

# *Appendices to the Financial Presentation First-Half 2008*

---

August 2008



- ▼ EBIT = Net Insurance Revenue – Expenses
  - = Book operating profit before fair value adjustments to trading securities
    - Net realised gains on equities and investment property held in proprietary portfolios
    - Any non-recurring items
- ▼ Effect of fair value adjustments concentrated at the level of net profit
- ▼ Analysed by business and by country

# Presentation of Profit: Transition From Operating Profit to EBIT

- ▼ EBIT, which is used as an indicator in financial communications, corresponds to earnings:

- Before tax
- Before interest
- Before minority interests
- Before net realised gains on equities and investment property
- Before non-recurring items
- Before fair value adjustments to trading securities

- ▼ Table illustrating the transition from reported operating profit to EBIT

- EBIT = operating profit
    - fair value adjustments to trading securities
    - net realised gains on equities and investment property

- ▼ Transition from operating profit to EBIT:

	First-half 2008	First-half 2007	% change	2007
<b>Operating profit</b>	<b>918</b>	<b>941</b>	<b>-2.4%</b>	<b>1,988</b>
Net realised gains on equities and investment property	51	-240	NA	-91
+/- Fair value adjustments to trading securities	295	-1	NA	-59
<b>EBIT</b>	<b>1,264</b>	<b>700</b>	<b>80.5%</b>	<b>1,837</b>
Non-recurring adjustments to technical reserves	-307	194	-258.1%	15
<b>EBIT before non-recurring adjustments to technical reserves</b>	<b>956</b>	<b>895</b>	<b>6.9%</b>	<b>1,851</b>

# EBIT by Country

IFRS, in €m

	First-half 2008		France		Italy		Brazil		Other	
Premium income	14 063	-19,2%	12 397	-17,6%	740	-56,1%	765	39,0%	162	32,2%
Insurance & financial liabilities, excl. deferred participation	240 097	4,3%	222 000	4,8%	13 496	-1,8%	3 556	32,2%	1 045	-21,6%
Net insurance revenue	885	4,3%	742	268,6%	19	-48,7%	127	21,1%	-3	-57,3%
Administrative expenses	378	4,3%	287	4,7%	19	2,4%	51	0,2%	21	10,9%
<b>EBIT</b>	<b>1 264</b>	<b>80,5%</b>	<b>1 030</b>	<b>114,6%</b>	<b>38</b>	<b>-29,8%</b>	<b>178</b>	<b>16,7%</b>	<b>18</b>	<b>33,0%</b>
Non-recurring adjustments to technical reserves	307	-258,1%	307	-275,5%	0	NA	0	NA	0	NA
EBIT before non-recurring adjustments to technical r	956	6,9%	722	10,3%	38	-46,0%	178	18,4%	18	-3,3%

# Attributable Recurring Profit Before Capital Gains by Country

IFRS, in €m

	First-half 2008	First-half 2007	2007
France (1)	697	315	961
International (2)	88	77	160
o/w Caixa Seguros (Brazil)	58	48	104
o/w CNP Vita (Italy)	15	20	34
<b>Attributable recurring profit before capital gains</b>	<b>785</b>	<b>392</b>	<b>1,121</b>

(1) Including Assurbail, Sicac and CNP Immobilier

(2) Including branches and Cofidis International

# EBIT Contribution by Country

IFRS, in €m

	First-half 2008	First-half 2007	% change	2007
France (1)	1,030	480	114.6%	1,398
Caixa Seguros (Brazil) (3)	178	152	16.7%	313
CNP Vita (Italy) (3)	38	55	-29.8%	96
Other (International) (2) (3)	18	13	35.6%	30
<b>EBIT</b>	<b>1,264</b>	<b>700</b>	<b>80.57%</b>	<b>1,837</b>

(1) Including Assurbail, Sicac and CNP Immobilier

(2) Including branches and Cofidis International

(3) After amortisation of in-force business

# EBIT: France

IFRS, in €m

	First-half 2008	First-half 2007	% change	2007
<b>EBIT</b>	<b>1,030</b>	<b>480</b>	<b>114.6%</b>	<b>1,398</b>
- Interest	-52	-50	3.1%	-102
- Share of profit of associates	15	22	-30.7%	46
- Income tax expense	-296	-119	148.5%	-363
- Minority interests	0	-17	-99.9%	-18
<b>Recurring profit before capital gains</b>	<b>697</b>	<b>315</b>	<b>121.1%</b>	<b>961</b>
Net capital gains on equities and investment property	-29	14	-308.9%	58
<b>Recurring profit</b>	<b>668</b>	<b>329</b>	<b>102.9%</b>	<b>1,019</b>
+/- Fair value adjustments to trading securities	-180	162	-211.2%	43
<b>Net profit</b>	<b>489</b>	<b>491</b>	<b>-0.5%</b>	<b>1,063</b>

Attributable

# EBIT: Italy CNP Vita

IFRS, in €m

	First-half 2008	First-half 2007	% change	2007
<b>EBIT</b>	<b>38</b>	<b>55</b>	<b>-29.8%</b>	<b>96</b>
- Interest	-3	-2	38.6%	0
- Share of profit of associates	0	0	NA	0
- Income tax expense	-10	-18	-42.9%	-31
- Minority interests	-11	-15	-27.0%	-25
<b>Recurring profit before capital gains</b>	<b>15</b>	<b>20</b>	<b>-27.0%</b>	<b>34</b>
Net capital gains on equities and investment property	0	0	NA	0
<b>Recurring profit</b>	<b>15</b>	<b>20</b>	<b>-26.9%</b>	<b>34</b>
+/- Fair value adjustments to trading securities	-1	0	NA	0
<b>Net profit</b>	<b>14</b>	<b>20</b>	<b>-30.1%</b>	<b>35</b>

Attributable



# EBIT: Brazil Caixa Seguros

IFRS, in €m

		(First-half 2008)	First-half 2007	% change	2007
<b>EBIT</b>		<b>178</b>	<b>152</b>	<b>16.7%</b>	<b>313</b>
- Interest		0	0	NA	0
- Share of profit of associates		0	0	NA	0
- Income tax expense		-58	-52	11.3%	-97
- Minority interests		-62	-52	18.5%	-112
<b>Attributable</b>	<b>Recurring profit before capital gains</b>	<b>58</b>	<b>48</b>	<b>20.8%</b>	<b>104</b>
	Net capital gains on equities and investment property	0	0	NA	0
	<b>Recurring profit</b>	<b>58</b>	<b>48</b>	<b>20.8%</b>	<b>104</b>
	+/- Fair value adjustments to trading securities	0	0	NA	0
	<b>Net profit</b>	<b>58</b>	<b>48</b>	<b>20.8%</b>	<b>104</b>

# Asset Portfolio

IFRS, in €m

	Fair value adjustments at 31 December 2007	30 June 2008				
		Fair value adjustments	Assets before fair value adjustments	% (excl. unit-linked)	Assets after fair value adjusments	% (excl. unit-linked)
Bonds and other fixed income	-800.4	-5,886.4	176,773.4	83.63%	170,887.0	80.07%
Shares and other variable income	11,236.8	4,902.9	24,196.8	11.45%	29,099.7	13.64%
Property and participating interests	2,413.0	2,439.7	3,813.3	1.80%	6,253.0	2.93%
Derivative instruments	54.6	578.5	114.4	0.05%	692.9	0.32%
Loans and receivables			2,128.2	1.01%	2,128.2	1.00%
Other	196.8	-10.2	4,361.7	2.06%	4,351.5	2.04%
<b>Total assets, excl. unit-linked</b>	<b>13,100.8</b>	<b>2,024.5</b>	<b>211,387.8</b>	<b>100%</b>	<b>213,412.3</b>	<b>100%</b>

<b>Unit-linked portfolios</b>	<b>39,080.5</b>
o/w bonds	15,203.6
o/w shares	22,399.6
o/w investment property	1,315.7

<b>Total assets (net of derivative instruments in liabilities)</b>	<b>252,492.8</b>
--	------------------

<b>Unrealised capital gains</b>	<b>1,549.8</b>
o/w Investment property	1,502.7
o/w held-to-maturity	47.1

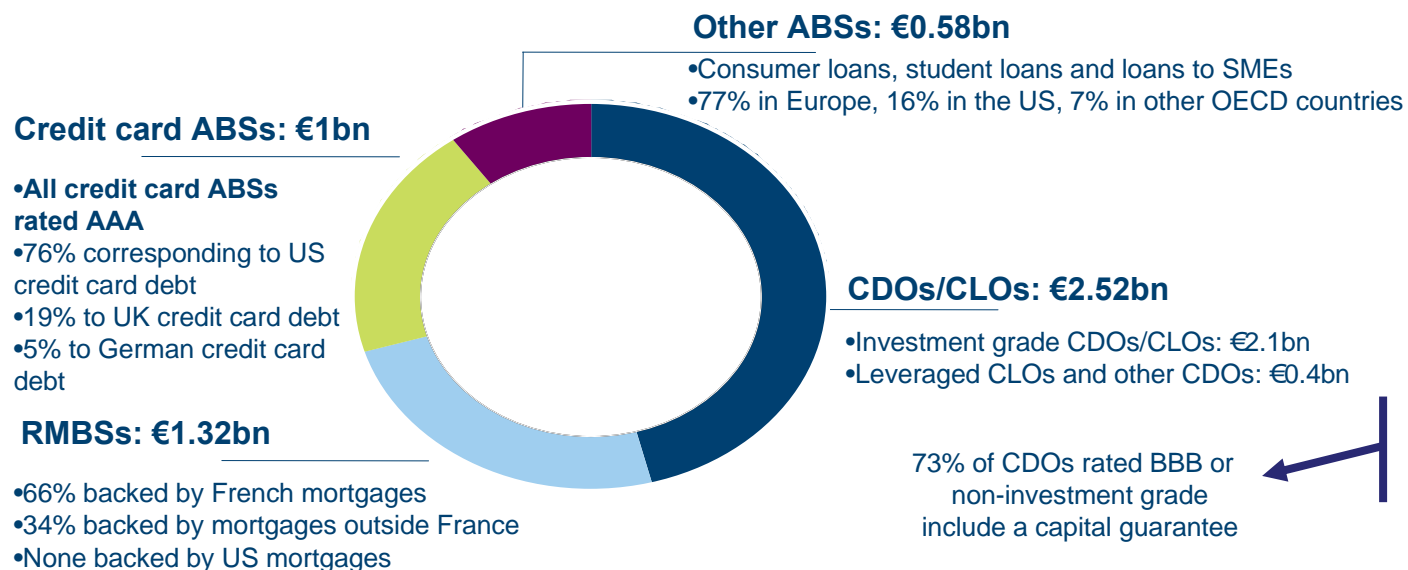
<b>Total unrealised capital gains (IFRS)</b>	<b>3,574.3</b>
--	----------------

# Asset-Backed Securities Portfolio

## Assets concerned:

- Indirect exposure to the US subprime market: €10m
- Asset-backed securities:
  - ABS portfolio: €5.4bn (of which CDOs: €2.5bn)
  - 76% of ABSs held in policyholder portfolios
  - No defaults

## ABSs at 30 June 2008:



CDO Ratings	%
AAA	40.30
AA	28
A	11.45
BBB	16.64
<BBB	3.63

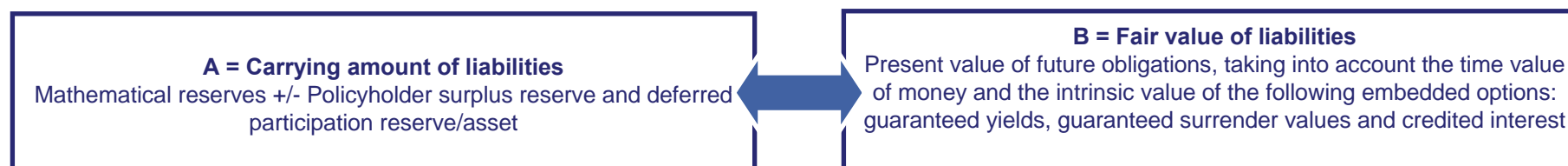
# Deferred Participation Assets

in € millions	30 June 2008	31 December 2007
Deferred participation asset	3,443.00	0
Deferred participation liability	-1,905.00	-8,675.00
<b>Net deferred participation asset</b>	<b>1,538.00</b>	<b>-8,675.00</b>
o/w AFS mark-to-market	730.00	
o/w Trading mark-to-market	-1,160.00	
o/w AFS impairment	2,122.00	

Deferred participation assets are tested for impairment to determine whether they are recoverable and to ensure that their recognition does not lead to an understatement of liabilities.

The impairment test is conducted according to the same method as the Liability Adequacy Test (LAT) performed in application of IFRS 4 in order to determine whether technical reserves are sufficient to cover commitments to policyholders.

## LAT (performed on €188bn, or 86% of technical reserves in France)



**A > B → Technical reserves are adequate and deferred participation asset is recoverable, according to the internal model**



**Net deferred participation asset of €1.5bn recognised in the balance sheet**

# IFRS and French GAAP Impairment Rules

	Equities		Bonds	
	IFRS (equities classified as AFS)	French GAAP	IFRS	French GAAP
<b>When to record an impairment provision</b>	Unrealised losses: - Over more than 6 months <b>OR</b> - > 20%	Unrealised losses: - Over more than 6 months <b>AND</b> - > 20%	Issuer experiencing financial difficulties. Note: a decline in fair value below cost in a context of higher risk-free interest rates is not an indication of impairment.	
<b>Basis for measuring impairment provision</b>	Fair value	Recoverable amount or fair value	Fair value	Present value of future cash flows (excluding changes in value relating to interest rate fluctuations)
<b>Reversible</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

At 30 June 2008, differences between IFRS and French GAAP led to the recognition of:

- An impairment provision of €811 million under IFRS
- An impairment provision of €141 million under French GAAP

The impairment rules applied at 30 June 2008 are identical to those applied at 31 December 2007.

# Bond Ratings

Rating	Fair value of bonds in the portfolio	%
AAA	83,085.2	46.9%
AA	51,376.1	29.0%
A	33,274.2	18.8%
BBB	4,825.4	2.7%
< BBB	4,331.9	2.4%
NR	344.9	0.2%
<b>TOTAL</b>	<b>177,237.7</b>	<b>100.0%</b>

As of 30 June 2008, the Group's bond portfolio was 94.6% invested in bonds rated A to AAA by the leading rating agencies, including more than 46% rated AAA.

Note:

- The above analysis differs from the analysis (excluding foreign subsidiaries) prepared by the Investment department based on the face value of the bonds. The data above concerns the entire Group and is based on the bonds' fair values. The table is not best suited for analysing credit risk, which is more effectively assessed based on face values, because using fair value in a context of rising interest rates results in lower values for long-term assets with very good ratings.
- The ratings of the bond portfolios of subsidiaries in Brazil and Argentina are determined based on a table of international equivalents.

# Fair Value Measurement Methods

30 June 2008			
<i>In € millions</i>	Instruments traded on a regulated market: valued at the last quoted price <sup>1</sup>	Structured instruments: valued at the latest price communicated by the arranger	Total
Trading	61 544,7	7 252,7	<b>68 797,4</b>
<i>Changes in fair value through profit<sup>2</sup></i>	-203,7	-78,3	<b>-282,0</b>
AFS	172 668,2	6 298,4	<b>178 966,6</b>
<i>Changes in fair value through equity<sup>2</sup></i>	-906,5	-17,7	<b>-924,2</b>
Total	234 212,9	13 551,1	<b>247 764,0</b>
<i>Total</i>	-1 110,2	-96,0	<b>-1,206.2</b>

(1) Including derivatives, with swaps valued according to standard market practice.

(2) Net of deferred participation and deferred taxes.