Report of the Board of Directors

for the six months ended 30 June 2011

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1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 First half

- Creation of a long-term partnership with GDF Suez in natural gas transportation

On 27 June 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts signed an agreement with GDF Suez to forge a long-term partnership in the natural gas transportation industry in France and the rest of Europe. To this end, the consortium has acquired a 25% minority interest in GRTgaz for €1.1 billion.

This interest has been acquired via a holding company controlled by the consortium and 54%-owned by CNP Assurances.

The decision to acquire an interest in GRTgaz is aligned with CNP Assurances' long-term investment strategy. This strategic investment in a regulated business will create value for our customers while also providing a source of regular income.

The consortium intends to support GRTgaz's development plan for the next ten years, at a time when Europe has major infrastructure needs. The consortium's backing will allow GRTgaz to expand its business beyond France by acquiring GDF SUEZ's stakes in other European natural gas transportation companies, including GRTgaz Deutschland GmbH and MEGAL GmbH in Germany and BOG GmbH in Austria.

- Signing of a major group pension agreement by CNP Europe Life

CNP Europe Life, CNP's wholly-owned Irish subsidiary, has signed a major group pension contract for the Ireland- and UK-based employees of a large international company.

This agreement generated premium income of approximately €450 million in first-half 2011 and may entail top-up payments over the next few years.

- Issue of subordinated notes

CNP Assurances has successfully placed two tranches of subordinated notes. The first tranche comprises €700 million of euro-denominated notes placed with institutional investors in the eurozone and the second tranche comprises GBP 300 million of sterling-denominated notes placed with institutional investors in the sterling zone.

The notes have been rated A by Standard & Poor's using the methodology applicable to subordinated debt and were settled on 7 April 2011.

The notes have been structured to the effect of being treated as capital from a regulatory and rating agency perspective to the extent permissible. They aim to comply with the latest Solvency II guidelines for Tier 2 capital treatment.

The success of these transactions shows the strong credit recognition of CNP Assurances among institutional investors.

These notes replace the €750 million in notes issued in 2001 and 2002, maturing in 2021 and redeemed in April 2011.

- Success of the interactive, informational website www.toutsavoirsurlassurancevie.fr

This increasingly popular new French-language website has been launched by CNP Assurances for informational purposes – it does not seek to market the Group's products – and it allows users to find out everything they wish to know about France's favourite investment vehicle.

The website's interactive design is especially popular and the storyline can be used to find out how to start building and growing capital, how to access it, how to designate a beneficiary, how to receive a regular stream of income and how to organise estate planning.

Visitors to the website have been particularly interested in explanations of complicated notions such as "multi-support" versus traditional savings contracts, unit-linked investments, specific tax treatment or total or partial policy surrender.

- Prize-winning personal risk policies

Dossiers de l'Epargne, the insurance comparator website, has awarded prizes to three Caisses d'Epargne products: the Assistance Vie policy in the long-term care category and Ecureuil Solutions Obsèques in the burial insurance category were both attributed the Label d'Excellence while Garantie Famille in the whole life cover category received a special mention.

Avisys Protection Famille (whole life cover), Protectys Autonomie (long-term care), Prévialys Accidents de la Vie (non-occupational accident coverage), Résolys Obsèques Prestations and Résolys Obsèques Financement (burial insurance) - all of which have been developed by La Banque Postale – were all attributed the Label d'Excellence in their respective categories.

- Prizes for three-year performance of money market and mutual funds

In its Trophées de Revenu 2011 awards, Le Revenu financial magazine awarded two Trophées d'or to CNP Assurances in the eurozone equities and diversified funds categories and a Trophée d'Argent for overall fund performance.

In 2010 CNP Assurances was awarded two Trophées d'or and one Trophée de bronze, thus confirming its solid fund management performance over time.

1.2. Subsequent events

No material changes have occurred in the Group's financial or commercial position since 30 June 2011.

2 MARKET AND BUSINESS REVIEW

2.1 Economic and financial environment

The strong growth in global output and international exchanges witnessed in the first two months of the year tailed off somewhat in the second quarter.

In the US, Q1 2011 GDP only increased by 1.75% on an annualised basis, compared with 3.1% in Q4 2010 and, based on indicators relating to confidence, employment figures and consumer spending, the second quarter of the year will not witness any great improvement.
However, this negative picture is counterbalanced somewhat by a relatively buoyant business environment – average profits remain healthy and businesses have begun to invest once again, which is a very positive sign for the US economic cycle.
Low inflation has enabled the Federal Reserve to hold down interest rates without intimating that there will be any imminent rapid change in this policy.

GDP in the eurozone posted robust growth of 0.8% in first-quarter 2011 (or 3.3% on an annualised basis), driven essentially by the German and French economies which grew by 1.5% and 1%, respectively, in the first three months of the year (6.2% and 4% on an annualised basis). However, the picture for the second quarter appears to be less encouraging.
In the so-called "peripheral" countries of the eurozone (Greece, Portugal, Ireland, Spain and even Italy) issues of public debt sustainability and a return to growth are still a long way from being resolved and, given that growth is essential to restoring public finances, the situation remains extremely fraught. There has been a sharp widening in spreads on bonds issued by the countries in question and the shares of investors exposed to Greek or other risky sovereign debt have come under severe pressure.
In spite of sluggish growth and ongoing market volatility, the European Central Bank raised its benchmark interest rate from 1% to 1.25% on 7 April – and indicated a possible further rise in July – in a bid to stem inflationary pressure from increases in raw material prices. Inflation in the eurozone reached 2.7% in May, up from 2.3% in January; however, given the high rate of unemployment, a sustained period of high inflation would appear unlikely.

In France, GDP for the first quarter of the year grew by an impressive 3.9% on an annualised basis. This was up sharply on the 1.4% growth recorded in the last quarter of 2010 and represents the largest single increase since Q2 2006. Consumer spending continues to be buoyed by high domestic demand and corporate investment remains at a high level.
In spite of these encouraging indicators, growth appears to have tailed off in the second quarter from the combined effects of a less robust international business environment and the adverse impact of inflation on consumer spending. Improved unemployment figures remain insufficient and consumer spending in Q2 2011 will no longer be buoyed by the deferred impact of the French government scheme of paying premiums for scrapping vehicles.

Bond rates rose on both sides of the Atlantic through mid-March reflecting investor perceptions of an improved business environment. However, after reaching a high in April, with the exception of rates paid on bonds issued by peripheral eurozone countries, long-term yields fell back considerably reflecting market disappointment over economic indicators and a switch to blue-chip investments.

On the stock markets, the CAC 40 index started the year brightly before taking fright in the wake of the Japanese earthquake and tsunami disasters. It peaked at 4,108 points on 2 May before sliding back to finish the half-year on 3,982.21 points, up 4.7% for the six months to 30 June. Markets have continued to fret over the peripheral eurozone countries and inflationary pressures that may lead to tighter monetary policy.

2.2 Regulatory and tax environment

In the first half of 2011, the regulatory and tax environment did not undergo changes likely to materially affect CNP Assurances' business activity.

2.3 Business review of the six months ended 30 June 2011[1]

In the first half of 2011, consolidated revenue contracted by 13.7% to €15.3 billion under IFRS (and by 14.3% to €15.8 billion under French GAAP). This decline reflected the ongoing impact of sharply eroded savings business in Europe, against a backdrop of fierce competition from savings accounts and similar on-balance sheet products offered by banks and reduced household savings in a challenging economic environment.

In contrast, the growth dynamic was maintained in pensions (up 33.4%), personal risk (up 3.6%) and term creditor insurance (up 4.4%). The surge in pensions revenue was mainly attributable to Brazil, where the business grew by 15.4%, and to Ireland, where a major group pensions contract was signed.

The contribution from unit-linked sales also continued to rise, representing 10.8% in France and 18.5% overall.

These growth drivers (risk products and unit-linked contracts), are CNP Assurances' main sources of value creation.

	IFRS		French GAAP	
Revenue €m	**30/06/2011**	**% change**	**30/06/2011**	**% change**
Savings	10,385.3	-22.6%	10,801.8	-22.4%
Pensions	2,047.6	+33.4%	2,127.9	+21.7%
Personal risk	910.5	+3.6%	911.0	+3.7%
Term Creditor Insurance	1,518.4	+4.4%	1,518.4	+4.4%
Health insurance	241.3	-4.6%	241.3	-4.6%
Property & Casualty	173.0	+8.2%	173.0	+8.2%
TOTAL	**15,276.2**	**-13.7%**	**15,773.5**	**-14.3%**

Average technical reserves[2] continued to grow at a strong pace, rising 6.2% due to the effects of both the capitalisation rate and positive net new money. Technical reserves at period-end were up 5.5%.

- **France**

In France, revenue was down 14.5% at €12.05 billion (down 15.2% to €12.13 billion under French GAAP), reflecting a 17.7% slowdown in savings business during the period. Like the rest of the French market, CNP Assurances was adversely affected by uncertainty regarding proposed life insurance tax reform in the first quarter and by heightened competition from short-term banking

[1] Unless otherwise specified, all figures and growth rates are on an IFRS basis.
[2] Excluding deferred participation.

products, with the Livret A passbook savings rate increased to 2% in February 2011 and a sustained drive by banking networks to sell on-balance sheet savings products in order to improve their liquidity ratios ahead of Basel III.

Net new money in France declined, mainly due to the rise in partial surrenders in a sluggish economy, but remained significantly positive at €1.9 billion for the period.

i. La Banque Postale

Revenue generated by La Banque Postale retreated by 10.6%, in line with the market, to €4.9 billion. Sales to private banking clients remained strong during the period. The unit-linked contribution to revenue was stable at 5%, and the pension and personal risk segments held steady. Term creditor insurance business enjoyed vigorous growth, with revenue up 13.3% versus first-half 2010.

ii. Caisses d'Epargne

The Caisses d'Epargne savings bank network also generated premium income of €4.9 billion in first-half 2011, a decrease of 21.1% from the year-earlier period. The decline reflected a high basis of comparison in first-half 2010. Sales grew rapidly in the early part of last year, but the momentum gradually slowed as the network shifted its focus to bank savings accounts and similar on-balance sheet products ahead of Basel III.
Sales were nevertheless buoyed by the successful marketing of funds invested in three new BPCE bond tranches, for a total of €1 billion, raising the unit-linked contribution to 17.4% of total savings revenue generated by the network.
Personal risk business enjoyed very swift expansion, while term creditor insurance revenues continued to grow.

iii. CNP Trésor

With revenue down 5.8% to €326.4 million in the first six months of the year, CNP Trésor performed significantly better than the market, mainly thanks to growth in sales to high-end customers.

iv. Financial Institutions

Term creditor insurance premiums recorded by the Financial Institutions partnership centre fell 6.5% to €713.5 million, mainly due to the ending of the partnership with Cofidis.
Transaction volumes in the property market slowed in the first half after coming in very strong in the latter part of 2010. However, the market continued to demonstrate firm resilience as an insufficient supply of housing pushed prices even higher in Paris and other large French cities.
CNP Assurances responded to calls for bids from several potential partners in first-half 2011 for contracts coming into effect as from 1 January 2012.

v. Companies & Local Authorities

Revenue from sales of group products to companies and local authorities was stable at €854 million.
In personal risk insurance, sales climbed by nearly 9% thanks to sustained demand from the key accounts segment.

In a declining pensions market, CNP Assurances took action in the direction of existing corporate customers. Performance in the group pensions segment was impacted by a high basis of comparison, following a particularly large premium payment by a customer in the first half of 2010.

vi. Mutual Insurers

The Mutual Insurance partnership centre generated revenue of €364.8 million, down 12.7% on first-half 2010, not including MFPrévoyance which was not consolidated at 30 June 2011. Excluding this scope effect, revenue generated with mutual insurers was down by a slight 4%. In the first half of 2011, a new agreement was signed with MGEN concerning the launch of a voluntary long-term care insurance contract alongside the compulsory cover introduced in 2009.

- **International Operations**

Revenue outside France came to €3.2 billion, down 10.3% under IFRS (down 11.1% to €3.6 billion under French GAAP[3]). Excluding the currency effect, which reflected the 5% rise of the Brazilian real against the euro in the first half, international operations fell back 12%.
In first-half 2011, 21% of consolidated revenue was generated outside France.
Performances varied between geographies. In Europe, the savings business slowed considerably in a difficult market, whereas the risk business continued to thrive in all geographies, with growth of 15.3% in personal risk and 21.5% in term creditor insurance.

i. Caixa Seguros (Brazil)

Caixa Seguros reported 16.2% growth in revenue to €1,400.9 million (up 10.7% in BRL). Pensions business stalled in the early part of the year, but picked up in June after a promotional campaign was launched. As a result, pensions revenue for the first-half was up by 15.4% (9.9% in BRL) compared with the year-earlier period. Savings revenue was 17.1% higher. Personal risk and term creditor insurance, the largest earnings contributors, continued to perform well, growing 15.4% and 31.1% respectively.

Caixa Seguros Premium Income

BRLm	IFRS		French GAAP	
Market segment	**H1 2011**	**change %**	**H1 2011**	**change %**
Savings	86.3	+11.7%	558.1	+11.2%
Pensions	1,979.0	+9.9%	1,979.0	+9.9%
Personal risk	488.8	+9.8%	488.8	+9.8%
Loan insurance	314.1	+25.1%	314.1	+25.1%
Property & Casualty	317.1	+4.5%	317.1	+4.5%
TOTAL	**3,185.2**	**+10.7%**	**3,657.1**	**+10.8%**

[3] Differences in revenue between French GAAP and IFRS are due to the fact that for investment contracts without DPF, only the loading is recognized in revenue in the IFRS accounts, in accordance with IAS 39. The main countries affected by the application of IAS 39 are Italy and Portugal.

ii. CNP UniCredit Vita (Italy)

Revenue generated by CNP UniCredit Vita totalled €672.9 million, down 64.1% in a difficult market environment. The Italian subsidiary was held back by competition from banking products promoted by the network. The decline also reflected the high prior period comparatives generated by the outstanding success of UniGarantito, a new traditional savings product launched at the beginning of last year.
New money showed signs of recovery in June, and new products were launched in early July.
The business expanded rapidly in the risk segment. In term creditor insurance, premium income was up by nearly 70% to €58 million compared with first-half 2010, while in personal risk insurance, where volumes were still limited, revenue almost doubled to €6.6 million.

CNP UniCredit Vita Premium Income

€m	IFRS		French GAAP	
Market segment	**H1 2011**	**change %**	**H1 2011**	**change %**
Savings	599.5	-67.2%	770.0	-62.1%
Pensions	8.8	-5.7%	8.8	-5.7%
Personal risk	6.6	+97.7%	6.6	+97.7%
Loan insurance	58.0	+69.3%	58.0	+69.3%
TOTAL	**672.9**	**-64.1%**	**843.4**	**-59.5%**

iii. CNP Barclays Vida y Pensiones (Portugal, Spain and Italy)

After its initial deployment in Spain and Portugal, the partnership with Barclays was extended to Italy in 2010. CNP BVP contributed revenue of €460.4 million in the first six months of the year, representing a three-fold increase on the prior-year period. This performance was underpinned by robust sales of savings products, particularly in Portugal, where Barclays' status as an international bank worked to its advantage in a difficult local economic environment. In Italy, the BLIP traditional savings contract with a unit-linked formula continued to meet with success a year after its launch. Term creditor insurance also expanded further in Italy and Portugal.

iv. CNP Marfin Insurance Holding (Cyprus)

Consolidated premium income for CNP Marfin Insurance Holding rose 7.8% to €107.6 million in the first half of 2011. Over 80% of the subsidiary's business is generated in Cyprus and the bulk of its revenue comes from the savings business, which grew 17% during the period on the back of a promotional campaign for single premium, unit-linked savings products.

Premium Income by Partnership Centre

	IFRS			French GAAP		
	H1 2011 €m	H1 2010 €m	change %	H1 2011 €m	H1 2010 €m	change %
La Banque Postale	4,874.4	5,452.7	-10.6%	4,876.0	5,454.5	-10.6%
Savings Banks	4,872.3	6,175.8	-21.1%	4,873.3	6,177.0	-21.1%
CNP Trésor	326.4	346.5	-5.8%	326.4	346.5	-5.8%
Financial institutions France (1)	713.5	763.2	-6.5%	713.5	763.2	-6.5%
Mutual Insurers	364.8	417.7	-12.7%	364.8	417.7	-12.7%
Companies and Local Authorities	854.7	854.5	+0.0%	935.0	1,068.4	-12.5%
Other (France)	43.9	87.9	-50.0%	43.9	87.9	-50.0%
TOTAL France	**12,050**	**14,098.3**	**-14.5%**	**12,132.9**	**14,315.2**	**-15.2%**
CNP Seguros de Vida (Argentina) (2)	11.9	6.2	+91.3%	11.9	6.2	+91.3%
CNP Vida (Spain)	80.3	169.1	-52.5%	80.3	169.1	-52.5%
Caixa Seguros (Brazil) (2)	1,400.9	1,205.4	+16.2%	1,608.5	1,383.7	+16.2%
CNP UniCredit Vita (Italy)	672.9	1,871.9	-64.1%	843.4	2,080.0	-59.5%
Marfin Insurance Holding (Cyprus)	107.6	99.9	+7.8%	111.3	100.0	+11.3%
CNP Europe (Ireland)	448.6	11.1	-	448.6	11.1	-
BVP Portugal	174.4	22.8	+663.6%	207.1	131.4	+57.6%
BVP Spain	134.0	109.1	+22.8%	134.0	109.1	+22.8%
BVP Italy	152.0	23.2	+556.2%	152.0	23.2	+556.2%
Financial Institutions outside France	3.2	51.8	-93.8%	3.2	51.8	-93.8%
Branches	40.3	27.8	+45.1%	40.3	27.8	+45.1%
Total International	**3,226.1**	**3,598.3**	**-10.3%**	**3,640.6**	**4,093.4**	**-11.1%**
TOTAL	**15,276.2**	**17,696.5**	**-13.7%**	**15,773.5**	**18,408.6**	**-14.3%**

(1) Excluding Cofidis outside France.

(2) Average exchange rates:

Argentina: €1 = ARS 5.7328

Brazil: €1 = BRL 2.2737

3 CONSOLIDATED FINANCIAL STATEMENTS

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As required by IAS 34, the accounting policies applied to prepare the condensed interim consolidated financial statements were the same as those used for the annual financial statements.

Review of results

Key earnings figures are as follows:

	30/06/2011 (€m)	30/06/2010 (€m)	Change 2011/2000
Premium income	15,276.2	17,696.5	-13.7%
New money	15,773.5	18,408.6	-14.3%
Average insurance and financial liabilities (excluding deferred participation reserve)	286,467.6	269,734.4	6.2%
Administrative costs (1)	452.9	430.6	5.2%
Operating profit	1,088.5	1,025.6	6.1%
EBIT (2)	**1,095.8**	**980.9**	**11.7%**
Income tax expense calculated on restated EBIT	339.9	315.1	7.9%
Attributable to minority interests	133.5	103.6	28.9%
Attributable recurring profit, before capital gains (3)	**552.2**	**523.0**	**5.6%**
Profit attributable to owners of the parent (reported)	543.2	542.4	0.2%

(1) Excluding CNP Trésor employee benefits expense: €16.9 million in first-half 2011 and €18.5 million in first-half 2010.

(2) EBIT: Operating profit adjusted for net fair value adjustments to financial assets and net realised gains on equities and investment property (in total, positive adjustments of €64.8 million in first-half 2011 – including a negative amount of €19.3 million for impairment loss provisions on Greek sovereign debt, net of shadow accounting adjustments – and €49.3 million in first-half 2010), the strengthening of general provisions by an amount of €72 million in first-half 2011, and an exceptional negative adjustment of €4.6 million for a contingency provision in first-half 2010 relating to CNP Vita.

(3) Attributable recurring profit, before capital gains: profit attributable to owners of the parent adjusted for fair value adjustments to financial assets at fair value through profit or loss (trading securities) and net realised gains on equities and investment profit, net of tax (net positive adjustments of €38.1 million in first-half 2011, including a negative amount of €12.6 million for impairment loss provisions on Greek sovereign debt, and €21.3 million in first-half 2010), the strengthening of general provisions by an amount of €47.1 million, and an exceptional negative adjustment of €1.9 million for a contingency provision in first-half 2010 relating to CNP Vita.

EBIT and attributable recurring profit before capital gains are two key performance indicators used by the Group. They have the advantage of being unaffected by realised capital gains on equities and investment property attributable to shareholders or by fluctuations in the financial markets.

Review of results

Premium income declined by 13.7% over first-half 2010 (see comments in section 2.3).
New money which includes premiums recognised in accordance with IAS 39, decreased 14.3% year on year (see comments in section 2.3).

Average **insurance and financial liabilities** grew by 6.2%, excluding the deferred participation reserve, corresponding to the portion of impairment losses or unrealised gains attributable to policyholders under shadow accounting principles.
The growth reflected the combined impact of lower premium income, the revaluation of policyholders' savings and contract terminations.

Claims and benefits dropped 10% on first-half 2010 due to the combined impact of lower premium income and higher benefit claims.
Claims and benefits include changes in technical reserves and policyholder participation which reflect changes in fair value of financial assets at fair value through profit or loss (trading securities) recognised in the deferred participation reserve, and movements in provisions for impairment losses on available-for-sale financial assets.
Paid claims and benefits – including handling expenses – increased year on year. The ratio of paid claims and benefits to insurance and financial liabilities, excluding the deferred participation reserve, stood at 8.9% on an annualised basis in first-half 2011, versus 8.1% for the year-earlier period.
Total revenues allocated to policyholders, including credited interest and policyholder participation, amounted to €5.1 billion in first-half 2011 versus €4.3 billion for first-half 2010. Excluding deferred participation has a limited impact on the first-half 2011 amount.

Net investment income excluding finance costs jumped 10.3% on the year-earlier period to €5.5 billion. If fair value adjustments to investments are netted out, the increase was 4.9%.

Costs (excluding CNP Trésor set-up expenses of €16.9 million) totalled €452.9 million, an increase of 5.2%. These costs are analysed in the income statement by function. Administrative costs for the French entities, which represent 65% of total administrative costs, edged down slightly by 0.4%. Administrative costs for international subsidiaries climbed 16.9% due to the development of the Brazilian subsidiary, Caixa Seguros. The increase was 14% at constant exchange rates.
Administrative costs include acquisition costs (excluding commissions), administrative expenses, claims handling expenses, investment management costs and other underwriting costs.

Acquisition costs fell back 1.9% year on year to €1,606.6 million due to the 2.4% year-on-year decrease in the amount of **commissions** paid to referral agents, from €1,523.6 million in first-half 2010 to €1,486.3 million in first-half 2011. The impact on commissions of lower premium income more than offset the impact of the growth in assets under management over the period.

Operating profit, corresponding mainly to premium income plus net investment income less contract administration expenses, administrative costs and commissions, rose by 6.1% year-on-year to €1,088.5 million.

EBIT corresponds to operating profit before:

– fair value adjustments to financial assets at fair value through profit or loss (trading securities) net of realised gains and losses on this category of investments (corresponding for the most part to the realisation of fair value adjustments recognised in prior periods), after policyholder participation (representing a positive €37.3 million in first-half 2011, versus a negative €10.4 million in first-half 2010);

– realised gains and losses on equities measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of these assets and recognised gains and losses and impairments on investment property measured at amortised cost. These items are stated net of policyholder participation. Realised gains and losses on these items represent positive amounts of €27.5 million in first-half 2011 (including impairment loss provisions for a negative amount of €19.7 million on Greek sovereign debt), and €59.7 million in first-half 2010;

– the strengthening of general provisions by an amount of €72 million in first-half 2011, and an exceptional negative adjustment of €4.6 million for a contingency provision relating to CNP Vita in first-half 2010.

Restated EBIT advanced 11.7% year on year.

Income tax expense calculated on EBIT grew in line with EBIT after finance costs and the tax rate remained stable year on year at 33%.

Minority interests increased by €29.9 million year on year to €133.5 million, due mainly to the increase in the Brazilian subsidiary's net profit and the stronger Brazilian real.

Attributable recurring profit before capital gains climbed 5.6%, a lower rate than that for EBIT due to the combined impacts of the international subsidiaries, and consequently minority interests, on EBIT, and higher finance costs.
Attributable recurring profit before capital gains corresponds to profit attributable to owners of the parent:

– before realised gains and losses on equities measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of equities classified as available-for-sale and recognised gains and losses on investment property. These items, which are stated net of policyholder participation and the tax effect, represented a positive €13.6 million in first-half 2011 (including impairment loss provisions on Greek sovereign debt for a negative amount of €12.6 million) and €38.4 million in first-half 2010.

– excluding fair value adjustments to financial assets at fair value through profit or loss (trading securities) and realised gains and losses on this category of investments (corresponding to fair value adjustments recognised in prior periods), after policyholder participation and the tax effect (representing a positive €24.4 million in first-half 2010 versus a negative €17.1 million in first-half 2010);

– before the strengthening of general provisions by an amount of €47.1 million in first-half 2011, and an exceptional negative adjustment of €1.9 million in first-half 2010 for a contingency provision relating to CNP Vita.

Profit attributable to owners of the parent edged up 0.2% on the year-earlier figure to €543.2 million.

Consolidated balance sheet at 30 June 2011

Total assets amounted to €325.2 billion at 30 June 2011, compared with €319.6 billion at 31 December 2010 and €312.2 billion at 30 June 2010, representing increases of 1.8% and 4.2%, respectively.

Insurance and financial liabilities totalled €292.8 billion, 1.6% higher than at 31 December 2010, and 3.8% up on 30 June 2010.

As was the case at 31 December 2010, deferred participation recognised to offset fair value adjustments to assets had a debit balance (deferred participation reserve).

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 2.5% over 31 December 2010, and 5.5% over 30 June 2010.

Equity attributable to equity holders of the parent, which includes €2,142 million in deeply-subordinated debt reclassified from debt in accordance with the IFRIC interpretation published in November 2006, was down by €66 million from 31 December 2010 to €11,976 million. The decrease reflected the recognition of profit for the period (€543 million), the payment of dividends (€456 million), negative net fair value adjustments (€121 million) and negative net translation adjustments (€21 million) recognised directly in equity.

Solvency capital

Solvency capital at 30 June 2011, calculated based on French GAAP equity in accordance with the guidelines issued by the French banking and insurance watchdog (*Autorité de Contrôle Prudentiel*), represented 113% of the regulatory minimum, versus 111% at 31 December 2010, excluding unrealised gains. The high margin required – mainly due to the rise in technical reserves – was partly covered by net profit for the period and by the issue of new subordinated debt (net of existing subordinated debt redeemed).

Asset portfolio and financial management

Insurance investments at 30 June 2011 edged up 0.7% compared to 31 December 2010, to €305.9 billion in line with the growth in insurance commitments.

Investments are measured at fair value, except for held-to-maturity investments and property assets not backing linked liabilities, which are measured using the cost model.

Available-for-sale financial assets at 30 June 2011 represented 76.1% of total investments and financial assets at fair value through profit or loss (trading securities) represented 20.6%, while held-to-maturity investments and other investments (mainly investment property and loans) accounted for 3.3%.

4 RISK FACTORS

Following a risk assessment, CNP Assurances considers that the Group is not exposed to any risks other than those described on pages 54 to 63 and 214 to 221 of the 2010 Registration Document.

5 OUTLOOK

CNP Assurances will strive to protect its margins in the savings business. In France, the thrust will be on developing unit-linked and personal risk products, particularly by including personal risk coverage in savings and pension products.

Outside France, the Group will continue to grow its healthcare and loan insurance businesses and to unlock synergies between the different Group entities.