

# — Consolidated financial statements

## Contents

Consolidated balance sheet	102	<b>NOTE 3_PRO FORMA FINANCIAL INFORMATION</b>	
Consolidated income statement	104	<b>REFLECTING THE ADJUSTMENT OF DEEPLY</b>	
Consolidated statement of changes in equity	105	<b>SUBORDINATED DEBT AT 31 DECEMBER 2005</b>	128
Consolidated cash flow statement	108		
Notes to the consolidated financial statements	111	<b>NOTE 4_SHARE CAPITAL</b>	131
		4.1_Deeply subordinated notes reclassified in equity	131
<b>NOTE 1_SIGNIFICANT EVENTS OF THE YEAR</b>	111	4.2_Ownership structure	132
1.1_Share issue and signature of an addendum	111	4.3_Equity	133
to the shareholders' agreement	111	4.4_2007 Dividend	133
1.2_Completion of the Écureuil Vie acquisition and merger	111	4.5_Basic and diluted earnings per share	133
1.3_Completion of the acquisition of 94%		4.6_Related party information	134
of Skandia Vida in Spain	111	4.7_Management remuneration	136
1.4_Dilution of CNP Assurances' interest			
in Ixis Asset Management Group (Ixis AMG)	112	<b>NOTE 5_SCOPE OF CONSOLIDATION</b>	137
1.5_Change in governance system	112	5.1_Consolidated companies and percentage	
		of voting rights at 31 December 2007	137
		5.2_Analysis of the CNP Vida acquisition price	138
<b>NOTE 2_SUMMARY</b>		5.3_Analysis of the Écureuil Vie acquisition price	138
<b>OF SIGNIFICANT ACCOUNTING POLICIES</b>	112	5.4_Financial information about associates	139
2.1_Statement of compliance			
2.2_Basis of preparation		<b>NOTE 6_SEGMENT INFORMATION</b>	140
of the consolidated financial statements	113	6.1_Balance sheet by business segment	
2.3_Basis of consolidation	113	at 31 December 2007	140
2.4_Intragroup transactions	114	6.2_Balance sheet by business segment	
2.5_Deferred participation	114	at 31 December 2006	142
2.6_Foreign currency translation	115	6.3_Balance sheet by business segment	
2.7_Foreign currency transactions	115	at 31 December 2005	144
2.8_Intangible assets	115	6.4_Balance sheet by geographical segment	
2.9_Investments	116	at 31 December 2007	146
2.10_Equity	120	6.5_Balance sheet by geographical segment	
2.11_Treasury stock	121	at 31 December 2006	148
2.12_Contract classification	121	6.6_Balance sheet by geographical segment	
2.13_Property and equipment	124	at 31 December 2005	150
2.14_Employee benefit obligations	124	6.7_2007 income statement by business segment	152
2.15_Financing liabilities and subordinated debt	126	6.8_2006 income statement by business segment	153
2.16_Acquisition costs and operating expenses	126	6.9_2005 income statement by business segment	154
2.17_Taxation	126	6.10_2007 income statement by geographical segment	155
2.18_Segment reporting	127	6.11_2006 income statement by geographical segment	156
2.19_Contingent liabilities	127	6.12_2005 income statement by geographical segment	157

<b>NOTE 7_INTANGIBLE ASSETS</b>	158	<b>NOTE 13_PROVISIONS</b>	191
7.1_Intangible assets by category	158	13.1_Provisions – 2007	191
7.2_Goodwill	159	13.2_Provisions – 2006	191
7.3_Contractual customer relationships	160	13.3_Provisions – 2005	191
7.4_Software	161		
<b>NOTE 8_INVESTMENT AND OWNER-OCCUPIED PROPERTY</b>	161	<b>NOTE 14_LIABILITIES</b>	192
8.1_Investment property	162	14.1_Liabilities arising from insurance and reinsurance transactions	192
8.2_Owner-occupied property	163	14.2_Other liabilities	193
		14.3_Employee benefits – IAS 19	193
<b>NOTE 9_INVESTMENTS</b>	164	<b>NOTE 15_REVENUE</b>	195
9.1_Investments by category	164	15.1_Earned premiums and revenue from other activities	195
9.2_Measurement of assets recognised at fair value	167	15.2_Reconciliation to reported revenue	196
9.3_Repurchase agreements	168	15.3_Revenue by partnership centre	196
9.4_Lent securities	168	15.4_Revenue by market segment	196
9.5_Movements for the period	168	15.5_Revenue by company	197
9.6_Derivative instruments	169	15.6_Direct and inward reinsurance premiums	197
9.7_Credit risk	170		
9.8_Credit risk by type of asset and by geographical region	170	<b>NOTE 16_CLAIMS AND BENEFITS EXPENSES</b>	198
9.9_Foreign currency transactions	172		
9.10_Commitments given and received	173	<b>NOTE 17_ADMINISTRATIVE EXPENSES AND BUSINESS ACQUISITION COSTS</b>	198
<b>NOTE 10_INSURANCE AND FINANCIAL LIABILITIES</b>	174	17.1_Expenses analysed by function	198
10.1_Analysis of insurance and financial liabilities	174	17.2_Expenses analysed by nature	199
10.2_Change in technical reserves	176	17.3_Administrative expenses, net	199
10.3_Deferred participation (shadow accounting adjustments)	181	17.4_Analysis of commission expense	199
10.4_Main assumptions	181	<b>NOTE 18_REINSURANCE RESULT</b>	199
10.5_Changes in financial liabilities – unit-linked contracts	182		
10.6_Credit risk on reinsurance business	184	<b>NOTE 19_INVESTMENT INCOME</b>	200
10.7_Subordinated debt	185	19.1_Investment income and expense	200
<b>NOTE 11_RECEIVABLES</b>	188	19.2_Fair value adjustments to assets	201
11.1_Insurance and reinsurance receivables	188	19.3_Impairment	204
11.2_Other receivables	188	<b>NOTE 20_INCOME TAX EXPENSE</b>	205
<b>NOTE 12_DEFERRED TAXES</b>	189		

<b>NOTE 21_INTEREST RATE RISK ON FINANCIAL ASSETS</b>			
21.1_Caps and floors	206		
21.2_Effective interest rates	206		
21.3_Carrying amounts by maturity	207		
21.4_Carrying amounts at maturity – held-to-maturity investments	208		
21.5_Average life of securities	209		
<b>NOTE 22_INTEREST RATE RISK ON FINANCIAL LIABILITIES</b>			
	210		
		<b>NOTE 23_LIQUIDITY RISK</b>	211
		23.1_Future cash flows from assets	211
		23.2_Payment projections by maturity	211
		23.3_Surrender risk	212
		<b>NOTE 24_RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES</b>	212
		<b>NOTE 25_RISK MANAGEMENT</b>	213
		25.1_Credit risk	213
		25.2_Currency risk	213
		25.3_Sensitivity of equity and earnings to market risks	213
		25.4_Asset/liability management	215
		25.5_Insurance risk	216
		25.6_Risk management	221

# — Consolidated financial statements

Year ended 31 December 2007

## Consolidated balance sheet

### Assets

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma <sup>(1)</sup>
Goodwill	659.2	640.7	654.8
Contractual customer relationships	186.4	179.5	196.2
Other intangible assets	28.1	29.9	29.7
<b>Total intangible assets</b>	<b>873.7</b>	<b>850.1</b>	<b>880.7</b>
Investment property	1,499.3	1,285.6	1,240.4
Held-to-maturity investments	1,112.9	894.5	880.3
Available-for-sale financial assets	180,910.8	173,932.8	162,714.2
Securities held for trading	74,981.0	69,985.2	61,808.6
Loans and receivables	2,088.4	2,034.6	1,051.1
Derivative financial instruments	1,972.7	1,636.4	1,070.4
<b>Insurance investments</b>	<b>262,565.1</b>	<b>249,769.1</b>	<b>228,765.0</b>
<b>Banking and other investments</b>	<b>272.4</b>	<b>690.2</b>	<b>510.0</b>
<b>Investments in associates</b>	<b>422.8</b>	<b>300.3</b>	<b>346.7</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>6,139.3</b>	<b>5,912.6</b>	<b>5,382.7</b>
Insurance or reinsurance receivables	3,499.8	2,197.4	2,485.1
Current tax assets	324.7	424.8	211.6
Other receivables	968.4	1,629.5	1,836.6
Property and equipment	195.6	197.6	303.5
Other non-current assets	208.7	132.0	105.4
Deferred participation asset	0.0	0.0	0.0
Deferred tax assets	26.3	41.1	3.9
<b>Other assets</b>	<b>5,223.5</b>	<b>4,622.4</b>	<b>4,946.1</b>
Non-current assets held for sale	0.0	0.0	0.0
Cash and cash equivalents	1,175.3	1,126.8	789.8
<b>TOTAL ASSETS</b>	<b>276,672.1</b>	<b>263,271.5</b>	<b>241,621.0</b>

(1) See Note 3 for details.

## Equity and liabilities

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma <sup>(1)</sup>
Share capital	594.2	554.5	554.5
Share premium account	981.5	321.5	321.5
Revaluation reserve	1,972.6	2,077.4	2,529.4
Deeply-subordinated debt	2,143.0	2,035.0	625.0
Retained earnings	4,383.2	4,171.4	3,663.0
Profit for the period	1,221.8	1,145.3	969.6
Translation reserve	109.0	90.6	104.0
<b>Equity attributable to equity holders of the parent</b>	<b>11,405.3</b>	<b>10,395.7</b>	<b>8,767.0</b>
Minority interests	566.9	1,513.8	1,415.4
<b>Total equity</b>	<b>11,972.2</b>	<b>11,909.5</b>	<b>10,182.4</b>
Insurance liabilities (excluding unit-linked)	54,347.1	44,866.4	37,329.5
Insurance liabilities – unit-linked	27,306.0	22,921.6	16,358.6
<b>Insurance liabilities</b>	<b>81,653.1</b>	<b>67,788.0</b>	<b>53,688.1</b>
Financial liabilities – financial instruments with DPF (excluding unit-linked)	139,148.7	133,584.2	127,631.7
Financial liabilities - financial instruments without DPF (excluding unit-linked)	516.3	392.6	366.5
Financial liabilities - unit-linked financial instruments	14,200.3	15,778.9	16,162.4
<b>Financial liabilities</b>	<b>153,865.3</b>	<b>149,755.7</b>	<b>144,160.6</b>
Derivative financial instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve	8,675.0	12,133.3	14,533.1
<b>Insurance and financial liabilities</b>	<b>244,193.4</b>	<b>229,677.0</b>	<b>212,381.8</b>
<b>Provisions</b>	<b>112.5</b>	<b>96.1</b>	<b>87.7</b>
Subordinated debt	1,926.4	1,926.3	1,926.0
<b>Financing liabilities</b>	<b>1,926.4</b>	<b>1,926.3</b>	<b>1,926.0</b>
Operating liabilities represented by securities	4,319.7	6,661.8	6,175.9
Operating liabilities due to banks	69.9	319.2	196.2
Liabilities arising from insurance and reinsurance transactions	2,199.1	1,842.8	1,896.0
Current taxes payable	251.3	167.7	115.0
Current account advances	324.6	36.5	33.2
Liabilities towards holders of units in controlled mutual funds	4,336.4	3,035.3	3,016.4
Derivative financial instruments	1,456.1	1,410.6	973.6
Deferred tax liabilities	1,641.8	1,587.4	723.8
Other liabilities	3,868.7	4,601.3	3,913.0
<b>Other liabilities</b>	<b>18,467.6</b>	<b>19,662.6</b>	<b>17,043.1</b>
<b>Liabilities related to assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>276,672.1</b>	<b>263,271.5</b>	<b>241,621.0</b>

(1) See Note 3 for details.

## Consolidated income statement

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma <sup>(1)</sup>
Premiums written	31,504.3	31,947.2	26,488.2
Change in unearned premiums reserve	(4.9)	(25.2)	(22.4)
<b>Earned premiums</b>	<b>31,499.4</b>	<b>31,922.0</b>	<b>26,465.8</b>
<b>Revenue from other activities</b>	<b>161.9</b>	<b>171.7</b>	<b>115.7</b>
Other operating revenue	0.0	0.2	0.0
Investment income	9,753.7	8,742.2	8,258.1
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,707.9	1,451.5	755.8
Change in fair value of financial assets at fair value through profit	16.1	2,039.3	3,431.9
Impairment losses on financial instruments	17.7	(24.7)	(15.3)
<b>Net financial income, before finance costs</b>	<b>11,495.4</b>	<b>12,208.3</b>	<b>12,430.5</b>
<b>Net revenue</b>	<b>43,156.7</b>	<b>44,302.2</b>	<b>39,012.0</b>
Claims and benefits expenses	(37,168.8)	(38,952.5)	(34,704.1)
Investment expenses and interest expense, excluding finance costs	(597.1)	(566.6)	(312.3)
Reinsurance result	(18.1)	(3.6)	(4.9)
Expenses of other businesses	(11.9)	(23.7)	(0.1)
Acquisition costs	(2,989.1)	(2,459.7)	(1,964.1)
Amortisation of value of business acquired	(19.6)	(16.3)	(15.3)
Contract administration expenses	(349.8)	(389.1)	(388.0)
Other recurring operating income and expense, net	(16.7)	(86.8)	61.5
<b>Total other recurring operating income and expense, net</b>	<b>(41,171.1)</b>	<b>(42,498.3)</b>	<b>(37,327.3)</b>
<b>Recurring operating profit</b>	<b>1,985.6</b>	<b>1,803.9</b>	<b>1,684.7</b>
Other operating income and expense, net	1.7	0.0	0.0
<b>Operating profit</b>	<b>1,987.3</b>	<b>1,803.9</b>	<b>1,684.7</b>
Finance costs	(106.5)	(104.9)	(91.3)
Share of profit of associates	46.0	46.0	19.3
Income tax expense	(547.8)	(314.7)	(453.0)
<b>Profit for the period</b>	<b>1,379.0</b>	<b>1,430.3</b>	<b>1,159.7</b>
Attributable to minority interests	(157.2)	(285.0)	(190.1)
<b>Attributable to equity holders of the parent</b>	<b>1,221.8</b>	<b>1,145.3</b>	<b>969.6</b>
Basic earnings per share (in €)	8.2	7.7	7.0
Diluted earnings per share (in €)	8.2	7.7	7.0

(1) See Note 3 for details.

# Consolidated statement of changes in equity

Consolidated statement of changes in equity – 2007

In € millions	Attributable to equity holders of the parent								Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	
<b>Adjusted equity at 1 January 2007 – IFRS</b>	<b>554.5</b>	<b>321.5</b>	<b>2,077.4</b>	<b>2,035.0</b>	<b>5,316.7</b>	<b>90.6</b>	<b>10,395.7</b>	<b>1,513.8</b>	<b>11,909.5</b>
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(3,861.3)				(3,861.3)	(6.8)	(3,868.1)
Shadow accounting adjustments before deferred tax effect			3,809.0				3,809.0	0.7	3,809.7
Deferred taxes			(114.4)				(114.4)	1.5	(112.9)
Exchange differences on translating foreign operations							0.0		0.0
Other movements						18.4	18.4	19.8	38.2
<b>Net income recognised directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>(166.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>18.4</b>	<b>(148.3)</b>	<b>15.2</b>	<b>(133.1)</b>
Profit for the period					1,221.8		1,221.8	157.2	1,379.0
<b>Total recognised income and expense for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>(166.7)</b>	<b>0.0</b>	<b>1,221.8</b>	<b>18.4</b>	<b>1,073.5</b>	<b>172.4</b>	<b>1,245.9</b>
Dividends paid					(340.9)		(340.9)	(78.4)	(419.3)
Issue of shares	39.7	660.0					699.7		699.7
Equity component of share-based payments							0.0		0.0
Deeply-subordinated debt, net of tax				108.0	(70.5)		37.5	(108.0)	(70.5)
Treasury shares, net of tax					(9.0)		(9.0)		(9.0)
Other movements <sup>(1)</sup>			61.9		(513.1)		(451.2)	(932.9)	(1,384.1)
<b>Equity at 31 December 2007</b>	<b>594.2</b>	<b>981.5</b>	<b>1,972.6</b>	<b>2,143.0</b>	<b>5,605.0</b>	<b>109.0</b>	<b>11,405.3</b>	<b>566.9</b>	<b>11,972.2</b>

(1) Other movements include:

A negative €451.2 million (attributable to equity holders of the parent), corresponding primarily to the €471.6 million in Écureuil Vie goodwill deducted from equity (see explanation in Note 5.3).

A negative €932.9 million (attributable to minority interests), corresponding mainly to the buyout of Écureuil Vie minority interests for €928.5 million.

## Consolidated statement of changes in equity – 2006

In € millions	Attributable to equity holders of the parent								Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	
<b>Adjusted equity at 1 January 2006 – IFRS</b>	<b>554.5</b>	<b>321.5</b>	<b>2,529.4</b>	<b>625.0</b>	<b>4,632.6</b>	<b>104.0</b>	<b>8,767.0</b>	<b>1,415.4</b>	<b>10,182.4</b>
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(2,049.0)				(2,049.0)	(943.1)	(2,992.1)
Shadow accounting adjustments before deferred tax effect			2,335.3				2,335.3	893.8	3,229.1
Deferred taxes			(855.4)				(855.4)	(117.2)	(972.6)
Exchange differences on translating foreign operations						(13.4)	(13.4)	(12.1)	(25.5)
Other movements			117.1		(160.6)		(43.5)		(43.5)
<b>Net income recognised directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>(452.0)</b>	<b>0.0</b>	<b>(160.6)</b>	<b>(13.4)</b>	<b>(626.0)</b>	<b>(178.6)</b>	<b>(804.6)</b>
Profit for the period					1,145.3		1,145.3	285.0	1,430.3
<b>Total recognised income and expense for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>(452.0)</b>	<b>0.0</b>	<b>984.7</b>	<b>(13.4)</b>	<b>519.3</b>	<b>106.4</b>	<b>625.7</b>
Dividends paid					(264.2)		(264.2)	(168.4)	(432.6)
Issue of shares									0.0
Equity component of share-based payments									0.0
Deeply-subordinated debt, net of tax				1,410.0	(25.5)		1,384.5	107.9	1,492.4
Treasury shares, net of tax					(16.2)		(16.2)		(16.2)
Other movements					5.3		5.3	52.5	57.8
<b>Equity at 31 December 2006</b>	<b>554.5</b>	<b>321.5</b>	<b>2,077.4</b>	<b>2,035.0</b>	<b>5,316.7</b>	<b>90.6</b>	<b>10,395.7</b>	<b>1,513.8</b>	<b>11,909.5</b>

## Consolidated statement of changes in equity – 2005

In € millions	Attributable to equity holders of the parent								Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	
<b>Adjusted equity at 1 January 2005 – IFRS</b>	<b>554.5</b>	<b>321.5</b>	<b>1,926.9</b>	<b>300.0</b>	<b>3,588.4</b>	<b>6.2</b>	<b>6,697.5</b>	<b>1,108.8</b>	<b>7,806.3</b>
Fair value adjustments recognised in equity									
Available-for-sale financial assets			2,866.6				2,866.6	477.7	3,344.3
Shadow accounting adjustments before deferred tax effect			(2,501.9)				(2,501.9)	(465.3)	(2,967.2)
Deferred taxes			237.8		8.1		245.9	44.7	290.6
Exchange differences on translating foreign operations						97.8	97.8	47.5	145.3
Other movements			0.0		0.0		0.0		0.0
<b>Net income recognised directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>602.5</b>	<b>0.0</b>	<b>8.1</b>	<b>97.8</b>	<b>708.4</b>	<b>104.6</b>	<b>813.0</b>
Profit for the period					969.6		969.6	190.1	1,159.7
<b>Total recognised income and expense for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>602.5</b>	<b>0.0</b>	<b>977.7</b>	<b>97.8</b>	<b>1,678.0</b>	<b>294.7</b>	<b>1,972.7</b>
Dividends paid					(230.1)		(230.1)	(119.4)	(349.5)
Issue of shares									0.0
Equity component of share-based payments									0.0
Deeply-subordinated debt, net of tax				325.0	(6.9)		318.1		318.1
Treasury shares, net of tax							0.0		0.0
Other movements					303.5		303.5	131.4	434.9
<b>Equity at 31 December 2005</b>	<b>554.5</b>	<b>321.5</b>	<b>2,529.4</b>	<b>625.0</b>	<b>4,632.6</b>	<b>104.0</b>	<b>8,767.0</b>	<b>1,415.4</b>	<b>10,182.4</b>

## Consolidated cash flow statement

The cash flow statement includes:

- Cash flows of fully-consolidated companies.
- The Group's proportionate share of the cash flows of jointly-controlled entities consolidated by the proportionate method.
- Cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for by the equity method.

### Definition of cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines of the French securities regulator (AMF).

Cash and cash equivalents reported in the cash flow statement are stated net of bank overdrafts used for cash management purposes.

### Definition of cash flows from operating activities

Cash flows from operating activities correspond essentially to the cash flows of the Group's revenue-generating activities.

### Definition of cash flows from investing activities

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, operating property and equipment and intangible assets.

### Definition of cash flows from financing activities

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- Share issues and cancellations.
- Debt issues and repayments.
- Purchases and sales of treasury stock, dividends paid to equity holders of the parent and minority shareholders of subsidiaries.

### Reconciliation of cash and cash equivalents reported in the balance sheet and in the cash flow statement

In € millions	2007	2006	2005
Cash and cash equivalents	1,175.3	1,126.8	789.8
Liabilities towards banks	3.1	(172.4)	(23.6)
Trading securities	3,879.0	4,840.7	4,800.2
<b>Total</b>	<b>5,057.4</b>	<b>5,795.1</b>	<b>5,566.4</b>

Cash and cash equivalents reported in the cash flow statement correspond to:

- Cash and cash equivalents reported in the balance sheet under assets.
- Operating liabilities due to banks, corresponding to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities.
- Securities held for trading, consisting of money market mutual funds, reported in the balance sheet under assets.

## Consolidated cash flow statement

In € millions	2007	2006	2005
<b>Operating profit before tax</b>	<b>1,987.5</b>	<b>1,803.7</b>	<b>1,684.8</b>
Gains on sales of investments	(1,707.9)	(1,451.5)	(755.8)
Depreciation and amortisation expense, net	73.1	84.9	65.8
Change in deferred acquisition costs	0.0	0.0	0.0
Impairment losses, net	(14.4)	(31.6)	(15.3)
Charges to technical reserves for insurance and financial liabilities	17,489.0	21,406.8	20,604.6
Charges to provisions, net	(132.9)	(10.2)	174.9
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	(16.1)	(2,057.4)	(3,431.9)
Other adjustments	(548.2)	325.0	(225.0)
<b>Total adjustments</b>	<b>15,142.6</b>	<b>18,266.0</b>	<b>16,417.3</b>
Change in operating receivables and payables	94.1	1,116.2	(671.7)
Change in securities sold and purchased under repurchase and resale agreements <sup>(1)</sup>	(2,311.0)	462.7	3,605.5
Change in other assets and liabilities	(1,973.0)	(1,456.6)	(1,187.5)
Income taxes paid, net of reimbursements	(398.0)	(595.9)	(439.5)
<b>Net cash provided by operating activities</b>	<b>12,542.2</b>	<b>19,596.2</b>	<b>19,408.9</b>
Acquisitions of subsidiaries and joint ventures, net of cash acquired <sup>(2)</sup>	(925.2)		(339.2)
Divestments of subsidiaries and joint ventures, net of the cash sold	0.0		0.0
Acquisitions of associates	0.0		(85.1)
Divestments of associates	0.0		0.0
<b>Net cash (used) by divestments and acquisitions</b>	<b>(925.2)</b>	<b>0.0</b>	<b>(424.3)</b>
Proceeds from the sale of financial assets	137,369.3	88,822.7	38,375.8
Proceeds from the sale of investment properties	31.8	49.3	1,313.4
Proceeds from the sale of other investments	0.0		8.7
<b>Net cash provided by sales and redemptions of investments</b>	<b>137,401.1</b>	<b>88,872.1</b>	<b>39,697.9</b>
Acquisitions of financial assets	(149,744.8)	(109,025.4)	(56,733.0)
Acquisitions of investment properties	(33.6)	(148.2)	(510.4)
Acquisitions and/or issuance of other investments	0.0	(2.8)	(10.7)
<b>Net cash (used) by acquisitions of investments</b>	<b>(149,778.4)</b>	<b>(109,176.4)</b>	<b>(57,254.1)</b>

## Consolidated cash flow statement (cont'd)

In € millions	2007	2006	2005
Proceeds from the sale of property and equipment and intangible assets	19.8	7.1	1.7
Purchases of property and equipment and intangible assets	(41.1)	(71.6)	(37.9)
<b>Net cash (used) by sales and purchases of property and equipment and intangible assets</b>	<b>(21.3)</b>	<b>(64.5)</b>	<b>(36.1)</b>
<b>Net cash used by investing activities</b>	<b>(13,323.8)</b>	<b>(20,368.9)</b>	<b>(18,016.6)</b>
Issuance of equity instruments <sup>(3)</sup>	699.6	51.5	56.1
Redemption of equity instruments	(16.5)	(47.6)	0.0
Purchases and sales of treasury stock	(8.3)	(14.3)	1.0
Dividends paid	(419.1)	(442.0)	(300.4)
<b>Net cash (used) by transactions with shareholders</b>	<b>255.7</b>	<b>(452.4)</b>	<b>(243.3)</b>
New borrowings	0.0	1,518.0	433.0
Repayments of borrowings	(9.3)	(2.8)	(5.3)
Interest paid on borrowings	(198.2)	(66.2)	(122.5)
<b>Net cash provided by other financing activities</b>	<b>(207.5)</b>	<b>1,449.0</b>	<b>305.2</b>
<b>Net cash (used) provided by financing activities</b>	<b>48.2</b>	<b>996.6</b>	<b>61.9</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,795.1</b>	<b>5,566.4</b>	<b>4,114.7</b>
Net cash provided by operating activities	12,542.3	19,596.2	19,408.8
Net cash used by investing activities	(13,323.8)	(20,368.9)	(18,016.6)
Net cash (used) provided by financing activities	48.2	996.6	61.9
Effect of changes in exchange rates	(4.5)	4.8	(2.4)
<b>Cash and cash equivalents at the period-end</b>	<b>5,057.3</b>	<b>5,795.1</b>	<b>5,566.4</b>

(1) Reflecting discontinuation of Écureuil Vie's bond picking activities.

(2) Acquisition of 49.9% of Écureuil Vie (net cash outflow of €1,404.8 million), acquisition of Skandia Vida in Spain (net cash inflow of €469.4 million corresponding to €78.5 million purchase price less €547.9 million in cash acquired) and refund of deposit corresponding to the Caixa Seguros seller's warranty (cash outflow of €10.2 million).

(3) €699.6 million share issue by CNP Assurances to finance part of the cost of acquiring 49.9% of Écureuil Vie.

# Notes to the consolidated financial statements

## NOTE 1\_ SIGNIFICANT EVENTS OF THE YEAR

### 1.1 Share issue and signature of an addendum to the shareholders' agreement

On 8 January, CNP Assurances launched a share issue with pre-emptive subscription rights to finance part of the cost of acquiring 49.9% of Écureuil Vie. The issue, which was authorised at the Extraordinary General Meeting of 22 November 2006, was an outstanding success, with applications representing 1.85 times the number of shares offered. The gross issue proceeds amounted to €699,613,108.65. Caisse des Dépôts et Consignations and Sopassure both took up their share of the issue. The issue had the effect of increasing the number of outstanding shares to 148,537,823. Prior to the issue, on 8 January 2007, the main shareholders of CNP Assurances signed an addendum to their amended 1998 agreement, extending it until 31 December 2015.

### 1.2 Completion of the Écureuil Vie acquisition and merger

On 20 February 2007, CNP Assurances completed the acquisition of Groupe Caisse d'Épargne's 49.9% stake in Écureuil Vie. The transaction was referred to in the letter of intent covering Caisse des Dépôts et Consignations' withdrawal from the capital of Caisse Nationale des Caisses d'Épargne (CNCE) and was completed on the terms agreed between CNP Assurances and CNCE, as approved by their respective Supervisory Boards on 14 September and 10 October 2006. As agreed, the acquisition price of €1,406 million was adjusted to take into account the impact of changes in the financial markets on Écureuil Vie's NAV. The price adjustment, which was calculated on 16 February, led to a final acquisition price of €1,404.8 million. CNP Assurances and Groupe Caisse

d'Épargne will continue to develop innovative personal insurance solutions through the Écureuil Vie product family and have set up a joint subsidiary to provide sales and marketing support and training to the Savings Banks networks, in order to promote Écureuil Vie product sales.

The acquisition was financed through a share issue and a deeply subordinated debt issue.

In line with Group accounting policies (*see Note 2.3.2*), goodwill arising on acquisition of this additional interest in a controlled entity was deducted from equity, in the amount of €471.6 million (*see Note 5.3*).

Following completion of the transaction, a General Meeting was held on 18 December 2007 at which shareholders approved the merger of Écureuil Vie into CNP Assurances, in line with the decision of the Board of Directors on 11 September 2007.

### 1.3 Completion of the acquisition of 94% of Skandia Vida in Spain

As announced on 20 December 2006, and after obtaining regulatory approval in Spain, on 4 April CNP Assurances completed the acquisition of 94% of Spanish insurer Skandia Vida SA de Seguros y Reaseguros ("Skandia Vida") from Skandia Insurance Company Ltd, a subsidiary of Old Mutual plc, for €79.2 million. The remaining 6% of Skandia Vida is held by seven Spanish savings banks that distribute Skandia Vida products under non-exclusive agreements.

The Group's entry in the Spanish individual life insurance market is in line with its international growth strategy focused on Southern Europe, where it is already present in Italy and Portugal.

Skandia Vida has been renamed CNP Vida.

#### 1.4 Dilution of CNP Assurances' interest in Ixis Asset Management Group (Ixis AMG)

CNP Assurances' interest in the capital of Ixis Asset Management Group (Ixis AMG) was reduced from 15.4% to 11.3% following the share issue carried out by Ixis AMG in late June in payment for assets acquired in a merger. Following the merger, Ixis Asset Management Group was renamed Natixis Global Asset Management (Natixis AM). The merger generated a €121.8 million dilution gain for the CNP Assurances Group.

Despite the reduction in its interest, CNP Assurances continues to exercise significant influence over Natixis AM, which is therefore qualified as an associate under IFRS and is accounted for by the equity method. Significant influence derives in particular from CNP Assurances' two seats on the Natixis AM Board of Directors. It is also demonstrated by the material transactions carried out between CNP Assurances and Natixis AM.

CNP Assurances holds a put option on its Natixis AM shares, granted by Caisse Nationale des Caisses d'Épargne. This option has been valued, leading to the recognition of financial income of €20 million.

#### 1.5 Change in governance system

At the Extraordinary General Meeting of 10 July, shareholders approved a change in the Group's governance system, replacing the Executive Board and Supervisory Board with a Board of Directors. The Board of Directors appointed Edmond Alphandéry as Chairman and Gilles Benoist as Chief Executive Officer.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CNP Assurances, the parent company of the Group, is a société anonyme (public limited company) with a Board of Directors, governed by the French Insurance Code. It has fully paid-up share capital of €594,151,292. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

The registered office is located at 4, place Raoul-Dautry, 75015 Paris.

The Group's principal business is the writing of personal insurance. CNP Assurances' corporate purpose is to:

- Write life and endowment insurance.
- Write bodily injury insurance covering accident and health risks.
- Hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2007 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 4 March 2008.

#### 2.1 Statement of compliance

In accordance with European directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2007.

The subsidiaries all apply Group accounting policies, as presented in these notes.

In 2007, the Group adopted IFRS 7 – Financial Instruments: Disclosures and the Amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures, both published in August 2005.

IFRS 7 requires the disclosure in the notes to the consolidated financial statements of information about:

- The significance of financial instruments for the Group's financial position and performance, and
- The nature and extent of risks arising from financial instruments to which the Group is exposed, including certain minimum information about credit risks, liquidity risks and market risks. Qualitative disclosures must include a description of the objectives, policies and processes for managing the risks, while quantitative disclosures comprise summary quantitative data about the

---

Group's exposure to the risks at the reporting date, based on the information provided internally to key management personnel. These notes provide any overview of the Group's use of financial instruments and the resulting credit, liquidity and market risk exposures.

The amendment to IAS 1 requires disclosure in the notes to the consolidated financial statements of the Group's objectives, policies and processes for managing capital and complying with capital requirements.

## **2.2 Basis of preparation of the consolidated financial statements**

The consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for (i) insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature which have been measured by the methods used in the French GAAP accounts and (ii) the following assets and liabilities which have been measured by the fair value model: financial assets at fair value through profit (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit), available-for-sale financial assets, investment property held in unit-linked portfolios and derivative instruments separated from their host contracts.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial

principles and other factors considered reasonable under the circumstances.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effect of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

The accounting policies described below have been applied uniformly by all Group entities.

## **2.3 Basis of consolidation**

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates.

### **2.3.1 Scope of consolidation and consolidation methods**

#### **Subsidiaries**

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date when control is relinquished.

**Jointly controlled entities (joint ventures)**

A joint venture is a contractual arrangement whereby the Group and one or more other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, requiring the consent of all the venturers to strategic financial and operating decisions that are essential to the goals of the joint venture.

Interests in joint ventures are recognised using proportionate consolidation, which consists of combining the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements.

**Associates**

An associate is an entity over which the Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate.

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the yardsticks used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the board of directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses

is discontinued, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

**2.3.2 Acquisitions of minority interests**

Goodwill arising on acquisition of minority interests in a subsidiary, i.e. a company that is already controlled by the Group, corresponding to the excess of the total cost of the additional shares over the additional share of the subsidiary's net assets acquired (including fair value adjustments recognised directly in equity), is recorded as a deduction from equity.

**2.4 Intragroup transactions**

All material intragroup balances, transactions, income and expenses are eliminated in full. Income and expenses from transactions with associates and joint ventures should be eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

**2.5 Deferred participation**

The adjustments made in application of IFRS 4 lead to the recognition of deferred participation in liabilities.

There are two types of deferred participation:

**2.5.1 Unconditional participation**

All differences in the calculation base of future rights between the separate financial statements and the consolidated financial statements are recognised in the deferred participation reserve.

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit of fair value adjustments and restatements.

Deferred participation reserves on fair value adjustments to securities for which gains and losses adjust the capitalisation reserve are released to profit on the sale of the underlying securities.

### 2.5.2 Conditional participation

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognized only when the event or management decision is highly probably.

Conditional participation also arises from the application of the shadow accounting technique described in Note 2.12.1.

## 2.6 Foreign currency translation

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros at the closing exchange rate. Income and expenses of foreign operations, other than entities operating in a hyperinflationary economy, are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

## 2.7 Foreign currency transactions

Foreign currency transactions are recognised and measured in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

In accordance with IAS 21, foreign currency transactions are translated into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, in certain cases the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each balance sheet date, monetary balance sheet items are translated using the closing rate, and the resulting exchange differences are recognised in profit.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit, the translation difference is also recognised in profit.

Derivative instruments designated as hedges of currency risks on foreign currency transactions are recognised in the balance sheet and measured at fair value.

Gains or losses arising from remeasurement at fair value at each period-end are recognised in profit.

## 2.8 Intangible assets

### 2.8.1 Goodwill arising on business combinations

Business combinations are accounted for by the purchase method.

For business combinations carried out since the IFRS transition date, the excess of the cost of the business combination (including transaction costs) over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired or assumed is recognised as goodwill.

For business combinations carried out prior to the IFRS transition date, goodwill has been recognised at deemed cost, corresponding to the carrying amount in the French GAAP financial statements prior to transition, as allowed under IFRS 1 (paragraph 15 and Appendix B).

Goodwill is stated at cost less any accumulated impairment losses. It is allocated to cash-generating units

(CGUs) and is not amortised but is tested for impairment at each year-end, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill related to associates is included in the carrying amount of the investment in the associate.

Impairment tests are performed by comparing the recoverable amount of the CGU or group of CGUs to which the goodwill is allocated with its carrying amount. The recoverable amount of a CGU is estimated based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current contracts.

Negative goodwill is recognised directly in profit.

Goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation for the purposes of translation into euros, in accordance with IAS 21 (paragraph 47).

### 2.8.2 Life insurance portfolios

The fair value of insurance contracts and financial instruments with a discretionary participation feature acquired in a business combination or a separate transaction is split into two components, as follows:

- A liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature.
- An intangible asset ("Contractual customer relationships") representing the difference between the fair value of these contracts and the amount described above.

Contractual customer relationships corresponding to purchased insurance portfolios are amortised by the effective interest method over the portfolios' remaining life.

### 2.8.3 Software

Purchased software licences are recognised as an intangible asset at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable internal and external costs of developing software for internal use, integrating business applications and evolutive maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset and comply with the other provisions of IAS 38. Costs that do not fulfil the criteria for recognition as an asset are recorded in expenses for the period.

Software licences and development costs are generally amortised over five years.

## 2.9 Investments

### 2.9.1 Property

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The Group has elected to measure investment and operating properties using the cost model under IAS 40 and IAS 16, except for properties held in unit-linked portfolios which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance supervisor (ACAM). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

Under the cost model, properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred during the construction period are recognised as an expense.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:

- Land.
- Shell and roof structure.
- Facades and roofing.
- Fixtures.
- Technical installations.

Maintenance costs are added to the cost of the part of the property to which they relate when it is probable that they will generate future economic benefits and they can be measured reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

#### **Depreciation**

Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.

Due to the difficulty of reliably determining the residual value of property, investment and operating properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land which is not depreciated. These periods are as follows:

- Shell: 50 years.
- Facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years.
- Technical installations: 20 years.
- Fixtures: 10 years.

#### **Impairment**

At each period-end, properties are reviewed to determine whether there is any indication that they may be impaired. If any such indication exists, their recoverable amount is estimated.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the entire property portfolio.

### **2.9.2 Financial assets**

#### **Classification**

Financial assets are allocated among the following four categories, based on the type of portfolio, the type of financial assets, the specific features of certain financial assets and prioritised application of the criteria defining each category:

- Financial assets at fair value through profit, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments.
- Held-to-maturity investments, corresponding to fixed income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros.
- Loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale.
- Available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

#### **Recognition and derecognition**

Financial assets are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit.

### Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

### Valuation method

Available-for-sale financial assets and financial assets at fair value through profit are subsequently measured at fair value.

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (*in accordance with the shadow accounting principle, see paragraph 2.12.1*) and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit are recognised directly in profit, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (*in accordance with the shadow accounting principle, see paragraph 2.12.1*) and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Fees and points paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

The fair value of financial instruments with no quoted market price in an active market is estimated using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

### Impairment

Financial assets other than those measured at fair value through profit are tested for impairment at each period-end.

### Assets measured at amortised cost and debt instruments available for sale

An impairment loss is recorded in the income statement when there is objective evidence that the asset's recoverable amount is less than its carrying amount. Indications that an asset is impaired include, but are not limited to, the following:

- Significant financial difficulty of the issuer.
- A breach of contract, such as a default or delinquency in interest or principal payments.
- Growing probability that the issuer will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for the financial asset because of financial difficulties.

### Available-for-sale equity instruments

At each period-end, available-for-sale equity instruments are reviewed to determine whether there is any objective evidence that they are impaired. This is considered to be the case when:

- The average unit cost is greater than the maximum market price over the last six months, or
- Market price at the balance sheet date represents less than 80% of the average carrying amount.

The impairment loss recognised in the income statement is equal to the difference between the average carrying amount and the period-end market price.

An impairment loss is also recognised in the income statement for any prolonged decline in the value in use of unlisted shares in non-consolidated companies. Value in use is determined by applying the most appropriate financial criteria, considering the specific situation of each investee. The most commonly used criteria are the Group's share of the investee's equity and the investee's earnings outlook, based on discounted future cash flows.

### **Reversals of impairment losses**

#### **Available-for-sale financial assets**

Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new events, the impairment loss is reversed, with the amount of the reversal recognised in profit.

#### **Loans and receivables, held-to-maturity investments**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit.

### **2.9.3 Financial assets backing linked liabilities**

Unit-linked contracts are contracts whose surrender value is equal to a number of units multiplied by the fair value of each unit at the measurement date. Unit-linked insurance contracts are measured at fair value, in the same way as in the French GAAP accounts. Unit-linked financial instruments are measured at fair value, in accordance with IAS 39.

### **2.9.4 Derivative instruments**

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

- a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the “underlying”);
- b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit except for instru-

ments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
- The hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit.

### **2.9.5 Measurement of financial assets at fair value**

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions on an arm's length basis.

Under the hierarchy for determining an instrument's fair value according to IFRS, the quoted market price in an active market represents the preferred method. CNP Assurances values financial instruments at their quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. This method is used to value the majority of financial assets held by the Group, based on prices taken from the market in which the most recent prices were quoted.

The following financial assets are measured at their quoted market price:

- Equities, measured on the basis of quoted prices on their reference market.
- Mutual funds unit, measured at their net asset value.
- Bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent of the quoted

prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding high and low) – taking into account liquidity factors in the choice of market.

- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system.

Money market securities other than BTANs are measured based on the zero coupon price curve plus a spread of 25 bps for maturities of up to one year and 50 bps for maturities of one year or more.

Financial instruments whose price is not quoted in an active market (i.e. no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products) are valued at the price quoted by the arranger (for example, of structured products) except when analyses performed by the Group indicate that the data provided are not reliable. Structured products held by the Group consist of financial instruments indexed to indices, baskets of equities, hedge funds, interest rates and credits. They comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group negotiates with each arranger for prices to be quoted every month. These prices correspond to the products' economic value. Their reliability is checked on a test basis and in the case of a significant change, using valuation techniques (for example, discounted cash flow analysis) or by asking the arrangers for details of the methods used. To date, these checks have consistently confirmed the reliability of the prices quoted by the arrangers. The Group also checks the issues' ratings and the absence of any credit events.

The structured products held by the Group represent long-term investments that are intended to be held to maturity.

The valuation methods applied at 31 December 2007 were unchanged from the previous year-end. The Group

also checked the quality of the valuation methods applied by the arrangers and the prices quoted by them.

#### **Structured product valuation principles**

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs and hedging costs and risks.

The valuation techniques used by arrangers:

- Make maximum use of market inputs,
- Incorporate all factors that market participants would consider in setting a price, and
- Are consistent with accepted economic methodologies for pricing financial instruments.

For further information about fair value calculations, refer to Note 9.2.

## **2.10\_Equity**

### **2.10.1\_Components of equity**

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets, net of tax and shadow accounting adjustments, the capitalisation reserve, net of tax, and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (*see Note 2.15*).

### **2.10.2\_Capital management**

Under European insurance directives, the Group is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at consolidated level.

At 31 December 2007, the insurance subsidiaries and the Group as a whole complied with these minimum capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French insurance supervisor (Autorité de Contrôle des Assurances et des Mutuelles).

The level of solvency capital is monitored regularly by each subsidiary as well as at Group level by the Finance Department. Five-year capital projections are produced using stress scenarios based on extreme conditions in the equity and fixed income markets.

### 2.11 Treasury stock

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded as a deduction from equity in the IFRS accounts. The same treatment is applied to shares purchased for allocation under employee share grant plans (*see Note 2.14*).

### 2.12 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- Insurance contracts (*see definition below*) that cover a risk for the insured. Examples include death/disability contracts, pension contracts, property and casualty contracts and unit-linked contracts with a guaranteed element.
- Financial instruments with a discretionary participation feature (DPF), comprising both non-unit-linked contracts with DPF and unit-linked contracts including a non-unit-linked component with DPF.

Financial instruments without DPF fall within the scope of IAS 39. This category corresponds to unit-linked savings contracts that do not have any non-unit-linked component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts (IFRS 4) or financial instruments without DPF (IAS 39) fall within the scope of:

- IAS 18, when they correspond to the provision of services, or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

#### 2.12.1 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with local GAAP, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each period-end, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

#### Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable. In the case of a non-financial variable, if the variable is not specific to a party to the contract, the risk is financial; otherwise it is an insurance risk. Surrender risk, extension risk or the risk of higher-than-expected administrative costs are not insurance risks, unless they are risks originally incurred by the insured that are transferred to the Group under an insurance contract.

For each group of contracts with similar characteristics, the significance of insurance risk is assessed based on a single representative contract. Under this approach, the insurance risk may be considered significant although the probability of the group of contracts generating a loss that has a material adverse effect on the financial statements is remote due to the pooling of risks.

### **Financial instruments with a discretionary participation feature (DPF)**

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as financial instruments when they give rise to a financial asset or liability. Contracts are qualified as financial instruments with DPF when they incorporate a contractual or regulatory right to receive, as a supplement to guaranteed benefits, additional benefits:

- That are likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the Group's discretion, and
- That are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the company, fund or other entity that issues the contract.

### **Hybrid contracts**

Certain contracts written by the Group comprise both an insurance component and a deposit component. These two components are unbundled only when the deposit component can be measured separately and, under the Group's accounting policies, the rights and obligations arising from the deposit component would not be recognised if the contract was not unbundled. The insurance component of an unbundled contract is accounted for under IFRS 4 and the deposit component under IAS 39.

In line with the policy described above, the components of combined unit-linked and non-unit-linked contracts written by the Group are not unbundled.

### **Life insurance and savings contracts**

#### **Premiums**

Premiums on contracts in force during the period are recognised in revenue after adjustment for:

- The estimated earned portion of premiums not yet written on group contracts comprising whole life cover.
- Estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

### **Technical and mathematical reserves**

Reserves for contracts including whole life cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for non-unit-linked contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Life premium reserves are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

Insurance liabilities are discounted at a rate that is equal to or less than the contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

A general reserve is set up for future contract administration costs not covered by the premium loading or by the fees levied on financial products.

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserve.

This reserve also includes the deferred participation resulting from the use of shadow accounting.

Part of the Natixis Global AM dilution gain was credited to the policyholders' surplus reserve. After deducting this transfer and tax, the net impact of the dilution gain on consolidated profit was not material.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the period-end.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked

liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit, to offset the impact of changes in the related technical reserves.

Reserves for guaranteed yields are determined using the Black & Scholes method.

#### ***Disability, accident and health insurance***

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

- Estimated earned premiums not yet written at the period-end.
- The change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

A reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNRs).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A deferred participation reserve is recorded for participating contracts, based on shadow accounting principles.

A reserve is also recorded for claims handling expenses.

#### ***Liability adequacy test***

At each period-end, the Group assesses whether its recognised insurance liabilities, less related deferred acquisition costs and related intangible assets, are adequate,

based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs.

The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories.

If the sum of the surrender value and deferred participation is less than the fair value of the recognised insurance liability, the deficiency is recognised in profit.

#### ***Shadow accounting***

When the measurement of liabilities, deferred acquisition costs or contractual customer relationships is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gain, or in assets to offset the unrealised loss to the extent that the deferred participation is recoverable. Deferred participation follows the same accounting treatment as the underlying.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder dividend policy. Deferred participation is recognised by adjusting either profit or the revaluation reserve, depending on the accounting treatment of the related unrealised gains or losses under IFRS. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments to determine deferred participation.

The portion of gains attributable to policyholders is determined based on the terms of participating contracts.

Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The deferred participation reserve is designed to address the risk of an artificial imbalance between assets and liabilities caused by the use of different valuation models for assets and liabilities.

### Reinsurance

#### **Outward reinsurance**

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under "Reinsurance result".

Ceded technical reserves are tested for impairment at each period-end. If there is objective evidence that these reserves are impaired, as a result of an event that occurred after initial recognition, the carrying amount of the asset is reduced by recording an impairment loss in the income statement. For reinsurance assets secured by collateral, the estimated discounted cash flows from the asset take into account cash flows from the sale of the collateral, net of the estimated cost of obtaining execution of the guarantee, regardless of whether or not such sale is considered probable.

#### **Inward reinsurance**

Inward reinsurance contracts give rise to a significant insurance risk and are therefore accounted for in the same way as insurance contracts.

### **2.12.2** Financial instruments without DPF (IAS 39)

Financial instruments without DPF are initially recorded at fair value. The premium loading is recognised in "Revenue from other activities".

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit.

Non-unit-linked investment contracts are subsequently measured at fair value, corresponding to their surrender value.

### **2.12.3** Service contracts (IAS 18)

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IAS 18, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided that the transaction's outcome can be estimated reliably.

### **2.13** Property and equipment

Property and equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over 10 years.

### **2.14** Employee benefit obligations

Employee benefit obligations are recognised in full in the balance sheet, in accordance with the amendment to IAS 19, except for share grants which are recognised and measured in accordance with IFRS 2.

#### **2.14.1** Employee benefit plans

##### Defined benefit pension plan

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of France's General Tax Code. The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit

method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country where the plan operates.

#### **Length-of-service awards payable to employees on retirement and jubilees**

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

#### **Early retirement plans**

Obligations under early-retirement plans are measured at the discounted present value of probable future benefit payments and recognised as a liability.

#### **Business start-up grants**

Financial assistance given to employees to set up a new business or acquire an existing business is recognised in the balance sheet.

#### **Discount rate**

The discount rate corresponds to the Government bond rate or the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

For early-retirement plans, as the duration of the benefit obligation is shorter, the discount rate is based on the yield curve at the balance sheet date.

#### **Accounting method**

The Group has elected to apply the option available under the 2005 amendment to IAS 19, allowing the recognition in equity of actuarial gains and losses under defined benefit plans.

The plans are either funded or unfunded. Assets of funded plans are segregated and managed separately from the Group's assets, and any funding surplus or deficit is recognised in the balance sheet. Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method, but to recognise actuarial gains and losses directly in profit, except for gains and losses on post-employment benefit plans which are recognised in equity.

Actuarial losses recognised in current profit for defined-benefit plans comprise two elements:

- Current service cost and past service cost.
- Interest cost less the expected return on plan assets.

#### **2.14.2 Share-based payments**

##### **Employee share grants**

At the Annual General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants representing up to 0.4% of the capital to the management and employees of the Company (Article L.225-197-1 II of France's Commercial Code) and related companies (Article L.225-197-2 of the Code). The 0.4% rate takes into account the shares covered by the grants.

The Executive Board was authorised to issue new shares for allocation to grantees, in which case the preemptive right of existing shareholders to subscribe to the issue would automatically be waived.

The authorisation was given for a period of 38 months. No share grants were made in 2005. On 5 July 2006, the Executive Board used the authorisation to make the following share grants:

##### **Terms and conditions of the 2007 share grants**

On 19 June 2006, the Executive Board decided to grant 52,650 shares to employees, representing around 0.035% of the Company's share capital at that date. The grants are subject to a two-year vesting period and a two-year lock-up period.

**Accounting treatment**

The shares held for allocation when the share grants vest are recorded as a deduction from equity. The difference between the average cost of the shares and their fair value at the grant date is recognised in equity, with no impact on profit. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit takes into account the estimated number of grantees at each balance sheet date and the cost of managing the shares.

**2.15 Financing liabilities and subordinated debt**

Perpetual subordinated notes for which the Group determines the timing of interest payments are classified as equity instruments. All other dated and undated debt instruments are classified as financing liabilities.

**2.16 Acquisition costs and operating expenses**

Underwriting expenses are presented by function:

- Claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders.
- Acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts.
- Contract administration expenses include all the costs of managing in-force business.
- Investment management costs include all internal and external costs of managing asset portfolios and financial expenses.
- Other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.
- Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

- Operating expenses are initially recognised by nature and are then reallocated by function.
- Costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

- Corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data.
- Operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

**2.17 Taxation****Group relief**

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Carrés bleus (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), CNP A2E and Âge d'Or Expansion.

**Current and deferred taxes**

Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches a deferred tax liability is recognised only when the Group is able to control the period in which the temporary difference will reverse and it is probable that it will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax loss carryforwards when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can reasonably be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

### 2.18\_Segment reporting

The Group's primary and secondary reportable segments are the business segment and the geographic segment, respectively.

Reportable business segments have been defined based on the internal reporting system and the technical characteristics of the products distributed by the Group. Three business segments have been identified, that generate risks and returns which are separate from those of the other segments.

- The Savings business concerns products enabling policyholders to build up capital which they can cash in. A key feature of these products is their sensitivity to changes in interest rates.
- The Pensions business concerns products designed to enable policyholders to receive an annuity or lump sum on retirement. The main risk associated with these products concerns the probable annuity payment period.
- The Personal Risk business includes products enabling policyholders to insure against the risks of death, accident or illness, property damage or liability claims. The return on these products depends on the occurrence of the insured risk.

Inter-segment transfer prices are determined on an arm's length basis.

Geographic segments have been defined based on economic conditions and local market features in the host countries. Based on these criteria, three geographic segments have been identified: France, Europe excluding France and South America.

### 2.19\_Contingent liabilities

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.

Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

### NOTE 3 PRO FORMA FINANCIAL INFORMATION REFLECTING THE ADJUSTMENT OF DEEPLY SUBORDINATED DEBT AT 31 DECEMBER 2005

#### Assets

In € millions	31/12/2005 Reported	Adjustments	31/12/2005 Pro forma
<b>Total intangible assets</b>	<b>880.7</b>		<b>880.7</b>
Investment property	1,240.4		1,240.4
Held-to-maturity investments	880.3		880.3
Available-for-sale financial assets <sup>(1)</sup>	162,698.5	15.7	162,714.2
Securities held for trading	61,808.6		61,808.6
Loans and receivables	1,051.1		1,051.1
Derivative financial instruments	1,070.4		1,070.4
<b>Insurance investments</b>	<b>228,749.3</b>	<b>15.7</b>	<b>228,765.0</b>
<b>Banking and other investments</b>	<b>510.0</b>		<b>510.0</b>
<b>Investments in associates</b>	<b>346.7</b>		<b>346.7</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>5,382.7</b>		<b>5,382.7</b>
<b>Other assets</b>	<b>4,946.1</b>		<b>4,946.1</b>
<b>Assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>789.8</b>		<b>789.8</b>
<b>Total assets</b>	<b>241,605.3</b>	<b>15.7</b>	<b>241,621.0</b>

(1) The €15.7 million adjustment corresponds to the cancellation of accrued interest.

## Equity and liabilities

In € millions	31/12/2005 Reported	Adjustments	31/12/2005 Pro forma
Share capital	554.5		554.5
Share premium account	321.5		321.5
Revaluation reserve	2,529.4		2,529.4
Deeply-subordinated debt <sup>(1)</sup>		625.0	625.0
Retained earnings <sup>(2)</sup>	3,669.9	(6.9)	3,663.0
Profit for the period <sup>(3)</sup>	952.3	17.3	969.6
Translation reserve	104.0		104.0
<b>Equity attributable to equity holders of the parent</b>	<b>8,131.6</b>	<b>635.4</b>	<b>8,767.0</b>
Minority interests	1,415.4		1,415.4
<b>Total equity</b>	<b>9,547.0</b>	<b>635.4</b>	<b>10,182.4</b>
<b>Insurance and financial liabilities</b>	<b>212,381.8</b>		<b>212,381.8</b>
<b>Provisions</b>	<b>87.7</b>		<b>87.7</b>
Subordinated debt <sup>(1)</sup>	2,551.0	(625.0)	1,926.0
<b>Financing liabilities</b>	<b>2,551.0</b>	<b>(625.0)</b>	<b>1,926.0</b>
Operating liabilities represented by securities	6,175.9		6,175.9
Operating liabilities due to banks	196.2		196.2
Liabilities arising from insurance and reinsurance transactions	1,896.0		1,896.0
Current taxes payable	115.0		115.0
Current account advances	33.2		33.2
Liabilities towards holders of units in controlled mutual funds	3,016.4		3,016.4
Derivative financial instruments	973.6		973.6
Deferred tax liabilities <sup>(4)</sup>	718.5	5.3	723.8
Other liabilities	3,913.0		3,913.0
<b>Other liabilities</b>	<b>17,037.8</b>	<b>5.3</b>	<b>17,043.1</b>
<b>Total equity and liabilities</b>	<b>241,605.3</b>	<b>15.7</b>	<b>241,621.0</b>

(1) Adjustment of deeply subordinated notes previously classified in financing liabilities and now recognised in equity.

(2) Inclusion in equity of interest on deeply subordinated notes and cancellation of accrued interest (€10.6 million negative adjustment) and the corresponding deferred tax (€3.7 million positive adjustment).

(3) Adjustment through equity of paid interest (including deferred tax effect) and cancellation of accrued interest.

(4) Deferred tax on accrued interest cancelled through profit.

## Income statement

In € millions	31/12/2005 Reported	Adjustments	31/12/2005 Pro forma
<b>Earned premiums</b>	<b>26,465.8</b>	<b>0.0</b>	<b>26,465.8</b>
Revenue from other activities	115.7		115.7
<b>Net financial income, before finance costs</b>	<b>12,430.5</b>	<b>0.0</b>	<b>12,430.5</b>
<b>Net revenue</b>	<b>39,012.0</b>	<b>0.0</b>	<b>39,012.0</b>
<b>Other recurring operating income and expense, net</b>	<b>(37,327.3)</b>	<b>0.0</b>	<b>(37,327.3)</b>
<b>Recurring operating profit</b>	<b>1,684.7</b>	<b>0.0</b>	<b>1,684.7</b>
<b>Operating profit</b>	<b>1,684.7</b>	<b>0.0</b>	<b>1,684.7</b>
Finance costs <sup>(1)</sup>	(117.7)	26.4	(91.3)
Share of profit of associates	19.3		19.3
Income tax expense <sup>(2)</sup>	(443.9)	(9.1)	(453.0)
<b>Profit for the period</b>	<b>1,142.4</b>	<b>17.3</b>	<b>1,159.7</b>
Attributable to minority interests	(190.1)		(190.1)
Attributable to equity holders of the parent	952.3	17.3	969.6

(1) Cancellation of paid and accrued interest.

(2) Deferred taxes on the cancellation of paid and accrued interest.

## NOTE 4\_SHARE CAPITAL

### 4.1\_Deeply subordinated notes reclassified in equity

In € millions	31/12/2007			
	Issuance date	Interest rate	Currency	Amounts
<b>Deeply-subordinated notes (attributable to equity holders)</b>				<b>2,143.0</b>
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.50% until 2008, then 3% + 22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS + 30 bps, cap at (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor + 185 bps	€	160.0
CNP Assurances	December 2006	4.750 %	€	1,250.0
CNP Assurances	December 2006	3-month Euribor + 95 bps until 20 December 2026, then 3-month Euribor plus 195 bps	€	108.0
<b>Total</b>				<b>2,143.0</b>

In € millions	31/12/2006			
	Issuance date	Interest rate	Currency	Amounts
<b>Deeply-subordinated notes (attributable to equity holders)</b>				<b>2,035.0</b>
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.50% until 2008, then 3% + 22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS + 30 bps, cap at (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor + 185 bps	€	160.0
CNP Assurances	December 2006	4.750%	€	1,250.0
<b>Total</b>				<b>2,035.0</b>

In € millions	31/12/2007			
	Issuance date	Interest rate	Currency	Amounts
<b>Deeply-subordinated notes (minority interests)</b>				<b>108.0</b>
Écureuil	December 2006	3-month Euribor + 95 bps until 20 December 2026, then 3-month Euribor plus 195 bps	€	108.0
<b>Total</b>				<b>108.0</b>

In € millions	31/12/2005 – Pro forma			
	Issuance date	Interest rate	Currency	Amounts
<b>Deeply-subordinated notes (attributable to equity holders)</b>				<b>625.0</b>
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.50% until 2008, then 3% + 22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS + 30 bps, cap at (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
<b>Total</b>				<b>625.0</b>

## 4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des dépôts et consignations	59,415,129	39.99%
Sopassure (La Poste and Groupe Caisse d'Épargne holding company)	52,705,478	35.48%
French State	1,618,841	1.09%
<b>Total shares held in concert</b>	<b>113,739,448</b>	<b>76.56%</b>
Public	34,798,375	23.44%
of which: CNP Assurances (treasury stock)	447,639	0.30%
<b>Total</b>	<b>148,537,823</b>	<b>100.00%</b>

### 4.3\_Equity

Issued capital	Ordinary shares		
	31/12/2007	31/12/2006	31/12/2005
Number of shares outstanding at the beginning of the period	138,635,302	138,635,302	138,635,302
Shares issued during the period	9,902,521	–	–
Number of shares outstanding at the end of the period	148,537,823	138,635,302	138,635,302

In 2007, 9,902,521 shares were issued, raising the total number of shares outstanding to 148,537,823.

### 4.4\_2007 dividend

The recommended 2007 dividend amounts to €2.85 per share, representing a total payout of €423 million.

### 4.5\_Basic and diluted earnings per share

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma
Profit attributable to equity holders of the parent	1,221.8	1,145.3	969.6
Dividends on preferred shares	0.0	0.0	0.0
<b>Profit attributable to ordinary equity holders of the parent</b>	<b>1,221.8</b>	<b>1,145.3</b>	<b>969.6</b>
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2005 Pro forma</b>
Number of ordinary shares at 1 January	148,537,823.0	138,635,302.0	138,635,302.0
Treasury shares	(402,908.6)	(278,683.3)	(235,789.0)
Ordinary shares issued during the year*		9,902,521.0	0.0
<b>Weighted average number of shares at 31 December</b>	<b>148,134,914.4</b>	<b>148,259,139.8</b>	<b>138,399,513.0</b>

\* Capital increase by CNP Assurances on 8 January 2007. The new shares were eligible for the 2006 dividend paid in 2007.

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma
Profit attributable to ordinary equity holders of the parent	8.2	7.7	7.0
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
<b>Diluted profit attributable to ordinary equity holders of the parent</b>	<b>8.2</b>	<b>7.7</b>	<b>7.0</b>
	<b>31/12/2007</b>	<b>31/12/2006</b>	<b>31/12/2005 Pro forma</b>
<b>Profit attributable to ordinary equity holders of the parent</b>	<b>1,221.8</b>	<b>1,145.3</b>	<b>969.6</b>

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding at the balance sheet date.

#### 4.6 Related party information

Related parties comprise subsidiaries, associates and joint ventures and the members of senior management.

Related party transactions are carried out on arm's length terms.

The list of subsidiaries and associates is provided in Note 5.

Material transactions between the Company and consolidated subsidiaries are presented in Note 4.6.2.

The total remuneration paid to members of senior management is disclosed in Note 4.7.

#### 4.6.1 Transactions with non-Group companies

##### 4.6.1.1 Transactions between CNP Assurances and direct shareholders

In € millions	CNP Assurances	Caisse des Dépôts et Consignations	Caisse Nationale des Caisses d'Épargne	La Banque Postale
Commissions	(1,102.5)	0.0	590.2	512.3
Fees	(12.3)	12.3	0.0	0.0
Employee benefits expense	(20.6)	20.6	0.0	0.0
Dividends	(246.5)	125.3	60.5	60.7
Financial income*	20.0	0.0	(20.0)	0.0

\* Provisional account used pending validation by the Auditors.

Commissions correspond to revenue received by Caisse Nationale des Caisses d'Épargne and La Banque Postale on the sale of products managed by CNP Assurances.

Fees correspond to various expenses rebilled by Caisse des dépôts et consignations to CNP Assurances.

Employee benefits expense corresponds to the cost of Caisse des dépôts et consignations employees seconded to CNP Assurances.

Dividends correspond to the 2007 dividend paid to the Group's direct shareholders.

Financial income reflects the value attributed to the call option granted by CNCE to CNP Assurances.

#### 4.6.1.2 Transactions between CNP Assurances subsidiaries and between Group shareholders

The following tables show material transactions between CNP Assurances subsidiaries and between Group shareholders corresponding to the payment of commissions or dividends, or interest on subordinated notes issued by a subsidiary that are held by another subsidiary.

In € millions	CNP Assurances	Caisse Nationale des Caisses d'Épargne
Subordinated debt	(24.1)	24.1
Commissions	(590.2)	590.2
Time accounts	(66.1)	66.1

In € millions	La Banque Postale Prévoyance	La Banque Postale
Commissions	(32.2)	32.2
Dividends	(7.5)	7.5

In € millions	Caixa	CEF*
Dividends	(55.4)	55.4

In € millions	CNP Capitalia	Capitalia
Dividends	(5.0)	5.0

\* Caixa Economica Federal.

#### 4.6.2 Intra-group transactions

##### 4.6.2.1 Subsidiaries and joint ventures

The following table shows transactions between the Group and its subsidiaries. They correspond to fees, interest on subordinated notes issued by a subsidiary and held by the Group, reinsurance and co-insurance transactions between the Group and its subsidiaries and dividends paid by subsidiaries to the Group.

In € millions	CNP Assurances	La Banque Postale Prévoyance	Caixa	CNP Capitalia	Global
Fees	(23.5)	19.6	1.1	2.2	0.6
Reinsurance/co-insurance	(0.9)	0.9	0.0	0.0	0.0
Dividends	86.5	(7.5)	(54.8)	(17.1)	(7.1)

#### 4.6.2.2 Associates

CNP Assurances pays fees to Natixis Global Asset Management for the management of its asset portfolios.

In € millions	CNP Assurances	Natixis Global Asset Management
Asset management fees	(14.9)	14.9

#### 4.7 Management remuneration

The total remuneration paid to the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

##### 2007

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2007 amounted to €3.7 million.
- Long-term benefits the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors total €0.7 million.
- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.

- Share-based payments: no share-based payments were made in 2007 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

##### 2006

In 2006, the Group had a two-tier management structure with an Executive Board and a Supervisory Board and only the remuneration paid to the Executive Board members was disclosed in the notes to the 2006 consolidated financial statements. The total remuneration paid to Executive Board members in 2006 amounted to €2.6 million, as follows:

- Short-term benefits: €2.4 million (€2 million in 2005).
- Long-term benefits: €0.17 million (€0 million in 2005).
- Termination benefits: no termination benefits were paid to members of the Executive Board in 2006 or 2005.
- Share-based payments: no share-based payments were made to members of the Executive Board in 2006 or 2005.

**NOTE 5\_SCOPE OF CONSOLIDATION****5.1\_Consolidated companies and percentage of voting rights at 31 December 2007**

Company	Consolidation method	Country	% voting rights	% interest	Business
<b>1. Strategic subsidiaries</b>					
CNP Assurances	Full	France	100.00%	100.00%	Insurance
CNP IAM	Full	France	100.00%	100.00%	Insurance
Préviposte	Full	France	100.00%	100.00%	Insurance
ITV	Full	France	100.00%	100.00%	Insurance
CNP International	Full	France	100.00%	100.00%	Insurance
La Banque Postale Prévoyance	Proportionate	France	50.00%	50.00%	Insurance
Global	Full	Portugal	83.52%	83.52%	Insurance
Global Vida	Full	Portugal	83.57%	83.57%	Insurance
CNP Seguros de Vida	Full	Argentina	76.47%	76.47%	Insurance
Caixa Seguros	Full	Brazil	51.75%	51.75%	Insurance
CNP Capitalia Vita	Full	Italy	57.50%	57.50%	Insurance
CNP Vida	Full	Spain	94.00%	94.00%	Insurance
<b>2. Mutual funds</b>					
Univers CNP 1 FCP	Full	France	99.99%	99.99%	Mutual fund
CNP Assur Euro SI	Full	France	98.97%	98.97%	Mutual fund
CNP Montparnasse Action	Full	France	99.50%	99.50%	Mutual fund
CNP Assur Valeur SI	Full	France	87.36%	87.36%	Mutual fund
Écureuil Équilibre 3dec	Full	France	94.18%	94.18%	Mutual fund
Kaleis Dynamique D 5dec	Full	France	85.65%	85.65%	Mutual fund
Kaleis Équilibre D 5dec	Full	France	70.57%	70.57%	Mutual fund
Plénitude SI 5dec	Full	France	72.19%	72.19%	Mutual fund
CNP ACP Oblig FCP	Full	France	49.68%	49.68%	Mutual fund
Doublo Monde 4	Full	France	52.95%	52.95%	Mutual fund
Boule de Neige 3 3dec	Full	France	57.85%	57.85%	Mutual fund
Assur Écur. Crois	Full	France	99.76%	99.76%	Mutual fund
Cappuccino 7 3dec	Full	France	49.57%	49.57%	Mutual fund
CDC Ionis FCP 4dec	Full	France	100.00%	100.00%	Mutual fund
CNP ACP 10 FCP	Full	France	49.96%	49.96%	Mutual fund
Écur. dyn. 3dec	Full	France	54.75%	54.75%	Mutual fund
Progressio 5dec	Full	France	91.24%	91.24%	Mutual fund
Al Dente 3 3dec	Full	France	54.01%	54.01%	Mutual fund
Vivaccio ACT 5dec	Full	France	82.20%	82.20%	Mutual fund
<b>3. Property companies</b>					
Assurbail	Full	France	99.07%	99.07%	Lease financing
AEP3 SCI	Full	France	100.00%	100.00%	Non-trading property company
Cimo	Full	France	100.00%	100.00%	Non-trading property company
AEP4 SCI	Full	France	100.00%	100.00%	Non-trading property company
PB6	Proportionate	France	50.00%	50.00%	Immobilier
Sicac	Full	France	100.00%	100.00%	Non-trading property company
CNP Immobilier	Full	France	100.00%	100.00%	Non-trading property company
Assurimmeuble	Full	France	100.00%	100.00%	Non-trading property company
Natixis Global Asset Management	Equity method	France	11.34%	11.34%	Asset management

## 5.2 Analysis of the CNP Vida acquisition price

In € millions	100%	CNP share 94%
Cost of the business combination	84.2	79.2
Acquisition price, before adjustment	81.9	77.0
Contractual post-acquisition price adjustment	1.6	1.5
Transaction costs	0.7	0.7
Book net assets at 31 December 2006 (Spanish GAAP)	85.5	
Fair value adjustment to assets	(0.4)	
Adjustment to insurance liabilities (alignment with CNP Group accounting policies)	(17.2)	
Other	(0.4)	
Adjusted net assets	67.5	
Value of business acquired, after tax	16.7	
Cost of the business combination	84.2	79.2
Goodwill		0

## 5.3 Analysis of the Écureuil Vie acquisition price

In € millions	100%	CNP share 94%
Acquisition price		1,417.5
Net assets	1,965.3	
Cancellation of adjustment to deeply subordinated notes	(108.0)	
Net assets acquired	1,857.3	928.5
Adjustment of profit for the period 1 January-20 February 2007		17.4
Goodwill deducted from equity		471.6

#### 5.4 Financial information about associates

Summary financial information, on a 100% basis

	31/12/2007			
	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	3,574	3,451	1,621	353

	31/12/2006			
	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	2,533	1,740	1,666	228

	31/12/2005			
	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	2,523	739	1,487	180

Investments in associates

	2007	2006	2005
<b>At 1 January</b>	<b>300.3</b>	<b>175.5</b>	<b>68.2</b>
Increase in interest	123.3	0.0	85.0
Acquisitions	7.7	0.0	0.0
Participation in share issue	0.0	110.3	0.0
Share of profit	46.0	46.0	19.3
Share of amounts recognised in reserves	(18.7)	(19.6)	3.0
Dividends received	(35.8)	(11.9)	0.0
<b>At 31 December</b>	<b>422.8</b>	<b>300.3</b>	<b>175.5</b>

## NOTE 6\_SEGMENT INFORMATION

## 6.1\_Balance sheet by business segment at 31 December 2007

## Assets

In € millions	31/12/2007				Total
	Savings	Pensions	Personal risk	Other	
Goodwill					659.2
Contractual customer relationships					186.4
Other intangible assets					28.1
<b>Total intangible assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>873.7</b>
Investment property	599.7	433.6	466.0		1,499.3
Held-to-maturity investments	1,021.9	70.1	20.9		1,112.9
Available-for-sale financial assets	158,122.2	15,497.3	7,291.3		180,910.8
Securities held for trading	61,409.2	8,590.7	4,920.7	60.4	74,981.0
Loans and receivables	1,870.7	129.5	88.2		2,088.4
Derivative financial instruments	1,934.0	36.3	2.4		1,972.7
<b>Insurance investments</b>	<b>224,957.7</b>	<b>24,757.5</b>	<b>12,789.5</b>	<b>60.4</b>	<b>262,565.1</b>
<b>Banking and other investments</b>	<b>40.0</b>	<b>22.3</b>	<b>210.1</b>		<b>272.4</b>
<b>Investments in associates</b>	<b>336.9</b>	<b>49.7</b>	<b>36.2</b>		<b>422.8</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>340.6</b>	<b>5,075.2</b>	<b>723.5</b>		<b>6,139.3</b>
Insurance and reinsurance receivables	674.5	654.2	2,171.1		3,499.8
Current tax assets					324.7
Other receivables					968.4
Property and equipment					195.6
Other non-current assets					208.7
Deferred participation asset					
Deferred tax assets	3.2	(0.8)	22.3	1.6	26.3
<b>Other assets</b>	<b>677.7</b>	<b>653.4</b>	<b>2,193.4</b>	<b>1.6</b>	<b>5,223.5</b>
<b>Non-current assets held for sale</b>					<b>0.0</b>
<b>Cash and cash equivalents</b>					<b>1,175.3</b>
<b>Total assets</b>	<b>226,352.9</b>	<b>30,558.1</b>	<b>15,952.7</b>	<b>62.0</b>	<b>276,672.1</b>

## Equity and liabilities

In € millions	31/12/2007				Total
	Savings	Pensions	Personal risk	Other	
Share capital					594.2
Share premium account					981.5
Revaluation reserve					1,972.6
Deeply-subordinated notes					2,143.0
Retained earnings					4,383.2
Profit for the period					1,221.8
Translation reserve					109.0
<b>Equity attributable to equity holders of the parent</b>					<b>11,405.3</b>
Minority interests					566.9
<b>Total equity</b>					<b>11,972.2</b>
Technical reserves – non-unit-linked contracts	30,501.3	16,714.5	7,131.3		54,347.1
Technical reserves – unit-linked contracts	24,090.4	3,215.6			27,306.0
<b>Insurance liabilities</b>	<b>54,591.7</b>	<b>19,930.1</b>	<b>7,131.3</b>	<b>0.0</b>	<b>81,653.1</b>
Liabilities related to non-unit-linked financial instruments with DPF	134,706.5	4,422.9	19.3		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	516.3				516.3
Liabilities related to unit-linked financial instruments	12,837.5	1,362.4	0.4		14,200.3
<b>Financial liabilities</b>	<b>148,060.3</b>	<b>5,785.3</b>	<b>19.7</b>	<b>0.0</b>	<b>153,865.3</b>
Derivative instruments separated from the host contract					0.0
Deferred participation reserve	5,910.1	1,438.8	1,326.1		8,675.0
<b>Insurance and financial liabilities</b>	<b>208,562.1</b>	<b>27,154.2</b>	<b>8,477.1</b>	<b>0.0</b>	<b>244,193.4</b>
<b>Provisions for liabilities and charges</b>					<b>112.5</b>
Subordinated debt					1,926.4
<b>Financing liabilities</b>					<b>1,926.4</b>
Operating liabilities represented by securities	3,769.5	328.6	221.6		4,319.7
Operating liabilities due to banks	16.8	6.7	46.4		69.9
Liabilities arising from insurance and reinsurance transactions	1,197.2	358.9	643.0		2,199.1
Current taxes payable					251.3
Current account advances					324.6
Liabilities towards holders of units in controlled mutual funds	3,619.8	62.0	654.6		4,336.4
Derivative financial instruments	1,372.4	65.4	18.3		1,456.1
Deferred tax liabilities	786.5	327.3	528.9	(0.9)	1,641.8
Other liabilities					3,868.7
<b>Other liabilities</b>	<b>10,762.2</b>	<b>1,148.9</b>	<b>2,112.8</b>	<b>(0.9)</b>	<b>18,467.6</b>
<b>Liabilities related to assets held for sale</b>					<b>0.0</b>
<b>Total equity and liabilities</b>	<b>219,324.3</b>	<b>28,303.1</b>	<b>10,589.9</b>	<b>(0.9)</b>	<b>276,672.1</b>

## 6.2 Balance sheet by business segment at 31 December 2006

### Assets

In € millions	31/12/2006				Total
	Savings	Pensions	Personal risk	Other	
Goodwill					640.7
Contractual customer relationships					179.5
Other intangible assets					29.9
<b>Total intangible assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>850.1</b>
Investment property	500.2	523.1	262.3	0.0	1,285.6
Held-to-maturity investments	811.9	63.1	19.5	0.0	894.5
Available-for-sale financial assets	153,392.5	14,549.9	5,985.8	4.6	173,932.8
Securities held for trading	56,460.5	7,716.1	5,773.1	35.5	69,985.2
Loans and receivables	1,968.3	64.6	1.7	0.0	2,034.6
Derivative financial instruments	992.4	371.3	272.7	0.0	1,636.4
<b>Insurance investments</b>	<b>214,125.8</b>	<b>23,288.1</b>	<b>12,315.1</b>	<b>40.1</b>	<b>249,769.1</b>
<b>Banking and other investments</b>	<b>104.7</b>	<b>59.7</b>	<b>525.8</b>	<b>0.0</b>	<b>690.2</b>
<b>Investments in associates</b>	<b>162.0</b>	<b>79.7</b>	<b>58.6</b>	<b>0.0</b>	<b>300.3</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>470.8</b>	<b>4,737.7</b>	<b>704.1</b>	<b>0.0</b>	<b>5,912.6</b>
Insurance and reinsurance receivables	287.1	337.2	1,573.1	0.0	2,197.4
Banking receivables					0.0
Current tax assets					424.8
Other receivables					1,629.5
Property and equipment					197.6
Other non-current assets					132.0
Deferred participation asset					0.0
Deferred tax assets	9.1	2.1	29.8	0.1	41.1
<b>Other assets</b>	<b>296.2</b>	<b>339.3</b>	<b>1,602.9</b>	<b>0.1</b>	<b>4,622.4</b>
<b>Non-current assets held for sale</b>					<b>0.0</b>
<b>Cash and cash equivalents</b>					<b>1,126.8</b>
<b>Total assets</b>	<b>215,159.5</b>	<b>28,504.5</b>	<b>15,206.5</b>	<b>40.2</b>	<b>263,271.5</b>

## Equity and liabilities

In € millions	31/12/2006				Total
	Savings	Pensions	Personal risk	Other	
Share capital					554.5
Share premium account					321.5
Revaluation reserve					2,077.4
Deeply-subordinated notes					2,035.0
Retained earnings					4,171.4
Profit for the period					1,145.3
Translation reserve					90.6
<b>Equity attributable to equity holders of the parent</b>					<b>10,395.7</b>
Minority interests					1,513.8
<b>Total equity</b>					<b>11,909.5</b>
Technical reserves – non-unit-linked contracts	23,475.5	14,098.4	7,292.2	0.3	44,866.4
Technical reserves – unit-linked contracts	20,628.6	2,293.0	0.0	0.0	22,921.6
<b>Insurance liabilities</b>	<b>44,104.1</b>	<b>16,391.4</b>	<b>7,292.2</b>	<b>0.3</b>	<b>67,788.0</b>
Liabilities related to non-unit-linked financial instruments with DPF	129,233.3	4,350.9	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	392.6	0.0	0.0	0.0	392.6
Liabilities related to unit-linked financial instruments	14,345.6	1,433.3	0.0	0.0	15,778.9
<b>Financial liabilities</b>	<b>143,971.5</b>	<b>5,784.2</b>	<b>0.0</b>	<b>0.0</b>	<b>149,755.7</b>
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	9,591.4	1,678.4	863.5	0.0	12,133.3
<b>Insurance and financial liabilities</b>	<b>197,667.0</b>	<b>23,854.0</b>	<b>8,155.7</b>	<b>0.3</b>	<b>229,677.0</b>
<b>Provisions for liabilities and charges</b>					<b>96.1</b>
Subordinated debt					1,926.3
Debt securities					0.0
Financing liabilities due to banks					0.0
Other financing liabilities					0.0
<b>Financing liabilities</b>					<b>1,926.3</b>
Operating liabilities represented by securities	5,803.0	440.4	395.8	22.6	6,661.8
Operating liabilities due to banks	0.0	0.0	0.0	319.2	319.2
Liabilities arising from insurance and reinsurance transactions	964.5	370.1	500.0	8.2	1,842.8
Current taxes payable					167.7
Banking payables					0.0
Current account advances					36.5
Liabilities towards holders of units in controlled mutual funds	2,320.9	22.7	691.7	0.0	3,035.3
Derivative financial instruments	760.6	374.3	275.7	0.0	1,410.6
Deferred tax liabilities	867.5	258.0	461.1	0.8	1,587.4
Other liabilities					4,601.3
<b>Other liabilities</b>	<b>10,716.5</b>	<b>1,465.5</b>	<b>2,324.3</b>	<b>350.8</b>	<b>19,662.6</b>
<b>Liabilities related to assets held for sale</b>					<b>0.0</b>
<b>Total equity and liabilities</b>	<b>208,383.5</b>	<b>25,319.5</b>	<b>10,480.0</b>	<b>351.1</b>	<b>263,271.5</b>

### 6.3 Balance sheet by business segment at 31 December 2005

#### Assets

In € millions	31/12/2005 – Pro forma				Total
	Savings	Pensions	Personal risk	Other	
Goodwill					654.8
Contractual customer relationships					196.2
Other intangible assets					29.7
<b>Total intangible assets</b>					<b>880.7</b>
Investment property	449.3	528.8	261.5	0.8	1,240.4
Held-to-maturity investments	797.0	62.6	18.0	2.7	880.3
Available-for-sale financial assets	142,933.8	13,825.6	5,954.8	0.0	162,714.2
Securities held for trading	50,517.3	6,424.3	4,830.5	36.5	61,808.6
Loans and receivables	1,011.8	36.5	2.8	0.0	1,051.1
Derivative financial instruments	618.4	284.3	167.7	0.0	1,070.4
<b>Insurance investments</b>	<b>196,327.6</b>	<b>21,162.1</b>	<b>11,235.3</b>	<b>40.0</b>	<b>228,765.0</b>
<b>Banking and other investments</b>	<b>107.0</b>	<b>71.7</b>	<b>331.3</b>	<b>0.0</b>	<b>510.0</b>
<b>Investments in associates</b>	<b>225.5</b>	<b>86.9</b>	<b>34.3</b>	<b>0.0</b>	<b>346.7</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>436.6</b>	<b>4,291.2</b>	<b>654.9</b>	<b>0.0</b>	<b>5,382.7</b>
Insurance and reinsurance receivables	20.8	215.9	2,247.4	1.0	2,485.1
Banking receivables					0.0
Current tax assets					211.6
Other receivables					1,836.6
Property and equipment					303.5
Other non-current assets					105.4
Deferred participation asset					0.0
Deferred tax assets	3.0	0.1	0.8	0.0	3.9
<b>Other assets</b>	<b>23.8</b>	<b>216.0</b>	<b>2,248.2</b>	<b>1.0</b>	<b>4,946.1</b>
<b>Non-current assets held for sale</b>	<b>0.0</b>				
<b>Cash and cash equivalents</b>					<b>789.8</b>
<b>Total assets</b>	<b>197,117.5</b>	<b>25,827.8</b>	<b>14,503.2</b>	<b>41.0</b>	<b>241,621.0</b>

## Equity and liabilities

In € millions	31/12/2005 – Pro forma				Total
	Savings	Pensions	Personal risk	Other	
Share capital					554.5
Share premium account					321.5
Revaluation reserve					2,529.4
Deeply-subordinated debt					625.0
Retained earnings					3,663.0
Profit for the period					969.6
Translation reserve					104.0
<b>Equity attributable to equity holders of the parent</b>					<b>8,767.0</b>
Minority interests					1,415.4
<b>Total equity</b>					<b>10,182.4</b>
Technical reserves – non-unit-linked contracts	15,143.2	14,981.6	7,204.2	0.5	37,329.5
Technical reserves – unit-linked contracts	15,514.5	844.1	0.0	0.0	16,358.6
<b>Insurance liabilities</b>	<b>30,657.7</b>	<b>15,825.7</b>	<b>7,204.2</b>	<b>0.5</b>	<b>53,688.1</b>
Liabilities related to non-unit-linked financial instruments with DPF	123,360.0	4,271.7	0.0	0.0	127,631.7
Liabilities related to non-unit-linked financial instruments without DPF	366.5	0.0	0.0	0.0	366.5
Liabilities related to unit-linked financial instruments	14,979.2	1,183.2	0.0	0.0	16,162.4
<b>Financial liabilities</b>	<b>138,705.7</b>	<b>5,454.9</b>	<b>0.0</b>	<b>0.0</b>	<b>144,160.6</b>
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	12,096.9	1,760.5	675.7	0.0	14,533.1
<b>Insurance and financial liabilities</b>	<b>181,460.3</b>	<b>23,041.1</b>	<b>7,879.9</b>	<b>0.5</b>	<b>212,381.8</b>
<b>Provisions for liabilities and charges</b>					<b>87.7</b>
Subordinated debt					1,926.0
Debt securities					0.0
Financing liabilities due to banks					0.0
Other financing liabilities					0.0
<b>Financing liabilities</b>					<b>1,926.0</b>
Operating liabilities represented by securities	5,638.1	346.6	190.6	0.6	6,175.9
Operating liabilities due to banks	0.0	0.0	0.0	196.2	196.2
Liabilities arising from insurance and reinsurance transactions	924.1	470.5	487.9	13.5	1,896.0
Current taxes payable					115.0
Banking payables					0.0
Current account advances					33.2
Liabilities towards holders of units in controlled mutual funds	2,341.8	20.2	654.2	0.2	3,016.4
Derivative financial instruments	506.3	292.5	174.8	0.0	973.6
Deferred tax liabilities	312.8	74.3	300.0	36.7	723.8
Other liabilities					3,913.0
<b>Other liabilities</b>	<b>9,723.1</b>	<b>1,204.1</b>	<b>1,807.5</b>	<b>247.2</b>	<b>17,043.1</b>
<b>Liabilities related to assets held for sale</b>					<b>0.0</b>
<b>Total equity and liabilities</b>	<b>191,183.4</b>	<b>24,245.2</b>	<b>9,687.4</b>	<b>247.7</b>	<b>241,621.0</b>

## 6.4 Balance sheet by geographical segment at 31 December 2007

### Assets

In € millions	31/12/2007			Total
	France	Rest of Europe	Latin America	
Goodwill	22.9	405.6	230.7	659.2
Contractual customer relationships		169.6	16.8	186.4
Other intangible assets	23.9	4.1	0.1	28.1
<b>Total intangible assets</b>	<b>46.8</b>	<b>579.3</b>	<b>247.6</b>	<b>873.7</b>
Investment property	1,493.9	5.4		1,499.3
Held-to-maturity investments	566.2		546.7	1,112.9
Available-for-sale financial assets	179,201.8	1,692.7	16.3	180,910.8
Securities held for trading	58,205.7	13,439.3	3,336.0	74,981.0
Loans and receivables	2,082.5	5.9		2,088.4
Derivative financial instruments	1,965.6	1.6	5.5	1,972.7
<b>Insurance investments</b>	<b>243,515.7</b>	<b>15,144.9</b>	<b>3,904.5</b>	<b>262,565.1</b>
<b>Banking and other investments</b>	<b>272.4</b>	<b>0.0</b>	<b>0.0</b>	<b>272.4</b>
<b>Investments in associates</b>	<b>414.9</b>	<b>7.9</b>	<b>0.0</b>	<b>422.8</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>5,767.4</b>	<b>371.1</b>	<b>0.8</b>	<b>6,139.3</b>
Insurance and reinsurance receivables	3,250.4	195.2	54.2	3,499.8
Current tax assets	133.4	134.6	56.7	324.7
Other receivables	946.7	17.5	4.2	968.4
Property and equipment	169.2	16.7	9.7	195.6
Other non-current assets	127.7	35.0	46.0	208.7
Deferred participation asset				0.0
Deferred tax assets	2.6	1.6	22.1	26.3
<b>Other assets</b>	<b>4,630.0</b>	<b>400.6</b>	<b>192.9</b>	<b>5,223.5</b>
<b>Non-current assets held for sale</b>	<b>0.0</b>			<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>329.7</b>	<b>831.5</b>	<b>14.1</b>	<b>1,175.3</b>
<b>Total assets</b>	<b>254,976.9</b>	<b>17,335.3</b>	<b>4,359.9</b>	<b>276,672.1</b>

## Equity and liabilities

In € millions	31/12/2007			Total
	France	Rest of Europe	Latin America	
Share capital	594.2			594.2
Share premium account	981.5			981.5
Revaluation reserve	1,971.3	1.3		1,972.6
Deeply-subordinated notes	2,143.0			2,143.0
Retained earnings	3,242.8	821.2	319.2	4,383.2
Profit for the period	1,060.8	56.3	104.7	1,221.8
Translation reserve	(22.9)		131.9	109.0
<b>Equity attributable to equity holders of the parent</b>	<b>9,970.7</b>	<b>878.8</b>	<b>555.8</b>	<b>11,405.3</b>
Minority interests	3.4	216.1	347.4	566.9
<b>Total equity</b>	<b>9,974.1</b>	<b>1,094.9</b>	<b>903.2</b>	<b>11,972.2</b>
Technical reserves – non-unit-linked contracts	52,270.5	1,606.4	470.2	54,347.1
Technical reserves – unit-linked contracts	16,970.9	8,354.0	1,981.1	27,306.0
<b>Insurance liabilities</b>	<b>69,241.4</b>	<b>9,960.4</b>	<b>2,451.3</b>	<b>81,653.1</b>
Liabilities related to non-unit-linked financial instruments with DPF	138,741.3	407.4		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	2.1	(45.1)	559.3	516.3
Liabilities related to unit-linked financial instruments	9,246.2	4,954.1		14,200.3
<b>Financial liabilities</b>	<b>147,989.6</b>	<b>5,316.4</b>	<b>559.3</b>	<b>153,865.3</b>
Derivative instruments separated from the host contract				0.0
Deferred participation reserve	8,658.0	17.0		8,675.0
<b>Insurance and financial liabilities</b>	<b>225,889.0</b>	<b>15,293.8</b>	<b>3,010.6</b>	<b>244,193.4</b>
<b>Provisions for liabilities and charges</b>	<b>45.2</b>	<b>19.9</b>	<b>47.4</b>	<b>112.5</b>
Subordinated debt	1,836.0	90.4		1,926.4
<b>Financing liabilities</b>	<b>1,836.0</b>	<b>90.4</b>	<b>0.0</b>	<b>1,926.4</b>
Operating liabilities represented by securities	4,319.7			4,319.7
Operating liabilities due to banks	69.9			69.9
Liabilities arising from insurance and reinsurance transactions	1,313.2	659.6	226.3	2,199.1
Current taxes payable	90.1	79.0	82.2	251.3
Current account advances	324.5	0.1		324.6
Liabilities towards holders of units in controlled mutual funds	4,329.9		6.5	4,336.4
Derivative financial instruments	1,455.5		0.6	1,456.1
Deferred tax liabilities	1,614.1	27.1	0.6	1,641.8
Other liabilities	3,715.7	70.5	82.5	3,868.7
<b>Other liabilities</b>	<b>17,232.6</b>	<b>836.3</b>	<b>398.7</b>	<b>18,467.6</b>
<b>Liabilities related to assets held for sale</b>				<b>0.0</b>
<b>Total equity and liabilities</b>	<b>254,976.9</b>	<b>17,335.3</b>	<b>4,359.9</b>	<b>276,672.1</b>

## 6.5 Balance sheet by geographical segment at 31 December 2006

### Assets

In € millions	31/12/2006				Total
	France	Rest of Europe	Latin America	Asia	
Goodwill	22.9	405.6	212.2	0.0	640.7
Contractual customer relationships	0.0	156.7	22.8	0.0	179.5
Other intangible assets	27.7	2.1	0.1	0.0	29.9
<b>Total intangible assets</b>	<b>50.6</b>	<b>564.4</b>	<b>235.1</b>	<b>0.0</b>	<b>850.1</b>
Investment property	1,284.9	0.0	0.7	0.0	1,285.6
Held-to-maturity investments	614.7	0.0	279.8	0.0	894.5
Available-for-sale financial assets	172,783.9	1,137.4	11.5	0.0	173,932.8
Securities held for trading	54,201.6	13,242.5	2,541.1	0.0	69,985.2
Loans and receivables	2,029.8	4.8	0.0	0.0	2,034.6
Derivative financial instruments	1,634.2	0.1	2.1	0.0	1,636.4
<b>Insurance investments</b>	<b>232,549.1</b>	<b>14,384.8</b>	<b>2,835.2</b>	<b>0.0</b>	<b>249,769.1</b>
<b>Banking and other investments</b>	<b>690.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>690.2</b>
<b>Investments in associates</b>	<b>300.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>300.3</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>5,453.5</b>	<b>449.4</b>	<b>9.7</b>	<b>0.0</b>	<b>5,912.6</b>
Insurance and reinsurance receivables	2,073.3	84.0	40.1	0.0	2,197.4
Banking receivables	0.0	0.0	0.0	0.0	0.0
Current tax assets	244.3	132.6	47.9	0.0	424.8
Other receivables	1,530.1	8.2	91.2	0.0	1,629.5
Property and equipment	162.9	22.3	12.4	0.0	197.6
Other non-current assets	115.9	6.4	9.7	0.0	132.0
Deferred participation asset	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	25.3	1.7	14.1	0.0	41.1
<b>Other assets</b>	<b>4,151.8</b>	<b>255.2</b>	<b>215.4</b>	<b>0.0</b>	<b>4,622.4</b>
<b>Non-current assets held for sale</b>	<b>0.0</b>				<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>862.8</b>	<b>254.0</b>	<b>10.0</b>	<b>0.0</b>	<b>1,126.8</b>
<b>Total assets</b>	<b>244,058.3</b>	<b>15,907.8</b>	<b>3,305.4</b>	<b>0.0</b>	<b>263,271.5</b>

## Equity and liabilities

In € millions	31/12/2006				
	France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	2,074.7	2.7	0.0	0.0	2,077.4
Deeply-subordinated debt	2,035.0	0.0	0.0	0.0	2,035.0
Retained earnings	4,356.2	10.9	(195.7)	0.0	4,171.4
Profit for the period	1,023.4	35.0	86.9	0.0	1,145.3
Translation reserve	(6.1)	0.0	96.7	0.0	90.6
<b>Equity attributable to equity holders of the parent</b>	<b>10,359.2</b>	<b>48.6</b>	<b>(12.1)</b>	<b>0.0</b>	<b>10,395.7</b>
Minority interests	1,041.0	201.5	271.3	0.0	1,513.8
<b>Total equity</b>	<b>11,400.2</b>	<b>250.1</b>	<b>259.2</b>	<b>0.0</b>	<b>11,909.5</b>
Technical reserves – non-unit-linked contracts	43,552.7	814.3	499.4	0.0	44,866.4
Technical reserves – unit-linked contracts	15,121.8	6,442.6	1,357.2	0.0	22,921.6
<b>Insurance liabilities</b>	<b>58,674.5</b>	<b>7,256.9</b>	<b>1,856.6</b>	<b>0.0</b>	<b>67,788.0</b>
Liabilities related to non-unit-linked financial instruments with DPF	133,412.7	171.5	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	5.3	(44.6)	431.9	0.0	392.6
Liabilities related to unit-linked financial instruments	9,131.4	6,647.5	0.0	0.0	15,778.9
<b>Financial liabilities</b>	<b>142,549.4</b>	<b>6,774.4</b>	<b>431.9</b>	<b>0.0</b>	<b>149,755.7</b>
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	12,125.2	8.1	0.0	0.0	12,133.3
<b>Insurance and financial liabilities</b>	<b>213,349.1</b>	<b>14,039.4</b>	<b>2,288.5</b>	<b>0.0</b>	<b>229,677.0</b>
<b>Provisions for liabilities and charges</b>	<b>50.7</b>	<b>3.2</b>	<b>42.2</b>	<b>0.0</b>	<b>96.1</b>
Subordinated debt	1,836.0	90.3	0.0	0.0	1,926.3
Debt securities	0.0	0.0	0.0	0.0	0.0
Financing liabilities due to banks	0.0	0.0	0.0	0.0	0.0
Other financing liabilities	0.0	0.0	0.0	0.0	0.0
<b>Financing liabilities</b>	<b>1,836.0</b>	<b>90.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,926.3</b>
Operating liabilities represented by securities	6,620.1	0.0	41.7	0.0	6,661.8
Operating liabilities due to banks	319.2	0.0	0.0	0.0	319.2
Liabilities arising from insurance and reinsurance transactions	1,107.9	679.7	55.2	0.0	1,842.8
Current taxes payable	15.3	79.9	72.5	0.0	167.7
Banking payables	0.0	0.0	0.0	0.0	0.0
Current account advances	36.5	0.0	0.0	0.0	36.5
Liabilities towards holders of units in controlled mutual funds	3,031.3	0.0	4.0	0.0	3,035.3
Derivative financial instruments	1,410.3	0.0	0.3	0.0	1,410.6
Deferred tax liabilities	1,555.8	30.8	0.8	0.0	1,587.4
Other liabilities	3,325.9	734.4	541.0	0.0	4,601.3
<b>Other liabilities</b>	<b>17,422.3</b>	<b>1,524.8</b>	<b>715.5</b>	<b>0.0</b>	<b>19,662.6</b>
<b>Liabilities related to assets held for sale</b>					<b>0.0</b>
<b>Total equity and liabilities</b>	<b>244,058.3</b>	<b>15,907.8</b>	<b>3,305.4</b>	<b>0.0</b>	<b>263,271.5</b>

## 6.6 Balance sheet by geographical segment at 31 December 2005

### Assets

In € millions	31/12/2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Goodwill	22.9	405.6	226.3	0.0	654.8
Contractual customer relationships	0.0	167.2	29.0	0.0	196.2
Other intangible assets	28.3	1.4	0.0	0.0	29.7
<b>Total intangible assets</b>	<b>51.2</b>	<b>574.2</b>	<b>255.3</b>	<b>0.0</b>	<b>880.7</b>
Investment property	1,239.6	0.0	0.8	0.0	1,240.4
Held-to-maturity investments	615.4	5.4	259.5	0.0	880.3
Available-for-sale financial assets	161,553.7	1,148.7	11.8	0.0	162,714.2
Securities held for trading	47,217.8	12,608.4	1,982.4	0.0	61,808.6
Loans and receivables	1,051.1	0.0	0.0	0.0	1,051.1
Derivative financial instruments	1,070.2	0.2	0.0	0.0	1,070.4
<b>Insurance investments</b>	<b>212,747.8</b>	<b>13,762.7</b>	<b>2,254.5</b>	<b>0.0</b>	<b>228,765.0</b>
<b>Banking and other investments</b>	<b>510.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>510.0</b>
<b>Investments in associates</b>	<b>346.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>346.7</b>
<b>Reinsurers' share of insurance and financial liabilities</b>	<b>4,938.1</b>	<b>444.6</b>	<b>0.0</b>	<b>0.0</b>	<b>5,382.7</b>
Insurance and reinsurance receivables	2,411.2	26.5	47.4	0.0	2,485.1
Banking receivables	0.0	0.0	0.0	0.0	0.0
Current tax assets	82.2	61.9	67.5	0.0	211.6
Other receivables	1,795.8	9.4	31.4	0.0	1,836.6
Property and equipment	268.0	22.5	13.0	0.0	303.5
Other non-current assets	93.8	2.2	9.4	0.0	105.4
Deferred participation asset					0.0
Deferred tax assets	3.9	0.0	0.0	0.0	3.9
<b>Other assets</b>	<b>4,654.9</b>	<b>122.5</b>	<b>168.7</b>	<b>0.0</b>	<b>4,946.1</b>
<b>Non-current assets held for sale</b>					<b>0.0</b>
<b>Cash and cash equivalents</b>	<b>577.4</b>	<b>204.4</b>	<b>8.0</b>	<b>0.0</b>	<b>789.8</b>
<b>Total assets</b>	<b>223,826.1</b>	<b>15,108.4</b>	<b>2,686.5</b>	<b>0.0</b>	<b>241,621.0</b>

## Equity and liabilities

In € millions	31/12/2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	2,518.8	10.6	0.0	0.0	2,529.4
Deeply-subordinated notes	625.0	0.0	0.0	0.0	625.0
Retained earnings	3,858.1	2.3	(197.4)	0.0	3,663.0
Profit for the period	869.6	35.4	64.6	0.0	969.6
Translation reserve	0.0	0.0	104.0	0.0	104.0
<b>Equity attributable to equity holders of the parent</b>	<b>8,747.5</b>	<b>48.3</b>	<b>(28.8)</b>	<b>0.0</b>	<b>8,767.0</b>
Minority interests	975.7	199.4	240.3	0.0	1,415.4
<b>Total equity</b>	<b>9,723.2</b>	<b>247.7</b>	<b>211.5</b>	<b>0.0</b>	<b>10,182.4</b>
Technical reserves – non-unit-linked contracts	35,192.4	740.6	1,396.5	0.0	37,329.5
Technical reserves – unit-linked contracts	11,949.7	4,408.9	0.0	0.0	16,358.6
<b>Insurance liabilities</b>	<b>47,142.1</b>	<b>5,149.5</b>	<b>1,396.5</b>	<b>0.0</b>	<b>53,688.1</b>
Liabilities related to non-unit-linked financial instruments with DPF	127,425.1	206.6	0.0	0.0	127,631.7
Liabilities related to non-unit-linked financial instruments without DPF	10.7	9.6	346.2	0.0	366.5
Liabilities related to unit-linked financial instruments	8,068.7	8,093.7	0.0	0.0	16,162.4
<b>Financial liabilities</b>	<b>135,504.5</b>	<b>8,309.9</b>	<b>346.2</b>	<b>0.0</b>	<b>144,160.6</b>
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	14,503.8	29.3	0.0	0.0	14,533.1
<b>Insurance and financial liabilities</b>	<b>197,150.4</b>	<b>13,488.7</b>	<b>1,742.7</b>	<b>0.0</b>	<b>212,381.8</b>
<b>Provisions for liabilities and charges</b>	<b>53.6</b>	<b>3.0</b>	<b>31.1</b>	<b>0.0</b>	<b>87.7</b>
Subordinated debt	1,836.0	90.0	0.0	0.0	1,926.0
Debt securities	0.0	0.0	0.0	0.0	0.0
Financing liabilities due to banks	0.0	0.0	0.0	0.0	0.0
Other financing liabilities	0.0	0.0	0.0	0.0	0.0
<b>Financing liabilities</b>	<b>1,836.0</b>	<b>90.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,926.0</b>
Operating liabilities represented by securities	6,157.5	0.0	18.4	0.0	6,175.9
Operating liabilities due to banks	196.2	0.0	0.0	0.0	196.2
Liabilities arising from insurance and reinsurance transactions	1,353.4	496.2	46.4	0.0	1,896.0
Current taxes payable	41.1	7.1	66.8	0.0	115.0
Banking payables	0.0	0.0	0.0	0.0	0.0
Current account advances	33.2	0.0	0.0	0.0	33.2
Liabilities towards holders of units in controlled mutual funds	3,016.4	0.0	0.0	0.0	3,016.4
Derivative financial instruments	973.3	0.0	0.3	0.0	973.6
Deferred tax liabilities	683.2	37.9	2.7	0.0	723.8
Other liabilities	2,608.6	737.8	566.6	0.0	3,913.0
<b>Other liabilities</b>	<b>15,062.9</b>	<b>1,279.0</b>	<b>701.2</b>	<b>0.0</b>	<b>17,043.1</b>
<b>Liabilities related to assets held for sale</b>					<b>0.0</b>
<b>Total equity and liabilities</b>	<b>223,826.1</b>	<b>15,108.4</b>	<b>2,686.5</b>	<b>0.0</b>	<b>241,621.0</b>





## 6.9\_2005 income statement by business segment

In € millions	2005 – Pro forma					Total
	Savings	Pensions	Personal risk	Other	Eliminations	
Premiums written	20,888.6	1,942.7	3,656.9	0.0		26,488.2
Change in unearned premiums reserve	0.0	0.0	(22.4)	0.0		(22.4)
<b>Earned premiums</b>	<b>20,888.6</b>	<b>1,942.7</b>	<b>3,634.5</b>	<b>0.0</b>	<b>0.0</b>	<b>26,465.8</b>
Revenue from other activities	66.3	(0.9)	3.7	46.6		115.7
Other operating revenue	0.0	0.0	0.0	0.0		0.0
Investment income	6,562.7	1,137.5	555.6	2.3		8,258.1
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	534.7	172.6	48.5	0.0		755.8
Change in fair value of financial assets at fair value through profit	2,949.8	318.5	163.5	0.1		3,431.9
Impairment losses on financial instruments	(11.9)	(2.0)	(1.4)	0.0		(15.3)
<b>Net financial income, before finance costs</b>	<b>10,035.3</b>	<b>1,626.6</b>	<b>766.2</b>	<b>2.4</b>	<b>0.0</b>	<b>12,430.5</b>
<b>Net revenue</b>	<b>30,990.2</b>	<b>3,568.4</b>	<b>4,404.4</b>	<b>49.0</b>	<b>0.0</b>	<b>39,012.0</b>
Claims and benefits expenses	(28,581.5)	(3,237.9)	(2,884.6)	(0.1)		(34,704.1)
Investment expenses and interest expense, excluding finance costs	(169.8)	(70.3)	(72.2)	0.0		(312.3)
Reinsurance result	5.0	(0.1)	(9.8)	0.0		(4.9)
Banking expenses	0.0	0.0	0.0	0.0		0.0
Expenses of other businesses	0.1	0.2	(0.4)	0.0		(0.1)
Acquisition costs	(1,100.5)	(59.7)	(803.8)	(0.1)		(1,964.1)
Amortisation of value of business acquired	(10.0)	1.2	(6.5)	0.0		(15.3)
Contract administration expenses	(231.1)	(19.0)	(137.9)	0.0		(388.0)
Other recurring operating income and expense, net	42.4	29.1	10.9	(20.9)		61.5
<b>Total recurring operating income and expense, net</b>	<b>(30,045.4)</b>	<b>(3,356.5)</b>	<b>(3,904.3)</b>	<b>(21.1)</b>	<b>0.0</b>	<b>(37,327.3)</b>
<b>Recurring operating profit</b>	<b>944.8</b>	<b>211.9</b>	<b>500.1</b>	<b>27.9</b>	<b>0.0</b>	<b>1,684.7</b>
Other operating income and expense, net	0.0	0.0	0.0	0.0		0.0
<b>Operating profit</b>	<b>944.8</b>	<b>211.9</b>	<b>500.1</b>	<b>27.9</b>	<b>0.0</b>	<b>1,684.7</b>
Finance costs						(91.3)
Share of profit of associates						19.3
Income tax expense						(453.0)
Profit (loss) from discontinued operations, after tax						0.0
<b>Profit for the period</b>					<b>0.0</b>	<b>1,159.7</b>
Attributable to minority interests						(190.1)
<b>Attributable to equity holders of the parent</b>						<b>969.6</b>

**6.10\_2007 income statement by geographical segment**

In € millions	2007				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	27,025.5	3,359.6	1,119.2		31,504.3
Change in unearned premiums reserve	1.1	(8.1)	2.1		(4.9)
<b>Earned premiums</b>	<b>27,026.6</b>	<b>3,351.5</b>	<b>1,121.3</b>	<b>0.0</b>	<b>31,499.4</b>
Revenue from other activities	29.3	40.5	92.1		161.9
Other operating revenue					0.0
Investment income	8,987.0	340.7	426.0		9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,712.6	(4.7)			1,707.9
Change in fair value of financial assets at fair value through profit	437.2	(417.0)	(4.1)		16.1
Impairment losses on financial instruments	17.7				17.7
<b>Net financial income, before finance costs</b>	<b>11,154.5</b>	<b>(81.0)</b>	<b>421.9</b>	<b>0.0</b>	<b>11,495.4</b>
<b>Net revenue</b>	<b>38,210.4</b>	<b>3,311.0</b>	<b>1,635.3</b>	<b>0.0</b>	<b>43,156.7</b>
Claims and benefits expenses	(33,220.2)	(2,824.1)	(1,124.5)		(37,168.8)
Investment expenses and interest expense, excluding finance costs	(518.1)	(5.2)	(73.8)		(597.1)
Reinsurance result	(16.8)	2.1	(3.4)		(18.1)
Expenses of other businesses	(0.2)	(1.8)	(9.9)		(11.9)
Acquisition costs	(2,584.0)	(326.1)	(79.0)		(2,989.1)
Amortisation of value of business acquired	(0.1)	(11.1)	(8.4)		(19.6)
Contract administration expenses	(282.1)	(28.9)	(38.8)		(349.8)
Other recurring operating income and expense, net	(41.9)	9.0	16.2		(16.7)
<b>Total recurring operating income and expense, net</b>	<b>(36,663.4)</b>	<b>(3,186.1)</b>	<b>(1,321.6)</b>	<b>0.0</b>	<b>(41,171.1)</b>
<b>Recurring operating profit</b>	<b>1,547.0</b>	<b>124.9</b>	<b>313.7</b>	<b>0.0</b>	<b>1,985.6</b>
Other operating income and expense	1.2	0.5	0.0	0.0	1.7
<b>Operating profit</b>	<b>1,548.2</b>	<b>125.4</b>	<b>313.7</b>	<b>0.0</b>	<b>1,987.3</b>
Finance costs	(101.7)	(4.8)			(106.5)
Share of profit of associates	45.8	0.2			46.0
Income tax expense	(411.4)	(39.3)	(97.1)		(547.8)
Profit (loss) from discontinued operations, after tax					0.0
<b>Profit for the period</b>	<b>1,080.9</b>	<b>81.5</b>	<b>216.6</b>	<b>0.0</b>	<b>1,379.0</b>
Attributable to minority interests	(17.4)	(28.1)	(111.7)		(157.2)
<b>Attributable to equity holders of the parent</b>	<b>1,063.5</b>	<b>53.4</b>	<b>104.9</b>	<b>0.0</b>	<b>1,221.8</b>

### 6.11\_2006 income statement by geographical segment

In € millions	2006				Total
	France	Rest of Europe	Latin America	Asia	
Premiums written	27,888.4	3,177.7	881.1	0.0	31,947.2
Change in unearned premiums reserve	0.4	(10.6)	(15.0)	0.0	(25.2)
<b>Earned premiums</b>	<b>27,888.8</b>	<b>3,167.1</b>	<b>866.1</b>	<b>0.0</b>	<b>31,922.0</b>
Revenue from other activities	5.4	92.3	74.0	0.0	171.7
Other operating revenue	0.2	0.0	0.0	0.0	0.2
Investment income	8,130.6	268.0	343.6	0.0	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,471.1	(19.6)	0.0	0.0	1,451.5
Change in fair value of financial assets at fair value through profit	2,172.6	(133.3)	0.0	0.0	2,039.3
Impairment losses on financial instruments	(24.7)	0.0	0.0	0.0	(24.7)
<b>Net financial income, before finance costs</b>	<b>11,749.6</b>	<b>115.1</b>	<b>343.6</b>	<b>0.0</b>	<b>12,208.3</b>
<b>Net revenue</b>	<b>39,644.0</b>	<b>3,374.5</b>	<b>1,283.7</b>	<b>0.0</b>	<b>44,302.2</b>
Claims and benefits expenses	(35,166.2)	(2,910.5)	(875.8)	0.0	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(513.3)	(39.3)	(14.0)	0.0	(566.6)
Reinsurance result	1.7	(5.0)	(0.3)	0.0	(3.6)
Banking expenses	0.0	0.0	0.0	0.0	0.0
Expenses of other businesses	(1.9)	(3.8)	(18.0)	0.0	(23.7)
Acquisition costs	(2,123.3)	(283.5)	(52.9)	0.0	(2,459.7)
Amortisation of value of business acquired	(0.1)	(10.5)	(5.7)	0.0	(16.3)
Contract administration expenses	(335.9)	(20.6)	(32.6)	0.0	(389.1)
Other recurring operating income and expense, net	(61.3)	1.4	(26.9)	0.0	(86.8)
<b>Total recurring operating income and expense, net</b>	<b>(38,200.3)</b>	<b>(3,271.8)</b>	<b>(1,026.2)</b>	<b>0.0</b>	<b>(42,498.3)</b>
<b>Recurring operating profit</b>	<b>1,443.7</b>	<b>102.7</b>	<b>257.5</b>	<b>0.0</b>	<b>1,803.9</b>
Other operating income and expense	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>1,443.7</b>	<b>102.7</b>	<b>257.5</b>	<b>0.0</b>	<b>1,803.9</b>
Finance costs					(104.9)
Share of profit of associates					46.0
Income tax expense					(314.7)
Profit (loss) from discontinued operations, after tax					0.0
<b>Profit for the period</b>					<b>1,430.3</b>
Attributable to minority interests					(285.0)
<b>Attributable to equity holders of the parent</b>					<b>1,145.3</b>

## 6.12\_2005 income statement by geographical segment

In € millions	31/12/2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	23,123.8	2,653.1	711.3	0.0	26,488.2
Change in unearned premiums reserve	0.8	(1.6)	(21.6)	0.0	(22.4)
<b>Earned premiums</b>	<b>23,124.6</b>	<b>2,651.5</b>	<b>689.7</b>	<b>0.0</b>	<b>26,465.8</b>
Revenue from other activities	(8.4)	77.5	46.6	0.0	115.7
Other operating revenue	0.0	0.0	0.0	0.0	0.0
Investment income	7,962.0	37.2	258.9	0.0	8,258.1
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	746.0	9.8	0.0	0.0	755.8
Change in fair value of financial assets at fair value through profit	3,393.7	21.0	17.2	0.0	3,431.9
Impairment losses on financial instruments	(15.3)	0.0	0.0	0.0	(15.3)
<b>Net financial income, before finance costs</b>	<b>12,086.4</b>	<b>68.0</b>	<b>276.1</b>	<b>0.0</b>	<b>12,430.5</b>
<b>Net revenue</b>	<b>35,202.6</b>	<b>2,797.0</b>	<b>1,012.4</b>	<b>0.0</b>	<b>39,012.0</b>
Claims and benefits expenses	(31,517.2)	(2,474.6)	(712.3)	0.0	(34,704.1)
Investment expenses and interest expense, excluding finance costs	(297.6)	(14.7)	0.0	0.0	(312.3)
Reinsurance result	22.6	(10.2)	(17.3)	0.0	(4.9)
Banking expenses	0.0	0.0	0.0	0.0	0.0
Expenses of other businesses	(0.1)	0.0	0.0	0.0	(0.1)
Acquisition costs	(1,664.9)	(229.4)	(69.8)	0.0	(1,964.1)
Amortisation of value of business acquired	0.0	(8.1)	(7.2)	0.0	(15.3)
Contract administration expenses	(313.5)	(42.5)	(32.0)	0.0	(388.0)
Other recurring operating income and expense, net	(33.4)	82.6	12.3	0.0	61.5
<b>Total recurring operating income and expense, net</b>	<b>(33,804.1)</b>	<b>(2,696.9)</b>	<b>(826.3)</b>	<b>0.0</b>	<b>(37,327.3)</b>
<b>Recurring operating profit</b>	<b>1,398.5</b>	<b>100.1</b>	<b>186.1</b>	<b>0.0</b>	<b>1,684.7</b>
Other operating income and expense	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>1,398.5</b>	<b>100.1</b>	<b>186.1</b>	<b>0.0</b>	<b>1,684.7</b>
Finance costs					(91.3)
Share of profit of associates					19.3
Income tax expense					(453.0)
Profit (loss) from discontinued operations, after tax					0.0
<b>Profit for the period</b>					<b>1,159.7</b>
Attributable to minority interests					(190.1)
<b>Attributable to equity holders of the parent</b>					<b>969.6</b>

## NOTE 7\_INTANGIBLE ASSETS

### 7.1\_Intangible assets by category

In € millions	31/12/2007				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
<b>Goodwill</b>	<b>659.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>659.2</b>
<b>Contractual customer relationships</b>	<b>307.7</b>	<b>(121.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>186.4</b>
<b>Software</b>	<b>179.1</b>	<b>(151.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>28.1</b>
Developed internally	73.9	(63.8)	0.0	0.0	10.1
Other	105.2	(87.2)	0.0	0.0	18.0
<b>Total</b>	<b>1,146.0</b>	<b>(272.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>873.7</b>

In € millions	31/12/2006				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
<b>Goodwill</b>	<b>640.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>640.7</b>
<b>Contractual customer relationships</b>	<b>275.0</b>	<b>(95.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>179.5</b>
<b>Software</b>	<b>173.7</b>	<b>(143.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>29.9</b>
Developed internally	70.8	(62.4)	0.0	0.0	8.4
Other	102.9	(81.4)	0.0	0.0	21.5
<b>Total</b>	<b>1,089.4</b>	<b>(239.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>850.1</b>

In € millions	31/12/2005				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
<b>Goodwill</b>	<b>654.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>654.8</b>
<b>Contractual customer relationships</b>	<b>276.9</b>	<b>(80.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>196.2</b>
<b>Software</b>	<b>150.4</b>	<b>(120.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>29.7</b>
Developed internally	66.5	(60.3)	0.0	0.0	6.2
Other	83.9	(60.4)	0.0	0.0	23.5
<b>Total</b>	<b>1,082.1</b>	<b>(201.4)</b>	<b>0.0</b>	<b>0.0</b>	<b>880.7</b>

## 7.2 Goodwill

### 7.2.1 Goodwill by company

In € millions	Original goodwill	Net goodwill at 31/12/2007	Net goodwill at 31/12/2006	Net goodwill at 31/12/2005
Global	34.4	25.8	25.8	25.8
Global Vida	17.8	13.3	13.3	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Groupe Caixa	360.6	230.7	212.2	226.3
CNP Capitalia Vita	366.5	366.5	366.5	366.5
<b>Total</b>	<b>825.0</b>	<b>659.2</b>	<b>640.7</b>	<b>654.8</b>

### 7.2.2 Movements for the period

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Carrying amount at 1 January</b>	<b>640.7</b>	<b>654.8</b>	<b>234.5</b>
Goodwill recognised during the year	0.0	0.0	366.5
Adjustments to provisional accounting	0.0	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment	19.5	(5.0)	41.0
Other movements*	1.5	(9.7)	0.0
Impairment losses	0.0	0.0	0.0
Translation adjustment	(2.5)	0.6	12.8
Increase in % interest	0.0	0.0	0.0
<b>Carrying amount at 31 December</b>	<b>659.2</b>	<b>640.7</b>	<b>654.8</b>

\* The €9.7 million reported on this line for 2006 corresponds to a claim under the seller's warranty in Brazil.

## 7.3 Contractual customer relationships

### 7.3.1 Contractual customer relationships

In € millions	Original value	Carrying amount at 31/12/2007	Carrying amount at 31/12/2006	Carrying amount at 31/12/2005
Groupe Caixa	122.6	16.2	22.8	29.0
CNP Capitalia Vita	175.3	146.5	156.7	167.2
CNP Vida	24.0	23.1	0.0	0.0
CNP Seguros de Vida	0.9	0.6	0.0	0.0
<b>Total</b>	<b>322.8</b>	<b>186.4</b>	<b>179.5</b>	<b>196.2</b>

### 7.3.2 Movements for the period

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Gross at January 1</b>	<b>274.9</b>	<b>276.9</b>	<b>77.5</b>
Newly-consolidated companies	24.0	0.0	0.0
Translation adjustment	7.9	(2.0)	24.1
Acquisitions for the year	0.9	0.0	175.3
Disposals for the year	0.0	0.0	0.0
<b>Gross at 31 December</b>	<b>307.7</b>	<b>274.9</b>	<b>276.9</b>
<b>Accumulated amortisation and impairment at 1 January</b>	<b>(95.5)</b>	<b>(80.7)</b>	<b>(49.4)</b>
Translation adjustment	(6.2)	1.5	(16.0)
Amortisation for the year	(19.6)	(16.3)	(15.3)
Impairment losses for the year	0.0	0.0	0.0
Reversals of impairment losses	0.0	0.0	0.0
Amortisation written off on disposals	0.0	0.0	0.0
<b>Accumulated amortisation and impairment at 31 December</b>	<b>(121.3)</b>	<b>(95.5)</b>	<b>(80.7)</b>
<b>Carrying amount at 31 December</b>	<b>186.4</b>	<b>179.5</b>	<b>196.2</b>

## 7.4 Software

### 7.4.1 Internally-developed software

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Carrying amount at the beginning of the period</b>	<b>8.4</b>	<b>6.2</b>	<b>7.1</b>
Acquisitions for the period	4.0	4.3	2.4
Amortisation for the period	(1.5)	(2.1)	(3.3)
Impairment losses	(1.0)	0.0	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.2	0.0	0.0
<b>Carrying amount at the end of the period</b>	<b>10.1</b>	<b>8.4</b>	<b>6.2</b>

### 7.4.2 Other software

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Carrying amount at the beginning of the period</b>	<b>21.5</b>	<b>23.5</b>	<b>18.7</b>
Acquisitions for the period	10.1	19.1	14.1
Amortisation for the period	(5.6)	(21.1)	(9.3)
Impairment losses	(7.8)	0.0	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	(0.2)	0.0	0.0
<b>Carrying amount at the end of the period</b>	<b>18.0</b>	<b>21.5</b>	<b>23.5</b>

## NOTE 8 INVESTMENT AND OWNER-OCCUPIED PROPERTY

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit in respect of property and the captions impacted by the movements.

It presents:

- The gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.
- A reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes.
- The fair value of investment properties held in unit-linked portfolios.

## 8.1 Investment property

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Carrying amount of investment property</b>			
Investment property measured by the cost model			
Gross value at period-end	1,472.5	1,212.5	1,222.9
Accumulated depreciation at period-end	(406.0)	(303.6)	(307.8)
Accumulated impairment losses at period-end	(12.9)	(18.0)	(25.7)
<b>Carrying amount at period-end</b>	<b>1,053.6</b>	<b>890.9</b>	<b>889.3</b>
Investment property measured by the fair value model			
Fair value at period-end	445.7	394.7	351.1
<b>Total investment property</b>	<b>1,499.3</b>	<b>1,285.6</b>	<b>1,240.4</b>

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Investment property (other than property held in unit-linked portfolios)</b>			
<b>Carrying amount at the beginning of the period</b>	<b>890.9</b>	<b>889.3</b>	<b>978.8</b>
Acquisitions	0.1	116.1	0.0
Post-acquisition costs included in the carrying amount of property	7.6	14.3	6.2
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(8.4)	(19.9)	(51.2)
Depreciation for the period	(26.1)	(12.5)	(10.3)
Impairment losses recognised during the period	(0.2)	(0.2)	(1.6)
Impairment losses reversed during the period	7.3	8.0	3.2
Translation adjustment	0.0	0.0	0.0
Other movements*	182.4	(104.2)	(35.7)
<b>Carrying amount at the end of the period</b>	<b>1,053.6</b>	<b>890.9</b>	<b>889.3</b>

\* "Other movements" in 2007 correspond mainly to the reclassification of properties held by Sicac and Assurbail as investment properties. These assets were previously reported under "Banking and other assets". In the case of Assurbail, the reclassification only concerns properties leased under operating leases. Properties under finance leases continue to be reported under "Banking and other assets".

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Investment property held in unit-linked portfolios</b>			
<b>Carrying amount at the beginning of the period</b>	<b>394.7</b>	<b>351.1</b>	<b>295.6</b>
Acquisitions	0.3	4.2	0.0
Post-acquisition costs included in the carrying amount of property	11.5	10.0	1.6
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	0.0	(7.1)
Gains arising from remeasurement at fair value	24.5	32.8	25.2
Translation adjustment	0.0	0.0	0.0
Transfers to inventory or owner-occupied property	0.0	0.0	0.0
Transfers from inventory or owner-occupied property	0.0	0.0	0.0
Other movements	14.7	(3.4)	35.7
<b>Carrying amount at the end of the period</b>	<b>445.7</b>	<b>394.7</b>	<b>351.1</b>

As explained in the description of significant accounting policies, investment properties backing linked liabilities are measured at fair value, while other investment properties are measured using the cost model.

## 8.2 Owner-occupied property

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Owner-occupied property</b>			
<b>Carrying amount at the beginning of the period</b>	<b>137.6</b>	<b>159.5</b>	<b>171.6</b>
Acquisitions	0.1	0.4	0.5
Post-acquisition costs included in the carrying amount of property	2.1	1.5	2.2
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.3	(0.1)	(9.3)
Depreciation for the period	(5.3)	(5.4)	(5.5)
Impairment losses for the period recognised in profit	0.0	(6.3)	0.0
Impairment losses reversed through profit	6.8	11.7	0.0
Translation adjustment	0.3	(0.1)	0.0
Transfers	(5.8)	(23.6)	0.0
<b>Carrying amount at the end of the period</b>	<b>136.1</b>	<b>137.6</b>	<b>159.5</b>

## NOTE 9 INVESTMENTS

### 9.1 Investments by category

The following tables show the fair value of securities held by the Group, by category and intended holding period.

#### 9.1.1 Investments at 31 December 2007

In € millions		31/12/2007					Unrealised gains and losses
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	
<b>Assets at fair value through profit</b>	Fixed rate bonds					16,048.2	
	Variable rate bonds					13,003.2	
	TCNs (money market securities)					1,359.6	
	Equities					12,107.7	
	Mutual fund units					30,322.0	
	Shares in non-trading property companies					2,140.0	
	Other (including lent securities and repos)					0.3	
	<b>Total</b>					<b>74,981.0</b>	
<b>Derivative instruments</b>	Derivative instruments (positive fair value)					1,972.7	
	Derivative instruments (negative fair value)					(1,456.1)	
	<b>Total</b>					<b>516.6</b>	
<b>Available-for-sale financial assets</b>	Fixed rate bonds	131,825.1	900.7	0.0	(1,172.7)	131,553.1	
	Variable rate bonds	8,087.8	390.9	0.0	(105.2)	8,373.5	
	TCNs (money market securities)	4,744.4	(6.9)	0.0	(9.5)	4,728.0	
	Equities	14,520.0		(2,414.8)	9,344.4	21,449.6	
	Mutual fund units	6,274.4		(28.7)	402.0	6,647.7	
	Shares in non-trading property companies	1,758.3		(26.8)	1,187.2	2,918.7	
	Loan stock	59.0		(0.5)	35.3	93.8	
	Other (including lent securities and repos)	4,896.1	(23.9)	(66.6)	340.8	5,146.4	
<b>Total</b>	<b>172,165.1</b>	<b>1,260.8</b>	<b>(2,537.4)</b>	<b>10,022.3</b>	<b>180,910.8</b>		
<b>Held-to-maturity investments</b>	Fixed rate bonds	1,112.9		0.0		1,112.9	21.8
	<b>Total</b>	<b>1,112.9</b>		<b>0.0</b>	<b>0.0</b>	<b>1,112.9</b>	<b>21.8</b>
<b>Loans and receivables</b>	Loans and receivables	2,088.4		0.0		2,088.4	
	<b>Total</b>	<b>2,088.4</b>		<b>0.0</b>	<b>0.0</b>	<b>2,088.4</b>	
<b>Investment property</b>	Investment property at amortised cost	1,472.5	(406.0)	(12.9)		1,053.6	1,333.9
	Investment property at fair value	445.7				445.7	
	<b>Total</b>	<b>1,918.2</b>	<b>(406.0)</b>	<b>(12.9)</b>		<b>1,499.3</b>	<b>1,333.9</b>
<b>Total</b>			<b>(2,550.3)</b>	<b>10,022.3</b>	<b>261,109.0</b>	<b>1,355.7</b>	

The classification of assets in unit-linked portfolios has been refined in the category "Assets at fair value through profit".

## 9.1.2 Investments at 31 December 2006

In € millions		31/12/2006					
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
<b>Assets at fair value through profit</b>	Fixed rate bonds					12,667.4	
	Variable rate bonds					3,488.5	
	TCNs (money market securities)					13,446.7	
	Equities					8,857.4	
	Mutual fund units					29,744.3	
	Shares in non-trading property companies					1,753.4	
	Other (including lent securities and repos)					27.5	
	<b>Total</b>					<b>69,985.2</b>	
<b>Derivative instruments</b>	Derivative instruments (positive fair value)					1,636.4	
	Derivative instruments (negative fair value)					(1,410.6)	
	<b>Total</b>					<b>225.8</b>	
<b>Available-for-sale financial assets</b>	Fixed rate bonds	120,498.3	(686.9)		2,592.1	122,403.5	
	Variable rate bonds	8,454.1	(299.9)		309.1	8,463.3	
	TCNs (money market securities)	4,545.2	7.3		(6.8)	4,545.7	
	Equities	13,328.4		(2,478.9)	9,666.0	20,515.4	
	Mutual fund units	8,152.2		(25.1)	349.8	8,476.9	
	Shares in non-trading property companies	1,539.9		(27.7)	877.5	2,389.8	
	Loan stock	59.0		(13.8)	43.2	88.4	
	Other (including lent securities and repos)	6,990.3			59.6	7,049.9	
<b>Total</b>	<b>163,567.4</b>	<b>(979.5)</b>	<b>(2,545.5)</b>	<b>13,890.4</b>	<b>173,932.8</b>		
<b>Held-to-maturity investments</b>	Fixed rate bonds	894.5				894.5	21.8
	<b>Total</b>	<b>894.5</b>		<b>0.0</b>		<b>894.5</b>	<b>21.8</b>
<b>Loans and receivables</b>	Loans and receivables	2,034.6		0.0		2,034.6	
	<b>Total</b>	<b>2,034.6</b>		<b>0.0</b>		<b>2,034.6</b>	
<b>Investment property</b>	Investment property at amortised cost	1,230.0	(308.2)	(30.9)		890.9	791.3
	Investment property at fair value	394.7				394.7	
	<b>Total</b>	<b>1,624.7</b>	<b>(308.2)</b>	<b>(30.9)</b>		<b>1,285.6</b>	<b>791.3</b>
<b>Total</b>			<b>(2,576.4)</b>	<b>13,890.4</b>	<b>248,358.5</b>	<b>813.1</b>	

## 9.1.3 Investments at 31 December 2005

In € millions		31/12/2005					Unrealised gains and losses
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	
<b>Assets at fair value through profit</b>	Fixed rate bonds					11,026.0	
	Variable rate bonds					2,931.3	
	TCNs (money market securities)					12,231.2	
	Equities					62.0	
	Mutual fund units					33,858.4	
	Shares in non-trading property companies					1,493.4	
	Other (including lent securities and repos)					206.3	
	<b>Total</b>					<b>61,808.6</b>	
<b>Derivative instruments</b>	Derivative instruments (positive fair value)					1,070.4	
	Derivative instruments (negative fair value)					(973.6)	
	<b>Total</b>					<b>96.8</b>	
<b>Available-for-sale financial assets<sup>(1)</sup></b>	Fixed rate bonds	108,693.2	928.6		8,150.8	117,772.6	
	Variable rate bonds	8,550.1	232.6		866.7	9,649.4	
	TCNs (money market securities)	127.9	(17.7)		9.1	119.3	
	Equities	13,161.6		(2,471.7)	6,717.3	17,407.2	
	Mutual fund units	6,249.4		(4.0)	201.5	6,446.9	
	Shares in non-trading property companies	1,606.3		(2.9)	603.5	2,206.9	
	Loan stock	59.0		(0.5)	44.9	103.4	
	Other (including lent securities and repos)	8,769.3			239.1	9,008.4	
<b>Total</b>	<b>147,216.8</b>	<b>1,143.5</b>	<b>(2,479.1)</b>	<b>16,832.9</b>	<b>162,714.1</b>		
<b>Held-to-maturity investments</b>	Fixed rate bonds	880.3				880.3	31.8
	<b>Total</b>	<b>880.3</b>		<b>0.0</b>		<b>880.3</b>	<b>31.8</b>
<b>Loans and receivables</b>	Loans and receivables	1,051.1				1,051.1	
	<b>Total</b>	<b>1,051.1</b>		<b>0.0</b>		<b>1,051.1</b>	
<b>Investment property</b>	Investment property at amortised cost	1,189.7	(274.4)	(25.9)		889.3	849.8
	Investment property at fair value	351.1				351.1	
	<b>Total</b>	<b>1,540.8</b>	<b>(274.4)</b>	<b>(25.9)</b>		<b>1,240.4</b>	<b>849.8</b>
<b>Total</b>			<b>(2,505)</b>	<b>16,832.9</b>	<b>227,791.3</b>	<b>881.6</b>	

(1) Reclassifications between cost and fair value adjustments based on analyses performed for the French securities regulator (AMF).

### 9.1.4 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1, 9.1.2 and 9.1.3

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma
Note on investments	261,109.0	248,358.5	227,791.4
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,456.1)	(1,410.6)	(973.6)
Balance sheet – Assets – Insurance investments	262,565.1	249,769.1	228,765.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### 9.2 Measurement of assets recognised at fair value

The following tables show financial assets classified as at fair value through profit whose prices are estimated using a valuation technique.

#### 9.2.1 Valuation methods at 31 December 2007

In € millions	31/12/2007		
	Securities traded on a market: valued at the most recent quoted price <sup>(1)</sup>	Structured products: valued at the most recent price provided by the arranger	Total
Trading	68,299.4	7,198.2	<b>75,497.6</b>
Change in fair value through profit or loss <sup>(2)</sup>	(58.1)	(24.8)	<b>(82.9)</b>
Available-for-sale financial assets	175,474.2	5,436.6	<b>180,910.8</b>
Change in fair value through equity <sup>(2)</sup>	(160.2)	(6.5)	<b>(166.7)</b>
<b>Total</b>	<b>243,773.6</b>	<b>12,634.8</b>	<b>256,408.4</b>
<b>Total</b>	<b>(218.3)</b>	<b>(31.3)</b>	<b>(249.6)</b>

(1) Including derivatives (see Note 9.1.1): swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

#### 9.2.2 Valuation methods at 31 December 2006

In € millions	31/12/2006		
	Securities traded on a market: valued at the most recent quoted price <sup>(1)</sup>	Structured products: valued at the most recent price provided by the arranger	Total
Trading	62,468.1	7,742.9	<b>70,211.0</b>
Change in fair value through profit or loss <sup>(2)</sup>	47.2	24.2	<b>71.4</b>
Available-for-sale financial assets	168,994.6	4,938.2	<b>173,932.8</b>
Change in fair value through equity <sup>(2)</sup>	(445.1)	(6.9)	<b>(452.0)</b>
<b>Total</b>	<b>231,462.7</b>	<b>12,681.1</b>	<b>244,143.8</b>
<b>Total</b>	<b>(397.9)</b>	<b>17.3</b>	<b>(380.6)</b>

(1) Including derivatives (see Note 9.1.1): swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

### 9.3 Repurchase agreements

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2007	31/12/2006	31/12/2005
Available-for-sale financial assets	Fixed rate bonds	3,560.4	5,868.2	4,746.6
	Equities	411.1	413.2	827.0
	<b>Total</b>	<b>3,971.5</b>	<b>6,281.4</b>	<b>5,573.6</b>

### 9.4 Lent securities

The following table analyses the carrying amount of lent securities, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2007	31/12/2006	31/12/2005
Available-for-sale financial assets	Equities	156.0	222.6	36.0
	<b>Total</b>	<b>156.0</b>	<b>222.6</b>	<b>36.0</b>

### 9.5 Movements for the period

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope	Other	Closing carrying amount
Securities held for trading	69,985.2	101,360.4	(97,354.0)	(447.5)	0.0	0.0	550.5	886.5	74,981.0
Derivative instruments	225.8	20.7	(9.9)	278.9	0.0	0.0	2.8	(1.6)	516.6
Available-for-sale financial assets	173,932.8	86,355.7	(75,861.8)	24,710.7	(120.5)	138.2	(28,124.8)	(119.6)	180,910.8
Held-to-maturity investments	894.5	307.4	(118.0)	0.0	0.0	0.0	0.0	28.9	1,112.9
Loans and receivables	2,034.6	328.9	(275.1)	0.0	0.0	0.0	0.0	0.0	2,088.4
Investment property	1,285.6	304.0	(0.9)	1.8	0.0	0.0	(312.4)	221.3	1,499.3
<b>Total</b>	<b>248,358.5</b>	<b>188,677.1</b>	<b>(173,619.7)</b>	<b>24,543.9</b>	<b>(120.5)</b>	<b>138.2</b>	<b>(27,883.9)</b>	<b>1,015.5</b>	<b>261,109.0</b>

## 9.6 Derivative instruments

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity.

In € millions	31/12/2007											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
SWAP	74.9	(66.5)	267.6	(242.9)	101.1	(97.1)	23.4	(22.5)	928.5	(975.4)	1,395.5	(1,404.4)
SWAPTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP/FLOOR	0.4	0.0	89.4	0.0	454.6	(17.3)	17.7	0.0	0.0	0.0	562.1	(17.3)
EQUITY	0.6	(18.2)	6.5	(16.2)	8.0	0.0	0.0	0.0	0.0	0.0	15.1	(34.4)
<b>Total</b>	<b>75.9</b>	<b>(84.7)</b>	<b>363.5</b>	<b>(259.1)</b>	<b>563.7</b>	<b>(114.4)</b>	<b>41.1</b>	<b>(22.5)</b>	<b>928.5</b>	<b>(975.4)</b>	<b>1,972.7</b>	<b>(1,456.1)</b>

In € millions	31/12/2006											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
SWAP	26.2	(29.0)	317.2	(308.4)	81.8	(74.9)	22.4	(24.6)	867.6	(920.6)	1,315.1	(1,358.5)
SWAPTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP/FLOOR	0.0	0.0	16.8	(0.4)	291.4	(16.7)	0.0	0.0	0.0	0.0	308.2	(17.1)
EQUITY	7.7	(17.4)	2.3	(17.6)	3.1	0.0	0.0	0.0	0.0	0.0	13.1	(35.0)
<b>Total</b>	<b>33.9</b>	<b>(46.4)</b>	<b>336.3</b>	<b>(326.4)</b>	<b>376.3</b>	<b>(91.6)</b>	<b>22.4</b>	<b>(24.6)</b>	<b>867.6</b>	<b>(920.6)</b>	<b>1,636.4</b>	<b>(1,410.6)</b>

In € millions	31/12/2005											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
SWAP	14.6	(19.9)	277.7	(227.8)	41.9	(49.2)	18.7	(22.8)	561.1	(653.9)	914.0	(973.6)
SWAPTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP/FLOOR	0.0	0.0	8.8	0.0	147.6	0.0	0.0	0.0	0.0	0.0	156.4	0.0
EQUITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>14.6</b>	<b>(19.9)</b>	<b>286.5</b>	<b>(227.8)</b>	<b>189.5</b>	<b>(49.2)</b>	<b>18.7</b>	<b>(22.8)</b>	<b>561.1</b>	<b>(653.9)</b>	<b>1,070.4</b>	<b>(973.6)</b>

## 9.7 Credit risk

### 9.7.1 Analysis of the bond portfolio at 31 December 2007 by issuer rating

Rating	31/12/2007	
	Bond portfolio at fair value	%
AAA	87,635.9	49.7%
AA	49,487.7	28.1%
A	31,396.8	17.8%
BBB	4,328.8	2.5%
Non-investment grade	3,156.7	1.8%
Not rated	194.4	0.1%
<b>Total</b>	<b>176,200.3</b>	<b>100.0%</b>

### 9.7.2 Analysis of the bond portfolio at 31 December 2006 by issuer rating

Rating	31/12/2006	
	Bond portfolio at fair value	%
AAA	84,323.0	50.8%
AA	43,927.5	26.5%
A	31,886.5	19.2%
BBB	3,014.1	1.8%
Non-investment grade	2,499.2	1.5%
Not rated	281.0	0.2%
<b>Total</b>	<b>165,931.3</b>	<b>100.0%</b>

## 9.8 Credit risk by type of asset and by geographical region

The purpose of this note is to provide an analysis of financial assets exposed to credit risk by geographical region.

**9.8.1** Credit risk by type of asset and by geographical region at 31 December 2007

In € millions		Geographic area of the issuer at 31/12/2007							Total
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	
Available-for-sale	Debt securities	49,107	12,141	8,822	52,555	9,749	260	12,020	<b>144,655</b>
	Mutual funds	5,920	30	37	642	0	0	18	<b>6,648</b>
	Equities	13,300	2,709	1,501	3,605	14	0	320	<b>21,450</b>
	Other	8,139	0	0	19	0	0	1	<b>8,159</b>
Held-for-trading	Debt securities	7,087	758	3,088	6,067	6,527	31	6,854	<b>30,411</b>
	Mutual funds	25,356	13	1,172	3,212	38	3	529	<b>30,322</b>
	Equities	6,079	1,089	367	1,499	1,710	328	1,036	<b>12,108</b>
	Other	2,140	0	0	0	0	0	0	<b>2,140</b>
Held-to-maturity	Debt securities	243	10	42	209	47	0	562	<b>1,113</b>
Loans and receivables		2,088	0	0	0	0	0	0	<b>2,088</b>
Derivative instruments		509	1	0	0	0	0	6	<b>517</b>
Investment property		1,494	0	0	5	0	0	0	<b>1,499</b>
<b>Total</b>		<b>121,462</b>	<b>16,752</b>	<b>15,029</b>	<b>67,813</b>	<b>18,086</b>	<b>622</b>	<b>21,346</b>	<b>261,109</b>

**9.8.2** Credit risk by type of asset and by geographical region at 31 December 2006

In € millions		Geographic area of the issuer at 31/12/2006							Total
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	
Available-for-sale	Debt securities	48,931	11,306	9,185	46,633	7,895	186	11,276	<b>135,412</b>
	Mutual funds	8,013	19	42	391	0	0	12	<b>8,477</b>
	Equities	13,402	2,085	1,247	3,480	0	0	303	<b>20,516</b>
	Other	9,523	0	0	4	0	0	1	<b>9,528</b>
Held-for-trading	Debt securities	8,925	751	4,298	4,451	5,199	10	5,970	<b>29,603</b>
	Mutual funds	27,051	4	2,019	594	4	0	72	<b>29,744</b>
	Equities	8,760	0	0	0	0	0	96	<b>8,857</b>
	Other	1,754	0	27	0	0	0	0	<b>1,781</b>
Held-to-maturity	Debt securities	242	16	86	208	47	0	295	<b>895</b>
Loans and receivables		2,030	0	0	5	0	0	0	<b>2,035</b>
Derivative instruments		224	0	0	0	0	0	2	<b>226</b>
Investment property		1,285	0	0	0	0	0	1	<b>1,286</b>
<b>Total</b>		<b>130,141</b>	<b>14,180</b>	<b>16,903</b>	<b>55,765</b>	<b>13,146</b>	<b>196</b>	<b>18,027</b>	<b>248,358</b>

### 9.8.3\_Credit risk by type of asset and by geographical region at 31 December 2005

In € millions		Geographic area of the issuer at 31/12/2005 – Pro forma							Total
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	
Available-for-sale	Debt securities	46,694	10,630	9,534	41,057	7,399	302	11,925	<b>127,541</b>
	Mutual funds	6,208	0	37	201	0	0	1	<b>6,447</b>
	Equities	11,852	1,590	1,003	2,676	0	0	287	<b>17,408</b>
	Other	10,999	47	0	212	15	2	43	<b>11,318</b>
Held-for-trading	Debt securities	9,377	667	2,313	4,180	5,543	13	4,096	<b>26,189</b>
	Mutual funds	31,384	0	2,161	224	1	0	90	<b>33,859</b>
	Equities	0	0	0	0	0	0	62	<b>62</b>
	Other	1,624	4	0	11	6	0	53	<b>1,699</b>
Held-to-maturity	Debt securities	615	0	0	6	0	0	259	<b>880</b>
Loans and receivables		1,051	0	0	0	0	0	0	<b>1,051</b>
Derivative instruments		97	0	0	0	0	0	0	<b>97</b>
Investment property		1,240	0	0	0	0	0	1	<b>1,241</b>
<b>Total</b>		<b>121,141</b>	<b>12,938</b>	<b>15,048</b>	<b>48,567</b>	<b>12,964</b>	<b>317</b>	<b>16,817</b>	<b>227,792</b>

### 9.9 Foreign currency transactions

The following tables analyse financial assets and liabilities by currency.

#### 9.9.1 Foreign currency transactions at 31 December 2007

In € millions	31/12/2007			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	59	0	0	149
GBP	54	0	0	98
Yen	0	0	0	16
BRL	4,102	4,102	0	0
Other	23	22	0	0
<b>Total</b>	<b>4,238</b>	<b>4,124</b>	<b>0</b>	<b>263</b>

### 9.9.2 Foreign currency transactions at 31 December 2006

In € millions	31/12/2006			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	283	0	0	166
GBP	165	0	0	92
Yen	27	0	0	27
BRL	3,289	3,289	0	0
Other	18	16	0	0
<b>Total</b>	<b>3,782</b>	<b>3,305</b>	<b>0</b>	<b>285</b>

### 9.9.3 Foreign currency transactions at 31 December 2005

In € millions	31/12/2005			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	260	0	0	156
GBP	57	0	0	0
Yen	11	0	0	11
BRL	2,667	2,640	0	0
Other	23	15	0	4
<b>Total</b>	<b>3,018</b>	<b>2,655</b>	<b>0</b>	<b>171</b>

### 9.10 Commitments given and received

In € millions	31/12/2007			31/12/2006			31/12/2005		
Commitments given									
Financing commitments	5.7			5.4			0.0		
Guarantees	27.0			27.2			26.6		
Securities commitments	2,174.2			1,975.6			2,511.9		

In € millions	31/12/2007			31/12/2006			31/12/2005		
Commitments received									
Financing commitments	113.7			167.8			4.7		
Guarantees	527.4			533.8			527.4		
Securities commitments	5,859.6			5,581.7			5,174.9		

Commitments received correspond mainly to securities pledged to the Group by reinsurers, covering the theoretical commitments accepted by reinsurers under existing treaties.

## NOTE 10 INSURANCE AND FINANCIAL LIABILITIES

### 10.1 Analysis of insurance and financial liabilities

The following tables show the subclassifications of insurance liabilities that require separate disclosure under IFRS.

#### 10.1.1 Analysis of insurance and financial liabilities at 31 December 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Non-life technical reserves</b>	<b>5,307.2</b>	<b>4,673.2</b>	<b>634.0</b>
Unearned premium reserves	168.3	161.4	6.9
Outstanding claims reserves	678.5	608.7	69.8
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	33.6	32.7	0.9
Other technical reserves	4,426.3	3,869.9	556.4
Liability adequacy test reserves	0.5	0.5	0.0
<b>Life technical reserves</b>	<b>76,346.0</b>	<b>71,172.8</b>	<b>5,173.2</b>
Unearned premium reserves	74,972.4	69,845.7	5,126.7
Outstanding claims reserves	1,054.0	1,006.7	47.3
Policyholder surplus reserves	289.0	289.8	(0.8)
Other mathematical reserves	30.6	30.6	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments with DPF</b>	<b>145,984.0</b>	<b>145,979.3</b>	<b>4.7</b>
Unearned premium reserves	141,862.6	141,857.9	4.7
Outstanding claims reserves	1,736.7	1,736.7	0.0
Policyholder surplus reserves	2,384.7	2,384.7	0.0
Other mathematical reserves	0.0	0.0	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments without DPF</b>	<b>7,881.2</b>	<b>7,553.8</b>	<b>327.4</b>
<b>Derivative instruments embedded in financial instruments with or without DPF</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred participation reserve</b>	<b>8,675.0</b>	<b>8,675.0</b>	<b>0.0</b>
<b>Total insurance and financial liabilities</b>	<b>244,193.4</b>	<b>238,054.1</b>	<b>6,139.3</b>

### 10.1.2 Analysis of insurance and financial liabilities at 31 December 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Non-life technical reserves</b>	<b>5,066.2</b>	<b>4,377.7</b>	<b>688.5</b>
Unearned premium reserves	124.4	117.8	6.6
Outstanding claims reserves	439.2	391.3	47.9
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	137.2	122.9	14.3
Other technical reserves	4,365.4	3,745.7	619.7
Liability adequacy test reserves	0.0	0.0	0.0
<b>Life technical reserves</b>	<b>62,721.8</b>	<b>57,909.1</b>	<b>4,812.7</b>
Unearned premium reserves	61,031.2	56,260.1	4,771.1
Outstanding claims reserves	862.5	836.2	26.3
Policyholder surplus reserves	652.1	645.1	7.0
Other mathematical reserves	176.0	167.7	8.3
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments with DPF</b>	<b>140,365.8</b>	<b>140,365.8</b>	<b>0.0</b>
Unearned premium reserves	136,723.5	136,723.5	0.0
Outstanding claims reserves	1,607.5	1,607.5	0.0
Policyholder surplus reserves	2,033.6	2,033.6	0.0
Other mathematical reserves	1.2	1.2	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments without DPF</b>	<b>9,389.9</b>	<b>8,978.5</b>	<b>411.4</b>
<b>Derivative instruments embedded in financial instruments with or without DPF</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred participation reserve</b>	<b>12,133.3</b>	<b>12,133.3</b>	<b>0.0</b>
<b>Total insurance and financial liabilities</b>	<b>229,677.0</b>	<b>223,764.4</b>	<b>5,912.6</b>

### 10.1.3 Analysis of insurance and financial liabilities at 31 December 2005

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Non-life technical reserves</b>	<b>4,813.2</b>	<b>4,197.7</b>	<b>615.5</b>
Unearned premium reserves	105.3	104.2	1.1
Outstanding claims reserves	411.0	358.9	52.1
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	152.1	110.5	41.6
Other technical reserves	4,144.8	3,624.1	520.7
Liability adequacy test reserves	0.0	0.0	0.0
<b>Life technical reserves</b>	<b>48,875.1</b>	<b>44,533.2</b>	<b>4,341.9</b>
Unearned premium reserves	47,087.2	42,778.0	4,309.2
Outstanding claims reserves	781.4	760.3	21.1
Policyholder surplus reserves	884.8	873.2	11.6
Other mathematical reserves	121.7	121.7	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments with DPF</b>	<b>133,576.9</b>	<b>133,576.9</b>	<b>0.0</b>
Unearned premium reserves	130,303.7	130,303.7	0.0
Outstanding claims reserves	1,358.8	1,358.8	0.0
Policyholder surplus reserves	1,912.9	1,912.9	0.0
Other mathematical reserves	1.5	1.5	0.0
Liability adequacy test reserves	0.0	0.0	0.0
<b>Financial instruments without DPF</b>	<b>10,583.5</b>	<b>10,158.2</b>	<b>425.3</b>
<b>Derivative instruments embedded in financial instruments with or without DPF</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Deferred participation reserve</b>	<b>14,533.1</b>	<b>14,533.1</b>	<b>0.0</b>
<b>Total insurance and financial liabilities</b>	<b>212,381.8</b>	<b>206,999.1</b>	<b>5,382.7</b>

### 10.2 Change in technical reserves

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

## 10.2.1\_Changes in mathematical reserves – life insurance

### 10.2.1.1\_Changes in mathematical reserves – life insurance – 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>197,754.7</b>	<b>192,983.5</b>	<b>4,771.2</b>
Premiums	27,904.6	27,506.4	398.2
Extinguished liabilities (benefit payments)	(17,347.8)	(17,172.7)	(175.1)
Locked-in gains	7,375.0	7,172.4	202.6
Change in value of unit-linked portfolios	272.7	272.7	0.0
Changes in scope (entries in/exits from the portfolio)	(79.0)	(79.0)	0.0
Asset loading	(446.3)	(446.3)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	116.4	116.4	0.0
Changes in assumptions	(2.2)	(2.2)	0.0
Consolidation of CNP Vida	1,477.9	1,477.9	0.0
Other	(191.0)	(125.5)	(65.5)
<b>Mathematical reserves at the end of the period</b>	<b>216,835.0</b>	<b>211,703.6</b>	<b>5,131.4</b>

### 10.2.1.2\_Reinsurance was not properly analysed at 31 December 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>177,390.9</b>	<b>173,081.7</b>	<b>4,309.2</b>
Premiums	28,422.5	28,085.0	337.5
Extinguished liabilities (benefit payments)	(15,293.3)	(15,153.8)	(139.5)
Locked-in gains	6,666.5	6,406.9	259.6
Change in value of unit-linked portfolios	1,601.0	1,601.0	0.0
Changes in scope (entries in/exits from the portfolio)	(592.9)	(598.7)	5.8
Asset loading	(149.7)	(149.7)	0.0
Surpluses/deficits	0.6	0.6	0.0
Currency effect	(20.7)	(20.7)	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(58.2)	(56.8)	(1.4)
<b>Mathematical reserves at the end of the period</b>	<b>197,754.7</b>	<b>192,983.5</b>	<b>4,771.2</b>

**10.2.1.3** Changes in mathematical reserves – life insurance – 2005

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>156,034.0</b>	<b>152,185.8</b>	<b>3,848.2</b>
Premiums	23,619.1	23,309.4	309.7
Extinguished liabilities (benefit payments)	(12,559.3)	(12,445.5)	(113.8)
Locked-in gains	5,901.1	5,625.3	275.8
Change in value of unit-linked portfolios	2,103.9	2,103.9	0.0
Changes in scope (entries in/exits from the portfolio)	(320.4)	(310.2)	(10.2)
Asset loading	(43.6)	(43.6)	0.0
Surpluses/deficits	0.2	0.2	0.0
Currency effect	184.2	184.2	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Consolidation of Fineco Vita	2,918.0	2,913.6	4.4
Other	(234.3)	(229.4)	(4.9)
<b>Mathematical reserves at the end of the period</b>	<b>177,390.9</b>	<b>173,081.7</b>	<b>4,309.2</b>

**10.2.2** Changes in mathematical reserves – non-life insurance**10.2.2.1** Changes in mathematical reserves – non-life insurance – 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Outstanding claims reserves at the beginning of the period</b>	<b>439.2</b>	<b>391.3</b>	<b>47.9</b>
Claims expenses for the period	1,257.9	977.9	280.0
Prior period surpluses/deficits	(14.8)	(12.8)	(2.0)
<b>Total claims expenses</b>	<b>1,243.1</b>	<b>965.1</b>	<b>278.0</b>
Current period claims settled during the period	(703.0)	(450.3)	(252.7)
Prior period claims settled during the period	(303.4)	(300.0)	(3.4)
<b>Total paid claims</b>	<b>(1,006.4)</b>	<b>(750.3)</b>	<b>(256.1)</b>
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustment	2.6	2.6	0.0
Consolidation of CNP Vida	0.0	0.0	0.0
<b>Outstanding claims reserves at the end of the period</b>	<b>678.5</b>	<b>608.7</b>	<b>69.8</b>

**10.2.2.2** Changes in mathematical reserves – non-life insurance – 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Outstanding claims reserves at the beginning of the period</b>	<b>411.0</b>	<b>358.9</b>	<b>52.1</b>
Claims expenses for the period	1,185.0	1,128.1	56.9
Prior period surpluses/deficits	52.2	51.6	0.6
<b>Total claims expenses</b>	<b>1,237.2</b>	<b>1,179.7</b>	<b>57.5</b>
Current period claims settled during the period	(1,223.8)	(1,165.2)	(58.6)
Prior period claims settled during the period	13.6	16.7	(3.1)
<b>Total paid claims</b>	<b>(1,210.2)</b>	<b>(1,148.5)</b>	<b>(61.7)</b>
Changes in scope of consolidation and changes of method	1.6	1.6	0.0
Translation adjustment	(0.4)	(0.4)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
<b>Outstanding claims reserves at the end of the period</b>	<b>439.2</b>	<b>391.3</b>	<b>47.9</b>

**10.2.2.3** Changes in mathematical reserves – non-life insurance – 2005

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Outstanding claims reserves at the beginning of the period</b>	<b>308.6</b>	<b>269.7</b>	<b>38.9</b>
Claims expenses for the period	1,247.9	1,191.1	56.8
Prior period surpluses/deficits	(5.6)	(7.1)	1.5
<b>Total claims expenses</b>	<b>1,242.3</b>	<b>1,184.0</b>	<b>58.3</b>
Current period claims settled during the period	(837.5)	(795.0)	(42.5)
Prior period claims settled during the period	(305.9)	(302.7)	(3.2)
<b>Total paid claims</b>	<b>(1,143.4)</b>	<b>(1,097.7)</b>	<b>(45.7)</b>
Changes in scope of consolidation and changes of method	(4.1)	(4.1)	0.0
Translation adjustment	6.6	6.6	0.0
Consolidation of Fineco Vita	1.0	0.4	0.6
<b>Outstanding claims reserves at the end of the period</b>	<b>411.0</b>	<b>358.9</b>	<b>52.1</b>

**10.2.3** Changes in mathematical reserves – financial instruments with DPF

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>9,389.9</b>	<b>8,978.5</b>	<b>411.4</b>
Premiums	647.7	612.7	35.0
Extinguished liabilities (benefit payments)	(2,201.4)	(2,104.2)	(97.2)
Locked-in gains	85.8	85.8	0.0
Change in value of unit-linked portfolios	(1.2)	20.5	(21.7)
Changes in scope (entries in/exits from the portfolio)	10.3	10.3	0.0
Currency effect	34.5	34.5	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(84.4)	(84.3)	(0.1)
<b>Mathematical reserves at the end of the period</b>	<b>7,881.2</b>	<b>7,553.8</b>	<b>327.4</b>

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>10,583.5</b>	<b>10,158.2</b>	<b>425.3</b>
Premiums	551.0	510.5	40.5
Extinguished liabilities (benefit payments)	(1,854.7)	(1,801.9)	(52.8)
Locked-in gains	35.5	35.5	0.0
Change in value of unit-linked portfolios	56.5	58.1	(1.6)
Changes in scope (entries in/exits from the portfolio)	16.0	16.0	0.0
Currency effect	(6.1)	(6.1)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	8.2	8.2	0.0
<b>Mathematical reserves at the end of the period</b>	<b>9,389.9</b>	<b>8,978.5</b>	<b>411.4</b>

Reinsurance was not properly analysed at 31 December 2006

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
<b>Mathematical reserves at the beginning of the period</b>	<b>2,250.9</b>	<b>2,250.9</b>	<b>0.0</b>
Premiums	466.8	423.0	43.8
Extinguished liabilities (benefit payments)	(2,073.7)	(2,046.2)	(27.5)
Locked-in gains	60.4	60.4	0.0
Change in value of unit-linked portfolios	1,122.9	1,082.2	40.7
Changes in scope (entries in/exits from the portfolio)	(187.8)	(187.8)	0.0
Currency effect	81.1	81.1	0.0
Consolidation of Fineco Vita	8,935.5	8,567.2	368.3
Other	(72.6)	(72.6)	0.0
<b>Mathematical reserves at the end of the period</b>	<b>10,583.5</b>	<b>10,158.2</b>	<b>425.3</b>

\* Including linked liabilities of €7,364.5 million at 31 December 2007, €8,997.5 million at 31 December 2006 and €10,217 million at 31 December 2005.

### 10.3 Deferred participation (shadow accounting adjustments)

In € millions Deferred participation	31/12/2007		31/12/2006		31/12/2005	
	Amount	Average rate	Amount	Average rate	Amount	Average rate
Deferred participation on gains and losses from remeasurement at fair value of assets at fair value through profit	1,368.4	ns	802.1	ns	208.1	ns
Deferred participation on gains and losses from remeasurement at fair value recognised in equity	7,086.2	70.7%	10,967.8	79.0%	14,196.9	86.3%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	177.6	100.0%	158.0	100.0%	128.1	100.0%
Deferred participation on other consolidation adjustments	42.8		205.4			
<b>Total</b>	<b>8,675.0</b>		<b>12,133.3</b>		<b>14,533.1</b>	

In € millions Deferred participation	31/12/2007	31/12/2006	31/12/2005
<b>Deferred participation at the beginning of the period</b>	<b>12,133.3</b>	<b>14,533.1</b>	<b>10,170.5</b>
Deferred participation on gains and losses from remeasurement at fair value of assets at fair value through profit	566.3	594.0	1,404.9
Deferred participation on gains and losses from remeasurement at fair value recognised in equity	(3,809.7)	(3,229.1)	2,967.2
Realised capital gains and losses	0.0	0.0	0.0
Effect of change in gross deferred participation rate	0.0	0.0	0.0
Effect of change in recoverability rate	0.0	0.0	0.0
Other movements	(214.9)	235.3	(9.6)
<b>Deferred participation at the end of the period</b>	<b>8,675.0</b>	<b>12,133.3</b>	<b>14,533.1</b>

### 10.4 Main assumptions

The insurer's commitments differ according to the type of contract, as follows:

#### Savings products: mainly a financial commitment

Savings products fall into two broad categories:

- Commitments under savings contracts are managed primarily by matching asset and liability maturities. The yield guarantee may be for a fixed period (generally eight years) or for the entire duration of the contract. The insurer has an obligation to pay the guaranteed capital when requested to do so by the customer, whatever the prevailing market conditions at the time.

Commitments under savings contracts are managed primarily by matching asset and liability maturities.

- Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

#### Pension products: technical and financial commitments

Commitments associated with pension products depend on:

- The period of benefit payments which cannot be determined in advance.

• The interest rate, which reflects the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions.

#### Personal risk products: primarily technical commitments

The risk associated with these contracts is determined primarily by the insured's age, gender, socio-professional category and job.

The Group implements risk selection and reinsurance policies, as well as monitoring statistical data concerning the policyholder base and related loss ratios.

The components of technical reserves are defined in Article R.331-3 of the Insurance Code for life insurance business and R.331-6 for non-life business.

#### Measurement of insurance and financial liabilities

Insurance and financial liabilities are measured as follows:

- Insurance contracts are measured using the same policies as under French GAAP (or local GAAP in the case of foreign subsidiaries)
- Financial instruments with DPF are measured in accordance with local GAAP
- Financial instruments without DPF are measured at fair value.

## 10.5\_Changes in financial liabilities – unit-linked contracts

The following table shows changes in financial liabilities related to unit-linked contracts.

### 10.5.1\_2007

In € millions	Before reinsurance	Net of reinsurance
<b>Technical reserves at the beginning of the period</b>	<b>29,703.1</b>	<b>29,682.6</b>
(+) Entries (new contracts, transfers between contracts, replacements)	7,033.7	7,033.7
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	578.0	578.0
(-) Exits (paid benefits and expenses)	(2,153.3)	(2,132.8)
(-) Entries/exits related to portfolio transfers	(1,582.9)	(1,582.9)
(-) Loading deducted from assets	(42.3)	(42.3)
(+/-) Surplus/deficit	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	108.4	108.4
(+/-) Changes in scope of consolidation	507.3	507.3
Other	(10.2)	(10.2)
<b>Technical reserves at the end of the period</b>	<b>34,141.8</b>	<b>34,141.8</b>

### 10.5.2\_2006

In € millions	Before reinsurance	Net of reinsurance
<b>Technical reserves at the beginning of the period</b>	<b>22,304.0</b>	<b>22,304.0</b>
(+) Entries (new contracts, transfers between contracts, replacements)	8,044.6	8,004.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,830.4	1,831.9
(-) Exits (paid benefits and expenses)	(1,642.7)	(1,589.9)
(+/-) Entries/exits related to portfolio transfers	(585.0)	(585.0)
(-) Loading deducted from assets	(72.0)	(72.0)
(+/-) Surplus/deficit	0.1	0.1
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	0.0	0.0
(+/-) Changes in scope of consolidation	0.0	0.0
Other	(176.3)	(210.5)
<b>Technical reserves at the end of the period*</b>	<b>29,703.1</b>	<b>29,682.6</b>

### 10.5.3\_2005

In € millions	Before reinsurance	Net of reinsurance
<b>Technical reserves at the beginning of the period</b>	<b>14,089.4</b>	<b>14,089.4</b>
(+) Entries (new contracts, transfers between contracts, replacements)	5,199.9	5,199.9
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,438.6	1,438.6
(-) Exits (paid benefits and expenses)	(549.3)	(549.3)
(+/-) Entries/exits related to portfolio transfers	(141.6)	(141.6)
(-) Loading deducted from assets	(8.0)	(8.0)
(+/-) Surplus/deficit	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	0.0	0.0
(+/-) Changes in scope of consolidation	2,272.8	2,272.8
Other	2.1	2.1
<b>Technical reserves at the end of the period*</b>	<b>22,303.9</b>	<b>22,303.9</b>

\* Not including unit-linked financial instruments without DPF, accounted for in accordance with IAS 39. The following table reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet:

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Financial liabilities – unit-linked financial instruments – Balance sheet</b>	<b>41,506.3</b>	<b>38,700.5</b>	<b>32,521.0</b>
Changes in financial liabilities – unit-linked other than IAS 39	34,141.8	29,703.0	22,304.0
Changes in financial liabilities – unit-linked – IAS 39	7,364.5	8,997.5	10,217.0
<b>Reconciliation to financial liabilities – unit-linked</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### 10.6\_Credit risk on reinsurance business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer, for CNP France and the main subsidiaries in the Group.

a) Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

b) For quota-share treaties where the asset is not held by CNP, the breakdown of ceded insurance liabilities by reinsurer is as follows:

#### 10.6.1\_Credit risk on reinsured business at 31 December 2007

In € millions	31/12/2007 – Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	AA-	2,578.8	42.0%
Second reinsurer	A	1,692.3	27.6%
Third reinsurer	AA	805.9	13.1%
Fourth reinsurer	AA-	454.5	7.4%
Other reinsurers	–	607.8	9.9%
<b>Total</b>		<b>6,139.3</b>	<b>100%</b>

#### 10.6.2\_Credit risk on reinsured business at 31 December 2006

In € millions	31/12/2006 – Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	2,347.4	39.7%
Second reinsurer	A	1,571.5	26.6%
Third reinsurer	AA-	800.7	13.5%
Fourth reinsurer	AA-	400.6	6.8%
Other reinsurers	–	792.4	13.4%
<b>Total</b>		<b>5,912.6</b>	<b>100%</b>

#### 10.6.3\_Credit risk on reinsured business at 31 December 2005

In € millions	31/12/2005 – Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	2,139.2	39.7%
Second reinsurer	A	1,428.9	26.5%
Third reinsurer	AA-	720.6	13.4%
Fourth reinsurer	AA-	388.0	7.2%
Other reinsurers	–	706.0	13.1%
<b>Total</b>		<b>5,382.7</b>	<b>100%</b>

## 10.7 Subordinated debt

Subordinated debt is measured at amortised cost.

### 10.7.1 Subordinated debt at 31 December 2007

In € millions	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated	Fair value*
<b>Subordinated notes</b>				<b>1,881.4</b>	<b>0.0</b>	<b>448.4</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.0</b>	<b>183.0</b>	<b>2,078.5</b>
CNP Assurances	May 99	4.63%	€	403.0		403.0					400.5
CNP Assurances	April 01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0					150.0		152.1
	May 01		€	50.0					50.0		50.7
	July 01		€	50.0					50.0		50.7
	Dec. 01		€	150.0					150.0		152.1
	Feb. 02		€	100.0					100.0		101.4
	April 02		€	250.0					250.0		253.5
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300.0					300.0		296.7
CNP Assurances	June 03	4.7825% until 2013 then Euribor +160bps from 15/11/2016	€	200.0					200.0		296.7
CNP Assurances	Nov. 04	4.93% until 2016 then Euribor +160bps from 15/11/2016	€	90.0						90.0	193.5
CNP Assurances	Nov. 04	3-month Euribor + 70bps until 2016	€	93.0						93.0	85.6
CNP Capitalia Vita	Nov. 03	6-month Euribor + 90bps	€	45.4		45.4					45.0
<b>Perpetual subordinated notes</b>				<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.0</b>	<b>45.1</b>
CNP Capitalia Vita	Oct. 03	6-month Euribor + 150bps	€	45.0						45.0	45.1
<b>Total</b>				<b>1,926.4</b>	<b>0.0</b>	<b>448.4</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.0</b>	<b>228.0</b>	<b>2,123.6</b>

\* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

## 10.7.2 Subordinated debt at 31 December 2006

In € millions	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated	Fair value*
<b>Subordinated notes</b>				<b>1,881.0</b>	<b>0.0</b>	<b>448.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.0</b>	<b>183.0</b>	<b>1,938.8</b>
CNP Assurances	May 99	4.63%	€	403.0		403.0					406.1
CNP Assurances	April 01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0					150.0		157.7
	May 01		€	50.0					50.0		52.6
	July 01		€	50.0					50.0		52.6
	Dec. 01		€	150.0					150.0		157.7
	Feb. 02		€	100.0					100.0		105.2
	April 02		€	250.0					250.0		262.9
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300.0					300.0		313.2
CNP Capitalia Vita	Nov. 03	6-month Euribor + 90bps	€	45.0		45.0					45.0
Écureuil Vie	June. 03	4.7825% until 2013 and Euribor + 160 bps from 15/11/2016	€	200.0					200.0		203.8
Écureuil Vie	Nov. 04	4.93% until 2016 and Euibor + 160 bps from 15/11/2016	€	90.0						90.0	93.1
Écureuil Vie	Nov. 04	3-month Euribor + 70bps until 2016	€	93.0						93.0	88.9
<b>Perpetual subordinated notes</b>				<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.0</b>	<b>45.5</b>
CNP Capitalia Vita	Oct. 03	6-month Euribor + 150 bps	€	45.0						45.0	45.5
<b>Total</b>				<b>1,926.3</b>	<b>0.0</b>	<b>448.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.3</b>	<b>228.0</b>	<b>1,984.3</b>

\* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

### 10.7.3 Subordinated debt at 31 December 2005

In € millions	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated
<b>Subordinated notes</b>				<b>1,881.4</b>	<b>0.0</b>	<b>448.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.0</b>	<b>183.0</b>
CNP Assurances	May 99	4.63%	€	403.0		403.0				
CNP Assurances	April 01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0					150.0	
	May 01		€	50.0					50.0	
	July 01		€	50.0					50.0	
	Dec. 01		€	150.0					150.0	
	Feb. 02		€	100.0					100.0	
	April 02		€	250.0					250.0	
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300.0					300.0	
Écureuil Vie	June. 03	4.7825% until 2013 and Euribor + 160 bps from 15/11/2016	€	200.0					200.0	
CNP Capitalia Vita	Nov. 03	6-month Euribor + 90bps	€	45.4		45.0				
Écureuil Vie	Nov. 04	4.93% until 2016 and Euribor + 160 bps from 15/11/2016	€	90.0						90.0
Écureuil Vie	Nov. 04	3-month Euribor + 70bps until 2016	€	93.0						93.0
<b>Perpetual subordinated notes</b>				<b>45.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>45.0</b>
CNP Capitalia Vita	Oct. 03	6-month Euribor + 150 bps	€	45.0						45.0
<b>Total</b>				<b>1,926.4</b>	<b>0.0</b>	<b>448.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,250.0</b>	<b>228.0</b>

## NOTE 11\_RECEIVABLES

### 11.1\_Insurance and reinsurance receivables

This note discloses details of receivables arising from insurance and reinsurance transactions at 31 December 2007, 2006 and 2005, including an analysis by maturity:

In € millions	31/12/2007	31/12/2006	31/12/2005
Earned premiums not yet written	2,717.7	1,783.3	1,799.8
Other insurance receivables	666.7	267.4	599.0
Reinsurance receivables	115.4	146.7	86.3
<b>Total</b>	<b>3,499.8</b>	<b>2,197.4</b>	<b>2,485.1</b>
<b>Doubtful receivables</b>	<b>2.5</b>	<b>2.0</b>	<b>2.0</b>

In € millions	31/12/2007		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,717.7	0.0	0.0
Other insurance receivables	662.2	4.5	0.0
Reinsurance receivables	115.4	0.0	0.0
<b>Total</b>	<b>3,495.3</b>	<b>4.5</b>	<b>0.0</b>

In € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,783.3		
Other insurance receivables	262.6	4.8	0.0
Reinsurance receivables	146.7		
<b>Total</b>	<b>2,192.6</b>	<b>4.8</b>	<b>0.0</b>

In € millions	31/12/2005		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,799.8		
Other insurance receivables	595.4	3.6	0.0
Reinsurance receivables	86.3		
<b>Total</b>	<b>2,481.5</b>	<b>3.6</b>	<b>0.0</b>

### 11.2\_Other receivables

In € millions	31/12/2007	31/12/2006	31/12/2005
Employee advances	0.8	0.7	31.7
Prepaid payroll and other taxes	268.5	197.8	139.9
Sundry receivables	699.1	1,431.0	1,665.0
<b>Total</b>	<b>968.4</b>	<b>1,629.5</b>	<b>1,836.6</b>

**NOTE 12\_DEFERRED TAXES**

This note presents total deferred tax assets and liabilities by type of temporary difference.

In € millions	31/12/2007		
	Assets	Liabilities	Net
<b>Sources of temporary differences</b>			
Goodwill	45.2	0.0	45.2
Contractual customer relationships	0.0	(66.5)	(66.5)
Other intangible assets	0.0	0.0	0.0
Investment property	17.8	(65.5)	(47.7)
Financial assets	0.5	(3,931.3)	(3,930.8)
Investments in associates	0.1	0.0	0.1
Reinsurers' share of insurance and financial liabilities	10.9	0.0	10.9
Owner-occupied property	0.0	(1.2)	(1.2)
Other property and equipment	0.0	0.0	0.0
Deferred acquisition costs	0.0	0.0	0.0
Other assets	147.5	0.0	147.5
Capitalisation reserve	0.0	(523.5)	(523.5)
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	32.1	0.0	32.1
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.6)	(18.6)
Deferred participation reserve	2,746.0	(0.5)	2,745.5
Other liabilities	0.0	(1.4)	(1.4)
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(2,973.8)	2,973.8	0.0
<b>Net deferred tax asset or liability</b>	<b>26.3</b>	<b>(1,641.8)</b>	<b>(1,615.5)</b>

In € millions	31/12/2006		
	Assets	Liabilities	Net
<b>Sources of temporary differences</b>			
Goodwill	25.5	0.0	25.5
Contractual customer relationships	0.0	(67.7)	(67.7)
Other intangible assets	0.0	0.0	0.0
Investment property	25.2	(55.3)	(30.1)
Financial assets	0.7	(5,197.2)	(5,196.5)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property and other property and equipment	0.0	(1.3)	(1.3)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	4.7	0.0	4.7
Capitalisation reserve	0.0	(520.8)	(520.8)
Subordinated debt	0.0	(7.9)	(7.9)
Provisions	34.0	0.0	34.0
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	1.1	(1.5)	(0.4)
Deferred participation reserve	4,060.8	0.0	4,060.8
Other liabilities	153.3	0.0	153.3
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(4,264.3)	4,264.3	0.0
<b>Net deferred tax asset or liability</b>	<b>41.0</b>	<b>(1,587.4)</b>	<b>(1,546.4)</b>

In € millions	31/12/2005		
	Assets	Liabilities	Net
<b>Sources of temporary differences</b>			
Goodwill	52.5	0.0	52.5
Contractual customer relationships	0.0	(73.8)	(73.8)
Other intangible assets	0.1	(10.1)	(10.0)
Investment property	61.8	(40.8)	21.0
Financial assets	0.4	(5,215.6)	(5,215.2)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property and other property and equipment	0.1	(1.4)	(1.3)
Deferred acquisition costs	0.4	0.0	0.4
Other assets	6.1	(40.9)	(34.8)
Capitalisation reserve	0.0	(501.4)	(501.4)
Subordinated debt	0.0	(5.3)	(5.3)
Provisions	27.7	0.0	27.7
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	2.2	(34.0)	(31.8)
Deferred participation reserve	4,958.7	0.1	4,958.8
Other liabilities	90.5	(0.2)	90.3
Extraordinary credit from tax loss carryforwards	(117.2)	120.2	3.0
Asset-liability netting	(5,079.4)	5,079.4	0.0
<b>Net deferred tax asset or liability</b>	<b>3.9</b>	<b>(723.8)</b>	<b>(719.9)</b>

## NOTE 13\_PROVISIONS

This note analyses provisions for claims and litigation and other provisions.

### 13.1\_Provisions – 2007

In € millions	Provisions for claims and litigation	Other provisions	Total
<b>Carrying amount at 1 January 2007</b>	<b>52.0</b>	<b>44.1</b>	<b>96.1</b>
New provisions set up during the period and increases in existing provisions	5.3	2.7	8.0
Amounts utilised during the year	(0.1)	(8.5)	(8.6)
Surplus provisions released during the period	0.0	(0.6)	(0.6)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustment	2.7	0.7	3.4
Changes in scope of consolidation	0.0	16.6	16.6
Reclassifications	(41.0)	38.6	(2.4)
<b>Carrying amount at 31 December 2007</b>	<b>18.9</b>	<b>93.6</b>	<b>112.5</b>

### 13.2\_Provisions – 2006

In € millions	Provisions for claims and litigation	Other provisions	Total
<b>Carrying amount at 1 January 2006</b>	<b>42.4</b>	<b>45.3</b>	<b>87.7</b>
New provisions set up during the period and increases in existing provisions	11.5	0.2	11.7
Amounts utilised during the year	0.0	(1.2)	(1.2)
Surplus provisions released during the period	0.0	0.0	0.0
Change due to the passage of time and/or a change in the discount rate	(1.1)	(0.2)	(1.3)
Translation adjustment	(0.8)	0.0	(0.8)
Changes in scope of consolidation	0.0	0.0	0.0
<b>Carrying amount at 31 December 2006</b>	<b>52.0</b>	<b>44.1</b>	<b>96.1</b>

### 13.3\_Provisions – 2005

In € millions	Provisions for pensions and other post-employment benefits	Provisions for claims and litigation	Other provisions	Total
<b>Carrying amount at 1 January 2005</b>	<b>85.5</b>	<b>18.0</b>	<b>27.3</b>	<b>130.8</b>
New provisions set up during the period and increases in existing provisions	0.0	56.3	18.2	74.5
Amounts utilised during the year	(85.5)	(1.4)	0.0	(86.9)
Surplus provisions released during the period	0.0	(12.2)	(0.7)	(12.9)
Change due to the passage of time and/or a change in the discount rate	0.0	(18.4)	0.0	(18.4)
Translation adjustment	0.0	0.0	0.0	0.0
Changes in scope of consolidation	0.0	0.1	0.5	0.6
<b>Carrying amount at 31 December 2005</b>	<b>0.0</b>	<b>42.4</b>	<b>45.3</b>	<b>87.7</b>

Note: in 2005, provisions for pensions and other post-employment benefits were reclassified as “Employee benefits expense payable” in the Company accounts.

## NOTE 14\_LIABILITIES

### 14.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of liabilities arising from insurance and reinsurance transactions at 31 December 2007, 2006 and 2005, including an analysis by maturity.

#### Analysis by maturity

In € millions	31/12/2007	31/12/2006	31/12/2005
Cash deposits received from reinsurers	340.9	423.2	468.9
Liabilities arising from insurance transactions	1,371.1	1,071.9	1,060.6
Other liabilities arising from reinsurance transactions	487.1	347.7	366.5
<b>Total</b>	<b>2,199.1</b>	<b>1,842.8</b>	<b>1,896.0</b>

In € millions	31/12/2007		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	8.6	332.3	0.0
Liabilities arising from insurance transactions	1,371.1	0.0	0.0
Other liabilities arising from reinsurance transactions	487.1	0.0	0.0
<b>Total</b>	<b>1,866.8</b>	<b>332.3</b>	<b>0.0</b>

In € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	423.2	0.0	0.0
Liabilities arising from insurance transactions	1,069.8	0.5	1.6
Other liabilities arising from reinsurance transactions	347.7	0.0	0.0
<b>Total</b>	<b>1,840.7</b>	<b>0.5</b>	<b>1.6</b>

In € millions	31/12/2005		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	468.9	0.0	0.0
Liabilities arising from insurance transactions	1,059.0	0.1	1.5
Other liabilities arising from reinsurance transactions	366.5	0.0	0.0
<b>Total</b>	<b>1,894.4</b>	<b>0.1</b>	<b>1.5</b>

## 14.2 Other liabilities

In € millions	31/12/2007	31/12/2006	31/12/2005
Employee benefits expense payable	313.0	140.7	125.3
Accrued payroll and other taxes	279.1	208.4	214.5
Sundry payables	3,276.6	4,252.2	3,573.2
<b>Total</b>	<b>3,868.7</b>	<b>4,601.3</b>	<b>3,913.0</b>

## 14.3 Employee benefits – IAS 19

### 14.3.1 Main assumptions

#### Discount rate

The discount rate is based on the French government bond (OAT) rate.

Plan	Duration (years)	Discount rate
Length-of-service awards	15.1	4.49%
Jubilees	12.1	4.40%
EPI plan	10.0	4.34%

#### Mortality table

The INSEE 98 mortality table has been used.

### 14.3.2 Recognised benefit obligations

In € millions	31/12/2007	31/12/2006	31/12/2005
	Post-employment plans	Post-employment plans	Post-employment plans
<b>Projected benefit obligation</b>	<b>49.2</b>	<b>41.4</b>	<b>23.1</b>
Unrecognised past service cost	(17.7)	(15.9)	0.0
Unrecognised actuarial gains and losses	0.0	0.0	0.0
<b>Liability recognised in the balance sheet – defined benefit plans</b>	<b>31.5</b>	<b>25.5</b>	<b>23.1</b>
Liability recognised in the balance sheet – defined contribution plans	0.0	0.0	0.0
<b>Total liability recognised in the balance sheet for pension and other post-employment benefit plans</b>	<b>31.5</b>	<b>25.5</b>	<b>23.1</b>

### 14.3.3 Analysis of pension and other post-employment benefit costs

In € millions	31/12/2007	31/12/2006	31/12/2005
	Post-employment plans	Post-employment plans	Post-employment plans
<b>Current service cost (net of employee contributions)</b>	<b>4.2</b>	<b>2.8</b>	<b>2.1</b>
Interest cost	1.6	1.2	0.8
Amortisation of actuarial gains and losses	0.3	(0.5)	1.3
<b>Curtailments and settlements</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Amortisation of past service cost	2.3	1.1	0.0
<b>Post-employment benefit expense – defined benefit plans</b>	<b>8.4</b>	<b>4.6</b>	<b>4.2</b>
Post-employment benefit expense – defined contribution plans	0.0	0.0	0.0
<b>Total post-employment benefit expense</b>	<b>8.4</b>	<b>4.6</b>	<b>4.2</b>

### 14.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

In € millions	31/12/2007	31/12/2006	31/12/2005
	Post-employment plans	Post-employment plans	Post-employment plans
<b>At 1 January</b>	<b>25.5</b>	<b>23.1</b>	<b>20.3</b>
Translation adjustment	0.0	0.0	0.0
Post-employment benefit expense	8.4	4.6	4.2
Employer's contributions	(1.4)	(1.4)	0.0
Benefits paid directly by the employer	(1.0)	(0.8)	(1.3)
Changes in scope of consolidation	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>At 31 December</b>	<b>31.5</b>	<b>25.5</b>	<b>23.2</b>

## NOTE 15\_REVENUE

Revenue comprises:

- Earned premiums.
- Premium loading on financial instruments without DPF, reported under “Revenue from other activities”.

### 15.1\_Earned premiums and revenue from other activities

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Business segment and contract type</b>			
<b>Insurance contracts</b>	<b>19,224.6</b>	<b>18,676.0</b>	<b>12,739.8</b>
<b>Life</b>	<b>16,928.4</b>	<b>16,428.2</b>	<b>10,744.7</b>
Pure premiums	15,795.4	15,398.5	10,006.3
Loading	1,133.0	1,029.7	738.4
<b>Non-life</b>	<b>2,296.2</b>	<b>2,247.8</b>	<b>1,995.1</b>
Pure premiums	1,671.7	1,652.0	1,543.4
Loading	624.5	595.8	451.7
<b>Financial instruments with DPF</b>	<b>12,274.8</b>	<b>13,246.0</b>	<b>13,726.0</b>
Pure premiums	12,058.2	12,986.7	13,382.9
Loading	216.6	259.3	343.1
<b>Earned premiums</b>	<b>31,499.4</b>	<b>31,922.0</b>	<b>26,465.8</b>

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Revenue from other activities</b>			
<b>Financial instruments without DPF</b>	<b>70.3</b>	<b>93.6</b>	<b>89.3</b>
Loading	70.3	93.6	89.3
On premiums	30.1	67.5	61.1
On net assets	40.2	26.1	28.2
<b>Services (IAS 18)</b>	<b>62.5</b>	<b>48.9</b>	<b>25.9</b>
<b>Other activities</b>	<b>29.1</b>	<b>29.2</b>	<b>0.5</b>
<b>Total</b>	<b>161.9</b>	<b>171.7</b>	<b>115.7</b>

## 15.2\_Reconciliation to reported revenue

In € millions	31/12/2007	31/12/2006	31/12/2005
Earned premiums	31,499.4	31,922.0	26,465.8
Premium loading on financial instruments without DPF (IAS 39)	30.1	67.5	61.1
<b>Total</b>	<b>31,529.5</b>	<b>31,989.5</b>	<b>26,526.9</b>

## 15.3\_Revenue by partnership centre

In € millions	31/12/2007	31/12/2006	31/12/2005
French Post Office	12,015.4	12,101.5	8,865.4
Savings Banks	10,200.1	10,741.3	9,774.5
CNP Trésor	862.8	982.5	790.8
Financial institutions	1,396.3	1,278.1	1,143.9
Mutual insurers	1,616.0	1,684.7	1,722.2
Companies and local authorities	855.1	961.1	687.8
Foreign subsidiaries	4,501.7	4,100.5	3,401.6
Other	82.2	139.8	140.7
<b>Total premium income</b>	<b>31,529.5</b>	<b>31,989.5</b>	<b>26,526.9</b>

## 15.4\_Revenue by market segment

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Savings</b>	<b>24,819.0</b>	<b>25,687.0</b>	<b>20,935.6</b>
<b>Pensions</b>	<b>2,155.5</b>	<b>2,148.1</b>	<b>1,954.8</b>
Personal risk	1,520.5	1,449.5	1,282.2
Loan insurance	2,399.8	2,112.3	1,840.9
Health insurance	288.7	271.9	253.1
Property & Casualty	346.1	320.7	260.3
<b>Sub-total Personal Risk and Other</b>	<b>4,555.1</b>	<b>4,154.4</b>	<b>3,636.5</b>
<b>Other business segments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total premium income</b>	<b>31,529.5</b>	<b>31,989.5</b>	<b>26,526.9</b>

### 15.5\_Revenue by company

In € millions	31/12/2007	31/12/2006	31/12/2005
CNP Assurances	24,835.5	15,299.2	11,611.6
CNP IAM	1,861.9	1,857.0	1,662.0
Préviposte	318.7	402.3	408.0
Écureuil Vie	0.0	10,350.5	9,420.1
ITV	6.6	7.3	12.4
CNP International	0.1	0.1	0.3
La Banque Postale Prévoyance	149.8	95.0	75.8
Global	144.2	145.4	138.3
Global Vida	30.4	39.9	42.3
CNP Seguros de Vida	5.2	3.7	3.4
Caixa Seguros	1,145.6	887.5	707.3
CNP Capitalia Vita	2,918.6	2,901.6	2,445.4
CNP Vida	112.9	0.0	0.0
<b>Total premium income</b>	<b>31,529.5</b>	<b>31,989.5</b>	<b>26,526.9</b>

### 15.6\_Direct and inward reinsurance premiums

In € millions	31/12/2007	31/12/2006	31/12/2005
Insurance premiums	30,867.7	31,129.9	26,021.0
Inward reinsurance premiums	661.8	859.6	505.9
<b>Total premium income</b>	<b>31,529.5</b>	<b>31,989.5</b>	<b>26,526.9</b>

## NOTE 16 CLAIMS AND BENEFITS EXPENSES

This note shows assets, liabilities, income and expenses generated by insurance contracts.

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Insurance contracts and financial instruments with DPF (IFRS 4)</b>			
Incurred claims	6,411.2	5,511.0	4,681.4
Endowments due	347.5	410.7	456.4
Benefits due	1,328.7	1,517.6	1,549.4
Surrenders	10,581.8	9,228.6	6,593.3
Credited interest and policyholder dividends included in paid benefits	4.2	(105.7)	(71.3)
Benefit and claim handling expenses	91.6	134.9	134.8
<b>Claims and benefits</b>	<b>18,765.0</b>	<b>16,697.1</b>	<b>13,344.0</b>
Change in technical reserves – insurance contracts	10,503.2	11,862.5	7,355.0
Change in technical reserves – financial instruments with DPF	(345.5)	1,537.9	4,896.1
Change in other technical reserves	90.3	599.8	454.8
<b>Change in technical reserves</b>	<b>10,248.0</b>	<b>14,000.2</b>	<b>12,705.9</b>
Credited interest	1,936.3	1,938.8	2,067.4
Policyholder dividends	6,219.5	6,316.4	6,586.8
<b>Credited interest and policyholder dividends</b>	<b>8,155.8</b>	<b>8,255.2</b>	<b>8,654.2</b>
<b>Claims and benefits expenses</b>	<b>37,168.8</b>	<b>38,952.5</b>	<b>34,704.1</b>

## NOTE 17 ADMINISTRATIVE EXPENSES AND BUSINESS ACQUISITION COSTS

### 17.1 Expenses analysed by function

In € millions	31/12/2007	31/12/2006	31/12/2005
Commissions	(2,745.9)	(2,277.7)	(1,725.1)
Expenses analysed by function	(243.2)	(182.0)	(239.0)
<b>Business acquisition costs</b>	<b>(2,989.1)</b>	<b>(2,459.7)</b>	<b>(1,964.1)</b>
<b>Contract administration costs</b>	<b>(349.8)</b>	<b>(389.1)</b>	<b>(388.0)</b>
Other underwriting income and expenses	17.1	(34.0)	23.7
Other income and expenses	(17.7)	(37.8)	50.5
Employee profit-sharing	(16.1)	(15.0)	(12.7)
<b>Other recurring operating income and expense</b>	<b>(16.7)</b>	<b>(86.8)</b>	61.5
<b>Total</b>	<b>(3,355.6)</b>	<b>(2,935.6)</b>	<b>(2,290.6)</b>

## 17.2\_ Expenses analysed by nature

In € millions	31/12/2007	31/12/2006	31/12/2005
Depreciation and amortisation expense and impairment losses	28.2	28.2	33.6
Employee benefits expense	314.9	286.9	297.8
Taxes other than on income	98.1	82.1	96.3
Other	335.2	329.9	246.1
<b>Total</b>	<b>776.4</b>	<b>727.1</b>	<b>673.8</b>

## 17.3\_ Administrative expenses, net

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Contract administration costs, net*</b>			
Excluding foreign subsidiaries	550.8	529.5	498.2
Including foreign subsidiaries and other businesses	735.1	695.1	644.1
<b>Ratio*</b>	<u>Contract administration costs</u> Technical reserves**		
Excluding foreign subsidiaries and other businesses	0.25%	0.26%	0.27%
Including foreign subsidiaries and other businesses	0.31%	0.32%	0.33%
* Excluding CNP Trésor set-up expenses	36.4	32.0	29.7

\*\* Insurance and financial liabilities, excluding deferred participation

## 17.4\_ Analysis of commission expense

In € millions	31/12/2007	31/12/2006	31/12/2005
Savings Banks	590.2	719.0	615.0
French Post Office	512.3	487.1	421.3
Other	1,643.4	1,071.6	688.8
<b>Total</b>	<b>2,745.9</b>	<b>2,277.7</b>	<b>1,725.1</b>

## NOTE 18\_ REINSURANCE RESULT

In € millions	31/12/2007	31/12/2006	31/12/2005
Ceded premiums	(685.0)	(624.6)	(591.9)
Change in ceded technical reserves	670.6	771.0	746.4
Reinsurance commissions	205.0	125.8	131.9
Investment income	(208.7)	(275.8)	(291.3)
<b>Total</b>	<b>(18.1)</b>	<b>(3.6)</b>	<b>(4.9)</b>

## NOTE 19 INVESTMENT INCOME

### 19.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or directly in equity for 2007, 2006 and 2005.

In € millions		31/12/2007	31/12/2006	31/12/2005 Pro forma
<b>Available-for-sale financial assets</b>	Interest on debt securities	6,854.2	6,101.0	6,094.7
	Interest on loans	0.0	0.0	0.0
	Income from other financial assets	915.8	792.3	1,095.5
	Capital gains and losses on disposals	968.6	1,216.8	602.1
	Impairments	17.7	(24.7)	(15.3)
	<b>Net income from available-for-sale financial assets</b>	<b>8,756.3</b>	<b>8,085.4</b>	<b>7,777.2</b>
<b>Held-to-maturity investments</b>	Interest on debt securities	71.7	54.6	25.2
	Interest on loans	0.0	0.0	0.0
	Other	(2.7)	0.0	0.0
	Impairments	0.0	0.0	0.0
		<b>Net income from held-to-maturity investments</b>	<b>69.0</b>	<b>54.6</b>
<b>Financial assets at fair value through profit</b>	Profit (loss) on securities held for trading	1,355.1	3,558.5	4,293.6
	Profit (loss) on derivative instruments held for trading and hedging	213.8	(86.3)	(125.4)
	Capital gains and losses on disposals	594.1	98.2	102.7
		<b>Net income from financial assets at fair value through profit</b>	<b>2,163.0</b>	<b>3,570.4</b>
<b>Investment property</b>	Revenue from investment property	188.1	294.2	249.5
	Capital gains and losses on disposals	26.1	34.7	51.0
	<b>Net income from investment property</b>	<b>214.2</b>	<b>328.9</b>	<b>300.5</b>
<b>Other investment expenses</b>		<b>(426.0)</b>	<b>(499.7)</b>	<b>(255.6)</b>
<b>Dilution gain</b>		<b>121.8</b>	<b>102.0</b>	<b>0.0</b>
<b>Total investment income</b>		<b>10,898.3</b>	<b>11,641.6</b>	<b>12,118.2</b>
Interest on subordinated debt		(106.5)	(104.9)	(91.3)
<b>Total finance costs</b>		<b>(106.5)</b>	<b>(104.9)</b>	<b>(91.3)</b>
<b>Total investment income net of finance costs</b>		<b>10,791.8</b>	<b>11,536.7</b>	<b>12,026.9</b>

### Reconciliation of investment income and expenses to the amounts reported in the income statement

In € millions	31/12/2007	31/12/2006	31/12/2005
Investment income excluding finance costs	11,495.4	12,208.3	12,430.5
Investment and other financial expenses excluding finance costs	(597.1)	(566.6)	(312.3)
Finance costs	(106.5)	(104.9)	(91.3)
<b>Total</b>	<b>10,791.8</b>	<b>11,536.8</b>	<b>12,026.9</b>

## 19.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2007, 2006 and 2005.

### 19.2.1 Fair value adjustments to assets – 2007

In € millions		Investments held at 31/12/2007	Investments held at 31/12/2006	Movements in 2007
<b>Assets at fair value through profit</b>	Fixed rate bonds	16,048.2	12,667.4	3,380.8
	Variable rate bonds	13,003.2	3,488.5	9,514.7
	TCNs (money market securities)	1,359.6	13,446.7	(12,087.1)
	Equities	12,107.7	8,857.4	3,250.3
	Mutual fund units	30,322.0	29,744.3	577.7
	Shares in non-trading property companies	2,140.0	1,753.4	386.6
	Other (including lent securities and repos)	0.3	27.5	(27.2)
	<b>Total</b>	<b>74,981.0</b>	<b>69,985.2</b>	<b>4,995.8</b>
<b>Derivative instruments</b>	Derivative instruments (positive fair value)	1,972.7	1,636.4	336.3
	Derivative instruments (negative fair value)	(1,456.1)	(1,410.6)	(45.5)
	<b>Total</b>	<b>516.6</b>	<b>225.8</b>	<b>290.8</b>
<b>Available-for-sale financial assets</b>	Fixed rate bonds	131,553.1	122,403.5	9,149.6
	Variable rate bonds	8,373.5	8,463.3	(89.8)
	TCNs (money market securities)	4,728.0	4,545.7	182.3
	Equities	21,449.6	20,515.4	934.2
	Mutual fund units	6,647.7	8,476.9	(1,829.2)
	Shares in non-trading property companies	2,918.7	2,389.8	528.9
	Loan stock	93.8	88.4	5.4
	Other (including lent securities and repos)	5,146.4	7,049.9	(1,903.5)
<b>Total</b>	<b>180,910.8</b>	<b>173,932.9</b>	<b>6,977.9</b>	
<b>Held-for-maturity investments</b>	Fixed rate bonds	1,134.7	916.3	218.4
	<b>Total</b>	<b>1,134.7</b>	<b>916.3</b>	<b>218.4</b>
<b>Loans and receivables</b>	Loans and receivables	2,088.4	2,034.6	53.8
	<b>Total</b>	<b>2,088.4</b>	<b>2,034.6</b>	<b>53.8</b>
<b>Investment property</b>	Investment property at amortised cost	2,387.5	1,682.2	705.3
	Investment property at fair value	445.7	394.7	51.0
	<b>Total</b>	<b>2,833.2</b>	<b>2,076.9</b>	<b>756.3</b>
<b>Total</b>		<b>262,464.7</b>	<b>249,171.6</b>	<b>13,293.1</b>

## 19.2.2 Fair value adjustments to assets – 2006

In € millions		Investments held at 31/12/2006	Investments held at 31/12/2005	Movements in 2006
<b>Assets at fair value through profit</b>	Fixed rate bonds	12,667.4	11,026.0	1,641.4
	Variable rate bonds	3,488.5	2,931.3	557.2
	TCNs (money market securities)	13,446.7	12,231.2	1,215.5
	Equities	8,857.4	62.0	8,795.4
	Mutual fund units	29,744.3	33,858.4	(4,114.1)
	Shares in non-trading property companies	1,753.4	1,493.4	260.0
	Other (including lent securities and repos)	27.5	206.3	(178.8)
	<b>Total</b>	<b>69,985.2</b>	<b>61,808.6</b>	<b>8,176.6</b>
<b>Derivative instruments</b>	Derivative instruments (positive fair value)	1,636.4	1,070.4	566.0
	Derivative instruments (negative fair value)	(1,410.6)	(973.6)	(437.0)
	<b>Total</b>	<b>225.8</b>	<b>96.8</b>	<b>129.0</b>
<b>Available-for-sale financial assets</b>	Fixed rate bonds	122,403.5	117,772.6	4,630.9
	Variable rate bonds	8,463.3	9,649.4	(1,186.1)
	TCNs (money market securities)	4,545.7	119.3	4,426.4
	Equities	20,515.4	17,407.2	3,108.2
	Mutual fund units	8,476.9	6,446.9	2,030.0
	Shares in non-trading property companies	2,389.8	2,206.9	182.8
	Loan stock	88.4	103.4	(15.0)
	Other (including lent securities and repos)	7,049.9	9,008.3	(1,958.4)
<b>Total</b>	<b>173,932.8</b>	<b>162,714.2</b>	<b>11,218.6</b>	
<b>Held-for-maturity investments</b>	Fixed rate bonds	916.3	912.1	4.2
	<b>Total</b>	<b>916.3</b>	<b>912.1</b>	<b>4.2</b>
<b>Loans and receivables</b>	Loans and receivables	2,034.6	1,051.1	983.4
	<b>Total</b>	<b>2,034.6</b>	<b>1,051.1</b>	<b>983.4</b>
<b>Investment property</b>	Investment property at amortised cost	1,682.2	1,739.1	(56.9)
	Investment property at fair value	394.7	351.1	43.6
	<b>Total</b>	<b>2,076.9</b>	<b>2,090.2</b>	<b>(13.3)</b>
<b>Total</b>	<b>249,171.6</b>	<b>228,673.1</b>	<b>20,498.5</b>	

## 19.2.3 Fair value adjustments to assets – 2005

In € millions		Investments held at 31/12/2005	Investments held at 31/12/2004	Movements in 2005
<b>Assets at fair value through profit</b>	Fixed rate bonds	11,026.0	7,898.6	3,127.4
	Variable rate bonds	2,931.3	1,139.7	1,791.6
	TCNs (money market securities)	12,231.2	677.9	11,553.3
	Equities	62.0	0.0	62.0
	Mutual fund units	33,858.4	24,844.1	9,014.3
	Shares in non-trading property companies	1,493.4	418.5	1,074.9
	Other (including lent securities and repos)	206.3	2,223.6	(2,017.3)
	<b>Total</b>	<b>61,808.6</b>	<b>37,202.4</b>	<b>24,606.2</b>
<b>Derivative instruments</b>	Derivative instruments (positive fair value)	1,070.4	519.7	550.7
	Derivative instruments (negative fair value)	(973.6)	(441.8)	(531.8)
	<b>Total</b>	<b>96.8</b>	<b>77.9</b>	<b>18.9</b>
<b>Available-for-sale financial assets</b>	Fixed rate bonds	117,772.6	113,072.0	4,700.6
	Variable rate bonds	9,649.4	8,395.7	1,253.7
	TCNs (money market securities)	119.3	312.9	(193.6)
	Equities	17,407.2	13,040.1	4,367.1
	Mutual fund units	6,446.9	6,778.5	(331.6)
	Shares in non-trading property companies	2,206.9	2,438.9	(232.0)
	Loan stock	103.4	97.7	5.7
	Other (including lent securities and repos)	9,008.3	4,231.5	4,776.8
<b>Total</b>	<b>162,714.2</b>	<b>148,367.3</b>	<b>14,346.9</b>	
<b>Held-for-maturity investments</b>	Fixed rate bonds	912.1	692.8	219.4
	<b>Total</b>	<b>912.1</b>	<b>692.8</b>	<b>219.4</b>
<b>Loans and receivables</b>	Loans and receivables	1,051.1	1,234.3	(183.2)
	<b>Total</b>	<b>1,051.1</b>	<b>1,234.3</b>	<b>(183.2)</b>
<b>Investment property</b>	Investment property at amortised cost	1,739.1	1,703.0	36.2
	Investment property at fair value	351.1	295.6	55.4
	<b>Total</b>	<b>2,090.2</b>	<b>1,998.6</b>	<b>91.6</b>
<b>Total</b>	<b>228,673.1</b>	<b>189,573.3</b>	<b>39,099.8</b>	

## 19.2.4 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

In € millions	31/12/2007	31/12/2006	31/12/2005
Fair value of investments	262,464.7	249,171.6	228,673.1
Unrealised gains and losses, net	(1,355.7)	(813.1)	(881.6)
Carrying amount of investments	261,109.0	248,358.5	227,791.4

### 19.3 Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit, by significant category of financial assets.

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>Available-for-sale financial assets</b>	<b>(120.5)</b>	<b>(80.0)</b>	<b>(15.3)</b>
Fixed rate bonds	0.0	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs	0.0	0.0	0.0
Equities	(87.4)	0.0	0.0
Equity funds	0.0	(52.6)	(15.3)
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	(33.1)	(27.4)	0.0
<b>Held-to-maturity investments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Loans and receivables</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total impairment charges</b>	<b>(120.5)</b>	<b>(80.0)</b>	<b>(15.3)</b>
<b>Available-for-sale financial assets</b>	<b>138.2</b>	<b>55.3</b>	<b>134.2</b>
Fixed rate bonds	0.0	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs	0.0	0.0	0.0
Equities	126.6	0.0	0.0
Equity funds	0.3	49.6	134.2
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	11.3	5.7	0.0
<b>Held-to-maturity investments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Loans and receivables</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total reversals</b>	<b>138.2</b>	<b>55.3</b>	<b>134.2</b>
<b>Net change in impairment provisions</b>	<b>17.7</b>	<b>(24.7)</b>	<b>118.9</b>

At 31 December 2005, only impairment charges (and not reversals) were recorded under "Impairment losses on financial instruments" in the income statement.

## NOTE 20\_INCOME TAX EXPENSE

The purpose of the table below is to disclose the main components of income tax expense (benefit).

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma
Current taxes	544.4	533.6	429.5
Deferred taxes	3.4	(218.9)	23.5
<b>Income tax expense</b>	<b>547.8</b>	<b>314.7</b>	<b>453.0</b>

In € millions	31/12/2007	31/12/2006	31/12/2005 Pro forma
Profit for the period	1,379.0	1,430.3	1,159.7
Tax rate	28.43%	18.03%	28.09%
<b>Income tax expense</b>	<b>547.8</b>	<b>314.7</b>	<b>453.0</b>

In € millions Tax proof	31/12/2007		31/12/2006		31/12/2005 – Pro forma	
	Rate	Amount	Rate	Amount	Rate	Amount
Profit before tax		1,926.8		1,744.9		1,586.3
Income tax at the standard French tax rate	34.43%	663.4	34.43%	600.8	34.93%	554.1
Permanent differences	(1.45%)	(27.9)	(1.37%)	(23.9)	(1.64%)	(26.0)
Capital gains and losses taxed at reduced rate	(3.57%)	(68.8)	(3.29%)	(57.4)	(3.09%)	(49.1)
Tax credits and tax loss carryforwards used	(1.72%)	(33.1)	(2.30%)	(40.1)	(1.89%)	(30.0)
Effects of differences in foreign tax rates	0.00%	0.0	(10.49%)	(183.0)	0.00%	0.0
Other	0.74%	14.3	1.06%	18.5	(0.22%)	3.9
<b>Total</b>	<b>28.43%</b>	<b>547.8</b>	<b>18.04%</b>	<b>314.7</b>	<b>28.09%</b>	<b>453.0</b>

In € millions Deferred taxes on:	31/12/2007	31/12/2006	31/12/2005 Pro forma
Fair value adjustments to financial assets held for trading	(117.7)	189.9	518.3
Deferred participation reserve	71.7	(137.9)	(419.9)
Fair value adjustments to other financial assets	43.6	(255.3)	(27.1)
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0	0.0
Timing differences	0.0	0.0	0.0
Other	5.9	(15.6)	(47.9)
<b>Total</b>	<b>3.5</b>	<b>(218.9)</b>	<b>23.5</b>

## NOTE 21\_INTEREST RATE RISK ON FINANCIAL ASSETS

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

### 21.1\_Caps and floors

The following tables show the nominal amounts of caps and floors by strike price and remaining term at 31 December 2007, 2006 and 2005.

#### 21.1.1\_Caps and floors at 31 December 2007

In € millions		Residual life										Total
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	
> = 4%	< 5%	0	80	330	550	2,405	5,065	2,285	1,060	750	5	<b>12,530</b>
> = 5%	< 6%	2,720	1,417	1,130	1,895	1,400	2,345	2,100	550	640	1,036	<b>15,233</b>
> = 6%	< 7%	495	1,930	100	810	1,115	400	0	0	0	0	<b>4,850</b>
> = 7%	< 8%	0	76	656	0	0	0	0	0	0	0	<b>732</b>
> = 8%	< 9%	0	0	0	0	0	0	0	0	0	0	<b>0</b>
> = 9%	< 10%	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>		<b>3,215</b>	<b>3,503</b>	<b>2,216</b>	<b>3,255</b>	<b>4,920</b>	<b>7,810</b>	<b>4,385</b>	<b>1,610</b>	<b>1,390</b>	<b>1,041</b>	<b>33,345</b>

#### 21.1.2\_Caps and floors at 31 December 2006

In € millions		Residual life										Total
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	
> = 4%	< 5%	0	0	80	30	550	2,405	5,065	2,075	675	700	<b>11,580</b>
> = 5%	< 6%	1,362	2,872	1,418	1,130	1,895	1,400	245	100	350	0	<b>10,772</b>
> = 6%	< 7%	656	495	1,930	100	810	1,258	400	0	0	0	<b>5,649</b>
> = 7%	< 8%	76	0	76	656	0	0	0	0	0	0	<b>808</b>
> = 8%	< 9%	0	0	0	0	0	0	0	0	0	0	<b>0</b>
> = 9%	< 10%	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>		<b>2,094</b>	<b>3,367</b>	<b>3,504</b>	<b>1,916</b>	<b>3,255</b>	<b>5,063</b>	<b>5,710</b>	<b>2,175</b>	<b>1,025</b>	<b>700</b>	<b>28,809</b>

#### 21.1.3\_Caps and floors at 31 December 2005

In € millions		Residual life										Total
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	
> = 4%	< 5%	0	0	0	80	30	550	2,355	1,765	325	385	<b>5,490</b>
> = 5%	< 6%	100	1,361	2,872	1,417	1,130	1,895	1,400	1,295	1,100	350	<b>12,921</b>
> = 6%	< 7%	0	656	495	1,930	100	810	1,115	400	0	0	<b>5,506</b>
> = 7%	< 8%	152	76	0	76	656	0	0	0	0	0	<b>961</b>
> = 8%	< 9%	305	0	0	0	0	0	0	0	0	0	<b>305</b>
> = 9%	< 10%	152	0	0	0	0	0	0	0	0	0	<b>152</b>
<b>Total</b>		<b>709</b>	<b>2,093</b>	<b>3,367</b>	<b>3,503</b>	<b>1,916</b>	<b>3,255</b>	<b>4,870</b>	<b>3,460</b>	<b>1,425</b>	<b>735</b>	<b>25,335</b>

## 21.2 Effective interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the balance sheet date and the purchase date.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France.
- Italy – CNP Capitalia Vita.
- Brazil – Caixa Seguros.
- Portugal – Global and Global Vida.
- Spain – CNP Vida.

### 21.2.1 Effective interest rates at purchase

31/12/2007	France	Italy	Brazil	Portugal	Spain
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>	<b>Euro</b>
Fixed-rate bullet bonds	4.65%	3.96%	12.53%	4.40%	5.20%

31/12/2006	France	Italy	Brazil	Portugal
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>
Fixed-rate bullet bonds	4.71%	3.79%	14.90%	4.45%

31/12/2005	France	Italy	Brazil	Portugal
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>
Fixed-rate bullet bonds	4.96%	3.70%	17.48%	4.50%

### 21.2.2 Effective interest rates at balance sheet date

31/12/2007	France	Italy	Brazil	Portugal	Spain
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>	<b>Euro</b>
Fixed-rate bullet bonds	4.64%	4.30%	12.25%	4.43%	4.74%

31/12/2006	France	Italy	Brazil	Portugal
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>
Fixed-rate bullet bonds	4.08%	3.85%	12.57%	4.06%

31/12/2005	France	Italy	Brazil	Portugal
<b>Fixed-rate debt securities</b>	<b>Euro</b>	<b>Euro</b>	<b>Real</b>	<b>Euro</b>
Fixed-rate bullet bonds	3.25%	3.44%	18.12%	3.31%

## 21.3\_Carrying amounts by maturity

### 21.3.1\_Carrying amounts by maturity at 31 December 2007

In € millions Type of instrument	31/12/2007						Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	
Fixed rate bonds	13,361.1	9,973.1	10,781.0	11,039.5	10,016.3	68,079.7	<b>123,250.7</b>
Zero coupon bonds	4,033.6	146.1	184.0	57.0	314.7	3,366.0	<b>8,101.4</b>
Adjustable rate bonds	499.5	2,449.0	299.3	68.4	160.8	1,161.1	<b>4,638.1</b>
Variable rate bonds	746.9	299.8	239.9	337.9	139.9	664.6	<b>2,429.0</b>
Inflation-linked fixed rate bonds	1.6	1.4	2.2	0.1	0.0	41.2	<b>46.5</b>
Other bonds	2,368.8	4,949.0	3,259.3	3,143.0	3,285.3	23,154.8	<b>40,160.2</b>
<b>Total</b>	<b>21,011.5</b>	<b>17,818.4</b>	<b>14,765.7</b>	<b>14,645.9</b>	<b>13,917.0</b>	<b>96,467.4</b>	<b>178,625.9</b>

### 21.3.2\_Carrying amounts by maturity at 31 December 2006

In € millions Type of instrument	31/12/2006						Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	
Fixed rate bonds	9,230.2	10,409.7	9,850.6	10,039.8	10,830.8	68,225.7	<b>118,586.8</b>
Zero coupon bonds	1,131.8	262.6	133.3	161.9	55.7	3,663.8	<b>5,409.1</b>
Adjustable rate bonds	297.0	348.1	2,284.6	153.8	80.0	1,171.9	<b>4,335.4</b>
Variable rate bonds	4,364.1	435.2	236.7	94.9	192.5	244.1	<b>5,567.5</b>
Inflation-linked fixed rate bonds	1,018.7	319.8	3,626.3	1,827.3	2,250.0	9,015.0	<b>18,057.1</b>
Other bonds	2,762.3	898.5	830.3	413.5	792.1	13,230.6	<b>18,927.3</b>
<b>Total</b>	<b>18,804.1</b>	<b>12,673.9</b>	<b>16,961.8</b>	<b>12,691.2</b>	<b>14,201.1</b>	<b>95,551.1</b>	<b>170,883.2</b>

### 21.3.3\_Carrying amounts by maturity at 31 December 2005

In € millions Type of instrument	31/12/2005						Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	
Fixed rate bonds	8,205.9	7,174.1	10,928.8	10,507.5	10,241.5	63,208.0	<b>110,265.8</b>
Zero coupon bonds	1,075.1	380.6	455.4	243.3	161.8	3,802.0	<b>6,118.2</b>
Adjustable rate bonds	1,659.9	256.0	229.8	2,157.4	111.7	708.1	<b>5,123.0</b>
Variable rate bonds	3,371.2	301.3	264.7	85.5	47.0	215.8	<b>4,285.5</b>
Inflation-linked fixed rate bonds	131.5	13.6	12.4	1,006.5	40.7	6,211.5	<b>7,416.2</b>
Other bonds	2,109.1	2,124.8	1,259.7	3,334.8	2,907.5	13,551.8	<b>25,287.7</b>
<b>Total</b>	<b>16,552.7</b>	<b>10,250.3</b>	<b>13,150.7</b>	<b>17,335.0</b>	<b>13,510.3</b>	<b>87,697.3</b>	<b>158,496.4</b>

## 21.4 Carrying amounts at maturity – held-to-maturity investments

### 21.4.1 Carrying amount at 31 December 2007

In € millions	31/12/2007						Total
Carrying amount of financial instruments measured at amortised cost	Within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	
Held-to-maturity investments	132.0	101.6	149.4	206.2	132.0	391.7	1,112.9
<b>Total</b>	<b>132.0</b>	<b>101.6</b>	<b>149.4</b>	<b>206.2</b>	<b>132.0</b>	<b>391.7</b>	<b>1,112.9</b>

### 21.4.2 Carrying amount at 31 December 2006

In € millions	31/12/2006						Total
Carrying amount of financial instruments measured at amortised cost	Within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	
Held-to-maturity investments	60.1	109.7	100.9	83.1	161.2	379.5	894.5
<b>Total</b>	<b>60.1</b>	<b>109.7</b>	<b>100.9</b>	<b>83.1</b>	<b>161.2</b>	<b>379.5</b>	<b>894.5</b>

### 21.4.3 Carrying amount at 31 December 2005

In € millions	31/12/2005						Total
Carrying amount of financial instruments measured at amortised cost	Within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	
Held-to-maturity investments	136.4	64.6	79.8	63.9	57.5	477.9	880.1
<b>Total</b>	<b>136.4</b>	<b>64.6</b>	<b>79.8</b>	<b>63.9</b>	<b>57.5</b>	<b>477.9</b>	<b>880.1</b>

## 21.5 Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

### 21.5.1 Average remaining life of securities – 31 December 2007

France	Italy	Brazil	Portugal	Spain
6.5	3.4	2.9	5.4	4.7

### 21.5.2 Average remaining life of securities – 31 December 2006

France	Italy	Brazil	Portugal
6.6	3.5	0.8	6.0

### 21.5.3 Average remaining life of securities – 31 December 2005

France	Italy	Brazil	Portugal
7.0	4.1	2.0	7.1

## NOTE 22 INTEREST RATE RISK ON FINANCIAL LIABILITIES

This note shows the breakdown of technical reserves, by guaranteed yield.

Guaranteed yield	31/12/2007	
	Technical reserves (in € millions)	%
0% <sup>(1)</sup>	98,825.2	42.0
] 0% – 2% ]	8,477.7	3.6
] 2% – 3% ]	46,416.1	19.7
] 3% – 4% ]	4,401.9	1.9
] 4% – 4.5% ]	5,515.7	2.3
> 4.5% <sup>(2)</sup>	911.4	0.4
Unit-linked	41,506.3	17.6
Other <sup>(3)</sup>	29,464.0	12.5
<b>Total</b>	<b>235,518.3</b>	<b>100.0</b>

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

Guaranteed yield	31/12/2006	
	Technical reserves (in € millions)	%
0% <sup>(1)</sup>	85,556.7	39.3
] 0% – 2% ]	8,940.1	4.1
] 2% – 3% ]	40,817.1	18.8
] 3% – 4% ]	7,891.3	3.6
] 4% – 4.5% ]	5,440.1	2.5
> 4.5% <sup>(2)</sup>	532.1	0.2
Unit-linked	38,700.5	17.8
Other <sup>(3)</sup>	29,665.8	13.6
<b>Total</b>	<b>217,543.7</b>	<b>100.0</b>

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

## NOTE 23\_LIQUIDITY RISK

### 23.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

#### 23.1.1 Future cash flows from assets at 31 December 2007

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	20,999	65,387	65,372	41,017
Assets held for trading	3,060	13,927	9,421	3,103
Held-to-maturity investments	161	726	277	103

#### 23.1.2 Future cash flows from assets at 31 December 2006

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	16,360	62,388	60,313	30,074
Assets held for trading	4,019	11,882	8,456	2,458
Held-to-maturity investments	91	553	333	96

#### 23.1.3 Future cash flows from assets at 31 December 2005

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	18,994	58,222	54,930	23,851
Assets held for trading	3,513	13,799	4,372	2,233
Held-to-maturity investments	139	372	395	146

### 23.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and property & casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

#### 23.2.1 Payment projections by maturity at 31 December 2007

In € millions	31/12/2007				
	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	14,349.0	72,657.1	56,077.0	51,159.5	166,695.3

### 23.2.2 Payment projections by maturity at 31 December 2006

In € millions	31/12/2006				
	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Due beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	13,361.3	64,696.3	50,321.7	43,276.4	130,827.3

### 23.3 Surrender risk

Contracts with an immediate surrender option represented a total liability of €208 million at 31 December 2007 (€197 million at 31 December 2006). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing their surrender or transfer by the policyholder.

Loan insurance products, group personal risk products, certain annuity products and “Madelin Act” pension contracts do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.2 – Payment projections by maturity.

## NOTE 24 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

In € millions	31/12/2007	31/12/2006	31/12/2005
Investment properties held to cover linked liabilities	1,117.1	892.1	730.9
Financial assets held to cover linked liabilities	40,392.4	37,811.3	31,791.5
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0	0.0
Other assets held to cover linked liabilities (e.g. non-financial assets held by a consolidated non-trading property company)	0.0	0.0	0.0
<b>Total assets held to cover linked liabilities – carrying amount</b>	<b>41,509.5</b>	<b>38,703.4</b>	<b>32,522.4</b>
Linked liabilities – financial instruments without DPF	14,200.3	15,778.9	16,162.4
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	27,306.0	22,921.6	16,358.6
<b>Total linked liabilities (other than guaranteed capital reserves)</b>	<b>41,506.3</b>	<b>38,700.5</b>	<b>32,521.0</b>
Guaranteed capital reserves	10.3	8.5	8.3
<b>Total linked liabilities</b>	<b>41,516.6</b>	<b>38,709.0</b>	<b>32,529.3</b>

## NOTE 25\_RISK MANAGEMENT

### 25.1\_Credit risk

The credit risk management strategy approved by the Executive Committee consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area.

The CNP Credit Risks Committee meets periodically to set exposure limits.

A monthly reporting system has been set up to monitor credit risks by issuer and by type of security, such as equity instruments, subordinated debt and secured debt. A qualitative analysis of credit risks by issuer is performed by the credit analysts, mainly based on rating agency reports and investment bank and asset manager research.

An internal system has been developed for monitoring issuer and counterparty risk, based on a quantitative model used by investment banks.

The primary purpose of this model is to measure the short, medium and long-term risks of loss on the bond portfolios held by Group companies. It covers all the Group's segregated portfolios and can be used by the financial strategists to allocate risk. Simulations can be performed to examine the risk attached to each credit portfolio.

The purpose of equity and earnings sensitivity analyses is to estimate the Group's exposure to changes in interest rates, equity prices and exchange rates. Both types of analyses cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary and the Italian subsidiary. The sensitivity criteria used are as follows:

Sensitivity criteria	Definition
Interest rates	Impact of a positive or negative 100-basis point change in interest rates (e.g. if the current interest rate is 5%, the impact of a change to 6% or 4%).
Equity prices	Impact of a positive or negative 10% change in share prices.
Exchange rates	Impact of a positive or negative 10% change in the €/ \$ and €/ £ exchange rate.

As of 31 December 2007, the Group's bond portfolio was 95.6% invested in bonds rated A to AAA by the leading rating agencies, including more than 49% rated AAA.

Note 9.7 analyses the Group's bond portfolio by issuer rating.

### 25.2\_Currency risk

The bulk of asset portfolios are invested in the securities of euro zone issuers.

As a result, the asset portfolios' exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

### 25.3\_Sensitivity of equity and earnings to market risks

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of European embedded value (EEV) to market and insurance risks.

Sensitivity to changes in interest rates, share prices and exchange rates is monitored through:

- EEV sensitivity analyses (life insurance business).
- Equity and earnings sensitivity analyses.

## Sensitivity analysis at 31 December 2007

In € millions	100 bps* increase in interest rates	100 bps decrease in interest rates	10% increase in equity prices	10% decrease in equity prices	10% increase in €/\$ exchange rate	10% increase in €/£ exchange rate
<b>Impact on earnings</b>	<b>(13.3)</b>	<b>33.1</b>	<b>97.8</b>	<b>(111.7)</b>	<b>(48.1)</b>	<b>(10.7)</b>
<b>Impact on equity</b>	<b>(343.4)</b>	<b>343.5</b>	<b>366.0</b>	<b>(352.1)</b>	<b>(8.1)</b>	<b>(3.2)</b>

The above table concerns France, Italy and Brazil.

\* The sensitivity of earnings to interest rate risk takes into account the impact of hedges.

At 31 December 2007, due to the Group's 51.75% interest in Brazilian insurer Caixa Seguros, a 10% increase in the EUR/BRL exchange rate would have a negative impact on earnings and equity of €10.4 million and €44.8 million, respectively.

## Sensitivity analysis at 31 December 2006

In € millions	100 bps* increase in interest rates	100 bps decrease in interest rates	10% increase in equity prices	10% decrease in equity prices	10% increase in €/\$ exchange rate	10% increase in €/£ exchange rate
<b>Impact on earnings</b>	<b>4.7</b>	<b>31.4</b>	<b>115.8</b>	<b>(123.8)</b>	<b>(52.8)</b>	<b>(11.1)</b>
<b>Impact on equity</b>	<b>(233.5)</b>	<b>233.7</b>	<b>284.8</b>	<b>(276.7)</b>	<b>(1.8)</b>	<b>(1.1)</b>

The above table concerns France, Italy and Brazil.

\* The sensitivity of earnings to interest rate risk takes into account the impact of hedges.

At 31 December 2006, due to the Group's 51.75% interest in Brazilian insurer Caixa Seguros, a 10% increase in the EUR/BRL exchange rate would have a negative impact on earnings and equity of €8.6 million and €38 million, respectively.

**Limitations of market risk sensitivity analyses**

Sensitivity analyses are subject to the following limitations:

- They provide a "snapshot" that does not take into account the fact that Group entities apply dynamic ALM strategies to minimize their risk exposure. Depending on market developments, these strategies may include asset sales, purchases and reallocations as well as changes in the credited interest paid to policyholders.
- They do not measure the impact of market developments on future contracts. CNP Assurances responds to changes in market conditions by adjusting its new product prices.

- There is a correlation between three risk factors (interest rate, equity and currency risks).
- Sensitivity to a particular risk does not increase on a straight-line basis.
- Life insurance liabilities are calculated based on fixed assumptions.

**25.4 Asset/liability management**

ALM techniques – Renewal and surrender rate assumptions – Effect of changes in surrender rate assumptions:

The Group performs regular simulations to test the behaviour of the various portfolios according to different interest rate and equity price scenarios.

Asset/liability simulations are carried out using proprietary software that takes into account the specific characteristics of the life insurance business. The simulations are based on a certain number of typical interest rate

scenarios. In addition, a large number of scenarios are generated at random to measure the statistical dispersion of results (stochastic simulations).

#### Exposure to a fall in interest rates

The impact of a fall in interest rates on the Group's ability to honour its commitments to the insured is analysed at regular intervals.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory.

This situation is the result of the following measures, implemented in recent years:

- Revision of general policy terms to limit the duration and level of yield guarantees.
- Extension and annuitisation at 0% of single premium policies with a guaranteed rate of return.
- Conservative approach to determining technical reserves for annuity products.
- Matching of interest rate commitments with fixed rate bonds that have an at least equivalent life.

#### Exposure to an increase in interest rates

The Group plays close attention to the risk associated with an increase in interest rates and this is a key focus of its asset/liability management.

#### **Liabilities**

- Combined unit-linked/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions.
- The duration and level of yield guarantees is limited through the development of products offering guaranteed yields adjusted at annual intervals, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

#### **Assets**

- Floating rate and index-linked bonds represent around 10% of the portfolios.
- Part of the portfolio of fixed-rate bonds is hedged using caps.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group

would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates. The hedging programme is extended each year, to keep pace with growth in assets under management.

## **25.5 Insurance risk**

### **25.5.1 Contract terms and conditions**

#### **25.5.1.1 Types of insured risk by class of business and overview of the business lines**

Three classes of business have been identified – savings, pensions and personal risk – according to the nature of the Group's commitment.

#### **Savings contracts: mainly a financial commitment**

Savings products fall into two broad categories:

- Non-unit-linked contracts, where the insurer is committed to paying a capital sum plus any guaranteed yield and a share of the investment yield over and above the guaranteed minimum in the case of death or when the contract is surrendered or matures.
- Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

#### **Pension products: technical and financial commitments**

Commitments associated with annuity-based pension products depend on:

- The benefit payment period, which is not known in advance.
- The interest rate, corresponding to the return on the policyholder's savings managed by the insurer.

#### **Personal risk contracts, giving rise to a technical commitment**

The risk associated with these contracts is determined primarily by the insured's age, gender and socio-professional category.

#### **25.5.1.2 Description of the main policyholder guarantees**

Non-unit-linked savings contracts – which give rise to a commitment to pay a capital sum – fall into four

broad categories:

- Deferred capital insurance with counter-insurance of premiums, giving rise to the payment of a lump sum or annuities.
- Term life insurance, giving rise to the payment of a capital sum when the contract matures, regardless of whether the insured is still alive or not.
- Endowment insurance, giving rise to the payment of a capital sum to the insured when the contract matures or to a named beneficiary if the insured dies before the maturity date.
- Investment certificates, giving rise to the payment of a capital sum.

These contracts generally pay a minimum yield (credited interest) plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

- **Voluntary individual pension accounts (“Article 82” accounts)** giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum.
- **Compulsory individual pension accounts (“Article 83” accounts)** giving rise to the payment of a life annuity. The total annuities payable to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary.
- **Defined benefit plans (“Article 39” plans)** funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is

transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities.

- **Points-based pay-as-you-go group pension plans (“Article L.441-1” plans)** giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of the point. Annuities are adjusted based on changes in the value of the point.
- **Immediate and deferred annuity contracts**, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

- **Term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts**, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled.
- **Contracts paying a temporary or life annuity** to dependent children or the spouse on the death of the insured.
- **Death/disability contracts providing for the payment of a lump sum** in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period.
- **Loan insurance contracts**, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the

insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided.

- **Long-term care insurance contracts**, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured.
- **Supplementary health insurance contracts**, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write property & casualty and liability insurance, including building insurance and auto insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under property & casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

#### 25.5.1.3 Participation clauses

Non-unit-linked savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

#### 25.5.1.4 Participation policy

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

#### 25.5.1.5 Basis for determining participation rates

Participation rates are determined based on the local accounts.

#### 25.5.2 Valuation of insurance liabilities (assumptions and sensitivities)

##### 25.5.2.1 Technical reserve models

Technical reserves are defined as follows:

- **Mathematical reserves** correspond to the difference between the present values of the respective commitments of the insurer and the insured.
- **Policyholder surplus reserves** correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated.
- **Administrative expense reserves** are intended to cover future contract administration costs that are not otherwise covered.
- **Escalating risks reserves** correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts.
- **Unearned premium reserves** cover the portion of written and accrued premiums for the period between the balance sheet date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts.
- **Premium deficiency reserves** cover the portion of claims and benefits and the related handling costs for the period between the balance sheet date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve.
- **Outstanding claims reserves** cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

##### 25.5.2.2 Modelling objectives

The approach used to ensure that technical reserves are adequate focuses on:

- Managing the risks associated with a fall in interest rates.
- Taking swift action to adjust technical reserves following a change in mortality tables.

- Using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

#### **25.5.2.3** Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

- Detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years.
- The creation of files at each period-end to check the consistency of reserves with technical flows.
- Recurring audits of management system calculations, based on random tests and detailed repeat calculations.
- Detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

#### **25.5.2.4** Assumptions based on market or company-specific variables

Discount rates for savings and life insurance contracts are capped at a level corresponding to a conservative estimate of the expected return on the corresponding assets. Non-life technical reserves are discounted at market interest rates. All other assumptions are determined by reference to internal experience-based data.

#### **25.5.2.5** Use of assumptions that do not reflect historical experience

Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, the Group uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used

to allocate unrealised capital gains are based on embedded value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain allocations, determined according to the principles applied to calculate the Group's embedded value published each year.

#### **25.5.2.6** Assumption correlations

Apart from the use dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

#### **25.5.2.7** Uncertainty concerning insurance cash flows

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

#### **25.5.2.8** Sensitivity of earnings and equity to changes in variables

Earnings are sensitive to changes in loss ratios (impact on reserves discounted at 60% or 75% of the TME rate, depending on the risk).

### **25.5.3** Concentration of insurance risk

#### **25.5.3.1** Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

- To implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries.
- To protect underwriting results by entering into non-proportional treaties that are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk).
- To share risks on large-scale new business.

### 25.5.3.2\_Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

- **Individual policies:** death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP for its Assurposte, Écureuil Vie and Global Vida subsidiaries) are reinsured on the market as follows: for each loss event – defined as an event involving at least five victims – the Group retains five times the annual social security ceiling (€31,068 in 2006) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.

- **Group policies:** death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP by provident institutions and mutual insurers) are covered through the Bureau Commun des Assurances Collectives pool. The system provides successively for the retention of the two largest claims per insurer, €20 million in co-insurance cover (of which CNP's share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are three levels of reinsurance cover, as follows: level 1: 30 XS €20 million; level 2: 100 XS €50 million and level 3: 150 XS €150 million with 200% paid reconstitution except for nuclear and nuclear, biological and chemical terrorism risks. A loss event is defined as involving three or more victims. Catastrophe risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group retains €1 million per loss event and the reinsurers cover €30 million per loss event and €60 million per loss year, except for nuclear and nuclear, biological and chemical terrorism risks for which the ceiling is €30 million per loss year.

All portfolios are also covered for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- The age pyramid, risk dispersion and concentration of insured populations.
- The number, size and cause of paid claims, including a detailed analysis of the largest claims.
- Underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

The property & casualty and liability insurance portfolios of the Group's Portuguese subsidiary, Global Nao Vida, are also reinsured on the market.

### 25.5.4\_Financial options, guarantees and embedded derivatives not separated from the host contract

Exposure to interest rate and market risks associated with embedded derivatives not measured at fair value.

Non-unit-linked savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

- Contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures.
- Contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years.
- Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on unit-linked savings contracts are analysed by guaranteed yield in Note 22.

### 25.5.5\_Credit risk arising from insurance business

#### 25.5.5.1\_Credit risk arising from outward reinsurance – Terms and conditions of guarantees received and given

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

#### 25.5.5.2\_Risks associated with financial guarantees and with intermediate current accounts

Certain specific risks are associated with insurance contracts, including the risk of disputes with the insured or beneficiaries.

The number of new lawsuits concerning CNP's interpretation of policy terms declined by 3% in 2007, while

the number of outstanding lawsuits fell by 11% to 1,874 at the year-end. The decline reflected a 2.5% increase in the number of claims dismissed during the year.

The contested policies represent only a minute proportion of the total number of individual and group policies managed by the Group.

Two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

There is also evidence of certain emerging insurance risks. Some issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all found against the insurer.

## 25.6 Risk management

Risk management objectives and methods – Underwriting and risk selection policy – Pricing policy – Risk assessment methods.

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders. These management information systems:

- Roll down Group objectives to the level of the individual businesses.
- Track the progress made by each business in meeting these objectives, in order to allow corrective action to be taken on a timely basis.
- Analyse the components of profit and value creation.

They are used to support underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

### In particular

- Budgets and business plans provide the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits.
- Embedded value and new business calculations reflect the business's current capital resources and its ability to create value. Each year, differences between forecast and actual value creation are analysed and presented at the same time as the financial statements.

### General forecasting system

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans.

Medium and long-term projections are used to produce financial trajectories and perform in-force and new business calculations, in connection with the annual business valuation exercise.

Forecasting models are tailored to the types of products concerned. They include:

- Asset/liability models for savings and pension products.
- Specific loan insurance models which break down the insurance book by underwriting year.
- Models tailored to individual and group personal risk products, incorporating risk measurement factors and statistical data.
- Models designed to simulate future annuity commitments.

The results of the detailed analyses are consolidated by type of risk according to a central scenario based on the assumption that conditions in the financial markets will remain stable and that the Group will hold onto its market shares. Alternative scenarios are also used, to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policyholder behaviour.

# — Report

## of the Auditors on the consolidated financial statements Year ended 31 December 2007

(Free translation of a French language original)

To the shareholders,

In accordance with the terms of our appointment at the Annual General Meeting, we have audited the accompanying consolidated financial statements of CNP Assurances and its subsidiaries for the year ended 31 December 2007.

These consolidated financial statements have been approved by the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations adopted by the European Union.

### **I Opinion on the consolidated financial statements**

We conducted our audit in accordance with French generally accepted auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated assets and liabilities and financial position of CNP Assurances and its subsidiaries at 31 December 2007 and the consolidated results of operations for the year then ended, in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations adopted by the European Union.

### **II Justification of our assessments**

In accordance with Article L.823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we draw to your attention the following matters:

- The consolidated balance sheet includes certain specific insurance and reinsurance assets and liabilities that are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves and contractual customer relationships. The methods used to estimate these assets and liabilities are described in Notes 2.8 and 2.12, respectively, to the consolidated financial statements.

In accordance with professional standards for the audit of accounting estimates, we assessed the appropriateness of these methods and the underlying assumptions, based in particular on the Group's regulatory environment and past experience. These procedures formed the basis of our assessment of the reasonableness of the estimates.

---

- Goodwill is tested for impairment at each year-end by the method described in Note 2.8 to the consolidated financial statements. We obtained assurance that the approaches used were based on assumptions that were consistent with the Group's business plan projections.

- Financial assets and derivative instruments are recognised and measured by the methods described in Note 2.9 to the consolidated financial statements. We obtained assurance that these methods had been properly applied and that the classifications used were consistent with the underlying documentation.

- In light of the current financial crisis, we reviewed the internal control procedures concerning assessments of the Group's exposure, the measurement of financial instruments and the recognition of impairment losses, as well as the appropriateness of the disclosures in the notes to the consolidated financial statements concerning financial instruments.

These assessments were made in connection with our audit procedures on the consolidated financial statements, taken as a whole, and contributed to the formulation of the unqualified audit opinion expressed in the first section of this report.

### **III\_ Specific verification**

We also verified the information concerning the Group given in the Report of the Board of Directors, in accordance with French generally accepted auditing standards. We have no comments to make concerning the fairness of this information and its consistency with the consolidated financial statements.

Paris-La Défense and Courbevoie, 20 March 2008  
The Statutory Auditors

KPMG Audit  
Department of KPMG SA  
Régis Tribout  
*Partner*

Mazars & Guérard

Pascal Parant  
*Partner*

# — Company Financial Statements

For the year ended 31 December 2007 (extracts)

## Balance sheet

### Assets

In € millions	31/12/2007	31/12/2006	31/12/2005
Intangible assets	24.0	40.2	28.2
Investments	185,378.5	98,833.1	88,505.4
Assets held to cover linked-liabilities	26,266.1	12,207.1	10,451.1
Reinsurers' share of technical reserves	5,230.0	4,854.2	4,407.1
Receivables	3,449.8	2,045.4	2,272.4
Other assets	551.0	618.3	558.2
Accrued income and prepaid expenses	5,526.4	3,363.6	3,544.2
Foreign currency conversion losses	77.0	30.1	4.1
<b>Total assets</b>	<b>226,502.8</b>	<b>121,991.9</b>	<b>109,770.7</b>

### Equity and liabilities

In € millions	31/12/2007	31/12/2006	31/12/2005
Equity	6,724.5	5,408.6	5,078.6
Subordinated debt	3,979.0	3,488.0	2,078.0
Technical reserves	178,034.1	94,208.3	85,929.2
Linked liabilities	26,266.1	12,207.1	10,451.1
Provision for liabilities and charges	99.4	74.1	33.0
Cash deposits received from reinsurers	20.0	27.3	17.2
Other liabilities	9,986.0	5,864.5	5,499.2
Deferred income and accrued expenses	1,393.7	714.0	684.4
Foreign currency conversion gains			
<b>Total equity and liabilities</b>	<b>226,502.8</b>	<b>121,991.9</b>	<b>109,770.7</b>

Note: The financial statement presentation reflects the merger of Écureuil Vie into CNP Assurances effective 1 January 2007.

## Off-Balance sheet commitments

In € millions	31/12/2007	31/12/2006	31/12/2005
<b>1. Commitments received</b>	<b>31,859.4</b>	<b>19,377.5</b>	<b>17,983.0</b>
<b>2. Commitments given</b>	<b>5,328.7</b>	<b>3,532.9</b>	<b>2,763.9</b>
2a. Loan guarantees		20.0	20.0
2b. Securities and other assets purchased under resale agreements	3.7		
2c. Other commitments related to securities, other assets or revenue	3,209.2	2,880.9	2,142.1
2d. Other commitments given	2,115.8	632.0	601.8
<b>3. Securities lodged as collateral by reinsurers</b>	<b>5,487.8</b>	<b>5,169.4</b>	<b>4,774.7</b>

Note: The financial statement presentation reflects the merger of Écureuil Vie into CNP Assurances effective 1 January 2007.

## Income statement

In € millions	Net amounts		
	31/12/2007	31/12/2006	31/12/2005
<b>Non-life technical account</b>			
Earned premiums	36.0	20.0	34.1
Earned premiums	8.6	7.9	7.8
Other underwriting income			
Paid claims and benefits and change in claims reserves	(21.4)	(17.2)	(17.2)
Change in other technical reserves	(8.5)	(3.6)	(33.7)
Policyholder dividends	0.0	0.0	
Acquisition costs and administrative expenses	(13.3)	(15.0)	(14.2)
Other underwriting expenses	(0.3)	(0.1)	(0.4)
Change in claims equalisation reserve			
<b>Non-life underwriting result</b>	<b>1.1</b>	<b>(8.0)</b>	<b>(23.6)</b>

In € millions	Net amounts		
	31/12/2007	31/12/2006	31/12/2005
<b>Life technical account</b>			
Earned premiums	24,535.6	15,056.4	11,293.6
Investment income	10,216.9	5,419.1	4,811.3
Mark-to-market gains on assets held to cover linked liabilities	2,920.4	1,355.8	1,678.0
Other underwriting income	19.6	50.7	9.9
Paid claims and benefits and change in claims reserves	(14,925.5)	(8,800.3)	(6,559.9)
Change in life premium reserves and other technical reserves	(8,548.6)	(5,666.6)	(4,551.1)
Policyholder dividends	(7,184.1)	(4,071.0)	(3,822.9)
Acquisition costs and administrative expenses	(2,082.0)	(1,090.8)	(791.7)
Investment expenses	(1,616.5)	(1,114.0)	(866.5)
Mark-to-market losses on assets held to cover linked liabilities	(2,344.7)	(613.2)	(598.9)
Other underwriting expenses	(60.0)	(39.1)	(11.1)
<b>Life underwriting result</b>	<b>931.0</b>	<b>487.1</b>	<b>590.8</b>

In € millions	Net amounts		
	31/12/2007	31/12/2006	31/12/2005
<b>Non-technical account</b>			
Non-life underwriting result	1.1	(8.0)	(23.6)
Life underwriting result	931.0	487.1	590.8
Investment income	360.9	303.0	277.5
Investment expenses	(57.1)	(62.3)	(50.0)
Investment income transferred to the technical account	(8.6)	(7.9)	(7.8)
Other income	2.6	0.2	0.3
Other expenses	(3.4)	(1.8)	(2.8)
Exceptional items	(4.1)	(29.9)	(0.8)
Employee profit-sharing	(14.1)	(13.1)	(11.9)
Income tax expense	(285.5)	(113.7)	(166.6)
<b>Net profit for the year</b>	<b>922.7</b>	<b>553.7</b>	<b>605.1</b>

Note: The financial statement presentation reflects the merger of Écureuil Vie into CNP Assurances effective 1 January 2007.

## Five-year financial summary

In €	12/31/2007	12/31/2006	12/31/2005	12/31/2004	12/31/2003
<b>Capital at 31 December</b>					
Share capital (in € thousands)	594,151.3	554,541.2	554,541.2	554,541.2	551,416.3
Number of ordinary shares outstanding	148,537,823.0	138,635,302.0	138,635,302.0	138,635,302.0	137,854,064.0
<b>Results of operations (in € thousands)</b>					
Premium income excluding tax	25,010,600.5	15,491,627.2	11,738,882.7	10,404,118.8	9,282,902.1
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	1,295,608.0	713,358.4	812,239.9	822,744.3	718,873.4
Income tax expense	285,509.6	113,740.1	166,632.0	270,044.0	144,924.8
Net profit	922,744.0	553,653.6	605,146.0	523,144.4	505,345.1
<b>Earnings per share (in €)</b>					
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	8.72	5.15	5.86	5.93	5.21
Earnings per share	6.21	3.99	4.37	3.77	3.67
Dividend per share	2.85*	2.30	1.91	1.66	1.53
<b>Employee data</b>					
Average number of employees	3,261	3,247	3,199	3,043	2,916
Total payroll and benefits (in € thousands)	242,250.1	224,539.1	207,562.8	201,760.2	191,473.3

\* Recommended 2007 dividend to be paid in 2008.

# Subsidiaries and affiliates

In € thousands Subsidiaries and Affiliates	Head office	Currency	Share capital
<b>A – Investments with a carrying amount in excess of 1% of CNP Assurances' share capital</b>			
<b>I – Subsidiaries (over 50%-owned)</b>			
Âge d'or Expansion <sup>(1)</sup>	28, rue Jules Didier – 10120 St-André-les-Vergers	EUR	Nav
Assurbaïl <sup>(1)</sup>	56, rue de Lille – 75007 Paris	EUR	177,408
Caixa Seguros <sup>(1)</sup>	SCN Quadra 01 Lote A Ed. n°1 – 15°, 16° e 17° Andares, Brazil	EUR	230,105
Cicoge <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	37,320
Cimo <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	213,022
CNP Capeor <sup>(1)</sup>	39 <sup>e</sup> Tour Maine Montparnasse – 33, avenue du Maine – 75015 Paris	EUR	458
CNP Caution <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	7,683
CNP IAM <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	30,500
CNP International <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	22,875
CNP Seguros de Vida <sup>(1)</sup>	Avenue Leandro Nalem 1002-piso 13 – Buenos Aires, Argentina	EUR	2,014
Écureuil Vie crédit <sup>(1)</sup>	5, rue Masseran – 75007 Paris	EUR	Nav
Écureuil Investissement <sup>(1)</sup>	5, rue Masseran – 75007 Paris	EUR	Nav
CNP Unicredit <sup>(1)</sup>	Piazza Durante 11 – 20131 Milan – Italy	EUR	92,699
Global <sup>(1)</sup>	Avenue Duque d'Avila, 171 – 1069, 031 – Lisbon, Portugal	EUR	16,250
Global Vida <sup>(1)</sup>	Avenue Duque d'Avila, 171 – 1069, 031 – Lisbon, Portugal	EUR	9,000
Investissement tresor vie <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	22,418
Prévimut <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	88,000
Préviposte <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	125,813
SC rue de Rennes <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	8
SCI de la CNP <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	59,711
Sogestop G <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	11,167
Barclays European Fund III G <sup>(1)</sup>	Condor House St-Paul's Churchyard – London, England	EUR	Nav
Filassistance International <sup>(1)</sup>	108, bureaux de la Colline – 92213 St-Cloud Cedex	EUR	Nav
Skandia Vida <sup>(1)</sup>	El Plantio Calle Ochandiano n°10 planta 2a – 28023 Madrid, Spain	EUR	46,877
<b>II – Affiliates (10 to 50%-owned)</b>			
Banque Postale Prévoyance (formerly-Assurposte) <sup>(1)</sup>	83, bd du Montparnasse – 75006 Paris	EUR	5,202
Captiva Capital Partners II <sup>(1)</sup>	25, rue Goethe I-1637 – Luxembourg	EUR	Nav
Ixis Asset Management <sup>(1)</sup>	7, place des cinq Martyrs du lycée Buffon BP 541 – 75725 Paris	EUR	1,008,510
CDC Service Industrie 2-A <sup>(1)</sup>	TMM – 33, avenue du Maine – BP 179 – 75755 Paris Cedex 15	EUR	Nav
CDC Capital III B-A <sup>(1)</sup>	148, rue de l'Université – 75007 Paris	EUR	Nav
China Equity Links O <sup>(1)</sup>	NAV	EUR	Nav
Centre Commercial la Défense <sup>(1)</sup>	15, parvis Défense – 92800 Puteaux	EUR	3,048
Défense CB3 <sup>(1)</sup>	117, quai du Président-Roosevelt – 92130 Issy-les-Moulineaux	EUR	38
Développement PME IV-A <sup>(1)</sup>	152, avenue de Malakoff – 75116 Paris	EUR	Nav
Eiffel Partners <sup>(1)</sup>	41, avenue de l'Opéra – 75002 Paris	EUR	Nav
Foncière Image <sup>(1)</sup>	42, avenue Raymond Poincaré – 75116 Paris	EUR	42,980
Ilôt A5B <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	42,199
JV-Sino-French-Life Insurance Co Ltd <sup>(1)</sup>	12F, Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men Av. Chao Yang District, Beijing, China	EUR	200,000
L'Amiral <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	30,490
Lehman Crossroads XVII-A <sup>(1)</sup>	325 North St Paul Street – Suite 4900 – Dallas, TX 75201, USA	EUR	37,821
Ofélia <sup>(1)(2)</sup>	Chez A3c 42, avenue Raymond Poincaré – 75116 Paris	EUR	12,609
Partech Ventures V <sup>(1)</sup>	49, avenue Hoche – 75008 Paris	EUR	4,768
PB6 <sup>(1)</sup>	31, rue de Mogador – 75009 Paris	EUR	23,500
Prévisol <sup>(1)</sup>	25 de Mayo 445 – Capital Federal, Argentina	EUR	Nav
Pyramides <sup>(1)</sup>	42, avenue Raymond Poincaré – 75116 Paris	EUR	51,103
SCI Ilôt 13 <sup>(1)</sup>	50-56, rue de la Procession – 75015 Paris	EUR	45,000
Sonae <sup>(1)</sup>	Gernsey Limited Partnership, England	EUR	Nav
August II-A <sup>(1)</sup>	10 Bedford Street London WC2E 9HE, England	EUR	Nav
Eurocore 1 <sup>(1)</sup>	10, boulevard Royal – Luxembourg	EUR	Nav
Foncière CNP <sup>(1)</sup>	4, place Raoul Dautry – 75015 Paris	EUR	18
Fondinvest VIII <sup>(1)</sup>	33, rue de la Baume – 75008 Paris	EUR	Nav
Montaigne Capital <sup>(1)</sup>	28, rue Bayard – 75008 Paris	EUR	Nav
Onze Private Equity <sup>(1)</sup>	Schuetzenstrasse 6, P.O. BOX – 8808 Praeffikon, Switzerland	EUR	Nav
SG AM AI Private Value A <sup>(1)</sup>	2, place de la Coupole – 92078 Paris-la-Défense	EUR	Nav
<b>B – Investments with a carrying amount of less than 1% of CNP Assurances' share capital</b>			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–
<b>C – Aggregate information (A + B)</b>			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–

(1) Provisional data. • (2) 2006 data (2007 financial statements not yet available).

	Reserves and retained earnings	Total assets	Carrying amount of the shares – cost	Carrying amount of the shares – net	% interest	Loans granted	Revenue	Profit or loss	Dividends received
	NAv	NAv	6,348	2,302	100.0%	0	NAv	NAv	0
	31,123	484,719	157,381	157,381	79.9%	100,981	9,816	16,604	11,972
	149,934	4,081,297	445,449	445,449	51.8%	0	1,138,437	212,228	54,846
	71,083	135,569	197,204	197,204	100.0%	20	9,199	10,178	8,733
	114,191	378,295	542,052	542,052	93.0%	0	18,814	17,175	17,968
	1,537	3,814	6,000	2,413	100.0%	0	3,851	115	0
	(1,927)	55,439	7,683	6,994	100.0%	0	7,594	2,491	0
	560,530	6,267,157	245,595	245,595	100.0%	0	1,861,880	113,719	0
	9,331	110,587	23,325	23,325	100.0%	0	63,727	2,774	0
	2,851	21,618	6,060	3,352	76.5%	6	4,796	609	465
	NAv	NAv	30,037	30,037	100.0%	0	NAv	NAv	1,262
	NAv	NAv	329,475	329,475	100.0%	0	NAv	NAv	0
	283,969	14,721,565	575,000	575,000	57.5%	0	2,885,726	66,705	17,096
	21,900	240,977	50,511	50,511	83.5%	0	143,932	10,396	7,042
	6,239	276,169	26,274	26,274	83.6%	0	35,983	309	234
	32,059	789,205	22,410	22,410	100.0%	0	6,562	3,149	0
	1,904	533	86,597	79,856	90.0%	0	0	2,350	0
	192,350	9,024,120	125,770	125,770	100.0%	0	318,680	33,007	0
	534	41,825	16,420	16,420	99.8%	34,431	5,450	0	0
	35,561	99,788	127,923	127,923	100.0%	0	5,110	3,644	2,409
	(11,236)	4	11,167	0	100.0%	62	0	(11)	0
	NAv	NAv	30,000	5,592	60.0%	0	NAv	NAv	0
	NAv	NAv	10,087	5,218	100.0%	0	NAv	NAv	0
	15,786	1,517,105	78,526	78,526	94.0%	0	112,930	7,314	0
	93,048	690,874	94,061	94,061	50.0%	0	319,908	16,837	7,480
	NAv	NAv	49,399	23,513	12.5%	11,137	NAv	NAv	0
	503,881	2,532,804	288,443	288,444	11.3%	0	1,666,027	227,861	35,849
	NAv	NAv	26,591	11,243	26.6%	0	NAv	NAv	0
	NAv	NAv	112,542	56,158	48.3%	0	NAv	NAv	0
	NAv	NAv	6,150	0	17.7%	0	NAv	NAv	0
	1	326,134	27,567	27,567	22.0%	41,918	40,630	21,032	7,396
	19,885	161,161	22,604	22,604	25.0%	5,354	9,131	(1,210)	0
	NAv	NAv	14,850	9,645	15.8%	0	NAv	NAv	0
	NAv	NAv	35,000	9,100	17.5%	0	NAv	NAv	0
	22,510	114,025	32,226	32,226	50.0%	3,149	8,423	4,853	2,099
	9,308	82,376	26,366	26,366	50.0%	11,521	6,854	3,210	2,463
	NAv	NAv	12,250	9,155	50.0%	0	NAv	NAv	0
	(477)	89,670	15,245	15,245	50.0%	25,796	6,506	1,306	653
	NAv	36,967	9,392	6,335	19.2%	0	NAv	NAv	0
	23,138	36,831	11,916	11,916	33.0%	27,536	0	1,013	0
	NAv	4,759	10,005	2,505	20.0%	0	NAv	NAv	0
	(4,940)	201,180	7,622	7,622	25.0%	32,957	6,187	6,713	1,630
	NAv	NAv	7,227	1,406	29.8%	0	NAv	NAv	0
	(224)	110,663	23,881	23,881	45.0%	23,092	0	2,757	2,679
	0	84,348	22,500	22,500	50.0%	32,486	0	(1,435)	0
	NAv	NAv	80,000	57,243	14.8%	0	NAv	NAv	6,719
	NAv	NAv	13,141	950	11.9%	0	NAv	NAv	0
	NAv	NAv	44,328	19,714	20.0%	0	NAv	NAv	0
	272	55,046	8,720	8,720	47.9%	17,469	9,051	5,030	2,749
	NAv	NAv	13,000	577	13.3%	0	NAv	NAv	0
	NAv	NAv	10,085	3,285	14.3%	0	NAv	NAv	0
	NAv	NAv	25,300	2,530	21.6%	0	NAv	NAv	0
	NAv	NAv	16,008	1,986	19.5%	0	NAv	NAv	0
	–	–	6,691	4,990	–	61,552	–	–	3,425
	–	–	0	0	–	0	–	–	0
	–	–	56,983	36,073	–	67,348	–	–	11,653
	–	–	13,283	5,923	–	0	–	–	0
	–	–	1,952,165	1,919,365	–	197,046	–	–	45,768
	–	–	1,211,821	1,184,704	–	6	–	–	79,683
	–	–	876,215	711,725	–	288,624	–	–	74,651
	–	–	260,469	126,768	–	11,137	–	–	6,719

# — Special report

## of the Auditors on related party agreements

### Year ended 31 December 2007

(Free translation of a French language report)

## On related party agreements

To the shareholders,

In our capacity as Auditors of your Company, we present below our report on related party agreements.

### 1\_ Agreements authorised during the year

In application of Article L.225-40 of the French Commercial Code (*Code de Commerce*) and Article R.322-7 of the French Insurance Code (*Code des Assurances*), we were informed of the agreements approved in advance by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-31 of the Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We performed our review in accordance with the professional standards applicable in France. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the evidence supporting the information in our possession is consistent with that information.

Chief Executive Officer's remuneration under his employment contract and approval of the addendum to said contract

On 10 July 2007, the Board of Directors appointed Gilles Benoist as Chief Executive Officer of your Company. Because Mr. Benoist had an employment contract with your Company as of that date, the terms of said contract were subject to prior approval by the Board, in accordance

with Article L.225-22-1 of the French Commercial Code. The Board also authorised:

- An addendum to said employment contract stipulating the new scope of Mr. Benoist's management responsibilities and his reporting relationships.
- The terms of the contract concerning the remuneration and benefits that would be due or potentially due at the time of or following the termination of Mr. Benoist's contract or a change in his position.

On 4 March 2008, the Board of Directors approved an addendum to Mr. Benoist's employment contract, stipulating that the termination benefit that would be payable to him in the event that his employment contract were to be terminated would depend on his performance as measured by reference to that of the Company. The addendum was drawn up in application of the "TEPA" Act of 21 August 2007 (Act no. 2007-1223) amending Article L.225-42-1 of the French Commercial Code. Under the terms of Mr. Benoist's employment contract and its various addenda, the following payments would be due in the event of his termination or forced retirement for reasons other than serious or gross misconduct:

- The severance pay provided for in the collective bargaining agreement of 3 March 1993, calculated based on Mr. Benoist's period of service with the Group since 1 October 1987.
- A lump sum benefit equal to the difference between Mr. Benoist's net remuneration for the twelve months preceding the contract termination date and the annual net remuneration for the grade at which he returns to the civil service.

These payments will be made provided that the Group's last published EBIT prior to the date of termination is higher than the average EBIT recorded in the two preceding calendar years.

If this condition is not fulfilled, payment will be made if the fall in profitability for the market as a whole – as measured based on average recurring profit before capital gains of the bancassurance sector – is greater than the decline in CNP's results.

Director concerned: Gilles Benoist.

The remuneration recorded in the accounts in line with these terms and conditions since 10 July 2007 amounts to €181 thousand.

Chief Executive Officer's remuneration as a corporate officer

At its meeting of 10 July 2007, the Board of Directors, acting on the recommendation of the Remunerations & Nominations Committee, set Gilles Benoist's remuneration as Chief Executive Officer at €200,000 per year.

Director concerned: Gilles Benoist. The remuneration recorded in the accounts in line with this agreement since 10 July 2007 amounts to €95 thousand.

Extension of the exercise period for the put option granted to CNP Assurances by CNCE under their agreement concerning Ixis Asset Management Group (IAMG), since renamed Natixis Global Asset Management (NGAM)

At its meeting of 17 December 2007, the Board of Directors authorised your Chief Executive Officer to accept a proposal made by CNCE in a letter dated 12 December 2007 to extend the exercise period for the put option it had granted on 17 November 2006 on Natixis Global Asset Management (NGAM) shares until midnight 21 December 2007.

Directors concerned: Charles Milhaud, Nicolas Merindol, and Marc-André Feffer (representing Sopassure).

Memorandum of Understanding between CNCE and CNP Assurances concerning Natixis Global Asset Management (NGAM)

At its meeting of 18 December 2007, the Board of Directors authorised your Chief Executive Officer to sign a Memorandum of Understanding concerning CNP Assurances' interest in Natixis Global Asset Management.

Under this agreement, Caisse Nationale des Caisses d'Épargne (CNCE) has granted a put option to your Company on the NGAM shares it currently owns or will own in the future.

The agreement provides for four exercise periods and three cases in which the option may be exercised early. It also describes the practical procedures, including the method for determining the exercise price.

Directors concerned: Charles Milhaud, Nicolas Mérimindol, and Marc-André Feffer (representing Sopassure).

Addendum to the internal rules of the supplementary pension plan for CNP Assurances senior executives

At its meeting on 20 December 2005, the Supervisory Board authorised the setting up of a group defined benefit plan providing for the payment of supplementary pension benefits to plan participants.

The compulsory plan covers the executives and remunerated officers of CNP Assurances, as follows:

- Senior executives whose terms of employment are governed by the *Convention Collective des Cadres de Direction de l'Assurance* collective bargaining agreement dated 3 March 1993.
- Corporate officers, including members of the Executive Board and remunerated members of the Supervisory Board. Benefit entitlements will vest when participants retire, provided that they are still an employee or officer of the Company, except in the cases provided for in the applicable regulations.

Under the plan terms, participating executives receive supplementary pension benefits in an amount ranging from 0.2% to 4.50% per year of service up to 15 years. The defined benefit rate depends on the remuneration bracket.

At its meeting of 18 December 2007, the Board of Directors approved an amendment to the supplementary pension plan for CNP Assurances senior executives. Aside

from taking into account the change in governance, which does not affect the eligibility of current plan participants, this amendment covers:

- The scheduled increase in payments.
- The elimination of the age limit set at 65.
- The possibility for corporate officers to recover their seniority under their employment contracts.
- An increase in the ceiling on remuneration taken into account for calculating benefits. This does not modify the 15-year ceiling, however.

Directors concerned: Edmond Alphandéry and Gilles Benoist. In 2007, the Company paid an aggregate premium of €1.4 million to an insurance company and booked an additional provision of €5.6 million, covering its obligation towards all of the executives participating in the plan.

## **2 Agreements and commitments authorised in prior years that remained in force during the year**

In application of the French Commercial Code and Article R.332-7 of the French Insurance Code, we were duly advised of the following agreements authorised in prior years that remained in force during 2007.

Partnership agreement between CNP Assurances, Dexia Crédit Local de France (Dexia CLF) and SOFCA

CNP Assurances, Dexia Credit Local de France and Sofca (collectively, Sofaxis) have signed a 10-year partnership agreement concerning cooperation in the local government market. The agreement is automatically renewable for successive periods of five years.

The agreement, which was authorised by the CNP Assurances Supervisory Board on 20 March 2000, sets out the methods to be used to share management expenses and to determine the remuneration to be received by each partner, based on their respective tasks and the level of underwriting profit on the business.

Dexia CLF has given CNP Assurances a call option allowing CNP Assurances to acquire a blocking minority interest in Ifax, the parent company of the Dexia Sofaxis Group.

The amount recorded in CNP Assurances's accounts in 2007 in respect of this agreement consisted of brokerage fees totalling €44.2 million.

The call option was not exercised in 2007.

Écureuil Vie subordinated notes issue underwritten by CNP Assurances

CNP Assurances underwrote a €103 million perpetual subordinated notes issue carried out by Écureuil Vie on 15 December 1999.

The interest rate on the notes is 5.595% per year. It is adjustable every ten years at the option of the issuer, on the basis defined in the issue agreement. Annual interest payments are made only in cases where Écureuil Vie's financial statements for the year ended immediately prior to the interest payment date show a book profit. Failing that, or if the amount of book profit is not sufficient, settlement of the unpaid fraction of the interest will be deferred. Deferred interest will bear interest at the nominal annual rate for the period plus 3%.

This agreement was automatically terminated when Écureuil Vie merged with CNP Assurances effective 1 January 2007.

Financial management agreement with Ixis Asset Management (formerly CDC Asset Management)

On 24 September 1998, a financial management agreement was entered into between CNP Assurances and CDC Asset Management (renamed Ixis Asset Management in October 2004). Under the terms of this agreement, CNP Assurances has given full powers to Ixis Asset Management to manage — in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries — the portfolios referred to in the agreement and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Ixis Asset Management receives a fee for its management services, determined as follows:

- Fixed annual fee per portfolio (except for portfolios invested exclusively in mutual fund units).
- Variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Effective from 31 December 2001, the agreement is automatically extended for successive periods of one year, until terminated by one or other of the parties.

Fees paid by CNP Assurances under this agreement in 2007 amounted to €14.8 million.

Capital contribution to Ixis Asset Management Group (since renamed Natixis Global Asset Management Group (NGAM)) and signature of a shareholders' agreement

At its meeting on 7 September 2004, the Supervisory Board approved in principle the contribution by CNP Assurances to the Ixis Asset Management Group holding company of:

- 11,655,280 Ixis Asset Management shares, representing 20% of issued capital; and
- A €50,936,122.14 receivable arising from the early redemption of Ixis Asset Management convertible bonds held by CNP Assurances.

In payment for these contributions, valued at €203,338,318.88, CNP Assurances received 7,262,082,58.58 Ixis Asset Management Group ordinary shares, representing 14% of issued capital. In 2005, CNP Assurances exercised its call option and raised its interest in Ixis Asset Management (since renamed NGAM) to 20%.

The transactions led to the signature of a shareholders' agreement, on 16 November 2004, between CNP Assurances and Caisse Nationale des Caisses d'Épargne, in the presence of Ixis Asset Management Group (since renamed NGAM).

Asset management contract with Sogéposte

On 4 April 2006, the Supervisory Board authorised an asset management contract with Sogéposte (renamed La Banque Postale Asset Management), an asset management company licensed by the French securities regulator (AMF) and a subsidiary of La Banque Postale. This contract, the terms of which are the same as for the contract with Ixis Asset Management in terms of pricing and operational integration, assigns to Sogéposte the management of an asset portfolio of Assurposte, a subsidiary owned jointly with La Banque Postale, and a portfolio of Préviposte, a subsidiary. These portfolios represent a total of €3 billion.

Fees paid by CNP Assurances under this contract in 2007 amounted to €0.4 million. This amount was rebilled to the subsidiaries concerned.

Extension of the two main agreements underpinning the partnership between CNP Assurances and Groupe Caisse d'Épargne

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the two main agreements governing the partnership between CNP Assurances and Groupe Caisse d'Épargne, as follows:

- Partnership agreement between CNP Assurances and Groupe Caisse d'Épargne setting the terms and conditions of their cooperation in the individual life insurance and savings market through Écureuil Vie.
- Service agreement between CNP Assurances and Groupe Caisse d'Épargne setting the fees payable to CNP Assurances for the administrative management of the contracts, as follows:
  - For Écureuil Vie savings and pension products, CNP Assurances is paid an annual fee based on technical reserves and the type of contract concerned.
  - For whole life contracts, the annual fee corresponds to a percentage of the annual premiums paid by the insured.

This agreement was terminated in 2007 as CNP Assurances acquired and then merged with Écureuil Vie effective 1 January 2007.

The amount paid by CNP Assurances under the commission agreement between Écureuil Vie and Groupe Caisse d'Épargne came to €585 million in 2007.

Extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale. The agreement sets the terms and conditions of the two partners' cooperation in the individual life insurance and savings markets through La Banque Postale.

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loading and the management fees charged on financial products.

The remuneration paid by CNP Assurances under this contract in 2007 amounted to €440.8 million.

Memorandum of understanding related to the acquisition of 49.9% of Écureuil Vie

On 10 October 2006, the Supervisory Board authorised the Executive Board to sign a memorandum of understanding concerning the acquisition of 49.9% of Écureuil Vie from Groupe Caisse d'Épargne for €1,406 million. The memorandum of understanding included a price adjustment clause.

This agreement was automatically terminated on 20 February 2007 when CNP Assurances acquired 49.9% of Écureuil Vie for €1,404.8 million.

Agreement for the issue of subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Épargne et de Prévoyance

On 10 April 2002, the Board of Directors of Écureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the company to underwrite a €200 million perpetual subordinated notes issue.

The interest rate on the notes is 4.7825% until 2016 and Euribor + 160bps as from 15 November 2016.

The interest expense recorded by CNP Assurances in 2007 amounted to €9.6 million.

Agreement for the issue of subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Épargne et de Prévoyance

On 20 April 2004, the Board of Directors of Écureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the company to underwrite a €183 million perpetual subordinated notes issue in two tranches.

The interest rate on the first €90 million tranche is 4.93% until 2016 and Euribor + 160bps as from 15 November 2016.

The interest rate on the second €93 million tranche is the 3-month Euribor + 70bps until 2016.

The interest expense recorded by CNP Assurances in 2007 amounted to €4.4 million for the first tranche and €4.5 million for the second tranche.

---

Agreement for the issue of subordinated notes between  
CNP Assurances and Caisse Nationale des Caisses  
d'Épargne et de Prévoyance

On 18 April 2006, the Board of Directors of Écureuil  
Vie (which merged with CNP Assurances effective  
1 January 2007) authorised the company to underwrite  
a €108 million perpetual subordinated notes issue.

The interest rate on the notes is the 3-month  
Euribor + 95bps until 20 December 2026 and + 195bps  
thereafter.

The interest expense recorded by CNP Assurances  
in 2007 amounted to €5.6 million.

Paris-La Défense and Courbevoie, 20 March 2008  
The Statutory Auditors

KPMG Audit  
Department of KPMG SA  
Régis Tribout  
*Partner*

Mazars & Guérard  
Pascal Parant  
*Partner*