



Paris, 20 March 2007

*Press Release*

**2006 attributable recurring profit up a strong 23%  
Value of new business up 30%**

**Summary**

*CNP Assurances is releasing today its 2006 balance sheet and results. In a very good year for the French life insurance industry, buoyed by robust financial markets, the Group turned in a highly satisfactory performance. Attributable net profit rose by 18% during the year. A better measure of the Group's fundamentals, attributable recurring profit increased by more than 23%. European embedded value grew by 14% to €69.85 per share before dividends and the value of new business rose by 30% to €300 million.*

**Key figures**

- **Consolidated premium income: €31,989.5 million, up 20.6% on a reported basis and 19.5% pro forma at constant exchange rates.**
- **EBIT<sup>1</sup>: €1,594 million, up 20.8%.**
- **Recurring profit attributable to equity holders of the parent: €948 million, up 23.2% compared with 2005 pro forma profit. Attributable net profit: €1,145 million, up 18%.**
- **Insurance and financial liabilities at 31 December 2006, excluding deferred participation: €217.5 billion, up 10%.**
- **Estimated European embedded value per share before dividends: up 13.9% to €69.85 (based on CFO Forum principles).**
- **Value of new business: up 29.9% to €300 million, including €74 million contributed by international subsidiaries, up 51%.**

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<sup>1</sup> See Appendix 1

## **I. Revenue**

As announced in the 8 February press release, **consolidated premium income** for 2006 totalled **€31,989.5 million**, up 20.6% from the previous year and 19.5% on a pro forma and constant exchange rate basis including the full-year 2005 contribution of the Italian subsidiary. The international subsidiaries increased their market shares.

## **II. Results**

**EBIT<sup>1</sup> rose 20.8% in 2006 to €1,594 million.** The sharp rise was attributable to an improved loss ratio in the group personal risk business. The Savings business contributed €980 million, the Pensions business €152.5 million and the Personal Risk business (health, personal risk, loan and property & casualty insurance) €428.5 million.

**Recurring profit attributable to equity holders** came in at **€948 million, up 23.2%** compared with the 2005 pro forma figure<sup>1</sup>. **International subsidiaries** contributed **€123 million**, an increase of **29.5%**. After the €58 million impact of fair value adjustments and the non-recurring effect of an increase in the tax rate on certain capital gains<sup>1</sup>, attributable net profit totalled €1,145 million versus €970 million in 2005.

At 31 December 2006, **insurance and financial liabilities** excluding the deferred participation reserve stood at **€217.5 billion**, an increase of **10%** compared with year-end 2005. Including the deferred participation reserve, which amounted to €12.1 billion versus €14.5 billion at end-2005, total insurance and financial liabilities came to €229.7 billion.

## **III. Embedded value**

**CNP Assurances publishes its embedded value according to the principles recommended by the CFO Forum** of which it is a member. At 31 December 2006, its European embedded value stood at **€69.85 per share** before dividends and after the cost of solvency capital and non-financial risks, an increase of 13.9% over the year earlier figure. ANAV came to €53.97 per share before dividends and in-force business amounted to €15.88 per share.

The value of new business came to **€300 million** or **€2.2 per share, up 29.9% over 2005.** **New business contributed by international subsidiaries was 51% higher, at €74 million.**

## **IV. Solvency capital**

The **solvency capital requirement after dividends** at 31 December 2006 was covered **31.8 times** in total and **12.6 times** before taking into account unrealised capital gains. After taking into account the share issue and payment for 49.9% of Ecureuil Vie in February 2007, solvency capital excluding unrealised gains represented **11.7 times** the regulatory minimum. During the year, the Group issued €1,518 million worth of subordinated debt.

## **V. Dividend**

At the **Annual General Meeting on 25 April 2007** the Executive Board will recommend increasing the dividend by 20.4% to **€2.30** per share. The 9.9 million shares issued in February 2007 carry rights to the 2006 dividend, bringing the total number of shares with dividend rights to 148.5 million. The dividend will be **paid as from 27 April 2007.**

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<sup>1</sup> See Appendix 1

## **VI. Targets and outlook for 2007**

In light of last year's very strong business growth and the strong dynamic in the French life insurance market, CNP Assurances aims to increase market share in all its host countries in 2007.

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## Appendix I

IFRS (in €m)	2006	Pro forma 2006/2005 change <sup>(2)</sup>
<b>EBIT<sup>(1)</sup></b>	<b>1,594</b>	<b>+ 20.8%</b>
- Finance costs and share of profit of associates	59	- 18.1%
- Income tax expense	431	+ 20.3%
- Minority interests	242	+ 27.4%
Capital gains attributable to equity holders	86	+ 22.9%
<b>Attributable recurring profit</b>	<b>948</b>	<b>+ 23.2%</b>
Impact of fair value adjustments	+ 58	- 71.1%
Exceptional items (tax rate on capital gains) <sup>(3)</sup>	+ 139	N.M.
<b>Net profit</b>	<b>1,145</b>	<b>+ 18%</b>

- (1) Gross operating profit (EBIT) corresponds to net insurance revenue less expenses, i.e. operating profit before fair value adjustments, capital gains on equities attributable to equity holders and non-recurring items.
- (2) The reclassification of certain subordinated debt issues in equity and the reclassification of the related interest in dividends had a €17.3 million positive impact on 2005 net profit attributable to equity holders of the parent. Loi de Finance
- (3) As announced in the 8 January 2007 offering circular, deferred tax assets corresponding to provisions for impairment of securities were increased following adoption of the 2007 Finance Act, which disqualified capital gains in excess of €22.8 million realised on equity interests of less than 5% from the reduced capital gains tax rate.

## Embedded value

In € per share <sup>(1)</sup>	31 December 2006	31 December 2005	% change
<b>ANAV before dividend<sup>(2)</sup></b>	<b>53.96</b>	<b>47.76</b>	<b>+ 13%</b>
<b>European embedded value per share before dividends, cost of solvency capital and non-financial risks</b>	<b>69.85</b>	<b>61.34</b>	<b>+ 13.9%</b>
<b>Dividend<sup>(2)</sup></b>	<b>2.30</b>	<b>1.91</b>	<b>+ 20.4%</b>
<b>EEV after dividend</b>	<b>67.55</b>	<b>59.4</b>	<b>+ 13.7%</b>

<sup>(1)</sup> Embedded value is calculated on the basis of total shares outstanding, i.e. 138,635,302 at 31 December 2006.

<sup>(2)</sup> On the basis of 148,537,823 shares with 2006 dividend rights.

### **Cautionary Note Regarding Forward-Looking Statements**

Some of the statements contained in this press release may be forward-looking statements referring to projections, future events, trends or objectives which, by their very nature, involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, legal or regulatory decisions or changes, changes in the frequency and amount of insured claims, particularly as a result of changes in mortality and morbidity rates, changes in surrender rates, interest rates, foreign exchange rates, the competitive environment, the policies of foreign central banks or governments, legal proceedings, the effects of acquisitions and the integration of newly-acquired businesses, and general factors affecting competition.

Further information regarding factors which may cause results to differ materially from those projected in forward looking statements is included in CNP Assurances' filings with the Autorité des Marchés Financiers. CNP Assurances does not undertake to update any forward-looking statements presented herein to take into account any new information, future event or other factors.

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