OFFERING CIRCULAR DATED 9 MARCH 2005

CNP ASSURANCES

€25,000,000

UNDATED JUNIOR SUBORDINATED FIXED TO FLOATING RATE NOTES

Issue Price: 100.00 per cent.

The €25,000,000 Undated Junior Subordinated Fixed to Floating Rate Notes (the **Notes**) of CNP Assurances (the **Issuer**) will be issued outside the Republic of France on 11 March 2005.

Each Note will bear interest on its then Principal Amount at a fixed rate of 6.25 per cent. per annum from (and including) 11 March 2005 (the **Issue Date**) to (but excluding) 11 March 2009 (the **Fixed Rate Period**), payable annually in arrear on 11 March in each year and thereafter (the **Floating Rate Period**) at a Floating Rate per annum payable annually in arrear on or about 11 March in each year, commencing on or about 11 March 2010, as set out in "Terms and Conditions of the Notes — Interest".

The Notes are undated perpetual obligations in respect of which there is no fixed redemption date. The Issuer shall have the right (subject to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on any Interest Payment Date from and including 11 March 2011 as further specified in "Terms and Conditions of the Notes — Redemption and Purchase". In addition, the Issuer may, and in certain circumstances shall, (subject to the prior approval of the Relevant Supervisory Authority) redeem the Notes at any time for taxation reasons or for regulatory reasons, as set out in "Terms and Conditions of the Notes — Redemption and Purchase".

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured and Undated Junior Subordinated Obligations of the Issuer and shall at all times rank without any preference among themselves and equally and rateably with any other existing or future Undated Junior Subordinated Obligations, but behind all present and future Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations, as further described in "Terms and Conditions of the Notes - Status".

Payment of interest on the Notes may or, in certain circumstances, shall be suspended, as set out in "Terms and Conditions of the Notes — Interest — Compulsory Interest and Optional Interest". Any interest not paid on such dates will be lost and will therefore no longer be due and payable by the Issuer. In addition, the principal amount of the Notes shall, in certain circumstances, be reduced to enable the Issuer to continue its activities in accordance with applicable regulations, as set out in "Terms and Conditions of the Notes - Loss Absorption and Return to Financial Health".

Payments in respect of the Notes will be made without deduction for, or on account of, French taxes to the extent set out in "Terms and Conditions of the Notes — Taxation".

Application has been made to list the Notes on the Official Segment of the stock market of Euronext Amsterdam N.V. This Offering Circular constitutes a prospectus for the purposes of the listing and issuing rules (*fondsenreglement*) of Euronext Amsterdam. The Notes will be introduced to listing by way of trading.

The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined herein). The Notes will be issued in bearer form in the denomination of €1,000 each and will at all times, in compliance with Article L.211-4 of the French *Code monétaire et financier*, be represented in book-entry form (*inscription en compte*) in the books of the Account Holders, as set out in "Terms and Conditions of the Notes — Form, Denomination and Title".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

Potential investors should read carefully the section entitled "Investment Considerations" set out below before making a decision to invest in the Notes.

Joint Lead Managers

ABN AMRO

IXIS Corporate & Investment Bank

The Issuer confirms that this Offering Circular contains all information with respect to the Issuer and the Notes which is material in the context of the issue and offering of the Notes; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions or intentions expressed in this Offering Circular by the Issuer are honestly held or made; there are no other facts in relation to the Issuer the omission of which would, in the context of the issue and the offering of the Notes, make any statement in this Offering Circular misleading in any material respect; and all reasonable enquiries have been made to ascertain and verify the foregoing. The Issuer accepts responsibility for the information contained in this document accordingly.

In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved. The contents of this Offering Circular are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. Potential investors should read carefully the section entitled "Investment Considerations" set out below before making a decision to invest in the Notes.

This Offering Circular does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions, including the United States, the United Kingdom, France and Italy, may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Offering Circular, see "Subscription and Sale" below.

This Offering Circular may only be used for the purpose for which is has been published.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. The delivery of this Offering Circular at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the ***Securities Act****) and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (****Regulation S****)).*

In this Offering Circular, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.

In connection with this issue ABN AMRO Bank N.V. (the Stabilisation Agent) or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilisation Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period (not exceeding 30 days after the Issue Date). Any such stabilisation transactions will be carried out in compliance with all applicable law and regulations, including those of Euronext Amsterdam N.V. and article 32 of the "Further regulation on the supervision of the securities trade 2002" (**Nadere regeling gedragstoezicht 2002*****).***

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INCORPORATION BY REFERENCE

The Issuer's annual report relating to its financial years ending on 31 December 2001, 2002 and 2003 and the Issuer's semi-annual report for the six-month period ended 30 June 2004 and the Issuer's articles of association (*statuts*) are incorporated by reference herein.

Copies of these documents are available without charge on request at the principal office of CNP Assurances or of the paying agents (Euro Emetteurs Finance and ABN AMRO Bank N.V.).

INVESTMENT CONSIDERATIONS

The following is a summary of certain aspects of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Offering Circular, including in particular the following investment considerations detailed below. This summary is not intended to be exhaustive and prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Offering Circular. Terms defined in the terms and conditions shall have the same meaning where used below.

The Notes are Junior Subordinated Notes

The Issuer's obligations under the Notes are junior subordinated obligations of the Issuer which are the most junior debt instruments of the Issuer, subordinated to and ranking behind the claims of all other unsubordinated and ordinary subordinated creditors of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of *titres participatifs* issued by the Issuer. The Issuer's obligations under the Notes rank in priority only to any class of share capital or any other equity securities of the Issuer.

Undated Securities

The Notes are undated securities with no fixed maturity date. The Issuer is under no obligation to redeem the Notes at any time, except for certain taxation reasons or if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.

Restrictions on Payment

Interest

For so long as the compulsory interest provisions do not apply, the Issuer may elect, and in certain circumstances shall be required, not to pay interest falling due on the Notes on any Optional Interest Payment Date, with a view in particular to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. Any interest not so paid on any such Optional Interest Payment Date shall be lost and shall therefore no longer be due and payable by the Issuer.

Principal

As further specified under Condition 5 (Loss Absorption and Return to Financial Health) below:

(i) the Original Principal Amount or then Principal Amount of the Notes may be reduced, as required, on one or more occasions following a Solvency Event; and

(ii) following any such reductions, the then Principal Amount of the Notes may be increased, as required, on one or more occasions following a Return to Financial Health.

In the event of the occurrence of a Solvency Event, the management board (*Directoire*) of the Issuer undertakes to convene an extraordinary shareholders' meeting during the 3 month period immediately following the occurrence of the Solvency Event to propose to its shareholders a share capital increase or any other measure to remedy such Solvency Event. If no satisfactory measure is taken in order to fully cure the Solvency Event, a Loss Absorption will be implemented by a partial or full reduction of the then Principal Amount, all as further specified in Condition 5(a).

No Limitation on Issuing or Guaranteeing Debt

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank senior in priority of payment to the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including reduction of the then Principal Amount of the Notes, loss of interest and, if the Issuer were liquidated (whether voluntarily or involuntarily), loss by Noteholders of their entire investment.

Redemption Risk

The Notes are undated securities with no specified maturity date. Nevertheless, the Notes may be redeemed in whole (but not in part), at the option of the Issuer, (i) on 11 March 2011 and on any Interest Payment Date thereafter or (ii) at any time for certain tax or regulatory reasons.

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

No prior market for the Notes

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market. There is no obligation to make a market in the Notes. Application has been made to list the Notes on the Official Segment of Euronext Amsterdam N.V.

No legal and tax advice

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

The following summary refers to certain provisions of the Terms and Conditions of the Notes and is qualified by the more detailed information contained elsewhere in this Offering Circular. Defined terms used herein have the meaning given to them in "Terms and Conditions of the Notes".

Issuer:	CNP Assurances
Description:	Undated Junior Subordinated Fixed to Floating Rate Notes
Aggregate Principal Amount:	€25,000,000 Undated Junior Subordinated Fixed to Floating Rate Notes (the **Notes**), with an initial principal amount of €1,000 per Note (the **Original Principal Amount**). The Principal Amount of the Notes may be reduced under certain circumstances as described below (see "Loss Absorption" below). For the purposes of this summary, **Principal Amount** means the principal amount of each Note at any time taking into account any reduction or increase in accordance with the Loss Absorption or Reinstatement provisions as described below (see "Loss Absorption" and "Return to Financial Health" below).
Issue Price:	100.00% of the Original Principal Amount.
Maturity:	The Notes are undated perpetual obligations and have no fixed maturity date, but may be called at the option of the Issuer under certain circumstances as described below (see "Early Redemption" below).
Status of the Notes:	The Notes are Undated Junior Subordinated Notes issued pursuant to the provisions of article L.228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured and Undated Junior Subordinated Obligations and rank and shall at all times rank without any preference among themselves and equally and rateably with any other existing or future Undated Junior Subordinated Obligations, but behind all present and future Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs*

issued by, the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations.

The Notes shall rank in priority to any class of share capital or any other equity securities issued by the Issuer.

Negative Pledge: None.

Interest: Each Note will bear interest on its then Principal Amount at a fixed rate of 6.25 per cent. per annum (the Fixed Rate) from (and including) 11 March 2005 (the **Issue Date**) to (but excluding) 11 March 2009 (the **Fixed Rate Period**), payable annually in arrear on 11 March in each year, commencing on 11 March 2006 (each a **Fixed Rate Payment Date**).

Thereafter (the **Floating Rate Period**), each Note will bear interest at a Floating Rate (as defined in Condition 4(c)) per annum payable annually in arrear on or about 11 March in each year, commencing on or about 11 March 2010 (each a **Floating Rate Payment Date** and together with the Fixed Rate Payment Dates, an **Interest Payment Date**).

Payment of interest on the Notes on any Interest Payment Date will only be compulsory on each Compulsory Interest Payment Date. On any other Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect not to pay interest in respect of the Notes accrued to that date. ***Any interest not paid on such dates will be lost and will therefore no longer be due and payable by the Issuer.***

On any Optional Interest Payment Date, following the occurrence of a Solvency Event, interest shall be suspended and shall not accrue during the period commencing on the occurrence of the Solvency Event and ending on the date of the End of Solvency Event and for the avoidance of doubt, the Issuer shall have no obligation to pay interest in respect of such period, subject to the occurrence of a Compulsory Interest Payment Date.

Interest payable on Compulsory Interest Payment Date or Optional Interest Payment Date will always be calculated on the basis of the then current Principal Amount.

Applicable Regulations means at any time the solvency margin or capital adequacy regulations applicable to the Issuer and/or the Group then in effect in France and applicable to the Issuer and/or the Group.

Compulsory Interest Payment Date means each Interest Payment Date prior to which:

(a) in the absence of a Solvency Event, at any time during a period of one year prior to such Interest Payment Date, or

(b) upon the occurrence of a Solvency Event and for so long as a Solvency Event is continuing, at any time between the date of the first occurrence of that Solvency Event and the relevant Interest Payment Date,

any of the following events has occurred:

(i) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any class of shares (whether represented by ordinary shares or preference shares);

(ii) the Issuer has made a payment on any other Undated Junior Subordinated Obligations unless such payment was a compulsory interest payment under the terms of any such other Undated Junior Subordinated Obligations issued by the Issuer;

(iii) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares), by any means (except shares repurchased by the Issuer (a) in the context of its own buy-back programme (*programme de rachat d'actions*) in accordance with the French *Code de commerce,* the *Règlement Général* of the *Autorité des marchés financiers* and EU Regulation No.2273/2003 dated 22 December 2003, (b) under any equity derivative hedge structure or transaction, (c) under any hedging of stock options programme or, (d) any other compensation benefit programme));

(iv) the Issuer has redeemed, repurchased or otherwise acquired any Undated Junior Subordinated Obligations in accordance with their terms.

	Solvency Event means that the solvency margin level applicable to the Issuer or the consolidated solvency margin applicable to the Group has fallen below 100 per cent. of the minimum solvency margin level required by the Applicable Regulations.
	Group means the Issuer and its consolidated subsidiaries taken as a whole.
Taxation	The Notes being denominated in Euro and therefore deemed to be issued outside the Republic of France, interest and other revenues in respect of the Notes benefit under present law from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from deduction of tax at source.
Additional Amounts:	If at any time the Issuer is required to withhold any taxes, duties or other governmental charges with respect to any payment of principal or interest on the Notes imposed or levied by any authority in France, the Issuer will be required to pay such amounts as shall be required so that the net amount received by the Noteholders on the Notes after the withholding of any such taxes, duties or charges will not be less than the gross amount of interest or principal then otherwise due and payable.
Loss Absorption:	In the event of the occurrence of a Solvency Event, the management board (*Directoire*) of the Issuer undertakes to convene an extraordinary shareholders' meeting during the 3 months immediately following the occurrence of the Solvency Event to propose to its shareholders a share capital increase or any other measure to remedy such Solvency Event.
	If then,
	the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Solvency Event, or the amount of the losses has not been totally set off against the increase of the shareholders' funds (*capitaux propres*) of the Issuer or, in any event, if the Solvency Event remains on the last day of the financial half year during which the extraordinary shareholders' meeting was held, following the implementation of the measures adopted by the

management board (*Directoire*) of the Issuer or the extraordinary shareholders' meeting (as the case may be and as described above),

the management board (*Directoire*) of the Issuer will implement, within 10 days following the last day of the relevant financial half year, a reduction of the then Principal Amount of the Notes (**Loss Absorption**) to off-set its losses and thereafter, to enable it to continue its business. A Loss Absorption will be implemented by a partial or full reduction of the then Principal Amount.

The amount by which the then Principal Amount as aforesaid is reduced to enable the Issuer to continue its business without weakening its financial structure will be the lower of (i) the amount of losses not set off against a share capital increase implemented as provided above and (ii) the amount of the then Principal Amount immediately prior to such reduction.

Any such reduction shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Undated Junior Subordinated Notes, such reduction will be applied on a pro-rata basis among them.

The Principal Amount of the Notes pursuant to the above provision may be reduced on one or more occasions, as required.

Notwithstanding any other provision, the Principal Amount of each Note shall never be reduced to an amount lower than one cent.

Reinstatement:

If following a Loss Absorption, a positive Consolidated Net Income is recorded by the Issuer for at least two consecutive financial years following the End of Solvency Event (a **Return to Financial Health**), the Issuer shall increase the then Principal Amount of the Notes up to such maximum amount (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount) (a **Reinstatement**) to the extent that any such Reinstatement does not trigger the occurrence of a Solvency Event.

Such Reinstatement shall be made on one or more occasions in the conditions described above until the then Principal Amount of the Notes has been reinstated to the Original Principal Amount as from the Return to Financial Health (save in the event of occurrence of another Solvency Event).

Any such Reinstatement shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Undated Junior Subordinated Notes, which may also benefit from a reinstatement in accordance with their terms, such Reinstatement will be applied on a *pro-rata* basis with other reinstatements made on such other Undated Junior Subordinated Notes.

However, in any event, whether or not a Return to Financial Health has occurred, the Issuer shall increase the then Principal Amount of the Notes up to the Original Principal Amount of the Notes if any of the events referred to in paragraphs (i) to (iv) of the definition of Compulsory Interest Payment Date occur.

The amount of the Reinstatement will not exceed the amount of the latest Consolidated Net Income of the Issuer.

Consolidated Net Income means the consolidated net income (excluding minority interests) (***Résultat Net Part du Groupe***) of the Issuer as calculated in the consolidated accounts approved by the Issuer's shareholders' general meeting.

End of Solvency Event means that, following a Solvency Event, the solvency margin level applicable to the Issuer or the consolidated solvency margin applicable to the Group, calculated in accordance with the Applicable Regulations, complies with 100 per cent. of the minimum solvency margin level required by the Applicable Regulations.

Early Redemption:

(1) The Notes are undated perpetual obligations in respect of which there is no fixed maturity date. However, the Notes may be redeemed (in whole but not in part) on 11 March 2011 (the **First Call Date**) and on any Interest Payment Date thereafter, at the option of the Issuer.

(2) If at any time, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to

pay Additional Amounts, the Issuer may, on any Interest Payment Date, redeem all, but not some only of the Notes.

(3) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts, then the Issuer shall, all, but not some only, of the Notes.

(4) If on the occasion of the next payment due under the Notes, interest payable thereunder is not tax-deductible by the Issuer in France, the Issuer has the option to redeem all, but not some only, of the Notes.

(5) In addition, the Issuer will have the possibility to redeem (even prior to the First Call Date) all, but not some only, of the Notes upon the occurrence of a Regulatory Event.

Any early redemption in accordance with the foregoing provisions will be subject to the prior consent of the Relevant Supervisory Authority and will be made at a price equal to the Original Principal Amount of the Notes plus any accrued but unpaid interest thereon, as the case may be, any corresponding Additional Amount and any other amounts due by the Issuer in respect thereof.

Regulatory Event means that:

(i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal the Notes cease to be eligible for the purposes of calculating the solvency margin of the Issuer and/or the Group; or

(ii) the Notes are not, or were but cease to be eligible for inclusion in the Tier 1 Capital or core capital for the purpose of the determination of the solvency margin or capital adequacy ratio of the Issuer and/or the Group under Future Tier One Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal.

Future Tier One Regulations means the solvency margin or capital adequacy regulations which may

	in the future be introduced into France (or if the Issuer and/or the Group becomes domiciled in a jurisdiction other than France, such other jurisdiction) and applicable to the Issuer and/or the Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion in Tier 1 capital or core capital as opposed to Tier 2 capital or secondary capital (whatever the terminology that may be retained). **Relevant Supervisory Authority** means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required by Applicable Regulations to comply on a consolidated basis with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance (CCAMIP).
Events of Default:	There will be no events of default in respect of the Notes, except in case of liquidation of the Issuer.
Representation of Noteholders:	The Noteholders will be grouped automatically for the defense of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* and by French *décret* no. 67-236 of 23 March 1967 subject to certain exceptions and provisions (the **Masse**). The Masse will be a separate legal entity, and will be acting in part through one representative (the **Representative**) and in part through a general assembly of the Noteholders.
Listing:	Application has been made to list the Notes on the Official Segment of the stock market of Euronext Amsterdam N.V.
Clearing Systems	The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear.
Governing Law:	French law.

TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the €25,000,000 Undated Junior Subordinated Fixed to Floating Rate Notes (the **Notes**) by CNP Assurances (the **Issuer**) have been authorised pursuant to a resolution of the *Directoire* of the Issuer adopted on 1 September 2004 and a decision of Gilles Benoist, the Chairman of the *Directoire* of the Issuer dated 7 March 2005. The Notes are issued with the benefit of an agency agreement dated 11 March 2005 (the **Agency Agreement**) entered into between the Issuer, Euro Emetteurs Finance, as fiscal agent, principal paying agent and agent bank and ABN AMRO Bank N.V. as paying agent. The fiscal agent, principal paying agent and agent bank and the paying agent for the time being are referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Agent Bank** and the **Paying Agents** (which expression shall include the Principal Paying Agent), respectively. Each of such expressions shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Holders of the Notes (the **Noteholders**) are deemed to have notice of the provisions of the Agency Agreement applicable to them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which are available for inspection during usual business hours at the specified offices of the Paying Agents. References below to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. Definitions

For the purposes of these Conditions:

Account Holder means any authorised financial intermediary institution entitled to hold accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V., as operator of the Euroclear System (**Euroclear**) and the depositary banks for Clearstream Banking, *société anonyme* (**Clearstream**).

Applicable Regulations means at any time the solvency margin or capital adequacy regulations applicable to the Issuer and/or the Group then in effect in France and applicable to the Issuer and/or the Group.

Business Day means any day (other than a Saturday or a Sunday) which is a TARGET Settlement Day;

Compulsory Interest Payment Date means each Interest Payment Date prior to which:

(a) in the absence of a Solvency Event, at any time during a period of one year prior to such Interest Payment Date, or

(b) upon the occurrence of a Solvency Event and for so long as a Solvency Event is continuing, at any time between the date of the first occurrence of that Solvency Event and the relevant Interest Payment Date,

any of the following events has occurred:

(i) the Issuer has declared or paid a dividend in any form, or made a payment of any nature, on any class of shares (whether represented by ordinary shares or preference shares);

(ii) the Issuer has made a payment on any other Undated Junior Subordinated Obligations unless such payment was a compulsory interest payment under the terms of any such other Undated Junior Subordinated Obligations issued by the Issuer;

(iii) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares), by any means (except shares repurchased by the Issuer (a) in the context of its own buy-back programme (*programme de rachat d'actions*) in accordance with the French *Code de commerce*, the *Règlement Général* of the *Autorité des marchés financiers* and EU Regulation No. 2273/2003 dated 22 December 2003, (b) under any equity derivative hedge structure or transaction, (c) under any hedging of stock options programme or, (d) any other compensation benefit programme);

(iv) the Issuer has redeemed, repurchased or otherwise acquired any Undated Junior Subordinated Obligations in accordance with their terms.

Consolidated Net Income means the consolidated net income (excluding minority interests) (***Résultat Net Part du Groupe***) of the Issuer as calculated in the consolidated accounts approved by the Issuer's shareholders' general meeting.

Dated Junior Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured, dated and junior subordinated obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Dated Junior Subordinated Obligations of the Issuer, but in priority to Undated Junior Subordinated Obligations of the Issuer but behind *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations.

End of Solvency Event means that, following a Solvency Event, the solvency margin level applicable to the Issuer or the consolidated solvency margin applicable to the Group, calculated in accordance with the Applicable Regulations, complies with 100 per cent. of the minimum solvency margin level required by the Applicable Regulations.

Future Tier One Regulations means the solvency margin or capital adequacy regulations which may in the future be introduced into France (or if the Issuer and/or the Group becomes domiciled in a jurisdiction other than France, such other jurisdiction) and applicable to the Issuer and/or the Group, which would lay down the requirements to be fulfilled by financial instruments for inclusion in Tier 1 capital or core capital as opposed to Tier 2 capital or secondary capital (whatever the terminology that may be retained).

Issue Date means 11 March 2005.

Group means the Issuer and its consolidated subsidiaries taken as a whole.

Obligations means any payment obligation expressed to be assumed by or imposed on, the Issuer under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law.

Ordinary Subordinated Obligations means any Obligations (including any bonds or notes) which constitute direct, unsecured and subordinated obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Ordinary Subordinated Obligations of the Issuer, but in priority to Undated Junior Subordinated Obligations of, Dated Junior Subordinated Obligations of, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, but behind Unsubordinated Obligations of the Issuer.

Original Principal Amount means the principal value of each Note on the Issue Date (i.e. €1,000), not taking into account any Loss Absorption or Reinstatement (as described in Condition 5 below).

Principal Amount means at any time the principal amount of each Note at any time taking into account any reduction or increase in accordance with the Loss Absorption or Reinstatement provisions (as described in Condition 5 below).

Reference Banks means the principal Euro-zone office of five (5) major banks in the Euro-zone interbank market selected by the Agent Bank after prior consultation with the Issuer.

Reference Rate means the rate, expressed as a rate per annum, equal to EUR CMS10. (10 year mid swap rate in EUR (annual 30/360) versus EURIBOR 6 month (semi-annual, ACT/360)) minus EUR CMS2. (2 year mid swap rate in EUR (annual 30/360) versus EURIBOR 6 month (semi-annual, ACT/360)) times 4 ((EUR CMS10 – EUR CMS2 * 4) which appears at or about 11.00 a.m. (Frankfurt time) on the Relevant Screen Page.

Regulatory Event means that:

(i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal the Notes cease to be eligible for the purposes of calculating the solvency margin of the Issuer and/or the Group; or

(ii) the Notes are not, or were but cease to be, eligible for inclusion in the Tier 1 Capital or core capital for the purpose of the determination of the consolidated solvency margin or capital adequacy ratio of the Issuer and/or the Group under Future Tier One Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal.

Relevant Screen Page means Page "ISDAFIX2" on Reuters under the heading "EURIBOR BASIS". (or such other page or service as may replace it for the purpose of displaying such Euribor based rates).

Relevant Supervisory Authority means any relevant regulator having jurisdiction over the Issuer and/or the Group, in the event that the Issuer and/or the Group is required by Applicable Regulations to comply on a consolidated basis with certain applicable minimum solvency margins or capital adequacy levels. The current Relevant Supervisory Authority is the *Commission de Contrôle des Assurances, des Mutuelles et des Institutions de Prévoyance* (CCAMIP).

Solvency Event means that the solvency margin level applicable to the Issuer or the consolidated solvency margin applicable to the Group has fallen below 100 per cent. of the minimum solvency margin level required by the Applicable Regulations.

TARGET Settlement Day means any day on which the TARGET System is operating.

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

Undated Junior Subordinated Notes means all and any bonds or notes of the Issuer which constitute direct, unsecured, undated and junior subordinated obligations (*titres subordonnés de dernier rang*) of the Issuer, including bonds or notes which subordination provisions are governed by the provisions of Article L.228-97 of the French *Code de commerce*, as amended in particular by law no. 2003-706 on financial security dated 1 August 2003 and which shall at all times rank without any preference among themselves and equally and rateably with any other existing or future Undated Junior Subordinated Obligations, but behind all present and future Dated Junior Subordinated Obligations of, *prêts participatifs* granted to, and *titres participatifs* issued by the Issuer, and to Ordinary Subordinated Obligations of, and Unsubordinated Obligations of the Issuer.

Undated Junior Subordinated Obligations means any undated junior subordinated notes (including the Notes) or other junior subordinated Obligations of the Issuer which rank, or are expressed to rank, equally and rateably with the Notes.

Unsubordinated Obligations means any Obligations (including any bonds or notes) which constitute direct and unsubordinated Obligations of the Issuer and which rank and will at all times rank equally and rateably with any other existing or future Unsubordinated Obligations of the Issuer, but in priority to Undated Junior Subordinated Obligations of, Dated Junior Subordinated Obligations of, *prêts participatifs* granted to, and *titres participatifs* issued by, and Ordinary Subordinated Obligations of the Issuer.

2. Form, Denomination and Title

The Notes are issued in bearer form in the denomination of €1,000 each and will at all times, in compliance with Article L.211-4 of the French *Code monétaire et financier*, be represented in book-entry form (*inscription en compte*) in the books of the Account Holders. No physical documents of title (including *certificats représentatifs* pursuant to Article 7 of *décret* no. 83-359 of 2 May 1983) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

3. Status

The Notes are Undated Junior Subordinated Notes issued pursuant to the provisions of article L.228-97 of the French *Code de commerce*, as amended by law no. 2003-706 on financial security dated 1 August 2003.

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured and Undated Junior Subordinated Obligations of the Issuer and rank and shall at all times rank without any preference among themselves and equally and rateably with any other existing or future Undated Junior Subordinated Obligations, but behind all present and future Dated Junior Subordinated Obligations, *prêts participatifs* granted to, and *titres participatifs* issued by, the Issuer, Ordinary Subordinated Obligations and Unsubordinated Obligations.

The Notes shall rank in priority to any class of share capital or any other equity securities issued by the Issuer.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of *redressement judiciaire*, the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason, the rights of payment of the Noteholders in respect of principal, interest and other amounts will be calculated on the basis of the Original Principal Amount of the Notes together with accrued interest and to the extent that all other creditors of the Issuer (including insurance companies and entities referred to in article R.322-132 of the French *Code des Assurances* reinsured by the Issuer and holders of insurance policies issued by such entities, creditors with respect to Dated Junior Subordinated Obligations, lenders in relation to *prêts participatifs* granted to, and holders of *titres participatifs* issued by, the Issuer, creditors with respect to Ordinary Subordinated Obligations and Unsubordinated Obligations) ranking in priority to the Noteholders have been or will be fully reimbursed,. The rights of the Noteholders in the event of the liquidation of the Issuer for any other reason than judicial liquidation (*liquidation judiciaire*) will be calculated on the basis of the Original Principal Amount of the Notes together with accrued interest and any other outstanding payments under the Notes.

In the event of incomplete payment of creditors ranking senior to holders of Undated Junior Subordinated Notes (in the context of voluntary or judicial liquidation of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer) the obligations of the Issuer in connection with the Undated Junior Subordinated Notes and relative interest will be terminated.

Pursuant to article L.327-2 of the French Code des Assurances, a lien (**privilège*****) over the movable assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to amounts due under the Notes.***

4. **Interest**

(a) ***Interest Payment Dates***

Each Note will bear interest on its then Principal Amount at a fixed rate of 6.25 per cent. per annum (the Fixed Rate) from (and including) 11 March 2005 (the **Issue Date**) to (but excluding) 11 March 2009 (the **Fixed Rate Period**), payable annually in arrear on 11 March in each year, commencing on 11 March 2006 (each a **Fixed Rate Payment Date**). The period from (and including) the Issue Date to but excluding the next succeeding Fixed Rate Payment Date and each successive period from and including a Fixed Rate Payment Date to but excluding the next succeeding Fixed Rate Payment Date is called a **Fixed Rate Interest Period**.

If interest is required to be calculated for a period within the Fixed Rate Period of less than one year, it will be calculated on the basis of the actual number of days elapsed in the relevant period from and including the date from which interest begins to accrue to, but excluding, the date on which it falls due, divided by the actual number of days in the Fixed Rate Interest Period in which the relevant period falls (including the first such day but excluding the last) and rounding the resultant figure to the nearest €0.01 (0.005 being rounded upwards).

Thereafter (the **Floating Rate Period**), each Note will bear interest at a Floating Rate (the **Floating Rate**, together with the Fixed Rate, the **Interest Rate**) per annum payable annually in arrear on or about 11 March in each year, commencing on or about 11 March 2010 (each a **Floating Rate Payment Date** and together with the Fixed Rate Payment Dates, an **Interest Payment Date**). If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below) it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. The period from (and including) 11 March 2009 to but excluding the next succeeding Floating Rate Payment Date and each successive period from and including a Floating Rate Payment Date to but excluding the next succeeding Floating Rate Payment Date is called a **Floating Rate Interest Period**.

(b) ***Interest Accrual***

Each Note will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Note is improperly withheld or refused on such date or unless payment is not received for any other reasons. In such event it shall continue to bear interest at the applicable Rate of Interest until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day after the Fiscal Agent has notified the Noteholders of receipt of all sums due in respect of all the Notes up to that day (except to the extent that there is failure in the subsequent payment to the relevant Noteholder under these Conditions).

(c) ***Floating Rate***

The Floating Rate for each Floating Rate Interest Period will be determined on the basis of the following provisions:

(i) On each **Interest Determination Date**, namely the second Business Day before the commencement of the Floating Rate Interest Period for which the rate will apply, the Agent Bank will determine the Reference Rate (as defined above) as at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question.

The Floating Rate for the following Floating Rate Interest Period shall be the Reference Rate provided that (i) if the Floating Rate so determined is greater than 9.00 per cent., it shall be deemed to be 9.00 per cent. and (ii) if the Floating Rate so determined is lower than 2.75 per cent., it shall be deemed to be 2.75 per cent.

(ii) In the event that the Reference Rate does not appear on the Relevant Screen Page, the Agent Bank shall determine on the relevant Interest Determination Date the applicable rate based on quotations of five Reference Banks (to be selected by the Agent Bank and the Issuer) for the EUR CMS10 and/or the EUR CMS2 (in each case the relevant mid-market annual swap rate commencing 2 TARGET Business Days following the relevant Interest Determination Date). The highest and lowest (or, in the event of equality, one of the highest and/or lowest) quotations so determined shall be disregarded by the Agent Bank for the purpose of determining the Reference Rate which will be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such provided quotations.

(iii) If, for any reason, the Reference Rate is no longer published or if fewer than three quotations are provided to the Agent Bank in accordance with the above paragraph, the Reference Rate will be determined by the Agent Bank in its sole discretion, acting in good faith and in a commercial and reasonable manner.

(d) ***Determination of Floating Rate and Interest Amount with respect to the Floating Rate Interest Period***

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date determine the Floating Rate and amount of interest (each an **Interest Amount**) payable in respect of the denomination of the Notes for the relevant Floating Rate Interest Period.

The Interest Amount shall be determined by applying the Floating Rate to such denomination multiplying the sum by the actual number of days in the Floating Rate Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(e) ***Publication of Floating Rate and Interest Amount with respect to the Floating Rate Interest Period***

The Agent Bank shall cause the Floating Rate and the Interest Amount for each Floating Rate Interest Period and the relevant Interest Payment Date to be notified (a) to the Issuer, the Fiscal Agent (if different from the Agent Bank) and each other Paying Agent (if any) and to any stock exchange on which the Notes are at the relevant time listed not later than 3.00 p.m. (Brussels time) on the Interest Determination Date and (b) to the Noteholders in accordance with Condition 11 as soon as possible after their determination but in no event later than the second Business Day thereafter. The Interest Amount and Interest Payment Date so published may subsequently be amended by the Agent Bank (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(f) ***Notifications, etc. to be final***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them) or the Agent Bank, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Fiscal Agent, the Paying Agents and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(g) ***Agent Bank***

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Agent Bank and appoint a substitute Agent Bank provided that so long as any of the Notes remain outstanding there shall at all times be an Agent Bank for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Floating Rate and the Interest Amount for any Floating Rate Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Amsterdam interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed. The Agent Bank shall act as an independent expert and not as agent for the Issuer or the Noteholders.

(h) ***Compulsory Interest and Optional Interest***

Payment of interest on the Notes on any Interest Payment Date will only be compulsory on each Compulsory Interest Payment Date. On any other Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect not to pay interest in respect of the Notes accrued to that date with a view in particular to allowing the Issuer to ensure the continuity of its activities without weakening its financial structure. ***Any interest not paid on such dates will be lost and will therefore no longer be due and payable by the Issuer.***

On any Optional Interest Payment Date, following the occurrence of a Solvency Event, interest shall be suspended and shall not accrue during the period commencing on the occurrence of the Solvency Event and ending on the date of the End of Solvency Event and for the avoidance of doubt, the Issuer shall have no obligation to pay interest in respect of such period, subject to the occurrence of a Compulsory Interest Payment Date.

Interest payable on Compulsory Interest Payment Date or Optional Interest Payment Date will always be calculated on the basis of the then current Principal Amount.

The suspension of payment and accrual of interest in accordance with this Condition 4(h) shall be notified by the Issuer to the Noteholders in accordance with Condition 11 and to Euronext Amsterdam N.V. so long as the rules of such stock exchange so require not later than seven (7) Business Days prior to the relevant Interest Payment Date.

5. Loss Absorption and Return to Financial Health

(a) *Loss Absorption*

In the event of the occurrence of a Solvency Event, the management board (*Directoire*) of the Issuer undertakes to convene an extraordinary shareholders' meeting during the 3 months immediately following the occurrence of the Solvency Event to propose to its shareholders a share capital increase or any other measure to remedy such Solvency Event.

If then,

the share capital increase or any other proposed measures are not accepted by the extraordinary shareholders' meeting of the Issuer, or if the share capital increase adopted by such extraordinary shareholders' meeting is insufficiently subscribed to remedy the Solvency Event, or the amount of the losses has not been totally set off against the increase of the shareholders' funds (*capitaux propres*) of the Issuer or, in any event, if the Solvency Event remains on the last day of the financial half year during which the extraordinary shareholders' meeting was held, following the implementation of the measures adopted by the management board (*Directoire*) of the Issuer or the extraordinary shareholders' meeting (as the case may be and as described above),

the management board (*Directoire*) of the Issuer will implement, within 10 days following the last day of the relevant financial half year, a reduction of the then Principal Amount of the Notes (**Loss Absorption**) to off-set its losses and thereafter, to enable it to continue its business. A Loss Absorption will be implemented by a partial or full reduction of the then Principal Amount.

The amount by which the then Principal Amount as aforesaid is reduced to enable the Issuer to continue its business without weakening its financial structure will be the lower of (i) the amount of losses not set off against a share capital increase implemented as provided above and (ii) the amount of the then Principal Amount immediately prior to such reduction.

Any such reduction shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Undated Junior Subordinated Notes, such reduction will be applied on a pro-rata basis among them.

The Principal Amount of the Notes pursuant to the above provision may be reduced on one or more occasions, as required.

Notwithstanding any other provision, the Principal Amount of each Note shall never be reduced to an amount lower than one cent.

(b) *Reinstatement:*

If following a Loss Absorption, a positive Consolidated Net Income is recorded by the Issuer for at least two consecutive financial years following the End of Solvency Event (a **Return to Financial Health**), the Issuer shall increase the then Principal Amount of the Notes up to such maximum amount (either up to the Original Principal Amount or up to any other amount lower than the Original Principal Amount) (a **Reinstatement**) to the extent that any such Reinstatement does not trigger the occurrence of a Solvency Event.

Such Reinstatement shall be made on one or more occasions in the conditions described above until the then Principal Amount of the Notes has been reinstated to the Original Principal Amount as from the Return to Financial Health (save in the event of occurrence of another Solvency Event).

Any such Reinstatement shall be applied in respect of each Note equally and, in the event the Issuer has outstanding other Undated Junior Subordinated Notes which may also benefit from a reinstatement in accordance with their terms, such Reinstatement will be applied on a *pro-rata* basis with other reinstatements made on such other Undated Junior Subordinated Notes.

However, in any event, whether or not a Return to Financial Health has occurred, the Issuer shall increase the then Principal Amount of the Notes up to the Original Principal Amount of the Notes if any of the events referred to in paragraphs (i) to (iv) of the definition of Compulsory Interest Payment Date occur.

The amount of a Reinstatement may not exceed the amount of the latest Consolidated Net Income of the Issuer.

(c) ***Notifications***

The occurrence of a Solvency Event, End of Solvency Event or Return to Financial Health shall be notified to the Noteholders in accordance with Condition 11 and to Euronext Amsterdam N.V. so long as the rules of such stock exchange so require not later than 7 Business Days following its occurrence.

Any reduction or increase of the Principal Amount of the Notes shall be notified to the Noteholders in accordance with Condition 11 and to Euronext Amsterdam N.V. so long as the rules of such stock exchange so require not later than 7 Business Days prior to its occurrence.

6. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

(a) ***No Final Maturity***

The Notes are undated Obligations of the Issuer and have no fixed maturity.

(b) ***Redemption for Taxation Reasons***

(1) If at any time, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 8, the Issuer may, on any Interest Payment Date, subject to the prior written consent of the Relevant Supervisory Authority (whose consent the Issuer is required to obtain in accordance with applicable legislation), subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their Original Principal Amount, together with all interest accrued to the date fixed for redemption, provided that the due date for

redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without withholding for French taxes.

(2) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay Additional Amounts as specified under Condition 8 and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 8, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, subject to the prior written consent of the Relevant Supervisory Authority (whose consent the Issuer is required to obtain in accordance with applicable legislation), and upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their Original Principal Amount, together with all interest accrued to the date fixed for redemption on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

(3) If on the occasion of the next payment due under the Notes, interest payable thereunder is not tax-deductible by the Issuer in France, the Issuer may, subject to the prior written consent of the Relevant Supervisory Authority (whose consent the Issuer is required to obtain in accordance with applicable legislation), redeem all, but not some only, of the outstanding Notes at the Original Principal Amount together with all interest accrued to the date fixed for redemption, on the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible in France or, if such date is past, as soon as practicable thereafter.

(4) The Issuer shall give the Fiscal Agent notice of any such redemption not less than 30 nor more than 45 days before the date fixed for redemption and the Fiscal Agent shall promptly thereafter publish a notice of redemption in accordance with Condition 11.

(c) ***Redemption for Regulatory Reasons***

The Issuer will have the possibility to redeem (even prior to the First Call Date as defined in Condition 6(d) below) all, but not some only, of the Notes upon the occurrence of a Regulatory Event, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 11.

Any early redemption in accordance with the foregoing provisions will be subject to the prior consent of the Relevant Supervisory Authority and will be made at a price equal to the Original Principal Amount of the Notes plus any accrued but unpaid interest thereon to the date fixed for redemption and, as the case may be, any Additional Amount and any other amounts due by the Issuer in respect thereof.

(d) ***Redemption at the Option of the Issuer***

The Issuer may, subject to the prior written consent of the Relevant Supervisory Authority (whose consent the Issuer is required to obtain in accordance with applicable legislation), and subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their then Original Principal Amount, together with all interest accrued to the date fixed for redemption on the Interest Payment Date falling on or about 11 March 2011 (the **First Call Date**) or on any Interest Payment Date falling thereafter.

(e) ***Mandatory Redemption***

If any judgement is issued for the judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer has been liquidated for any other reason, then the Notes shall become immediately due and payable as described below.

The rights of the Noteholders in the event of the judicial liquidation (liquidation judiciaire) of the Issuer will be calculated on the basis of the then Principal Amount of the Notes together with accrued interest (if any) and any other outstanding payments under the Notes.

If the Original Principal Amount has been reduced in the context of one or more Loss Absorption(s), the rights of the Noteholders are calculated on the basis of the Original Principal Amount, to the extent that all other creditors of the Issuer (including holders of Unsubordinated Obligations of the Issuer, holders of Ordinary Subordinated Obligations of the Issuer, lenders in relation to *prêts participatifs* granted to the Issuer and holders of titres participatifs issued by the Issuer) have been or will be fully reimbursed, as ascertained by the liquidator.

The rights of the Noteholders in the event of the liquidation of the Issuer for any other reason than judicial liquidation (*liquidation judiciaire*) will be calculated on the basis of the Original Principal Amount of the Notes together with accrued interest and any other outstanding payments under the Notes.

(f) ***Notice of Redemption***

All Notes in respect of which any notice of redemption is given by the Issuer under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.

Such notice of redemption must be given to the Noteholders in accordance with Condition 11 and to Euronext Amsterdam N.V. so long as the rules of such stock exchange so require.

(g) ***Purchase***

The Issuer or any of its affiliated entities may at any time, subject to the prior consent of the Relevant Supervisory Authority (whose consent the Issuer is required to obtain in accordance with applicable legislation), purchase Notes in the open market or otherwise at any price agreed between the Issuer or such affiliated entity and the relevant Noteholder. Such purchase of Notes by the Issuer shall be effected, if it relates to less than 5 per cent. of the Notes, subject to the prior information only of the Relevant Supervisory Authority.

(h) ***Cancellation***

All Notes redeemed or purchased by the Issuer will be cancelled and accordingly may not be re-issued or resold.

7. Payments

(a) ***Method of Payment***

Payments of principal, interest (including, for the avoidance of doubt, Additional Amounts) and other amounts in respect of the Notes will be made in Euro, by credit or transfer to an account denominated in euro (or any other account to which Euro may be credited or transferred) specified by the payee in a country within the TARGET System. Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments made to such Account Holders in favour of Noteholders will be an effective discharge of the Issuer and the Fiscal Agent, as the case may be, in respect of such payment.

None of the Issuer, the Fiscal Agent, the Agent Bank or the Paying Agents shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euro, or any currency conversion or rounding effect in connection with such payment being made in Euro.

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the relevant Paying Agent, the relevant Account Holder or, as the case may be, the person shown in the records of Euroclear France, Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes, but without prejudice to the provisions of Condition 8.

(b) ***Payments on Business Days***

If any due date for payment of principal, interest or other amounts in respect of any Note is not a Business Day, then the holder of such Note shall not be entitled to payment of the amount due until the next following Business Day and will not be entitled to any interest or other sums with respect to such postponed payment.

In this Condition, "**Business Day**" means a day on which Euroclear France is open for business and which is also a day on which the TARGET System is operating.

(c) ***Fiscal Agent, Agent Bank and Paying Agents***

The initial specified offices of the initial Fiscal Agent, Agent Bank and Paying Agent are as follows:

FISCAL AGENT, PRINCIPAL PAYING AGENT AND AGENT BANK
Euro Emetteurs Finance
48, boulevard des Batignolles
75850 Paris Cedex 17
France

PAYING AGENT
ABN AMRO Bank N.V.
Kemelstede 2, 4817 ST Breda
Netherlands

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent, Agent Bank and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent, a Principal Paying Agent and an Agent Bank having a specified office in a major European city and (ii) so long as the Bonds are listed on the Official Segment of the stock market of Euronext Amsterdam N.V. and the rules of such stock exchange so require, a Paying Agent having a specified office in Amsterdam (which may be the Principal Paying Agent). The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 11.

8. Taxation

(a) The Notes being denominated in Euro and therefore deemed to be issued outside the Republic of France for taxation purposes, interest and other revenues in respect of the Notes benefit under present law from the exemption provided for in Article 131 *quater* of the *Code Général des Impôts* (General Tax Code) from deduction of tax at source.

(b) If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Note:

   (i) to a holder (or beneficial owner (*ayant droit*)) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note, or

   (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EEC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts.

9. Prescription

Claims in respect of principal and interest under the Notes will become prescribed ten years (in the case of principal) and five years (in the case of interest) from the due date for payment.

10. Representation of the Noteholders

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the ***Masse***).

In accordance with Article L.228-90 of the *Code de commerce* (French Commercial Code) (the **Code**), the *Masse* will be governed by the provisions of the Code applicable to the *Masse* (with the exception of the provisions of Articles L.228-48, L.228-59 and L.228-65 II thereof) and of French decree No. 67-236 of 23 March 1967, as amended, applicable to the *Masse* (with the exception of the provisions of Articles 218, 222, 224 and 226 thereof), subject to the following provisions:

(a) ***Legal Personality***

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the Code, acting in part through a representative (the **Representative**) and in part through a general assembly of Noteholders.

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

(b) ***Representative***

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

(i) the Issuer, the members of its *Conseil d'Administration* (Board of Directors), its *Directeurs Généraux* (general managers), its statutory auditors, its employees and their ascendants, descendants and spouses;

(ii) companies possessing at least 10 per cent. of the share capital of the Issuer or of which the Issuer possesses at least 10 per cent. of the share capital;

(iii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers, members of their board of directors, management board or supervisory board, their statutory auditors, and their ascendants, descendants and spouses;

(iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

Laurent Garret

C/O ABN AMRO BANK N.V.

250 Bishopsgate

London EC2M 4AA

The alternative representative (the "**Alternative Representative**") shall be:

Jérôme Frizé

C/O ABN AMRO BANK N.V.

250 Bishopsgate

London EC2M 4AA

In the event of death, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by the Alternative Representative. The Alternative Representative shall have the same powers as the Representative.

In the event of death, incompatibility, resignation or revocation of the Alternative Representative, a replacement will be elected by a meeting of the general assembly of the Noteholders.

The Issuer shall not pay any remuneration to the Representative.

All interested parties will at all times have the right to obtain the names and the addresses of the Representative and the Alternative Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

(c) ***Powers of the Representative***

The Representative shall, in the absence of any decision to the contrary of the general assembly of the Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, in order to be valid, must be brought against the Representative or by it.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) ***General Assemblies of Noteholders***

General assemblies of Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the outstanding Original Principal Amount of the Notes may address to the Issuer and the Representative a demand for convocation of the general assembly; if such general assembly has not been convened within two months from such demand, such Noteholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 11 not less than fifteen calendar days prior to the date of the general assembly.

Each Noteholder has the right to participate in meetings of the *Masse* in person or by proxy. Each Note carries the right to one vote.

(e) ***Powers of General Assemblies***

A general assembly is empowered to deliberate on the fixing of the remuneration, dismissal or replacement of the Representative and the Alternative Representative and may also act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

(i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and

(ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase amounts payable by the Noteholders nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares. Any amendment to the Conditions is subject to the prior approval of the Relevant Supervisory Authority (in accordance with article A. 334-3 of the French *Code des Assurances*)

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one quarter of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by the Noteholders attending such meeting or represented thereat.

Decisions of the general assembly must be published in accordance with the provisions set out in Condition 11 not more than 90 calendar days from the date thereof.

(f) ***Information to the Noteholders***

Each Noteholder or representative thereof will have the right, during the fifteen calendar days period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) ***Expenses***

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.

11. Notices

Any notice to the Noteholders shall be validly given by delivery of the relevant notice to Euroclear France, Euroclear and Clearstream, Luxembourg, except that, so long as the Notes are listed on the Official Segment of the stock market of Euronext Amsterdam N.V. and the rules of such stock exchange so require, the relevant notice shall also be published (i) in a leading daily newspaper having general circulation in the Netherlands, which is expected to be the Dutch Financial Daily (*het Financieele Dagblad*) or, if such publication is not practicable, in a leading daily newspaper having general circulation in Europe and (ii) in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects save for the amount and date of the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will be grouped together, for the defence of their common interests, in a single *masse* having legal personality.

13. Governing Law and Jurisdiction

The Notes are governed by the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes are estimated to be approximately €24,537,500 and will be used to strengthen the Issuer's balance sheet with hybrid capital.

DESCRIPTION OF THE ISSUER

GENERAL INFORMATION ON THE ISSUER

1. GENERAL INFORMATION ABOUT CNP ASSURANCES

1.1 Name and Headquarters

CNP Assurances
4 place Raoul-Dautry
75716 Paris cedex 15 France
Registered in Paris under no. 341 737 062
APE business identifier code: 660 A

Meetings of the members of the Supervisory Board and Executive Board are held at the headquarters of the Issuer.

1.2 Legal Form and Governing Law

CNP Assurances is a *société anonyme* (public limited company) with a two-tier management structure (Executive Board and Supervisory Board). It is governed by articles 225-57 to 225-93 of the French Commercial Code and the French Insurance Code.

Its activities are supervised by the French insurance industry regulator CCAMIP.

1.3 Date of Incorporation, Term

The origins of the Company date back to 1850 when Caisses Nationales d'Assurance was founded. CNP Assurances was created in 1959 as a public sector company. It was transformed into a *société anonyme* on 16 July 1992. It has a 99-year term expiring on 15 July 2086.

1.4 Corporate Purpose

The Company's purpose is to write life insurance and bodily injury insurance business and to hold majority interests in insurance companies.

1.5 Financial Year

1 January to 31 December.

1.6 Appropriation of Profit

The Annual General Meeting may decide to appropriate all or part of net profit for the year to any reserve accounts or to distribute all or part of net profit in the form of dividends, based on recommendations made by the Executive Board.

The Annual General Meeting may also decide to offer shareholders the option to receive all or part of the dividend or any interim dividends in the form of shares.

1.7 General Meetings of Shareholders

To be entitled to attend General Meetings in person or be represented by proxy, holders of bearer shares are required to obtain from the bank or broker that manages their share account a certificate stating that their shares have been placed in a blocked account preventing their sale up to the date of the meeting. This certificate must be delivered to the Company at least five days prior to the date of the meeting.

Holders of registered shares will be entitled to attend General Meetings without carrying out any formalities, provided that their shares were recorded in the Company's share register at least five days prior to the date of the meeting.

Shareholders who are unable to attend the meeting in person may give proxy to their spouse or another shareholder or vote by correspondence. Alternatively, they may return the signed form of proxy to the Company without naming a person to represent them. In this case, they will be considered as having given proxy to the Chairman of the meeting who will vote in favour of all resolutions tabled by the Executive Board.

The Executive Board may authorise the teletransmission of forms of proxy or postal voting forms, in which case shareholders will be informed of this option in the notice of meeting. The Executive Board may also authorise shareholders to participate in and vote at General Meetings by videoconference or any other telecommunication medium allowing shareholders to be identified.

No shares carry double voting rights.

1.8 Disclosure Thresholds

Any shareholder acting alone or in concert with other shareholders that acquires or raises its direct and/or indirect interest in the Company's capital to more than 0.5 per cent. or 1 per cent. or any multiple of 1 per cent., is required to notify the Company by registered letter with return receipt requested within five days of the disclosure threshold being crossed. The letter of notification should include full details of the number of shares and voting rights held.

The same disclosure formalities apply when each subsequent disclosure threshold is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.

In the case of non-compliance with this requirement, the shares that should have been disclosed may be stripped of voting rights for a period of two years as from the date on which the omission is remedied.

The above disclosure thresholds are in addition to those provided for by law.

2. GENERAL INFORMATION ABOUT THE COMPANY'S CAPITAL

2.1 Share Capital, Par Value of the Shares

The Company's share capital at 31 December 2003 amounted to €551,416,256, divided into 137,854,064 ordinary shares with a par value of €4.5.

2.2 Shareholder Authorisations to Issue Shares

(a) Employee rights issue

The main terms of the authorisation given to the Executive Board at the Annual General Meeting of 4 June 2002 are as follows:

Five-year authorisation to issue up to 10 million worth of shares to the management and employees of the Group who participate in a CNP Group Employee Savings Plan. The shares may be offered to employees at a 20 per cent. discount to the market price, or a 30 per cent. discount in the case of shares acquired through a voluntary employee savings plan ("PPESV" plan). The Executive Board may also decide to issue bonus shares to employees to be paid up by the Company or in lieu of the 20 per cent. or 30 per cent. discount.

(b) Stock option plan

At the Annual General Meeting of 3 June 2003, the authorisation given at the 2002 Annual General meeting was amended. The main terms of the current authorisation are as follows:

38-month authorisation to grant stock options to management and key employees, or all employees, of the Group. The options will be exercisable for shares at an exercise price equal to the market price on the date of grant (or the average price paid for the shares held in treasury for allocation on exercise of the options). The total number of options granted will not be exercisable for shares representing more than 0.5 per cent. of CNP Assurances' capital. The exercise period will end at the latest six years after the date of grant.

2.3 Other Financial Authorisations Given by Shareholders

(a) Share buyback programme

The main terms of the authorisation given to the Executive Board at the Annual General Meeting are as follows:

Renewal of the authorisation given at the 2003 Annual General Meeting to carry out a share buyback programme covered by an information memorandum approved by the French securities regulator (AMF).

The number of CNP Assurances shares that may be held by the Company at any given time is limited to 10 per cent. of the capital. The maximum purchase price of the shares is set at €70 and the minimum sale price at €18.

The authorisation may be used:

- to purchase shares in order to stabilise the share price,
- to buy and sell shares based on market situations,
- to acquire shares for allocation under employee profit-sharing or share ownership plans or on exercise of stock options,
- to purchase shares to be held in treasury,
- in connection with the management of the Company's balance sheet and financial position,
- to purchase shares for allocation on exercise of securities convertible, redeemable, exchangeable or otherwise exercisable for shares,
- in connection with a paper offer for another company.

- The resolution also states that shares acquired under the buyback programme may be cancelled, subject to a shareholder authorisation to reduce the capital being given in a special resolution.

(b) Authorisation to issue debt securities

At the Annual General Meeting of 6 June 2001, shareholders renewed, for five years, an earlier authorisation to issue up to €2 billion worth of bonds and other debt securities. The proceeds from the issue or issues would be used to finance development projects and to increase the Company's solvency margin without calling on shareholders to provide additional funds.

2.4 Changes in Share Capital

CNP has been a company limited by shares since 1992. Changes in the Company's capital since 1992 are presented below:

Date	Description	Number of shares	Aggregate par value	Net premium
31 December 1991	Initial capital	50,000	FRF 5,000,000(1)	-
1 January 1992	Shares issued in payment for assets acquired from CNP EPIC (the predecessor entity)	28,500,000	FRF 2,850,000,000(1)	FRF 4,243,612,960 (credited to reserve accounts)
23 April 1993	Issuance of shares for cash	3,170,000	FRF 317,000,000 (1)	FRF 538,900,000
27 October 1994	4-for-l stock-split	126,880,000	FRF 3,172,000,000(2)	-
18 September 1998	Issuance of shares for cash	9,803,922	FRF 245,098,050(2)	FRF 1,244,619,067
31 December 2000	Employee rights issue	443,786	FRF 11,094,650(2)	FRF 67,620,016
1 January 2001	Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros		€25,886,223.98(3)	
21 June 2002	Employee rights issue	726,356	€2,905,424	€17,105,683.80

1 Par value of FRF 100

2 Par value of FRF 25

3 Par value of €4

2.5 Changes in Ownership Structure in the Last Three Years

(a) 2001

Number of ordinary shares: 137,127,708
Number of voting rights: 136,520,550

Shareholders	Number of shares	% interest	% voting rights
Caisse des dépôts et consignations	50,582,880	36.88%	37.05%
Sopassure (holding company set up jointly by La Poste and the Caisse d'Epargne Group)	49,191,783	35.87%	35.95%
French State	1,618,841	1.18%	1.19%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' PACT(*)	**101,393,501**	**73.94%**	**74.27%**
Fifteen civil service mutual insurance companies	2,029,768	1.48%	1.49%
Compagnie Suisse de Réassurances	2,898,088	2.11%	2.12%

Shareholders	Number of shares	% interest	% voting rights
AG2R Prévoyance	1,366,839	1.00%	1.00%
CNP Assurances (treasury shares)	607,158	0.44%	0
Public, employees and others	28,832,354	21.03%	21.12%
TOTAL	**137,127,708**	**100%**	**100%**

(b) 2002

Number of ordinary shares: 137,854,064
Number of voting rights: 136,901,856

Shareholders	Number of shares	% interest	% voting rights
Caisse des dépôts et consignations	50,582,880	36.69%	36.95%
Sopassure (holding company set up jointly by La Poste and the Caisse d'Epargne Group)	49,191,780	35.68%	35.93%
French State	1,618,841	1.17%	1.18%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' PACT(*)	**101,393,501**	**73.54%**	**74.06%**
Public, employees and other	36,460,563	26.46%	26.63%
Including: Fifteen civil service	1,908,855	1.38%	1.39%
mutual insurance companies	1,366,839	0.99%	1.00%
AG2R Prévoyance CNP Assurances (treasury shares)	952,208	0.70%	
TOTAL	137,854,064	100%	100%

(c) 2003

Number of ordinary shares: 137,854,064
Number of voting rights: 137,365,842

Shareholders	Number of shares	% interest	% voting rights
Caisse des dépôts er consignations	50,582,880	36.69%	36.82%
Sopassure (holding company set up jointly by La Poste and the Caisse d'Epargne Group)	49,191,780	35.68%	35.81%
French State	1,618,841	1.17%	1.17%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' PACT(*)	**101,393,501**	**73.54%**	**73.80%**
Public, employees and other	36,460,563	26.46%	26.20%
Including: Fifteen civil service	1,908,855	1.38%	1.39%
mutual insurance companies	488,222	0.35%	-
CNP Assurances (treasury shares)			
TOTAL	**137,854,064**	**100%**	**100%**

* *CNP Assurances' main shareholders - Caisse des Dépôts et consignations, La Poste, the Caisse d'Epargne Group and the French State - signed an agreement on 2 September 1998 stating their intention to remain shareholders of CNP Assurances over the long term and implement common policies. The agreement, which is for a renewable period of five years, was published by the French securities regulator (Conseil des Marchés Financiers). It also contains provisions concerning the temporary non-transferability of the shares held by the signatories of the agreement and gives the signatories a pre-emptive right to acquire any shares that may be offered for sale by the other signatories (with the exception of the French State). On 16 September, 1998, the Conseil des Marchés Financiers ruled that the signatories of the agreement constitute shareholders acting in concert.*
In October 2000, the signatories of the agreement submitted to the Conseil des Marchés Financiers a plan to reorganise their interests in CNP Assurances, as follows:

- *Acquisition by the Caisse d'Epargne Group of 5.5 per cent. of CNP Assurances' capital from Caisse des Dépôts (3 per cent.), La Poste (2 per cent.) and the French State (0.5 per cent.).*

- *Transfer of the interests held by La Poste and the Caisse d'Epargne Group (18 per cent. each) to a joint holding company, Sopassure, 50.1 per cent.-owned by La Poste and managed on an equal basis.*
- *Reduction in the interests of CDC from 40 per cent. to 37 per cent. and of the French State from 1.7 per cent. to 1.2 per cent.*

The Conseil des Marchés Financiers ruled that the combining of the interests held by La Poste and the Caisse d'Epargne Group within a joint holding company did not materially alter the balance of interests among the members of the shareholders' pact and that La Poste and the Caisse d'Epargne Group were therefore not required to launch a takeover bid for CNP Assurances.
In an addendum signed on 26 May 2003, the parties agreed to extend the duration of the pact until 31 December 2008.
The extension of the pact was announced by the French securities regulator (CMF) on 30 May 2003 (CMF No.203C0823).

2.6 Changes in Ownership Structure Over the Last Five Years

(a) 1998

(i) On 23 September 1998, the interest held by Caisse des Dépôts et consignations was raised from 30 per cent. to 40 per cent. and the interest held by La Poste from 17.5 per cent. to 20 per cent., through the acquisition of shares held by the French State in preparation for the transfer of CNP Assurances to the private sector.

(ii) The French State sold approximately 6.5 per cent. of CNP Assurances' capital to new shareholders – the civil service mutual insurance companies, AG2R Prevoyance and Compagnie Suisse de Réassurances.

(iii) The above share sales had the effect of reducing the French State's interest in CNP Assurances' capital from 42.38 per cent. to 23.39 per cent.

(iv) Following the transfer of CNP Assurances to the private sector, the French State continued to hold 2.24 per cent. of the Company's capital. A total of 61 per cent. of CNP Assurances' capital was still in the hands of public sector shareholders, including the interests held by Caisse des dépôts et consignations and La Poste.

(v) Using the authorisation given at the Special General Meeting of 18 September 1998, the Executive Board decided on the same day to increase the Company's capital by FRF 245,098,050 to FRF 3,417,098,050, through the issuance of 9,803,922 shares with a par value of FRF 25. The new shares were issued at a price of FRF 153, including a premium of FRF 128, and are in the same class as existing shares. The issue price was determined by reference to the prices at which the shares held by the French State were sold to private sector shareholders and the price spread of FRF 149 to FRF 153 set by the Ministry of the Economy for the CNP Assurances initial public offering.

(b) 1999

There were no changes in ownership structure during the year.

(c) 2000

(i) On 25 September 2000, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out an employee rights issue. A total of 443,786 new FRF 25 par value shares were issued on 15 December 2000, ranking *pari passu* with existing shares. The issue proceeds totalled €11,999,973.44 (FRF 78,714,665.78, including FRF 11,094,650 credited to the capital account and FRF 67,620,015.78 to the share premium account). At 31 December 2000, current and former employees of the Company held a total of 1,207,896 shares, including shares held through Group savings plans.

(ii) On 19 December 2000, the main shareholders of CNP Assurances – Caisses des Dépôts et consignations, La Poste, Caisse d'Epargne Group and the French State – decided to reorganise their interests. The process was completed on 5 January 2001, at which point the respective 18 per cent. interests of La Poste and the Caisse d'Epargne Group were held by a joint holding company, Sopassure, which thus owns 36 per cent. of the capital of CNP Assurances, the interest of Caisses des Dépôts stood at 37 per cent. versus 40 per cent. prior to the reorganisation and the interest of the French State came to 1.2 per cent. versus 1.7 per cent.

(d) 2001

The Executive Board used the authorisation given at the Annual General Meeting of 6th June, 2000, to convert the share capital into euros by converting the par value of the shares and rounding up the converted amount to the nearest whole number of euro. The resulting capital increase – from FRF 3,428,192,700 to €548,510,832, divided into 137,127,708 ordinary shares with a par value of €4 - was paid up by capitalising reserves.

(e) 2002

On 17 April 2002, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a second employee rights issue. A total of 726,356 new €4 par value shares were issued on 21 June 2002, ranking *pari passu* with existing shares. The issue proceeds totaled €20,011,107.80, including €2,905,424 credited to the capital account and €17,105,683.80 to the share premium account. Following this issue, the share capital amounted to €551,416,256, divided into 137,854,064 ordinary shares with a par value of €4. At 31 December 2002, current and former employees of the Company held a total of 1,744,969, including shares held through Group savings plans, representing 1.26 per cent. of the capital.

(f) 2003

There were no changes in the Company's capital in 2003. At 31 December 2003, current and former employees of the Company held a total of 1,482,563 shares, including shares held through Group savings plans, representing 1.08 per cent. of the capital.

2.7 Market For CNP Assurances Shares

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998. The shares are traded on the Premier Marché of Euronext Paris SA, ISIN code FR0000120222. CNP Assurances is included in the following indices: SBF 120, DJ Eurostoxx Insurance, MSCI France.

Trading volumes and prices over the last 24 months

		Price in euros		Month	Trading volume	Price in euros	
Month	**Trading volume**	**High**	**Low**			**High**	**Low**
2002				**2003**			
April	3,540,387	40.99	38.10	April	2,005,786	36.02	33.33
May	4,824,195	43.70	41.00	May	5,008,682	40.88	36.05
June	10,636,393	43.10	41.00	June	4,514,088	40.81	35.93
July	4,708,109	41.31	33.00	July	1,963,986	37.99	36.09
August	5,364,748	39.02	34.86	August	2,380,276	38.02	36.24
September	2,162,447	38.60	32.05	September	3,425,542	39.40	36.49
October	1,816,865	36.85	33.72	October	1,803,417	40.49	38.76
November	1,533,993	36.68	35.14	November	2,149,872	40.00	38.11
December	3,910,582	35.62	34.47	December	2,282,951	41.28	38.52

Month	Trading volume	Price in euros High	Low	Month	Trading volume	Price in euros High	Low
2003				**2004**			
January	2,022,683	37.50	35.99	January	2,808,337	46.98	41.85
February	1,813,634	37.73	34.78	February	1,751,720	46.44	44.89
March	2,851,310	35.64	30.18	March	2,629,326	47.59	44.33

Source: Euronext

2.8 Dividends

Dividends paid in the last five years were as follows:

Year	1999	2000	2001	2002	2003*
Earnings per share	FRF 20.88	FRF 22.32	€4.26	€4.14	€4.23
Gross dividend per share	€1.32	€1.62	€2.085	€2.235	€2.295
NUMBER OF SHARES WITH DIVIDEND RIGHTS	**136,683,922**	**137,127,708**	**137,127,708**	**137,854,064**	**137,854,064**

** Recommended dividend, subject to approval at the 8th June, 2004 Annual General Meeting*
Dividends not claimed within five years are statute-barred and are paid over to the State.

2.9 Exceptional Events, Claims and Litigation

To the best of the Company's knowledge, no exceptional events, claims or litigation are in progress or pending that would be likely to have a material impact on the business, results of operations or financial condition of the Company or the Group.

2.10 Disclosures of Interests

None of the interests held by CNP Assurances in its portfolios exceeded any legal or statutory disclosure thresholds in 2003. During the year, CNP Assurances acquired the following interests: Logistis 2: 7.50 per cent.; Sonae: 14.81 per cent.; Xange Capital: 8.22 per cent.

2.11 Guarantees Given

See note 17.

2.12 Share Buyback Programme

Between June 2003 and the end of March 2004, the Company bought back 525,712 shares – representing 0.38 per cent. of the capital – at an average price of €38.49. Since the Annual General Meeting of 3 June 2003, the Company has written two put options on a total of 112,300 shares, with strike prices of €34 and €38. These options have not been exercised.

As of 31 March, 2004, the Company held 258,259 shares acquired under the buyback programme and 100,000 shares held prior to the IPO.

3. SUPERVISORY BOARD, EXECUTIVE BOARD AND AUDITORS

3.1 Membership of the Supervisory Board and Executive Board

Refer to the Report of the Executive Board appearing on page 42 of this Offering Circular. The Executive Board elects domicile at the headquarters of the Issuer in Paris.

Auditors

KPMG SA,
1 cours Valmy, 92923 Paris-La Défense cedex France, represented by Regis Tribout.

Calan Ramolino & Associés,
191 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine
France, represented by Jean-Claude Lemaire.

Mazars et Guérard,
Le Vinci, 4 allée de l'Arche, 92075 Paris-La Défense cedex France, represented by Pascal Parant.

3.2 Directors' Interests

Refer to the Report of the Executive Board.

3.3 Agreements Involving Members of the Executive Board and the Supervisory Board

Refer to the Auditors' Special Report.

3.4 Loans and Guarantees Granted to Members of the Executive Board and the Supervisory Board

None.

3.5 Employee Incentive Plans

The amounts awarded to employees under incentive plans based on collective development objectives over the last five years are as shown below. These amounts do not include any matching payments by the Company.

Year	Total incentive payments	Number of recipients
1999	FRF 11,893,393	2,356
2000	€2,276,469.55	2,537
2001	€3,505,970.52	2,602
2002	€3,686,709.07	2,703
2003	€3,865,600.01	2,712

Statutory Profit-Sharing

Year	Total statutory profit-sharing	Number of recipients
1999	FRF 43,410,315 (€6,617,859.86)	1,575
2000	€4,958,837.14	1,755
2001	€9,689,802.25	1,897
2002	€7,599,718	2,068
2003	€7,359,788	2,163

3.6 Employee Stock Options

None.

CONSOLIDATED CAPITALISATION TABLE OF CNP ASSURANCES

In ε millions	**30/06/04**	**31/12/03**	**31/12/2002**	**31/12/2001**
Shareholders' equity	**5140.0**	**5055.1**	4,698.8	4,399.2
- Issued share capital	*554.3*	*551.4*	*551.4*	*548.5*
- share premium account	*319.8*	*299.3*	*299.3*	*282.2*
- Reserves and consolidated net profit	*4366.7*	*4307.8*	*3,928.3*	*3,546.7*
- Other	*-100.8*	*-103.4*	*-80.2*	*21.8*
Minority interests	**967.3**	**992.9**	897.3	902.2
Subordinated debt	**1902.6**	**1652.6**	1,152.6	850.2

CNP Assurances' share capital is fully paid up.

Issued capital is shown in the capitalisation table. It amounts to ε554, 341, 864, represented by 138, 585, 466 ordinary shares with a par value of ε4, all in the same class. CNP Assurances does not have any authorized capital, as this concept does not exist in French law.

As of 30 June 2004, CNP Assurances' short and medium-term debt was limited to:

ε2, 763. 4 million in loans secured by securities
ε281. 8 million in bank loans
ε1, 843. 5 million in other loans

Change in shareholders' equity
Second Half 2004

September
CNP Assurances carried out a ε50m subordinated bond issue.

November
Ecureuil Vie carried out a ε183m perpetual subordinated bond issue, entirely took up by the Cais0.se Nationale des Caisses d'Epargne.

December
CNP Assurances carried out a rights issue for employees of its subsidiaries in Brazil, Portugal and Argentina. The issue was authorised at the Annual General Meeting of 4 June 2002.
The take-up rate was high, with 61.7 % of the 995 eligible employees choosing to participate in the issue.
A total of 49,836 new shares were issued to employees, raising the number of CNP Assurances ordinary shares outstanding to 138,635,302 from 138,585,466 previously.
The new capital stands at ε554,541,208 versus ε554,341,864 prior to the issue. The issue proceeds totalled EUR 1,877,820.48.

March 2005
CNP Assurances carried out on the date hereof another issue of undated junior subordinated fixed to floating rate notes in an aggregate principal amount of ε225,000,000.

REPORT OF THE EXECUTIVE BOARD

1. HIGHLIGHTS OF THE YEAR

1.1 First Quarter

(a) Extension of the partnership agreement with Mutualité Fonction Publique (MFP)

Mutualité Fonction Publique (MFP) and CNP Assurances have extended their partnership – originally due to expire at the end of 2004 – through to 31 December 2007, and have renewed their financial management agreement for the same period. The extension consolidates an alliance dating back to 1947 between CNP Assurances and the mutual insurance companies serving government employees, paving the way for the development of their personal risk insurance and secured loan insurance activities.

The core aim of the partnership agreement between CNP Assurances and Mutualité Fonction Publique is to develop personal risk insurance solutions in keeping with the values of the cooperative movement, within a framework that places the business on a sound financial footing over the long term.

Mutualité Fonction Publique has 4.5 million members, including 2.3 million under the compulsory health insurance regime, and provides cover for a total of 8.5 million people.

(b) Prize-winning performances

CNP Assurances life insurance products have won several awards attributed by *Le Revenu* magazine, in the following categories:

Products distributed by the French Post Office:

- *Ascendo* – 2003 Gold Medal in the non-unit linked/non-unit linked fund included in unit-linked products category.
- *Ascendo* – Promising Contract award in the unit-linked (dynamic) category.
- GMO – Promising Contract award in the unit-linked (diversified funds) category.

Products distributed by the Savings Banks:

- *Initiatives Plus* – 2003 Gold Medal in the non-unit-linked category.
- *Initiatives Transmission* – 2003 Bronze Medal in the non-unit-linked category.
- *Nuances 3D* – Promising Contract award in the unit-linked (diversified funds) category.

In addition, *Nuances Grenadine* received the special prize for innovation.

La Tribune and *Euro VL* awarded first prize for financial innovation to the *Vivango* product distributed by the French Post Office, the first guaranteed fund for individual savers offering protection against inflation.

1.2 Second Quarter

(a) Extension of the shareholders' pact

On 27 May 2003, the shareholders who signed the September 1998 pact (amended in December 2000) ahead of CNP Assurances' stock market flotation (Caisse des dépôts, La Poste, the Caisses d'Epargne Group and the French State) announced their decision to extend the pact through to 31 December 2008. At the same time, they gave a commitment to maintain the current balance of their interests in CNP Assurances.

(b) Extension of marketing agreements with the Savings Banks

In parallel with the extension of the shareholders' pact, CNP Assurances and the Caisses d'Epargne Group decided to extend their life assurance partnership and distribution agreements without modification, through to 31 December 2008.

(c) French Treasury Network

On 27 May 2003, the Ministry of the Economy, Finance and Industry announced its decision to cease distribution of CNP products by the French Treasury network, effective 31 December 2003, as allowed for under the agreement between the French Treasury and CNP Assurances.

CNP Assurances announced that it would take all necessary measures to offer policyholders who took out a CNP policy through the Treasury network the same standard of service as in the past, and also to preserve the value of the portfolio. Measures taken included redeploying CNP's own staff and bolstering its internal resources by taking on French Treasury staff to help manage this business as from 1 January 2004.

(d) Strategic alliance with Mutualité Française

On 6 June 2003, Mutualité Française and CNP Assurances announced that they had signed a 10-year framework partnership agreement covering all areas of the personal insurance market, including health insurance, long-term care insurance, personal risk insurance, savings and pension products, home loan insurance and personal services.

A joint development plan has been drawn up, providing for the active involvement of the mutual groups from the planning phase through to implementation. The first product launches are scheduled for early 2004 and the aim is to generate around €500 million in annual premium income by 2008.

Mutualité Française is the umbrella organisation for over 95 per cent. of France's mutual health insurers. It has 18 million members and provides mutual insurance cover for some 36 million people, representing over half of the French population.

Mutualité Française has transferred to CNP Assurances its €270 million in commitments related to Mutuelle Nationale Territoriale claims incurred prior to 31 December 2002.

(e) Subordinated debt issues

The CNP Assurances Group continued its funding policy and strengthened its solvency margin by topping up its subordinated debt issues, adding a net amount of €500 million through:

- A €300 million 20-year 5.25 per cent. subordinated bond issue by CNP Assurances at a 100 b.p. spread and with a 10-year call option. The spread obtained by CNP Assurances is one of the lowest negotiated by a European insurer for an issue of this type. The bonds are listed on the Luxembourg Stock Exchange.

- A €200 million subordinated loan obtained by Ecureuil Vie from Caisse Nationale des Caisses d'Epargne et de Prévoyance.

(f) CNP Assurances ranked among the 31 French companies in the world's top 400

The annual rankings published by the American magazine Forbes Global include 31 French companies, with CNP Assurances the only insurance company to make it into the list.

The rankings are based on each company's 2002 sales and market value, and the growth in sales, earnings and return on capital over the last five years. Other criteria include analysts' forecasts of the increase in share price during the current year and share performance over the previous 52 weeks, the latter being based on the assumption that the financial markets accurately predict the future.

(g) Launch of Coésio Générations

The *Coésio Générations* tax-exempt gifting pack is a service offered with GMO and Ascendo, the French Post Office's flagship savings products. *Coésio Générations* allows senior citizens who are clients of the Post Office to transfer capital immediately to each of their grandchildren, combining the advantages of life insurance with potentially tax-exempt gifting.

1.3 Third Quarter

(a) Launch of *Solution Assurance Vie* for Crédit Immobilier de France Group clients

The CNP Assurances and Crédit Immobilier de France teams have jointly developed a new endowment mortgage offer, *Solution Assurance Vie,* marketed as part of the *Pack Investisseurs* offered to investors in rental properties. This new product has enabled the Group to take a new position in the rental investment market. The *Pack Investisseurs* also includes two other products:

- *Protection Investisseurs* insurance providing protection against the risk of rent defaults, tenant damage and the cost of disputes with tenants. This cover is offered in partnership with Cornhill France, a UK-registered subsidiary of the Allianz Group.

- *Crédit Immobilier Revente Investisseurs* insurance, offered in partnership with Union Européenne d'Assurance, a subsidiary of Caisses d'Epargne, which protects against financial and tax risks that may arise when the property is sold.

(b) Extension of the Carrés Bleus network of healthcare professionals

Guilde des Lunetiers, whose members include the Krys, Vision Plus and Vision Originale optical chains, has joined the Carrés Bleus network of healthcare professionals, raising to just over 2,000 the number of opticians working in partnership with Carrés Bleus.

Users of the Carrés Bleus service will be shown a selection of good quality optical products sold at reasonable prices, to make their initial choice before submitting the price quote for analysis. They will also be offered high quality services, such as a breakage guarantee.

Carrés Bleus and Guilde des Lunetiers have also developed an electronic data interchange protocol, permitting teletransmission of price quotes and fully automated management of the portion of the cost covered by Social Security.

1.4 Fourth Quarter

(a) Partnership agreement with Matmut

Further to the agreement between the federation of mutual insurance companies, FNMF, and CNP Assurances, Matmut and CNP Assurances have agreed to establish a long-term partnership of equals designed to enable Matmut to meet the needs of its clients in the area of personal risk insurance.

The partnership will take the form of a 50/50 co-insurance agreement between Matmut and CNP Assurances, that may also involve FNMF. The agreement will remain in force until 31 December 2013. The initial offers will be launched during 2004.

Matmut is France's sixth largest motor insurer. The company has over 2.3 million clients, a network of 570 sales outlets and 2,000 insurance advisors.

(b) Recognition of the quality of CNP Assurances shareholder relations

At the Financial Communications awards ceremony organised by Vie Financière magazine, CNP Assurances won the 2003 Best Shareholder Service award in the SBF 120 category.

This award is given to the companies that achieved the highest scores for the timeliness, reliability and clarity of information sent to private shareholders, as well as for the range of private shareholder services.

(c) Launch of Filassist Contact

Filassistance International, an assistance company jointly owned by CNP Assurances and Azur-GMF, has launched Filassist Contact, a new service concept designed to help elderly or disabled people to continue living in their own home.

The Filassist Contact service offer, which won the Gérontotechnologies prize at the Gerontexpo 2003 trade fair, is marketed directly by Filassistance International, as well as via other channels including Age d'Or Services and the pension organisations.

2. MARKET AND BUSINESS REVIEW

After a period of considerable uncertainty, due mainly to the Iraq crisis, economic activity gradually picked up throughout the world as from the end of the first half of 2003. The US economy led the way, helped by deficit spending and personal tax cuts, which boosted consumer spending.

Asian economies also recovered swiftly, led by China, and the Japanese economy returned to growth, buoyed by higher exports and investment.

The economies of Latin America, the only region to experience a recession in 2002, expanded by 1.5 per cent. overall. Argentina's gross domestic product grew for the first time in five years. The Brazilian economy started the year in recession. The improved international environment and the government's looser monetary policy fuelled a steady return to growth, but 2003 GDP was nevertheless significantly below the 2002 level.

The Euroland economy marked time in the first two quarters, under the combined effects of soft domestic demand and a lacklustre international environment. Corporate capital spending was held back by downgraded economic forecasts and geopolitical uncertainty. Intrazone exports were weakened by flat domestic demand, while exports to the other regions were adversely affected by the slowdown in world trade. The third quarter saw an export-led return to growth, on the back of the US recovery, but domestic demand remained fragile.

France experienced the same trends as its European partners. The economy expanded by a very modest 0.2 per cent. over the year as a whole, helped by increases of 0.4 per cent. in the third quarter and 0.6 per cent. in the last three months. The recovery was driven primarily by the improved international environment. Higher unemployment led to a reduction in household incomes. This in turn triggered a tightening of purse strings which held back growth in consumer spending.

The savings rate held relatively firm at 16.3 per cent. In the first half of the year, the lacklustre economy and volatile stock markets encouraged savers to put their money in liquid assets, essentially passbook savings accounts and other demand deposit accounts. In the second half, savers remained prudent but nevertheless moved some of their savings out of demand deposits and into long-term products. Following the August 2003 cut in the interest rate on Livret A passbook savings accounts, from 3 per cent. to 2.25 per cent., a certain volume of savings flowed out of these products, into time deposits, money market funds and life insurance. The bond market missed out on this trend, because long-term interest rates failed to increase fast enough – the 10-year OAT rate stood at 4.30 per cent. at the end of 2003. Life insurance continued to represent the preferred vehicle of French savers, attracting net new money of ε93.1 billion, up 9.2 per cent. over 2002. Savers also returned cautiously to the stock market, helping to drive up the CAC 40 index to 3557.90 points from a low of 2401 points in March 2003.

2.1 Business Review

CNP Assurances' premium income for 2003 amounted to ε19,460.9 million, an increase of 6 per cent. or 6.8 per cent. at constant exchange rates. In France, premium income rose 6.3 per cent. After two years of market-beating performances, this was slightly below the estimated growth in the French personal insurance market. According to estimates published by the French insurance federation (FFSA), the market expanded 9 per cent. to ε104.3 billion. The French market for unit-linked products contracted by an estimated 7 per cent. in 2003, while the non-unit-linked market grew by 13 per cent.

Changes in CNP Assurances premium income by business segment were as follows:

Premium income in ε millions	**2003**	**2002**	**Change**	**2001[1]**
Savings[2]	15,033.7	14,300.9	+5.1%	13,496.6
Pensions[3]	1,340.3	1,175.9	+14.0%	1,179.3
Personal risk[2 3]	1,066.5	922.0	+15.7%	821.1
Loan insurance	1,591.3	1,555.3	+2.3%	1,466.9
Health insurance	221.8	195.0	+13.7%	176.1
Property & Casualty	207.3	211.4	-1.9%	150.0
Total	**19,460.9**	**18,360.5**	**+6.0%**	**17,290.0**

1 *Caixa Seguros (Brazil) was consolidated only in the second half of 2001 Average exchange rate for 2003: ε1 = BRL 3.48628*

[2] *Including Personal Risk premium income reclassified under Savings in France: ε 55.2 million in 2003 and ε 22.4 million in 2002*

[3] *Including Personal Risk premium income reclassified under Pensions in Brazil: ε 123.8 million in 2003 and ε22.2 million in 2002*

At constant exchange rates – with 2003 premium income in Brazil translated at the average exchange rate for 2002 – **premium income rose 6.8 per cent.** Changes by business segment were as follows:

Premium income in ε millions	2003 at 2002 exchange rate	2002	Change
Savings[1]	15,072.4	14,300.9	+5.4%
Pensions [1]	1,387.4	1,175.9	+18.0%
Personal risk	1,083.7	922.0	+ 17.5%
Loan insurance[2]	1,618.2	1,555.3	+4.0%
Health insurance	221.8	195.0	+13.7%
Property &c Casualty	230.5	211.4	+9.0%
Total	**19,614.0**	**18,360.5**	**+6.8%**

Average exchange rate for 2003 and 2002: ε1 = BRL 2.81019

[1] *Including Personal Risk premium income reclassified under Savings in France: ε55.2 million in 2003 and ε22.4 million in 2002*

[2] *Including Personal Risk premium income reclassified under Pensions in Brazil: ε153.1 million in 2003 (at 2002 exchange rate) and ε22.2 million in 2002*

Savings premium income rose 5.1 per cent. (5.4 per cent. excluding the currency effect) year-on-year, helped by 12.3 per cent. growth in the fourth quarter.

In France, premium income generated by the Savings business was up 5.6 per cent. compared with 2002. The strong growth in new money observed in the fourth quarter was partly attributable to transfers from Livret A passbook savings accounts, following the 1 August 2003 cut in the interest paid on these accounts from 3 per cent. to 2.25 per cent. According to initial estimates, around ε4 billion were taken out of Livret A accounts during the second half of the year, of which some 30 per cent. is thought to have been reinvested in life insurance products.

Net new money invested in CNP Assurances' unit-linked products reached **ε2,114 million** in 2003, representing 14.1 per cent. of total Savings premium income for the year. While the 6.5 per cent. decline from ε2,262 million in 2002 was consistent with the overall market trend, CNP's three partner networks performed unevenly. Unit-linked sales by the Savings Banks held more or less firm compared with 2002 but the Post Office and Treasury networks underperformed the market. However, these two networks were the driving force behind the **20 per cent. surge in unit–linked sales observed in the fourth quarter** (see comments by network).

Pensions premium income climbed 14 per cent., or 18 per cent. at constant exchange rates.

In France, growth in pensions business was driven by a strong 9.3 per cent. rise in premium income from group products, sold mainly to companies, which more than offset the modest 2.7 per cent. decline in sales of individual products. **Personal risk premium income** advanced 15.7 per cent. or 17.5 per cent. at constant exchange rates.

In France, sales of individual policies sold by the networks rose a further 14.2 per cent. to ε125 million. Following the reclassification of *Assistant Obsèques,* a funeral insurance product sold by the Savings Banks, premium income of ε55.2 million in 2003 and ε22.4 million in 2002 was transferred from Personal Risk to Savings. Sales of group personal risk contracts to mutual insurers, local authorities and companies increased by a strong 17.5 per cent. in 2003.

Loan insurance premium income expanded 2.3 per cent., or 4 per cent. at constant exchange rates.

In France, the increase was 5.1 per cent., with Prédica's participation rate as co-insurer for Crédit Agricole loan insurance business unchanged at 50 per cent.

Premium income from sales of health insurance – a market not covered by the Brazilian subsidiary – expanded 13.7 per cent., helped by the rate increases applied in France in the fourth quarter of 2002. *Complétys Santé,* the health insurance product marketed by 50 per cent.–owned Assurposte (proportionally consolidated in CNP Assurances' financial statements) contributed ε4.8 million to the total.

Property and casualty insurance premium income dipped 1.9 per cent. to ε207.3 million, but increased 9 per cent. on a constant exchange rate basis. Only the Portuguese and Brazilian subsidiaries write property and casualty insurance, contributing ε112.8 million and ε94.5 million respectively in 2003.

The breakdown by category shows solid increases in both individual insurance and group insurance.

Premium income in ε millions	**2003**	**2002**	**Change**	**2001**
Individual insurance	15,798.3	14,954.0	+5.6%	14,065.
Group insurance	3,662.6	3,406.5	+7.5%	3,224.
Total	**19,460.9**	**18,360.5**	**+6%**	**17,290.**

Premium income by partner network breaks down as follows:

In ε millions	**2003**	**2002**	**change**	**2001**
Partnership centres and foreign subsidiaries				
French Post Office	6,957.6	6,606.3	+5.3%	6,494.6
Savings Banks	7,746.8	7,189.1	+7.8%	5,974.1
French Treasury	738.1	801.9	-8.0%	1,442.3
Financial institutions	1,009.8	985.7	+2.4%	990.8
Mutual insurers and local authorities	1,353.8	1,167.7	+15.9%	1,063.9
Companies	772.9	712.0	+8.6%	778.4
Other (France)	83.5	97.9	-14.7%	91.3
Global (Portugal)	160.9	149.1	+7.9%	133.2
CNP Seguros de Vida (Argentina)[1]	2.2	4.5	-48.2%	14.5
Caixa Seguros (Brazil)[1] [2]	635.3	646.3	-1.7%	306.9
Total	**19,460.9**	**18,360.5**	**+6.0%**	**17,290.0**

1 *Converted at the following average exchange rates Argentina ε1 = ARS 3.41609 Brazil: ε1 = BRL 3.48628*

2 *Caixa Seguros has been consolidated by CNP Assurances since the second half of 2001*

(a) France

Premium income generated by the CNP Assurances Group in France in 2003 totalled ε18,662.5 million, an increase of 6.3 per cent. compared with 2002. **All business segments contributed to growth**, with personal risk and health insurance achieving the biggest gains.

	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Total
εm	14,840.0	1,122.9	996.1	1,485.3	218.2	18,662.5
%	+5.6	+6.2	+17.6	+5.1	+11.9	+6.3

Premium income generated by the **French Post Office** in 2003 **rose 5.3 per cent. to ε6,957.6 million**. Fourth quarter performance was particularly satisfactory, with growth reaching 13.3 per cent. The multi-product campaign backed by a special life insurance offer originally scheduled for June and July was extended until the end of September, to coincide with the reduction in the interest rate on Livret A passbook savings accounts. Loan insurance premium income grew by 10.3 per cent. to ε47.2 million.

Sales of unit-linked products came to ε459 million, down 23.8 per cent. on 2002. All told, sales of unit-linked products represented 6.8 per cent. of Savings premium income generated by the Post Office network in 2003. **Unit-linked business picked up sharply in the fourth quarter of 2003,** with new money up 18 per cent. on the same period of 2002. This very satisfactory end to the year was partly attributable to the launch of *Formulo,* a new product combining non-unit-linked and unit-linked offers with different weightings.

Premium income generated by the **Savings Banks** network **climbed 7.8 per cent. to 7,746.8 million.** The growth rate surged to 12.8 per cent. in the fourth quarter, mainly thanks to the highly effective campaign launched in conjunction with the cut in the interest rate on Livret A accounts. The two flagship products, *Nuances 3D* and *Initiative Transmission,* together accounted for 80 per cent. of new money. Loan insurance premium income rose 10 per cent. to ε256.8 million. **Unit-linked sales** dipped by a meagre 1.1 per cent. to ε1,558 million, representing **21.3 per cent. of Savings premium income.** The high absolute value of unit-linked sales was achieved thanks to the offers carried out during the year on *Nuances* products.

Premium income generated by the **French Treasury** network totalled ε738.1 million, down 8 per cent. compared with 2002. Fourth quarter premium income rose 4.8 per cent., however, over the year-earlier period. Sales of unit-linked products contracted 15.6 per cent. to ε49 million, representing 7.3 per cent. of total Savings premium income generated by the network. A personal risk campaign was conducted between May and July, putting the spotlight on a new product insuring the "accidents of day-to-day life". As announced on 14 January 2004, since the beginning of this year, CNP Assurances has taken over managing relations with policyholders who purchased their product through the French Treasury network which stopped distributing CNP products on 31 December 2003.

Financial institutions contributed premium income of ε1,009.8 million in 2003, an increase of 2.4 per cent. compared with 2002. Prédica's participation rate as co-insurer of Crédit Agricole loan insurance business remained unchanged in 2003 at 50 per cent.

Premium income generated by **mutual insurance companies and local authorities** grew 15.9 per cent. to ε1,353.8 million, reflecting strong growth in business with mutual insurers. Premium income from Préfon group insurance products rose 14.6 per cent. to ε514 million.

Premium income from sales to **companies** expanded by a robust 8.6 per cent. to €772.9 million. Growth was driven by group pension products, with a significant rise in premiums received from large corporates in the first half of the year, and also by sales of group personal risk products.

Premium income from **Other Development Initiatives in France**, including direct sales and sales by other networks, declined 14.7 per cent. to €83.5 million.

(b) International Operations

The Group's subsidiaries in Portugal (Global, Global Vida), Argentina and Brazil contributed €798.8 million to consolidated premium income in 2003, representing a 0.2 per cent. decline at current exchange rates and an 18.9 per cent. increase at constant rates.

In Portugal, premium income generated by Global and Global Vida rose 7.9 per cent. to €160.9 million.

In Argentina, premium income fell by 52 per cent. (46 per cent. at constant exchange rates) to ARS 7.5 million (€2.2 million).

In Brazil, Caixa Seguros reported premium income of BRL 2,214.8 million (€635.3 million). This represented an increase of 22 per cent. in local currency (versus a decrease of 1.7 per cent. in euros), achieved against a backdrop of low economic growth and below 15 per cent. inflation. The pensions business surged 122 per cent. and the personal risk business expanded 16 per cent. in a Brazilian insurance market up by around 20 per cent. Certain new products successfully launched in the "VGBL" market (products combining medium-term savings with personal risk insurance) in 2002, that were previously included in the Personal Risk segment, have been reclassified as Pension products. This reclassification led to the transfer between these two segments of €123.8 million in premium income in 2003 (€153.1 million at constant exchange rates). The loan insurance business continued to labour under the burden of Brazil's very high interest rates – at the end of December 2003, the Central Bank's SELIC base rate stood at 16.3 per cent.

Caixa Seguros (Brazil) premium income

Market segment in BRL millions	**2003**	**2002**	**Change**
Savings	524.5	585.4	(10)%
Pensions[1]	757.4	341.7	+122%
Personal risk[1]	233.5	201.3	+16%
Loan insurance	369.8	390.8	(5)%
Property & Casualty	329.6	301.0	+10%
Total	**2,214.8**	**1,820.2**	**+22%**

1 *Including Personal Risk premium income reclassified under Pensions: BRL 431.2 million in 2003 and BRL 72.5 million in 2002*

2003 premium income by country and market segment

In ε millions	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Property & Casualty	Total
France	14,840.0[2]	1,122.9	996.1[2]	1,485.3	218.2	-	18,662.5
Portugal	41.7	-	2.8	-	3.6	112.8	160.9
Brazil	150.4	217.4[1]	67.0[1]	106.0	-	94.5	635.3
Argentina	1.6	-	0.6	-	-	-	2.2
Total	**15,033.7**	**1,340.3**	**1,066.5**	**1,591.3**	**221.8**	**207.3**	**19,460.9**

1 *Including ε123.8 million transferred from Personal Risk to Pensions*

2 *Including ε55.2 million transferred from Personal Risk to Savings*

2002[1] premium income by country and market segment

In ε millions	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Property & Casualty	Total
France	14,047.4	1,057.6	847.1	1,413.5	195.0	-	17,56
Portugal	44.0	-	2.4	-	-	102.7	14
Brazil[2]	205.9	118.3	71.6	141.8	-	108.7	64
Argentina	3.6	-	0.9	-	-	-	4
Total	**14,300.9**	**1,175.9**	**922.0**	**1,555.3**	**195.0**	**211.4**	**18,36**

1 *After reclassification*

2 *Caixa Seguros, consolidated as from 1 July 2001*

2001[1] premium income by country and market segment

In ε millions	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Property & Casualty	Total
France	13,355.6	1,120.8	785.7	1,397.3	176.1	-	16,835.5
Portugal	36.9	-	2.5	-	-	93.7	133.1
Brazil[2]	89.6	58.5	32.9	69.6	-	56.3	306.9
Argentina	14.5	-		-	-	-	14.5
Total	**13,496.6**	**1,179.3**	**821.1**	**1,466.9**	**176.1**	**150.0**	**17,290.0**

1 *After reclassification*

2 *Caixa Seguros, consolidated as from 1 July 2001*

3. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are presented in accordance with the Government order of 17 January 2001, which approved the French Accounting Standards Committee (CRC) standard concerning the consolidated financial statements of insurance companies.

The profit and loss account shows operating profit of the life insurance business, non-life business and other Group businesses – corresponding to two property companies and a property leasing company – as well as the net profit of consolidated companies after other income and expenses, exceptional items and tax. Income from associated companies is added to this amount and goodwill amortisation is deducted to derive consolidated net profit. The capitalisation reserve is included in shareholders' equity and movements on the reserve are recorded in the profit and loss account.

The recovery in equity prices had no impact on 2003 net profit. The effects of changing stock market conditions are discussed after the analysis of the various components of net profit.

3.1 Consolidated Results

Comments on changes in the main profit and loss account items

Excluding stock market Impact

In ε millions	2003 Total	2003	Change 2003/2002	2002	2001 Recurring
Premium income	19,460.9	19,460.9	6.0%	18,360.5	17,290.0
Assets under management	153,784.8	153,784.8	7.6 %[1]	140,810.4	133,053.5
Operating expenses (excluding information system migration costs)	558.7	558.7	3.1%	541.8	445.6
Operating profit	957.0	1,013.0	12.2%	902.7	788.9
Income tax	238.4	294.4	38.3%	212.8	186.6
Net profit before minority interests	701.7	701.7	4.7%	669.9	598.6
Minority interests	119.1	119.1	20.5 %	98.8	70.3
Net profit	582.6	582.6	2.0%	571.1	528.3[2]

1 *Based on average technical reserves. The growth in technical reserves at 31 December 2003 compared with the year-earlier figure was 9.2 per cent*

2 *2001 net profit including non-recurring items came to ε584.3 million.*

Premium income, which accounts for nearly 40 per cent. of revenues, rose by 6 per cent. in 2003. Excluding the currency effect, the increase was 6.8 per cent. Changes in premium income are discussed in section 2.2 "Business Review".

Assets under management, which generate over 60 per cent. of revenues, were up by 9.2 per cent. at 31 December 2003 compared with the year-earlier figure. Assets under management in France climbed 9.1 per cent., a rate close to that for the French savings market which, according to FFSA estimates, stood at approximately 10 per cent. The proportion of CNP Assurances' insurance book represented by unit-linked contracts is lower than for the market as a whole, and mark-to-market adjustments of assets held to cover linked liabilities in 2003 following the stock market recovery therefore had a smaller impact on the Group's total assets under management.

Claims expenses and changes in technical reserves, including policyholder dividends, rose 21.7 per cent. in 2003, primarily reflecting positive adjustments to unit-linked contracts. Excluding these adjustments, the year-on-year increase would have been 7.5 per cent. Claims and claims handling expenses rose 5.8 per cent. in absolute terms but remained flat as a percentage of average technical reserves, at 8.3 per cent. versus 8.4 per cent. in 2002. Total revenues allocated to policyholders, including credited interest and policyholder dividends, amounted to 6.4 billion in 2003, representing 4.1 per cent. of average technical reserves compared with 4.4 per cent. in 2002.

Operating expenses, excluding information system migration costs, increased by 3.1 per cent. to ε558.7 million, representing 0.36 per cent. of technical reserves versus 0.38 per cent. in 2002. The total includes business acquisition and administrative expenses, as well as claims handling expenses, investment management expenses and other underwriting expenses.

In 2001, the Group decided to replace the information system run on a Bull platform with an IBM system. The related costs were recorded in the balance sheet, under "Fixed assets under construction". It subsequently became necessary to accelerate the process, for reasons related to the maintenance of the Bull platform, by migrating to the IBM system without upgrading the system functions. As a result, all of the costs incurred since the project's inception were recognised in the profit and loss account in 2003.

All told, **operating profit** (excluding the effect of changing stock market prices) rose by 12.2 per cent. to ε1,013 million, after adding net investment income and deducting business acquisition costs.

Investment income, net of expenses and excluding both mark-to-market adjustments to unit-linked portfolios and the impact of changing stock market prices, totalled ε7.0 billion, unchanged from 2002. Due to the level of prices on the stock markets, the Group did not resort to any profit-taking on the equity portfolio. However, 2003 investment income does include the ε69.9 million pre-tax gain on the disposal of CNP's interest in Carivita (ε52 million after tax).

Excluding the unit-linked portfolio, investment income attributable to reinsurers and the impact of changing stock market prices, the investment yield stood at 5.0 per cent. compared with 5.4 per cent. in 2002.

Business acquisition costs rose 8.3 per cent., reflecting business growth and lower ceded commissions on inward reinsurance operations.

Income tax was 38.3 per cent. higher than in 2002, due to the lower volume of realised long-term capital gains taxed at a reduced rate.

After taking into account other net income, exceptional items, income from associated companies and amortisation of goodwill, recurring consolidated net profit came to ε582.6 million, 2 per cent. more than in 2002. Excluding the currency effect, the year-on-year increase was 3.4 per cent.

3.2 Consequences of Changing Stock Market Prices

Following the recovery in stock market prices during 2003, the ε504 million liquidity risk reserve set aside by Ecureuil Vie was released to the profit and loss account, together with ε14 million worth of provisions for permanent impairment in value. These credits were offset by additional charges to the policyholders' surplus reserve and other technical reserves, as required by the terms of the Group's policies and insurance regulations. The stock market recovery also provided scope to realise ε56 million worth of losses on the bond portfolio, reducing the consolidated tax charge by the same amount. All told, changing stock market prices had the effect of reducing both operating profit and income tax by €56 million, and therefore had no impact on 2003 consolidated net profit.

3.3 Return on Equity (ROE)

Consolidated net profit rose 2 per cent. to €582.6 million, representing a return on average shareholders' equity after dividends of 12.5 per cent. versus 13.1 per cent. in 2002.

(a) Consolidated balance sheet at 31 December 2003

At 31 December 2003, the Group had total assets of €167.3 billion, compared with €154.1 billion one year earlier, an increase of 8.6 per cent.

Technical reserves totalled €153.8 billion at that date, up €13 billion or 9.2 per cent. over the year–earlier figure. The increase reflected higher mathematical reserves and policyholders' surplus reserves.

Consolidated shareholders' equity rose 7.6 per cent. to €5,055.1 million, from €4,698.8 million before appropriation of profit at 31 December 2002.

(b) Solvency margin and unrealised gains

In 2003, the Group's solvency margin – including total subordinated debt and after deducting intangible assets – represented 1.12 times the minimum margin required under insurance regulations, before taking into account unrealised gains. This was higher than the 2002 coverage rate of 1.07 times, following the issuance in 2003 of €500 million worth of subordinated debt securities. Including unrealised gains, the margin requirement was covered 2.35 times in 2003.

At 31 December 2003, the total investment portfolio had a book value of €156.4 billion, up 8.7 per cent. over the end-2002 figure. The estimated market value, including unrealised gains of €8.6 billion, was €165 billion.

The ratio of unrealised gains to the net book value of the portfolio climbed to 5.5 per cent. at 31 December 2003 from 4.5 per cent. one year earlier, reflecting the recovery in equity prices.

Based on book values, the portfolio structure – including unit-linked portfolios – was largely unchanged. Bonds accounted for 77 per cent. of the year – end portfolio, equities 20 per cent. and property 3 per cent. Excluding unit-linked portfolios, the percentages were 84 per cent., 13 per cent. and 3 per cent. respectively.

4. PREPARATIONS FOR THE SWITCH TO IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

CNP Assurances has begun preparing for the switch to IFRS, effective from 2005.

4.1 Regulatory Context

CNP Assurances' consolidated financial statements are currently prepared in accordance with the consolidation rules applicable to insurance groups, as set out in the French Insurance Code. The main accounting principles and policies are described in the notes to the consolidated financial statements. These principles and policies differ in certain respects from the principles laid down in IFRS.

By decision of the European Parliament, all European listed companies will be required to produce consolidated financial statements in accordance with IFRS at the latest in 2005.

Ecofin and ARC (Accounting Regulation Committee) issued statements in July 2003 endorsing all International Accounting Standards, with the exception of IAS 32 and 39 dealing with financial instruments, which are still to be finalised by the IASB (International Accounting Standards Board).

The applicable texts require the publication of IFRS accounts for 2005, with 2004 comparative data presented on the same basis. Consequently, the opening balance sheet at 1 January 2004 will be restated in accordance with the new standards. Companies will be required to include in their first set of IFRS accounts a reconciliation to their French GAAP accounts.

IFRS comprise over 40 standards, applicable by all companies that present IFRS accounts. The following standards are considered as having a material impact on the financial statements of insurance companies: IAS 32 and 39 (financial instruments), IAS 27 (consolidated financial statements), IAS 8 (net profit), IAS 22 (business combinations), IAS 36 (impairment of assets) and IAS 40 (investment properties). In addition, a standard dealing specifically with the accounts of insurance companies is in the process of being drafted and is currently expected to be applicable as from 2007. In the meantime, insurance companies will be required to apply transition rules which are also in the drafting stage. The proposed rules are set out in an exposure draft (ED 5) published on 31 July 2003. The final rules are expected to be published in March 2004.

One of the main changes identified during the Group's preparations for the switch to IFRS, concerns the classification of insurance policies according to ED 5. This exposure draft distinguishes between policies giving rise to the transfer of significant insurance risk, as defined in ED 5, and policies that are equivalent to financial instruments, as defined in IAS 39. Once policies have been allocated to one or the other categories, the choice of valuation method for the insurer's commitments and the related assets is a key focus of the pre-conversion studies.

The deadline for switching to IFRS is looming closer, making it necessary to prepare actively for the change despite the uncertainties that remain concerning the content of the body of standards dealing with insurance operations (IAS 32 and 39 and ED 5). For this reason, analyses are currently underway to obtain a preliminary assessment of the related impacts.

4.2 The CNP Assurances IFRS Project

The CNP Assurances IFRS project has been organised in four phases:

- Advanced technical monitoring.
- Preliminary studies.
- Detailed analyses.
- Implementation.

The purpose of the initial advanced technical monitoring phase, which was launched at the beginning of 2002, was to identify the expected changes in terms of financial communications. CNP Assurances took part in work groups set up in France, as well as in the exchanges of views with the IAS Board concerning disclosure requirements. At the same time, the first training courses were organised for CNP teams, based on the draft standards. The training effort was subsequently continued.

The second, preliminary studies phase began in September 2003. The results of these studies are expected to be available when the final texts related to ED 5 are published. Based on a detailed review of the balance sheet, these studies aim to identify fundamental issues related to the application of the various international standards and the main accounting options available. Simulations are also being performed to determine the most appropriate solutions. Lastly, the preliminary studies will highlight the main systems and organisational impacts.

The IFRS project teams have been organised in working groups, based on the main identified issues, which may be either shared by all businesses (consolidation, investment property, financial communications, etc.) or specific to the insurance business (classification of financial and insurance assets and liabilities, classification of contracts between financial instruments (IAS 39) and pure insurance (ED 5), etc.). The work groups are responsible for highlighting the main differences between Group accounting policies and IFRS, and identifying the required information system changes.

The detailed analysis and implementation phases will be carried out in 2004, in order to be ready to produce IFRS consolidated financial statements in 2005 based on the final versions of the applicable standards.

The IFRS project is being overseen by the Executive Board and the Audit Committee of the Supervisory Board receives regular status reports.

5. FINANCIAL STATEMENTS OF THE COMPANY

5.1 Premium Income

Growth in premium income from individual policies was weakened by lower sales by the French Treasury network. Premium income from group products rose strongly, driven by a robust performance in the pension and early-retirement benefit markets.

In € millions	2003	2002	Change	2001
Individual insurance premium income	7,237	6,942	+4.2%	7,476
Group insurance premium income	2,046	1,915	+6.8%	1,893
Total	**9,283**	**8,857**	**+4.8%**	**9,369**

(a) Individual insurance

Premium income generated by the Post Office network rose 6.1 per cent., helped by robust sales of *Poste Avenir*, both as a stand-alone product and as an underlying investment for the *Garantie Multi-Options* (*GMO*) unit-linked product. The French Treasury experienced a fall-off in sales, however, in the wake of the announcement that the network would stop distributing insurance products at the end of 2003.

(b) Group insurance

In a home-buying market buoyed by low interest rates, sales of whole-life guarantees included in loan insurance contracts continued to rise. By contrast, demand for group pension products was weak.

In € millions	2003	2002	Change	2001
Whole-life insurance	1,145	1,095	+4.6%	1,036
Pensions	880	806	+9.2%	843
Bodily injury	21	14	+50%	14
Total	**2,046**	**1,915**	**+6.8%**	**1,893**

5.2 Net Profit

CNP Assurances ended the year with net profit of €505.3 million. The Company's contribution to consolidated net profit came to €380.9 million versus €486.4 million in 2002.

5.3 Review of the Main Consolidated Subsidiaries

(a) Ecureuil Vie

Ecureuil Vie's premium income expanded 7.7 per cent. to €7,442 million. Growth continued to be driven by the success of *Initiatives Transmission* and *Nuances 3D* which together accounted for 80 per cent. of sales for the year.

Net profit came to €172.4 million, after taking into account the reversal of the €504 million liquidity risk reserve which was offset by increased transfers to the policyholders' surplus reserve and other technical reserves. After consolidation adjustments, contribution to consolidated net profit amounted to €145 million. In accordance with the consolidated accounting standards applicable since 2001, the €55 million reversed from the capitalisation reserve to offset losses on sales of bonds were eliminated in consolidation. In addition, €27 million in deferred tax assets whose recovery is considered highly probable were recognised in the consolidated financial statements but not in the accounts of Ecureuil Vie.

(b) Caixa Seguros

Caixa Seguros performed well in a more favourable economic and financial environment, posting a 36 per cent. bottom line improvement compared with 2002. The Brazilian subsidiary's negative contribution to consolidated net profit was brought down from €9.5 million in 2002 to €2.8 million in 2003.

Premium income rose 22 per cent. in local currency, reflecting strong sales of pension products. After conversion into euros, however, premium income remained more or less flat due to the fall in the real against the euro.

(c) CNP IAM

CNP IAM contributed €1,393.3 million to consolidated premium income. The company's contribution to net profit fell sharply, to €2.3 million from €24.8 million in 2002, due to measures to boost technical reserves for contracts covering local government employees.

6. OUTLOOK

6.1 In France

CNP Assurances intends to remain on the path of profitable growth.

- In individual insurance, the focus will be on selling higher-margin personal risk and unit-linked products, working with partner networks to promote the new personal pension products, in order to hold onto the number 1 spot in France's expanded pensions market, and maintaining relations with policyholders who purchased their policy through the French Treasury network.
- In group insurance, CNP will partner clients' international development, especially in the area of loan insurance, develop new pension products around existing offerings and take action to improve the profitability of local authority contracts.

6.2 In International Markets

The Group intends to follow a selective international development policy, focusing primarily on Europe. Particular attention will be paid to ensuring that business growth goes hand in hand with earnings growth.

7. INTERNAL CONTROL

7.1 Internal Control System

Internal control is a continuous process of controlling and managing operations implemented by all staff, providing reasonable assurance that:

- The entity's aims and goals are fulfilled.
- Resources are used economically and efficiently.
- Risks are properly managed.
- Accounting, financial and management information is reliable and its integrity is not impaired.
- External laws and regulations, and internal rules and procedures are complied with.

CNP Assurances' internal control system is based on:

- An effective internal control environment:
  - roles and responsibilities are clearly defined and reflected in formal job descriptions;
  - incompatible tasks are segregated;
  - internal operating rules and procedures have been drawn up;
  - Risks are regularly assessed and monitored;
  - Transaction traceability is assured.
- A structured control organisation, in the form of a three-tier pyramid:
  - the first tier consists of monitoring controls incorporated in operating procedures, backed up by management controls;

- second-tier controls are performed by the entities responsible for checking the consistency and quality of reporting data (statutory and management reporting, actuarial reports, etc.);
- the third tier consists of periodic or special audits performed by specialized entities (internal audit, risk control, internal control) that have no reporting relationship with the audited unit.

- Regular reporting to senior management, through specialized committees (audit committee, risk committee) and operations committees (finance, information systems, products, etc.
- Control and reporting processes at the level of the subsidiaries.
- Tests and procedures performed by CNP Assurances' statutory auditors on the accounts of all Group companies.

Third-tier controls are performed mainly by the "Internal Audit" and "Risk Control" departments, which report directly to the President of the Executive Board. These departments' activities are governed by charters approved by the Executive Board.

The internal auditors are responsible for assessing the internal control systems of CNP Assurances Group companies. This involves verifying, according to a systematic and methodical approach, the existence and appropriateness of risk management and control processes and formulating recommendations to improve these processes. The Risk Control department works closely with line managers to identify, measure and address – both proactively and on an ongoing basis – the main risks incurred by the Group.

These departments participate actively in action plans to improve and strengthen the Group's internal control system. A current example is the application of the provisions of the Loi de Securite Financière (Financial Safeguards Act).

7.2 Overall Risk Assessment and Management System

In 1999, CNP strengthened its internal control system by setting up a dedicated risk management structure. At the end of 2002, in order to facilitate the risk management process, the decision was made to implement a new approach designed to provide a comprehensive and coherent overview of exposures.

The project is organised in two phases:

- The first phase consists of identifying and assessing risks, in terms of their impact and the extent to which they are controlled.
- The second phase will involve setting up a system to monitor and control risks on a consolidated basis and, if necessary, drawing up action plans to reduce exposures.

The aim is for the entire system to be rolled out to all Group companies by the end of 2005.

During 2003, the first phase was completed for the most important companies with the production of risk maps used for both identification and assessment purposes. A separate map was produced for each function, in close cooperation with line management. These documents provide a consolidated view of the risks that could potentially have adverse financial consequences or prevent the Group fulfilling its development and other objectives. Each risk is assessed according to two criteria – the seriousness of the potential gross impact and the extent to which the risk is controlled, representing a measure of the effectiveness of measures taken to avoid the occurrence of the risk or to reduce the related cost.

A standard measurement scale has been adopted and is applied to all risks, whatever their nature or origin, providing a common framework for assessing exposures.

The three main types of risk – financial, technical and operational – that are a feature of the personal insurance business are broken down into around 150 basic risks.

The Group risk map at the end of 2003 was produced from around 30 detailed maps for the companies viewed as being the most important due to the nature of their business and/or their impact on the accounts.

This map represents one of the fundamental components of the risk reporting system, to the Executive Board in the first instance, but also to the Audit Committee and the Supervisory Board.

The mapping process will be continued in 2004, in tandem with the monitoring of the risks identified to date and the implementation of action plans to reduce them. At the same time, the risk control charter will be extensively revised to take account of observed developments.

This comprehensive approach to managing risk operates alongside existing specific approaches, mainly in the financial and technical areas, and will be enhanced by the work undertaken in connection with the Loi de Sécurité Financiére project.

7.3 Tools and Procedures to Forecast Changes in Outstanding Commitments and their Coverage

The CNP Group has established management information systems designed to ensure that it fulfils the commitments given to shareholders. These commitments fall into two broad categories:

- to increase return on equity;
- to create shareholder value, as measured by the increase in embedded value.

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, embedded value and new business.

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 Group's current "capital" 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 embedded value 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.

7.4 Characteristics of Commitments towards Policyholders

CNP Assurances' commitments towards policyholders differ depending on the type of policy:

(a) Savings products: primarily financial commitments

Savings products fall into two broad categories:

- With-profits products offering a guaranteed rate of return. The yield guarantee may be given for a fixed period (generally eight to ten years) or for the remaining lifetime of the insured. At the request of the client, the insurer is required to pay out the guaranteed capital, regardless of the prevailing market conditions.

These contracts have been classified by level of commitment, as follows:

- contracts offering a guaranteed rate of return and a guaranteed share of investment income;
- contracts offering a higher fixed rate of return (generally 75 per cent. of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed rate of return representing less than 60 per cent. of the TME rate at the time of payment.

Managing savings contracts depends first and foremost on effectively matching assets and liabilities.

- Unit-linked products where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided (e.g. guaranteed death benefit).

(b) 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 the assumptions used.

(c) Personal risk products: primarily technical commitments

The main factors used to assess risks related to personal risk products are the age, sex and socio-professional category of the insured.

The CNP Group has drawn up risk selection and reinsurance policies and monitors statistical data concerning insured populations and related loss ratios.

(d) Reinsurance policy

CNP Assurances implements a Group-wide reinsurance policy covering business written by the Company and by its subsidiaries. Overall underwriting results are sheltered by non-proportional treaties that are geared to the size of the Group and its claims-paying ability. The treaties consist of excess of loss treaties by event (catastrophe cover) and by insured person. The main objectives are to share risks on large-scale new business and to acquire expertise in writing aggravated risk business.

Other reinsurance treaties are set up for strategic and commercial reasons. Applications have been developed to monitor reinsured portfolios, in order to track results and facilitate exchanges with reinsurers.

(e) Adequacy of technical reserves

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

- managing the risks associated with a fall in interest rates;
- taking into account the increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally;
- regularly assessing risks via:
  - monitoring of yield commitments based on projections taking into account commitments in excess of regulatory limits;

- detailed analyses and statistical studies of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

Based on the results obtained, the level of technical reserves is considered adequate.

7.5 Coverage of Commitments

The CNP Group's investment strategy for each portfolio is based largely on the results of asset/liability simulations. One of the key requirements of the investment strategy is to ensure that CNP is able to fulfil its commitments towards policyholders at all times, while also optimising asset allocation and investment performance.

(a) Investment management

Contracts with similar characteristics are grouped together into categories. Each category of contracts is backed by a portfolio of assets which are managed according to a strategy closely tailored to the profile of the related liabilities.

The management strategy may be either specified in the general policy terms or agreed with the client or partner.

In the schedule listing the entire investment portfolio and the other regulatory reporting schedules, only assets required to be segregated in application of the Insurance Code (assets held to cover linked liabilities and liabilities related to pension products governed by article L. 441-1 of the Insurance Code) are shown separately. In practice, however, the CNP Group manages a number of different portfolios.

For each portfolio, CNP defines an investment strategy covering:

- Asset allocation.
- The choice of maturities and any hedging instruments.
- The profit-taking policy.

The policy is based primarily on asset/liability management results and includes analyses of future treasury and interest rate gaps, as well as medium and long-term simulations of the portfolio's sensitivity to differing trends in the financial markets.

The strategy is then communicated to the portfolio manager who is responsible for implementing it as effectively as possible, within the defined limits, by selecting securities and timing transactions based on market opportunities.

(b) Equity risk

In 2003, 13 per cent. of Group assets were invested in equities and equity funds (based on book values, excluding unit-linked portfolios).

The equity portfolios comprise units in diversified funds invested in European and international equities, and direct investments in euro zone equities.

The portfolios invested directly in equities are also highly diversified. Their performances and tracking error are monitored on a monthly basis.

The aggregate exposure of each Group company to equity risk is monitored through the monthly calculation of the trigger point for the recording of a liquidity risk reserve.

(c) Risk of having to record a liquidity risk reserve

The Insurance Code requires insurers to set up a liquidity risk reserve if the aggregate market value of positions valued according to article R. 332.20 of the Code is less than their book value. This rule mainly applies to equities, mutual funds and property investments.

Following the stock market rally in 2003, Ecureuil Vie was able to reverse the €503 million liquidity risk reserve booked in 2002.

No liquidity risk reserve was recorded in CNP Assurances' accounts in 2002, as the market value of all of the Company's assets governed by Article R 332.20 exceeded their book value at the year end.

(d) Credit risk

The credit risk management strategy approved by the Executive Board consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area. The CNP Risks Committee meets periodically to approve and direct the investment policy. Exposure limits are set by issuer.

As of 31 December 2003, the Group's bond portfolio (excluding Caixa Seguros) was 97 per cent. invested in bonds rated A to AAA by the leading rating agencies, including 56 per cent. rated AAA.

(e) Currency risk

The bulk of asset portfolios are invested in the securities of euro zone issuers. As a result, the exposure of portfolios to currency risks is very limited. Less than 1 per cent. of the investments of the French companies in the Group are denominated in currencies other than the euro.

7.6 Asset/Liability Management (ALM)

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

(a) Exposure to a fall in interest rates

The CNP Group regularly analyses the impact of a possible fall in interest rates on its claims-paying ability. 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 per cent. 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.

(b) Exposure to an increase in interest rates

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

Liabilities

- 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 bonds represent around 9 per cent. of the portfolios.
- Part of the CNP Group's fixed income portfolio is hedged against the risk of a sharp rise in interest rates, using caps and puts. In favourable market conditions, such as those prevailing in the first half of 2003, the programme is extended.

In the case of a sharp rise in interest rates, to above certain trigger points, the hedges acquired by CNP 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 the event of a sharp rise in interest rates. The hedging programme is extended each year, to keep pace with the growth in assets under management.

7.7 Insurance-Related Legal Risks

(a) Risk of lawsuits being brought by the insured and their families

Lawsuits concerning the interpretation of policy terms are relatively rare. The number of suits in progress has concerned around 2,500 to 2,600 contracts in each of the last five years, a figure that is not material in relation to the total number of individual and group policies managed by CNP Assurances.

Just over two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

In the majority of cases, the courts have found in favour of CNP Assurances. This was the case in 2003 and in prior years, and the number of successful court cases has also remained stable over time. The percentage of lawsuits won by CNP Assurances (or abandoned by the plaintiff) increases on appeal. Over 60 per cent. of suits are won or abandoned in the first instance, and nearly 85 per cent. on appeal. These figures testify to the fact that CNP goes to court only where it is convinced of the merits of its position, in all good faith, a policy which avoids any risk of being accused of using the courts in an attempt to avoid fulfilling its obligations.

CNP Assurances manages this risk by recording a provision for the amount claimed. At 31 December 2003, these provisions stood at €13.3 million.

(b) Emerging insurance risks

Certain 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.

The trend observed in 2002 continued in 2003 without any major changes. In both years, the fundamental legal issues involved arose from:

- Attempts by disgruntled heirs to have insurance policies requalified as "savings contracts" and thus to bypass the underlying properties of the contract, especially the principle whereby the amounts paid out under the contract may be freely assigned to any beneficiary of the policyholders' choice.

- Systematic efforts by certain insured persons or their advisors to find loopholes in contractual documents, which are in fact designed to secure the cancellation of unit-linked contracts. This risk is currently more prevalent, due to the falling stock markets.

- The body of case law generally favouring the consumer, which could give rise to an escalation of lawsuits based on actual or alleged mis-selling. The mis-selling argument is often used when the search for a loophole in the contract has proved fruitless.

(c) Money laundering risk

Insurance companies are increasingly at risk from money laundering.

In 2003, CNP acted on the decision made at the end of 2002 to review its entire anti-money laundering system, with the aim of strengthening the system and incorporating measures to prevent the financing of terrorism.

The new system is based on:

- A new anti-money laundering unit, with increased resources.

- Upgraded procedures to detect transactions that could be used to launder money or finance terrorist organisations. These procedures describe the checks to be performed by line personnel on the documents presented by clients and the trigger points for the launch of warning procedures.

Ex-ante controls are performed by the specialized anti-money laundering department, to detect any unusual transactions that may have slipped through the net during the first tier controls.

- A campaign to increase staff awareness of money laundering risks, combined with additional training for front-line employees.

Available media are used to communicate extensively about the anti-money laundering system within the organisation. Conferences have been organised for management personnel and the members of the anti-money laundering unit have received specific training. In 2004, it will be the turn of line personnel responsible for managing insurance policies to receive training.

- A reporting system that enables the Executive Board to oversee the system, backed by regular internal audits.

7.8 Insurance Coverage

The process put in place at CNP Assurances to identify, measure and monitor risks ensures that all potential risks are efficiently managed. The process incorporates a wide range of measures designed to reduce the probability of risks being incurred.

Major risks have been insured to attenuate their impact. Insurance has been taken out with several insurers covering:

- personal injury;
- property damage (including damage to buildings used in the business, investment properties, information systems hardware and software);
- liability claims (corporate liability, directors' liability).

The cover taken out and the level of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities.

Based on a review of the structure of the policies and the level of cover provided, the CNP Assurances Group's overall level of insurance cover is considered satisfactory.

CNP Assurances has also drawn up contingency plans to ensure that in the event of a major incident, immediate action is taken to allow business to resume and to offer clients and partners an adequate level of service without delay.

All critical activities have been identified and analysed, and contingency plans have been drawn up for each department of the Company. These plans are based on an assessment of the human, IT and logistics resources needed to permit business to resume without delay. In addition, a crisis management structure has been set up, comprising several emergency committees, each charged with dealing with specific issues.

The contingency plan is updated quarterly and the entire system is reviewed each year, to take into account the Company's changing needs and check that the earmarked resources are adequate.

The effectiveness of the contingency plan is tested three times a year, through emergency simulations carried out at CNP's various facilities. In 2003, simulations were performed at Paris, Angers and Arcueil, involving departments with around 20 to 50 staff whose activities are considered as crucial to the business's survival. Every effort is made to ensure that the simulations are realistic. All staff are prevented from accessing the premises and are given no advance warning of the drill.

In 2003, a major incident affecting CNP's headquarters was simulated to test the effectiveness of the crisis management team made up of the members of the Executive Board and assess the company's ability to deal with such a situation. The simulation served to determine the time needed to notify all the people concerned and the response time of the teams responsible for implementing the contingency plan.

A model contingency plan and a set of methodological guidelines have been prepared for the foreign subsidiaries, allowing these companies to benefit from CNP's experience in France.

Other risks and social responsibility

In 2001, after consulting employee representatives, CNP Assurances incorporated in its code of ethics a new rule governing competitive bidding processes. All invitations to tender now include a clause requiring Group entities that issue invitations to tender to obtain information from bidders about their employment practices, to ensure that CNP Assurances only does business with companies that fulfil their social obligations. Any companies that fail to comply with this clause are banned from taking part in the bidding process.

7.9 Compliance With the Loi De Sécurité Financière

The provisions of section III of the Loi de Sécurité Financière, dealing with financial auditing and disclosure issues, require companies to strengthen their internal control systems.

Rather than simply paying lip service to its legal obligations, CNP has chosen to establish an internal control system that will soon reflect best practice in this area.

This strategic project was launched in the autumn of 2003 and is scheduled for completion at the end of 2005.

The key aims of the project are to:

- build an internal control database;
- model the Group's business processes;
- establish a continuous assessment process covering the quality of supporting documentation and the effectiveness of internal controls.

CNP has selected as the basis for the new system the internationally-recognised COSO (Committee of Sponsoring Organisations of the Treadway Commission) standards.

Business process modelling represents an essential phase in the project. By documenting all business processes, the model will make it easier to understand how the company operates, and thus to identify and assess the related risks together with the level of corresponding controls. The exercise consists of drilling down through each process according to a "Russian doll" approach, without taking into account the existing organisation structure.

CNP's business model is built around 15 mega processes which in turn break down into 51 major processes. Among these, 11 processes materially impact the accounts and 19 are considered critical from a business standpoint. Partial models of 12 of these processes were produced in 2003 and full models of all critical processes are scheduled for completion by the end of 2004.

The task of assessing the quality of supporting documentation and the effectiveness of related controls will begin in mid-2004. It will be carried out by a new team set up to manage the internal control system, while line personnel will naturally retain responsibility for the quality of controls at their level.

8. SUSTAINABLE DEVELOPMENT REPORT

CNP Assurances' mission, operations and sponsoring activities are all based on a set of fundamental values that reflect the principles of corporate social responsibility and sustainable development. These values apply in the Group's dealings with all stakeholders – the insured, employees, shareholders and the community.

8.1 The Insured

As a personal insurer, CNP Assurances strives to develop innovative products and services, to effectively manage multiple contacts with the insured and clients, and to manage the funds collected with the overarching aim of guaranteeing the financial security of its clients over the long term.

(a) Products and services

In 2003, Age d'Or Services developed a range of home services to support the long-term care offer and opened 13 new agencies in France.

Filassistance International also launched new services including:

- *Filassist Contact*, an innovative panic button service for elderly and disabled people living alone. The service is also offered as part of the assistance package sold with the GAV and Dépendance products marketed by CNP's partners (the French Post Office, CNP Trésor, pension organisations, mutual insurers, benefits institutions, insurance companies, Age d'Or Services, etc.). Filassist Contact was one of the prize winners at the Gerontexpo trade fair.

- *Filassist Autonomie*, the benchmark service offer for people requiring long-term care. Subscribers to the service are entitled to information, advice and preventive services from day one, and as their long- term care needs increase. The service was developed in close partnership with the CNP teams for the insurance component, based on a survey of the needs of people who require increasing amounts of help and their carers.

(b) Relations with the insured and clients

(i) Clearly-worded policies and marketing documents

The following initiatives were launched in 2003 to make policies and marketing documents easier to understand for clients and the insured:

- Client communications concerning the annual statements for Ecureuil Vie's *Nuances 3D, Nuances Plus and Nuances Grenadine* products have been personalised:

- A new format has been adopted, to separate the various sections more clearly, based on the number of funds in which the client has invested.
- More comprehensive information is supplied, including key dates, promotional rates, if any, simplified information for use by the client to prepare his or her wealth tax return, graphs depicting contract performance, a table listing all available funds and their respective performances (corresponding to the special offers available under the contract) and an "advice" section tailored to the client's profile.

- Improved communications on the statements for *GMO* and *Ascendo* contracts sold by the French Post Office.

Several changes were made in 2002 (more frequent statements, improved presentation and content) and the process continued in 2003, with the inclusion of information about all available funds and their respective performances, as well as the performance of the funds in which the client has invested.

(ii) Processing of medical questionnaires

Despite the sharp rise in the number of new participants in group policies (620,000 decisions were made in 2003, 15 per cent. more than in 2002), the average processing time was kept at three days.

(iii) Aggravated risk policies

2003 saw the implementation of the Belorgey Convention designed to ensure that all members of the population have access to insurance, including those who represent an aggravated risk. CNP Assurances has been operating in this market for some ten years and in 2003 the Company completed the rollout of aggravated risk policies to its partners, leading to a 40 per cent. fall in the overall insurance rejection rate, from 0.7 per cent. in 2002 to 0.4 per cent. in 2003. All told, an additional 5,000 people were able to obtain loan insurance from CNP in 2003.

(iv) Complaints resolution

The main initiatives launched in 2003 to deal more effectively with client complaints were as follows:

- More formal rules were introduced to measure client dissatisfaction and promote the implementation of standard complaint resolution procedures. Application of the new procedures was monitored throughout the first three months and the monitoring exercise will be repeated at regular intervals.
- Regular reviews of correspondence are also carried out, to assess the quality of the company's responses to complaints.

(v) Internal mediation services

In 2003, two changes were made to the company's mediation service procedures:

- Confirmations of receipt are now sent out to clients as soon as their complaint is received.

- A computer application has been developed to identify any bottlenecks. This new application led to a 13 per cent. reduction in the number of outstanding complaints compared with 2002, despite a 13 per cent. increase in the number of matters submitted to the mediation service.

(c) Responsible Long-Term Financial Management of Insurance Assets and Liabilities

CNP Assurances is committed to responsibly investing funds required to meet its long-term commitments.

(i) Long-term financial management

CNP Assurances' ALM policy set up in 1992 has enabled the Group to successfully weather the storm in the turbulent financial market conditions of recent years. The disciplined investment policy followed for several years takes full account of equity risks, ensuring that CNP Assurances was not forced to liquidate any of its positions in 2003. The weighting of equities in the total portfolio (excluding unit-linked portfolios) was kept at 13 per cent., allowing policyholders to benefit from the recovery in share prices over the medium term.

(ii) Ethical and socially responsible investing

CNP Assurances' portfolios are managed on its behalf by CDC Ixis Asset Management which includes ethical and socially responsible investing criteria in its analysis methods.

A diversified range of analyses and external information sources are used, including social and environmental rating agencies, consulting firms, specialist web sites and magazines and NGOs. In addition, an internally-developed questionnaire was sent out to 300 European companies included in the investment universe, in the second quarter of 2003. During company visits, managers are questioned about their ethical and social responsibility policies. Lastly, internal financial analyses are carried out based on a multi-criteria rating matrix covering:

- human resources quality;
- environmental protection;
- corporate citizenship;
- the quality of customer/supplier relations;
- the quality of shareholder relations.

Direct ethical investments are offered to direct clients (group insurance) and individual policyholders, through the unit-linked products distributed by CNP's main partner networks. Total ethical investments managed on behalf of clients amounted to €40.4 million at 31 December 2003, an increase of 14 per cent. over the year-earlier figure.

(iii) Forestry assets

The CNP Group is the largest private owner of forests in France, with 54,153 hectares across 210 woodlands, mainly in the Centre, Burgundy and Aquitaine regions. In October 2003, Société Forestière, the subsidiary of Caisse des Dépots responsible for managing CNP's forestry assets, obtained ISO 9001 certification (2000 version) for its sustainable woodland management.

8.2 Corporate Citizenship

(a) Sponsorship

(i) In France

CNP Assurances' commitment to sustainable development is illustrated by the Group's philanthropic activities. Two examples are the CNP Foundation's active involvement in improving the medical response to pain in the healthcare sector, and the Gériapa association's dedication to promoting ethics and enhancing the quality of services provided to persons in need of assistance.

In 2003, the CNP Foundation granted €800,000 worth of funding to some 20 projects dedicated to the fight against pain, including for clinical research, information campaigns for professionals and the public, and the development of palliative care, as well as training and improved medical treatment. The CNP Foundation has backed 65 projects with a total outlay of over €3 million since it took on the pain alleviation endeavour in late 1999.

In 2003, CNP Assurance also helped service providers to achieve the "NF Service" quality certification, with the first certificate being awarded in October 2003. In addition, in co-operation with France's standard-setting agency Afnor, Gériapa has set up a new quality standard for retirement homes, which was approved in February 2003.

CNP Assurance also focused its philanthropic activities in 2003 on encouraging employees to apply for assistance from the CNP Foundation for projects that are important to them. Towards the end of the year the Executive Committee agreed to back one such project presented by an employee.

In the same vein, CNP Assurances' employees broke all participation records at various sporting events organised to raise funds for the French Cystic Fibrosis Association, "*Vaincre la mucoviscidose*". CNP Assurance was also a finalist in the Corporate Sponsorship Oscars, organised by Admical.

(ii) In Brazil

Caixa Seguros - a subsidiary 52 per cent.-owned by CNP Assurances – continued its involvement in a programme to promote children's education (Se Liga Galera). At Christmas 2003,150 out of Caixa Seguros' 800 employees gave both a gift and their time on Christmas day to contribute to the efforts of a school in one of Brasilia's disadvantaged areas.

(b) Environmental Policy

The overriding aim of the measures implemented in 2003 was to make environmental policy part of the Company's day-to-day life.

(i) Responsible Purchasing Guide

In 2003, a responsible purchasing guide was drawn up and circulated in co-operation with Caisse des Dépôts and CDC Ixis.

Geared to making sustainable development part of everyday life, the guide provides best practice information for each category of purchases (consumables, furniture, services, maintenance, catering, intellectual services, IT equipment, etc.) and a detailed list of logos and quality labels to look for when making purchases.

During the year, CNP Assurances also carried out an experiment by buying office seating made up of 95 per cent. recyclable material. The benefits of this experiment were twofold as the sale agreement signed includes a five-year guarantee from the sellers under which they will reclaim the furniture on site and take it for recycling. Training sessions were also organised with an ergonomics expert at the same time as the chairs were delivered.

(ii) Suppliers

When purchasing intellectual and other services, CNP Assurances' policy is that the Group must not represent over 30 per cent. of a service-provider's total turnover. In 2003, the Group built on this supplier independence policy by creating new internal rating tools enabling social and environmental policy to be added to the standard criteria used to select service providers in competitive bidding processes.

(iii) Waste Sorting

In 2003, the Group developed and rationalised its recycling and reprocessing measures relating to matters such as disposing of documents, pallets, furniture, machines and equipment, reprocessing neon tubes and lights, and collecting ink cartridges.

The Angers management centre issued an invitation to tender to set up a new waste sorting programme based on three types of waste disposal containers: one for the reprocessing of dangerous waste, one for recycling ordinary industrial waste and paper, and a specific container in the kitchens for clean cardboard packaging.

(iv) Environment

CNP Assurances launched a programme during the year to improve the safety and security of people and property on its real estate. To that end Société Forestière has set up a multi-year plan to identify and eliminate risks relating to managing its forests and forestry buildings. Preliminary work under this programme has got underway.

8.3 Shareholders

CNP Assurances sets high standards for transparent financial disclosure and is always ready to answer questions from its individual and institutional shareholders. It reaped the benefit of these efforts in 2003 when it was awarded:

- The "*Fil d'Or du SBF120*", organised by Vie Financière and Le Figaro - two French financial publications - for providing the best service to individual shareholders. The prize recognises the quality of the Group's communication media and the quality, rapidity and reliability of responses provided to shareholders.

- The silver "Top Com" prize for financial communications in early February 2004. This prize was part of the Top Com Corporate Business 2004 event, attended by financial communications professionals.

At the end of May 2003, the CNP share was included in Morgan Stanley Capital International's MSCI France Index.

The following practical steps were also taken in 2003:

(a) For Individual Shareholders

With 240,000 individual shareholders at the end of 2003, CNP Assurances ranks among the top 20 listed companies with the highest individual shareholder base. Some 15 meetings were organised in 2003 in various regions throughout France, providing presentations and stock market training. CNP Assurances also attended the major trade fairs held during the year, including *Actionaria* and *Forum de l'Investissement et du Placement.*

(b) For institutional investors

In 2003, CNP continued its "roadshows" in Europe and the United States, holding some thirty events during the year. The main themes for the presentations were asset/liability management and the opportunities provided by the Fillon law in France relating to new retirement products.

8.4 Employees

(a) Training

Training measures in 2003 were on a par with a year earlier in terms of the number of training days and percentage of payroll costs. Regular appraisals were given during the year along with both individual and group coaching. A full transition procedure was set up for the former French Treasury network, with training sessions and on-site assistance for new employees.

(b) Staff Mobility

A Company-level human resources agreement was signed in February 2003 and is applicable until the end of 2005. It sets out career management measures for all members of staff, including those aged over 50, to take into account demographic changes and the forecast increase in employee service lives. The other measures provided for include:

- an increase in staff mobility;
- changes in staff categories between management and non-management;
- monitoring measures;
- equality in the workplace (gender, disabled employees, etc.).

Over 1,050 career management meetings were held during the year and almost one position in two was filled through internal recruitment.

(c) Disabled employees

In November 2003, CNP Assurances confirmed its commitment to offering employment opportunities to disabled workers by signing its fourth company-level agreement in ten years. Taking into account the new hires in 2003, disabled employees made up 5.27 per cent. of CNP Assurances' total workforce at the year-end, working in all of the Group's businesses.

The main achievements in this area in 2003 were:

- guaranteeing optimum working conditions by fitting out infrastructures, increasing awareness of disabled employees' needs and providing personal assistance;
- helping to provide jobs for external disabled workers through partnerships with the sheltered sector, drawing up a responsible purchasing guide, participating in training sessions for professional re-training centres, working with employment assistance centres for disabled workers and special workshops, and providing internships.

9. CORPORATE GOVERNANCE REPORT

The corporate governance rules applied for many years by CNP Assurances regulate and optimise decision-making processes, in particular by striking an appropriate balance of powers between shareholders, the Supervisory Board and operations management.

Recent legislative changes in the area of corporate governance, particularly the Loi de Sécurité Financière, are frequently considered as restoring power to shareholders. However, good corporate governance depends essentially on more active control by the Supervisory Board and the Auditors, rather than on the final layer of supervision exercised by shareholders.

The Executive Board and the Supervisory Board share the common goal of reducing the risk of behaviours that could adversely affect the interests of shareholders and all of the Company's partners.

Based on the recommendations of the Viénot and Bouton corporate governance reports, the Executive Board and the Supervisory Board have reviewed their respective internal rules and made certain changes to enhance control over their procedures. These include the requirement to periodically assess their performance.

In recent years, new laws have been adopted that give shareholders access to more detailed information and encourage companies to tighten up internal control. The Loi de Sécurité Financière defines the role of the external Auditors more clearly and requires them to include in their reports on the financial statements of the Company and the Group a section describing the basis of their opinion.

The Auditors are also required to present to the Annual General Meeting a specific report setting out their comments on internal control procedures for the preparation and processing of accounting and financial information.

The new procedure for appointing the Auditors is also designed to promote increased confidence in financial information. In accordance with the Loi de Sécurité Financière, the Supervisory Board is tabling at the Annual General Meeting resolutions concerning the appointment of the Auditors. The Company has also notified the French securities regulator (AMF) of these proposals, as well as the insurance regulator (Commission de Contrôle des Assurances), which notified that Company that it had no particular comments to make concerning the proposed appointments.

The Supervisory Board gave the Audit Committee the task of overseeing the Auditor selection process. As part of the process, the Committee expressed an opinion on the proposed statutory audit fee budgets and presented a short-list of candidate firms to the Supervisory Board, explaining the reasons for its choices.

The Audit Committee is also given details of all payments made by the Company and the Group to the Auditors and the members of their networks, for both audit work and other services. The Audit Committee ensures that any non-audit work is not likely to impair the Auditors' independence or the Group's independence in relation to the Auditors.

10. REPORT ON THE PROPOSED RESOLUTIONS

10.1 Ordinary Resolutions

(a) Approval of the 2003 financial statements of the Company and the Group, and the Executive Board report (1st and 2nd resolutions)

In accordance with the "NRE" Act on corporate governance, shareholders will be asked to formally approve the consolidated financial statements for the year ended 31 December 2003. This requirement was introduced in recognition of the fact that the consolidated financial statements provide a more meaningful view of the performance and financial condition of Group companies. Two separate resolutions will be put to the vote, one covering the Company financial statements and the other dealing with the Group financial statements.

The financial statements of the Company and the Group for the year ended 31 December 2003, the review of CNP Assurances' financial position, business and results for the year and the other information prescribed by law are presented in a *document de référence* that has been filed with the securities regulator ("AMF").

(b) Appropriation of profit and approval of the recommended dividend of ε1.53 per share, giving rise to a tax credit (3rd resolution)

The Company accounts show a net profit for the year of €505,345,066.26 versus €526,764,644.44 in 2002. Including unappropriated income brought forward from 2002, in the amount of €4,945,647.09, total profit to be appropriated amounts to €510,290,713.35.

The Executive Board is recommending that this amount should be appropriated as follows:

- €79,988,107 to the special long-term capital gains reserve;
- €219,000,000 to revenue reserves;
- €210,916,717.92 to dividends;
- €385,888.43 to retained earnings.

If this recommendation is approved, the dividend per share payable on each of the 137,854,064 ordinary shares outstanding at 31st December, 2003, will amount to €1.53.

Qualifying shareholders will be entitled to a 50 per cent. tax credit – €0.765 – per share, corresponding to the tax already paid by the Company. The total revenue received by these shareholders, including the tax credit, will be €2.295.

The recommended dividend represents a payout rate of 36 per cent. The dividend will be paid in cash as from 11th June, 2004.

(c) Approval of the Auditors' special report on agreements governed by Article 225-86 of the Commercial Code (4th resolution)

The agreements referred to in the Auditors' special report concern agreements authorised by the Supervisory Board and entered into in prior years which remained in effect in 2003 and a new agreement authorised by the Supervisory Board of 16 December 2003 between the Company and CDC Ixis AM.

During the meeting, the Supervisory Board also authorised the signature of two addenda:

- Addendum no. 3 to the Framework Agreement of 28 June 1995 between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance, extending the duration of the framework agreement until 31 December 2008 and providing for its automatic renewal for successive periods of two years.

- Addendum no. 4 to the Service Agreement of 28 June 1995 between CNP Assurances and Ecureuil Vie, extending the duration of the agreement until 31 December 2008, without any automatic renewal clause.

(d) Ratification of the appointment or election of six members of the Supervisory Board and resignation of one of the censors (5th to 11th resolutions)

At the Annual General Meeting, shareholders will be asked to ratify the appointment to the Supervisory Board, during the year, of five new members to replace former members who had stood down, and also to elect a new member of the Supervisory Board to replace a member who is not standing for re-election, as follows:

- Etienne Bertier, appointed to replace Isabelle Bouillot.

- Anthony Orsatelli, appointed to replace Gérard Barbot.

- Nicolas Mérindol, appointed to replace Philippe Wahl.

Ratification of the March 2004 appointment of:

- Jérome Gallôt, appointed to replace Anthony Orsatelli.

- Dominique Marcel, appointed to replace Pierre Servant.

Election of:

- Philippe Baumlin, to replace Jean-Jacques Doaré whose term expires at the close of the 2004 Annual General Meeting.

Shareholders will also be asked to place on record the resignation from the position as censor of Jean Lecointre, given to the Company on 30 June 2003. Mr. Lecointre will not be replaced.

Biographical information about the members of the Supervisory Board, in its new configuration, is included in the information sent out to shareholders in advance of the Annual General Meeting.

(e) Appointment of Auditors (12th resolution)

The appointments of three of the Company's Auditors and their respective substitutes expire at the close of the Annual General Meeting of 8 June 2004. In connection with a change in the group of Auditors, the Supervisory Board proposes re-appointing, for the statutory six-year term expiring at the close of the Annual General Meeting to be called in 2010 to approve the financial statements for the year ending 31 December 2009:

- Mazars et Guerard, represented by Pascal Parant, as Statutory Auditor, and Franck Boyer as substitute,
- KPMG SA, represented by Regis Tribout, as Statutory Auditor, and SCP Jean-Claude Andre as substitute.

(f) Renewal of the authorisation given to the Executive Board to trade in the Company's shares. Maximum purchase price and minimum resale price: €70 and €18 (13th resolution)

The purpose of this resolution, tabled at each Annual General Meeting, is to renew the eighteen month authorisation given to the Executive Board by the shareholders at the 3 June 2003 Annual General Meeting, to buy back the Company's shares. The resolution sets the maximum purchase price at €70 and the minimum resale price at €18. The authorisation is designed to allow the Company to implement the share buyback programme described in the information memorandum approved by the French securities regulator (AMF). Share buybacks would be carried out primarily to stabilise the Company's share price, as allowed under stock market regulations.

As of 31 December 2003, CNP Assurances held 488,222 treasury shares, compared with 952,208 at the previous year-end.

10.2 Special Resolution (14th Resolution)

To comply with the provisions of the Loi de Sécurité Financière, a special resolution is being tabled, amending the wording of Article 30-1 of the Articles of Association dealing with agreements between the Company and a member of the Supervisory Board or Executive Board that require prior authorisation.

11. CORPORATE GOVERNANCE STRUCTURES

11.1 Members of the Supervisory Board and Executive Board of CNP Assurances and other Directorships held (2003)

(a) Executive Board

Name, age, date of first appointment, expiry date of current term, number of CNP Assurances shares held	Main functions within the CNP Assurances Group	Main functions in other companies
Gilles Benoist Age: 58 First appointed: 9 July 1998 Current term expires: June 2007 CNP shares: 2,559 CNP corporate mutual fund units: 1,556.10	**President of the Executive Board;** - Permanent representative of CNP Assurances on the Board of Directors of CNP Caution; – Director of: Caixa Seguroda (Brazil); – Representative of CNP Assurances, Legal Manager of the following non-trading property companies: Société Foncière de la CNP; Société Civile du 136 rue de Rennes; Société Immobilière de Construction et d'Acquisition de la CNP- Sicac; CNP Immobilier; Compagnie Immobiliére de la CNP - Cimo; Société Civile Immobilière de la CNP; Vendôme Europe; SCI Issy les Moulineaux; Rueil Newton.	– Member of the Supervisory Board of CDC Ixis; CNCEP (resigned 11 June 2003); – Permanent representative of CNP Assurances on the Supervisory Board of Gimar Finance; – Director: Dexia (Belgium); – Member of the Executive Committee of Caisse des dépôts Group.
Xavier Larnaudie-Eiffel Age: 46 First appointed: 16 December 2003 Current term expires: June 2007 CNP shares: 500	– Member of the Executive Board, Director, International Operations.	– Director of CNAM (publicly-owned institution); – Director of ESL Network (Belgium); Member of the Executive Board and Vice Chairman of Solving International (resigned 15 December 2003).

Antoine Lissowski Age: 48 First appointed: 16 December 2003 Current term expires: June 2007 CNP shares: 500	– Member of the Executive Board, Finance Director.	– Member of the Supervisory Board of CNCE; – Member of the Executive Board of: CDC Finance-CDC Ixis (resigned 16 December, 2003); CDC Ixis Financial Guaranty Services Inc. (USA) (resigned 16 December 2003); CDC Ixis Financial Guaranty North America (USA) (resigned 16 December 2003); CDC Ixis North America (USA) (resigned 16 December 2003); CDC Ixis AM US Corporation (USA) (resigned 16 December 2003); Chairman of the Supervisory Board of: CDC Ixis Financial Guaranty Holding (25 September 2003 to 16 December 2003, previously member of the Supervisory Board); CDC Ixis Financial Guaranty (resigned 16 December 2003); CDC Ixis Financial Guaranty Europe (resigned 16 December 2003); Martignac Finance (resigned 22 December 2003); – Vice Chairman of the Supervisory Board of: CDC Ixis Capital Markets (since 17 October 2003, previously member of the Supervisory Board) CDC Ixis Asset Management (from 6 October 2003 to 16 December 2003); – Chairman of the Board of Directors of Ixis AEW Europe (from 2 October 2003 to 16 December 2003); – Permanent representative of CDC Finance - CDC Ixis on the Supervisory Board of CDC Ixis Private Capital Management (since 8 September 2003); – Permanent representative of CDC Finance - CDC Ixis on the Board of Directors of: CDC Ixis Private Equity (since 17 July 2003) and director (resigned 16 December 2003); Magnant (company wound up on 17 August 2003) – Permanent representative of CDC on the Board of Directors of Société Foncière Mogador (term expired in May 2003); – Director of Part'Com (resigned 16 December 2003).

Name, age, date of first appointment, expiry date of current term, number of CNP Assurances shares held	Main functions within the CNP Assurances Group	Main functions in other companies
Gérard Ménéroud Age: 57 First appointed: 4 June 2002 Current term expires: June 2007 CNP shares: 1,060 CNP corporate mutual fund units: 44.88	– Member of the Executive Board, Director, Partnerships and Business Development; – Chairman and CEO of Filassistance International; – Chairman of Carrés Bleus; – Chairman of the Board of Directors of: Fongepar; Préviposte; Investissement Trésor Vie; – Director of CNP International; – Member of the Supervisory Board and Vice Chairman of GPM Assurances; – Permanent representative of CNP Assurances on the Board of Directors of: Assurposte; Ecureuil Vie; Gespre.	– Chairman of the Board of Directors of Anticipa (GIE).
Jean-Pierre Walbaum Age: 58 First appointed: 17 January 2001 Current term expires: June 2007 CNP shares: 2,640 CNP corporate mutual fund units: 2,613.12	– Member of the Executive Board, Director, Management and Innovation; – Director of: Assurposte; Ecureuil Vie; – Permanent representative of CNP IAM on the Board of Directors of Filassistance International.	– Director of: Ecureuil Assurances Iard; Director and Facility Manager, Informatique CDC (GIE).

(b) Supervisory Board

Edmond Alphandéry

Age: 60. Holds 501 CNP shares.
Chairman of the Supervisory Board of CNP Assurances.
First elected: 9 July 1998/current term expires: June 2007.

Other directorships and functions within the CNP Group

– Chairman of the Board of Directors of CNP International.

Other directorships and functions

– Director of: Crédit Agricole Indosuez;
Société des Editions de Presse Affiches Parisiennes.

– President of the Centre National des Professions Financières non-profit association.

Jean-Paul Bailly

Age: 57. Chairman of La Poste. Holds 50 CNP shares.
Vice Chairman and member of the Supervisory Board of CNP Assurances.
First elected: 19 November 2002/current term expires: June 2007.

Other directorships and functions

– Member of the Supervisory Board of Sogeposte.
– Director of Sopassure.
– Permanent representative of La Poste on the Board of Directors of: Sofipost; Géopost; Efiposte.

Francis Mayer

Age: 53. Managing Director of Caisse des Dépôts.
Holds 50 CNP shares.
CDC first elected: 20 December 1991/current term expires: June 2007.
Permanent representative of CDC on the Supervisory Board of CNP Assurances since 28 January 2003.

Other directorships and functions within the CDC Group

– Chairman of the Supervisory Board of CDC Ixis since 21 January 2003.
– Chief Operating Officer and Director of Eulia since 15 January 2003.
– Permanent representative of CDC Ixis on the Supervisory Board of CDC Ixis Capital Markets since 17 February 2003.
– Director of: CDC Holding Finance since 5 March 2003; CDC Ixis Private Equity since 27 February 2003.
– Permanent representative of CDC on the Board of Directors of C3D since 16 January 2003.
– Director of: Casino Guichard-Perrachon since 4 September 2003; Dexia (Belgium) since 20 November 2003; Véolia Environnement since 30 April 2003.
– Vice Chairman and Member of the Supervisory Board of CNCEP since 6 February 2003.

Etienne Bertier

Age: 44. Chairman and CEO of Icade since 27 October 2003.
Holds 50 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 9 September 2003.

Other directorships and functions

– Director of: C3D (from 30 June 2003 to 26 November 2003); Financière Lille (since 22 September 2003).
– Permanent representative of Icade (ex Scic) on the Board of Directors of: EMGP (since 27 October, 2003); Scand (since 27 October, 2003); Scic Habitat (since 27 October,

2003); Scic Habitat Île de France (since 27 October, 2003); Capri (since 27 October, 2003).

– Member of the Managing Board, representative of SCI Domaines Île de France, Scic Gestion Gie (since 27 October 2003).

– Member of the Supervisory Board of: CNCEP (from 6 November 2003 to 31 December 2003); Crédit Foncier de France (since 17 December 2003); Club Méditerranée (since 12 June 2003).

Pierre Servant

Age: 49. Member of the Executive Board of CNCE responsible for Finance and Risks since 15 December 2003, previously Managing Director and Chief Financial Officer of Cie Financière Eulia. Holds 51 CNP shares. Member of the Supervisory Board of CNP Assurances. First elected: 18 September 1998; resigned 19 December 2003.

Other directorships and functions

– President of the Executive Board of: CDC Finance-CDC Ixis (from 16 July 2003 to 14 January 2004, previously Permanent representative of Compagnie Financière Eulia on the Supervisory Board); CDC Ixis North America (USA) since 24 September 2003.

– Chairman of the Supervisory Board of: CDC Ixis Capital Markets since 17 October 2003, previously member of the Supervisory Board; CDC Ixis Asset Management since 6 October 2003, previously member of the Supervisory Board; CDC Ixis Italia.

– Member of the Executive Board of CDC Ixis AM US Corporation (USA) since 6 November 2003.

– Member of the Supervisory Board of SA Credit Foncier de France since 28th May, 2003.

– Director of: CDC Ixis Private Equity; Compagnie Financière Eulia (since 11 September 2003); Caisse des Dépôts Développement C3D (resigned 19 December 2003).

– Permanent representative of CDC Finance-CDC Ixis on the Supervisory Board of CDC Ixis Securities (SA) since 17 July 2003.

– Permanent representative of Caisse des Dépôts on the Supervisory Board of CDC Ixis Financial Guaranty Holding (SA).

– Permanent representative of Compagnie Financière Eulia on the Board of Directors of Eulia Caution (from 28 May 2003 to 28 September 2003 when term expired).

Anthony Orsatelli

Age: 53. Member of the Executive Board of CNCE responsible for Corporate and Investment Banking since 15 December 2003. Holds 50 CNP shares. Member of the Supervisory Board of CNP Assurances. First elected: 9 September 2003; resigned 18 December 2003.

Other directorships and functions within the CDC Group

– President of the Executive Board of: CDC Ixis Capital Markets (SA); CDC Ixis Capital Markets North America (USA); CDC Commercial Paper Corp. (USA); CDC Financial Product Inc. (USA); CDC Mortgage Capital Inc. (USA); CDC Derivatives Inc. (USA);

CDC Funding Corp. (USA); CDC Municipal Products Inc. (USA); CDC Servicing Inc. (USA).

- Member of the Executive Board of: CDC Ixis Financial Guaranty Services Inc. (USA); CDC Ixis Financial Guaranty North America Inc. (USA); CDC Ixis North America (USA); CDC Ixis AM US Corporation since 6 November 2003; CDC Ixis AM US LLC (USA); CDC Securities Inc. (USA).
- Chairman of the Supervisory Board of CDC Ixis Securities (SA).
- Vice Chairman of the Supervisory Board of CDC Ixis LCF Rothschild Midcaps (SA).
- Member of the Supervisory Board of: CDC Ixis Private Capital Management; CDC Ixis Asset Management.
- Chairman of the Board of Directors of: CDC SP (Lux); Nexgen Financial Holding limited (Irl);
- Nexgen RE limited (Irl).
- Permanent representative of CDC Finance-CDC Ixis on the Supervisory Board of CDC Ixis Financial Guaranty Holding (SA) (since 16 September 2003 previously censor).
- Permanent representative of CDC Ixis Financial Guaranty Holding (SA) on the Supervisory Board of CDC Ixis Financial Guaranty (since 16 September 2003, previously censor).
- Permanent representative of CDC Ixis Financial Guaranty (SA) on the Supervisory Board of CDC Ixis Financial Guaranty Europe (since 25 September 2003, previously censor).

Other directorships and functions

- Member of the Supervisory Board of Cif Euromortage(SA) (resigned 8th September, 2003).
- Director of San Paolo Imi s.p.a. (Italy) since 12 September 2003.
- Permanent representative of CDC Finance-CDC Ixis on the Supervisory Board of: Ecureuil Gestion since 17th July, 2003; Ecureuil Gestion FCP
- since 17th July, 2003.
- Permanent representative of CDC Ixis Capital Markets on the Supervisory Board of Gimar Finance SCA.

Jean-Pierre Menanteau

Age: 39. Advisor to the Managing Director of CDC since October 2003, previously Director, Strategy,
Finance and Accounting at CDC.
Holds 50 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 4 June, 2002
current term expires: June 2006.

Other directorships and functions within the CDC Group

- Chairman of: CDC Holding Finance (term expired 3 November 2003); CDC DI (Germany). Term expired 1 December 2003).

- Member of the Supervisory Board of: Sogeposte (term expired 25 June 2003); CDC Ixis Asset Management (term expired 4 December 2003).
- Director of: C3D (term expired 11 December 2003); Transdev (term expired 12 March 2003); Icade (ex Scic) (term expired 2 October 2003).
- Permanent representative of CDC on the Supervisory Board: CDC Ixis (term expired 8 December 2003); CDC Ixis Capital Markets (since 17 October 2003); CDC Ixis Italia Holding (term expired 13 March 2003).
- Censor on the Board of Directors of Financière Lille (term expired 3 November 2003).

Other directorships and functions

- Member of the Supervisory Board of CNCEP (term expired 18 December 2003).
- Permanent representative of CDC: Galaxy Fund (Luxembourg fund) (term expired 11 December 2003); Ségur gestion (term expired 10 January 2003).
- Permanent representative of CDC Holding Finance on the Board of Eulia (term expired 12 November 2003).

Charles Milhaud

Age: 61. President of the Executive Board of CNCEP.
Holds 100 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 25 January 1999/current term expires: June 2007.

Other directorships and functions

- Chairman and CEO of Eulia Compagnie Financière.
- Chairman of the Supervisory Board of: Crédit Foncier de France; Financière Oceor.
- Vice Chairman of the Supervisory Board of CDC Ixis.
- Chairman of the Board of Directors of Perexia.
- Director of: Sopassure; Sodhexo Alliance (since 4 February 2003); Banque Internationale des Mascareignes (Mauritius).
- Permanent representative of CNCEP, Director of: Holassure; Banque des Île Saint-Pierre et Miquelon; Banque des Antilles françaises; Banque de la Réunion; Banque de Tahiti; Banque de Nouvelle-Calédonie.
- Manager of SARL CM Investissements.

Marc-André Feffer

Age: 54. Chairman of Sopassure.
Holds 100 CNP shares.
Sopassure first elected: 17 January, 2001/ current term expires: June 2007.
Permanent representative of Sopassure on the Supervisory Board of CNP Assurances since 26 February 2004.

Other directorships and functions

- Member of the Board of Media Overseas.

Patrick Werner

Age: 54. Managing Director of La Poste.
Holds 200 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 25 January 1999/current term expires: June 2007.

Other directorships and functions

- Chairman of: SF2; Efiposte; Assurposte.
- Chairman of: BMS Développement; BMS Exploitation.
- Chairman of the Supervisory Board of Sogeposte.
- Director of Sopassure.
- Director of Europay France.
- Chairman of: Intensys; Emergence Euro Poste; Elanciel France; Elanciel euro. (Sicav funds).

Nicolas Mérindol

Age: 43. Member of the Executive Board of CNCEP.
Holds 50 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 9 September 2003.

Other directorships and functions

- Vice Chairman of the Supervisory Board of: Crédit Foncier de France; Martignac Finance.
- Member of the Supervisory Board of: CDC Ixis Capital Market; CDC Finance-CDC Ixis; CDC Ixis Asset Management.
- Chairman of the Board of Directors of Ingepar.
- Member of the Board of Directors of: Compagnie Financière Eulia; Editions de l'Epargne.
- Director of: Arese; Efidis (since 9 March 2003).
- Director of Ecureuil Participations.
- Permanent representative of CNCE on the Board of Directors of Groupement d'achats des Caisses d'Epargne (ODCCIA).
- Permanent representative of CNCE on the Board of Directors: Ecureuil Monétaire; Revenus Trimestriels (Sicav funds).
- Permanent representative of CNCE on the Board of Directors of A3C.
- Permanent representative of CNCE on the Supervisory Board of Girce Ingenierie.
- Permanent representative of CNCE on the Board of Directors of Girce Stratégie; Arpége; RSI.
- Permanent representative of CNCE on the Supervisory Board of SA Financière Oceor.

- Permanent representative of Ecureuil Participations on the Board of Directors of Holgest.
- Permanent representative of Ecureuil Participations on the Board of Directors of Alliance Entreprendre.

Jean Bassères

Age: 43. Director of Public Accounts.
Permanent representative of the State on the Supervisory Board of CNP Assurances.

Jacques Hornez

Age: 53. Treasurer of Mutuelle Generale de l'Education Nationale (MGEN). Holds 50 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 10 September 2002/current term expires: June 2007.

Other directorships and functions

- Chairman of Sicav Moneden.
- Member of the Supervisory Board of G.A.I.A.
- Treasurer of: MGEN Union; MGEN Vie; MGEN Action Sanitaire et Sociale; MGEN Filia.
- Director of: CCOMCEN; Observatoire de l'Enfance en France.
- Director of: Adosen (association); Arts and Vie; Parnasse Maif; Parnasse Immo; Fructi Fonds Immobilier; Casden Banque Populaire; Valorg.
- Treasurer of Union Système Fédéral de Garantie: FNMF.
- Comptroller of JPA (association).
- Censor of Filia Maif.
- Co-manager of Sci Philgen.

Michel Liès

Age: 50. Member of senior management of Compagnie Suisse de Réassurances.
Holds 51 CNP shares.
Compagnie Suisse de Réassurances first elected: 12 October 1998/current term expires: June 2007.
Permanent representative of Compagnie Suisse de Réassurances.

Other directorships and functions

- Chairman of Caisse de Pension de Swiss Ré.
- Director of: The Mercantile &c Generali Insurance Co. Ltd (UK); Swiss Ré GB PLC; Swiss Reinsurance Company UK; Swiss Ré Life and Health Ltd. (UK).
- Director of: Swiss Re Italia SpA (Italy); Swiss Re Management SA (Luxembourg); Swiss Re Southern Africa Ltd. (South Africa).
-

Alexandre Lamfalussy

Age: 74. Professor at Institut d'Etudes Européennes de Louvain (Belgium). Holds 50 CNP shares. Member of the Supervisory Board of CNP Assurances.
First elected: 6 June 2000/current term expires: June 2005.

Other directorships and functions

– Chairman of the Board of: MTS (Italy); Euro MTS (UK).

– Member of the Supervisory Board of M.O.L. (Hungary).

Jean-Jacques Doaré

Age: 63. Chairman of "CNP Actions" corporate mutual fund. Holds 338 CNP shares. Member of the Supervisory Board of CNP Assurances. First elected: 3 June 1999/current term expires: 8 June 2004.

Antonio Borgès

Age: 54. Vice President of Goldman & Sachs International.
Holds 50 CNP shares.
Member of the Supervisory Board of CNP Assurances.
First elected: 4 June, 2002/current term expires: June 2007.

Other directorships and functions

– Director of: Jeronimo Martins; Sonaecom; Caixa Seguros.

Bernard Comolet

Age: 57. President of the Executive Board of Caisse d'Epargne Ile-de-France Paris.
Holds 50 CNP shares.
Censor on the Supervisory
Board of CNP Assurances.
First elected: 19 September 1998/current term expires: June 2007.

Other directorships and functions

– Vice President and Member of the Supervisory Board of CNCEP.

– Chairman of the Board of Directors of Écureuil Dynamique (Sicav).

– Director of Saccef, Eulia Caution, Socamab.

– Director of Opac de Paris (a publicly-owned enterprise).

Jean-Louis de Mourgues

Age: 56. General representative of AG2R.
Holds 50 CNP shares.
Censor on the Supervisory Board of CNP Assurances.
First elected: 19 September 1998/current term expires: June 2007.

Other directorships and functions

– Chairman of the Supervisory Board of AG2R.

– Chairman of the Board of Directors of Arial assurance.
– Chairman of the Board of Directors of: Patrimoine Retraite; BP Obli Première (Sicav).
– Director of Société d'Assurances Mutuelles.
– Director: La Mondiale.

11.2 Remuneration of the Members of the Executive Board and Supervisory Board

(a) Members of the Executive Board

The members of the Executive Board who represent CNP Assurances on the boards of other companies do not receive any directors' fees from these companies. To date, no stock options have been granted to members of the Executive Board.

Each member of the Executive Board receives a fixed remuneration and a variable remuneration pegged to the overall financial performance of the Company and the achievement of certain personal objectives set at the beginning of each year. The total remuneration package of Executive Board members is set by the Supervisory Board based on the recommendations of the Remunerations Committee.

The total remuneration paid to the members of the Executive Board in 2002 – in respect of their executive functions and as officers of the Company – was as follows (expressed as gross taxable income):

Gross annual remuneration paid in 2003

In € Members of the Executive Board	Fixed remuneration	Variable remuneration	Directors' fees	Benefits in kind	Stock options	Total remuneration paid in 2003
Gilles Benoist	297,275.64	103,589	0	7,36		408,233.46
Gérard Méněroud	228,673.56	43,424[1](D)	0	4,89		276,987.60
Jean-Pierre Walbaura	228,673.56	71,143	0	5,30		305,123.20
Xavier Larnaudie-Eiffel[21]	12,969.04	0	0			12,969.04
Antoine Lissowski[2]	11,253.99	0	0			11,253.99
Bernard Delas[3]	273,137.79	94,017	0	3,25		370,405.71
Jean-Paul Marchetti[3]	235,025.55	77,102	0	5,06		317,192.75

[1] *Appointed 4th June 2002*
[2] *Appointed 16th December 2003*
[3] *Resigned 16th December 2003*

Detail

In €	Fixed remuneration paid in 2003			Variable remuneration for 2002 paid in 2003			Variable remuneration for 2003 paid in 2004		
Name	Employment Contract	As director	Total	Employment Contract	As director	Total	Employment Contract	As director	Total
Gilles Benoist	266,785.80	30,489.84	297,275.64	92,613	10,976	103,589	85,371.40	9,756.74	95,128.14
Gérard Méneroud	198,183.72	30,489.84	228,673.56	37,492	5,932	43,424d	71,346.13	10,976.34	82,322.47
Jean-Pierre Walbaum	198,183.72	30,489.84	228,673.56	61,386	9,757	71,143	71,346.13	10,976.34	82,322.47
Xavier Larnaudie-Eiffel[2]	11,698.63	1,270.41	12,969.04	0	0	0	3,977.53	431.93	4,409.46
Antoine Lissowski[2]	9,983.58	1,270.41	11,253.99	0	0	0	3,394.41	431.93	3,826.34

(b) Members of the Supervisory Board

The total fees awarded to the Supervisory Board by the Annual General Meeting of 6 June 2000 (for 2000 and subsequent years) amounted to €426,857.25. Based on the recommendations of the Remunerations Committee and the notifications received by the Company, the Supervisory Board allocated the 2003 fee among its members as shown in the table below.

- The fees awarded by shareholders to the Supervisory Board represent attendance fees and their payment depends on the attendance rate of members of the Supervisory Board at meetings of the Board and its specialist committees, where applicable.
- Fees allocated to Jean-Jacques Doaré were paid to the Association des Personnels Actionnaires de la CNP (ADPA-CNP), the CNP employee-shareholders association.
- As Chairman of the Audit Committee, Alexandre Lamfalussy receives double the fee awarded to the other members of the Committee.
- The Chairman of the Supervisory Board, Edmond Alphandéry, does not receive any attendance fees. His remuneration in respect of his functions with CNP Assurances and CNP International is as follows:

In € Chairman of the Supervisory Board	Fixed remuneration CNP	Fixed remuneration CNPI	Directors' fees	Benefits kind	Stock options	Total remuneration paid in 2003
Edmond Alphandéry	99,996	99,997.96	0	4,620.12	0	204,614.08

Director	Amount paid in 2004 in respect of 2003 (in ε)	Paid to
Edmond Alphandéry*	0	
Nicolas Routier	15,250	Sopassure
Jean-Paul Bailly*	24,400	Sopassure
Patrick Werner*	27,450	Sopassure
Charles Milhaud*	18,300	Sopassure
Philippe Wahl*	15,250	Sopassure
Nicolas Mérindol*	9,150	Sopassure
Francis Mayer*	21,350	CDC
Isabelle Bouillot	9,150	CDC
Etienne Bertier	6,100	CDC
Pierre Servant	12,200	CDC
Gérard Barbot	3,050	CDC
Anthony Orsatelli	0	CDC
Jean-Pierre Menanteau*	27,450	CDC
Jean Bassères	12,200	Trésor Public
Michel Liès	6,100	Compagnie Suisse de Réassurances
Jacques Hornez	15,250	MGEN
Alexandre Lamfalussy*	39,650	Alexandre Lamfalussy
Antonio Borges	12,200	Antonio Borges
Jean-Jacques Doaré	15,250	Jean-Jacques Doaré

* *Also member of a Committee of the Supervisory Board*

Censors	Amount paid in 2004 in respect of 2003 (in ε)	Paid to
Jean Lecointre (resigned June 2003)	9,150	Jean Lecointre
Bernard Comolet	12,200	Bernard Comolet
Jean-Louis de Mourgues	15,250	Jean-Louis de Mourgues

Fees Paid to the Auditors

In ε thousands	Mazars and Guérard		KPMG SA		Calan Ramolino & Associés	
	Amount	%	Amount	%	Amount	%
Audit						
Audit of the financial statements of the Company and the Group						
CNP Assurances	221		221		221	
CNP IAM			88		88	
Préviposte					40	
ITV			35			
Ecureuil Vie	188					
Global			37			
Global Vida			24			
Assurbail	26		26			
CNP International			14			
Caixa Seguros	12					
Other audit and special engagements	132				480	
Sub-total	**579**	**100%**	**445**	**100%**	**829**	**100%**
Other services						
Other						
IT consulting						
TOTAL	**579**	**100%**	**445**	**100%**	**829**	**100%**

"Other audit and special engagements" concern services such as the validation of embedded value, assistance with the IFRS project (Calan Ramolino - Deloitte network) or additional audit engagements (Mazars et Guérard).

CNP Assurances has been publishing its embedded value since the autumn of 1999. The calculations are performed with the assistance of B&W Deloitte, who certify the methods used and review the calculations. The embedded value of an insurance business corresponds to the sum of revalued net assets (NAV) and the discounted present value of in-force business, less the cost of the capital representing the solvency margin.

(c) Embedded Value at 31 December 2003

- The CNP Assurances Group's embedded value amounts to €45.5 per share after dividends, including adjusted NAV of €37.9 and €7.6 corresponding to the value of in-force business. Excluding Brazil, embedded value comes to €44 per share after dividends. Adjusted NAV used for embedded value calculations corresponds to book NAV (€38.2) less in-force business net of the tax benefit related to the Caixa Seguros acquisition in Brazil (€0.3 per share).

- The value of new business written in 2003 is €84 million or €0.61 per share, based on premium income for the year of ε12.2 billion. Excluding Brazil, new business amounts to €74 million or €0.54 per share, based on premium income of €12.1 billion. New business includes new policies written during the year and future top-up premiums (non-recurrent single premiums). It does not include regular premiums which are taken into account in the valuation of in-force business.

(d) The main assumptions used in 2003 were as follows (France):

- Bond yield: 4.3 per cent. OAT;
- Equities yield: 6.3 per cent. (dividends plus capital gains);
- Discount rate: 7.8 per cent.;
- 25 per cent. of the solvency margin covered by subordinated debt;
- Treatment of top-up premiums: primarily included in new business;
- Acquisition and administrative expenses: increase in unit costs in line with inflation (1.5 per cent. per year);
- Corporate income tax rate: 35.4 per cent.;
- Abolition of tax credit on French-source dividends.
- Change in surrender rate (lower).

Sensitivity of embedded value at 31 December 2003 (France)

NAV	
100 bps in`crease in bond yield	ε-101m
10% rise in CAC 40 index	+ε153m
IN FORCE	
100 bps increase in bond and equities yield	+ε3 86m
100 bps increase in the discount rate	ε-346m
EMBEDDED VALUE (NAV + IN FORCE)	
100 bps increase in bond and equities yield	+ε285m
100 bps increase in the discount rate	ε346m

11.3 Embedded Value at 31st December 2002

- The CNP Assurances Group's embedded value amounted to €42 per share after dividends, including NAV of €34.4 and €7.6 corresponding to the value of in-force business.

- The main assumptions used in 2002 were as follows:
  - Bondyield: 4.3 per cent. OAT;
  - Equities yield: 6.3 per cent. (dividends plus capital gains);
  - Discount rate: 7.8 per cent.;
  - 25 per cent. of the solvency margin covered by subordinated debt;
  - Treatment of top-up premiums: primarily included in new business;
  - Acquisition and administrative expenses: increase in unit costs in line with inflation (1.5 per cent. per year);
  - Corporate income tax rate: 35.4 per cent.;
  - Tax credits on dividends: 10 per cent.

REPORT OF THE SUPERVISORY BOARD ON THE REPORT OF THE EXECUTIVE BOARD AND THE 2003 FINANCIAL STATEMENTS

Annual and Special General Meeting held on 8 June 2004

To the shareholders

The Executive Board, made up of five executive directors, has presented the 2003 financial statements and its report on the activities of the Company and Group over the year.

During the year, the Executive Board kept us regularly informed about the activities and development of the Group and we performed the controls and verifications that we considered necessary to fully exercise our oversight role.

This role consists of independently reviewing the Executive Board's management of the Company, the financial statements and the various projects that require our prior approval in accordance with the law and the Company's articles of association.

We are also required to inform shareholders in General Meeting of our observations concerning the Executive Board's management and the annual financial statements.

1. Control and oversight

The Supervisory Board met five times in 2003 with an average attendance rate of 83 per cent.

During these meetings, we reviewed the quarterly, half-yearly and annual results, the Group's situation and its strategic development.

Our control and oversight role includes verifying the reliability and clarity of the financial information given to shareholders and the market, paying close attention to the transparency and appropriateness of information produced by the Company on any matters likely to impact the Group's overall financial position.

The composition of the Supervisory Board, the complementary skills represented on the Board and the commitment of its members ensure that we are able to:

- closely monitor the management of the Group, on behalf of shareholders;
- assess the Group's business and financial goals and the related risks; obligations to meet any required performance targets and the consistency of those targets with Group strategy, business growth policies and value creation factors;
- assess the Group's fundamentals and its sensitivity to externally-driven changes in its business environment;
- examine the risk management policies applied at Company and Group level;
- verify compliance with the applicable laws and regulations as well as with the principle of shareholder equality.

2. Corporate governance

CNP Assurances' two-tier management structure, put in place at the time of its stock market flotation, complies fully with the principles of good corporate governance, including the standards introduced in the corporate governance act of 15 May 2001 concerning the balancing and segregation of powers in listed companies.

The Company's corporate governance structure provided an ideal background for applying the new rules introduced in the Loi de Sécurite Financière of 1 August 2003 in the area of company law.

The latest provisions of company law have given us the opportunity to reiterate to shareholders the Board's role, responsibilities and duties, including those of representing all shareholders without exception and acting in all circumstances in the Company's best interests.

As part of the constant drive to put corporate governance practices on a formal footing, at the beginning of 2004 certain rules of good practice were added to the internal rules of the Supervisory Board and the Committees of the Board, reflecting the efforts that have been underway within the Company for several years to achieve ever greater transparency, accountability and control.

2.1 Supervisory Board Internal Rules

(Extracts from the internal rules are shown in italics)

The internal rules governing the activities of the Executive Board, Supervisory Board and Committees of the Board represent a formal statement of the key principles of corporate governance applied by the Company. Significant extracts from these internal rules are reproduced in this report. The drafting process represented an opportunity to identify and clearly state the Company's core values, and to benchmark these values against the standards of best practice in France.

In March 2004, we updated and extended these internal rules, as part of the quality programme implemented to ensure that the Company's interests are protected at all times.

Effective control over the management of the Company and the financial statements, risk reporting systems and internal control procedures, lie at the heart of good corporate governance, along with the Supervisory Board rules of procedure. Various initiatives have been launched in these areas, including the production of a "*report of the Chairman of the Supervisory Board prepared in compliance with the provisions of the Loi de Sécurité Financière*".

The main additions made to the internal rules of the Supervisory Board and the Committees of the Board reflect both the letter and the spirit of the Loi de Sécurité Financière. They concern:

- *"The right to seek advice from independent experts: The Supervisory Board may retain the services of any experts of its choice, to assist it in exercising the oversight role vested in the Supervisory Board by the Commercial Code, and the fees of such experts shall be paid by the Company. Once they have been designated and the Executive Board has been informed of the nature of their engagement, their names and the capacity in which they are acting, these experts shall have the same rights of investigation as the Supervisory Board in the area concerned."*

- *"Self-assessment: Once a year, the Supervisory Board shall review its performance over the past year. The review shall cover members' attendance rates, the Board's rules of procedure, and the organisation of meetings. The Board shall consider, in particular, whether decisions on matters corresponding to its core missions are properly prepared and discussed. The Board shall also decide on any action to be taken as a result of the assessment."*

2.2 Internal Rules of the Committees of the Board

To improve our efficiency, we have set up an Audit Committee and a Remunerations and Nominations Committee to examine in detail matters put before the Supervisory Board. Each committee is made up of Supervisory Board members selected for their specific expertise.

The Audit Committee and the Remunerations and Nominations Committee are responsible for examining in detail issues submitted to us for a decision, in order to prepare and facilitate our work.

Each Committee issues proposals, recommendations or comments on the matters falling within its terms of reference. Every year, the Committees produce an annual report to the Supervisory Board, describing the matters examined during the year and their conclusions.

Decisions are made at full meetings of the Supervisory Board.

(a) The Audit Committee

(Extracts from the internal rules are shown in italics)

In accordance with its internal rules, the Audit Committee is headed by an independent director (as defined in the Viènot report on corporate governance). The Committee's primary role is to assist the Supervisory Board in examining the annual and interim financial statements and reviewing internal and external audit processes.

In this regard, the Committee has a broad remit to:

- *"Obtain assurance concerning the relevance, consistency and conformity of the accounting policies applied to prepare the financial statements of the Company and the Group, as well as the appropriate treatment of transactions that have a material impact on the Group accounts.*
- *Assess - on the basis of documents and reports produced by the Company - the effectiveness of the internal audit function, the quality of the system of internal control, the reliability of risk monitoring and management procedures.*
- *Obtain assurance that the Group complies with all the requirements of the stock exchange authorities and all legal and regulatory requirements, particularly as regards financial communications".*

The Committee's remit specifically covers the following:

- *"Reviewing the annual and interim financial statements, to assess their conformity with generally accepted accounting principles and the specific regulations applicable to the Company, examining all material strategic transactions, the external auditors' work* *plan, the external auditors' findings and recommendations and the action taken to implement these recommendations.*

- *Reading the Group's risk control charter, the internal audit charter and annual internal audit programme. The Supervisory Board may pass on to the Executive Board any recommendations made by the Audit Committee in this area, with a view to extending the internal audit programme if this is considered appropriate.*

- *Meeting the head of internal audit to discuss the main recommendations contained in the reports reviewed by the Committee, as well as the action taken to implement these recommendations.*

- *Expressing an opinion on the choice of external auditors whose appointment or re-appointment is proposed at the Annual General Meeting, the amount of their fees and any auditor independence issues."*

(b) The Remunerations and Nominations Committee

(Extracts from the internal rules are shown in italics)

The Remunerations Committee - now called the Remunerations and Nominations Committee - was set up in 1993. Its remit, as set out in its internal rules, is to:

- *"Make recommendations to the Supervisory Board concerning the appointment, re-appointment or removal of members of the Executive Board.*

- *Make recommendations to the Supervisory Board concerning remuneration to be paid to each member of the Executive Board, including any and all pension arrangements and other benefits.*

- *To this end, the Committee shall examine the overall structure of the Executive Board members' remuneration packages and the basis for determining the fixed and variable components. The Committee shall check whether variable remuneration performance targets have been met and decide on the amount, and other terms and conditions of such variable remuneration.*

- *Present argued opinions to support the Supervisory Board's decision whether to approve the contracts of employment proposed for each member of the Executive Board.*

- *Review all proposals related to stock option plans and employee rights issues to be submitted to the Supervisory Board."*

The Remunerations and Nominations Committee also issues opinions or recommendations on:

- *"The allocation of directors fees among the members of the Supervisory Board and the censors based on pre-defined criteria."*

When the internal rules of the Committees of the Board were updated, we reiterated the principle whereby directors fee are allocated to members based on their attendance at meetings of the Supervisory Board and its Committees.

3. Matters examined by the Supervisory Board and the Committees of the Board in 2003

3.1 Matters Examined by the Supervisory Board Based on Input from the Audit Committee

(a) 2002 financial statements of the Company and the Group

The Audit Committee reported to us on its review of the 2002 financial statements and related analyses. The Committee focused, in particular, on comparing consolidated results with the forecasts presented to the Supervisory Board in January 2003. It noted that ROE for 2002 stood at 13.1 per cent., almost unchanged compared with 13.2 per cent. the previous year.

The Committee reviewed the effects of falling stock market prices on the financial statements, the reserves needed to cover these effects and the method used to finance the new reserves. The amounts involved were covered by reducing the sum transferred to the policyholders' surplus reserve and also through profit-taking on the bond portfolio.

The Committee noted with satisfaction that the results obtained by the Brazilian subsidiary exceeded the target set in the business plan. Although Caixa Seguros did not make a positive contribution to 2002 consolidated profit, due to the real's slide against the euro, the subsidiary's underlying performance in local currency was viewed as very promising.

Lastly, after discussing the matter with the Auditors, the Committee concluded that the 2002 accounts closing process for the French companies in the Group had gone smoothly. It also noted the favourable comments made in the Auditors' post-audit letter concerning the Company's overall soundness and the quality of the Executive Board's management methods.

(b) 2003 interim financial statements

During its review of the interim financial statements for the six months ended 30 June 2003, the Audit Committee noted that results for the period were impacted by several developments, including:

- A higher effective tax rate, and uncertainties concerning the reform of the system of dividend tax credits (*avoir fiscal*).
- Changes in the financial environment during the period. Share prices and the CAC 40 continued to fall in the first quarter, but started to recover in the second quarter, while interest rates fluctuated significantly. Unrealised gains on bond portfolios rose sharply between 31 December 2002 and 30 June 2003. The 10-year interest rate climbed from 4.3 per cent. at the end of 2002 to 4.4 per cent., before falling back to 3.4 per cent. Unrealised gains on equities followed the same trend.

All of these movements made it difficult to make meaningful comparisons with the first half of 2002 and the Committee recommended that communications about the interim results should be as clear as possible and include ample explanations.

During its review of the interim results, the Committee analysed changes in administrative costs and reviewed the Executive Board's strategy concerning employee benefits contracts sold to local authorities.

Concerning the Brazilian subsidiary, the Committee emphasised the need to continue hedging currency risks, noting that the quality of the hedging strategy would help to ensure that the subsidiary's business plan targets are met over the long term.

The Committee made all necessary enquiries of the Auditors and took note of the Auditors' comments on two key legislative changes:

- The first concerns certain provisions of the Loi de Sécurité Financière of 1 August 2003, including the requirement for the Chairman of the Supervisory Board to prepare a report on the Board's procedures and on internal control procedures related to the preparation and processing of accounting and financial information.

  The Auditors are required to issue a special report on the section of the Chairman's report dealing with internal control procedures.

- The second change concerns the requirement for quoted companies to adopt international financial reporting standards (IFRS) as from 2005 with prior year comparatives and, consequently, to prepare an opening IFRS balance sheet at 1 January 2004. These standards have not all been adopted at European level. Nevertheless, the Committee considered that the Company should actively prepare for changes in accounting methods that could potentially have a very significant impact not only on the presentation of the accounts but also on the Company's management policies. The Committee strongly recommended that the Company reach the highest possible level of preparedness for implementing the new standards.

The Audit Committee also examined certain specific issues:

(i) Use of derivatives

In 2003, the Committee commissioned an external audit of the Company's use of derivative instruments. The purpose of the audit was to determine the level of compliance with two regulations:

- The decree of 4 July 2002 dealing with the use of derivative instruments by insurance companies. The fundamental aim of this decree is to reduce the risks associated with the use of these instruments and prevent insurance companies from engaging in any trading transactions. The Committee obtained formal assurance and was able to give assurance to the Supervisory Board that the Company's level of compliance with the decree and with the related accounting and administrative obligations was satisfactory.

- The new accounting regulations issued on 12 December 2002. At its meeting on 8 September 2003, the Committee reviewed implementation of these regulations and concluded that the level of compliance was satisfactory. The external Auditors concurred with this finding. The Company has launched a phased programme to implement these regulations and should soon reach full compliance.

(ii) Implementation of IFRS/IAS

On 18 December 2003, the IASB issued 13 revised standards on a variety of topics, including the production of consolidated financial statements and financial disclosures. To be applicable as from 2005, these revised standards will first have to be adopted at European level.

Their purpose is to improve the quality of financial reporting and to continue the process of convergence of accounting standards.

During its November 2003 meeting, the Audit Committee devoted a significant amount of time to reviewing and understanding these new standards and their direct and indirect implications for the Group.

The Committee reported to us that, despite the project's complexity and the uncertainty about the standards that will be applicable in 2005, the Company is organised to convert accounting and financial reporting systems to IFRS.

The files presented by the heads of the operating departments and the report presented by the Executive Board member responsible for Finance enabled us to take stock of the challenges associated with the IFRS project, the scale of the project, which will be rolled out to all Group entities, its impact on internal reporting systems and financial communications, and the work required to adapt information systems.

We reviewed the Executive Board's approach to implementing this major project. The first phase consisted of monitoring technical developments. This was followed by a preliminary study of the effects of applying IFRS and of key accounting issues, leading to detailed analysis and deployment plans being drawn up at the end of January 2004.

We asked the Executive Board to keep the Audit Committee regularly informed of the status of the project, so as to enable the Committee to effectively monitor the related risks and report back to us.

(iii) Internal Audit

At the beginning of 2003, the head of Internal Audit reported to the Audit Committee on the audits carried out during 2002, the action taken to implement the internal auditors' recommendations and the internal audit programme for 2003.

The Committee received copies of the internal audit reports and the reports on the implementation of the related recommendations. Its review of these documents provided the Committee with a clear overview of the Internal Audit department's activities and organisation. The Committee reached the conclusion that an opportunity existed to optimise the duration of each internal audit and suggested that an assessment be performed of the department's resources in relation to its activities. The assessment will enable the Committee to determine any needs that would be generated by an extension of the department's activities, in tandem with the Group's international development.

The Audit Committee approved the 2003 internal audit programme and suggested that audits also be performed of the management of derivative instruments and of the quality of information systems, from the standpoint of client satisfaction and service level.

The Committee also asked that the executive summaries prepared for presentation to the Supervisory Board show more clearly the degrees of importance of the internal auditors' observations and recommendations.

In 2003, we were informed in detail of the main initiatives taken in the area of internal control. These primarily concerned internal audit, the risk mapping exercise undertaken by the Risk Control Department, and the project to document internal control procedures in compliance with the Loi de Sécurité Financière.

Based on the quarterly reports and other information supplied regularly by the Executive Board, as well as the information provided by the Chairman during the drafting of his report on the system of internal control, we noted that technical insurance risks (in France and Brazil), financial risks and other major risks were all covered by a satisfactory risk containment system.

The Audit Committee also examined two other issues: the management of issuer risk and the local government market. These issues were discussed in detail in the Committee's 2003 annual report to the Supervisory Board.

The five-member Audit Committee, which was set up in 2000, met four times in 2003, with a 95 per cent. attendance rate. The work of the Committee helped to improve the efficiency of our oversight and also contributed to enhancing the transparency of the Group's financial disclosures.

3.2 Matters Examined by the Supervisory Board Based on Input from the Remunerations and Nominations Committee

The four-member Remunerations and Nominations Committee met twice in 2003 with a 100 per cent. attendance rate.

(a) Remuneration of the members of the Executive Board

(i) For 2002

In May 2002, the Committee recommended that the variable remuneration paid to members of the Executive Board, in their capacity as Board members and under their contract of employment, should represent up to 50 per cent. of their total remuneration, as opposed to 40 per cent. previously. We adopted this recommendation.

On 4 March 2003, the Remunerations and Nominations Committee met to draft proposals concerning the variable remuneration to be paid to Executive Board members based on collective and personal objectives. The collective objectives, which serve to determine up to 30 per cent. of variable remuneration, concern:

- productivity, as measured by the ratio of administrative expenses to technical reserves;
- the CNP Assurances share price;
- growth in recurring net profit.

In addition to these collective objectives, which have been applied since 1999, up to 20 per cent. of variable remuneration is based on the attainment of personal objectives. These differ according to the area of management responsibility of each Executive Board member.

After assessing actual performance in relation to these objectives, we decided - on the recommendation of the Remunerations and Nominations Committee - to set the variable remuneration pegged to collective objectives at 22 per cent. and that pegged to individual objectives at 10 per cent. to 14 per cent. (compared with an average of 12 per cent. previously). The total variable remuneration received by Executive Board members for 2002 therefore represented between 32 per cent. and 36 per cent. of their fixed remuneration.

(ii) For 2003

The Committee recommended that no changes should be made to the fixed remuneration of Executive Board members, as decided on 4 June 2002. We also decided that their variable remuneration would continue to represent up to 50 per cent. of their fixed remuneration.

(b) Remuneration of the members of the Supervisory Board

The Remunerations Committee was called on in 2004 to make proposals concerning the allocation among Supervisory Board members and the censors of the total directors' fees approved by shareholders at the Annual General Meeting of 6 June 2000.

The proposal formulated by the Committee, which we adopted, consists of allocating directors' fees based on each individual's attendance record at meetings of the Supervisory Board and the Committees of the Board.

Full information about the remuneration paid to the members of the Executive Board and Supervisory Board is provided in the Executive Board's report, in accordance with legal requirements and the Group's disclosure policy.

4. Specific matters examined by the Supervisory Board in 2003

4.1 Partnerships Between CNP Assurances and Mutual Insurers

During the year, the Executive Board sought our approval of a strategic plan to strengthen and extend the partnership between the Company and Mutualité Française, the organisation that represents the mutual insurance sector.

Our Group already works with certain large mutual insurance companies, including Mutualité de la Fonction Publique and MGEN. The proposal to establish a long-term partnership with the rest of the mutual insurance sector represents an ambitious plan, which has clear merits.

As well as strengthening the Group's historical ties with Mutualité de la Fonction Publique, which represents some €10 to €15 million in profits each year, it also provides an important opportunity to leverage the values shared by CNP and Mutualité with the aim of building a robust partnership in the area of personal risk insurance. This is a business area where profit margins are not subject to the vagaries of the financial markets.

The project would open up new avenues of growth in health insurance - a market dominated by the mutual insurance sector - at a time when major changes are looming in the system of social security reimbursements.

After stressing the importance of ensuring that the project does not encroach on the partnerships with the French Post Office and the Savings Banks, and that the risks and returns are acceptable, we voted unanimously in favour of the strategy.

In line with our fundamental responsibility of monitoring the Group's underlying profitability, we will closely track growth in premium income and profits from this partnership with the mutual health insurers.

4.2 Partnership Agreement Between CNP Assurances and CNCE

At the meeting on 16 December 2003, we reviewed the partnership agreements with CNCE and Ecureuil Vie. Both agreements have been extended until 31 December 2008, to coincide with the new expiry date of the shareholders' pact which was extended on 26 May 2003 for a further four-year period.

We reviewed the main negotiating points and reached the conclusion that the interests of both parties were preserved. We therefore authorised the signature of the addenda extending the two partnership agreements, under the procedure applicable to regulated agreements.

4.3 Caixa Seguros

We regularly review the performance of the Brazilian subsidiary, Caixa Seguros. The market share gains and profit margins reflected in the information given to us in May 2003 confirm that our confidence in the Executive Board's management of this subsidiary is justified. Considerable progress has been made in improving Caixa Seguros's organisational efficiency, and bolstering its competitive position by reducing operating costs and controlling claims expenses more effectively. Thanks to these improvements, Caixa Seguros's results were in line with the targets set for the business, as reflected in the business plan.

Looking at the Brazilian market as a whole, with a major social reform programme looming on the horizon, it will be important to remain vigilant and proceed with caution. In particular, appropriate hedging strategies are needed to provide protection against a possible fall in the real against the euro.

4.4 Information Systems Policy

At the Supervisory Board meeting on 27 May 2003, the Executive Board presented plans to develop an information systems policy extending beyond the three-year period covered by the business plan. The aim is to establish a long-term policy for the period to 2008.

The plan will help to clarify the Group's IT organisation and to prioritise the various types of project, in order to manage the complexities of IT spending more efficiently. We asked that the related budgets be monitored at six-monthly intervals by the Audit Committee.

4.5 Membership of the Executive Board

At our meeting on 16 December 2003, we decided to appoint Antoine Lissowski as Finance Director, taking over from Jean-Paul Marchetti, and Xavier Larnaudie-Eiffel as Director, International Operations, replacing Bernard Delas. These appointments were made based on the recommendation of the Remunerations and Nominations Committee, which considered that the two candidates were eminently qualified and shared the Group's ambitions in terms of international development and financial performance.

The reshaped Executive Board confirmed its commitment to meeting the highest standards of efficiency in terms of corporate governance practices. These practices are reflected in the Executive Board's updated internal rules, which we approved unanimously on 9 March 2004. At the same meeting, we also approved the allocation of executive and operational responsibilities among the five Executive Board members.

4.6 Regulated Agreements

On 16 December 2003, we authorised the signature of an agreement with CDC Ixis Asset Management setting out the terms of transfer within the CDC Group of a former member of the Executive Board, and of addenda to two existing agreements, as follows:

- Addendum no. 3 to the Framework Agreement of 28 June 1995 between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prèvoyance, extending the term of the Framework Agreement to 31 December 2008. The addendum also provides for the automatic renewal of the Agreement thereafter, for successive periods of two years, until terminated by one or other of the parties.

- Addendum no. 4 to the Service Agreement of 28 June 1995 between CNP Assurances and Ecureuil Vie, extending the term of the Service Agreement to 31 December 2008, without any renewal clause.

5. Specific matters examined by the Supervisory Board in 2004

5.1 2003 Financial Statements of the Company and the Group

The meeting to review the 2003 financial statements of the Company and the Group, as well as the related reports of the Executive Board, was held on 9 March 2004.

The Group turned in a resilient performance in a persistently difficult market, meeting the turnover and earnings growth targets announced at the beginning of the year. Recurring profit increased by 2 per cent. on a reported basis and 3.4 per cent. like-for-like, a rate in line with the stated objective.

In light of this good performance, we concur with the Executive Board's recommendation to increase the dividend by 2.68 per cent. to ε1.53 per share (excluding the *avoir fiscal* tax credit) from ε1.49 for 2002.

6. Proposed resolutions

In addition to the customary resolutions concerning approval of the financial statements of the Company and the Group and the appropriation of profit, at the Annual General Meeting shareholders will be asked to:

- elect Philippe Baumlin to the Supervisory Board, to replace Jean-Jacques Doaré whose term expires at the Meeting, and

- ratify the appointment to the Supervisory Board on 9 September 2003 of:
  - Etienne Bertier, to replace Isabelle Bouillot following her resignation
  - Anthony Orsatelli, to replace Gérard Barbot following his resignation
  - Nicolas Mérindol, to replace Philippe Wahl following his resignation.

During the meeting of 9 September 2003, we also appointed new members of the Committees of the Board, as required, and decided not to replace Jean Lecointre as censor, following his resignation.

At our meeting on 9 March 2004, we appointed Jérome Gallot and Dominique Marcel as members of the Supervisory Board, to fill the seats left vacant by the resignations of Anthony

Orsatelli and Pierre Servant. These appointments are subject to ratification at the Annual General Meeting of 8 June 2004.

Marc-André Feffer took over from Nicolas Routier as representative of Sopassure on the Supervisory Board, starting with the 9 March 2004 meeting.

The appointments of the three Statutory Auditors will expire at the close of the Annual General Meeting to be held on 8 June 2004. At this Meeting, we will be tabling a resolution renewing the appointment of two of the Auditors, Mazars et Guèrard, represented by Pascal Parant, and KPMG SA, represented by Régis Tribout.

The fourteenth resolution tabled at the Annual General Meeting concerns an amendment to Article 30 of the Articles of Association dealing with regulated agreements. This amendment is necessary to comply with one of the provisions of the Loi de Sécurité Financière.

We have been kept fully informed by the Executive Board on all matters relating to the Group's strategic development and earnings performance.

Based on this information, we recommend that shareholders approve the 2003 financial statements of the Company and the Group, the proposed appropriation of net profit and all the other resolutions tabled at the Annual General Meeting.

We would like to end by thanking all members of staff for their hard work alongside the Executive Board during the past year.

The Supervisory Board

2004 INTERIM REPORT (EXTRACTS)

1. SIGNIFICANT EVENTS OF THE PERIOD

1.1 First Quarter

(a) Launch of CNP Trésor network

Pursuant to the 27 May 2003, announcement by the Minister of the Economy and Finance that the French Treasury would stop distributing CNP Assurances products at the end of the year, since 1 January 2004, CNP Assurances has been managing relations with policyholders who purchased their policy via the Treasury network.

The 470,000 policyholders represent around a million CNP policies, €10.5 billion in assets under management (at 31 December 2003) and 2003 premium income of €746 million.

To guarantee a seamless transition and retain the confidence of these policy holders, CNP Assurances has set up a team of insurance advisors that will ultimately have 280 members. These advisors will offer clients personalized advice, based on a review of their specific situation, with the underlying aim of preserving the value of the inherited portfolio.

(b) CNP to write loan insurance for Créfidis

CNP Assurances has been selected to write loan insurance for Créfidis, a new credit institution set up by Cofidis in partnership with Credit Mutuel Nord Europe. Créfidis's offering includes an automobile loan and a revolving credit facility sold by retailers to enable customers to finance their purchases. The insurance package provided by CNP comprises death, temporary and permanent disability and unemployment cover.

(c) CNP Net deployed in bank branches

This new web-enabled system enables account managers in bank branches who are arranging finance for their clients to set up insurance cover in real time. On-line underwriting optimises the insurance process by reducing the time required – for the majority of applications, the account manager receives an immediate reply directly on screen.

1.2 Second Quarter

(a) CNP Assurances and UNPMF launch the Plan Retraite Mutex pension plan

In connection with the partnership agreement between FNMF (Fédération Nationale de la Mutualité Française) and CNP Assurances signed on 6 June 2003, CNP and UNPMF – the pensions, savings and personal risk arm of FNMF have launched a Perp private pension plan offering for clients of UNPMF companies.

UNPMF (Union Nationale de Prévoyance de la Mutualité Française) comprises 164 mutual insurance companies with more than 1,000 outlets. In 2003, it recorded premium income of over €500 million.

The related commitments will be co-insured by UNPMF and CNP Assurances on a 50/50 basis.

Plan Retraite Mutex is a Perp personal pension plan governed by the "Fillon Act" of 21 August 2003. It consists of a voluntary participation group contract offering participants a safe means of saving for their retirement, with the freedom to choose between different investment formulas and the guarantee of equitable benefits. Participants are offered the choice between a non-unit-linked formula and a combination unit-linked/non-unit-linked formula with a steady increase in the non-unit-linked weighting as the participant moves closer to retirement age.

The two partners' objective in the pensions market is to achieve a sustainable market share of around 5 per cent. By 2008, they expect to sell around 15,000 new contracts per year, including both traditional and "Fillon Act" products, representing premium income of some €60 million.

(b) Partnership between the Casino Group and CNP Assurances

Casino Group and CNP Assurances have just signed a strategic agreement for the development and promotion of a comprehensive personal insurance offering for customers of Casino Group stores in France.

The initial offering will include personal risk insurance and loan insurance, as well as savings and pension products. The two partners also plan to work together in the areas of assistance and other personal services.

The partnership will leverage the expertise of Banque du Groupe Casino in designing and marketing financial products and services for the Group's customers, and CNP Assurances' expertise as the leading personal insurer in France. Starting immediately, CNP Assurances will insure the credits and personal loans extended to the customers of the Casino Group bank.

Individual personal risk and savings offers will be rolled out as from the middle of the year, either through the Géant hypermarkets or directly to the 3.3 million cardholders of Casino Group loyalty programme.

(c) CNP Assurances launches a successful inaugural perpetual bond with innovative features

CNP Assurances decided to take advantage of current favourable conditions on the subordinated debt market to reinforce its solvency ratio through the launch of a €250 million junior subordinated issue.

This subordinated bond is junior to all other subordinated debt issues launched previously by CNP Assurances. The Company is the first French insurer to issue "*Titres Super Subordonnés*" through the legal framework set up by the "Loi de Sécurité Financiére" of 1 August 2003.

The issue achieved pan European distribution. In response to strong demand from Benelux and Swiss investors, who took up three-quarters of the issue, the deal size was raised from €200 million to €250 million. The bonds pay interest at a variable rate indexed to the 10-year OAT yield (TEC 10).

(d) Employee rights issue

On 25 June 2004, CNP Assurances carried out an employee rights issue giving participants in the CNP Group employee share ownership plan the opportunity to invest their profit-shares and incentive bonuses in CNP shares. The issue was authorised at the Annual General Meeting of 4 June 2002.

The take-up rate was high, with 75.3 per cent. of employees choosing to participate in the issue.

A total of 731,402 new shares were issued to employees, raising the number of CNP Assurances ordinary shares outstanding to 138,585,466 from 137,854,064 previously. The new capital stands at €554,341,864 versus €551,416,256 prior to the issue. The issue proceeds totalled €23,434,120.08.

2. MARKET AND BUSINESS REVIEW

2.1 Economic Environment

The return to growth in the euro zone that began in mid-2003 gained momentum in the first half of 2004 under the impetus of increased consumer spending and higher exports. Growth rates were uneven, however, with the French economy expanding twice as fast as the German and Italian economies.

The renewed expansion, which is clearly being led by the global economic recovery, offset the impact of the strong euro on European exports. Germany led the field in export-driven growth, while France came out on top for its vibrant consumer spending.

In the absence of any genuine increase in jobs or real salaries, the consumer spending spree was partly financed by savings. However, the decline in the household savings rate was offset by higher consumer debt levels, made possible by the availability of cheap credit.

While base rates were kept very low, in April long-term rates began to creep up throughout the world in response to expectations of a gradual tightening of monetary policies. In the euro zone, the 10-year government bond rate climbed from 4 per cent. in March to 4.4 per cent. in May and France's 10-year OAT rate reached 4.35 per cent. at the end of the June, roughly the same level as at the start of the year.

Higher long-term rates depressed financial asset prices, reversing the upward trend observed since March 2003. However, the setback was short-lived. While the CAC 40 lost 3 per cent. between April and May, the market took heart from the good results announced by listed companies in mid-May and the index reached 3732.99 points at the end of June, representing a 4.9 per cent. increase over the six-month period.

The environment was favourable to financial investments, particularly life insurance which was viewed as an attractive savings solution in a period when interest rates remained relatively low. In addition, the summer 2003 cut in interest rates on regulated savings products, such as Livret A passbook savings accounts, Codevi accounts and PEL home-savings plans, triggered a flow of new money into life insurance products.

All told, according to industry estimates, the French savings market totalled around ε46.3 billion, an increase of 18 per cent. compared to the first half of 2003.

2.2 Business Review

CNP Assurances' consolidated premium income for first-half 2004 totalled €11,243.3 million, an increase of 11.3 per cent. over the year-earlier period. New money invested in Savings products in France rose 11.1 per cent. compared to first-half 2003. CNP under performed the French Savings market, despite above-market growth in the second quarter (18 per cent. versus 17 per cent.).

The French unit-linked market grew by a very strong 46 per cent., while the non-unit-linked market was up by 12 per cent. CNP's unit-linked sales rose 16.4 per cent. to €1,465.3 million.

This breaks down as €107.7 million for group products and €1,357.6 million for individual products (savings and pensions), an increase of 17.8 per cent.

Changes in premium income by business segment were as follows:

Premium income	**First-half 2004 €m**	**First-half 2003 €m**	**Change %**	**First-half 2002 €m**
Savings (1)	8,897.3	8,005.2	11.1	7,899.7
Pensions (2)	702.4	597.8	17.5	473.1
Personal risk (1)(2)	578.8	512.4	13.0	441.9
Loan insurance	847.8	787.2	7.7	775.5
Health insurance	111.0	95.7	16.0	115.6
Property and casualty	106.0	100.8	5.1	91.2
Total	**11,243.3**	**10,099.1**	**11.3**	**9,797.0**

Average exchange rate, first-half 2004 €1 = BRL 3.717

(1) Including Personal Risk premium income reclassified under Savings in France (Savings Bank product): first-half 2003: €35.3 million

(2) Including Personal Risk premium income reclassified under Pensions in Brazil: first-half 2003: €43.8 million

At constant exchange rates – with first-half 2004 premium income in Brazil translated at the average rate for first-half 2003 – total premium income rose 11.5 per cent., as follows:

Premium income	**First-half 2004 €m**	**First-half 2003 €m**	**Change %**
Savings	8,901.0	8,005.2	11.2
Pensions	712.1	597.8	19.1
Personal risk	580.9	512.4	13.4
Loan insurance	850.8	787.2	8.1
Health insurance	111.0	95.7	16.0
Property and casualty	108.7	100.8	7.8
Total	**11,264.5**	**10,099.1**	**11.5**

Average exchange rate, first-half 2004 and 2003 €1 = BRL 3.501

2.3 Savings

Savings premium income rose 11.1 per cent. (11.2 per cent. at constant exchange rates), reflecting solid second quarter performances by the two partner networks, as well as by CNP Trésor, in a buoyant market.

2.4 Pensions

Pensions premium income climbed 17.5 per cent. on a reported basis and 19.1 per cent. at constant exchange rates. Sales of pension products in Brazil were up by a very strong 87 per cent., at constant exchange rates, and pensions business in France was also brisk.

In France, pensions premium income rose 7 per cent., as follows:

- Sales of individual pension products jumped 24.3 per cent., helped by the launch of an array of new products. They include products qualifying for the tax incentives applicable to life insurance (marketed since January 2004) and the Perp products introduced in the Pensions Act (marketed since April 2004).
- Sales of group products rose by a more modest 2 per cent.
- New money invested in Préfon - which is now sold through the Post Office network - climbed 15.5 per cent. to €174.4 million.

2.5 Personal Risk

Personal risk premium income climbed 13 per cent. or 13.4 per cent. at constant exchange rates.

In France, sales of individual personal risk products by the networks continued to grow rapidly, rising 27.7 per cent. to €76 million. Sales of group personal risk products to mutual insurers, local government and companies expanded by a strong 12.7 per cent.

2.6 Loan Insurance

Loan insurance increased 7.7 per cent. or 8.1 per cent. excluding the currency effect. In France, the growth rate was 8.9 per cent. This performance was attributable to strong growth in the French credit market, led by consumer loans, and the 1 January launch of a loan insurance offering with Cofidis in Belgium, Italy and Spain, following Portugal. The development initiative brought in some €18 million worth of premium income in the first half.

2.7 Health Insurance

Premium income from sales of health insurance rose 16 per cent., reflecting the higher rates charged to mutual insurers, local government and companies.

Sales of Completys Santé, the health insurance product marketed by 50 per cent.-owned Assurposte (proportionally consolidated in CNP Assurances' financial statements), contributed €3.1 million to the total, up 38 per cent. over the year-earlier period.

2.8 Property and Casualty Insurance

Property and casualty insurance premium income rose 5.1 per cent. to €106 million. On a constant exchange rate basis, the increase was 7.8 per cent. Only the Portuguese and Brazilian subsidiaries write property and casualty insurance, contributing €62.4 million and €43.6 million respectively.

The following table shows the breakdown of premium income by network and by country:

Partnership Centres and foreign subsidiaries	First-half 2004 €m	First-half 2003 €m	Change	First-half 2002 €m
French Post Office	3,817.9	3,523.1	+ 8.4	3,507.1
Savings Banks	5,026.4	4,259.3	+ 18.0	4,105.6
CNP Trésor	309.2	420.1	(26.4)	435.5
Financial institutions	542.2	504.2	+ 7.5	485.6
Mutual insurance companies and local authorities	647.9	558.8	+ 15.9	509.5
Companies	418.4	427.1	(2.0)	289.9
Other (France)	53.4	29.5	+ 81.2	39.4
Global (Portugal)	85.2	76.0	+ 12.0	72.7
CNP Seguros de Vida (Argentina)[1] and other	1.6	1.7	(5.9)	3.1
Caixa Seguros (Brazil)[1]	341.1	299.3	+ 14.0	348.6
Total	**11,243.3**	**10,099.1**	**+ 11.3**	**9,797.0**

[1] *Average exchange rate Argentina: €1 = ARS 3.661*
Brazil: €1 = BRL 3.717

(a) France

First-half premium income in France totalled €10,815.4 million, an increase of 11.2 per cent. over the year-earlier period. Growth was driven primarily by the savings and health insurance businesses.

Savings	Pensions	Personal Risk	Loan Insurance	Health Insurance	Total
+ 11.5%	+ 7.3%	+ 14.2%	+ 8.9%	+ 16.1%	11.2%

Premium income generated by the French Post Office rose 8.4 per cent. to €3,817.9 million. Second quarter premium income surged 26.7 per cent. to €1,700.9 million, reflecting the momentum created by advertising campaigns supporting the launch of new pension products, as well as the successful efforts by the sales force to make up for below-market performance in the first quarter. All told, nearly 150,000 new contracts were sold during the first half. Prefon sales got off to a good start in the second quarter, with 8,000 contracts sold in the three-month period. Personal risk sales continued to grow, rising 49 per cent. to €49.7 million. Unit-linked sales were up 43 per cent. at €306.2 million, representing 8.2 per cent. of the network's total sales of savings and pension products.

Premium income generated by the Savings Banks totalled €5,026.4 million, an increase of 18 per cent. This strong performance was attributable to the continuation of the "4.5 per cent.-yield" campaigns in June and July, the momentum created by the April launch of the new Perp pension products, and the pension simulations produced for clients which led many of them to transfer funds from easy-access savings products to Perp contracts and also to traditional life insurance products. By the end of June, a total of 160,000 Perp contracts had been sold. New money invested in the high-end *Nuances Plus* range increased by a very strong 81.7 per cent. to €562 million. Unit-linked sales grew 8.8 per cent. to €984 million, representing 20.2 per cent. of total savings and pension sales by the network.

CNP Trésor generated premium income of €309.2 million, compared to €420.1 million generated by the French Treasury network in first-half 2003. In the second quarter, CNP Trésor's premium income was only 5 per cent. down, with a sales force of 223 people which is set to reach 280 by the end of the year. First-half unit-linked sales amounted to €20.8 million, representing 7 per cent. of total savings and pensions revenues. An advertising campaign promoting personal risk products was conducted between May and July. CNP Trésor's good marketing performance, which was completely in line with objectives, was underpinned in the second quarter by advertising campaigns for personal risk and unit-linked products.

A Perp pension product is due to be launched shortly.

Financial institutions contributed premium income of €542.2 million, an increase of 7.5 per cent.

Premium income generated by mutual insurance companies and local authorities was 15.9 per cent. higher at €647.9 million. All business lines - pensions, personal risk, loan insurance and health insurance - contributed to the increase, which was partly attributable to higher premium rates charged to local governments and regional mutual insurance companies.

Premium income from sales to companies dipped 2 per cent. to €418.4 million, on the back of 47 per cent. growth in first-half 2003.

Lastly, premium income from Other Development Initiatives in France, including direct sales and sales by other networks, surged 81 per cent. to €53.4 million.

(b) International Operations

The Group's subsidiaries in Portugal (Global, Global Vida), Argentina and Brazil contributed €427.9 million to first-half premium income, representing an increase of 13.5 per cent. At constant exchange rates, premium income came to €449.1 million, up 19.1 per cent.

In Portugal, premium income generated by Global and Global Vida rose 12 per cent. to €85.2 million.

In Argentina, reported premium income remained flat at ARS 4.4 million or €1.2 million. At constant exchange rates, however, the period-on-period change was an increase of 19 per cent.

In Brazil, in a market up by around 18 per cent., Caixa Seguros reported premium income up 21 per cent. in local currency to BRL 1,268 million. Translated into euros, premium income rose

14 per cent. to €341.1 million. The continued success of the VGBL product fuelled an 87 per cent. increase in pension business, to the detriment of savings business.

The breakdown by category shows solid increases in both individual insurance and group insurance

Premium income	First-half 2004 €m	First-half 2003 €m	Change %	First-half 2002 €m
Individual insurance	9,362.3	8,354.8		8,221.9
Group insurance	1,881.0	1,744.3		1,575.1
Total	**11,243.3**	**10,099.1**		**9,797.0**

First-half 2004 premium income by country and business segment

In €millions	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Property & casualty	Total
France	8,816.4	546.4	543.8	798.9	109.9		10,815.4
Portugal	20.6		1.1		1.1	62.4	85.2
Brazil	59.6	156.0	33.0	48.9		43.6	341.1
Argentina and Other	0.7		0.9				1.6
Total	**8,897.3**	**702.4**	**578.8**	**847.8**	**111.0**	**106.0**	**11,243.3**

3. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are presented in accordance with the Government order of 17 January 2001, which approved the French Accounting Standards Committee (CRC) standard concerning the consolidated financial statements of insurance companies. The profit and loss account shows operating profit of the life insurance business, non-life business and other Group businesses – corresponding to two property companies and a property leasing company -, as well as the net profit of consolidated companies after other income and expenses, exceptional items and tax. Income from associated companies is added to this amount and goodwill amortisation is deducted to derive consolidated net profit.

The main profit and loss account items are presented below:

In € millions	Total First-half 2004	Change	Total First-half 2003
Premium income	11,243.3		10,099.1
Technical reserves	161,225.0		147,094.9
Operating expenses[2]	294.3		286.0
Operating profit	535.5		478.8
Income tax	182.3		149.9
Net profit before minority interests	336.8		312.6
Minority interests	68.0		56.9
Net profit	268.8		255.7

1 *Increase in average technical reserves: 9.4%*
2 *Excluding CNP Trésor personnel costs (€11.4 million)*

3.1 Comments on main profit and loss account items

Premium income, which accounts for nearly 40 per cent. of revenues, rose by 11.3 per cent. as discussed in the "Business Review" section.

Assets under management, which generate over 60 per cent. of revenues, expanded 9.6 per cent. The 9.5 per cent. increase in assets under management in France was slightly above the estimated 9 per cent. growth in the French savings market (source: FFSA). Movements for the period reflect the investment of premiums, portfolio appreciation and surrenders.

Claims expenses and changes in technical reserves, including policyholder dividends, rose 13.1 per cent. Excluding positive adjustments to unit-linked contracts, the increase was 11.2 per cent. Claims and claims handling expenses rose 6.1 per cent. in absolute terms but remained flat as a percentage of average technical reserves at 8 per cent. (annualised) versus 8.2 per cent. in first-half 2003. Total revenues allocated to policy-holders, including credited interest and policyholder dividends, amounted to €3.2 billion.

Investment income net of expenses totalled €4.1 billion. The 17.2 per cent. increase compared to first-half 2003 was due to higher mark-to-market adjustments to unit-linked portfolios and lower charges to provisions for permanent impairment in value, at €8 million versus €55 million. Excluding these items, net investment income was up by 8.7 per cent.

Excluding net realised gains, mark-to-market adjustments to unit-linked portfolios, investment income attributable to reinsures and charges to provisions for permanent impairment in value, the investment yield was 4.80 per cent. (annualised), unchanged from first-half 2003.

Realised gains on equities totalled €112.9 million, approximately the same amount as in first-half 2003. Realised gains attributable to shareholders were also largely unchanged at €70 million before tax. Their after-tax contribution to profit was €46 million versus €52 million.

Operating expenses, consisting mainly of business acquisition costs and other administrative expenses, rose 12.7 per cent. Commissions represented 73 per cent. of the total, despite the replacement of commissions paid to the French Treasury network with the personnel costs of the CNP Trésor network. The 17.8 per cent. increase in these expenses was due to the fact that certain group insurance partners chose to be paid a commission rather than receiving a share of profits.

Operating expenses of the French insurance companies, excluding the costs of the CNP Trésor network, inched up 0.8 per cent. to €248.9 million. The total includes business acquisition and administrative expenses, as well as claims handling expenses, investment management expenses and other underwriting expenses.

Operating profit, corresponding essentially to premium income and net investment income less business acquisition costs and other administrative expenses, totalled €535.5 million, an increase of 11.8 per cent.

The 21.6 per cent. rise in income tax was mainly due to the abolition of the avoir fiscal tax credit on French-source dividends, which trimmed earnings growth by around 4 points.

After deducting income tax and goodwill amortisation, net profit before minority interest was up 7.7 per cent. over first-half 2003.

The sharp 19.5 per cent. increase in minority interests was due to strong growth in the profit of Ecureuil Vie, which rose to €44.5 million from €32.5 million.

Net profit for the period came to €268.8 million, an increase of 5.1 per cent. over €255.7 million for first-half 2003.

Caixa Seguros (Brazil) contributed €1.4 million, corresponding to CNP Assurances' share of the subsidiary's net profit (€21.9 million) less the cost of financing the acquisition and goodwill amortisation.

3.2 Consolidated balance sheet at 30 June 2004

At 30 June 2004, the Group had total assets of €175.6 billion, representing an increase of 4.9 per cent. from €167.3 billion at 31 December 2003 and 8.4 per cent. from €161.9 billion at 30 June 2003.

Technical reserves amounted to €161.2 billion, up €7.4 billion (4.9 per cent.) over 31 December 2003 and €14.1 billion (9.6 per cent.) over 30 June 2003. The increase reflected higher mathematical reserves and policyholders' surplus reserves.

Consolidated shareholders' equity, including the capitalisation reserve, totalled €5,140 million, compared to €5,055.1 million before dividends at 31 December 2003.

The total solvency margin at 30 June 2004, including shareholders' equity calculated by the method prescribed by the French insurance regulator (Commission de Contrôle des Assurances), as well as unrealised gains and subordinated debt, was 2.4 times the regulatory minimum. Excluding unrealised gains, the margin requirement was covered 1.14 times versus 1.12 times at 31 December 2003. The improved coverage rate was attributable to the €250 million subordinated debt issue carried out during the period.

Investment portfolio and portfolio management

At 30 June 2004, the total investment portfolio had a book value of €164.8 billion, representing an increase of 5.3 per cent. over 31 December, 2003 and 8.9 per cent. over 30 June 2003. The estimated market value, including unrealised gains of €8.9 billion, was €173.7 billion.

The ratio of unrealised gains to the net book value of the portfolio held firm, at 5.4 per cent. versus 5.5 per cent. at 31 December 2003.

Based on book values, the portfolio structure – excluding unit–linked portfolios – was unchanged, with bonds accounting for 84 per cent., equities 13 per cent. and property 3 per cent.

4. PREPARATION FOR THE SWITCH TO IFRS (INTERNATIONAL FINANCIAL REPORTING STANDARDS)

CNP Assurances is preparing actively for the switch to IFRS, effective from 2005.

4.1 Regulatory Context

CNP Assurances' consolidated financial statements are currently prepared in accordance with the consolidation rules applicable to insurance groups, as set out in the French Insurance Code. The main accounting principles and policies are described in the notes to the consolidated financial statements. These principles and policies differ in certain respects from the principles laid down in IFRS.

By decision of the European Parliament announced in July 2002, all European listed companies will be required to produce consolidated financial statements in accordance with IFRS at the latest in 2005.

Ecofin and ARC (Accounting Regulation Committee) issued statements in July 2003 endorsing all International Accounting Standards, with the exception of IAS 32 and 39 dealing with financial instruments, which are still to be finalised by the IASB (International Accounting Standards Board).

There are still some uncertainties concerning the application of IFRS to insurance businesses in France.

The applicable texts require the publication of IFRS accounts for 2005, with 2004 comparative data presented on the same basis. Consequently, the opening balance sheet at 1 January 2004 will be restated in accordance with the new standards. Companies will be required to include in their first set of IFRS accounts a reconciliation to their French GAAP accounts.

The deadline for switching to IFRS is looming closer, making it necessary to prepare actively for the change despite the uncertainties that remain concerning the content of the body of standards dealing with insurance operations (IAS 32 and 39 and IFRS 4). For this reason, analyses are currently underway to obtain a preliminary assessment of the related impacts.

4.2 The CNP Assurances IFRS Project

The CNP Assurances IFRS project has been organized in four phases:

- Advanced technical monitoring
- Preliminary studies
- Detailed analyses
- Implementation

The purpose of the initial advanced technical monitoring phase, which was launched at the beginning of 2002, was to identify the expected changes in terms of financial communications. CNP Assurances took part in work groups set up in France, as well as in the exchanges of views with the IAS Board concerning disclosure requirements.

The preliminary studies phase was implemented between October 2003 and the end of March 2004. CNP teams were organised in work groups tasked with analysing the main issues common to all companies (consolidation, investment property, financial disclosures, etc.) or specific to the insurance industry (classification of financial and insurance assets and liabilities, classification of contracts between financial instruments (IAS 39) and pure insurance (IFRS 4), etc.). The aim was to:

- Organise IFRS training for the project participants.
- Perform a detailed analysis of the balance sheet, in order to identify:

  - the applicable IFRS
  - fundamental accounting issues arising from the application of IFRS
  - the main accounting options available.

- Identify the main systems needs and organisational changes.

- Perform simulations to assess the financial impacts of a range of scenarios on the balance sheet.

The detailed analysis phase, carried out from May to September of this year, consists of preparing the conversion of information systems to IAS/IFRS and implementing the necessary organisational changes. This will entail:

- Analysing accounting options in more detail and validating choices (finalising the review of applicable standards, performing additional analyses of the standards, calculating the financial impact where possible, drawing up accounting procedures and technical files).

- Identifying information system functional requirements
  - Drawing up expressions of needs in terms of information systems functions.
  - Drawing up procedures for the first-time adoption of IAS/IFRS.
  - Development of an implementation plan.

The project will be pursued in the second half of the year with the fourth and final implementation phase, which will begin in the fourth quarter in order to be ready to produce IFRS consolidated financial statements in 2005 based on the final versions of the applicable standards.

The IFRS project is being overseen by the Executive Board, and the Audit Committee of the Supervisory Board receives regular status reports.

5. RECENT DEVELOPMENTS AND OUTLOOK

We are standing by our full-year objective of consolidating our share of the fast-growing market, helped in particular by our new pension products.

In view of the first-half increase in operating profit and assets under management, we now expect earnings to grow significantly faster than in 2003, despite the impact of the abolition of the avoir fiscal tax credit on French-source dividends.

The Executive Board

FINANCIAL STATEMENTS

EXTRACTS OF CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE YEAR ENDED 31 DECEMBER 2003

Consolidated balance sheet

In € millions	31/12/2003	31/12/2002	31/12/2001
Assets			
Goodwill	377.6	402.8	417.5
Intangible assets:	56.2	100.2	115.8
- Value of acquired in-force business	*35.7*	*45.0*	*88.4*
- Other	*20.5*	*55.2*	*27.4*
Insurance company investments :	141,975.3	131,462.6	122,351.9
- Land and buildings	*3,151.5*	*3,001.4*	*2,512.3*
- Investments in non-consolidated companies and participating interests	*77.4*	*71.6*	*62.9*
- Other investments	*138,746.4*	*128,389.6*	*119,776.7*
Assets held to cover linked liabilities	13,840.6	11,811.2	12,598.6
Investments held by other Group companies	601.5	633.5	642.2
Investments in associated companies	34.8	88.8	187.3
TOTAL INVESTMENTS	**156,452.2**	**143,996.1**	**135,780.0**
Reinsurers' share of technical reserves	3,957.9	3,607.4	3,261.9
Debtors resulting from insurance and reinsurance transactions	2,392.4	1,893.5	1,943.0
Cash at bank	159.4	257.8	160.8
Other debtors	731.3	653.7	739.6
Other assets:	154.4	199.1	179.3
- Tangible fixed assets	*48.2*	*52.8*	*45.0*
- Other	*106.2*	*146.3*	*134.3*
Accrued income and prepaid expenses	3,040.1	2,957.9	2,719.3
TOTAL	**167,321.5**	**154,068.5**	**145,317.2**

Liabilities and shareholders' equity			
Shareholders' equity :	5,055.1	4,698.8	4,399.2
- Issued share capital	*551.4*	*551.4*	*548.5*
- Share premium account	*299.3*	*299.3*	*282.2*
- Reserves and consolidated net profit	*4,307.8*	*3,928.3*	*3,546.7*
- Other	*(103.4)*	*(80.2)*	*21.8*
Minority interests	992.9	897.3	902.2
Subordinated debt	1,652.6	1,152.6	850.2
Gross technical reserves:	139,944.3	128,999.2	120,454.9
- Life technical reserves	*135,550.5*	*125,102.3*	*116,569.1*
- Non-life technical reserves	*4,393.8*	*3,896.9*	*3,885.8*
Technical reserves for linked liabilities	13,840.6	11,811.2	12,598.6
TOTAL TECHNICAL RESERVES	**153,784.9**	**140,810.4**	**133,053.5**
Provisions for liabilities and charges	224.2	243.6	259.7
Liabilities resulting from insurance and reinsurance transactions	805.1	1,259.8	1,224.7
Debt securities	2,620.6	2,717.4	2,604.4
Bank loans	324.9	388.8	335.4
Other liabilities	1,778.2	1,828.0	1,583.2
Deferred income and accrued expenses	83.0	71.8	104.7
TOTAL	**167,321.5**	**154,068.5**	**145,317.2**

Consolidated profit and loss account

Written premiums	17,807.2	1,656.4		19,463.6	18,378.7	17,301.9
Change in unearned premiums		*(2.7)*		*(2.7)*	*(18.2)*	*(11.9)*
Earned premiums	17,807.2	1,653.7		19,460.9	18,360.5	17,290.0
Turnover from other businesses			23.2	23.2	24.4	24.0
Other operating revenues			3.9	3.9	12.4	7.3
Net investment income	7,522.5	179.2	29.7	7,731.4	4,291.6	5,123.0
TOTAL OPERATING REVENUES	**25,329.7**	**1,832.9**	**56.8**	**27,219.4**	**22,688.9**	**22,444.3**
Claims expenses and change in technical reserves	(22,978.7)	(1,500.5)		(24,479.2)	(20,107.1)	(20,267.9)
Reinsurance result	(57.7)	0.7		(57.0)	(14.4)	(11.1)
Expenses from other businesses			(29.6)	(29.6)	(22.0)	(21.5)
Acquisition and administrative expenses	(1,385.6)	(311.0)		(1,696.6)	(1,552.7)	(1,354.9)
TOTAL OPERATING EXPENSES	**(24,422.0)**	**(1,810.8)**	**(29.6)**	**(26,262.4)**	**(21,696.2)**	**(21,655.4)**
OPERATING PROFIT	**907.7**	**22.1**	**27.2**	**957.0**	**992.7**	**788.9**
Other income and expenses				(2.1)	0.2	(0.1)
Exceptional items				1.6	2.8	2.6
Corporate income tax				(238.4)	(242.8)	(116.6)
NET PROFIT OF FULLY CONSOLIDATED COMPANIES				**718.1**	**752.9**	**674.8**
Income/(loss) from associated companies				8.8	(57.4)	10.0
Amortisation of goodwill				(25.2)	(25.6)	(16.2)
CONSOLIDATED NET PROFIT BEFORE MINORITY INTERESTS				**701.7**	**669.9**	**668.6**
Minority interests				119.1	98.8	84.3
CONSOLIDATED NET PROFIT				**582.6**	**571.1**	**584.3**
Earnings per share (in euros)				4.23	4.14	4.26

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

CNP ASSURANCES

Société Anonyme
4, place Raoul Dautry
75015 PARIS

(free translation of a French language original)

In our capacity as statutory auditors of CNP Assurances and as required by Commission des Operations de Bourse regulation COB 98-01, we have examined in accordance with French professional standards the information about the financial position and the historical accounts included in this reference document.

This *document de reference* is the responsibility of Gilles Benoist, President of the Executive Board. Our responsibility is to express an opinion on the fairness of the information about the financial position and the accounts contained in this *document de reference.*

Our procedures, which were performed in accordance with French professional standards, consisted of assessing the fairness of the information about the financial position and the accounts and verifying that this information agrees with the audited financial statements, reading the other information contained in the reference document in order to identify any material inconsistencies with the information about the financial position and the accounts, and reporting any manifestly incorrect information that came to our attention, based on our overall knowledge of the Company, as acquired during our audit, except for embedded value information.

Concerning the embedded value information, we obtained assurance that this information was consistent with the conclusions of the report issued by the independent actuary, BW Deloitte, on 5 March 2004, on the review of the calculations performed by CNP Assurances.

With the exception of embedded value, this document does not contain any forward looking information determined according to a structured process.

We also audited the financial statements of the Company for the years 2001 to 2003 and the consolidated financial statements for the years 2001 to 2003, as approved by the Executive Board. Our audits were performed in accordance with auditing standards generally accepted in France. Our reports on these consolidated financial statements did not contain any qualifications or emphasis of matter.

In accordance with Article L.225-235 of the Commercial Code requiring the auditors to explain the basis of their opinion, which is applicable for the first time this year pursuant to the Financial Security Act of 1 August 2003, our reports on the financial statements of the Company and the Group included the following information:

Report on the consolidated financial statements

- Certain technical accounts that are specific to the insurance and reinsurance business and to the assets and liabilities recorded in the Group's consolidated financial statements are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves. The methods used to determine the amount of these items are described in notes 2.4 and 2.5 to the consolidated financial statements.

In accordance with the professional standard dealing with accounting estimates, we assessed the appropriateness of the methods and assumptions used by reference to the Group's regulatory environment, its experience and other considerations. These procedures formed the basis of our assessment of the reasonableness of the estimates.

- Goodwill and portfolio assets are tested to assess their recoverability as explained in note 2.1.4 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.

- Provisions for permanent impairment in value of securities held in the portfolio are determined by the method described in note 2.3.2 to the consolidated financial statements.

  We obtained assurance that the determination of these provisions was consistent with the intended holding period of the securities and examined, where necessary, the data and assumptions used and the related supporting documents. These procedures formed the basis of our assessment of the reasonableness of the estimates.

Report on the Company financial statements

- Certain technical accounts that are specific to the insurance and reinsurance business and to the assets and liabilities recorded in the financial statements are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves. The methods used to determine the amount of these items are described in notes 2.3, 2.4 and 2.5 to the financial statements.

  In accordance with the professional standard dealing with accounting estimates, we assessed the appropriateness of the methods and assumptions used by reference to the Company's regulatory environment, its experience and other considerations. These procedures formed the basis of our assessment of the reasonableness of the estimates.

- Provisions for permanent impairment in value of securities held in the portfolio are determined by the method described in note 2.2 to the financial statements.

  We obtained assurance that the determination of these provisions was consistent with the intended holding period of the securities and examined, where necessary, the data and assumptions used and the related supporting documents. These procedures formed the basis of our assessment of the reasonableness of the estimates.

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

Based on the procedures described above, we have nothing to report with respect to the fairness of the information about the financial position and the historical financial statements contained in this *document de reference*.

Paris-La Defense and Neuilly-sur-Seine, 27 April 2004

The Auditors

KPMG Audit Département de KPMG S.A.	Calan Ramolino & Associés	Mazars & Guérard
Régis TRIBOUT	Jean-Claude LEMAIRE	Pascal PARANT

CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE HALF-YEAR PERIOD ENDED 30 JUNE 2004

Consolidated balance sheet			
Assets			
Goodwill	365,0	377,6	390,0
Intangible assets	47,2	56,2	111,2
- *Value of acquired in-force business*	*30,8*	*35,7*	*45,2*
- *Other*	*16,4*	*20,5*	*66,0*
Insurance company investments	148837,4	141975,3	138180,8
- *Land and buildings*	*3157,3*	*3151,5*	*3033,1*
- *Investments in non-consolidated companies*			
and participating interests	*47,5*	*77,4*	*81,7*
- *Other Investments*	*145632,6*	*138746,4*	*135066,0*
Assets held to cover linked liabilities	15328,1	13840,6	12496,4
Investments held by other Group companies	613,2	601,5	597,2
Investments in associated companies	38,3	34,8	39,4
TOTAL INVESTMENTS	**164817,0**	**156452,2**	**151313,8**
Reinsurers' share of technical reserves	4068,8	3957,9	3665,0
Debtors resulting from insurance			
and reinsurance transactions	2521,4	2392,4	2200,3
Cash at bank	169,6	159,4	349,2
Other debtors	745,3	731,3	805,5
Other assets:	154,6	154,4	160,2
- *Tangible fixed assets*	*46,7*	*48,2*	*51,1*
- *Other*	*107,9*	*106,2*	*109,1*
Accrued income and prepaid expenses	2676,8	3040,1	2895,3
TOTAL	175565,7	167321,5	161890,5

Liabilities and shareholders' equity			
Shareholders' equity	5140,0	5055,1	4754,1
- *Issued share capital*	*554,3*	*551,4*	*551,4*
- *share premium account*	*319,8*	*299,3*	*299,3*
- *Reserves and consolidated net profit*	*4366,7*	*4307,8*	*3980,5*
- *Other*	*-100,8*	*-103,4*	*-77,1*
Minority interests	967,3	992,9	951,8
Subordinated debt	1902,6	1652,6	1652,6
Gross technical reserves	145896,8	139944,3	134598,5
- *Life technical Reserves*	*141372,1*	*135550,5*	*130688,7*
- *non-Life technical Reserves*	*4524,7*	*4393,8*	*3909,8*
Technical reserves for linked liabilities	15328,1	13840,6	12496,4
TOTAL TECHNICAL RESERVES	**161224,9**	**153784,9**	**147094,9**
Provisions for liabilities and charges	228,4	224,2	232,5
Liabilities resulting from insurance			
and reinsurance transactions	827,4	805,1	1286,5
Debt securities	2828,2	2620,6	2940,3
Bank loans	281,8	324,9	202,2
Other liabilities	2069,9	1778,2	2613,4
Deferred income and accrued expenses	95,2	83,0	162,2
TOTAL	**175565,7**	**167321,5**	**161890,5**

Consolidated profit and loss account

In € millions	30/06/04				31/12/03	30/06/03
	Life	Non-life	Other Businesses	Total		
Written premiums	10368,0	938,4		11306,4	19463,6	10126,2
Change in unearned premiums		-63,1		-63,1	-2,7	-27,1
Earned premiums	10368,0	875,3		11243,3	19460,9	10099,1
Turnover from other businesses			11,8	11,8	23,2	11,7
Other operating revenues			2,6	2,6	3,9	1,9
Net investment income	3995,5	139,4	12,0	4146,9	7731,4	3535,5
TOTAL OPERATING REVENUES	14363,5	1014,7	26,4	15404,6	27219,4	13648,2
Claims expenses and change in technical reserves	-13132,6	-789,2		-13921,8	-24479,2	-12303,7
Reinsurance result	-10,1	9,2		-0,9	-57,0	-22,0
Expenses from other businesses			-6,4	-6,4	-29,6	-9,5
Aquisition and administrative expenses	-741,5	-197,5	-1,0	-940,0	-1696,6	-834,2
TOTAL OPERATING EXPENSES	-13884,2	-977,5	-7,4	-14869,1	-26262,4	-13169,4
OPERATING PROFIT	479,3	37,2	19,0	535,5	957,0	478,8
Other income and expenses				-1,8	-2,1	-0,2
Exceptional items				-1,1	1,6	-2,6
Corporate income tax				-182,3	-238,4	-149,9
NET PROFIT OF FULLY-CONSOLIDATED COMPANIES				350,3	718,1	326,1
Income/(loss) from associated companies				-0,9	8,8	-0,7
Amortisation of goodwill				-12,6	-25,2	-12,8
CONSOLIDATED NET PROFIT BEFORE MINORITY INTERESTS				336,8	701,7	312,6
Minority interests				68,0	119,1	56,9
CONSOLIDATED NET PROFIT				268,8	582,6	255,7
Earnings per share (in euros)				1,9	4,2	1,9

RECENT DEVELOPMENTS

9 November 2004

CNP Assurances announced premium income of €4,511 million in the third quarter and €15,754 million in the first nine months, up 7.6% over the first nine months of 2003.

10 November 2004

CNP Assurances announced the acquisition of a 57.5% stake in FinecoVita, the life insurance subsidiary of the Italian banking group Capitalia, for €575 million.

The acquisition, which represents a significant transaction in the Italian market, will position CNP Assurances as Italy's sixth largest bancassurer and will bring the Company closer to its goal of generating 15% of premium income outside France. CNP is already present in the Italian market through its CNP Italia branch, which specialises in writing loan insurance.

Capitalia is Italy's fourth largest banking group, with 5% of the retail banking market and 5.5 million clients. It will remain a shareholder of FinecoVita, with a stake of just under 39%.

End November 2004

CNP announced the main impacts of the changeover to IFRS, in particular on its opening balance sheet set on 1 January 2004 (shareholders' equity to increase by €700 to €800 million).

8 February 2004

The following press release was published by CNP Assurances on 8 February 2004:

CNP ASSURANCES ANNOUNCES AN 18% INCREASE IN CONSOLIDATED PREMIUM INCOME TO €5,687 MILLION FOR THE FOURTH QUARTER OF 2004 AND AN INCREASE OF OVER 10% TO €21,442 MILLION FOR THE FULL YEAR

- **CNP Assurances premium income for the fourth quarter of 2004 totalled €5,687 million, up 18% on the same period in 2003 (€4,820 million).**
- **Premium income for the full year came to €21,442 million, a 10.2% increase on 2003.**
- **Net new money invested in France rose by 21%.**
- **Assets under management expanded by approximately 8.5 %.**
- **CNP Assurances is standing by its target of achieving significantly faster growth in net profit than in 2003.**

I - CNP ASSURANCES GROUP PREMIUM INCOME

CNP Assurances consolidated premium income for the fourth quarter of 2004 totalled €5,687.5 million, up by a strong 18% compared with €4,819.9 million for the same period in 2003. Excluding the currency effect, premium income for the quarter was €5,694 million. Premium income for the full year amounted to €21,441.8 million, an increase of 10.2% or 10.4% at constant exchange rates. **New money invested in Savings products in France rose 10.1%, or 21.1% on a net basis.**

In 2004, growth in new money exceeded the 8% target announced in November. However, in France CNP Assurances under-performed the savings market which, according to FFSA estimates, grew by 13% to €104.2 billion. This below-market growth in France was primarily attributable to the creation in 2004 of the new CNP Trésor network to take over from the former French Treasury network and, in particular, to a much lower increase (4%) in sales of unit-linked products than that seen on the French market as a whole (35%). CNP Assurances' sales of unit-linked products totalled €2,342.9 million, €137 million of which concerned group products. Leaving aside group business, new money invested in individual unit-linked savings and pensions products rose 4.4% to €2,206.1 million.

Total assets under management, which account for over 60% of CNP Assurances Group revenues and represent one of its main profit drivers, **expanded by approximately 8.5% in total.** Assets under management in France expanded at roughly the same rate, coming close to matching the growth rate for the French savings market as a whole which, according to FFSA estimates, stood at around 9%.

II - BY BUSINESS SEGMENT

2.1 PREMIUM INCOME BY BUSINESS SEGMENT

Changes in premium income in 2004 compared with 2003 were as follows:

				At constant exchange rates	
Premium income	**2004**	**2003**	**Change**	**2004**	**Change**
	€m		%	€m	%
SAVINGS	16,173.8	15,033.8	7.6	16,181.1	7.6
PENSIONS	1,929.2	1,340.3	43.9	1,948.1	45.4
PERSONAL RISK	1,156.1	1,066.5	8.4	1,159.9	8.8
LOAN INSURANCE	1,727.1	1,591.3	8.5	1,733.4	8.9
HEALTH INSURANCE	236.8	221.8	6.8	236.8	6.8
PROPERTY & CASUALTY	218.8	207.3	5.6	224.6	8.4
TOTAL	**21,441.8**	**19,461.0**	**10.2**	**21,483.9**	**10.4**

Av. exchange rate for 2004: €1 = BRL 3.70882
€1 = ARS 3.74868

Av. exchange rate for 2003: €1 = BRL3.48751
€1 = ARS 3.41835

At constant exchange rates – with 2004 premium income in Brazil and Argentina translated at the average exchange rate for 2003 – premium income rose by 10.4%. Changes by business segment were similar to those reported at current exchange rates.

2.2 SAVINGS

Savings premium income rose 7.6% (of which 7.9% in France) year-on-year and 14% in the fourth quarter.

The solid fourth quarter performance was driven by impressive marketing performances by CNP's partner networks, particularly the Post Office.

2.3 PENSIONS

Pensions premium income climbed 43.9% for the year and 72.4% in the fourth quarter. This very sharp increase concerned both Brazil (up 37% in euros) and France (up 45%). **The pensions segment accounted for 9% of the Group's 2004 premium income compared with 6.9% in 2003.**

In France, strong growth in the pensions business was attributable to:

- A significant increase in sales of individual products. These rose by 104.7% to €497.3 million following the launch of an entire new product range comprising products taxed in the same way as life insurance (launched in 2004), and PERPs (introduced in April 2004).
- Strong 28.8% growth in premium income from group products, particularly those sold to companies, due to pension contracts sold in the fourth quarter.
- A 9.1% increase in new money invested in PREFON (now sold by the Post Office network) to €560.7 million from €514.1 million.

In total, the new pension products offered in France since 1 January 2004 generated premium income of €260 million. All told, 492,000 contracts were sold, including 308,000 PERPs sold by the networks and PREFON contracts sold by the Post Office representing €85 million in premiums. The pensions marketing strategy, which mainly targets clients in their late thirties and early forties, is helping to refresh the CNP Group's policyholder base and although initial premiums are generally low, they should increase steadily.

2.4 PERSONAL RISK

Personal risk premium income advanced 8.4 % year-on-year (8.8% at constant exchange rates).
In France, sales of individual policies by the networks went from strength to strength, rising by 14.3% to €144.1 million. Sales of group personal risk contracts to mutual insurers, local authorities and companies climbed by 9.3%, mainly due to higher premium rates for local authority contracts.

2.5 LOAN INSURANCE

Loan insurance premium income rose by 8.5 % (8.9% at constant exchange rates). The 9.5% increase recorded **in France** was driven by strong demand in the credit market, led by consumer loans, and by the 1 January 2004 launch of a loan insurance offering with French partners in Belgium, Italy and Spain in addition to Portugal. This growth initiative brought in more than €40 million of premiums in 2004.

2.6 HEALTH INSURANCE

Premium income from sales of health insurance expanded 6.8% following the rate hike in the mutual insurers/local authorities and companies segments. *Completys Santé*, the health insurance product marketed by 50%-owned Assurposte, contributed €6.4 million to CNP's premium income in 2004, an increase of 33% year-on-year.

2.7 PROPERTY AND CASUALTY

Property and casualty insurance business is written only by the Portuguese and Brazilian subsidiaries. Premium income rose 5.6% (8.4% at constant exchange rates) to €218.8 million, with Portugal contributing €127.2 million (up 12.8%) and Brazil €91.6 million. Caixa Seguros in Brazil developed its Credito Interno (consumer credit insurance) and comprehensive homeowners insurance businesses, reporting a 16% increase in premiums based on home loans.

III - BY COUNTRY AND PARTNER NETWORK

3.1 FRANCE

Premium income in France totalled €20,595.6 million in 2004, an increase of 10.4% compared with 2003.

Premium income generated by the **French Post Office** rose by 12.4% to €7,821 million. Fourth quarter premium income rose 35.3% to €2,358.8 million. This excellent performance was attributable to a sustained marketing drive across all business segments – savings, personal risk, pensions and long-term care products. **Unit-linked sales** recovered strongly, increasing by 29% to €592.3 million or 7.7% of total savings and pension premium income. In addition, 200,000 new pension contracts were sold in 2004, representing premium income of €190 million (180,000 Solésio Vie contracts taxed in the same way as life insurance, 20,000 Solésio PREFON contracts and Solésio PERPs).

These contracts (95% of which generate regular payments) are targeted at clients in their late thirties and early forties, allowing the Group to refresh its client base. CNP's personal risk insurance business totalled €87.7 million (mainly generated by 50%-owned Assurposte), representing an increase of 24.4% for more than 700,000 contracts. The long-term care product *Protectys Autonomie* was successfully launched in September, with close to 30,000 contracts sold.

Premium income generated by the **Savings Banks** rose 9.6% to €8,486.9 million, including €1,692.1 million written in the fourth quarter. In the pensions segment, **288,000 PERP contracts were sold, mainly to clients aged under 40, with higher monthly premiums than for all other products in the range.** Sales of the top-of-the range product *Nuances Plus* continued to grow, rising 73% to €1,119 million. Unit-linked sales totalled €1,501 million (versus €1,558 million in 2003), accounting for 18.4% of savings and pensions premium income.

Premium income generated by the **CNP Trésor** network totalled €614 million, compared with € 738 million for the former **French Treasury** network in 2003. **Sales in the fourth quarter were just 2% below French Treasury sales in the year-earlier period,** with a 247-strong sales force at 31 December. CNP Trésor's full year sales represented 83% of the French Treasury's prior year total, significantly outstripping the target of 75%. Sales of unit-linked products rose by 5.2% to €51.2 million, representing 8.7% of savings and pensions premium income, helped by the "3 in 1" promotional offer in June-July. A new PERP was introduced in September, leading to the sale of 300 contracts by the end of the year. **Overall, the performance of the new sales team was highly satisfactory compared with the objectives set at the beginning of the year.**

Financial institutions contributed premium income of €1,101.7 million, an increase of 9.1% compared with 2003.

Premium income generated by **mutual insurance companies and local authorities** totalled €1,504.7 million, up 11.1%. The rate increases introduced on local authority statutory insurance contracts drove a 29-point rise in premium income.

Premium income from sales to **companies** rose by 25.8% to €972.3 million. This excellent performance stemmed, in particular, from the sale of a significant number of pension and early-retirement contracts to large corporates and SMEs in the last quarter.

CNP's Italian branch sold €2.5 million worth of loan insurance contracts in the fourth quarter.

Premium income from **Other Development Initiatives in France,** including direct sales and sales by other networks, rose by a strong 11.2% to €92.4 million.

3.2 INTERNATIONAL OPERATIONS

The Group's subsidiaries in Portugal (Global, Global Vida), Argentina and Brazil contributed €846.2 million to consolidated premium income in 2004, representing a 5.9% increase. At constant exchange rates, premium income rose 11.2% to €888.4 million.

In Portugal, premium income generated by Global and Global Vida rose 12.7% to €181.3 million.

In Argentina, premium income totalled ARS 9.4 million (€2.5 million. This represented an increase of 14% on a reported basis and 26% at constant exchange rates, reflecting strong growth in the individual personal risk business.

In Brazil, Caixa Seguros reported premium income of BRL 2,455.3 million (€662 million), representing an increase of 10.9% in local currency and of 4.2% in euros. Business was hurt in the second half by the seven-week strike by bank workers between mid-September and end-October. The continued success of the VGBL product fuelled a 46% increase in pensions business to the detriment of the savings business, reflecting an ongoing trend. A new group pension product in the VGBL market targeting small- and medium-sized businesses was introduced at the end of the first half and contributed BRL 5 million to premium income, with 2,700 new contracts. The recovery of the loan insurance business observed in the third quarter lost momentum in the fourth quarter, following an increase in Brazil's interest rates to 17.75%.

* * *

Based on its revenue performance, CNP Assurances expects recurring profit to grow at a significantly faster rate than in 2003, despite the abolition of the tax credit on French-source dividends.

This financial press release is available for consultation, in French and English, on the CNP Assurances web site, **www.cnp.fr**.

FOURTH QUARTER 2004 PREMIUM INCOME

FOURTH QUARTER 2004 PREMIUM INCOME BY BUSINESS SEGMENT

Premium income	Q4 2004		By segment Q4 2004 Excluding currency effect [(1)]	
	€m	% Change	€m	% Change
SAVINGS	3,985.2	14	3,986.2	14
PENSIONS	848.2	72.4	851.0	73
PERSONAL RISK	273.7	-13.1	274.5	-12.8
LOAN INSURANCE	459.1	15.2	460.0	15.5
HEALTH INSURANCE	64.7	0.5	64.7	0.5
PROPERTY & CASUALTY	56.7	3.9	57.7	5.7
TOTAL	**5,687.5**	**18.0**	**5,694.1**	**18.1**

(1) Average 2003 exchange rate: €1 = BRL 3.48751
€1 = ARS 3.41835

CNP ASSURANCES GROUP CONSOLIDATED PREMIUM INCOME FOR THE FOURTH QUARTER OF 2004 BY PARTNERSHIP CENTRE AND FOREIGN SUBSIDIARY

	Q4 2004	Q4 2003	Change	Q4 2002
Partnership centres and foreign subsidiaries	€m	€m	%	€m
French Post Office	2,358.8	1,743.6	35.3	1,539.1
Savings Banks	1,692.1	1,689.4	0.2	1,497.9
CNP Trésor network	165.8	168.6 [(2)]	-1.7	160.9 [(2)]
Financial institutions	277.5	244.0	13.7	274.4
Mutual insurers and local authorities	508.7	486.9	4.5	398.0
Companies	451.3	231.8	94.7	293.7
Branches*	2.5	-	-	-
Other (France)	18.6	40.0	-53.6	38.2
Global (Portugal)	55.9	49.9	12.0	43.0
CNP Seguros de Vida [(1)] (Argentina) [(1)] and others	0.4	0.2	100.0	-0.6

Caixa Seguros (Brazil) [(1) (2)]	156.0	165.7	-5.8	205.7
TOTAL	**5,687.5**	**4,819.9**	**18.0**	**4,450.2**

(1) Average exchange rate Argentina: €1 = ARS 3.74868
(2) Brazil: €1 = BRL 3.70882
(2) French Treasury network until 31 December 2003
* The branches network started to contribute to the Group's premium income from Q4 2004

2004 PREMIUM INCOME

PREMIUM INCOME BY COUNTRY

	2004	2003	Change	Change at constant exchange rates
	€m	€m	%	%
France	20,595.6	18,662.2	10.4	10.4
Portugal	181.3	160.9	12.7	12.7
Brazil	662.0	635.3	4.2	10.9
Argentina	2.5	2.2	13.8	22.7
Other	0.4	0.4	-9.6	-9.6
TOTAL	**21,441.8**	**19,461.0**	**10.2**	**10.4**

2004 PREMIUM INCOME BY CATEGORY

Premium income	**2004**	**2003**	**Change**	**2002**
	€m	€m	%	€m
INDIVIDUAL INSURANCE	17,290.8	15,798.3	9.4	14,954.0
GROUP INSURANCE	4,151.0	3,662.7	13.3	3,406.5
TOTAL	**21,441.8**	**19,461.0**	**10.2**	**18,360.5**

2004 PREMIUM INCOME BY COUNTRY AND MARKET SEGMENT

€m	Savings	Pensions	Personal risk	Loan insurance	Health insurance	Property & Casualty	Total
France	16,009.6	1,630.6	1,094.3	1,626.9	234.2	0.0,	20,595.6
%	7.9	45.2	9.9	9.5	7.3	-	10.4
Portugal	49.5	0.0	2.0	0.0	2.6	127.2	181.3
%	18.7	-	-29.6	-	-	12.8	12.7
Brazil	113.3	298.6	58.4	100.2	0.0	91.6	662.0
%	-24.7	37.4	-12.8	-5.5	-	-3.1	4.2
Argentina and Others	1.4	0.0	1.5	0.0	0.0	0.0	2.9
%	-12.5	-	46.6	-	-	-	10.2
TOTAL	**16,173.8**	**1,929.2**	**1,156.1**	**1,727.1**	**236.8**	**218.8**	**21,441.8**

CNP ASSURANCES 2004 GROUP CONSOLIDATED PREMIUM INCOME BY PARTNERSHIP CENTRE AND FOREIGN SUBSIDIARY

	2004	2003	Change	2002
Partnership centres and foreign subsidiaries	€m	€m	%	€m
French Post Office	7,821.1	6,957.6	12.4	6,606.3
Savings Banks	8,486.9	7,746.9	9.6	7,189.1
CNP Trésor network	614.0	738.1 (2)	-16.8	801.9 (2)
Financial institutions	1,101.7	1,009.8	9.1	985.7
Mutual insurers and local authorities	1,504.7	1,353.8	11.1	1,167.7
Companies	972.3	772.9	25.8	712.0
Branches *	2.5	-	-	-
Other (France)	92.4	83.1	11.2	97.4

Global (Portugal)	181.3	160.9	12.7	149.1
CNP Seguros de Vida (Argentina) (1) and others	2.9	2.6	10.2	5.0
Caixa Seguros (Brazil) (1)	662.0	635.3	4.2	646.3
TOTAL	**21,441.8**	**19,461.0**	**10.2**	**18,360.5**

(1) Average exchange rate: Argentina: €1 = ARS 3.74868
Brazil: €1 = BRL 3.70882
(2) French Treasury network until 31 December 2003

* The branches network started to contribute to the Group's premium income from Q4 2004

CAIXA SEGUROS (BRAZIL) PREMIUM INCOME
In millions of reals (BRL)

MARKET SEGMENT	2004	2003	% Change
Savings	420.2	524.5	-20
Pensions	1,107.4	757.4	46
Personal risk	216.8	233.5	-7
Loan insurance	371.3	369.8	0
Property & Casualty	339.7	329.6	3
TOTAL	**2,455.3**	**2 214.8**	**11**

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SPECIFIC EURONEXT AMSTERDAM REQUIREMENTS

Application has been made to list the Notes on the Official Segment of the stock market of Euronext Amsterdam N.V. In connection therewith specific information needs to be included which follows hereafter.

This Offering Circular constitutes a prospectus for the purposes of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam. The Notes will be introduced to listing by way of trading.

The Paying Agent in the Netherlands will be ABN AMRO Bank N.V., Kemelstede 2, 4817 ST Breda and the Amsterdam Listing Agent is ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam.

As long as the Notes are listed on Euronext Amsterdam, the Issuer will comply with the provisions set forth in Article 2.1.20, sections a-g of Schedule B of the Listing and Issuing Rules (*Fondsenreglement*) of Euronext Amsterdam.

The Issuer's website is http://www.cnp.fr/eng. The information on the website does not form part of this Offering Circular.

Outlook: Please refer to Section 5 of the 2004 Interim Report appearing on page [117] of this Offering Circular.

Taxation - The Netherlands

General

The following summary describes the principal Netherlands tax consequences for Netherlands resident Noteholders only of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on the Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of Offering Circular, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Netherlands tax consequences of a Noteholder who holds a substantial interest (aanmerkelijk belang) in the Issuer, within the meaning of Section 4.3 of the Income Tax Act 2001. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer.

For the purpose of the principal Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Withholding Tax

No Netherlands withholding tax is due upon payments on the Notes.

Corporate Income Tax and Individual Income Tax

If the Noteholder is subject to Netherlands corporate income tax and the Notes are attributable to its (deemed) business assets, income derived from the Notes and gains realised upon the redemption and disposal of the Notes are generally taxable in the Netherlands.

If the Noteholder is an individual, resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption and disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

(i) the Noteholder has an enterprise or an interest in an enterprise, whether as an entrepreneur or pursuant to a co-entitlement to the net worth of such enterprise, to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as "income from miscellaneous activities" (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include the performance of activities with respect to the Notes that exceed "regular, active portfolio management" (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the individual Noteholder, the actual income derived from the Notes and the actual gains realised with respect to the Notes will not be taxable. Instead, such Noteholder will be taxed at a flat rate of 30% on deemed income from "savings and investments" (*sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001. This deemed income amounts to 4% of the average of the individual's "yield basis" (*rendementsgrondslag*) within the meaning of article 5.3 of the Income Tax Act 2001 at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar the average exceeds a certain threshold. The fair market value of the Notes will be included in the individual's yield basis.

Gift and Inheritance Taxes

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

An individual of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax only if he or she has been residing in the Netherlands at any time during the twelve months preceding the time of the gift.

Treaties

Treaties may limit the Dutch sovereignty to levy gift and inheritance tax.

Other Taxes and Duties

No Netherlands VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

SUBSCRIPTION AND SALE

ABN AMRO Bank N.V. and IXIS Corporate & Investment Bank (the **Managers**) have pursuant to a Subscription Agreement dated 9 March 2005 (the **Subscription Agreement**) agreed with the Issuer, subject to satisfaction of certain conditions, to purchase the Notes at a price equal to 100.00 per cent. of their principal amount, less a total commission of 1.85 per cent. In addition, the Issuer has agreed to reimburse the Managers in respect of certain of their legal and other expenses incurred in connection with the issue of the Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

General Restrictions

No action has been or will be taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Offering Circular or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, any Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Republic of France

Each of the Managers and the Issuer has represented and agreed that (i) it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in the Republic of France and (ii) offers and sales of Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*) as defined in and in accordance with Article L.411-2 of the French *Code monétaire et financier* and *décret* no. 98-880 dated 1 October 1998. In addition, each of the Managers and the Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Offering Circular or any other offering material relating to the Notes other than to those investors to whom offers and sales of Notes in the Republic of France may be made as described as above.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Manager has represented and agreed that:

(i) it has not offered or sold, and will not offer or sell, the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons; and

(ii) it will have sent to each distributor or dealer to which it sells Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Offering Circular have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

(i) it has not offered or sold and, prior to the expiry of a period of six months from the issue date of the Notes, will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(ii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Italy

The offer and issue of the Notes is not being made in the Republic of Italy and has not been submitted to the clearance procedure of *Commissione Nazionale per le Società e la Borsa (CONSOB)* or the Bank of Italy pursuant to Italian laws and regulations. Accordingly, Italian residents or persons located in the Republic of Italy may not subscribe or purchase, directly or indirectly, the Notes nor may the Notes be offered, sold or delivered directly or indirectly, in the Republic of Italy and the Offering Circular, or any other offering material relating to the offer and issue of the Notes may not be distributed or made available in the Republic of Italy.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Euroclear France and Clearstream, Luxembourg and Euroclear with the Common Code number of 021375667. The International Securities Identification Number (ISIN) for the Notes is FR 0010167296. The Amsterdam Security Code (*Fondscode*) is 15224.

2. Application has been made to list the Notes on the Official Segment of the stock market of Euronext Amsterdam N.V.

3. The issue of the Notes was authorised pursuant to a resolution of the *Directoire* of the Issuer adopted on 1 September 2004 and a decision of Gilles Benoist, the Chairmanof the *Directoire* of the Issuer dated 7 March 2005.

4. There has been no material adverse change in the condition, financial or otherwise, or general affairs of the Issuer since 31 December 2003.

5. There are no litigation or arbitration proceedings against or affecting the Issuer or any of its assets, nor is the Issuer aware of any pending, contemplated or threatened proceedings, which are material in the context of the issue of the Notes.

6. For so long as any of the Notes are outstanding, copies of the following documents may be obtainable free of charge during normal business hours at the specified office of each Paying Agent (both in Paris and in Amsterdam):

   (a) the Agency Agreement;

   (b) the most recently published annual, audited, consolidated and non-consolidated financial statements of the Issuer;

   (c) the most recently published unaudited semi-annual consolidated financial statements of the Issuer;

   (d) the statuts of the Issuer; and

   (e) copies of the Offering Circular together with any supplement to this Offering Circular or further offering circular.

   The Issuer does not publish interim non-consolidated financial statements.

7. The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the issue and performance of the Notes.

8. KPMG, Mazars & Guérard and Calan Ramolino & Associés have audited and rendered unqualified audit reports on the non-consolidated and consolidated financial statements of the Issuer for each of the financial years ended 31 December 2001, 2002 and 2003.

9. On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC on the taxation of savings income (the **Directive**) under which Member States will be required, if a number of important conditions are met and from a date not earlier than 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its

jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

The Directive was implemented into French law by the Amended Finance Law for 2003, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner. These reporting obligations will enter into force with respect to interest payments made after the date the Directive comes into force, such date will be decided by the Council of the European Union and is currently expected to be 1 July 2005. However, paying agents are required to identify the beneficial owners of such payments as from 1 January 2004, as set forth in regulations yet to be published.

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