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A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

## FOR IMMEDIATE RELEASE

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### **A.M. Best Assigns Ratings to BNP Paribas Assurance S.A. and Its Subsidiaries; Upgrades Ratings of U.S. Subsidiary**

**OLDWICK, NEW JERSEY, U.S.A., Apr. 30, 2008**—A.M. Best Co. has assigned a financial strength rating (FSR) of A+ (Superior) and an issuer credit rating (ICR) of “aa” to **BNP Paribas Assurance S.A.**’s (BNP Paribas Assurance) (France) main subsidiaries in France and the Netherlands. Concurrently, A.M. Best has assigned an FSR of A (Excellent) and an ICR of “a+” to its UK subsidiary and an ICR of “a+” to BNP Paribas Assurance, the insurance holding company of the ultimate parent company BNP Paribas Bank. A.M. Best also has upgraded the FSR to A- (Excellent) from B++ (Good) of **Cardif Life Insurance Company** (Kansas) and its ICR to “a-” from “bbb”. The outlook for all ratings is stable. (See below for a detailed listing of the companies and ratings.)

The ratings reflect BNP Paribas Assurance’s continuing solid business position especially in France, its strong and improving financial performance, improving risk-adjusted capitalisation and support from BNP Paribas, its bank parent.

BNP Paribas Assurance continues to benefit from a strong position in the French unit-linked market despite the decline in demand for unit-linked products in France, which is the company’s main market. The French market represented 61% of total consolidated gross written premiums in 2007. A.M. Best believes that consolidated premiums in 2008 are likely to continue

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their steady increase of approximately 5% seen in 2007 due to strong growth in savings and protection worldwide, particularly in the emerging markets and in Italy, which is likely to compensate for the decline in savings premiums in France.

In 2007, protection premiums in the UK declined by 40% due to lower demand for creditor and extended warranty insurance; however, this was more than compensated by a 126% higher savings inflow resulting in a 54% increase in gross written premiums to EUR 1.8 billion. On the other hand, in the Netherlands there was a near 1% decline in premiums for mostly traditional endowment policies and a 29% decrease in protection premiums.

The ratings of Cardif Life reflect the continued penetration of its core credit insurance market and its adequate risk-adjusted capitalization, which is solely due to capital contributions from its parent. Cardif Life has recently experienced substantial premium growth through enhanced relationships with its core automobile dealership distribution. In addition, Cardif Life has had some initial success expanding into regional banks and financial institutions.

BNP Paribas Assurance's non-life portfolio accounts for 18% of consolidated premiums and is focused on personal lines in France, mainly creditor insurance. While bancassurance is one of the main distribution channels (both for life and non-life) in France, 32% of premiums are sourced via non-banking channels globally.

A.M. Best believes that BNP Paribas Assurance's financial performance will continue to improve in 2008 driven by strong premium growth in the protection market and expense reductions as investments in back office systems impacted results in 2006 and 2007. Underwriting performance for the protection business is expected to remain strong with a combined ratio remaining below 80% in 2007.

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The main challenges to BNP Paribas Assurance’s financial performance are the volatile equity markets with the resulting depression in demand for unit-linked business and the impact of movements in interest rates given the company’s high proportion of fixed income securities in its investment portfolio.

In the U.S., while the trend in premium production has been favorable, Cardif Life continues to report statutory operating losses due to new business strain. Also, the company maintains a limited product portfolio and lacks geographic diversification. A.M. Best will be monitoring Cardif Life’s ability to generate statutory profitability while expanding its business profile going forward.

BNP Paribas Assurance’s capitalisation is defined by its parent’s decision to upstream all earnings at year end in the form of dividends retaining equity at close to regulatory requirements. BNP Paribas Assurance and its subsidiaries have until recently depended on capital contributions from BNP Paribas, their ultimate parent, in the event of increased capital requirements and expanding business portfolios. Risk-adjusted capitalisation is supported by significant levels of unrealised capital gains and value of in force business, while capital requirements have been kept relatively low in recent years due to the significant growth in unit-linked business. A.M. Best believes that this is likely to be strengthened following the company’s decision to increase the equity held in order to better support future growth.

An ICR of “a+” has been assigned to **BNP Paribas Assurance S.A.**

An FSR of A+ (Superior) and ICR of “aa” have been assigned to the following subsidiaries of BNP Paribas Assurance S.A.:

- **Cardif Assurances Vie**
- **Cardif Assurances Risques Divers**

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- **Cardif Levensverzekeringen N.V.**
- **Cardif Schadeverzekeringen N.V.**

An FSR of A (Excellent) and ICR of “a+” have been assigned to **Pinnacle Insurance Plc.**

The FSR has been upgraded to A- (Excellent) from B++ (Good) and the ICR to “a-” from “bbb” for **Cardif Life Insurance Company.**

**Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit [www.ambest.com](http://www.ambest.com).**

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