially natural persons and 6% to the public sector). Industrial and commercial groups continued to represent a significant share of the population of credit institutions, which is not always the case in comparable countries such as Germany, Italy and the United States. The share of credit institutions owned by insurance groups, however, remained relatively low (at 2%).

French-owned credit institutions by type of ownership at end-2011

Ownership	Number of credit institutions in 2011					Number of shareholding groups in 2011
	Banks	Mutual banks	Financial corporations	Other(*)	Total	
Large private-sector banking groups		30	59		89	2
Public-sector banking institutions		2	4	20	26	4
Mutual banking groups	61	94	97		252	4
Insurance companies	4	1	5		10	7
Industry, trade, services, construction and public works, professional groups		14	21		35	23
(o/w public sector)		(1)	(2)			(2)
Institutions with mixed ownership (credit institutions, institutional investors)		6	23	1	30	26
Ownership by natural persons		9	10		19	17
TOTAL	126	95	219	21	461	83

(*) Municipal credit banks and specialised financial institutions.

Source: ACP General Secretariat.

Foreign-owned credit institutions by type of ownership and geographical origin at end-2011

Ownership	Number of credit institutions at end-2011								Total number of groups
	Banks				Financial corporations and specialised financial institutions				
	OECD		Third countries	Total	OECD		Third countries	Total	
	EEA	Other countries			EEA	Other countries			
Banking group branches	66	7	15	88					102
Banking group subsidiaries	11	4	10	25	20	1	3	24	
Insurance companies	4	2		6	2			2	6
Financial groups	2	4		6		7		7	13
Industry, trade, services	1	3		4	8	14		22	11
Ownership by natural persons		3	1	4				0	4
Mixed banking and financial ownership	1	1	2	4	3			3	6
TOTAL	85	24	28	137	33	22	3	58	142

Source: ACP General Secretariat.

B. A sector wide open to foreign capital

The French banking and financial system is widely open to foreign-owned institutions.²

At the end of 2011, France counted 195 credit institutions under foreign control (137 banks, 57 financial corporations and 1 specialised financial institution), 66 investment firms and 77 representative offices.

Of these 195 credit institutions under foreign control, 118 are owned by EEA residents, of which British (32), German (22), Belgian (15) Dutch (11), and Italian (12).

The 77 credit institutions controlled by third countries (non-EEA) are mostly American (a total of 32 institutions, broken down into 10 banks, 21 financial corporations and one specialised financial institution).

² This paragraph only deals with majority holdings in credit institutions doing business in France

Foreign presence in France's banking and financial system

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
A – Banks	176	168	164	161	161	161	155	147	142	137
1. Branches	79	80	82	81	84	88	93	93	91	88
European Economic Area	51	52	55	55	59	64	70	70	68	66
Third countries	28	28	27	26	25	24	23	23	23	22
2. Companies incorporated in France	97	88	82	80	77	73	62	54	51	49
2.1 European Economic Area										
Subsidiaries of foreign-owned banks	56	47	40	40	34	33	21	16	13	11
Companies controlled by non-bank investors	8	10	8	8	9	9	9	7	7	7
Mixed banking and financial ownership			1	1	1			1	1	1
2.2 Third countries										
Subsidiaries of foreign-owned banks	17	16	16	15	15	14	16	15	15	14
Companies controlled by non-bank investors	14	13	15	14	15	14	13	13	13	13
Mixed banking and financial ownership	2	2	2	2	3	3	3	2	2	3
B – Financial corporations (incorporated in France)	110	95	83	78	75	76	74	66	61	57
1. European Economic Area										
Financial corporations for various purposes	81	68	58	57	55	54	53	42	36	33
2. Third countries										
Financial corporations for various purposes	29	27	25	21	20	22	21	24	25	24
C – Specialised financial institutions	1	1	1	1	1	2	1	1	1	1
TOTAL CREDIT INSTITUTIONS	287	264	248	240	237	239	230	214	204	195
D – Investment firms*	61	55	53	52	56	67	75	71	76	66
European Economic Area	48	44	42	41	43	54	63	61	66	55
Branches	(23)	(23)	(24)	(23)	(28)	(41)	(52)	(53)	(59)	(52)
Unpassporting branches	-	-	-	(1)	(1)	(1)	-	-	-	-
Firms incorporated in France	(25)	(21)	(18)	(17)	(14)	(12)	(11)	(8)	(7)	(3)
Third countries	13	11	11	11	13	13	12	10	10	11
Payment institutions	0	0	0	0	0	0	0	0	1	7
EEA branches									1	4
Firms incorporated in France										3
European Economic Area										1
Third countries										2
E – REPRESENTATION OFFICES	82	75	78	75	74	78	80	77	74	77
European Economic Area	34	35	39	31	28	31	32	29	27	27
Third countries	48	40	39	44	46	47	48	48	47	50

(*) Excl. portfolio management companies

Source: ACP General Secretariat.

1.2. Widespread use of the European passport

A. Access to the French market

BRIEFING

Freedom of establishment

The freedom of establishment is the ability for an operator of a Member State of the European Economic Area (EEA) to provide its services in another Member State through a permanent establishment (e.g. a branch or agency).

Freedom to provide services

The freedom to provide services is the ability for an operator of a Member State to provide services in another Member State without being established there.

Freedom of establishment

Of the 122 branches of European credit institutions and investment firms established in France (22 branches of non-European origin are also established in France), those with headquarters in the United Kingdom are the most numerous, with 66 establishments in 2011. The number of British branches appears to have stabilised after having recently posted strong growth, due in particular to the implementation of the Markets in Financial Instruments Directive. This directive enables investment firms from any Member State to benefit from mutual recognition on a wider range of services and instruments, in particular financial futures, and to use tied agents. Many investment firms have thus wanted to take advantage of these new opportunities. However, these branches are often very small structures with fewer than 10 employees.

The European passport is widely used to set up branches in France, but it is also used by institutions from outside the European Economic Area (EEA). With just a single authorised entity in one of the EEA countries, these institutions can exercise their passport rights to do business in one or more other EEA countries. Thus, at 31 December 2011, among all passported branches, the 52 branches belonging to groups owned by non-EEA shareholders accounted for 43% of passported branches established in France (against 38% at end-2010).

Branches of credit institutions, investment firms and payment institutions in France

	2001	2008	2009	2010	2011
Notifying countries	79	122	123	127	122
United Kingdom	36	59	60	64	66
Germany	14	17	16	15	14
Italy	6	6	7	7	7
Netherlands	4	6	7	7	5
Spain	7	6	6	6	6
Other countries	12	28	27	28	24
Passported branches where the ultimate owners are outside the EEA	18	44	45	49	52
United States	10	28	28	30	31
Japan	2	4	4	5	4
Switzerland	1	3	3	3	4
Lebanon	1	1	1	1	1
Other countries	4	8	9	10	12

Source: ACP General Secretariat.

Freedom to provide services

Freedom to provide services (FPS) is the other way of using the EEA passport to do business in another EEA country without having a permanent establishment there. The number and the increase in the number of institutions having reported their intention to operate under the freedom to provide services are the only available indicators for assessing this type of business. At 31 December 2011, 527 credit institutions, 2,320 investment firms and 118 European payment institutions were authorised to operate in France under the freedom to provide services (see table below). Over one year, the number of institutions having notified their intention to operate in France rose by 9%, after a 14% increase in 2010. The most notable increase concerns the number of notifications of intent made by payment institutions authorised in another Member State of the EEA, which almost tripled between end-2010 and end-2011 (jumping from 43 to 118).

FPS notifications at 31 December 2011

Country	Free provision of services in France		
	Notifications from 527 credit institutions authorised in another EEA country	Notifications from 2,320 investment firms authorised in another EEA country	Notifications from 118 payment institutions authorised in another EEA country
Germany	84	50	4
Austria	28	21	
Belgium	29	18	2
Bulgaria		4	3
Cyprus	5	52	
Denmark	15	13	1
Spain	22	23	2
Estonia	1	1	
Finland	9	4	1
Greece	2	9	
Hungary	7	2	
Ireland	37	47	4
Iceland	4		
Italy	27	7	1
Latvia	1	1	
Liechtenstein	5	11	
Lithuania			1
Luxembourg	59	38	3
Malta	8	7	1
Norway	4	24	
Netherlands	66	87	7
Poland	2		
Portugal	18	6	
Czech Republic	1	1	
Romania		1	
United Kingdom	81	1, 882	85
Slovakia			1
Slovenia		1	2
Sweden	12	10	
TOTAL	527	2,320	118

Source: ACP General Secretariat.

B. Passporting by French institutions

Freedom of establishment

French institutions mainly use the European passport to set up establishments in Germany, Italy, the United Kingdom, Spain and, to a lesser extent, Belgium. Since 2008, the number of passported branches opened by French institutions has remained almost unchanged with a total of 168 branches at end-2011 (after 166 at end-2010).

Branches opened by credit institutions and investment firms in other EEA countries

	2001	2008	2009	2010	2011
Main notifying countries					
United Kingdom	18	23	24	24	22
Germany	17	26	26	26	26
Italy	15	24	25	24	26
Spain	17	21	21	23	24
Belgium	11	17	15	16	18
Other countries	33	54	54	53	52
TOTAL	111	165	165	166	168

Source: ACP General Secretariat.

Freedom to provide services

At 31 December 2011, a total of 1,270 notifications had been received from 161 French credit institutions, 564 notifications from 48 French investment firms and 45 notifications from 3 payment institutions seeking to do business in another EEA country. The countries most favoured by French institutions are, in order:

- Italy (103 notifications), the United Kingdom (100), Belgium (93), Germany (89) and Spain (79) for credit institutions;
- Belgium (44), the Netherlands (41), the United Kingdom (37), Germany (35) and Spain (34) for investment firms.

Given the small number of notifications from the three French payment institutions, the exercise which consists in identifying the countries most favoured by these institutions has hardly been developed.

FPS notifications in effect at 31 December 2011

Country	Free provision of services in other EEA countries		
	Notifications from 161 credit institutions authorised in France	Notifications from 48 investment firms authorised in France	Notifications from 3 payment institutions authorised in France
Germany	89	35	3
Austria	52	22	1
Belgium	93	44	3
Bulgaria	17	6	1
Cyprus	18	10	1
Denmark	45	18	1
Spain	79	34	3
Estonia	19	11	1
Finland	39	21	1
Greece	41	15	1
Hungary	28	12	2
Ireland	50	22	2
Iceland	14	8	
Italy	103	33	3
Latvia	18	10	1
Liechtenstein	17	10	
Lithuania	18	10	1
Luxembourg	78	33	3
Malta	18	10	1
Norway	29	15	
Netherlands	72	41	2
Poland	32	12	2
Portugal	65	30	2
Czech Republic	24	12	1
Romania	24	6	3
United Kingdom	100	37	3
Slovakia	23	11	1
Slovenia	16	11	1
Sweden	49	22	1
TOTAL	1,270	561	45

Source: ACP General Secretariat.

2. The banking sector and the crisis

2.1. Lower earnings than in 2010

The earnings of the five leading French banking groups³ fell sharply in 2011, without dropping below those of 2009 which had already picked up significantly following the 2008 crisis.

Intermediate operating totals

EUR billion	2009	2010	2011	2011/2010 % change
Net banking income	128.0	142.6	140.5	- 1.5
General operating expenses	83.5	88.9	89.7	0.9
Gross operating income	44.5	53.7	50.8	- 5.4
Cost of risk	27.2	17.4	22.3	28.0
Operating income	17.3	36.3	28.5	- 21.5
CONSOLIDATED NET INCOME	11.6	21.9	14.0	- 35.9

Source: Banks data.

The year 2011 was less favorable than 2010, due to the slight decline in net banking income (NBI) to EUR 140.5 billion (down by 1.5%), which was, however, offset by the strength of the French retail banking sector, but also by the positive impact of the downward adjustment in own debt in accordance with the International Financial Reporting Standards (IFRS) to the tune of over EUR 3 billion⁴.

The cost of risk rose sharply (+28%), including in particular provisions for proprietary trading, for a total of EUR 5.8 billion which include provisions for activities in Greece, i.e. a EUR 5 billion impact on the consolidated net income attributable to equity holders.

³ BNP Paribas, Groupe Crédit Agricole (GCA), Société Générale (SG), Groupe BPCE, Groupe Crédit Mutuel (GCM).

⁴ According to the IFRSs, when part of an institution's debt is recorded at fair value, the rise in the institution's credit risk results in the recording of a debt under liabilities, and a corresponding income in the profit and loss. This results in a counter-intuitive effect, whereby an entity records a gain when its situation deteriorates, and vice-versa. Applying prudential filters neutralises this impact for the calculation of the solvency ratio.

The decline in corporate and investment banking is only partly offset by the performances in retail banking and asset management

BRIEFING

ANALYSIS BY BUSINESS LINE

As part of the presentation of their consolidated accounts, the main French banking groups have already been publishing for many years financial information by major business lines (retail banking, corporate and investment banking and asset management) in order to account for the main explanatory factors of their income and earnings. However, as pointed out by the Conseil national de l'information statistique (CNIS) in its report⁵ "Les lignes de métiers bancaires," published in June 2012, this information, while being fairly rich, is very heterogeneous. Indeed:

- In terms of sectoral reporting, the accounting framework (IFRS 8 on segment reporting) offers a lot of flexibility in the breakdown of activities by segment and the level of detail of data to be published. The reporting format used corresponds to management's vision and thus results in an operational segmentation specific to each group;
- the scope of business is specific to each institution according to its history and procedures. Thus, the three main business lines published in the banks' references documents do not entirely overlap;
- the diversity of internal agreements governing transfer pricing, which are specific to each group, makes it difficult to compare the performances of business lines across institutions.

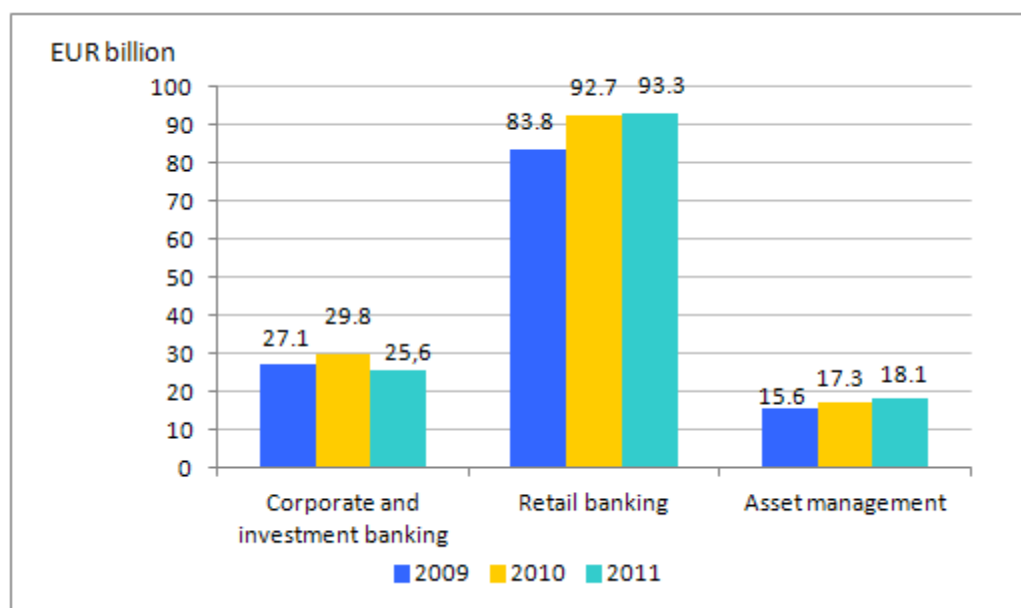
The analysis of aggregates by business line⁶ shows that the existence of activities with different profitability cycles is an explanatory factor of the resilience of banking groups.

Thus, the slight overall decline in net banking income (- 1.5%) is to be attributed to the poor performance of corporate and investment banking CIB (- 16%), while retail banking and asset management recorded a small increase in NBI, which rose by 1% and 2% respectively.

⁵ <http://www.cnis.fr/files/content/sites/Cnis/files/Fichiers/publications/rapports/2012/RAP2012128metiersbancaires.PDF>

⁶ The data and comments in this section provide a general overview with a breakdown along business lines. However, given the differences in accounting rules between credit institutions, the breakdown by business lines is not exhaustive and does not, for instance, include any information on proprietary trading.

Net banking income by business line



Source: Banks data⁷.

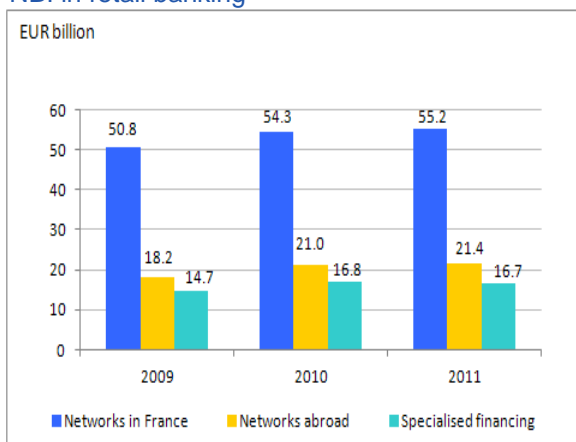
The aggregates by business line also make a distinction between corporate banking and investment banking within CIB, and between France, outside France and specialised financing within retail banking.

Retail banking was boosted by buoyant activity in France: large groups continued to benefit from rising customer deposits, in particular overnight and regulated deposits, and lending to businesses remained strong. Abroad, the level of activity was generally still high thanks in particular to renewed trading dynamics not only in Central and Eastern European subsidiaries, but also in Southern Europe, even though certain markets experienced some difficulties. Specialised financing decreased slightly due to the slowdown in consumer credit.

The worst performances were recorded by corporate and investment banking as a result of a general contraction in activity, even though the cost of risk continued to decline. In investment banking, the fixed income business line was particularly affected by the sovereign debt crisis, while ring-fencing activities following the sub-prime crisis have generated, for several quarters, balanced or slightly positive NBI, even though some groups have recorded losses - albeit limited - to sell these legacy asset portfolios.

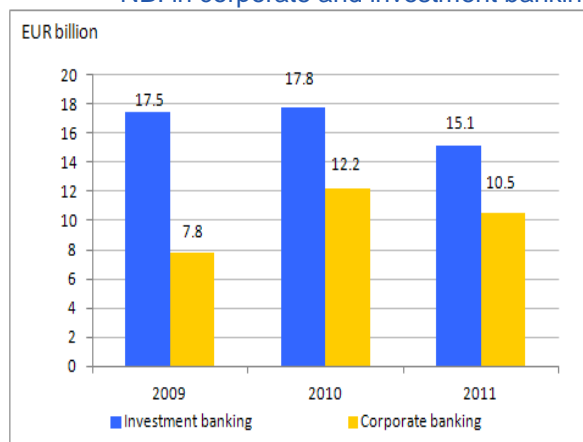
⁷ The total of the three business lines is not equal to the overall total because banks use an "other" category, which includes proprietary trading, fees not charged to business lines and adjustments for intragroup loans.

NBI in retail banking



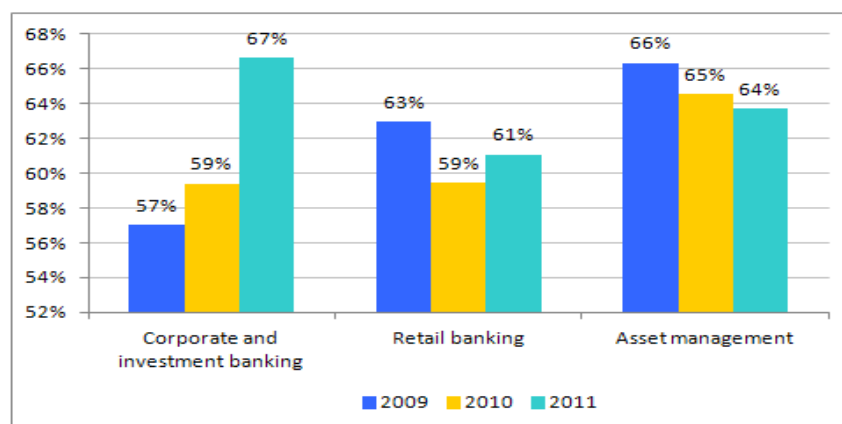
Source: Banks data.

NBI in corporate and investment banking



The average operating ratio (operating expenses/NBI) declined slightly, but situations varied significantly across business lines. The ratio for corporate and investment banking was the most impacted due to the fall in NBI, but downsizing initiatives have been launched.

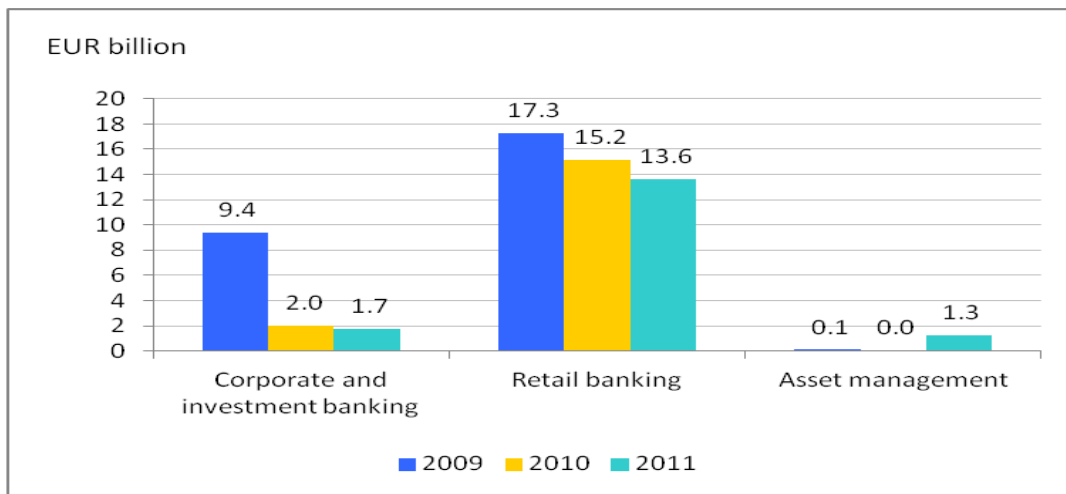
Operating ratio



Source: Banks data.

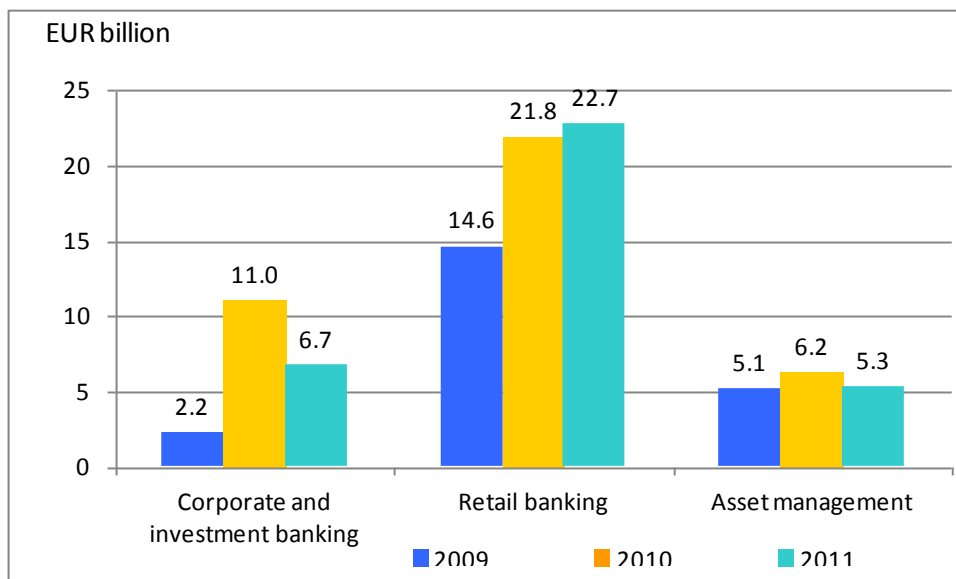
The overall cost of risk - measured by allocations to provisions (net of writebacks) for impairment and credit risk as well as bad debt write-offs and amounts recovered from loans written off in prior periods - increased but without reaching the highs of 2008-2009. This increase can in particular be attributed to the provisioning for proprietary trading, which include provisions for transactions in Greece. Conversely, the overall cost of risk continued to fall in retail banking and in the operational units of CIB.

Cost of risk by business line



As regards operating income, only retail banking posted a slight increase as a result of both a rise in activity and a drop in the cost of risk:

Operating income by business line



2.2. The further strengthening of capital

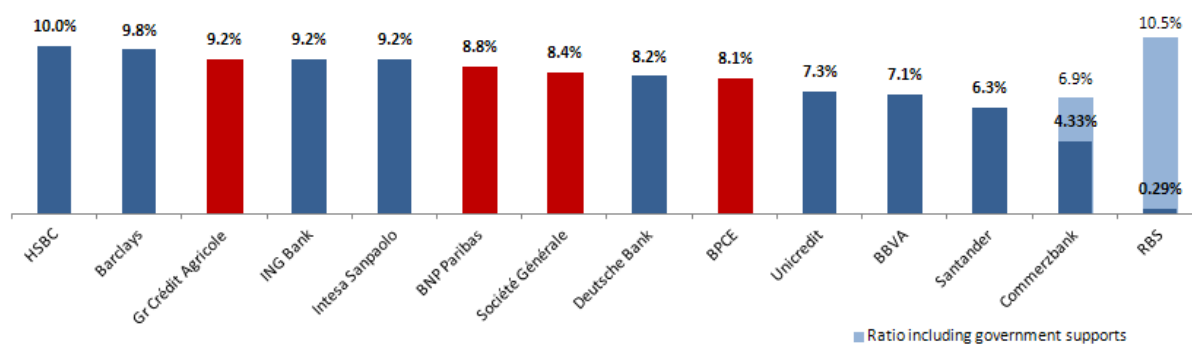
Banks are still actively preparing for the new Basel III regulations by allocating a share of their earnings to reserves and by controlling risks.

A. Capital strengthening

In 2011, the European Banking Authority (EBA) conducted an exercise to highlight the possible capital requirements which addressed longstanding uncertainty about bank holdings of various asset classes, including government debt. 71 European credit institutions were thus requested to display a core capital ratio (Core Tier 1) of 9% by the end of June 2012, including a capital buffer reflecting the market values of European sovereign debts at 30 September 2011.

The leading French banking groups (BNP Paribas, Société Générale, Crédit Agricole GCA and Groupe BPCE), which account for over 80% of the French banking sector, took part in the exercise. The gap between the target ratios and the ratios displayed by the banks involved was small since the total capital shortfall was estimated at EUR 7.3 billion.

Ratios before capital strengthening



Source: European Banking Authority

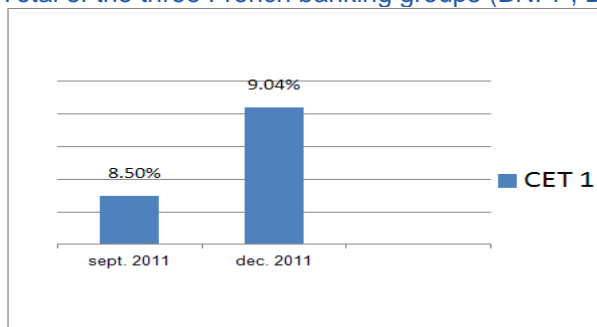
From December 2011, the three groups with ratios below 9% had significantly strengthened their position, by EUR 7.3 billion, by allocating a large share of earnings to reserves (EUR 3 billion).

Capital requirements of the four French groups - Core Tier 1 - CT1

EUR billion	Capital shortfall relative to CT1 of 9 %	o/w buffer on sovereign exposures
BNPP	1.5	2.5
BPCE	3.7	1
GCA	-	-
SOCIÉTÉ GÉNÉRALE	2.1	-
TOTAL	7.3	3.5

Source : European Banking Authority.

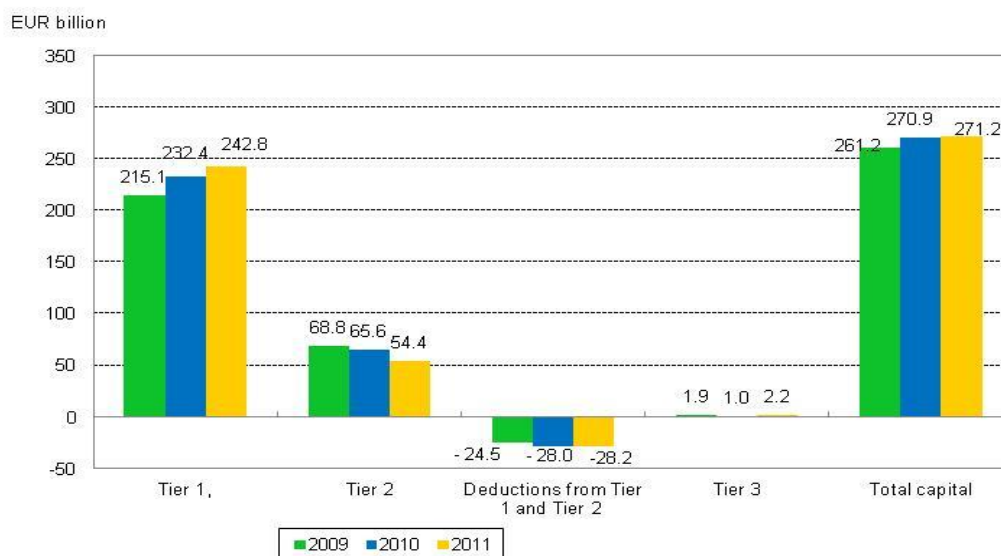
Total of the three French banking groups (BNPP, BPCE, SG)



Source: European Banking Authority.

The major French banks pursued their efforts to improve the quality of their capital: while core capital (Tier 1) increased, the amount of supplementary capital (Tier 2) continued to decline.

Total capital and its components

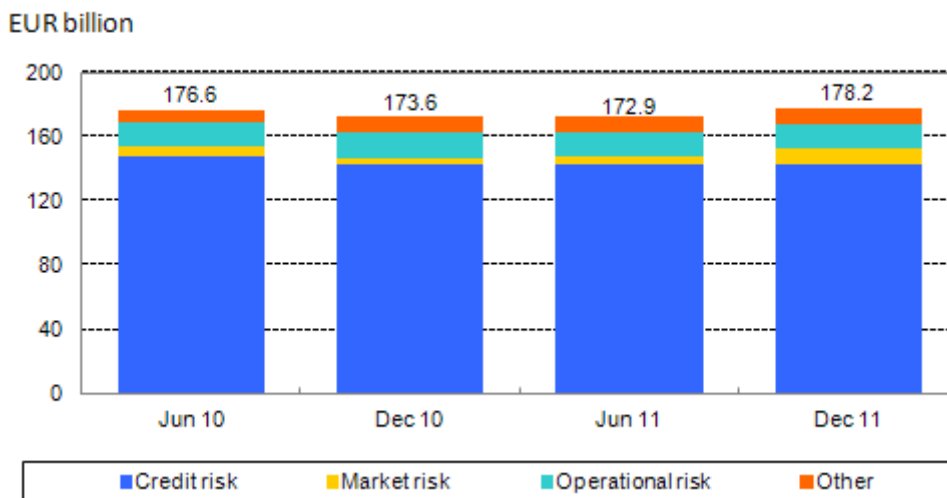


Source: ACP General Secretariat, data for BNPP, GCA, BPCE, SG, GCM.

B. Capital requirements

The capital requirements of the five major French banking groups, which still stem for 80% from credit risk, continued to increase in 2011 (+2.6% compared to 2010). This rise is mainly due to the entry into force on 31 December 2011 of the Capital Requirements Directive (CRD3) transposing the Basel 2.5 rules, which caused a sharp increase in capital requirements for market risk. Capital requirements for credit risk, for their part, posted a very slight rise while capital requirements for operational risk dropped by 11%.

Capital requirements

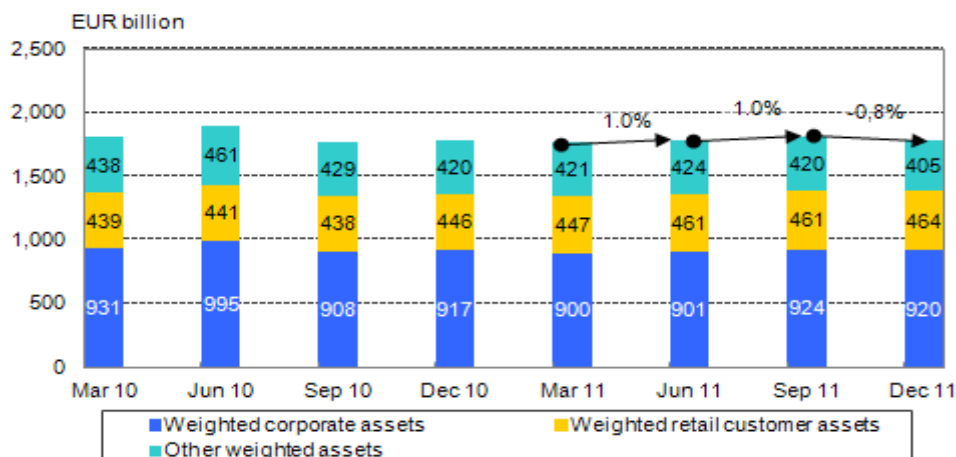


Source: ACP General Secretariat.

a. Credit risk

Credit risk-weighted assets posted a small year-on-year rise (+0.3% between December 2010 and December 2011), with a decrease in the first and fourth quarters.

Credit risk-weighted assets

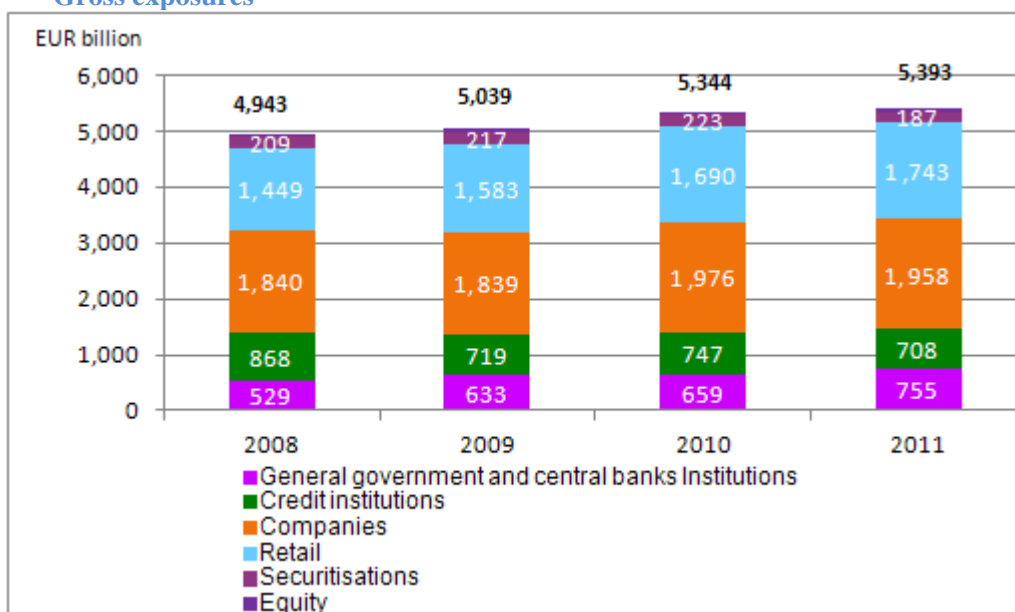


Source: ACP General Secretariat.

The quasi-stability of capital requirements in respect of credit risk between 2010 and 2011 is consistent with the slight increase in gross credit exposures over the period (+0.8%). However, the two main portfolios, which concentrate more than two thirds of the major groups' exposures, showed contrasting trends: while exposures on retail customers continued to rise (+3.1%), exposures on companies dipped by 0.9%.

With the exception of exposures on central governments and central banks, which recorded a further increase in 2011 (+14.6%), the other portfolios also posted a decrease (-5.2% on institutions, - 16% on securitisations). Overall, there was no massive deleveraging, but targeted outstanding reductions in market and interbank activities, while lending to the private sector and to the economy continued to grow in France.

Gross exposures

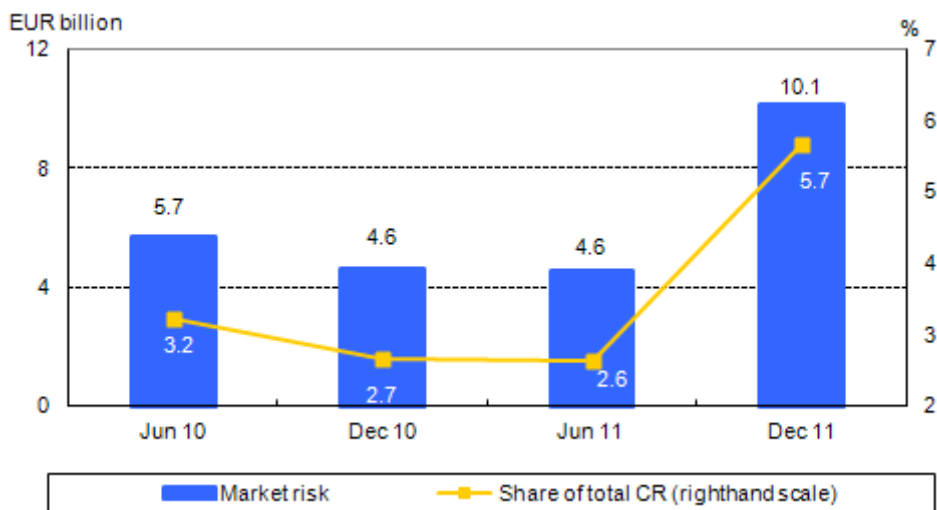


Source: ACP General Secretariat.

b. Market risk

Capital requirements in respect of market risk, which mainly concern interest rate risk, have recorded a very significant increase solely on account of the entry into force of Basel 2.5 on 31 December 2011. Basel 2.5 covers the effects linked to the correlation portfolio, to stressed value-at-risk (stressed VaR) and to the capture of the incremental default and migration risk (Incremental Risk Charge - IRC), even if banks have already started cutting back their holdings under the constraint of the reduction in dollar resources.

Capital requirements for market risk



Source: ACP General Secretariat.

BRIEFING

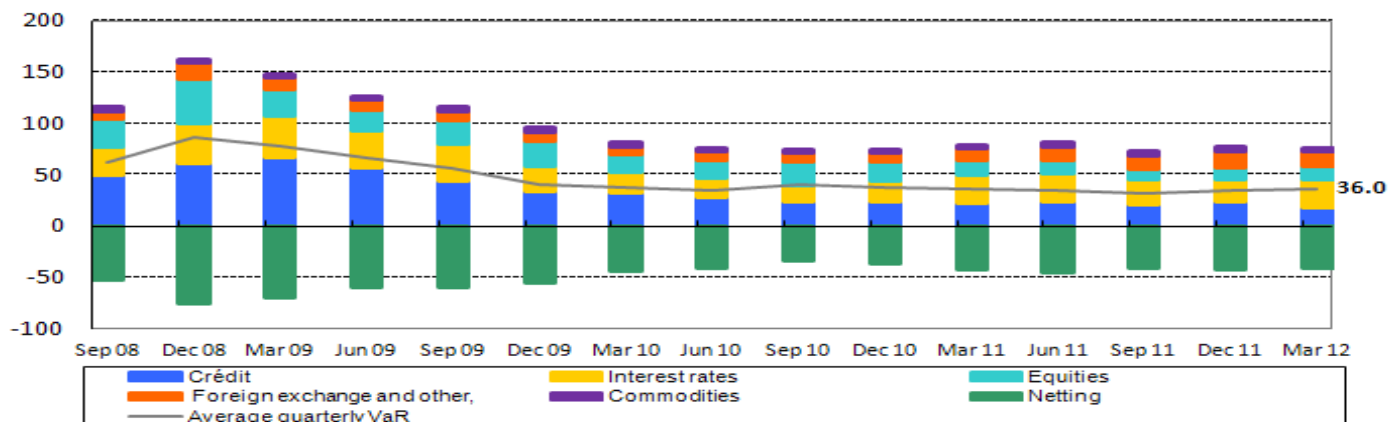
VaR (Value at Risk) represents the maximum potential loss that may be incurred on the value of an asset or portfolio of financial assets in the event of adverse market developments, under normal market conditions and for a given holding horizon and confidence interval.

The stressed VaR is calculated using the “initial” VaR model with a 99% confidence interval over a 10 day horizon, and during a period of tension corresponding to the worst known period for the most significant risk factors.

The Incremental Risk Charge (or IRC) captures the incremental default and migration risk in times of tension concerning the counterparty risk associated with operations.

Overall, the levels of *VaR* have remained stable since mid-2010.

1-day VaR and average quarterly VaR

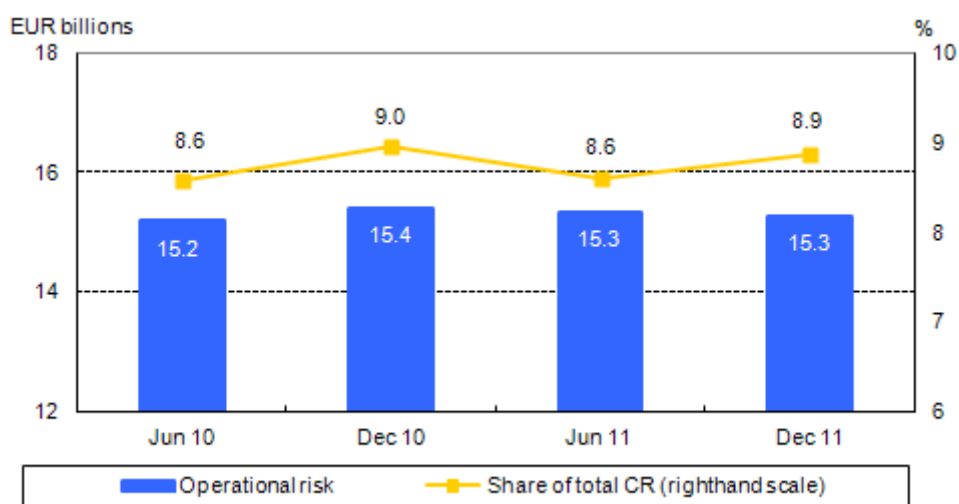


Source: Banks data (BNPP, SG and GCA).

c. Operational risk

Since 2009, the share of capital requirements in respect of operational risk has stabilised at a level slightly below 9% of total capital requirements. Execution, delivery and process management incidents continue to account for the bulk of operational losses.

Capital requirements in respect of operational risk



Source: ACP General Secretariat.

2.3. A rise in credit institutions' balance sheets

A. The consolidated balance sheet of the major French groups⁹

After having declined in 2009, inched up by 1% in 2010, the aggregate balance sheets of the five major French banking groups rose by 4% between 2010 and 2011.

Customer loans and receivables, which account for just under half of the total consolidated balance sheet, were up by 4%, i.e. an increase of just under EUR 120 billion.

Financial assets held for trading purposes, which represent the bulk of assets at fair value through profit or loss and 28% of total assets, rose by 3%.

Hedging instruments, on both the assets and liabilities sides, were up by half over the period. This increase is primarily due to a rise in the valuation parameters of interest rate instruments.

Lending to credit institutions decreased over the 2009-2011 period. This can be attributed to a greater recourse to the central bank and repos, but also to customer deposits, which rose by 2% in 2011 (+ EUR 41.3 billion).

9. BNP Paribas, Groupe Crédit Agricole [GCA], Société Générale [SG], Groupe Banque Populaire Caisse d'épargne [BPCE], Groupe Crédit Mutuel [GCM].

Aggregated consolidated balance sheet of the five leading French banking groups (according to IFRS standards) – summary

EUR billion	2009	2010	2011	2011/2010 % change
ASSETS				
Financial assets at fair value through profit or loss	68.1	60.5	93.5	55
Derivative hedging instruments	43.5	46.8	70.8	51
Available-for-sale financial assets	388.3	382.5	373.9	- 2
Financial assets held for trading	1,688.0	1,696.1	1,750.1	3
Loans and advances to credit institutions	418.7	404.3	381.5	- 6
Customer loans and receivables	2,735.6	2,846.1	2,964.3	4
Held-to-maturity financial assets	19.7	17.6	20.9	19
Other	487.2	460.6	519.7	13
LIABILITIES				
Financial liabilities held for trading	1,448.6	1,478.3	1,685.3	14
Financial liabilities at fair value through profit or loss	162.1	141.9	168.6	19
Derivative hedging instruments	51.5	55.9	80.0	43
Amounts owed to institutions	570.8	494.8	526.6	6
Amounts owed to customers	2,062.1	2,168.5	2,209.8	2
Debt evidenced by a certificate	870.2	898.8	795.3	- 12
Provisions	25.7	24.6	25.1	2
Subordinated debt	97.8	96.9	88.6	- 9
Consolidated shareholders' equity	260.3	272.3	271.3	0
Other	300.0	282.5	324.1	15
TOTAL	5,849.1	5,914.5	6,174.7	4

Source: ACP General Secretariat.

B. The balance sheet structure of credit institutions

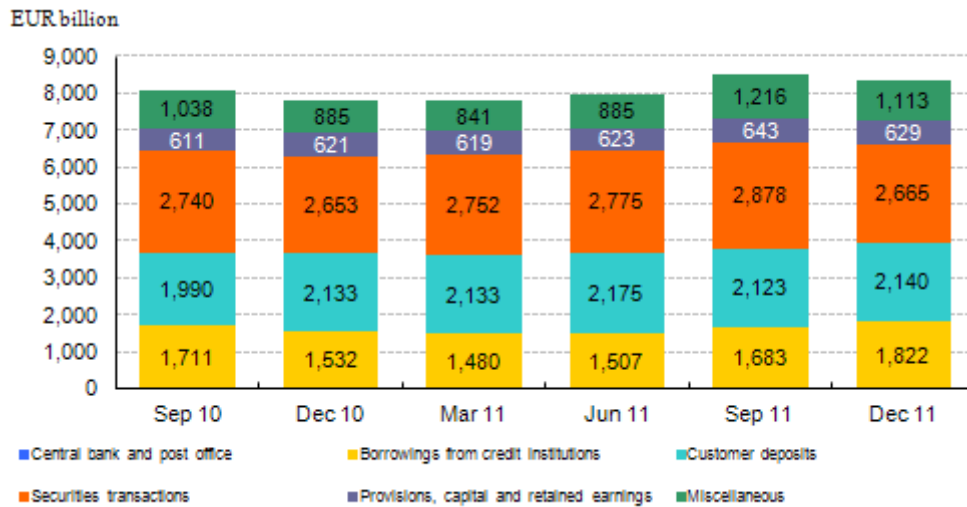
BRIEFING

The analysis in the previous sections consolidates the earnings and activity of a sample of the five leading banking groups, in both accounting and prudential terms. All transactions are therefore taken into account, including those conducted by subsidiaries in foreign countries. The following analysis looks at aggregated parent-company data, which provide more detailed information about all credit institutions and investment firms. The discrepancies between these two complementary views stem from differences in consolidation scope, consolidation methods and accounting standards

a. Asset components

Loans to customers rose between end-2010 and end-2011. In 2011, there was no massive deleveraging. Loans to credit institutions also posted a year-on-year rise.

Asset components
(aggregated parent-company data)

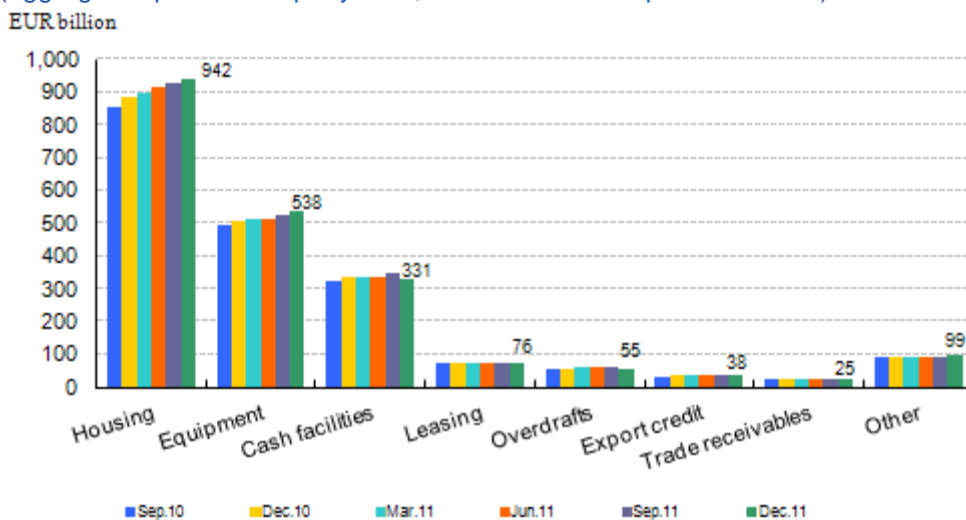


Source: ACP General Secretariat.

Loan structure

Among customer loans, cash loans declined, in particular in the last quarter of 2011.

Customer loans by loan type
(aggregated parent-company data, business in metropolitan France)

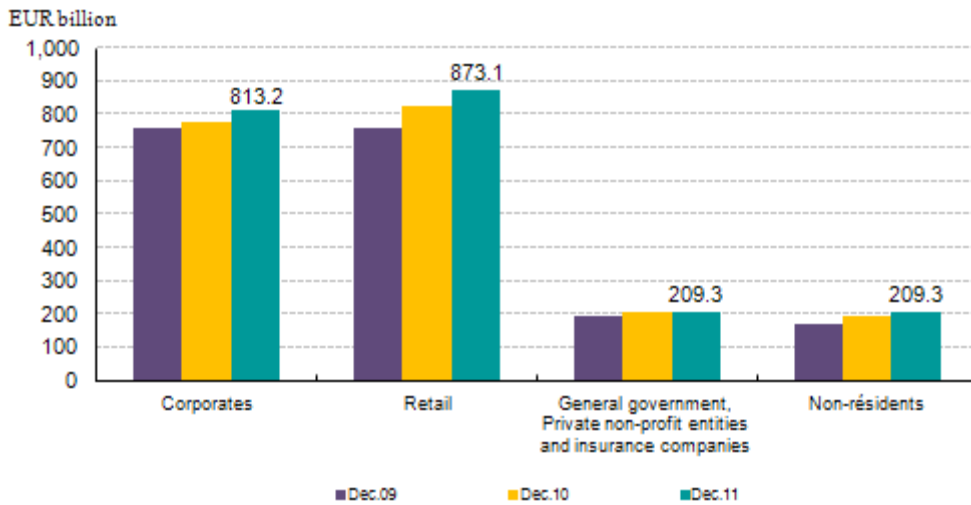


Source: ACP General Secretariat.

Lending to customers grew across the board, but more specifically for corporates and retail customers:

Customer loans by category of agent

(aggregated parent-company data, business in metropolitan France)

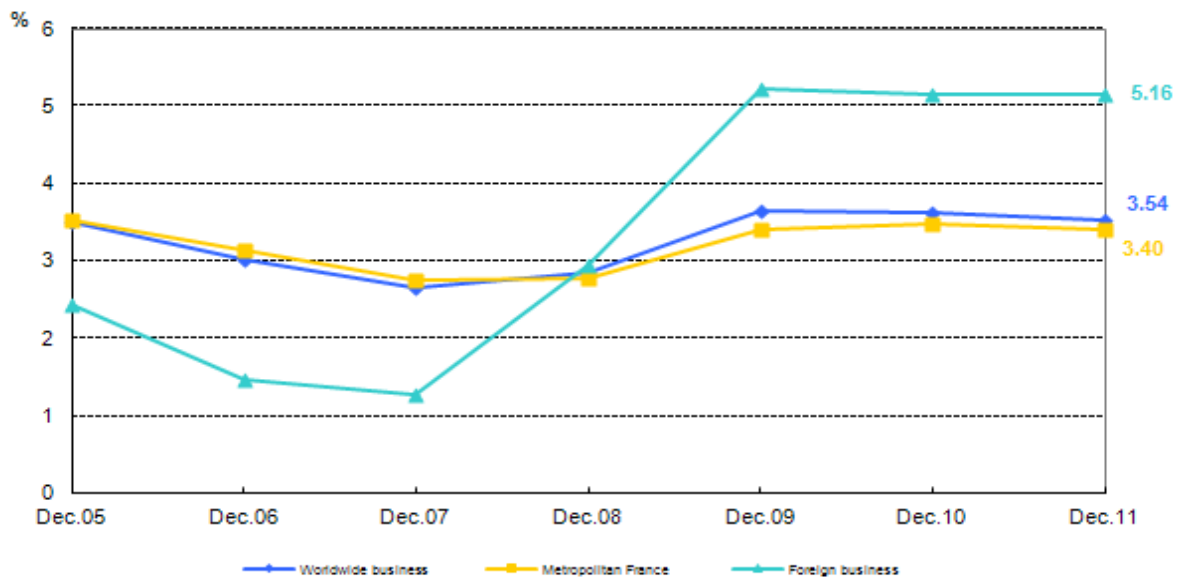


Source: ACP General Secretariat.

Quality of loan assets

The non-performing loan ratio stabilised at the level recorded in 2009:

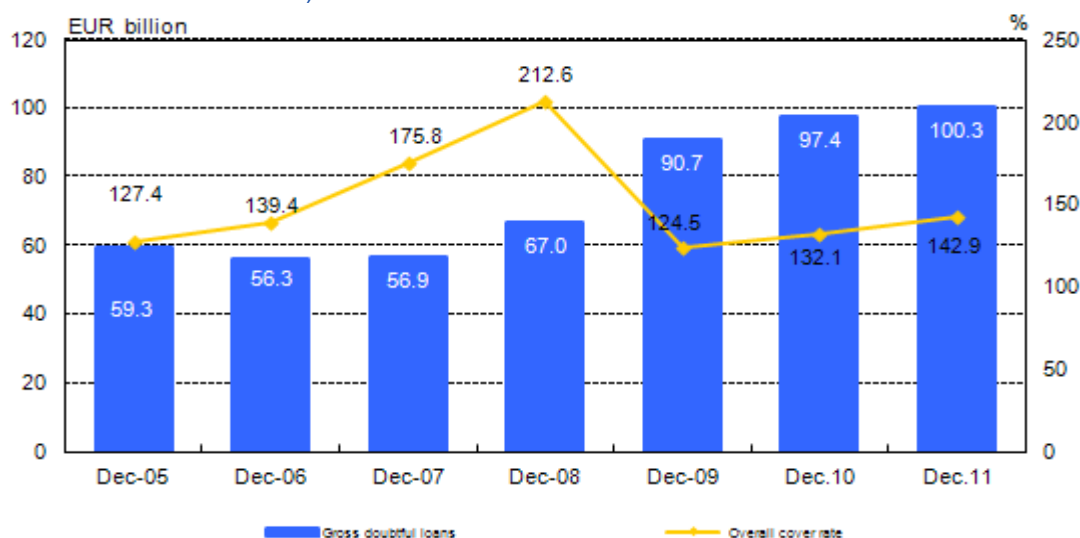
Gross non-performing loans over gross lending (all institutions and activities)



Source: ACP General Secretariat.

After having declined markedly in 2008 and 2009 due to the sharp increase in gross non-performing customer loans, the provisioning ratio continued to rise in 2011.

Overall ratio of provisions to non-performing customer loans (all institutions and activities)

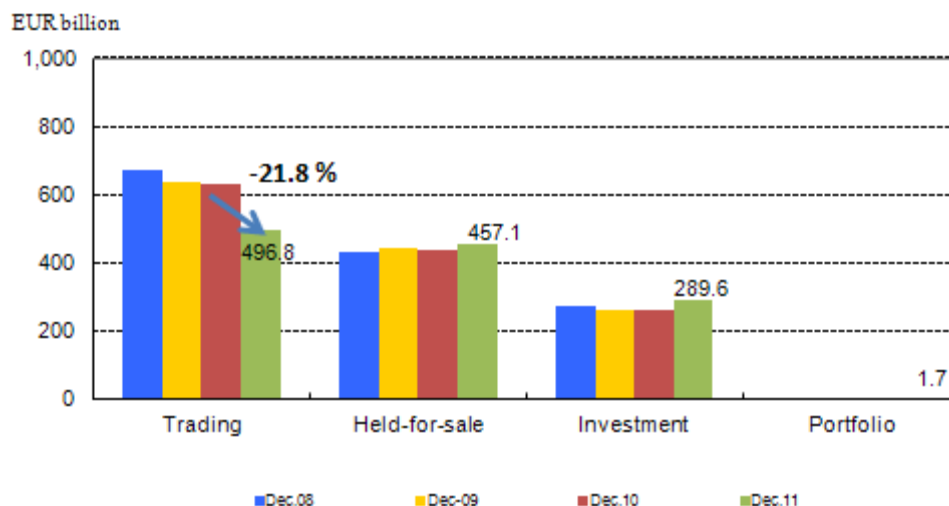


Source : ACP General Secretariat.

Securities portfolios

The trading portfolio posted a marked decrease while it increased in the large groups. This can be attributed to differences in definition depending on accounting standards, financial assets for consolidated data and only securities for parent-company data, but also to differences in strategy depending on bank size.

Credit institutions' securities portfolios (all institutions and activities)

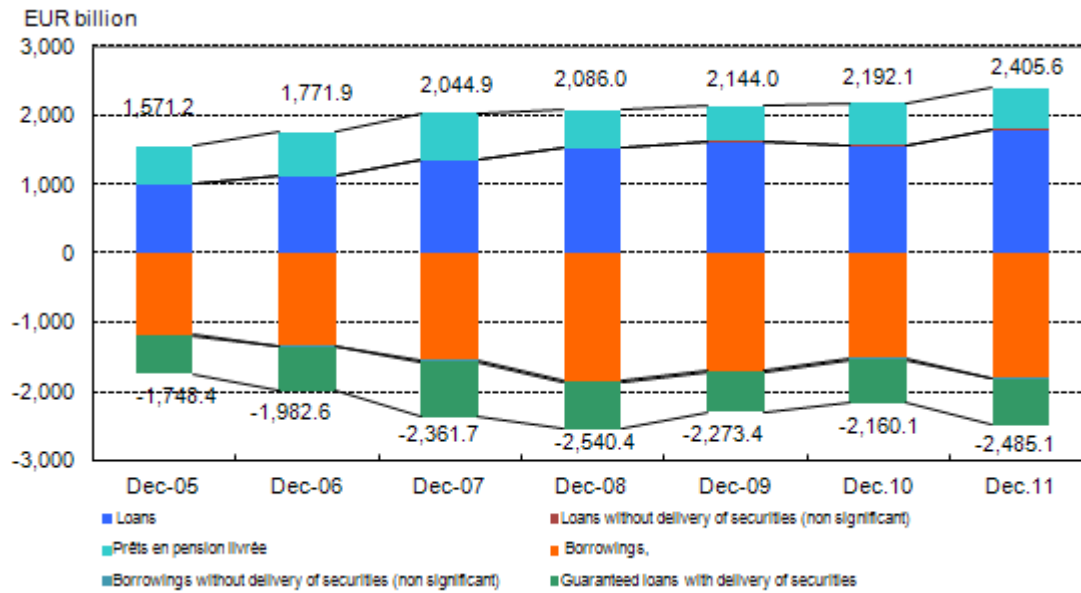


Source: ACP General Secretariat.

Interbank transactions

Interbank transactions grew on both the assets and liabilities sides.

Interbank transactions (all institutions and activities)

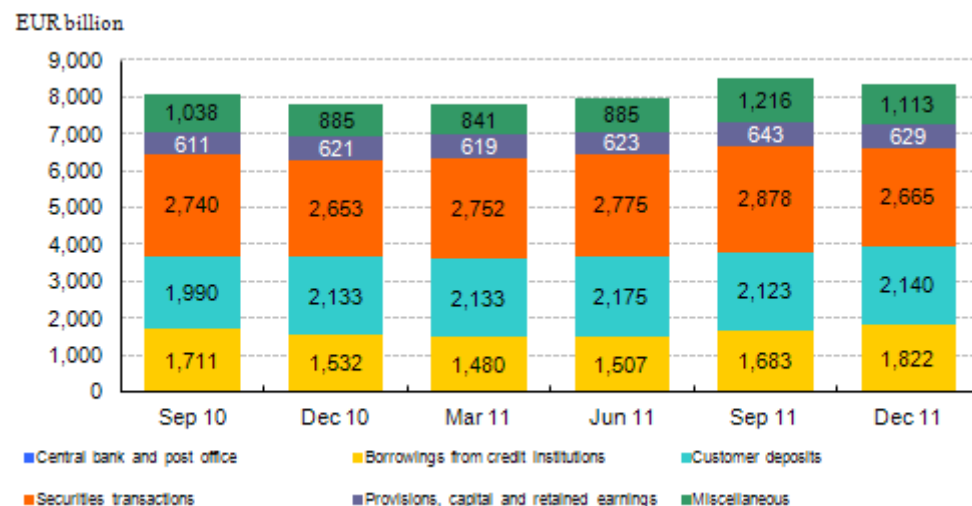


Source: ACP General Secretariat.

b. Liability components

In 2011, borrowings from credit institutions were up by close to 19%, while customer deposits inched up by 0.5%.

Liability components (all institutions and activities)

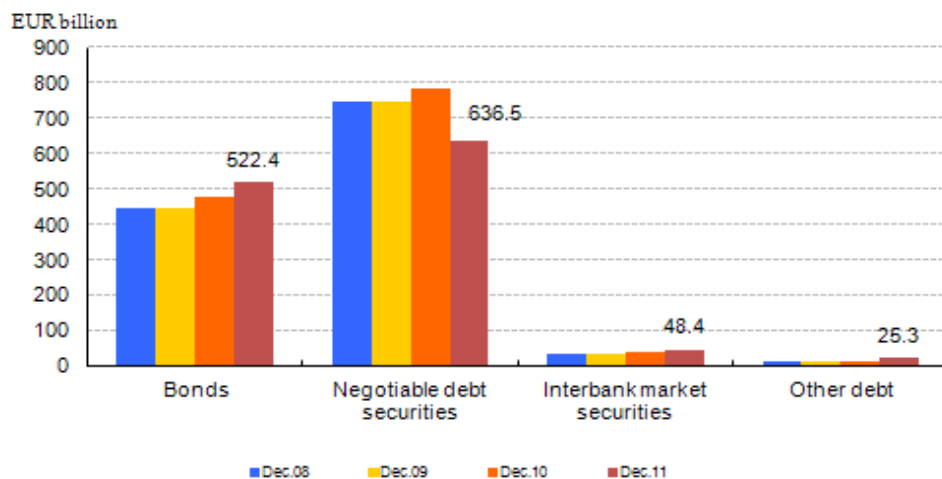


Source: ACP General Secretariat.

Credit institutions started to change the structure of their liabilities by cutting back on negotiable debt securities (- 19.1% between end-2010 and end-2011) and by securing longer-term refinancing.

Debt evidenced by a certificate

(all institutions, business in metropolitan France)

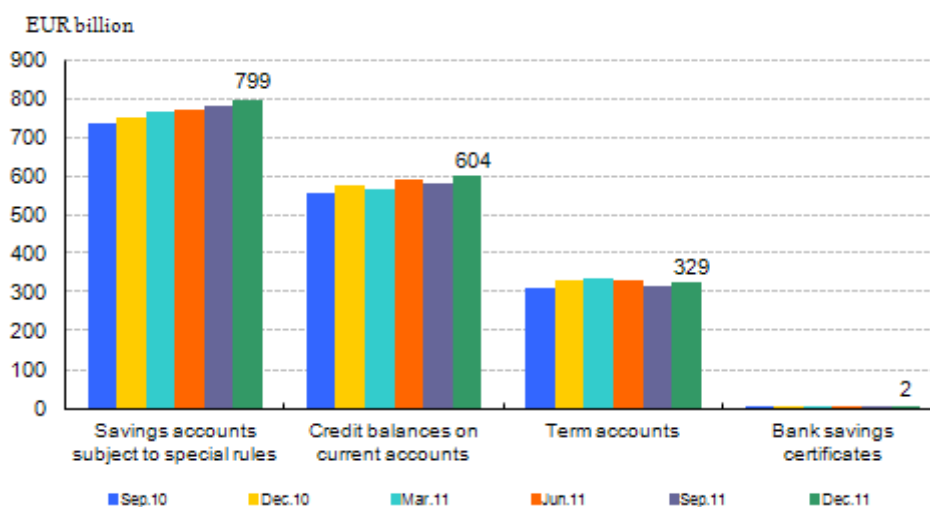


Source: ACP General Secretariat.

The collection of interest-bearing deposits⁸ has increased since the start of 2011, and in particular passbook savings accounts, due to the search for readily available investments and whose after-tax interest rate is comparable to that of other financial investments.

Customer deposits

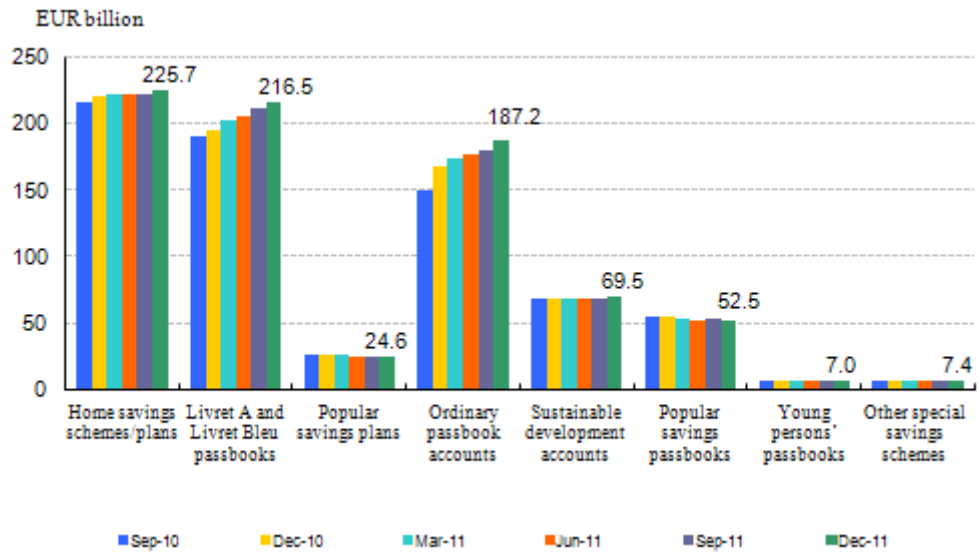
(all institutions and activities)



Source: ACP General Secretariat.

⁸ Interest bearing accounts include ordinary savings accounts, « A » passbooks, time deposits, housing savings plans, housing savings accounts, and other savings schemes.

Savings accounts subject to special rules
 (all institutions, business in metropolitan France)



Source: ACP General Secretariat.

3. Areas for vigilance

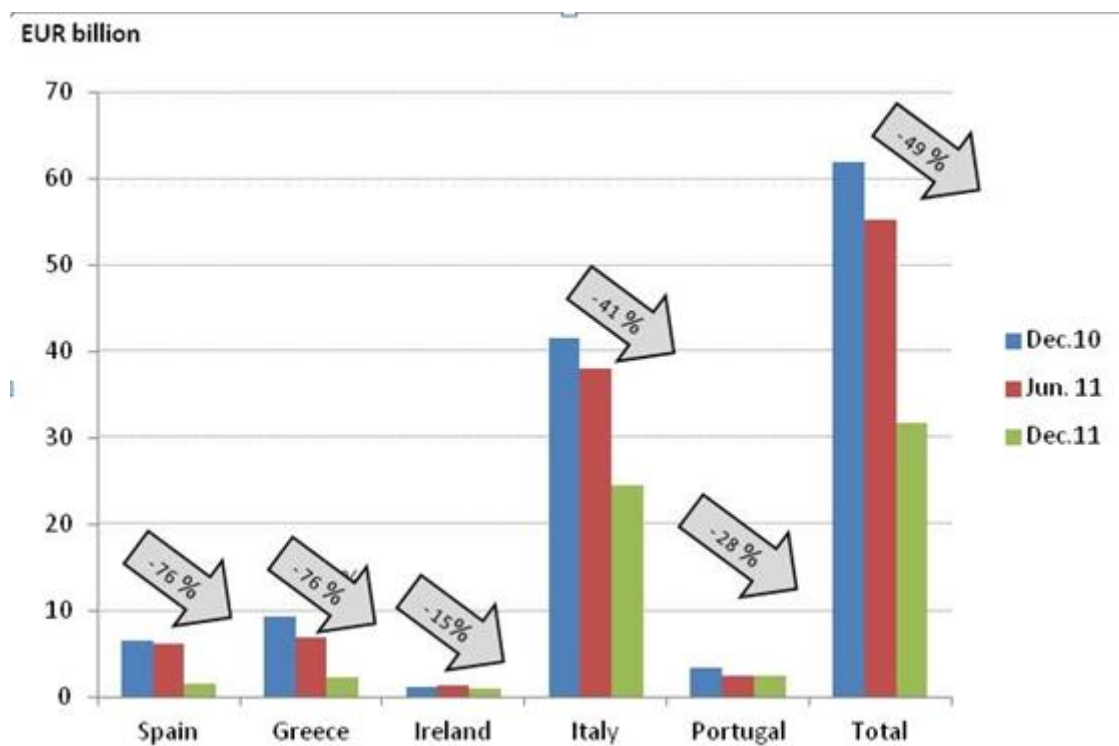
The year 2011 was marked by a number of risk factors.

3.1. Sovereign risk

The year 2011 was characterised by the escalation of the euro area sovereign debt crisis and its intensification as of summer 2011. For Spain, Greece, Ireland, Italy and Portugal, this resulted in strong upward pressure on bond yields.

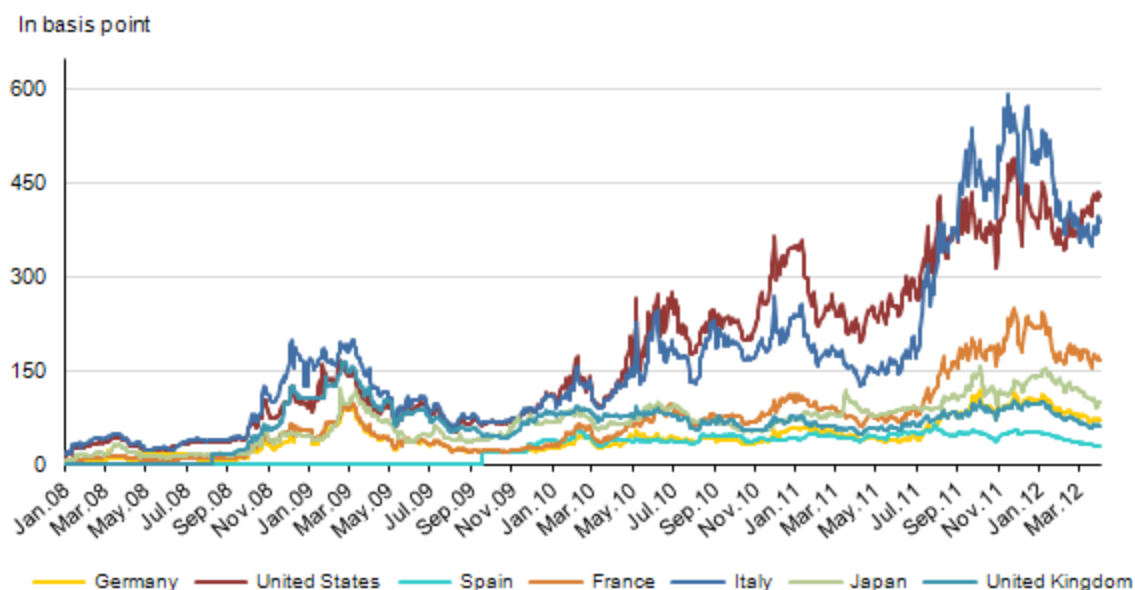
At the same time, banks' refinancing costs rose and markets increased their pressure on banks due to their sovereign debt exposures to these countries, in particular Greece. Against this backdrop and with the involvement of the private sector in the Greek rescue plans, French banks steadily set aside provisions for their exposures and significantly reduced their exposure to distressed countries.

Change in sovereign exposure in the banking book



Source : Banks data (BNP Paribas, Crédit Agricole Group [GCA], Société Générale [SG], Banque Populaire Caisse d'épargne Groupe [BPCE], Crédit Mutuel Group [GCM]).

5-year CDS premia



Source: Bloomberg.

After a convergence of Credit Default Swap (CDS) spreads on sovereign debt at the start of 2011, the difficulties experienced by Greece (second rescue plan in July 2011), Standard & Poor's downgrade of the United States' AAA rating on 5 August 2011, market pressures led to a further widening of CDS spreads. At their peak in 2011, Spanish and Italian CDS spreads reached almost 400 and 500 basis points over the German Bund. The CDS spread on French debt also rose, to a lesser extent, before falling back after Standard & Poor's lowered France's rating by one notch in early January 2012.

BRIEFING

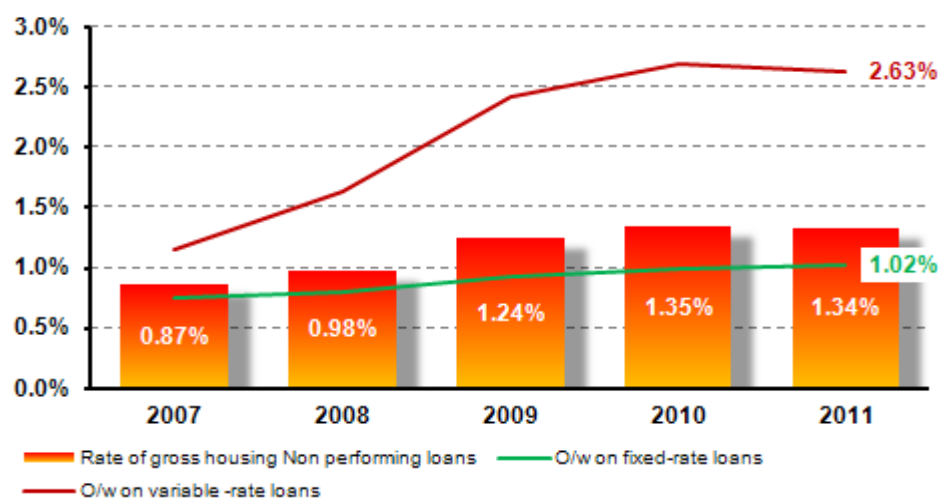
A Credit Default Swap (CDS) is a contract allowing an economic agent to obtain protection against the risk of non-repayment of a loan. The agent pays a third party a regular premium and will receive in exchange a pre-agreed sum if the borrower defaults.

A 100 basis point premium corresponds to a cost of protection of 1% of the notional amount of the credit: to insure EUR 10 million of debt, it would cost EUR 100,000 for a premium of 100 basis points.

3.2. Property risk

Housing loans continued to account for the bulk of customer loans. Their share in overall loans granted in metropolitan France even increased between 2010 and 2011, from 44.6% to 46.2%, to stand at almost EUR 1,050 billion (aggregated data from companies). Against this backdrop, a real estate shock, coupled with deterioration in the economic environment impacting a growing number of borrowers, constitutes one of the main risks to French credit institutions. The almost continuous rise in house prices over the past 15 years in France and the bursting of several speculative bubbles in other countries has led the French authorities to step up the monitoring of the risks in this sector. The ACP General Secretariat, which conducts among the main market players an annual survey on the production and stock of residential housing loans, has thus enhanced its analysis of the sector through the monthly monitoring of the credit standards for new loans as of October 2011¹¹. Despite the fact that the exposure of the main market players remains high, their property risk appears moderate; only a few small market participants, operating in specific segments, display a riskier profile. In this context, housing loan delinquency remains contained, even though it has increased somewhat since 2007 due to variable rate loans.

Changes in non performing loans



Source: 2011 SGACP annual survey on the production and stock of residential housing loans.

The tougher tax treatment of rental property investment, the increase in the holding period for capital gains exemption on the sale of second homes and the restrictions on standards for granting interest-free loans have considerably reduced loan production volumes since February 2012. At the same time, the housing market is showing clear signs of a slowdown. In the absence of an improvement in economic conditions, the ACP General Secretariat nonetheless intends to remain particularly vigilant as to changes in the risks related to housing loans.

11. The results of the 2011 annual survey on housing loans and loan production indicators at end-March 2012 are available at : http://www.acp.banque-france.fr/fileadmin/user_upload/acp/publications/analyses-syntheses/20120709-enquete-financement-habitat-2011.pdf

3.3. Liquidity risk

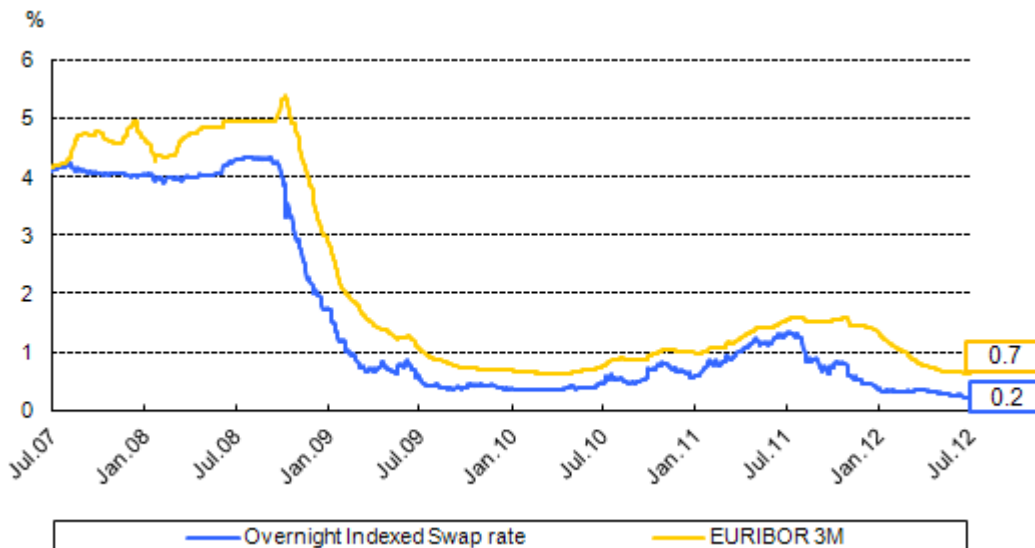
As a result of the link between sovereign risk and bank risk, the spread of the euro area sovereign debt crisis has led to a general deterioration in banking system financing conditions, particularly as of the second half of 2011. The intervention of the European Central Bank, in December 2011 and in February 2012, through its three-year refinancing operations, nevertheless considerably eased the liquidity constraints of euro area banks.

The spread between the Overnight Indexed Swap rate (OIS) and the 3-month Euribor narrowed compared to that observed at end-2011, and conditions on the interbank market improved following the ECB operations.

BRIEFING

The Overnight Indexed Swap Rate (OIS) is the overnight financing rate on the interbank market, while the 3-month Euribor is the rate for uncollateralised financing up to three months.

Three-month Euribor and overnight financing rate on the European interbank market

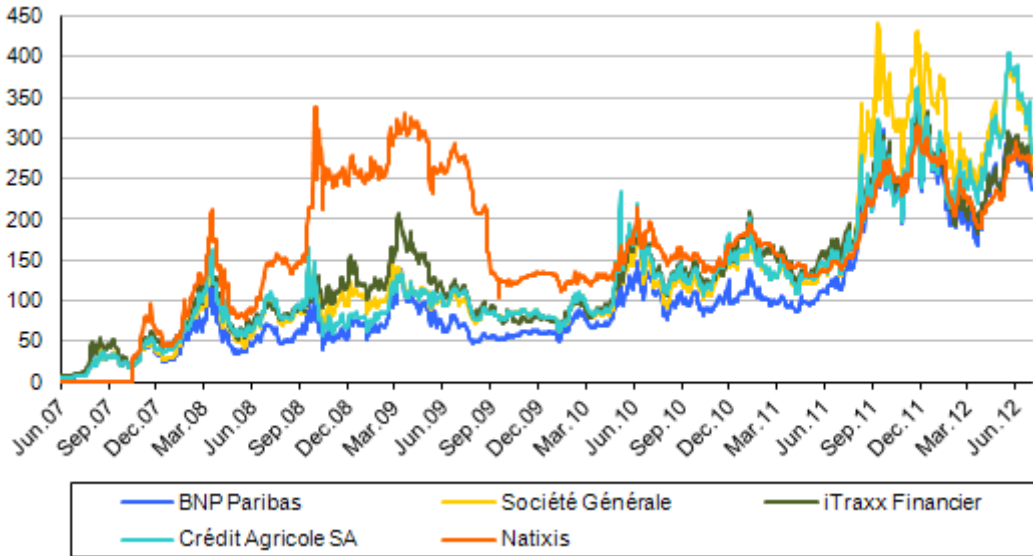


Source: Bloomberg.

CDS spreads for French banks, which influence banks' refinancing costs, have reflected sovereign debt crisis developments in that the international nature of the major French groups has led them to be exposed to markets such as Greece, Spain and Italy, which are the focus of investor concerns.

CDS spreads – 5-year senior debt

In basis point

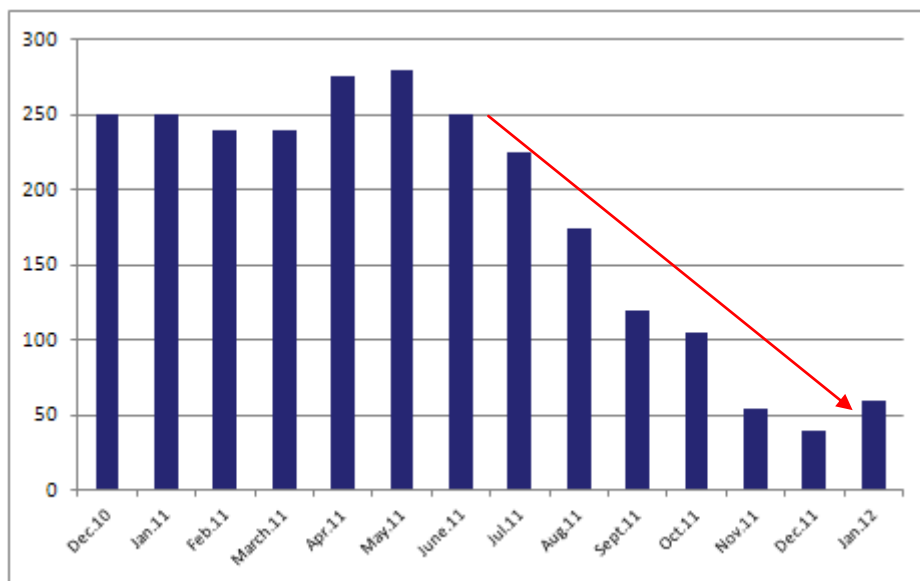


Source: Bloomberg.

Summer 2011 was marked in particular by dollar funding constraints that made French banks adjust their financing structure. For instance, in order to address the massive, sudden withdrawals of dollar funding by US money market funds (reduction of USD 240 billion), French banks implemented programmes to cut their dollar funding requirements which had largely been achieved by end-December 2011.

Exposure of money market funds to French banks (in billions of dollars)

USD billion



Source: ACP General Secretariat.

Reduction in liquidity needs

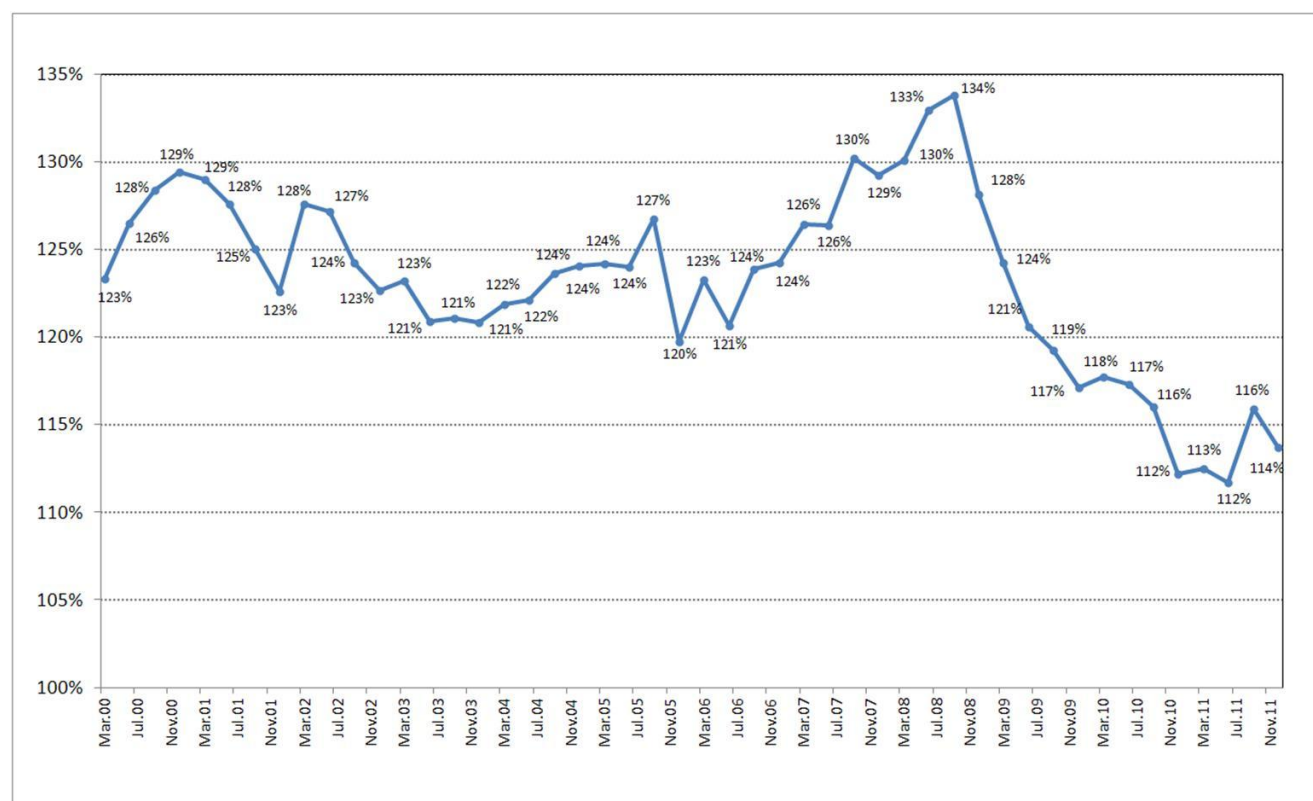
	Objectives	Date	Achieved June/Dec. 2011
BNPP	USD -65 billion	2012	USD -57 billion
SG	USD -50 billion	2013	USD -55 billion
GCA	EUR -50 billion	2012	EUR-21 billion
BPCE	EUR-25/35 billion	2013	EUR-11 billion

Source: data published by institutions, estimates specific to credit institutions.

In order to address interbank market stress, credit institutions also stepped up their deposit-taking. Outstanding customer deposits increased more rapidly than loans, with a decline in the loan/deposit ratio.

Loan/deposit ratio for the whole banking sector

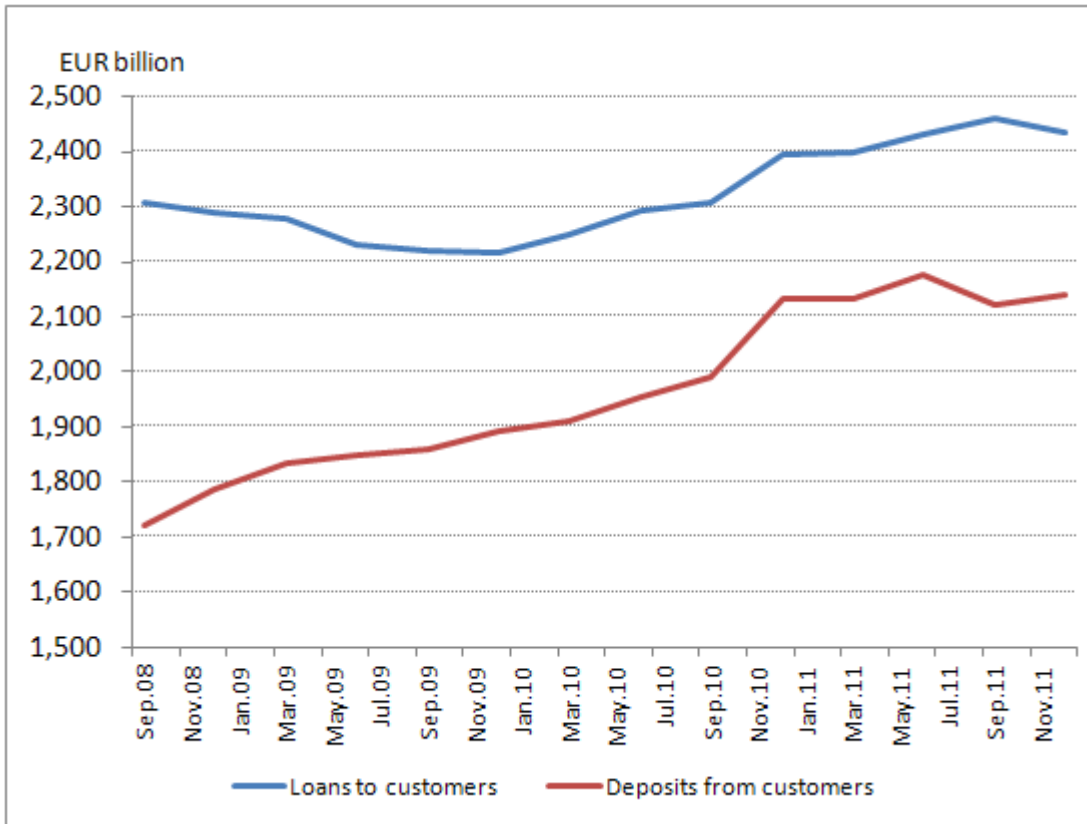
(aggregated parent-company data all institutions)



Source: ACP General Secretariat

A loan/deposit ratio of over 100% means that loans are not funded by sufficient deposit-taking. Business cycle effects can be observed, reflecting the formation and bursting of bubbles. For instance, after reaching 134% in September 2008, before the collapse of Lehman Brothers, the loan/deposit ratio then steadily returned to normal to stand at close to 100%. This normalisation is more attributable to the increase in deposit-taking than a reduction in lending. After falling at the height of the crisis, customer lending strengthened again as of early 2010.

Changes in loans



Source: ACP General Secretariat.



4. APPENDICES

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Appendix 1

Business data

EUR billions	2009	2010	2011	Change 2011/2010 (%)
Balance sheet total	7,508	7,832	8,349	6.6%
Customer loans	2,218	2,394	2,434	1.7%
Securities portfolio	2,224	2,303	2,252	-2.2%
o/w trading securities	636	636	497	-21.8%
Customer deposits	1,893	2,134	2,140	0.3%
o/w sight deposits	524	578	604	4.5%
o/w savings accounts subject to special rules	729	755	799	5.8%
Positions on financial futures (*)	83,284	91,293	95,922	5.1%

*These notional outstandings constitute an indicator of the trading volumes on these markets, but do not reflect the risks taken.
Source: ACP General Secretariat.

Appendix 2

Earnings data

EUR billions	2009	2010	2011	Change 2011/2010 (%)
Net banking income	113.3	106.2	107.5	1.3%
Structural expenses	68.3	68.5	70.5	3.0%
Gross operating income	45.1	37.7	37.0	-1.8%
Net allocations to provisions and loan losses	14.5	8.8	11.6	32.0%
Operating income	28.0	27.8	22.7	-18.3%
PRE-TAX OPERATING INCOME	25.5	25.3	12.3	-51.4%
NET INCOME	20.3	25.2	10.8	-57.1%

Source: ACP General Secretariat.

Appendix 3

Summary of the main ratios relating to business and earnings

(%)	2009	2010	2011
Average cost of customer deposits	1.95	1.34	1.62
Average return on customer loans	4.65	3.55	3.59
Overall banking margin	1.18	1.03	1.02
Cost-to-income ratio	60.2	64.5	65.5
Return on equity	6.0	7.0	2.9

NB: Data are compiled for Metropolitan France. All ratios, except the cost-income ratio, are calculated on the basis of average capital.
Source: ACP General Secretariat

Appendix 4

Aggregate financial position of credit institutions (All institutions and activities)

EUR billions	2009	2010	2011	Change 2011/2010	
				Amount	%
Assets					
CASH IN HAND, BALANCES WITH CENTRAL BANKS AND POST OFFICE BANKS	95.79	99.22	144.97	45.75	46.1
LOANS TO CREDIT INSTITUTIONS	1,630.72	1,585.16	1,812.68	227.52	14.4
. current accounts	241.43	213.30	211.84	- 1.46	- 0.7
. deposits and loans	1,123.84	1,088.65	1,282.04	193.39	17.8
. securities bought under repurchase agreements	10.23	14.62	16.38	1.76	12.1
. other loans	255.22	268.59	302.42	33.83	12.6
CUSTOMER LOANS	2,218.19	2,393.24	2,433.68	40.44	1.7
. loans to non-financial customers	1,968.72	2,075.91	2,142.57	66.67	3.2
. loans to financial customers	132.30	183.00	155.93	- 27.07	- 14.8
. securities bought under repurchase agreements	0.22	0.20	1.14	0.94	470.3
. overdrafts	65.20	81.12	80.24	- 0.88	- 1.1
. non-performing loans	37.00	38.59	38.14	- 0.46	- 1.2
. other credits	14.75	14.42	15.67	1.25	8.6
SECURITIES TRANSACTIONS	2,223.98	2,303.08	2,251.50	- 51.58	- 2.2
. securities bought under repurchase agreements	513.23	607.79	592.27	- 15.52	- 2.6
. trading securities	635.72	635.68	496.82	- 138.85	- 21.8
. securities held for sale	444.54	439.55	457.13	17.58	4.0
. portfolio securities	2.32	2.02	1.66	- 0.36	- 17.8
. investment securities	265.35	261.63	289.60	27.97	10.7
. other transactions	362.81	356.42	414.02	57.60	16.2
FIXED ASSETS	481.37	495.75	490.80	- 4.96	- 1.0
. subordinated loans	44.01	44.74	43.50	- 1.24	- 2.8
. shares in affiliated entities	317.31	331.97	326.43	- 5.54	- 1.7
. fixed assets	28.56	29.02	29.16	0.14	0.5
. financial and operating leases	88.39	87.47	89.09	1.62	1.8
. other assets	3.11	2.55	2.61	0.06	2.4
MISCELLANEOUS	858.05	953.49	1,215.53	262.05	27.5
TOTAL ASSETS	7,508.10	7,829.94	8,349.17	519.23	6.6

Source: ACP General Secretariat.

Appendix 4 (Cont.)

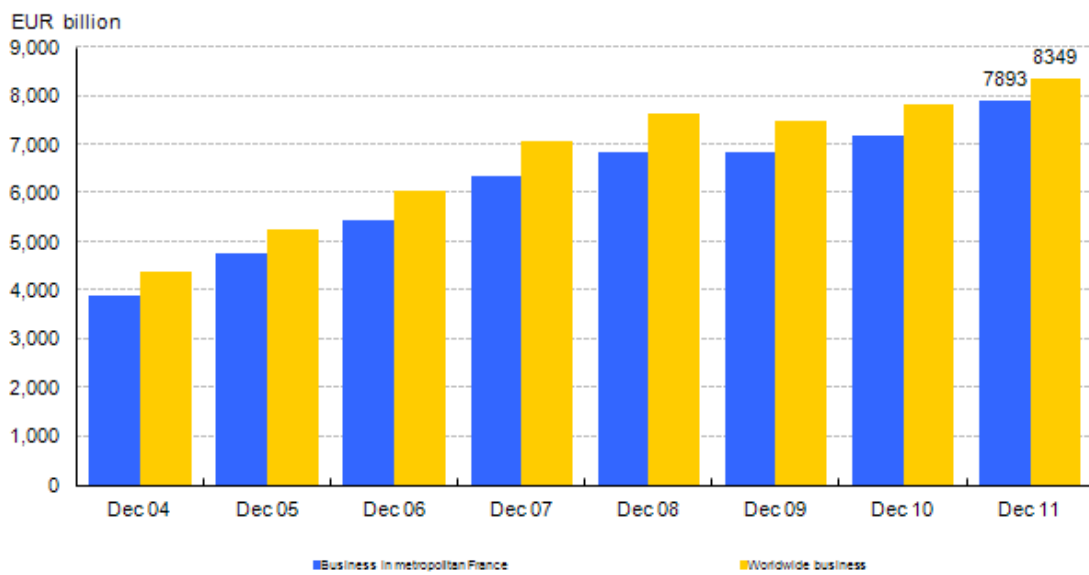
Aggregate financial position of credit institutions (All institutions and activities)

EUR billions	2009	2010	2011	Change 2011/2010	
				Amount	%
LIABILITIES					
CENTRAL BANKS AND POST OFFICE BANKS	18.75	5.92	1.83	-4.09	-69.1
BORROWING FROM CREDIT INSTITUTIONS	1,717.18	1,531.70	1,821.98	290.27	19.0
. credit balances on current accounts	100.62	103.10	103.26	0.16	0.2
. due to banks	1,320.99	1,126.64	1,390.83	264.20	23.5
. securities sold under repurchase agreements	24.07	29.63	27.60	-2.03	-6.9
. other borrowing	271.50	272.33	300.28	27.95	10.3
FUNDS OWED TO CUSTOMERS	1,893.42	2,133.50	2,139.93	6.43	0.3
. borrowing from financial customers	307.36	433.54	374.87	-58.67	-13.5
. securities sold under repurchase agreements	1.32	2.89	0.58	-2.31	-80.1
. credit balances on current accounts	523.50	578.54	604.33	25.79	4.5
. savings accounts subject to special rules	728.56	755.33	799.26	43.93	5.8
. credit balances on term accounts	302.38	332.08	329.00	-3.09	-0.9
. certificates of deposit and savings certificates	1.89	2.21	2.30	0.09	4.2
. other liabilities	28.41	28.92	29.61	0.69	2.4
SECURITIES TRANSACTIONS	2,506.66	2,652.56	2,664.90	12.34	0.5
. securities sold under repurchase agreements	580.28	630.34	663.86	33.52	5.3
. debts evidenced by a certificate	1,249.43	1,320.05	1,232.53	-87.51	-6.6
o/w: . money market securities	751.39	787.14	636.51	-150.63	-19.1
. bonds	446.57	478.56	522.39	43.82	9.2
. other transactions	676.94	702.17	768.50	66.33	9.4
PROVISIONS, SHAREHOLDERS' EQUITY	562.69	583.50	590.12	6.61	1.1
. grants and public funding	4.81	6.33	6.71	0.37	5.9
. sundry provisions and mutual guarantee deposits	72.33	83.78	96.01	12.23	14.6
. subordinated debt	176.82	172.14	153.81	-18.33	-10.6
. equity capital, reserves and fund for general banking risks	308.74	321.25	333.59	12.34	3.8
RETAINED EARNINGS/LOSSES	32.14	37.35	39.23	1.88	5.0
MISCELLANEOUS	777.26	885.41	1,091.19	205.77	23.2
TOTAL LIABILITIES	7,508.10	7,829.94	8,349.17	519.23	6.6

Source: ACP General Secretariat.

Appendix 5

Change in the aggregate position Business in metropolitan France – All activities



Source: ACP General Secretariat.

Appendix 6

Off-balance sheet commitments of credit institutions (All institutions and activities)

EUR billions	2009	2010	2011	Change 2011/2010	
				Amount	%
FINANCING COMMITMENTS					
Given:					
- to credit institutions	158.99	189.47	157.66	- 31.81	- 16.8
- to customers	770.09	849.29	792.60	- 56.69	- 6.7
Received:					
- from credit institutions	395.84	482.99	432.31	- 50.68	- 10.5
- from customers	32.07	56.70	39.77	- 16.93	- 29.9
GUARANTEE COMMITMENTS					
Given:					
- to credit institutions	379.25	412.07	439.94	27.87	6.8
- to customers	616.80	663.27	668.85	5.58	0.8
Received:					
- from credit institutions	462.69	471.86	557.42	85.55	18.1
- from customers	531.25	589.21	655.94	66.73	11.3
COMMITMENTS ON SECURITIES					
Securities to be received	190.58	220.27	184.98	- 35.29	- 16.0
o/w securities sold with a repurchase option	0.00	0.00	0.00	0.00	-
Securities to be delivered	192.27	220.41	188.48	- 31.93	- 14.5
o/w securities bought with a repurchase option	0.10	0.12	0.12	0.00	- 0.8
CURRENCY TRANSACTIONS					
Currencies to be received	5,094.75	5,844.34	6,071.95	227.61	3.9
Currencies to be delivered	4,539.09	5,852.64	6,060.34	207.70	3.5
COMMITMENTS IN RESPECT OF FORWARD FINANCIAL INSTRUMENTS					
o/w:					
Transactions in interest rate instruments	73,172.83	80,214.56	84,739.47	4,524.91	5.6
Transactions in currency instruments	2,404.70	3,087.03	3,261.37	174.34	5.6
Transactions in other instruments	7,706.22	7,991.14	7,921.59	- 69.55	- 0.9

Source: ACP General Secretariat.

Appendix 7

Lending to the economy

(All institutions - business in metropolitan France)

31 December 2011	Non-financial corporations	Sole proprietors	Individuals	Insurance Companies	General government	Private non-profit entities	Non-residents	Total	Annual change (%)
TRADE RECEIVABLES	14.11	0.13	0.00	0.00	1.51	0.13	9.51	25.38	6.9
EXPORT CREDITS	4.49	0.00	0.00	0.00	0.01	0.00	33.85	38.35	11.5
CASH LOANS	116.65	8.31	128.78	2.78	8.56	0.42	65.78	331.27	-0.9
EQUIPMENT LOANS	282.44	35.28	0.00	0.84	161.44	10.49	47.88	538.37	6.0
HOUSING LOANS	101.19	86.15	729.44	0.22	2.24	1.75	20.51	941.49	6.0
OTHER CREDITS	61.02	1.04	2.59	1.55	4.94	0.39	19.85	91.38	6.0
OVERDRAFTS	33.17	1.56	7.28	1.72	1.88	1.16	7.92	54.69	4.1
CONSUMER LEASES AND SIMILAR OPERATIONS	61.20	2.97	5.07	0.09	2.61	0.75	3.20	75.89	3.2
SUBORDINATED LOANS	3.49	0.01	0.00	3.82	0.00	0.00	0.85	8.17	-3.5
GRAND TOTAL	677.76	135.45	873.15	11.02	183.19	15.08	209.33	2, 104.99	4.8
RELATIVE SHARES OF ECONOMIC AGENTS (%)	32.2	6.4	41.5	0.5	8.7	0.7	9.9	100.0	
ANNUAL CHANGE (%)	4.5	2.0	5.3	30.5	0.4	8.2	7.2	4.7	

Source: ACP General Secretariat.

Appendix 8

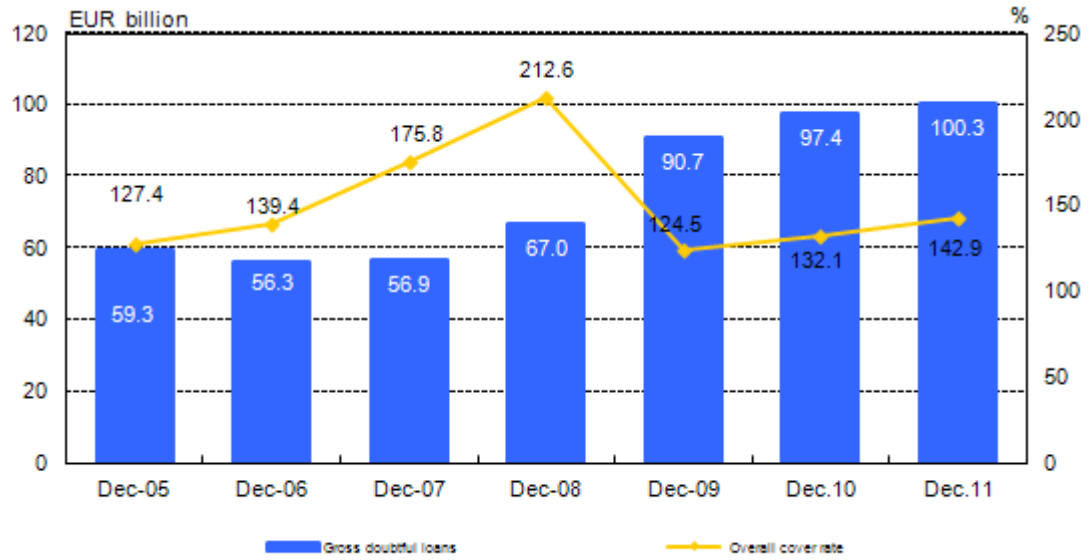
Funds received from customers (All institutions - business in metropolitan France)

Euro billions	2010				2011				Annual change (%)
	Residents	Non-residents	TOTAL	% of structure	Residents	Non-residents	TOTAL	% of structure	
BORROWING FROM FINANCIAL CUSTOMERS	164.87	175.61	340.48	18.4	212.28	120.41	332.69	17.0	- 2.3
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	0.17	0.00	0.17	0.0	0.00	0.00	0.00	0.0	-
CREDIT BALANCES ON CURRENT ACCOUNTS	479.46	36.36	515.83	27.9	516.23	38.13	554.37	28.3	7.5
FACTORING ACCOUNTS	7.30	0.76	8.05	0.4	7.74	0.57	8.31	0.4	3.2
COLLATERAL DEPOSITS	4.75	3.35	8.10	0.4	5.59	2.62	8.21	0.4	1.3
SAVINGS ACCOUNTS SUBJECT TO SPECIAL RULES	736.76	11.06	747.81	40.5	777.89	12.56	790.45	40.4	5.7
o/w: - ordinary passbooks	161.08	6.48	167.57	9.1	179.81	7.36	187.18	9.6	11.7
- Livret A and Livret Bleu passbooks	193.66	1.39	195.05	10.6	214.67	1.80	216.47	11.1	11.0
- Young persons' passbooks	7.05	0.01	7.06	0.4	7.00	0.01	7.01	0.4	- 0.6
- People's savings passbooks	54.34	0.02	54.36	2.9	52.44	0.02	52.46	2.7	- 3.5
- Sustainable development passbooks	67.95	0.12	68.07	3.7	69.37	0.13	69.50	3.6	2.1
- HOME SAVINGS SCHEMES/ACCOUNTS	218.28	2.78	221.05	12.0	222.71	2.99	225.70	11.5	2.1
- POPULAR SAVINGS SCHEMES	26.30	0.24	26.54	1.4	24.39	0.22	24.61	1.3	- 7.3
- Other savings accounts subject to special rules	7.09	0.01	7.10	0.4	7.36	0.01	7.36	0.4	3.7
CREDIT BALANCES ON TERM ACCOUNTS	157.33	55.77	213.10	11.5	198.35	49.20	247.55	12.7	16.2
CERTIFICATES OF DEPOSIT AND SAVINGS CERTIFICATES	2.16	0.00	2.17	0.1	2.27	0.00	2.27	0.1	5.0
OTHER AMOUNTS DUE	4.79	0.23	5.02	0.3	4.62	0.20	4.81	0.2	- 4.0
ACCRUED INTEREST PAYABLE	5.66	0.76	6.41	0.3	6.63	0.65	7.27	0.4	13.4
TOTAL	1,563.25	283.89	1,847.14	100.0	1,731.58	224.27	1,955.85	100.0	5.9

Source: ACP General Secretariat.

Appendix 9

Total provisioning rate of non-performing loans (All institutions and activities)



Source: ACP General Secretariat.

Total provisioning includes specific provisions and general provisions.

Appendix 10

Aggregate income statement of credit institutions (All institutions and activities)

EUR billions	Metropolitan France				Aggregate activity			
	2009	2010	2011	Change 2011/2010 (%)	2009	2010	2011	Change 2011/2010 (%)
NET BANK OPERATING INCOME (1)	94.58	89.07	90.88	2.0	109.45	103.12	102.70	- 0.4
· money market and interbank transactions	4.18	3.18	5.68	78.5	5.71	3.90	6.29	61.4
· customer transactions	59.46	61.20	59.52	- 2.7	66.62	66.95	66.08	- 1.3
· securities transactions (2)	21.56	8.94	- 22.10	-	26.25	10.75	- 24.76	-
o/w repurchase agreements	- 0.85	- 1.46	- 0.73	- 150.3	- 1.12	- 1.69	- 1.01	- 159.7
· leasing transactions	4.06	3.71	4.02	8.3	4.35	4.12	4.41	6.9
· off-balance sheet transactions	- 26.23	- 13.93	13.30	-	- 28.55	- 13.63	18.95	-
· financial services	14.74	14.96	15.36	2.7	15.79	15.92	17.07	7.2
· other operating revenue	16.81	11.00	15.10	37.2	19.29	15.11	14.66	- 3.0
NET ANCILLARY AND MISCELLANEOUS INCOME	3.65	3.62	4.79	32.5	3.89	3.73	4.82	29.3
NET BANKING INCOME (1)	98.22	92.68	95.67	3.2	113.34	106.85	107.52	0.6
OVERHEADS	58.04	58.54	59.71	2.0	65.03	65.78	67.27	2.3
· personnel	32.71	32.91	33.02	0.3	37.36	37.51	37.56	0.1
· other overheads	25.34	25.63	26.69	4.1	27.68	28.27	29.71	5.1
Depreciation and provisions for tangible and intangible fixed assets	2.94	2.79	2.94	5.5	3.23	3.07	3.21	4.4
GROSS OPERATING INCOME	37.25	31.35	33.02	5.3	45.08	38.00	37.04	- 2.5
Net allocations to provisions and loan losses (3)	11.30	7.66	10.56	37.8	14.53	8.95	11.65	30.2
Net allocations to provisions for risks and liabilities	2.18	1.19	2.26	89.7	2.58	1.05	2.68	154.8
OPERATING INCOME	23.77	22.50	20.20	- 10.2	27.97	28.00	22.72	- 18.9
Net capital gains on fixed assets	- 4.17	- 2.23	- 10.26	- 559.6	- 2.46	- 2.45	- 10.43	- 524.9
PRETAX OPERATING INCOME	19.61	20.26	9.94	- 51.0	25.50	25.55	12.29	- 51.9
NET INCOME	15.87	21.25	9.51	- 55.3	20.33	25.29	10.80	- 57.3

(1) Excluding interest on non-performing loans.

(2) Including allocations to provisions for impairment of securities held for sale and portfolio securities.

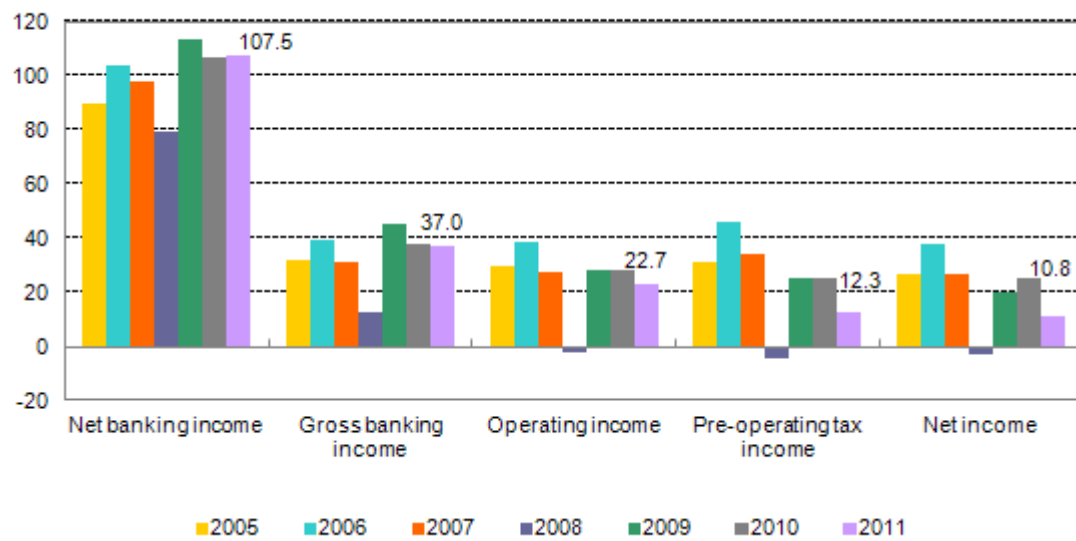
(3) Including interest on non-performing loans.

Source: ACP General Secretariat.

Appendix 11

Intermediate operating totals (All institutions and activities)

EUR billion

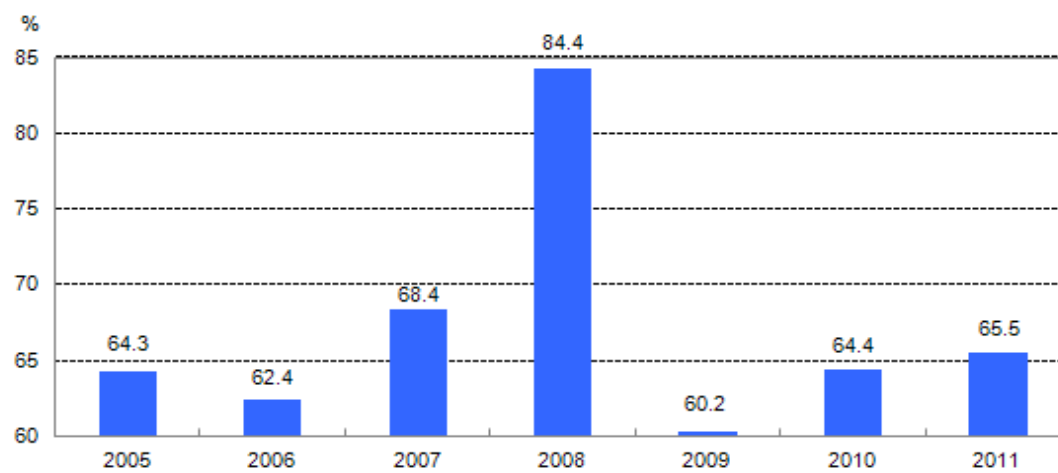


Source: ACP General Secretariat.

Appendix 12

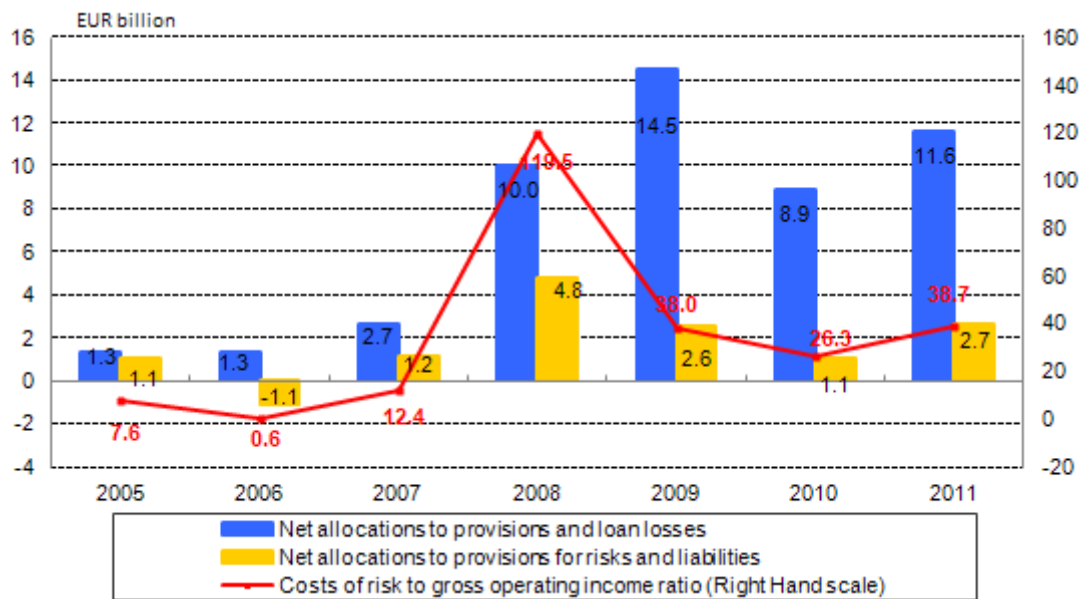
Cost-to-income ratio

(All institutions and activities)



Source: ACP General Secretariat.

Appendix 13
Provisions to gross operating income ratio
(All institutions and activities)



Source: ACP General Secretariat.

Appendix 14

Average costs and returns (All institutions – business in Metropolitan France)

%	2009	2010	2011
1. Customer transactions			
Average cost of borrowing (including money market securities)	1.95	1.34	1.62
Average return on loans	4.65	3.55	3.59
2. Securities transactions			
Debt securities (other than money market securities)	3.14	1.75	1.64
Subordinated debt	4.63	3.62	3.84
Return on securities portfolio	5.42	3.15	1.60
3. Money market transactions			
Average cost of borrowing	2.76	1.58	1.78
Average return on loans	3.19	1.68	1.88
4. Overall banking margin			
	1.18	1.03	1.02

Source: ACP General Secretariat.

Appendix 15

Aggregate financial situation of investment firms (All activity)

EUR billions	2009	2010	2011	Change (%)
ASSETS				
Money market and interbank market transactions	50.06	57.60	68.71	19.3
Customer transactions	0.40	0.53	0.49	- 6.6
Securities and other transactions	288.50	290.93	229.19	- 21.2
Trading securities	103.68	124.81	60.44	- 51.6
. Options bought	93.46	77.01	74.79	- 2.9
. Securities held for sale and portfolio securities	19.29	19.90	17.70	- 11.1
. investment securities	0.02	0.00	0.00	-
. Securities bought under repurchase agreements	7.26	7.45	7.52	0.9
. Trading and settlement accounts	4.34	4.27	2.01	- 52.9
. Sundry debtors	13.66	8.63	15.16	75.8
. Accruals and deferred income	44.70	47.40	50.36	6.2
. Non-performing assets and accruals	2.08	1.46	1.21	- 17.5
Capital assets	0.58	0.61	0.70	15.3
. Subordinated loans	0.01	0.01	0.01	4.8
. Shares in affiliated entities	0.27	0.28	0.34	20.0
. Net fixed assets	0.29	0.32	0.36	12.0
. Non-performing assets and accruals	0.00	0.00	0.00	- 31.1
Shareholders and partners	0.00	0.00	0.00	- 100.0
TOTAL ASSETS	339.54	349.66	299.10	- 14.5
LIABILITIES				
Money market and interbank market transactions	83.55	103.85	75.20	- 27.6
Credit balances on customer accounts	1.91	1.46	2.01	37.7
Securities and other transactions	243.59	232.03	206.87	- 10.8
Securities transactions	33.20	28.88	17.62	- 39.0
Options sold	124.10	111.64	104.95	- 6.0
. Debts evidenced by a certificate	14.90	17.98	22.17	23.3
<i>o/w: . money market securities</i>	12.28	16.11	20.70	28.5
. bonds	2.62	1.86	1.47	- 21.1
. Trading and settlement accounts	5.44	4.00	2.69	- 32.7
. Securities sold under repurchase agreements	31.52	28.82	20.43	- 29.1
. Sundry creditors	4.24	4.49	7.81	73.9
. Accruals and deferred expenses	30.09	36.12	31.08	- 13.9
. Accrued interest payable	0.11	0.11	0.11	- 0.2
Provisions, shareholders' equity	9.80	11.15	13.91	24.7
. Subordinated debt	0.30	0.26	0.52	95.7
. Provisions	7.68	9.34	11.53	23.4
. Premiums related to capital stock and reserves	0.61	0.53	0.58	11.1
. Capital	1.22	1.01	1.27	25.6
RETAINED EARNINGS/LOSSES (+/-)	0.24	0.61	0.51	- 15.2
Excess of income/loss over charges (+/-)	0.44	0.57	0.61	7.2
TOTAL LIABILITIES	339.54	349.66	299.10	- 14.5

EUR billions	2009	2010	2011	Change (%)
OFF-BALANCE SHEET				
Financing commitments				
Given	1.64	2.46	3.07	24.5
Received	13.44	14.79	16.80	13.6
Guarantee commitments				
Given	4.27	2.15	1.45	- 32.3
Received	6.39	5.73	6.37	11.1
Commitments on securities				
Securities to be received	5.38	4.25	2.92	- 31.4
Securities to be delivered	5.15	4.93	4.03	- 18.2
Currency transactions				
. Currencies to be received	18.21	44.37	51.37	15.8
. Currencies to be delivered	13.77	31.79	32.57	2.4
Commitments in respect of forward financial instruments	2, 629.48	2, 692.66	2, 884.96	7.1
Other off-balance sheet commitments	10.45	12.01	7.72	- 35.7

Source: ACP General Secretariat.

Appendix 16

Aggregate income statement of investment firms (All activity)

EUR billions	2009	2010	2011	Change 2011/2010 (%)
Money market and interbank transactions	- 0.37	0.36	0.49	37.0
. interest expense	3.82	1.66	3.39	103.8
. interest revenue	3.46	2.02	3.88	91.9
Securities transactions (propriety trading)	- 9.97	- 0.25	- 18.89	- 7 801.7
. expenses	16.02	4.00	21.46	435.9
o/w repurchase agreements	0.23	0.14	0.22	53.3
o/w bond interest	0.01	0.01	0.01	- 21.2
. revenues	6.04	3.76	2.57	- 31.6
o/w repurchase agreements	0.12	0.05	0.10	104.6
Transactions in forward financial instruments (propriety trading)	12.43	1.84	20.22	998.5
. expenses	613.63	444.78	592.25	33.2
. revenues	626.06	446.62	612.47	37.1
Financial services/expenses	1.00	1.04	1.04	0.3
. interbank transactions	0.02	0.01	0.01	40.4
. customer transactions	0.01	0.01	0.00	- 99.4
. securities transactions	0.39	0.39	0.32	- 16.6
. foreign exchange transactions	0.00	0.00	0.00	-
. commitments on securities	0.00	0.00	0.00	-
. forward financial instrument transactions	0.30	0.28	0.32	17.1
. provision of financial services	0.28	0.36	0.38	7.4
Financial services/income	1.53	1.64	1.75	6.8
. interbank transactions	0.01	0.01	0.01	- 18.9
. customer transactions	0.02	0.01	0.02	20.6
. securities transactions	0.19	0.12	0.13	1.4
. foreign exchange transactions	0.00	0.00	0.00	- 8.6
. commitments on securities	0.01	0.00	0.01	79.1
. forward financial instrument transactions	0.11	0.10	0.11	17.3
. provision of financial services	1.20	1.39	1.48	6.5
Foreign exchange transactions	0.18	- 0.07	0.13	-
. expenses (losses)	2.56	1.29	1.48	14.2
. income (gains)	2.74	1.23	1.60	30.9
income from equity interests and subordinated debt	0.08	0.12	0.07	- 39.5
expenses on subordinated loans	0.01	0.01	0.02	206.0
other bank operating income	0.15	0.06	0.07	17.0
other bank operating expenses	0.10	0.09	0.07	- 25.8
net ancillary and miscellaneous income	- 0.05	0.06	0.05	- 26.9
Net banking income	2.88	2.63	2.76	4.8

EUR billions	2009	2010	2011	Change 2011/2010 (%)
Overheads	1.89	1.87	1.84	- 1.7
. personnel	1.08	1.00	1.04	3.2
. taxes	0.06	0.05	0.05	8.6
. external services	1.01	1.01	0.92	- 9.1
. other operating expenses (rebilled expenses)	- 0.26	- 0.20	- 0.17	- 187.5
Depreciation and provisions for tangible and intangible fixed assets	0.08	0.08	0.09	2.2
Gross operating income	0.91	0.68	0.84	22.9
Net allocations to provisions and loan losses	0.05	0.03	- 0.03	-
Net allocations to provisions for risks and liabilities	0.08	- 0.10	0.05	-
Operating income	0.78	0.75	0.82	8.7
Net capital gains on fixed assets	0.01	0.03	- 0.04	-
Pre-tax operating income	0.80	0.78	0.77	- 0.2
Exceptional income	0.01	0.01	0.00	- 73.3
Exceptional expenses	0.01	0.01	0.00	- 48.4
net allocation to reserve for general banking risks	0.01	0.00	0.00	- 99.3
. Allocations to reserve for general banking risks	0.01	0.00	0.00	- 99.3
. Writebacks from reserve for general banking risks	0.00	0.00	0.00	-
Net allocations to regulatory provisions	0.00	0.00	0.00	144.1
Corporate income tax	0.34	0.16	0.13	- 14.7
Net income	0.44	0.62	0.64	3.6

Source: ACP General Secretariat.

Insurance

1. The insurance entity sector

Ongoing concentration in the insurance market

Concentration in the insurance market, which started in the mid-1990s, continued in 2011. The total number of authorised insurance entities fell from 1,129 in 2010 to 1,074 in 2011.¹² The decline in numbers primarily concerned mutual insurers governed by the Mutual Insurance Code. This movement stems mainly from competition between insurers and the increasing complexity of supplementary health insurance, which continued to prompt insurers to adjust their strategies and seek critical mass for their long-term development.

Insurance entities

Number of insurance entities	Dec. 2010	Dec. 2011
Life insurers and composite insurers	102	103
Non-life insurers	229	224
Branches in third countries	6	5
Total insurance entities	337	332
Reinsurers	20	19
Insurance Code	357	351
Provident institutions	53	51
Social Security Code	53	51
Mutual Insurers Book II	719	672
o/w substitute mutual insurers	237	219
Mutual Insurance Code	719	672
Total authorised entities and entities not requiring authorisation	1,129	1,074

Source: ACP General Secretariat.

Free provision of services by insurers in France

Freedom to provide services is one of the ways of using the EEA passport to do business in another EEA country without having a permanent establishment there. In contrast with notifications under the freedom of establishment, passporting requests under the freedom to provide services have risen steadily and significantly since 2005, climbing from 827 notifications to 1,056 in 2011. The United Kingdom is the source of around one-quarter of these notifications, Ireland is responsible for a further 13%, while other countries are less represented.

12. The total number of authorised entities or entities not requiring authorisations only includes entities authorised to issue policies.

The number of EEA insurance companies and branches of insurance companies authorised to do business in France under the freedom of establishment at 31 December 2011

Country	Free provision of services by insurers in France						
	Notifications from insurers authorised in another EEA country and branches of insurance companies authorised to freely provide services in the EEA						
	2005	2006	2007	2008	2009	2010	2011
Germany	76	78	76	78	84	90	93
Austria	18	22	24	24	27	27	28
Belgium	50	51	53	56	56	59	59
Bulgaria	0	0	1	2	2	4	4
Cyprus	0	0	0	0	0	0	0
Denmark	17	19	20	23	23	25	29
Spain	31	31	32	38	44	48	49
Estonia	2	2	3	3	4	5	5
Finland	11	11	11	11	13	15	15
Gibraltar	9	10	14	16	18	21	20
Greece	4	3	3	4	4	5	6
Hungary	5	8	9	10	10	13	13
Ireland	117	123	127	133	133	135	133
Iceland	2	3	3	3	3	2	2
Italy	53	55	54	57	59	60	57
Latvia	1	1	1	4	4	4	4
Liechtenstein	15	19	21	24	25	22	24
Lithuania	2	3	4	5	4	3	4
Luxembourg	62	63	64	68	66	65	64
Malta	1	3	6	11	17	20	22
Norway	13	13	15	16	19	20	20
Netherlands	60	62	69	70	67	66	74
Poland	3	8	9	10	11	12	14
Portugal	12	13	15	15	16	17	16
Czech Republic	6	6	8	10	9	10	11
Romania	0	0	1	1	1	1	1
United Kingdom	225	231	236	224	227	247	237
Slovakia	1	1	1	2	3	4	4
Slovenia	2	3	4	5	4	4	4
Sweden	29	32	36	38	39	42	44
TOTAL	827	874	920	961	992	1,046	1,056

Source: ACP General Secretariat.

Free provision of services by French insurers in Europe

At 31 December 2011, French insurers had made 1,728 notifications under the freedom to provide services in other EEA countries. In decreasing order, the main countries in which French entities conduct business were Belgium (168 declarations), Spain (140), Germany (121), Italy (115), the United Kingdom (105), Portugal (101), and the Netherlands (96).

Number of notifications from French insurers and French branches of insurance companies authorised to freely provide services in the EEA at 31 December 2011

Country	Free provision of services in the EEA	
	Notifications from insurers authorised in France and branches of French insurers in the EEA	
	2010	2011
Germany	92	121
Austria	66	68
Belgium	111	168
Bulgaria	43	18
Cyprus	45	18
Denmark	63	63
Spain	84	140
Estonia	40	16
Finland	58	57
Gibraltar	1	1
Greece	64	36
Hungary	54	53
Ireland	68	64
Iceland	34	15
Italy	84	115
Latvia	45	18
Liechtenstein	29	28
Lithuania	41	17
Luxembourg	92	91
Malta	47	19
Norway	46	48
Netherlands	68	96
Poland	57	54
Portugal	76	101
Czech Republic	54	52
Romania	49	22
United Kingdom	74	105
Slovakia	52	50
Slovenia	47	19
Sweden	59	55
TOTAL	1,743	1,728

Source: ACP General Secretariat.

Freedom for European issuers to provide services in France

The number of EEA companies authorised to do business in France under the freedom of establishment did not change markedly between 31 December 2005 and 31 December 2011. There was however a slight increase between the end of 2005 (105 branches) and the end of 2008 (110), then a downward trend from that date onwards (101 at 31 December 2011).

The most represented European countries on French territory are the United Kingdom, Germany, Belgium and Ireland with 40, 16, 9 and 8 branches respectively established in France.

Branches established in France by EEA insurers at 31 December 2011

Countries	Branches established in France						
	Notifications from insurers authorised in another EEA country						
	2005	2006	2007	2008	2009	2010	2011
Germany	17	18	17	16	15	14	16
Belgium	12	12	12	12	10	9	9
Denmark	1	1	1	0	0	0	0
Spain	4	4	4	4	4	3	3
Finland	1	1	1	1	1	1	1
Greece	1	1	1	1	1	0	0
Ireland	7	5	5	7	8	8	8
Italy	4	5	5	5	4	4	4
Luxembourg	6	7	7	7	7	6	6
Malta	0	0	0	0	0	0	1
Norway	1	1	1	1	1	1	1
Netherlands	5	6	7	7	7	6	7
Portugal	3	3	3	3	3	3	3
United Kingdom	41	39	41	44	41	38	40
Sweden	2	2	2	2	2	2	2
TOTAL	105	105	107	110	104	95	101

Source: ACP General Secretariat.

Freedom to provide services for French insurers in Europe

French insurers had opened 113 branches in EEA countries at 31 December 2011 compared with 109 at 31 December 2010. As with the French branches of EEA insurers, non-life insurance is the main business of these branches.

The main countries targeted by French insurers are Spain (17 branches), Italy (16 branches), and Germany (11 branches). Moreover, some branches in EEA countries also do business elsewhere in the European Union under the freedom to provide services.

Branches established in the EEA by French insurers at 31 December 2011

Country	Branches established in the EEA	
	Notifications from insurers authorised in France	
	2010	2011
Germany	11	11
Austria	4	4
Belgium	9	9
Bulgaria	5	5
Denmark	1	1
Spain	15	17
Finland	2	2
Greece	3	4
Hungary	3	4
Ireland	2	2
Italy	16	16
Latvia	1	1
Liechtenstein	1	1
Luxembourg	4	4
Norway	1	1
Netherlands	4	3
Poland	5	8
Portugal	8	8
Czech Republic	2	2
Romania	3	2
United Kingdom	7	6
Slovakia	1	1
Sweden	1	1
TOTAL	109	113

Source: ACP General Secretariat.

2. Activity of insurance entities

2.1. Improvement in balance sheets at market value

At end-2011, the aggregate total assets of all insurance and reinsurance entities under ACP supervision exceeded EUR 2,000 billion at book value, up 3% on 2010¹³. Assessed at market value, i.e. including unrealised gains, which nevertheless fell by 27% on 2010, aggregate total assets stood at EUR 2,050 billion.

Aggregate balance sheet of insurance entities – summary

EUR billions				
Assets	2009	2010	2010 (*)	2011
Reinsurers	77.6	83.0	83.4	91.4
Investments (excl. unit-linked)	1,421.1	1,530.8	1,531.1	1,577.0
Unit-linked investments	209.1	222.5	220.5	205.0
Other assets	113.9	117.1	118.2	130.0
Total assets	1,821.7	1,953.4	1,953.3	2,003.4
Liabilities				
Equity	135.3	141.7	144.6	144.7
Provisions (excl. unit-linked)	1,337.8	1,439.5	1,438.0	1,487.8
Unit-linked provisions	210.6	223.8	221.8	206.1
Other liabilities	138	148.4	148.9	164.8
Total liabilities	1,821.7	1,953.4	1,953.3	2,003.4
Unrealised gains	79.2	69.5	63.0	46.2
Total assets at market value	1,900.9	2,022.9	2,016.3	2,049.6

Source: ACP General Secretariat.

BRIEFING

The "provisions" item in the insurance sector represents insurers' commitments to policyholders in euros, excluding unit-linked policies.

It provides an assessment of the future cost of the claims and benefits to be paid to policyholders. For the purposes of analysis, the balance sheet is often expressed as a percentage of this estimated item, as shown below.

The summary balance sheet as a percentage of technical provisions does not show any significant changes between 2011 and 2010.

¹³ 2011 data on insurance entities (governed by the Insurance Code, the Mutual Insurance Code and the Social Security Code) having submitted their declarations in summer 2012. In the following tables, in order to be able to compare developments from one year to the next, the 2010* column gives data calculated on the basis of this sample in 2010.

Aggregate balance sheet of insurance entities – summary as a percentage of mathematical reserves

%				
Assets	2009	2010	2010 (*)	2011
Reinsurers	5.8	5.8	5.8	6.1
Investments(excl. unit-linked)	106.2	106.3	106.5	106.0
Unit-linked investments	15.6	15.5	15.3	13.8
Other assets	8.5	8.1	8.2	8.8
Total assets	136.2	135.7	135.8	134.7
Liabilities				
Equity	10.1	9.8	10.1	9.7
Provisions(excl. unit-linked)	100.0	100.0	100.0	100.0
Unit-linked provisions	15.7	15.5	15.4	13.9
Other liabilities	10.3	10.3	10.4	11.1
Total liabilities	136.2	135.7	135.8	134.7
Unrealised gains	5.9	4.8	4.4	3.1
Total assets at market value	142.1	140.5	140.2	137.8

Source: ACP General Secretariat.

From a structural point of view, life and composite insurers still hold the largest share of the sector's assets – close to 81% of the aggregate balance sheet total in 2011 – owing to their commitments under savings policies. Life and composite insurers' share of premiums, despite being the largest (55%), is less significant than that of the balance sheet total given that this activity requires longer term investments.

Analysis by category of insurers' shares of the main balance sheet components of the insurance sector in 2011

%					
Share of balance sheet component	Life insurers and composite insurers	Provident institutions	Mutual insurers (Mutual Insurance Code)	Non-life insurers	Reinsurers
Reinsurers	56.0	6.6	2.8	25.2	9.3
Investments (excl. unit-linked)	81.4	2.5	3.2	10.1	2.8
Unit-linked investments	99.9	0.0	0.1	0.0	0.0
Other assets	58.8	4.6	4.6	26.3	5.6
Total assets	80.7	2.6	3.0	10.8	3.0
Unrealised gains	- 8.2	1.4	50.8	41.9	14.1
Total assets at market value	78.7	2.5	4.1	11.5	3.2
Share of balance sheet component	Life insurers and composite insurers	Provident institutions	Mutual insurers (Mutual Insurance Code)	Non-life insurers	Reinsurers
Equity	40.0	8.7	11.6	32.1	7.5
Provisions (excl. unit-linked)	83.3	2.3	2.5	9.2	2.7
Unit-linked provisions	99.9	0.0	0.1	0.0	0.0
Other liabilities	68.9	2.5	3.7	19.4	5.5
Total liabilities	80.7	2.6	3.0	10.8	3.0

Source: ACP General Secretariat.

2.2. An improvement in business that varies widely across sectors

In 2011, insurance companies recorded a total turnover, measured by premiums, of EUR 259 billion, down by 6% on the previous year, due to a 3% increase in non-life turnover and a 14% drop in life turnover.

Premiums (EUR billions)	Sum of appendices to the report	Reinsurers	Free Provision of services branches	TOTAL 2011	TOTAL 2010*
Life	130	3	10	143	165
Non-life	91	7	18	116	110

Source: ACP General Secretariat.

BRIEFING

A single set of European Insurance Directives governs the insurance and reinsurance entities under ACP supervision, but these entities have different business profiles that stem from their history and legal structure, as well as from different insurance specialisations.

At the same time the burden of claims, provisions and profit sharing also declined due to life business.

Aggregate summary income statement

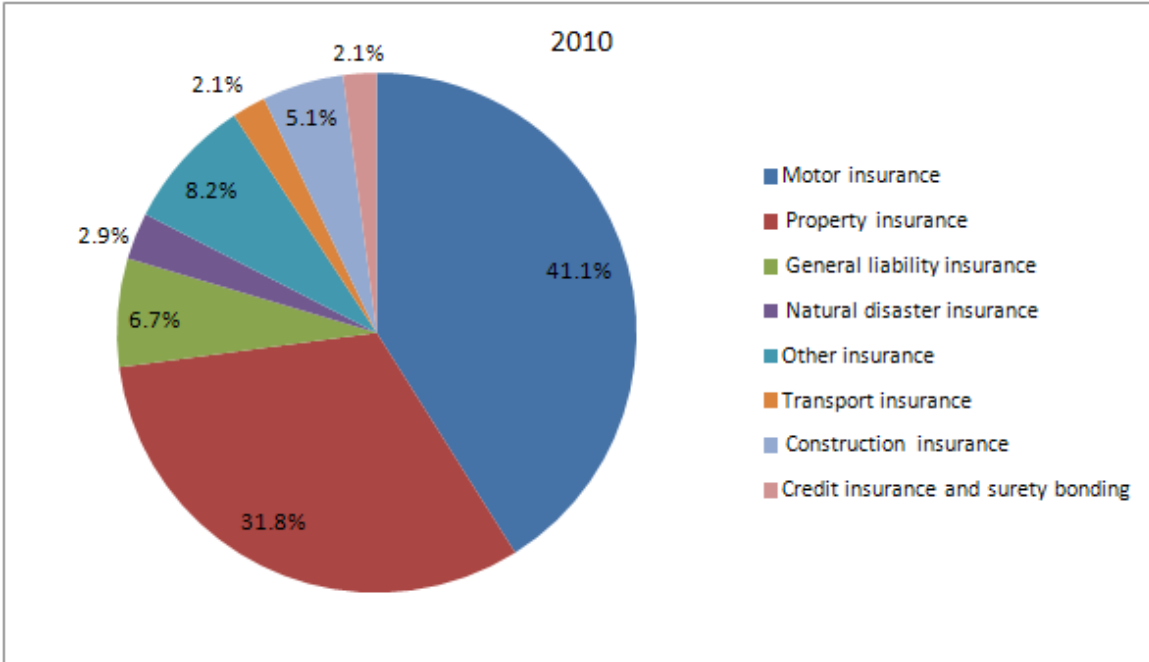
EUR billion	Life			Non-life			Total		
	2010	2010 (*)	2011	2010	2010 (*)	2011	2010	2010 (*)	2011
Premiums	166.12	165.40	143.37	119.06	110.17	116.2	285.18	275.56	259.62
Benefits and claims paid(-)	208.55	207.66	151.15	93.02	85.43	88.9	301.57	293.08	240.12
Investment income	60.06	59.93	23.84	5.83	5.79	4.4	65.89	65.72	28.31
Administration expenses(-)	13.46	13.46	14.22	24.69	23.87	23.4	39.15	37.32	37.63
Reinsurance(-)	- 0.93	- 0.94	- 0.01	2.59	2.59	4.1	1.66	1.64	4.13
Underwriting income	5.10	5.08	1.87	3.60	3.72	4.1	8.70	8.80	6.00
				Investment income (non-underwriting)			4.63	4.63	3.42
				Other non-underwriting income or loss			- 3.89	- 4.05	- 2.25
				Net income			9.46	9.39	7.17
				Return on equity (net income / Equity)			6.68 %	6.72 %	4.96 %

Source: ACP General Secretariat.

Continued growth in turnover for all non-life business, excluding casualty insurance

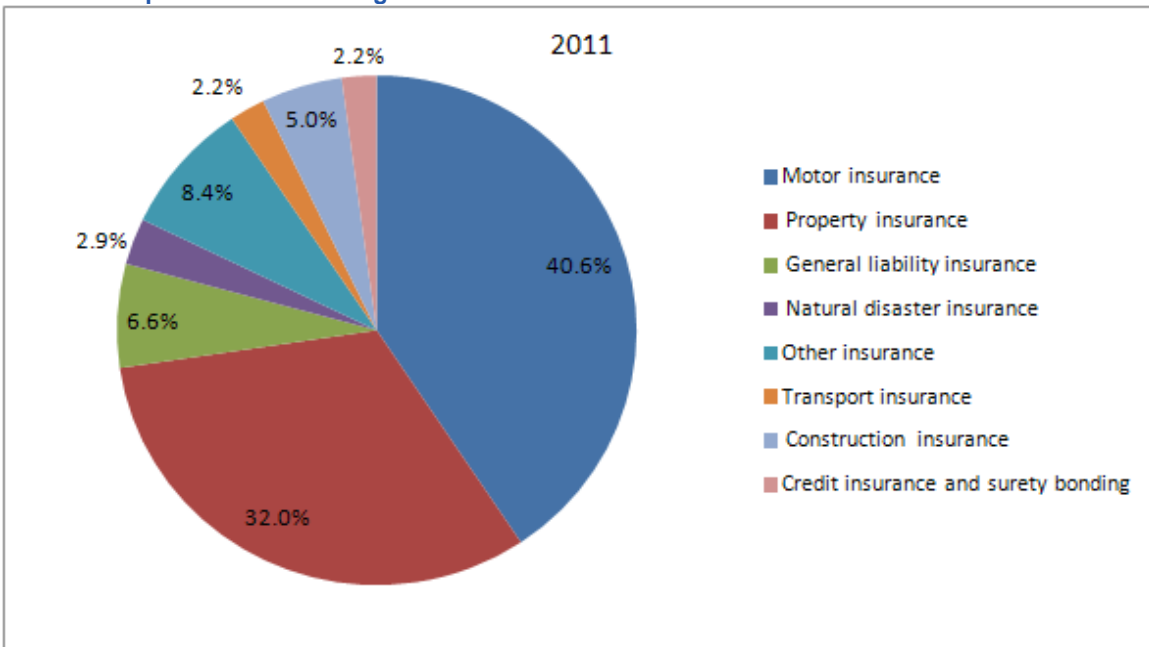
Non-life turnover (excl. casualties) rose by just over 3% in 2011 in all branches. This increase is primarily due to rate increases, like in 2010, which are in part intended to offset the losses which had risen sharply in previous years. The burden of claims and provisions grew at a slightly higher pace, by 4.4%. In 2011, as in 2010, motor insurance and property insurance accounted for close to three quarters of non-life premiums.

2010 non-life premiums for all categories excl casualties



Source: ACP General Secretariat.

2011 non-life premiums for all categories excl. casualties



Source: ACP General Secretariat.

ENTITIES OFFERING HEALTH INSURANCE

In France, three categories of insurance entities are entitled to offer supplementary health insurance (i.e. in addition to compulsory cover provided by the health insurance branch of the social security system): insurance companies, provident institutions and mutual health insurers. In 2011, the ACP General Secretariat counted 495 entities, broken down as follows¹⁴:

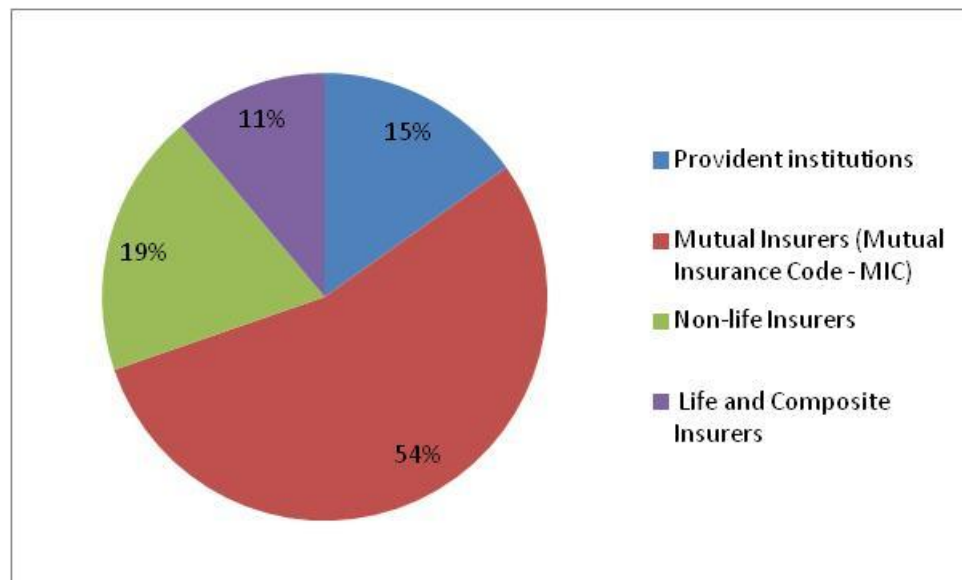
Type of entity	Number
Insurers	106
Provident institutions	29
Mutual insurers (subject to Mutual Insurance Code – or MIC)	360

Source: ACP General Secretariat.

Premiums

More than half of complementary health insurance premiums are collected by Mutual Insurers:

Breakdown of health premiums per legal status



Source: ACP General Secretariat.

The weight of the health activity varies considerably between the different legal statuses. Thus in 2011, more than 81% of the mutual insurers' total underwriting income came from health insurance, whereas the figures were only 44% for the provident institutions, 12% for non-life insurers and just 6% for life and composite insurers.

¹⁴ Entities offering supplementary health insurance, i.e. in addition to the compulsory cover provided by the health insurance branch of the social security system, who filed an annual dossier during the summer of 2012. Certain mutual insurers may not directly submit annual dossiers because they are substituted; their activities are followed via their substituant.

The own funds of the entities operating in the health insurance domain represent 10% of their total balance sheet assets.

In 2011, the CMU-C tax became a completely separate tax and is no longer booked as a revenue item, resulting in a mechanical drop in posted income figures. However, excluding the impact of the new CMU-C accounting methodology, the volume of issued health insurance premiums in France rose by 4%. Administration expenses vary from one entity type to another: the provident institutions post the lowest while the generalist insurers post the highest.

The net book profits of health insurance entities decreased in 2011, notably as a result of a reduction by more than half in their financial earnings.

In addition, the cost of the increase in the special tax (TSCA) on the so-called "responsible" segment of collective insurance agreements introduced during the year was not passed on to policyholders in 2011.

Aggregated income statement for insurance entities conducting health insurance – summary

EUR billions	Life and composite insurers	Non-life insurers	Provident institutions	Mutual insurers (MIC)	Total 2011	Total 2010 (*)	
Premiums	58.77	50.35	10.95	20.83	140.90	147.12	
o/w health premiums	3.50	6.00	4.80	16.80	31.10	31.60	
Benefits and claims (-)	59.75	35.37	10.54	18.35	124.01	143.89	
o/w health benefits & claims	3.00	4.66	4.9	14.97	27.52	25.35	
Investment income	8.99	2.29	0.48	0.62	12.38	26.32	
Administration expenses (-)	7.71	11.96	0.92	2.75	23.34	24.19	
Reinsurance balance (-)	0.09	2.55	0.10	0.08	2.83	1.20	
Underwriting result	0.21	2.76	-0.13	0.26	3.10	4.15	
					Investment income (non-underwriting)	1.66	2.22
					Other non-underwriting income or loss	-1.30	-2.16
					Net income	3.45	4.21

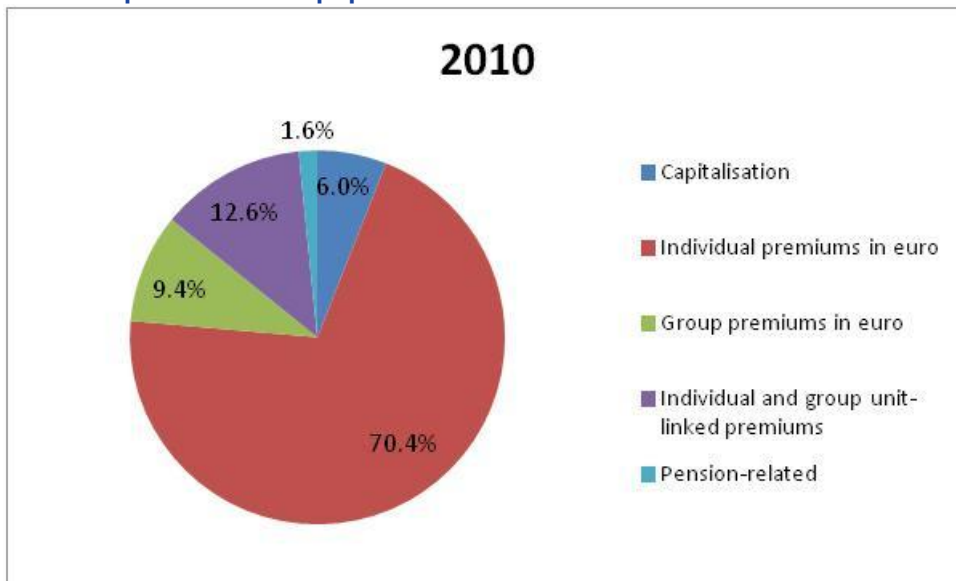
Source: ACP General Secretariat.

At the end of 2011 the solvency margin was covered 127% for life and composite insurers, 421% for non-life insurers, 434% for provident institutions and 336% for mutual insurers (MIC).

Sharp fall in life premiums

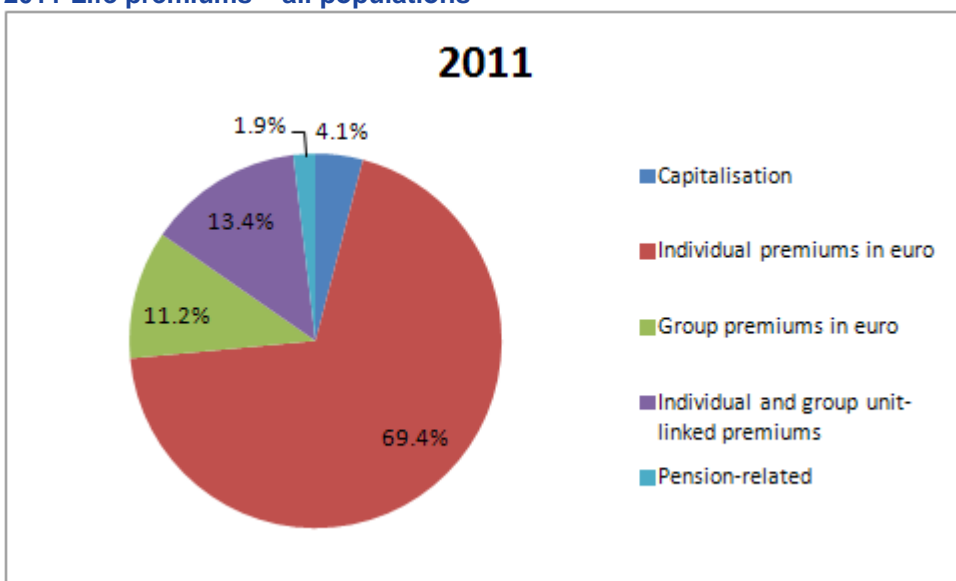
Net life premiums diminished by nearly 14% compared with 2010. The technical charge composed of claim payments, provisions and participation in results showed an even greater contraction of 27%. Although redemptions forced benefits & claims up (+ 25%), the resulting fall in provisions, plus the contraction of provisions on unit-linked policies and the reduction of the participation in the underwriting result largely offset this movement.

2010 Life premiums – all populations



Source: ACP General Secretariat.

2011 Life premiums – all populations



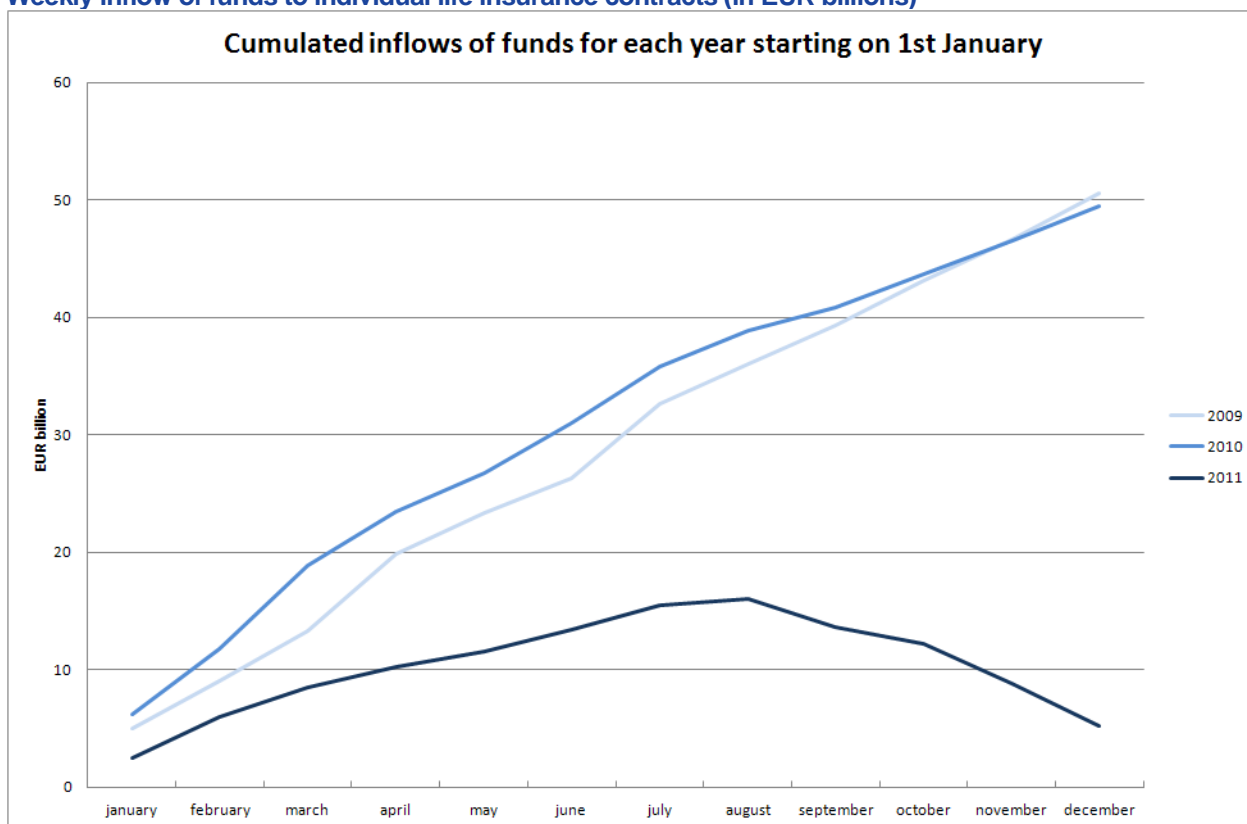
Source: ACP General Secretariat.

The ACP General Secretariat monitors the weekly evolution of premium income from individual life policies offered by insurers and mutual insurers which represent just over 80% of gross premiums on the life insurance segment as a whole.

During 2011, and particularly as of the summer, net inflows of funds to life contracts very substantially slowed compared with previous years. At the end of 2011, the volume of net new money thus fell to EUR 5.2 billion versus nearly EUR 50 billion in 2010.

This contraction resulted from a 14% fall in gross inflow versus 2010 combined with a 30% rise in fund outflows. The increase in outflows by the year-end was notably due to a rise in redemptions. Representing on average 69% of outflows over the last three years, redemptions accounted for 77% of outflows in December 2011. Regulated savings products, such as the “A” Passbook accounts, were relatively more attractive in 2011. In fact, as well as yielding similar rates to other savings products, these regulated savings products were perceived as being immediately available and benefited from a “safe-haven” status in the event of a crisis.

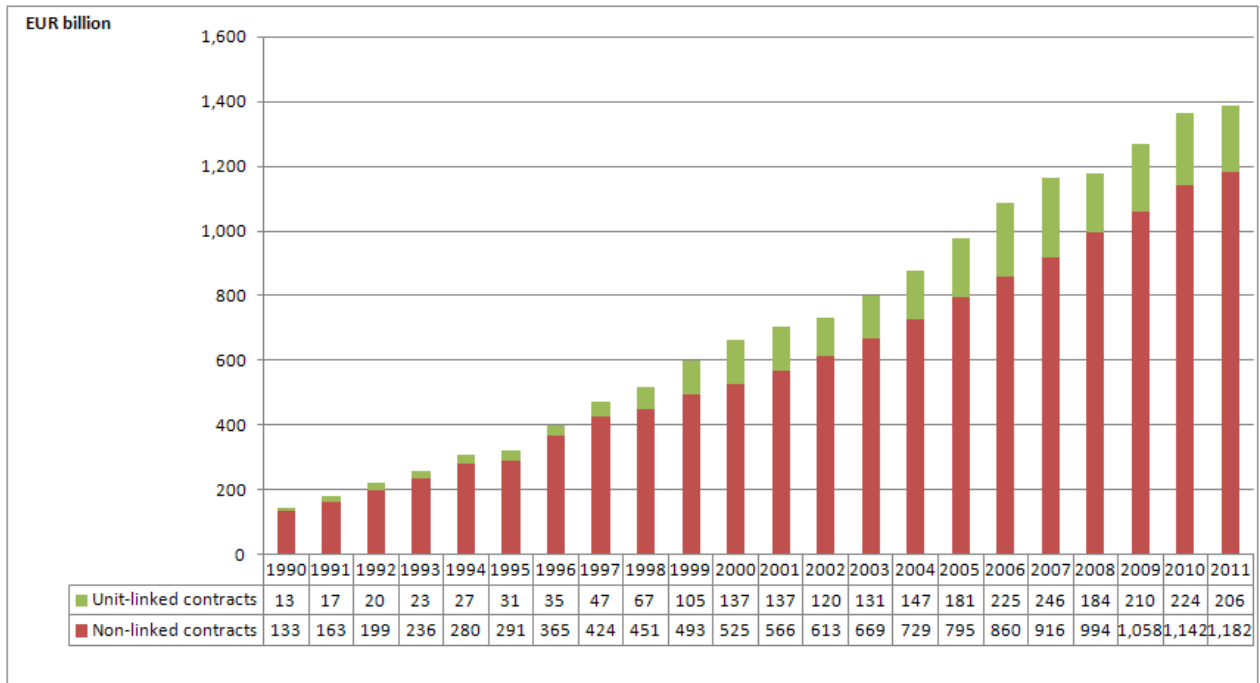
Weekly inflow of funds to individual life insurance contracts (in EUR billions)



Source: ACP General Secretariat. Sample data.

The sharp slowdown of net inflows affected insurers’ and mutual insurers’ mathematical reserves. The provisions for non-linked contracts (i.e. euro-denominated) progressed marginally as the value accretion of existing contracts offset outflows. However, in a context of morose financial markets, and a high volume of redemptions, provisions for unit-linked contracts diminished in 2011.

Mathematical reserves on life insurance contracts



Source: ACP General Secretariat.

2.3. High demand for reinsurance

Overall demand for reinsurance increased by 8.8% between 2010 and 2011, and was particularly strong from life and composite insurers.

Retroceded premiums per legal status (EUR billions)

Type of entity	Total 2011	Total 2010	Change (in %)
Life and composite insurers	11.1	10.0	10.7
Non-life insurers	11.6	10.8	7.7
Provident institutions	3.3	3.1	4.4
Mutual insurers (MIC)	2.4	2.2	9.6
Reinsurers	3.0	2.7	10.4
Total	31.4	28.9	8.8

Source: ACP General Secretariat.

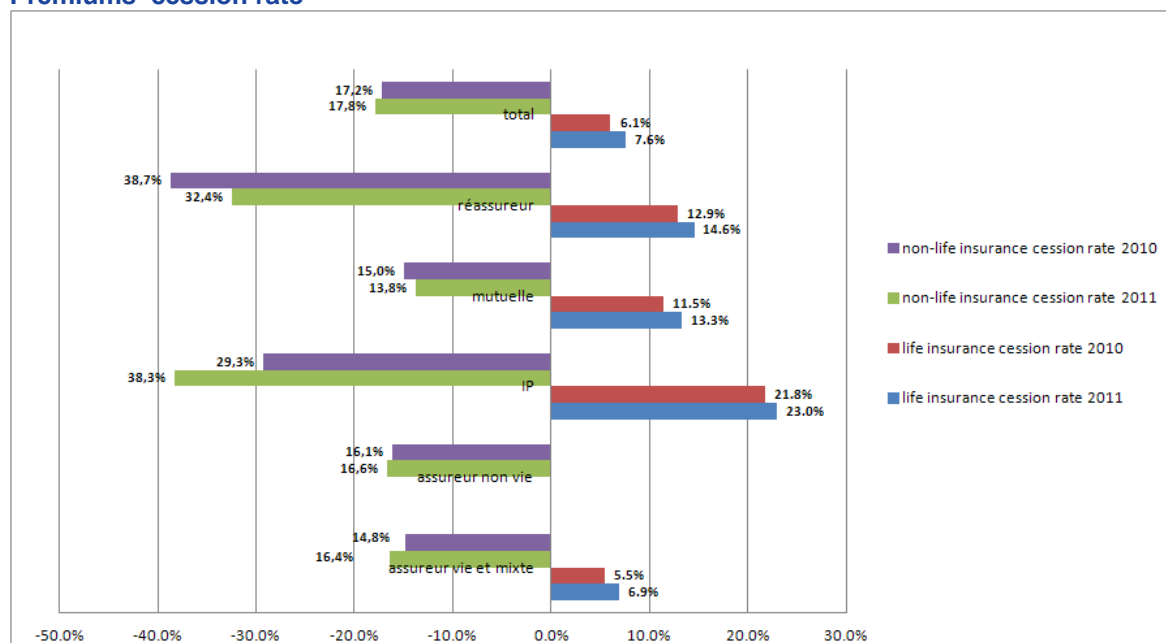
BRIEFING

The premiums cession rate represents the ratio of premiums ceded to net premiums collected by the insurer. Unlike the gross premiums written, it takes into account the change in potentially cedable

Premiums' cession rate by legal form

In 2011, the premiums' cession rate for life insurance activities rose by 1.5 points, while that of non-life activities inched up 0.6 point compared to 2010.

Premiums' cession rate



Source: ACP General Secretariat.

Ceded premiums and net premiums

In 2011, net life insurance premiums declined by approximately 14% compared to 2010. At the same time, ceded premiums increased by 7.7%. For non-life insurance, ceded premiums were up by 6.3%, while net premiums rose by 2.7%.

Ceded premiums and net premiums by legal form (EUR billions)

Type of entity	Ceded premiums						Net premiums					
	Life insurance			Non-life insurance			Life insurance			Non-life insurance		
	2011	2010	% change	2011	2010	% change	2011	2010	% change	2011	2010	% change
Life insurers and composite insurers	9.26	8.59	7.8	1.78	1.40	27.5	134.24	156.72	- 14.3	10.88	9.44	15.3
Non-life insurers	-	-	-	11.65	10.83	7.6	-	-	-	69.98	67.29	4.0
Provident institutions	0.74	0.68	8.0	1.14	0.63	82.1	3.32	3.14	2.2	2.97	2.14	39.2
Mutual insurers (Mutual Insurance Code)	0.38	0.33	13.7	2.66	3.49	- 23.7	2.83	2.90	- 2.3	19.26	23.30	- 17.4
Reinsurers	0.47	0.46	0.7	2.50	2.23	12.4	3.21	3.61	- 10.9	7.72	5.76	34.1
Total	10.85	10.07	7.7	19.73	18.57	6.3	143.50	166.36	- 13.7	110.81	107.93	2.7

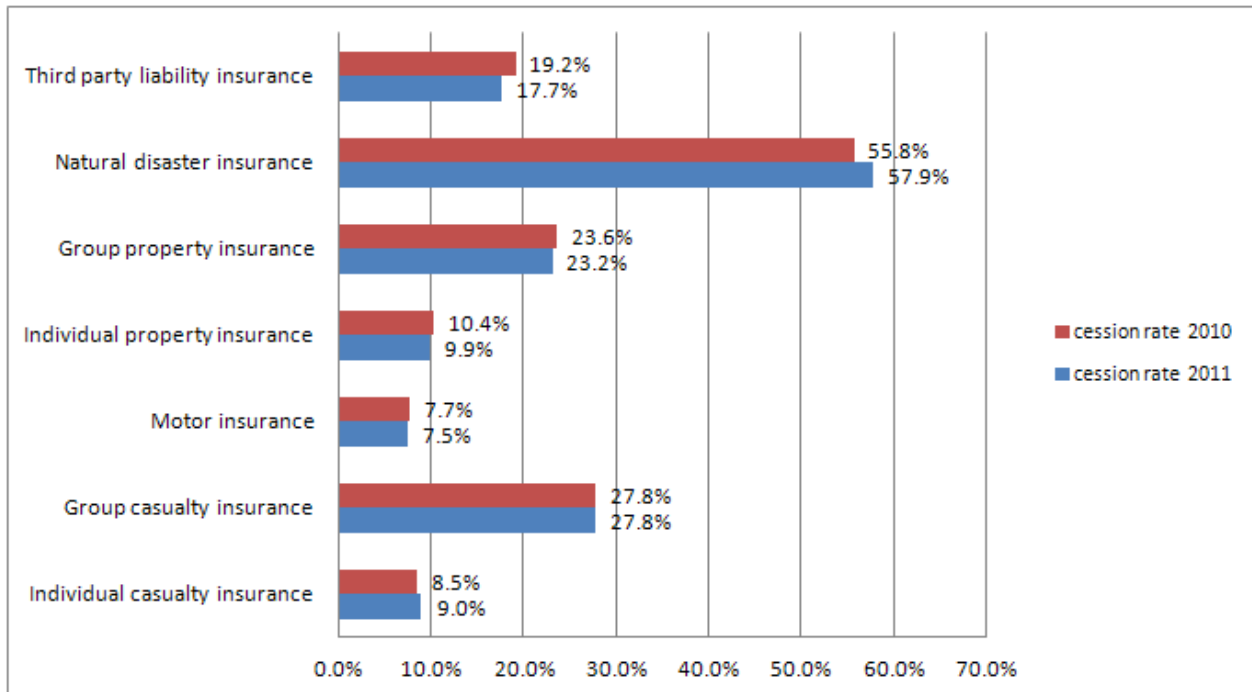
Source: ACP General Secretariat.

Non-life insurance cession rate

The overall cession rate remained virtually unchanged in 2011, inching down from 15.8% to 15.7%, but it varied differently across sectors.

In 2011, the cession rate declined for property insurance and third party liability insurance, but the natural disaster insurance rate, which is by far the highest, increased from 55.8% in 2010 to 57.9%.

Non-life insurance cession rate by sector



Source: ACP General Secretariat.

3. Mixed results

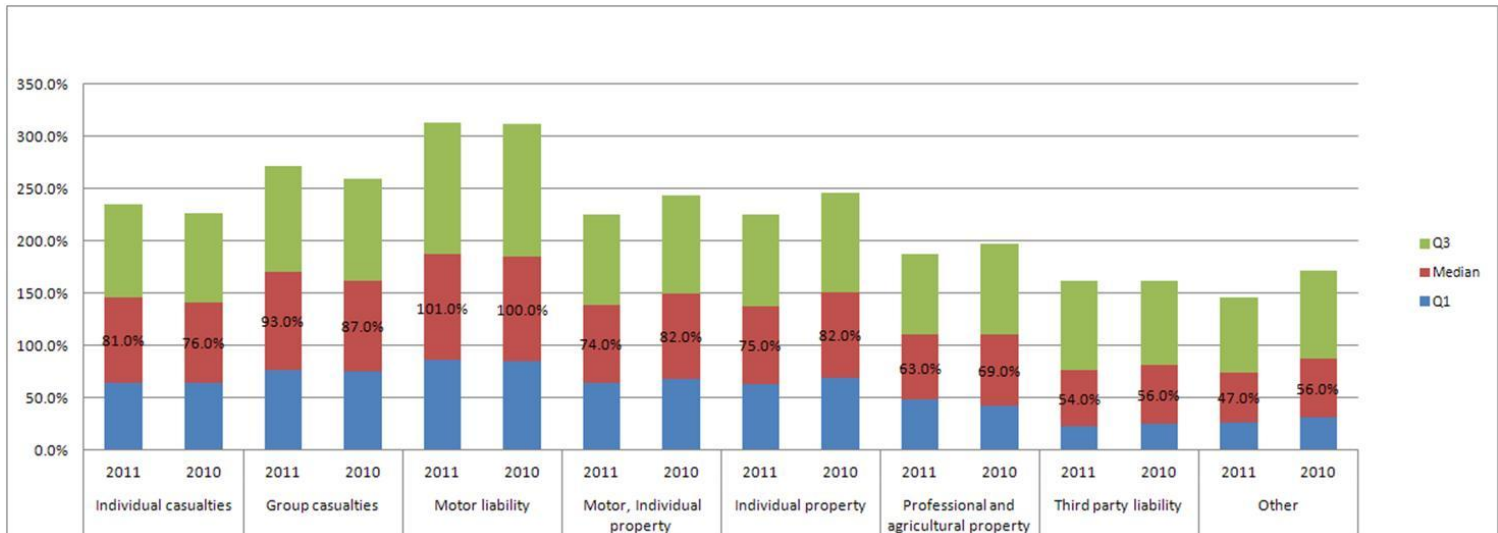
3.1. Claim ratios show a mixed picture

Median claim ratios for casualty insurance and motor liability insurance declined between 2010 and 2011. They were up in all other branches.

BRIEFING

The claims ratio is the ratio between the amount of claims incurred and the premiums earned on a single insurance policy or a sector. It measures the claims ratio of insurers, in particular by year of occurrence.

Non-life insurance claims ratio by year of occurrence



Source: ACP General Secretariat.

3.2. Combined ratios follow the same pattern as claim ratios

Combined ratios followed the same trend as claim ratios, i.e. a favourable trend for casualty insurance and an unfavourable trend for property insurance. They dropped significantly for natural disaster insurance: while 2011 was a costly year for insurers, France was spared.

BRIEFING

The combined ratio is the technical ratio of non-life insurance activities for a given year. It is obtained by calculating the ratio of the cost of claims and overheads over vested net premiums (or contributions). This ratio enables insurers to measure their performance both in terms of losses and management costs. If the ratio exceeds 100%, this means that the cost of claims and the corresponding overheads exceed premiums (or contributions); insurers may then correct this technical deficit with financial profits.

The indicators in some sectors remain above 100%, which reflects fierce competition and highlights entities' strong dependence on financial earnings to maintain their profitability.

Combined ratios by sector – summary

Non-life insurance	Combined ratio (%)		2011 distribution (%)		
	2010	2011	25 th percentile	median	7 th percentile
Individual casualty insurance	98.0	94.5	87.0	97.0	103.0
Group casualty insurance	108.3	103.7	93.0	102.0	114.0
Motor insurance	106.0	103.8	95.0	104.0	117.0
Individual property insurance	101.0	93.9	81.0	96.0	111.0
Professional property insurance	86.6	85.0	58.0	79.0	93.0
Third party liability insurance	96.0	81.2	24.0	59.0	91.0
Natural disaster insurance	124.6	62.7	29.3	53.2	96.4
Other insurance	88.8	89.6	69.1	88.1	99.7
Transport insurance	75.9	77.7	42.6	68.7	88.6
Construction insurance incl. damage to works insurance	85.0	85.6	14.8	68.9	105.5
Construction insurance incl. third party liability insurance	108.8	108.8	77.9	99.6	118.2
Credit insurance and surety bonding	68.8	74.5	46.5	79.8	92.2

Source: ACP General Secretariat.

3.3. Aggregate income statement

In 2011, insurance companies¹⁵ recorded a lower rate of return on equity: the ratio of net income to capital dropped from 6.7% in 2010 to 4.9% in 2011.

Life underwriting income fell almost threefold compared to 2010 due to a combination of three main factors: the sharp decline in collection, the rise in redemptions and the fall in net investment income due to significant writedowns both on equities and bonds.

The drop in the return on investment was limited for policyholders in 2011 by a provision reversal for profit-sharing. Moreover, sales of securities at a loss led to a slight decline in the capitalisation reserve. As a ratio of technical provisions, the latter fell from 1% at end-2010 to 0.9% at end-2011.

As regards non-life insurance, the increase in business, which in value terms exceeded claims and benefits, coupled with a slight decrease in management fees, generated a higher underwriting income. All in all, despite the decline in net financial income and the rise in the reinsurance claims, profitability increased.

15. Composite insurance, life insurance and non life insurance companies governed by the Insurance Code, mutual insurers governed by the Mutual Insurance Companies' Code, provident institutions and reinsurers, as well as branches, FPS and approvals. More details are provided in Appendix 1 *et seq.*

3.4. Investments

A. A marginal investment portfolio reallocation

Asset allocation remained broadly unchanged, even though among sovereign bonds, the weight of euro area bonds from some countries was reduced in favour of others.

Property accounts for a large share of the stock of capital gains and acted as a buffer in spite of the limited share of this asset class in overall investments.

Structure of the investment portfolio (gross book value, companies governed by the Insurance Code)

EUR billions	2010	2011	Change 2011 / 2010 (%)
All assets: o/w	1,620.2	1,663.1	2.6
sovereigns	498.1	474.1	- 4.8
equities	214.6	220.4	2.7
bonds	616.3	681.3	10.5
property	49.6	53.0	6.9
o/w Unit-linked investments	221.1	202.5	- 8.4
o/w others (loans and deposited funds)	20.5	31.7	54.3

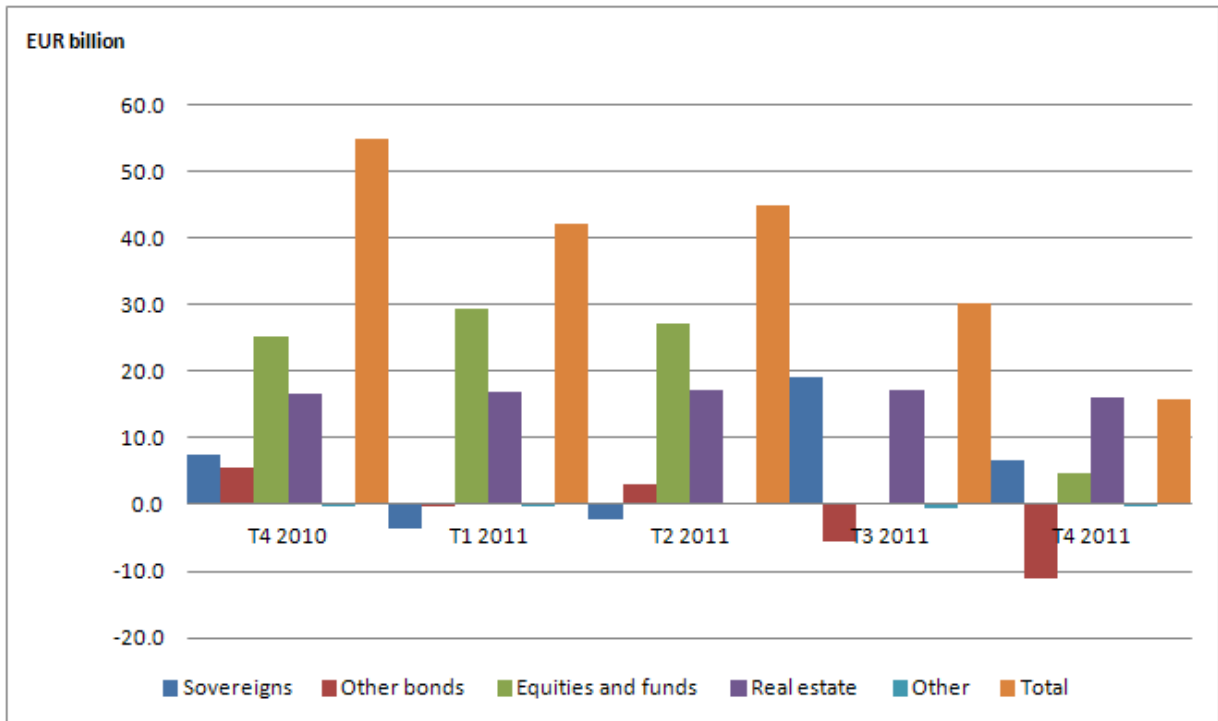
Source: ACP General Secretariat.

B. Unrealised gains fell but remained positive

The insurance sector's unrealised gains contracted from EUR 55 billion at end-2010 to EUR 16 billion at end-2011, but remained overall in positive territory:

- for non-life insurers, unrealised losses on corporate bonds and equities were more than offset by unrealised gains on real estate and sovereign bonds other than those issued by troubled euro area countries.
- overall, life insurers show small unrealised losses but this situation is not however comparable with that of 2008-2009.

Unrealised gains evolution by asset class in entities governed by the Insurance Code



Source: ACP General Secretariat.

4. Compliance with ratios

4.1 Coverage ratio of regulated commitments

BRIEFING

The coverage ratio of regulated commitments can be expressed as assets held in respect of regulated commitments.

The Insurance Code, the Mutual Insurance Code, the Social Security Code set out the list of securities and other assets accepted to cover regulated commitments. The list includes five main classes: bonds, equities, real-estate, loans and deposits. Investments accepted to cover regulated commitments cannot however exceed certain ceilings for the following asset classes: 65% for equities, 40% for real-estate assets and 10% for loans. Moreover, they may not exceed, in order to split risk, 5% of the regulated commitments in value terms issued by the same company (equities, bonds or loans); this 5% limit is raised to 10% provided that the total does not exceed 40% of all investments accepted to cover these commitments.

At end-2011, for insurance entities as a whole the average coverage of regulated commitments reached between 104% and 127% depending on the different categories of players. Overall, insurers' assets exceeded the regulatory requirements even though regulated commitments increased over the year.

Coverage ratio of regulated commitments (available eligible assets/regulated commitments)

As a %	2011	25th percentile	Median in 2011	75th percentile	2010	2009
Life and composite insurers	104.0	103.0	104.3	111.4	103.9	103.5
Non-life insurers	106.4	106.4	122.0	166.5	111.4	111.7
Mutual insurers	127.2	172.3	317.2	661.5	125.2	126.6
Provident institutions	124.0	107.7	120.8	147.1	126.8	124.8

Source: ACP General Secretariat.

4.2 Balance sheet margin coverage ratio

BRIEFING

The solvency margin coverage ratio can be expressed as a ratio of capital (adjusted for unrealised gains net of unrealised losses on assets) to the minimum solvency margin requirement. In life insurance, the minimum solvency margin is calculated as a percentage of the mathematical reserves of the unit-linked and non-linked contracts to which is added a percentage of death claims, and for non-life insurance as a proportion of the premiums or claims¹⁶.

Solvency remains comfortable on the whole. Nevertheless, the situation differs across activities. Non-life entities displayed an excellent solvency margin. However, the ratio taking account of unrealised gains and losses declined somewhat, as the increase in capital was insufficient to offset the fall in unrealised gains.

BRIEFING

In a sector that does not have mechanisms to share financial loss with policyholders, as is the case for life insurance, entities realise the need to build up significant capital cushions in order to be able to absorb the risks that are hardest to measure (in particular long-term risks).

Life and composite insurers for their part saw a considerable decline in their solvency margin due to the fall in net unrealised gains. Mutual insurance companies and provident institutions showed less marked developments.

Balance sheet margin coverage ratio, and with unrealised gains (Equity adjusted for unrealised gains (losses)/ regulatory margin requirement)

%	2011	25th percentile in 2011	Median in 2011	75th percentile in 2011	2010	2009
Life and composite insurers	127.3	121.3	163.5	295.6	125.6	129.0
plus unrealised gains/losses	149.3	128.5	188.7	339.6	178.9	199.5
Non-life insurers	421.2	195.0	375.7	812.4	401.8	407.5
plus unrealised gains/losses	525.4	208.1	401.8	838.5	576.7	610.7
Mutual insurers	336.0	277.6	404.1	692.8	337.1	345.6
plus unrealised gains/losses	610.1	266.3	408.4	697.1	426.7	374.7
Provident institutions	434.5	223.5	446.1	901.1	464.8	522.6
plus unrealised gains/losses	459.7	219.1	442.1	882.2	535	602.7

Source : ACP General Secretariat.

16. For life insurers, the proportions used for this calculation stand at 4% of the mathematical reserves of non-linked contracts and 1% of the reserves of contracts without investment risk for the insurer., and for non-life insurers at 16% of the premiums or 23% of the claims (for a detailed calculation see Articles R344-1 *et seq.* of the Insurance Code).

5. Appendices

Accounts by insurance class

Appendix 1: Life and capital redemption insurance

Appendix 2: Euro or foreign currency individual and group insurance contracts

Appendix 3: Whole life and term life group insurance

Appendix 4: Unit-linked life insurance

Appendix 5: Occupational retirement insurance (class 26 and PERP)

Appendix 6: Motor insurance

Appendix 7: Property insurance

Appendix 8: General liability insurance

Appendix 9: Natural disaster insurance

Appendix 10: Other insurance

Appendix 11: Transport insurance

Appendix 12: Construction insurance

Appendix 13: Credit insurance and surety bonding

Appendix 14: Casualty insurance

Appendix 1

Life and capital redemption insurance (Simplified income statement)

EUR billions	Amounts 2010	% of premiums	Amounts 2010 (*)	% of premiums	o/w IC	o/w MIC	o/w SSC	Amounts 2011	% of premiums	o/w IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	9.10	100.0	8.82	100.0	8.79	0.03	0.00	5.29	100.0	5.27	0.02	0.00
Investment income (underwriting)	1.22	13.5	1.20	22.6	1.19	0.01	0.00	1.04	19.7	1.03	0.01	0.00
Réinsérer' share of expenses	1.64	18.0	1.64	31.0	1.64	0.00	0.00	0.94	17.8	0.94	0.00	0.00
Total resources	11.96	131.5	11.66	220.4	11.62	0.04	0.00	7.28	137.5	7.24	0.03	0.00
EXPENSES												
Claims paid	4.58	50.3	4.45	84.1	4.43	0.01	0.00	8.18	154.6	8.15	0.02	0.00
Change in insurance reserves	4.22	46.4	4.17	78.8	4.16	0.01	0.00	-2.78	-52.6	-2.78	0.00	0.00
Administrative and acquisition costs	0.24	2.7	0.24	4.6	0.24	0.00	0.00	0.19	3.7	0.19	0.00	0.00
Profit sharing	1.21	13.3	1.18	22.3	1.17	0.01	0.00	1.00	18.8	0.99	0.01	0.00
Premiums passed on to reinsurers	1.54	17.0	1.54	29.2	1.54	0.00	0.00	0.87	16.5	0.87	0.00	0.00
Total expenses	11.80	129.7	11.58	218.9	11.55	0.04	0.00	7.45	140.9	7.42	0.03	0.00
Net transfers between categories	0.14	1.6	0.14	2.7	0.14	0.00	0.00	0.23	4.3	0.23	0.00	0.00
UNDERWRITING INCOME	0.23	2.5	0.22	4.1	0.22	0.00	0.00	0.05	0.9	0.05	0.00	0.00

Entities operating under the Insurance Code - IC, entities operating under the Social Security Code - SSC, entities operating under the Mutual Insurance Code - MIC, reinsurers - REA.
 (*)2010 data cover entities having submitted their reporting statements in summer 2012.
 Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.02	0.02	0.02	0.3	8.6
Acquisition expenses	0.15	0.15	0.12	2.3	56.8
Administrative costs and other net underwriting expenses	0.09	0.09	0.07	1.4	34.6
TOTAL	0.26	0.26	0.21	4.0	100.0

(*)2010 data cover entities having submitted their reporting statements in summer 2012.
 Source: ACP General Secretariat.

EUR billions	2010	2010 (*)	2011
Life insurance provisions at closing date	42.56	41.57	41.08

Source: ACP General Secretariat.

Only IC Changes in guaranteed capital (EUR billions)	Amount		Change in %
	Start of year	End of year	
2009	34.87	39.40	13.0
2010	39.16	45.32	15.7
2011	46.35	44.68	- 3.6

Only IC Contract surrender	2009	2010	2011	% of capital
Termination	0.00	0.00	0.00	0
Redemption	4.37	3.89	8.36	18.0
Reductions	0.01	0.02	0.02	0

Source: ACP General Secretariat.

Appendix 4

Euro or foreign currency individual and group insurance contracts (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	o/w MIC	o/w SSC	Amount 2011	% of premiums	o/w IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	103.00	100.0	104.33	100.0	102.66	1.66	0.01	90.02	100.0	88.56	1.44	0.01
Investment income (underwriting)	28.41	27.6	28.89	32.1	28.35	0.53	0.01	21.38	23.8	21.04	0.34	0.00
Reinsurers' share of expenses	4.76	4.6	- 28.47	- 31.6	4.76	- 33.23	0.00	6.48	7.2	6.32	0.16	0.00
Total resources	136.17	132.2	104.75	116.4	135.78	- 31.04	0.02	117.88	131.0	115.92	1.95	0.01
EXPENSES												
Claims paid	69.33	67.3	70.44	78.3	69.16	1.27	0.01	88.37	98.2	87.20	1.16	0.01
Change in insurance reserves	30.63	29.7	- 2.72	- 3.0	30.48	- 33.20	0.00	0.79	0.9	0.72	0.07	0.00
Administrative and acquisition costs	6.98	6.8	7.11	7.9	6.97	0.13	0.00	7.28	8.1	7.12	0.16	0.00
Profit sharing	26.04	25.3	26.36	29.3	25.97	0.38	0.00	17.54	19.5	17.31	0.23	0.00
Premiums passed on to reinsurers	4.51	4.4	4.70	5.2	4.51	0.19	0.00	6.12	6.8	5.94	0.19	0.00
Total expenses	137.48	133.5	105.89	117.6	137.09	- 31.22	0.01	120.11	133.4	118.29	1.81	0.01
Net transfers between categories	2.57	2.5	2.57	2.9	2.57	0.00	0.00	2.19	2.4	2.19	0.00	0.00
UNDERWRITING INCOME	1.26	1.2	1.43	1.6	1.25	0.18	0.00	- 0.04	0.0	- 0.18	0.14	0.00

(*)2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.30	0.32	0.30	0.3	4.0
Acquisition expenses	3.34	3.40	3.20	3.6	42.9
Administrative costs and other net underwriting expenses	3.64	3.73	3.95	4.4	53.1
TOTAL	7.28	7.46	7.45	8.3	100.0

(*)2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

EUR billions	2010	2010 (*)	2011
Life insurance provisions at closing date	956.27	954.71	983.71

(*)2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

Only IC	Amount		Change in %
	Start of year	End of year	
Changes in guaranteed capital (EUR billions)			
2009	1,080.66	1,160.43	7.4
2010	1,155.41	1,246.12	7.9
2011	1,304.34	1,372.75	5.2

Only IC	2009	2010	2011	% of capital
Contract surrender				
Termination	20.52	20.80	25.44	2.0
Redemption	39.43	39.08	59.90	4.6
Reductions	0.59	0.51	0.71	0.1

Source: ACP General Secretariat.

Appendix 3

Whole life and term life group insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	o/w MIC	o/w SSC	Amount 2011	% of premiums	o/w IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	10.85	100.0	14.00	100.0	10.84	0.48	2.67	14.47	100.0	11.31	0.45	2.71
Investment income (underwriting)	1.96	18.0	2.21	15.3	1.94	0.04	0.23	1.44	10.0	1.30	0.00	0.14
Reinsurers' share of expenses	1.47	13.6	1.27	8.8	1.47	- 0.69	0.48	1.88	13.0	1.23	0.16	0.49
Total resources	14.28	131.6	17.47	120.8	14.26	- 0.17	3.38	17.79	122.9	13.85	0.60	3.34
EXPENSES												
Claims paid	6.80	62.7	8.70	60.1	6.76	0.22	1.71	9.15	63.2	7.18	0.18	1.78
Change in insurance reserves	0.21	2.0	0.05	0.4	0.25	- 0.69	0.49	0.94	6.5	0.48	0.17	0.30
Administrative and acquisition costs	2.94	27.1	3.20	22.1	2.94	0.06	0.21	3.41	23.6	3.14	0.06	0.20
Profit sharing	1.47	13.5	1.52	10.5	1.45	0.01	0.05	1.20	8.3	1.03	0.01	0.16
Premiums passed on to reinsurers	1.64	15.1	2.40	16.6	1.64	0.13	0.63	2.29	15.8	1.46	0.17	0.65
Total expenses	13.07	120.4	15.87	109.7	13.05	- 0.27	3.09	16.98	117.4	13.30	0.60	3.09
Net transfers between categories	0.23	2.1	0.23	1.6	0.23	0.00	0.00	0.19	1.3	0.19	0.00	0.00
UNDERWRITING INCOME	1.44	13.2	1.80	12.4	1.43	0.10	0.26	0.99	6.9	0.74	0.01	0.25

(*2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	Amount 2011	% of premiums	% of total
Claims processing expenses	0.18	0.23	0.42	2.9	11.1
Acquisition expenses	2.41	2.54	2.56	17.7	67.7
Administrative costs and other net underwriting expenses	0.54	0.68	0.80	5.5	21.2
TOTAL	3.13	3.45	3.78	23.9	100.0

(*2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

EUR billions	2010	2010 (*)	2011
Life insurance provisions at closing date	75.40	87.88	99.27

(*2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

Only IC Changes in guaranteed capital (EUR billions)	Amount		Change in %
	Start of year	End of year	
2009	1,793.98	1,811.55	1.0
2010	1,802.80	1,675.79	- 7.0
2011	1,779.67	1,766.80	- 0.7

Only IC Contract surrender	2009	2010	2011	% of capital
Termination	29.73	34.38	50.08	2.8
Redemption	0.37	0.29	0.29	0
Reductions	0.74	0.32	0.41	0

Source: ACP General Secretariat.

Appendix 4

Unit-linked life insurance

Simplified income statement

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	o/w MIC	o/w SSC	Amount 2011	% of premiums	o/w IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	19.05	100.0	18.76	100.0	18.74	0.02	0.00	17.42	100.0	17.42	0.01	0.00
Investment income (underwriting)	1.52	8.0	1.52	8.7	1.52	0.00	0.00	1.40	8.0	1.40	0.00	0.00
Reinsurers' share of expenses	0.59	3.1	0.60	3.4	0.59	0.00	0.00	-0.05	-0.3	-0.05	0.00	0.00
Total resources	21.16	111.1	20.88	119.8	20.86	0.02	0.00	18.77	107.7	18.76	0.01	0.00
EXPENSES												
Claims paid	11.94	62.7	11.90	68.3	11.88	0.01	0.01	14.04	80.6	14.02	0.01	0.01
Change in insurance reserves	2.86	15.0	2.61	15.0	2.61	0.01	-0.01	-0.46	-2.6	-0.44	0.00	-0.01
Administrative and acquisition costs	1.44	7.5	1.44	8.3	1.44	0.00	0.00	1.55	8.9	1.55	0.00	0.00
Profit sharing	0.49	2.6	0.49	2.8	0.49	0.00	0.00	0.49	2.8	0.49	0.00	0.00
Premiums passed on to reinsurers	0.34	1.8	0.34	2.0	0.34	0.00	0.00	0.33	1.9	0.33	0.00	0.00
Total expenses	17.06	89.6	16.78	96.3	16.76	0.01	0.00	15.96	91.6	15.95	0.01	0.00
Net transfers between categories	-2.96	-15.5	-2.96	-17.0	-2.96	0.00	0.00	-2.52	-14.4	-2.52	0.00	0.00
UNDERWRITING INCOME	1.14	6.0	1.14	6.5	1.13	0.00	0.00	0.30	1.7	0.30	0.00	0.00

(*)2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.08	0.08	0.05	0.3	3.2
Acquisition expenses	0.63	0.62	0.64	3.6	39.6
Administrative costs and other net underwriting expenses	0.81	0.82	0.91	5.3	57.2
TOTAL	1.51	1.52	1.60	9.2	100.0

(*)2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

EUR billions	2010	2010 (*)	2011
Life insurance provisions at closing date	219.36	217.48	201.56

(*)2010 data cover entities having submitted their reporting statements in summer 2012.

Source: ACP General Secretariat.

Appendix 5

Occupational retirement insurance (class 26 and PERP)

Simplified income statement

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	o/w MIC	o/w SSC	Amount 2011	% of premiums	o/w IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	1.87	100.0	2.43	100.0	1.87	0.31	0.25	2.48	100.0	1.91	0.30	0.26
Investment income (underwriting)	0.81	43.3	1.40	56.4	0.81	0.48	0.11	0.80	32.4	0.56	0.16	0.08
Reinsurers' share of expenses	0.98	52.2	1.03	41.6	0.98	0.00	0.05	0.58	23.4	0.52	0.00	0.05
Total resources	3.66	195.4	4.86	196.3	3.66	0.79	0.41	3.85	155.7	3.00	0.46	0.39
EXPENSES												
Claims paid	0.66	35.0	1.06	42.7	0.65	0.34	0.07	1.17	47.3	0.75	0.36	0.07
Change in insurance reserves	1.54	82.5	2.20	88.7	1.54	0.41	0.24	1.59	64.1	1.29	0.06	0.24
Administrative and acquisition costs	0.15	7.9	0.18	7.2	0.15	0.02	0.01	0.14	5.8	0.11	0.03	0.00
Profit sharing	1.02	54.6	1.05	42.6	1.02	0.00	0.03	0.71	28.6	0.68	0.00	0.03
Premiums passed on to reinsurers	0.27	14.6	0.32	13.0	0.27	0.00	0.05	0.32	12.9	0.27	0.00	0.05
Total expenses	3.64	194.6	4.81	194.3	3.64	0.77	0.39	3.93	158.7	3.10	0.44	0.39
Net transfers between categories	0.00	0.0	0.00	0.00	0.00	0.00	0.00	0.01	0.3	0.01	0.00	0.00
UNDERWRITING INCOME	0.02	0.9	0.05	2.0	0.02	0.01	0.02	- 0.07	- 2.7	- 0.09	0.02	0.00

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.01	0.01	0.01	0.5	7.2
Acquisition expenses	0.08	0.09	0.10	4.2	65.9
Administrative costs and other net underwriting expenses	0.07	0.09	0.04	1.7	26.9
TOTAL	0.16	0.20	0.16	6.4	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

EUR billions	2010	2010 (*)	2011
Life insurance provisions at closing date	24.56	27.78	29.70

Source: ACP General Secretariat.

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.

Appendix 6

Motor insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	18.27	100.0	18.15	100.0	18.15	18.88	100.0	18.88
Investment income (underwriting)	1.06	5.8	1.21	6.4	1.21	0.91	4.8	0.91
Reinsurers' share of expenses	1.30	7.1	1.26	6.7	1.26	1.30	6.9	1.30
Total resources	20.63	112.9	20.62	109.3	20.62	21.08	111.7	21.08
EXPENSES								
Claims paid	13.22	72.3	14.63	77.5	14.63	14.52	76.9	14.52
Change in insurance reserves	0.82	4.5	0.83	4.4	0.83	1.18	6.2	1.18
Administrative and acquisition costs	3.34	18.3	3.75	19.9	3.75	3.88	20.5	3.88
Profit sharing	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01
Premiums passed on to reinsurers	1.38	7.5	1.35	7.2	1.35	1.40	7.4	1.40
Total expenses	18.75	102.6	20.56	108.9	20.56	20.98	111.2	20.98
UNDERWRITING INCOME	0.05	2.3	0.06	0.3	0.06	0.10	0.5	0.10

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	1.52	1.67	1.72	9.1	30.6
Acquisition expenses	2.21	2.44	2.53	13.4	45.3
Administrative costs and other net underwriting expenses	1.13	1.31	1.35	7.1	24.1
TOTAL	4.86	5.43	5.60	29.6	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Change in claims ratio (claims/premiums, including claims processing expense)

Year of claim events (%)	2007	2008	2009	2010	2011
Claims ratio					
At the end of the first year	81.6	81.9	88.7	90.6	86.1
At the end of the second year	86.1	85.5	91.3	90.2	-
At the end of the third year	85.4	85.4	93.3	-	-
At the end of the fourth year	83.5	83.0	-	-	-
At the end of the fifth year	82.4	-	-	-	-

Source: ACP General Secretariat.

Appendix 7

Property insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	14.17	100.0	14.03	100.0	14.03	14.86	100.0	14.86
Investment income (underwriting)	0.50	3.5	0.57	3.8	0.57	0.43	2.9	0.43
Reinsurers' share of expenses	1.32	9.3	1.28	8.6	1.28	1.08	7.3	1.08
Total resources	15.98	112.8	15.88	106.9	15.88	16.38	110.2	16.38
EXPENSES								
Claims paid	8.24	58.2	9.33	62.8	9.33	9.23	62.1	9.23
Change in insurance reserves	0.41	2.9	0.36	2.4	0.36	0.44	3.0	0.44
Administrative and acquisition costs	3.17	22.4	3.61	24.3	3.61	3.73	25.1	3.73
Profit sharing	0.07	0.5	0.07	0.5	0.07	0.07	0.5	0.07
Premiums passed on to reinsurers	2.15	15.1	2.23	15.0	2.23	2.31	15.5	2.31
Total expenses	14.04	99.1	15.61	105.0	15.61	15.77	106.1	15.77
UNDERWRITING INCOME	0.36	17.9	0.29	1.9	0.29	0.61	4.1	0.61

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	1.03	1.18	1.24	8.3	24.9
Acquisition expenses	2.19	2.47	2.57	17.3	51.8
Administrative costs and other net underwriting expenses	0.98	1.14	1.16	7.8	23.3
TOTAL	4.20	4.79	4.97	33.4	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Change in claims ratio (claims/premiums, including claims processing expense)

Year of claim events (%)	2007	2008	2009	2010	2011
Claims ratio					
At the end of the first year	65.3	67.7	83.3	75.6	70.7
At the end of the second year	72.2	71.9	88.6	77.5	-
At the end of the third year	69.7	70.9	85.6	-	-
At the end of the fourth year	67.5	69.1	-	-	-
At the end of the fifth year	66.5	-	-	-	-

Source: ACP General Secretariat.

Appendix 8

General liability insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	3.00	100.0	3.00	100.0	3.00	3.05	100.0	3.05
Investment income (underwriting)	0.48	16.0	0.54	17.6	0.54	0.46	14.9	0.46
Reinsurers' share of expenses	0.49	16.4	0.48	15.9	0.48	0.21	6.7	0.21
Total resources	3.97	132.3	4.02	131.7	4.02	3.72	121.7	3.72
EXPENSES								
Claims paid	1.40	46.7	1.57	51.4	1.57	1.56	51.1	1.56
Change in insurance reserves	0.73	24.2	0.67	21.8	0.67	0.27	8.7	0.27
Administrative and acquisition costs	0.56	18.7	0.64	21.0	0.64	0.65	21.4	0.65
Profit sharing	0.00	0.1	0.00	0.1	0.00	0.00	0.1	0.00
Premiums passed on to reinsurers	0.56	18.6	0.58	18.9	0.58	0.54	17.7	0.54
Total expenses	3.25	108.3	3.46	113.2	3.46	3.02	98.9	3.02
UNDERWRITING INCOME	0.41	20.5	0.56	18.5	0.56	0.70	22.8	0.70

(*) 2010 data cover entities having submitted their reporting statements in summer 2012. Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.17	0.19	0.21	6.7	24.4
Acquisition expenses	0.36	0.42	0.43	14.1	50.0
Administrative costs and other net underwriting expenses	0.20	0.23	0.22	7.3	25.6
TOTAL	0.73	0.83	0.86	28.1	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012. Source: ACP General Secretariat.

Change in claims ratio (claims/premiums, including claims processing expense)

Year of claim events (%)	2007	2008	2009	2010	2011
Claims ratio					
At the end of the first year	76.7	79.0	80.2	80.0	81.0
At the end of the second year	85.3	83.6	81.0	79.1	-
At the end of the third year	83.0	84.4	81.6	-	-
At the end of the fourth year	83.2	83.7	-	-	-
At the end of the fifth year	82.3	-	-	-	-

Source: ACP General Secretariat.

Appendix 9

Natural disaster insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	1.30	100.0	1.29	100.0	1.29	1.36	100.0	1.36
Investment income (underwriting)	0.06	4.4	0.06	4.6	0.06	0.05	3.4	0.05
Reinsurers' share of expenses	0.72	55.4	0.80	58.9	0.80	0.29	21.0	0.29
Total resources	2.08	159.8	2.15	157.8	2.15	1.70	124.4	1.70
EXPENSES								
Claims paid	1.22	93.8	1.37	100.1	1.37	0.65	47.7	0.65
Change in insurance reserves	0.02	1.6	0.03	2.3	0.03	- 0.01	- 1.0	- 0.01
Administrative and acquisition costs	0.20	15.0	0.22	16.2	0.22	0.22	16.4	0.22
Profit sharing	0.01	0.6	0.01	0.6	0.01	0.01	0.5	0.01
Premiums passed on to reinsurers	0.64	49.0	0.71	52.3	0.71	0.78	57.1	0.78
Total expenses	2.08	160.0	2.34	171.4	2.34	1.65	120.8	1.65
UNDERWRITING INCOME	- 0.16	- 7.8	- 0.19	- 13.6	- 0.19	0.05	3.6	0.05

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.09	0.09	0.07	15.0	24.1
Acquisition expenses	0.12	0.14	0.14	31.7	48.3
Administrative costs and other net underwriting expenses	0.07	0.08	0.08	16.3	27.6
TOTAL	0.28	0.32	0.29	62.9	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Appendix 10

Other insurance (Simplified income statement)

“Other insurance” includes assistance, legal expenses and sundry financial losses.

EUR billions	Amount 2010	% of premiums	Amount 2010*	% of premiums	o/w IC	o/w MIC	Amount 2011	% of premiums	o/w IC	o/w MIC
RESOURCES										
Premiums	3.65	100.0	3.64	100.0	3.60	0.04	3.92	100.0	3.88	0.04
Investment income (underwriting)	0.09	2.5	0.10	2.5	0.10	0.00	0.06	1.6	0.06	0.00
Reinsurers' share of expenses	0.51	13.9	0.52	13.1	0.53	-0.01	0.48	12.3	0.48	0.01
Total resources	4.25	116.4	4.25	108.5	4.23	0.02	4.47	113.9	4.42	0.05
EXPENSES										
Claims paid	1.77	48.6	1.84	47.0	1.82	0.02	1.90	48.4	1.87	0.03
Change in insurance reserves	0.02	0.6	-0.02	-0.4	0.02	-0.03	0.12	3.1	0.12	0.00
Administrative and acquisition costs	1.32	36.0	1.38	35.2	1.38	0.01	1.50	38.1	1.49	0.01
Profit sharing	0.05	1.5	0.07	1.8	0.07	0.00	0.07	1.9	0.07	0.00
Premiums passed on to reinsurers	0.58	15.8	0.61	15.5	0.60	0.01	0.66	17.0	0.66	0.01
Total expenses	3.74	102.4	3.89	99.1	3.88	0.01	4.25	108.5	4.21	0.05
UNDERWRITING INCOME	0.33	16.4	0.36	9.1	0.35	0.01	0.22	5.6	0.21	0.01

(*) 2010 data cover entities having submitted their reporting statements in summer 2012. Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.35	0.35	0.38	9.6	20.0
Acquisition expenses	1.07	1.10	1.18	30.2	63.2
Administrative costs and other net underwriting expenses	0.27	0.28	0.32	8.0	16.8
TOTAL	1.68	1.73	1.88	47.0	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012. Source: ACP General Secretariat.

Change in claims ratio (claims/premiums, including claims processing expense)

Year of claim events (%)	2007	2008	2009	2010	2011
Claims ratio					
At the end of the first year	49.6	49.0	53.2	52.7	53.2
At the end of the second year	53.9	52.4	54.8	54.5	-
At the end of the third year	51.1	52.0	52.7	-	-
At the end of the fourth year	50.6	49.1	-	-	-
At the end of the fifth year	49.8	-	-	-	-

Source: ACP General Secretariat.

Appendix 11

Transport insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	0.94	100.0	0.84	100.0	0.84	1.03	100.0	1.03
Investment income (underwriting)	0.06	6.2	0.05	4.8	0.05	0.05	5.2	0.05
Reinsurers' share of expenses	0.15	15.7	0.14	13.3	0.14	0.15	14.8	0.15
Total resources	1.14	121.9	1.02	99.4	1.02	1.24	120.0	1.24
EXPENSES								
Claims paid	0.73	78.1	0.77	75.2	0.77	0.76	73.6	0.76
Change in insurance reserves	- 0.24	- 26.0	- 0.37	- 35.5	- 0.37	- 0.22	- 21.4	- 0.22
Administrative and acquisition costs	0.24	25.7	0.21	20.0	0.21	0.26	25.0	0.26
Profit sharing	0.00	0.00	0.00	0.00	0.00	0.00	0.0	0.00
Premiums passed on to reinsurers	0.25	26.8	0.24	23.6	0.24	0.27	26.5	0.27
Total expenses	0.98	104.6	0.86	83.3	0.86	1.07	103.6	1.07
UNDERWRITING INCOME	0.13	6.6	0.17	16.1	0.17	0.17	16.4	0.17

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.03	0.04	0.04	4.2	13.4
Acquisition expenses	0.14	0.12	0.17	16.4	56.6
Administrative costs and other net underwriting expenses	0.10	0.08	0.09	8.5	30.0
TOTAL	0.28	0.24	0.30	29.1	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Appendix 12

Construction insurance (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010 (*)	% of premiums	o/w IC	Amount 2011	% of premiums	o/w IC
RESOURCES								
Premiums	2.25	100.0	2.25	100.0	2.25	2.34	100.0	2.34
Investment income (underwriting)	0.55	24.3	0.64	27.4	0.64	0.50	21.3	0.50
Reinsurers' share of expenses	0.34	15.2	0.34	14.7	0.34	0.38	16.5	0.38
Total resources	3.14	139.5	3.23	138.4	3.23	3.22	137.7	3.22
EXPENSES								
Claims paid	1.01	44.6	1.16	49.7	1.16	1.24	53.2	1.24
Change in insurance reserves	0.70	31.1	0.76	32.6	0.76	0.76	32.3	0.76
Administrative and acquisition costs	0.31	14.0	0.37	15.8	0.37	0.38	16.3	0.38
Profit sharing	0.00	0.1	0.00	0.1	0.00	0.00	0.1	0.00
Premiums passed on to reinsurers	0.39	17.2	0.41	17.5	0.41	0.44	18.8	0.44
Total expenses	2.41	107.0	2.71	115.8	2.71	2.82	120.6	2.82
UNDERWRITING INCOME	0.44	21.9	0.53	22.6	0.53	0.40	17.1	0.40

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.12	0.15	0.16	6.7	29.6
Acquisition expenses	0.21	0.24	0.25	10.8	46.3
Administrative costs and other net underwriting expenses	0.10	0.13	0.13	5.5	24.1
TOTAL	0.43	0.52	0.54	36.7	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Appendix 13

Credit insurance and surety bonding (Simplified income statement)

EUR billions	Amount 2010	% of premiums	Amount 2010*	% of premiums	o/w IC	o/w MIC	Amount 2011	% of premiums	o/w IC	o/w MIC
RESOURCES										
Premiums	0.93	100.0	0.94	100.0	0.93	0.01	1.01	100.0	0.99	0.01
Investment income (underwriting)	0.07	7.6	0.07	7.3	0.07	0.00	0.10	9.9	0.10	0.00
Reinsurers' share of expenses	0.18	19.7	0.18	18.2	0.18	0.00	0.37	36.5	0.37	0.00
Total resources	1.18	127.3	1.19	118.8	1.18	0.01	1.47	146.4	1.46	0.01
EXPENSES										
Claims paid	0.30	32.7	0.31	30.5	0.30	0.00	0.34	33.4	0.33	0.00
Change in insurance reserves	0.09	10.2	0.09	9.2	0.09	0.00	0.18	17.8	0.17	0.01
Administrative and acquisition costs	0.27	29.5	0.28	28.3	0.27	0.01	0.28	27.6	0.27	0.01
Profit sharing	0.03	2.9	0.03	2.7	0.03	0.00	0.04	3.5	0.04	0.00
Premiums passed on to reinsurers	0.24	25.6	0.24	23.6	0.24	0.00	0.32	32.3	0.32	0.00
Total expenses	0.94	101.0	0.95	94.5	0.94	0.01	1.15	114.7	1.14	0.02
UNDERWRITING INCOME	0.24	12.0	0.24	24.3	0.24	0.00	0.32	31.7	0.32	0.00

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	0.00	0.00	0.02	2.5	6.7
Acquisition expenses	0.18	0.19	0.18	18.4	60.0
Administrative costs and other net underwriting expenses	0.09	0.10	0.10	9.5	33.3
TOTAL	0.27	0.29	0.30	30.3	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Appendix 14

Casualty insurance (Simplified income statement)

EUR billions	Amount 2010 (*)	% of premiums	o/w non-life IC	o/w life IC	o/w MIC	o/w SSC	Amount 2011	% of premiums	o/w non-life IC	o/w life IC	o/w MIC	o/w SSC
RESOURCES												
Premiums	49.97	100.0	10.61	6.68	24.42	8.26	44.89	100.0	10.80	7.14	18.71	8.23
Investment income (underwriting)	0.99	2.2	0.33	0.34	0.12	0.21	0.69	1.5	0.26	0.28	0.01	0.14
Reinsurers' share of expenses	6.73	15.0	1.14	1.14	1.95	2.50	7.83	17.4	1.78	1.33	2.12	2.59
Total resources	57.69	128.5	12.08	8.16	26.49	10.96	53.40	119.0	12.84	8.76	20.84	10.96
EXPENSES												
Claims paid	39.36	87.7	6.62	4.95	20.85	6.93	35.42	78.9	7.14	5.16	15.78	7.35
Change in insurance reserves	1.65	3.7	0.50	0.13	0.49	0.53	1.61	3.6	0.41	0.50	0.19	0.51
Administrative and acquisition costs	9.70	21.6	2.86	1.50	4.33	1.01	7.19	16.0	2.49	1.43	2.58	0.69
Profit sharing	0.23	0.5	0.05	0.09	0.02	0.06	0.22	0.5	0.01	-0.01	0.04	0.17
Premiums passed on to reinsurers	7.05	15.7	1.45	1.17	1.98	2.44	7.90	17.6	1.83	1.40	2.16	2.52
Total expenses	57.98	129.2	11.49	7.83	27.67	10.98	52.34	116.6	11.88	8.47	20.75	11.24
Net transfers between categories	0.05	0.1	0.00	0.05	0.00	0.00	0.02	0.00	0.00	0.02	0.00	0.00
UNDERWRITING INCOME	- 0.30	- 0.7	0.58	0.32	- 1.19	- 0.02	1.09	2.4	0.96	0.31	0.10	- 0.28

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

Operating expenses (EUR billions)	2010 (*)	2011	% of premiums	% of total
Claims processing expenses	2.15	2.84	6.3	30.6
Acquisition expenses	3.17	3.16	7.16	34.5
Administrative costs and other net underwriting expenses	5.44	3.25	7.2	34.9
TOTAL	10.76	9.32	13.7	100.0

(*) 2010 data cover entities having submitted their reporting statements in summer 2012.
Source: ACP General Secretariat.

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