CNP Assurances

Embedded Value Report

31/12/2011

Presentation of results for 2011

22 February 2012

Contents

1. Introduction

Since 1999, CNP Assurances Group financial reporting has included disclosures of the embedded value of portfolio contracts as well as the value of new business. The scope covers the group's entities that have a significant impact on the value; CNP Assurances and its subsidiaries in France and abroad.

These indicators provide a picture of the present value of future profits expected from insurer’s stock portfolio. The New Business value offers a more detailed view of the new businesses sold during the current year.

The disclosed values are based on a "Market Consistent" approach. The CNP Assurances Group's calculations comply with MCEV© [1] standards, as set out in the "The European Insurance CFO Forum Market Consistent Embedded Value Principles", with the exception of the valuation of Caixa Seguros, which is based on the traditional embedded value method. The activities of CNP Unicredit Vita (Italian subsidiary of CNP Assurances), CNP Vida (Spanish subsidiary of CNP Assurances), the branch CNP Italia, and Barclays Vida y Pensiones (CNP Assurances subsidiary having business activities in Italy, Spain and Portugal) for their part have been valued on the basis of the corresponding states' borrowing rates.

These valuations are methodologically reviewed and the coherence of the results is verified. The verifications lead to the certification by the Milliman firm.

Furthermore, the MCEV© sensitivities have been integrated in the IFRS 7 notes to the financial statements, and as such are subject to review by the auditors.

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2. Results

2.1 MCEV© as of the 31st December 2011

MCEV© Standards *-M€ -*	MCEV© 2011 before distribution of 2011 dividends		MCEV© 2010 after distribution of 2010 dividends		Variance before distribution of 2011 dividends		MCEV© 2010 before distribution of 2010 dividends	
	M€	€ per share[2]	M€	M€	M€	%	M€	€ per share
ANAV – Adjusted Net Asset Value	**9 411**	**15.8**	**8 536**	**14.4**	**875**	**10%**	**8 993**	**15.1**
Required Capital	7 844	13.2	7 623	12.8	221	3%	7 623	12.8
Free Surplus	1 567	2.6	913	1.5	654	72%	1 369	2.3
VIF – Value of In Force	**2 448**	**4.1**	**3 089**	**5.2**	**-641**	**-21%**	**3 089**	**5.2**
Present Value of Future Profits	5 793	9.7	6 538	11.0	-745	-11%	6 538	11.0
Time Value of Options and Guarantees	-1 664	-2.8	-1 787	-3.0	123	-7%	-1 787	-3.0
Frictional Costs of Required Capital	-1 080	-1.8	-1 114	-1.9	34	-3%	-1 114	-1.9
Costs of Non-Hedgeable Risks	-601	-1.0	-548	-0.9	-53	10%	-548	-0.9
MCEV© - Market Consistent Embedded Value	**11 859**	**20.0**	**11 625**	**19.6**	**234**	**2%**	**12 081**	**20.3**

The 2011 MCEV© value of CNP Assurances is €11,859m, 2% up on the 2010 value after dividends. This change is based on a 10% increase in the ANAV, driven by the results achieved in 2011.

The In-Force value is down 21%. This drop is primarily due to the deteriorating financial markets: a fall in share prices and wider spreads in a highly volatile context.

A more detailed analysis of the main vectors of change is provided in the following sections. Chapter 3 presents a breakdown of In Force values by country.

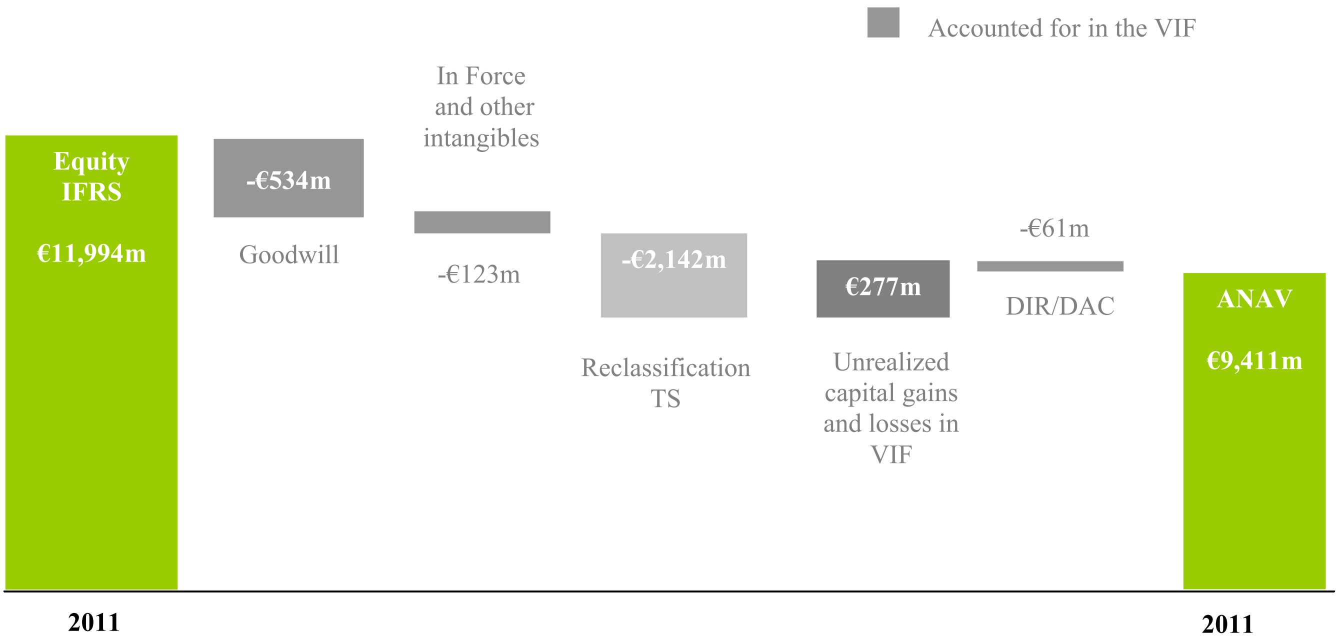
- **Adjusted Net Asset Value**

The Adjusted Net Asset Value is calculated on the basis of IFRS Equity, after adjusting for the following elements:

- elimination of intangible assets on the IFRS balance sheet such as Goodwill and distribution agreements, In-Force values and DAC,
- deduction of the share of revalued policyholder portfolios already accounted for in the In-Force value, and reintegration of shareholders' interest in unrealized gains not accounted for in the IFRS Framework (property and held-to-maturity securities),
- and the reclassification of subordinated debts.

[2] Number of shares at 31/12/2011 and at 31/12/2010: 594,151,292.

The following diagram shows the reconciliation between the IFRS Equity and the Adjusted Net Asset Value:



2.2 VNB as of the 31st of December 2011

MCEV© Standards -M€ -	2011		2010		Variation	
	M€	€ per share	M€	€ per share	M€	%
Present Value of Future Profits	631	1.1	746	1.3	-115	-15%
Time Value of Options and Guarantees	-117	-0.2	-177	-0.3	60	-34%
Frictional Costs of Required Capital	-83	-0.1	-106	-0.2	23	-22%
Costs of Non-Hedgeable Risks	-69	-0.1	-70	-0.1	1	-1%
New Business Value	**362**	**0.6**	**393**	**0.7**	**-31**	**-8%**
APE (Annual Premium Equivalent)[3]	2 938		3 186		-248	-8%
PVNBP (Present Value of New Business Premiums)[4]	25 491		28 427		-2 936	-10%
APE ratio	**12.3%**		**12.3%**		**+0.0%**	**0%**
PVNBP ratio	**1.4%**		**1.4%**		**+0.0%**	**3%**

The 2011 value of new business stands at €362m, down 8% in line with the volume of APE. The trend in APE volume reflects the falloff in sales on the French market.

The detail by country is presented in section 3.2.1 of this report.

The Group's APE ratio is steady at 12.3%. The international share now represents 22.8% of APE volume in 2011 against 21.5% in 2010.

[3]The APE, a sales volume indicator, equals one tenth of the sum of single premiums and flexible premium written during a given year plus the annualized amount of regular premiums written during that same year.
[4] The PVNBP is the present value of projected new business premiums

The following table shows the detail of the evolution of the Value of New Business:

MCEV© Standards	VNB	Change	APE ratio
New Business 2010	**393**		**12.3%**
Updated model	392	-1	12.2%
Change in the APE volume	386	-6	13.0%
Change in the Product Mix	390	4	13.1%
Change in the experience	392	2	13.2%
Change in the financial market conditions	373	-19	12.5%
Updated taxation	372	-1	12.5%
Change in the foreign exchange rate	362	-10	12.3%
New Business 2011	**362**	**-31**	**12.3%**

The updated APE volume per entity has had a negative impact of €6m on the value of new business.

The 2011 product mix effect mainly stems from the decline in the share of savings contracts in € and the strong performance of credit insurance products in all the group's European entities.

The updated experience data reflects €2m of growth in value: the rise in surrenders mitigates the positive impact of the reduction in the equity portion in the target allocation in accordance with the programme initiated in France in 2011.

The major impact is of an economic nature: the updated financial markets have led to a 0.7-point fall in the APE ratio, mainly due to increasing volatility in a context of low rates. The updated tax and exchange rates have led to a €11m fall in cumulative value.

2.3 Sensitivities

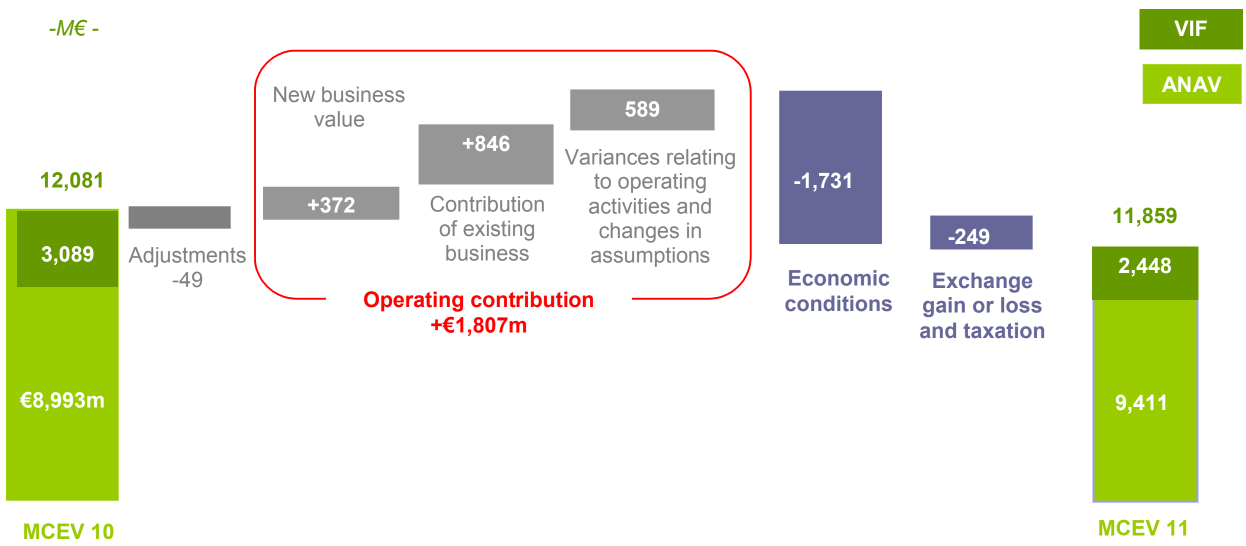
The sensitivities presented below are in compliance with the requirements of the CFO Forum.

-M€ -	ANAV	VIF	MCEV©	VNB
MCEV© - Market Consistent Embedded Value	**9 411**	**2 448**	**11 859**	**362**
+100 bp change p.a. in the interest rate environment	-229	166	-63	18
-100 bp change p.a. in the interest rate environment	229	-351	-122	-68
+10 bp change in the liquidity premium		49	49	3
10% decrease in equity/property capital values	-248	-436	-684	
10% proportionate decrease in lapse rates		193	193	27
10% decrease in maintenance expenses		348	348	32
Required Capital equal to regulatory solvency margin		86	86	7
5% proportionate decrease in base mortality/morbidity rates - longevity risk		-75	-75	0
5% proportionate decrease in base mortality/morbidity rates - Mortality and disability risk		154	154	50
25% increase in swaption implied volatilities		-641	-641	-39
25% increase in equity/property implied volatilities		-316	-316	-25

The method for applying sensitivities is explained in detail in part 4.5.

The use of a counter-cyclical premium of 182 bp over swap rates would have an impact of €649m on the VIF and €35m on the VNB.

2.4 Analysis of Earnings



The analysis of earnings highlights the significant contribution of **operating earnings** in the change in MCEV© between 2010 and 2011. It breaks down as follows:

- €372m of New Business value,
- a contribution of €846m derived from existing business at 31/12/2010,
- €589m of operational experience variances and changes in assumptions.

The trend in financial markets in 2011 translated into a decrease of €1,731m, allocated to the "**economic conditions**" item. The widening spreads of sovereign securities combined with the falloff in the equity market reflects a decline in the unrealized gains of asset portfolios. In addition, volatility remains at a high level.

The other items contributing to an MCEV© value of €11,859m are, in equal proportions, the updated euro/real exchange rate and the updated tax rate, for a negative amount of €249m.

The following table shows the analysis of earnings split between the Value of In-Force and the ANAV, the latter being broken down into Required Capital and Free Surplus. These last two concepts stem from the MCEV© publication standards as defined by the CFO Forum. The Required Capital corresponds to the capital that is required for the insurance business according to each insurer's criteria. CNP Assurances has set its capital requirement at 110% of the regulatory solvency margin requirement (as per Solvency I), 41.4% of it being funded by subordinated debt. The Free Surplus is the remaining capital once the Required Capital has been deducted.

-M€ -	ANAV	Including Free Surplus	Including Required Capital	VIF	MCEV©
MCEV© 2010	**8 993**	**1 369**	**7 623**	**3 089**	**12 081**
Opening adjustments	-190	-216	25	141	-49
Adjusted MCEV© 2010	**8 802**	**1 153**	**7 649**	**3 230**	**12 032**
New business value	-27	-870	843	399	372
Expected existing business contribution	48	48	0	799	846
Transfers from the VIF and required capital to free surplus	835	1 358	-523	-835	0
Experience variances	211	332	-121	-55	155
Assumption changes	0	1	-1	434	434
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**1 066**	**869**	**197**	**741**	**1 807**
Economic variances	-353	-367	13	-1 377	-1 731
Other non-operating variance	-27	-27	0	-97	-124
Total MCEV© earnings	**685**	**475**	**210**	**-734**	**-48**
Closing adjustments	-77	-62	-15	-48	-125
MCEV© 2011	**9 411**	**1 567**	**7 844**	**2 448**	**11 859**

The opening adjustments item primarily includes:

- a €456m payment for the 2010 dividend,
- the integration of MFPrévoyance and the allocation to ANAV of prudential reserves made on policyholder funds and initially funded by the shareholder,
- improvements in the model on VIF.

New business value contributed +€372m to the change in MCEV©. This value includes the net initial loss of -€27m in new business in 2011. The increase in Required Capital pertaining to this New Business amounted to €843m.

The expected contribution of existing business (+€846m) consists in the combined effects of the capitalisation of the Value of In-Force (+€799m) and of the expected return on the Free Surplus (+€48m). Furthermore, the 2011 expected profits generated in the VIF as at 31/12/2010 were transferred to the ANAV without affecting the MCEV©.

The observed variances in operating activities had an impact of -€55m on VIF, chiefly due to the rise in surrenders. At ANAV level, they amount to €211m and stem from non-recurring income generating a difference between actual and expected results and a more favourable actual experience than expected. These variances and the strategic orientations ratified in 2011 have led the CNP Assurances group to review its assumptions on operating activities by €434m. In particular, the share allocation has been reduced in accordance with the programme embarked on in France this year.

The experience variances from operational activities affecting the Required Capital amounted to €-121m and were mainly due to the issuing of subordinated debt, which increased the proportional amount of Required Capital that is financed by subordinated debt from 40% to 41.4%. This also translates into an increase in the VIF.

The other items contributing to an MCEV© value of €11,859m are:

- a -€125m impact of the updated exchange rate
- a -€124m impact of other changes non related to operating activities, principally changes in French tax rates: the increase in corporation tax in France from 34.43% to 36.1% and the rise in the social contributions of savings contracts.

A detailed analysis per country is presented in the section 3.

2.5 Operating Free Cash Flow

The indicator "Operating Free Cash Flow", or free cash flow generated from operating activities demonstrates the CNP group's ability to generate Free Surplus to:
- pay dividends
- develop its activities through new business sales or through external growth.

- M€ -	**2010**	**2011**
Transfers from the VIF to the free surplus	745	835
Financial income from the free surplus	37	48
Release of the required capital to the free surplus	508	523
Difference observed due to operating earnings	491	332
Expected contribution from In-Force	**1 781**	**1 738**
Required capital for the new business	-903	-843
2011 profits generated by the new business	-5	-27
Required capital for the new business	**-908**	**-870**
Operating Free Cash Flow	**873**	**868**

2.6 IDR Implied Discount Rate

The IDR rate stood at 8.1% at the level of the CNP Assurances group as of 31/12/2011 against 7.7% on 31/12/2010 after the impact of initial adjustments. It is calculated on the basis of a 20 bp spread on existing corporate bonds. The reference rate curve benefited from a 20 bp spread and shares and property from a 200 bp risk premium.

3. Detail of results per country

The following chapter provides an analysis of the main indicators and evolution factors per country.

3.1 VIF per country at 31st December 2011

The table below shows a breakdown of In-Force values per country:

	-M€ -	Group	France	International	*including Brazil*	*including Italy*	*including Spain*[5]
MCEV© 2011	Present Value of Future Profits	5 793	4 957	835	575	138	89
	Time Value of Options and Guarantees	-1 664	-1 588	-76	0	-73	-3
	Frictional Costs of Required Capital	-1 080	-1 033	-47	-28	-12	-7
	Costs of Non-Hedgeable Risks	-601	-541	-59	0	-36	-16
	Value of In-Force	**2 448**	**1 795**	**653**	**547**	**17**	**62**
MCEV© 2010	Present Value of Future Profits	6 538	5 718	820	552	158	73
	Time Value of Options and Guarantees	-1 787	-1 754	-33	0	-30	-2
	Frictional Costs of Required Capital	-1 114	-1 076	-38	-24	-10	-4
	Costs of Non-Hedgeable Risks	-548	-533	-15	0	-7	-4
	Value of In-Force	**3 089**	**2 355**	**733**	**528**	**111**	**63**
Δ	M€	**-641**	**-560**	**-80**	**20**	**-93**	**0**
	%	**-21%**	**-24%**	**-11%**	**4%**	**-84%**	**0%**

The VIF is down 21%. The savings-pension portfolios of the CNP Group's European sites suffered on account of the sovereign debt crisis and the fall in the equity market. Brazil for its part continued to grow with business up 4% (+13% at constant exchange rates).

3.2 VNB as of 31st December 2011

3.2.1 APE Volume

-M€ -	Group	France	International	*including Brazil*	*Including Italy*	*including Spain*
IFRS 2011 Revenue	**30 005**	**23 864**	**6 141**	**2 764**	**1 699**	**900**
IFRS 2010 Revenue	32 315	26 129	6 186	2 446	2 473	850
Revenue progression rate	-7%	-9%	-1%	13%	-31%	6%
APE 2011	**2 938**	**2 268**	**670**	**453**	**147**	**64**
APE 2010	3 186	2 499	686	420	192	69
APE evolution rate	-7.8%	-9.2%	-2.3%	7.9%	-23.4%	-7.2%
PVNBP 2011	**25 491**	**21 875**	**3 616**	**2 019**	**948**	**587**
PVNBP 2010	28 427	24 158	4 269	1 879	1 696	640
Evolution rate of the PVNBP	-10.33%	-9.45%	-15.31%	7.50%	-44.12%	-8.21%

- **France**

The APE volume showed a 9% fall compared with 2010, standing at €2,268m. On a French life insurance market in sharp decline, the APE volume of euro contracts shrank by 12%. Unit-linked business receipts suffered a limited fall of 5%. Credit insurance receipts on the other hand remained especially robust, up 4%.

[5] The "Spain" item includes entities BVP Barclays Vida y Pensiones and CNP Vida

- **Brazil**

The APE of Caixa Seguros increased by 8% (17% at constant exchange rates), largely due to 30% growth in the savings and pensions branch. Despite price cuts introduced against a backdrop of stiffer competition on the Brazilian market, the proportion of Hipotecario credit insurance contracts remained robust at 9% of total APE volume.

- **Italy**

In a depressed economic climate, the APE volume of CNP Unicredit Vita and the Italian branch dropped by 23%, standing at €147m in 2011. The change in the product mix initiated in 2010 was confirmed, with a massive transfer of receipts to unit-linked business: Index and Unit Linked. The range in euros saving contracts products (Unigarantito), which represented nearly 55% of the APE volume in 2010 (73% in 2009), now represents only 26% of sales against 66% for unit-linked business.

- **Spain**

The APE volume is down 8%. It is worth noting the good performance of the Italian branch of BVP in its second year of trading and a product mix oriented towards more profitable risk cover: these contracts now make up 24% of the total APE volume against 12% in 2010.

3.2.2 VNB by country as of 31st December 2011

-M€ -	**Group**		***France***		***International***		***Including Brazil***		***Including Italy***		***including Spain***	
	NB	Ratio APE	*NB*	*Ratio APE*	*NB*	*Ratio APE*	NB	Ratio APE	*NB*	*Ratio APE*	*NB*	*Ratio APE*
New Business 2010	**393**	**12.3%**	**222**	**8.9%**	**171**	**24.9%**	**124**	**29.6%**	**19**	**10.1%**	**24**	**34.9%**
Updated model	392	12.2%	222	8.8%	169	24.6%	124	29.6%	19	10.1%	23	35.3%
Change in the APE volume	386	13.0%	200	8.8%	186	26.1%	146	29.6%	15	10.1%	21	33.4%
Change in the Product Mix	390	13.1%	205	9.0%	185	26.0%	135	27.4%	24	16.2%	22	34.8%
Change in the experience	392	13.2%	212	9.4%	180	25.3%	134	27.1%	23	15.9%	19	30.3%
Change in the financial market conditions	373	12.5%	202	8.9%	171	24.0%	129	26.2%	18	12.2%	20	32.1%
Change in the tax rate	372	12.5%	201	8.9%	171	24.0%	129	26.2%	18	12.2%	20	32.1%
Change in the foreign exchange rate	362	12.3%	201	8.9%	160	23.9%	119	26.2%	18	12.2%	20	32.1%
New Business 2011	**362**	**12.3%**	**201**	**8.9%**	**160**	**23.9%**	**119**	**26.2%**	**18**	**12.2%**	**20**	**32.1%**
Variance	**-31**	**0.0%**	**-21**	**0.0%**	**-11**	**-1.0%**	**-6**	**-3.4%**	**-1**	**2.1%**	**-4**	**-2.8%**

- **France**

The 2011 product mix was marginally conducive, resulting in a 0.2-point rise in the APE ratio. The proportion of unit-linked business held steady above 7.5% in 2011 and that of credit insurance rose to 9%. The reduction in the equity portion partially offset the effects of economic conditions. If the effects of taxation are factored in, the APE ratio remained steady at 8.9%.

- **Brazil**

The VNB fell by 5% between 2010 and 2011, but continued to grow at constant exchange rates: +4%. Receipts remained buoyant with a slightly unfavourable product mix reflecting the 30% growth in savings and pensions business. Furthermore, to support the development of risk benefits product lines, Caixa Seguros agreed to cut its margins. These factors, combined with the rise in inflation, result in a drop in the APE ratio from 30% to 26%. It is worth noting favourable experience on the claims rates of credit insurance contracts, which partly offset price cuts introduced when the market opened up.

- **Italy**

In terms of volume, the buoyant sales of unit-linked products failed to offset the falloff in sales of euro savings products. Nevertheless, the favourable product mix contributed to a global rise in the APE ratio from 10% to 12%. This impact in the ratio is mitigated by the worsening lapse rates and the effects of economic conditions. The cost of financial options and guarantees and the cost of non-hedgeable risks allocated to the euro savings product range is rising, in a context of rising rates and high volatility.

- **Spain**

The APE ratio on Spanish entities is slightly down from 35% to 32%. On CNP Vida, following on from 2010, the product mix is oriented towards the unemployment benefits of credit insurance contracts. On BVP, the APE remains steady, but is affected by big fluctuations between different countries. Henceforth, the three countries where BVP operates now contribute equally to the entity's VNB, whereas in 2010 most of it was concentrated in Spain.

The following table shows the Value of New Business per country:

-M€ -		Group	France	International	including Brazil	Including Italy	including Spain
2011	PVFP	631	441	190	127	31	28
	TVOG	-117	-109	-8	0	-6	-3
	FCRC	-83	-70	-13	-8	-3	-2
	CNHR	-69	-61	-8	0	-5	-3
	VNB	**362**	**201**	**160**	**119**	**18**	**20**
	VNB/APE ratio	**12.3%**	**8.9%**	**23.9%**	**26.2%**	**12.2%**	**32.1%**
	VNP/PVNBP ratio	1.4%	0.9%	4.4%	5.9%	1.9%	3.5%
2010	PVFP	746	550	196	133	34	27
	TVOG	-177	-168	-9	0	-8	-1
	FCRC	-106	-93	-13	-8	-3	-1
	CNHR	-70	-66	-4	0	-3	-1
	VNB	**393**	**222**	**171**	**124**	**19**	**24**
	VNB/APE ratio	**12.3%**	**8.9%**	**24.9%**	**29.6%**	**10.1%**	**34.9%**
	VNP/PVNBP ratio	**1.4%**	**0.9%**	**4.0%**	**6.6%**	**1.1%**	**3.8%**

3.3 Sensitivities

3.3.1 VIF Sensitivities

-M€ -	Group	France	Interna-tional	including Brazil	Including Italy	including Spain
VIF - Value of In-Force	**2 448**	**1 795**	**653**	**547**	**17**	**62**
+100 bp change p.a. in the interest rate environment	166	214	-49	-24	-21	-5
-100 bp change p.a. in the interest rate environment	-351	-418	68	24	41	5
+10 bp change in the liquidity premium	49	49	0	0	0	0
10% decrease in equity/property capital values	-436	-433	-3	0	-2	0
10% proportionate decrease in lapse rates	193	166	26	10	11	4
10% decrease in maintenance expenses	348	327	21	10	4	5
Required Capital equal to regulatory solvency margin	86	85	1	0	1	0
5% proportionate decrease in base mortality/morbidity rates - longevity risk	-75	-72	-2	0	0	-2
5% proportionate decrease in base mortality/morbidity rates - Mortality and disability risk	154	132	22	17	2	2
25% increase in swaption implied volatilities	-641	-596	-46	0	-46	0
25% increase in equity/property implied volatilities	-316	-316	0	0	0	0

3.3.2 VNB Sensitivities

-M€ -	Group	France	Interna-tional	including Brazil	including Italy	including Spain
New Business Value	**362**	**201**	**160**	**119**	**18**	**20**
+100 bp change p.a. in the interest rate environment	18	24	-6	-5	-2	2
-100 bp change p.a. in the interest rate environment	-68	-74	6	6	1	-2
+10 bp change in the liquidity premium	3	3	0	0	0	0
10% proportionate decrease in lapse rates	27	19	7	6	0	1
10% decrease in maintenance expenses	32	25	7	4	1	1
Required Capital equal to regulatory solvency margin	7	7	0	0	0	-0
5% proportionate decrease in base mortality/morbidity rates - longevity risk	0	0	1	0	1	0
5% proportionate decrease in base mortality/morbidity rates - Mortality and disability risk	50	42	8	7	0	0
25% increase in swaption implied volatilities	-39	-33	-5	0	-5	0
25% increase in equity/property implied volatilities	-25	-24	0	0	-0	0

3.4 Analysis of Earnings

- **France**

-M€ -	ANAV	Including Free Surplus	Including Required Capital	VIF	MCEV©
MCEV© 2010	**7 864**	**600**	**7 265**	**2 355**	**10 220**
Opening adjustments	-52	-84	32	137	85
Adjusted MCEV© 2010	**7 812**	**516**	**7 296**	**2 492**	**10 305**
New business value	-31	-782	751	233	201
Expected existing business contribution	13	13	0	675	688
Transfers from the VIF and required capital to free surplus	636	1 124	-489	-636	0
Experience variances	180	273	-93	-33	147
Changes in assumptions relating to operating activities	0	0	0	438	438
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**798**	**628**	**170**	**677**	**1 474**
Economic variances	-348	-362	14	-1 287	-1 635
Other non-operating variance	-30	-30	0	-87	-117
Total MCEV earnings	**420**	**236**	**184**	**-697**	**-278**
Closing adjustments	-18	-18	0	0	-18
MCEV© 2011	**8 214**	**734**	**7 480**	**1 795**	**10 009**

The "initial adjustments" item includes the €456m payment of dividends to CNP Assurances group shareholders, the CNP Unicredit Vita capital increase, improvements to models and dividends transferred from subsidiaries for financial year 2010.

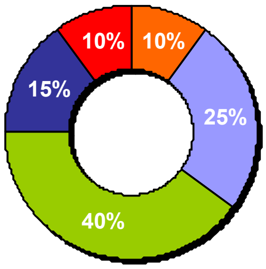
In 2011 the new business value contributed +€201m to the change in the MCEV©. The increase in Required Capital pertaining to this New Business amounted to €751m.

The observed variances in operating activities had an impact of -€33 on VIF, chiefly due to the rise in surrenders. At the level of ANAV, they amounted to €180m. These are the result of non-recurring items that create a difference between the actual result and the expected one, as well as of an actual experience more favourable than expected. These variances and the strategic orientations ratified in 2011 have led the CNP Assurances group to review its assumptions on operating activities by €438m. This variance includes the adjusted assumptions of asset allocations in accordance with the gradually reduction of the equity portion policy.

The experience variances from operational activities affecting the Required Capital amounted to €-93m, mainly due to the issuing of subordinated debt, which increased the proportional amount of Required Capital that is financed by subordinated debt from 40% to 41.4%. This also translated into an increase in the VIF.

Economic conditions had a negative effect of €1,635m in a context of widening spreads and a high level of volatility. The effects of economic conditions chiefly resulted in a decrease in unrealized gains combined with a significant rise in credit risk integrated into future yields.

The breakdown of the effects of economic conditions highlights the major impact of widening spreads on the bond portfolio and of in growing volatility in rates.



The rise in corporation tax from 34.43% to 36.1% in the next two years and the rise in social contributions deducted on savings contracts impacted on value by -€117m.

- **Brazil**

-M€ -	ANAV	Including Free Surplus	Including Required Capital	VIF	MCEV©
MCEV© 2010	**645**	**496**	**149**	**528**	**1 173**
Opening adjustments	-141	-141	0	0	-141
Adjusted MCEV 2010	**504**	**354**	**149**	**528**	**1 032**
New business value	12	-43	55	117	129
Expected existing business contribution	25	25	0	92	117
Transfers from the VIF and required capital to free surplus	142	175	-34	-142	0
Experience variances	25	21	4	-10	15
Changes in assumptions relating to operating activities	0	0	0	32	32
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**204**	**179**	**25**	**89**	**293**
Economic variances	20	20	0	-21	-1
Other non-operating variance	4	4	0	0	4
Total MCEV© earnings	**228**	**202**	**25**	**68**	**295**
Closing adjustments	-59	-45	-14	-48	-107
MCEV© 2011	**672**	**512**	**161**	**547**	**1 220**

The dividend paid by Caixa Seguros for financial year 2010 amounted to €141m. Therefore, the adjusted MCEV© stands at €1,032m.

New Business contributed €129m at constant exchange rates to the increase in the MCEV©: the 2011 results of new business increases ANAV by €12m and VIF by €117m.

Observed variances relating to operating activities result on VIF from the termination of a "Consorcio" contract and on ANAV from non-life insurance profits and lower claims rates than expected. This last item has led the CNP Assurances group to review projection assumptions, thereby impacting on VIF by +€32m.

The impact of economic conditions on the value of Caixa Seguros is relatively neutral, actual compared with expected performance of the shareholders funds offsetting the projected fall in returns of the savings and pensions branch. The €4m amount included in the "other non-operating variance" is the difference between the real amount of tax paid and the amount based on the standard tax rate.

The updated exchange rate has led to a €107m decrease in the MCEV©.

- **Italy**

-M€ -	ANAV	Including Free Surplus	Including Required Capital	VIF	MCEV©
MCEV© 2010	**240**	**109**	**131**	**111**	**351**
Opening adjustments	23	23	0	3	26
Adjusted MCEV© 2010	**263**	**132**	**131**	**114**	**377**
New business value	-8	-30	22	26	18
Expected existing business contribution	4	4	0	20	24
Transfers from the VIF and required capital to free surplus	39	55	-16	-39	0
Experience variances	-8	-1	-7	-6	-14
Changes in assumptions relating to operating activities	0	1	-1	-25	-25
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**27**	**29**	**-2**	**-25**	**2**
Economic variances	-7	-5	-2	-61	-68
Other non-operating variance	-3	-3	0	-10	-13
Total MCEV© earnings	**17**	**21**	**-4**	**-96**	**-79**
Closing adjustments	0	0	0	0	0
MCEV© 2011	**281**	**153**	**127**	**17**	**298**

CNP Unicredit Vita shareholders made a capital increase of €40m (100%) in order to support the subsidiary’s development strategy.

New business value contributed +€18m to the change in MCEV©. This value includes the net initial loss of -€8m in new business in 2011 due to the acquisition fees paid to the network. The increase in Required Capital pertaining to this New Business amounted to €22m.

The observed variances on operating activities result on ANAV mainly from the activation and amortization of DAC and DIR, thereby generating a difference between the actual and the expected result and on the VIF from the increase in surrenders.

The negative impact (-€68m) of economic conditions leads to:

- a decrease in unrealized gains on asset portfolios further to the sharp rise in the borrowing rates of the Italian state at the end of 2011,
- an increase in the cost of financial options and guarantees in the context of highly volatile markets.

- **Spain**

-M€ -	ANAV	Including Free Surplus	Including Required Capital	VIF	MCEV©
MCEV© 2010	**175**	**109**	**66**	**63**	**238**
Opening adjustments	-14	-14	0	1	-12
Adjusted MCEV© 2010	**162**	**96**	**66**	**64**	**225**
New business value	1	-13	14	19	20
Expected existing business contribution	3	3	0	10	13
Transfers from the VIF and required capital to free surplus	14	-1	15	-14	0
Experience variances	5	30	-26	-4	1
Changes in assumptions relating to operating activities	0	0	0	-8	-8
Other operating variance	0	0	0	0	0
Operating MCEV© Earnings	**23**	**20**	**3**	**4**	**27**
Economic variances	-13	-14	2	-6	-19
Other non-operating variance	1	1	0	0	1
Total MCEV© earnings	**11**	**6**	**5**	**-2**	**9**
Closing adjustments	0	1	-1	0	0
MCEV© 2011	**173**	**103**	**70**	**62**	**235**

The dividend paid by BVP for financial year 2010 amounted to €14m. An adjustment of €1m was made further to the abandonment of use of productivity gains and the use of Italian, Spanish and Portuguese state borrowing curves. Therefore, the adjusted MCEV© stands at €225m after initial adjustments.

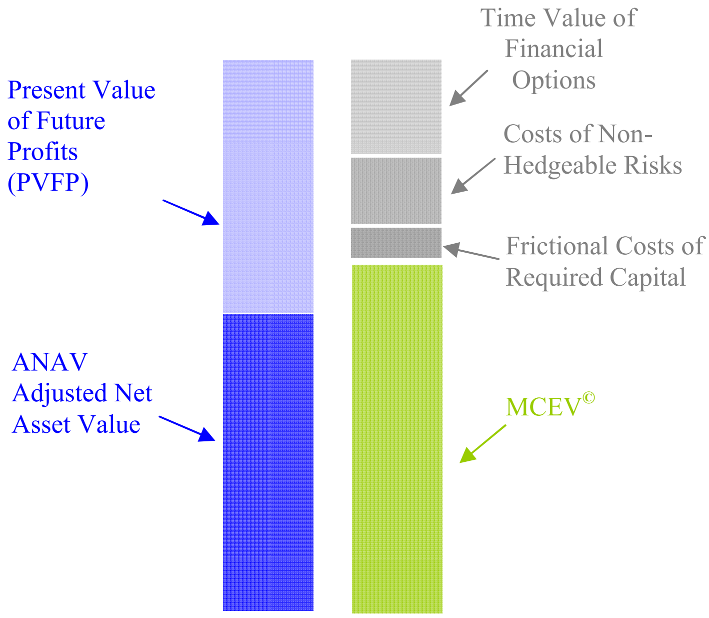
New Business contributed €20m to the increase in the MCEV©:
- a €1m increase in the ANAV
- €19m of growth in the VIF.

The operational variance observed essentially results from non-recurring gains relating to the release in some provisions, thereby generating a difference between the actual and the expected results, and to the rise in surrenders not predicted by the models.

Changes in assumptions relating to operating activities mainly consist in updated assumptions on surrenders.

Economic conditions had a negative impact of €19m on the value, more particularly further to the increase in credit spreads. It breaks down as follows:
- a €13m decrease in the ANAV
- a €6m decrease in VIF.

4. Methodology



The Embedded Value is the consolidated value of shareholders' interests generated by the portfolio's insurance activities as of the date of measurement. This value does not take into account future New Business. The methodology adopted by the CNP Assurances Group is based on the MCEV©[6] calculation standards as set out in "The European Insurance CFO Forum Market Consistent Embedded Value Principles" in October 2009. This chapter details the principles adopted by the CNP Assurances Group.

4.1 Scope

The scope covers all CNP Assurances Group entities that have a significant impact on the value; in France and abroad. This scope represents 99.2% of the technical provisions at 31/12/2011.

Geographic area	Entities	Shares owned
France	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	MFPrévoyance[7]	64.72%
	La Banque Postale Prévoyance	50%
Italy	CNP Unicredit Vita	57.5%
	Italian branch of CNP Assurances	100%
Brazil	Caixa Seguros	51.75%
Spain	CNP Vida	94%
	EstalVida	75.35%
	Barclays Vida y Pensiones[8]	50%
Cyprus	Marfin Insurance Holding	50.1%

The other entities were valued in compliance with IFRS principles.

[6] Copyright © Stichting CFO Forum Foundation 2008
[7] The valuation at 31/12/2011 includes the new partnership with MFP, in which CNP Assurances has a 64.72% equity interest
[8] Including business in Portugal and Italy.

Group activities

The CNP Assurances group's activities are primarily centred on personal insurance:

- Individual Savings in Euros and Unit-linked
- Individual retirement savings
- Individual and Collective Protection
- Collective Retirement Savings
- Credit Life Insurance

All these calculations were carried out net of external reinsurance and coinsurance.

4.2 Adjusted Net Asset Value

The Adjusted Net Asset Value (ANAV) reflects the market value of the assets backing shareholders' equity after deduction of intangible assets, subordinated liabilities and other elements included in the In-Force business.

The ANAV is calculated on the basis of IFRS Equity, after restating the following elements:

- elimination of intangible assets on the IFRS balance sheet such as Goodwill and distribution agreements, Values of In-Force and DAC,
- deduction of unrealized capital gains and losses already accounted for in the Value of In-Force, and reintegration of shareholders' interest in unrealized gains not accounted for in the IFRS Framework (property and held-to-maturity securities),
- and the reclassification of subordinated debt.

Analytically, the ANAV is determined as the consolidated group share at the date of valuation and it breaks down into Required Capital and Free Surplus.

4.2.1 Required Capital

The Required Capital is the market value of assets, attributed to the covered business over and above that required to back liabilities for covered business, whose distribution to shareholders is restricted.

The Required Capital is the level of capital a company sets itself to achieve a targeted credit rating and to control its own risks. The capital level set by the CNP Assurances Group to manage its risk equals 110% of the regulatory solvency margin requirement (as per Solvency I) net of all other sources of funding such as subordinated debt. Subordinated debt covers 41.4% of the margin requirement as of 31/12/2011.

4.2.2 Free Surplus

The Free Surplus is the market value of any assets allocated to, but not required to support in-force covered business at the valuation date.

4.3 Value of In-Force covered business

4.3.1 PVFP - Present value of future profits

The PVFP is the present value of future profits net of tax generated by the in-force covered business at the valuation date.
This value is calculated using a Market Consistent methodology except for Caixa Seguros, for which the traditional methodology is maintained.
This value reflects the intrinsic value of financial options and guarantees in the portfolio, their time value being accounted for separately in the TVOG to determine the VIF.

According to the MCEV© methodology, no risk premium is included in the projected returns and in the discount rates. The reference rate curve is the SWAP rate curve increased by a liquidity premium, except for CNP Unicredit Vita, CNP Vida¸ CNP Italia and Barclays Vida y Pensiones, for which the corresponding states' borrowing rates are used.

4.3.2 Frictional Costs of Required Capital

The need to back Required Capital for covered business entails allocating a frictional cost to the Embedded Value and to the value of New Business. In a Market Consistent model, the frictional cost reflects the taxation and investment costs on assets backing Required Capital.

The frictional cost of Required Capital takes also into account the cost of financing a portion of Required Capital with subordinated debt; this cost is calculated as the difference between the economic value and the face value of subordinated debt. CNP Group defines this economic value as the net present value of the future cash-flows paid to the debt's holders, based on a discount rate which takes into account every security's spread at inception. For New Business, Required Capital is assumed to be financed by subordinated debt to the same extent as for In-Force; this financing is ensured by newly issued subordinated debt, whose economic value is equal to the face value.

4.3.3 Time value of options and guarantees

CNP Assurances has chosen a Market Consistent approach to value the main financial options and guarantees stipulated in the contracts.

The main options and guarantees include:

- minimum guaranteed interest rate;
- profit sharing option,
- guaranteed annuity option,
- guaranteed minimum death benefits,
- guarantee of technical rate for annuity business and guaranteed acquisition premium associated with the Préfon portfolio,
- guarantee on the surrender values, surrender option.

The time value of financial options and guarantees (TVOG) is generated by the asymmetric nature of the distribution of profits between the shareholders and the policyholders according to the different movements of financial markets. Broadly speaking, a financial loss is entirely incurred by the shareholders, whereas the financial gains are shared according to the regulatory and contractual provisions governing the sharing of profits. On the basis of multiple simulations, the use of stochastic calculations enables to cover all possible evolutions of the financial markets and therefore to obtain the cost associated with unfavourable market deviations.

Method for calculating risk-neutral valuation

Valuation implements a stochastic model based on a risk-neutral approach. This approach defines the price of an asset as the expected present value of future cash flows discounted at risk-free rate. The scenarios are taken from the generator developed by Barrie & Hibbert. This generates 1,000 equiprobable scenarios that forecast:

- Changes in a share index;
- Changes in a property index;
- The real rates' curve for maturities between 1 and 50 years;
- The nominal rates' curve for maturities between 1 and 50 years.

Inflation is obtained as the difference between real rates and nominal rates. Share dividend and property rent rates (set at 2.5%) are assumed to be constant.

The techniques the Group uses to calibrate the economic scenario generator are described in the "Assumptions" section of this report.

In addition, the projection model includes a dynamic surrender component, which factors in the tendency of policyholders to surrender their contracts when their return underperforms compared with a market reference.

Given the economic and financial context in Brazil, the CNP Assurances Group has opted for a traditional valuation method for its Brazilian subsidiary Caixa Seguros. This approach is motivated by the lack of market parameters needed for a valuation consistent with the principles of the CFO Forum. Moreover, the activities of Caixa Seguros mainly consist in hedging insurance risks; the financial options are considered marginal at Group level.

4.3.4 Costs of residual non-hedgeable risks

In accordance with principles 6 and 9 of the CFO Forum, a cost must be allocated for non-hedgeable financial and non-financial risks. This cost results from:

- risks not measured in the PVFP or in the TVOG,
- the asymmetrical effect of some non-hedgeable risks on the value,
- the underlying uncertainty inherent in "Best Estimate" assumptions for non-hedgeable risks.

In order to measure residual non hedgeable risks, CNP Assurances uses a cost of capital approach. The capital allocated for these risks is the capitalization target CNP Assurances must achieve to comfortably absorb exceptional shocks, not included in other respects in the TVOG and the PVFP. It thus equals the level of capital required to reduce the probability of ruin to 0.5% within a one year time frame on each of the specified risks.

- Risks not modelled in the TVOG and PFVP

The following is a list of non-valued risks:

- default risk,
- concentration risk,
- operational risk,
- catastrophe risk.

- Asymmetrical Risks

The asymmetrical nature associated with the sharing of risk between policyholders and shareholders, depending on various trends in non-financial parameters, generates a cost that must be factored into the valuation of the portfolio. The asymmetrical impact of the mortality/longevity/morbidity risk is the result of contracts that include profit sharing clauses containing a component that is based on the technical result.

- Uncertainty

The Embedded Value calculations are based on several so-called "best estimate" assumptions: claims rate, surrender risk, expenses risk. An additional cost, related to the underlying uncertainty inherent in making such assumptions, has been included in the value.

4.4 Value of New Business

4.4.1 Definition of New Business

The projections used to estimate the value of one year's New Business are based on the profile and the volume of premiums of the business written during 2011.

- Individual Savings and retirement in Euros and Unit-linked

New business is defined as the business generated from the sale of new contracts and in some cases increases to existing contracts during the reported period. Without an assumption of premium recurrence over the periodic premiums, the later payments are considered as unique premiums.

- Individual risk:

New Business only includes new policies. Future regular premiums on existing contracts are included in the Value of In-Force.

- Group retirement savings:

The New Business volumes of L.441 contracts include new policies and ad hoc single premium contributions on existing contracts. On the rest of the segment, future regular premiums on existing contracts are included in the Value of In-Force.

- Group risk:

As future premiums on existing policies are not valued in the Value of In-Force, New Business volumes are equal to the 2011 accounting premiums.

- Credit life insurance:

New Business only includes new policies. Future regular premiums on existing contracts are included in the Value of In-Force.

4.4.2 Methodology

The approach used to value the New Business is identical to the one used for the valuation of the In-Force. The value of New Business is the present value of projected profits of policies written during the year less the frictional costs of required capital, the time value of financial options and guarantees and the cost of residual non-hedgeable risks.

The New Business value is based on projected cash flows from the date of issue. The economic assumptions are based on observed market conditions at 31 December 2011.

In accordance with the "standalone" method used by CNP Assurances, no unrealized gains are allocated to the New Business. The New Business premiums are invested in new assets available at valuation date according to the acquisition strategy observed during the year. Therefore there is no sharing of unrealized gains and losses between the In-Force and the New Business.

4.4.3 APE Annual Premium Equivalent

The APE, a sales volume indicator, equals one tenth of the sum of single premiums and flexible premium written during a given year plus the annualized amount of regular premiums written during that same year. Unlike IFRS revenue, the APE generated through New Business is defined as the Group share of written premiums net of reinsurance and coinsurance. Furthermore, the exchange rate is that at 31/12/2011, not the average rate used to determine IFRS revenue.

4.5 Sensitivities

The sensitivities presented below are those required by CFO Forum standards and include sensitivity of the VIF to a counter-cyclical premium factoring in changes in eurozone government spreads.

- Yield curve ± 100 bp:

This sensitivity corresponds to a parallel shift in the Swap curve of plus or minus 100 bp. This entails in particular:

- revaluation of the market value of bonds;
- a 100 bp adjustment of the reinvestment rate of all asset classes;
- and updated discount rates.

The impact on the initial mathematical provision for unit-linked business is not valued.

- Shares -10%:

This sensitivity measures the impact an immediate 10% fall in equity and property indexes would have on the value. This shock implies a 10% fall in the market value of equities and property assets, as well as a decrease in the mathematical provisions of unit-linked business by the proportion invested in those assets.

- Surrenders -10%:

This sensitivity measures the impact of a 10% decrease in the total and partial lapse rates.

- Costs -10%:

This sensitivity measures the impact of a 10% drop in all expenses: acquisition, management, claims and overheads costs.

- Claims rate -5%:

This sensitivity measures the impact of a decrease in the claims rate: incidence rates, loss ratios, disability rates, and mortality rates are reduced proportionately by 5%. The risks of longevity and mortality/disability are measured separately.

- Swaption implied volatility +25% / Equity implied volatility +25%:

This sensitivity measures the impact of a 25% increase in the volatility of interest rates, equities and property assets on the time value of financial options and guarantees.

- Required Capital:

This sensitivity consists in defining a required capital equal to the regulatory solvency margin assuming the proportion of subordinated debt remains constant, and in measuring the impact of this change on the value.

- Interest rates curve with a liquidity premium +10 bp:

This sensitivity reflects a 10 bp increase in the market liquidity premium. This entails an adjustment of the reinvestment rate of all classes of assets and updated discount rates. This sensitivity does not apply to the entities valued on the basis of the corresponding states' borrowing rates.

- Yield curve with a counter-cyclical premium including eurozone government spreads at 31/12/2011

This sensitivity reflects a 192 bp increase in the reference yield curve. This entails an adjustment of the reinvestment rate of all classes of assets and updated discount rates.
Further to EIOPA's recent proposals to include a counter-cyclical premium in the measurement of Solvency II technical provisions, the CFO Forum has indicated it is working on the inclusion of this premium in MCEV© principles. In accordance with this information, CNP Assurances has disclosed a VIF MCEV© sensitivity and a VNB sensitivity to this counter-cyclical premium, which equals the difference between the "ECB AAA and other government curve" index and the swap yield curve reduced by 10 bp for a 10-year maturity.

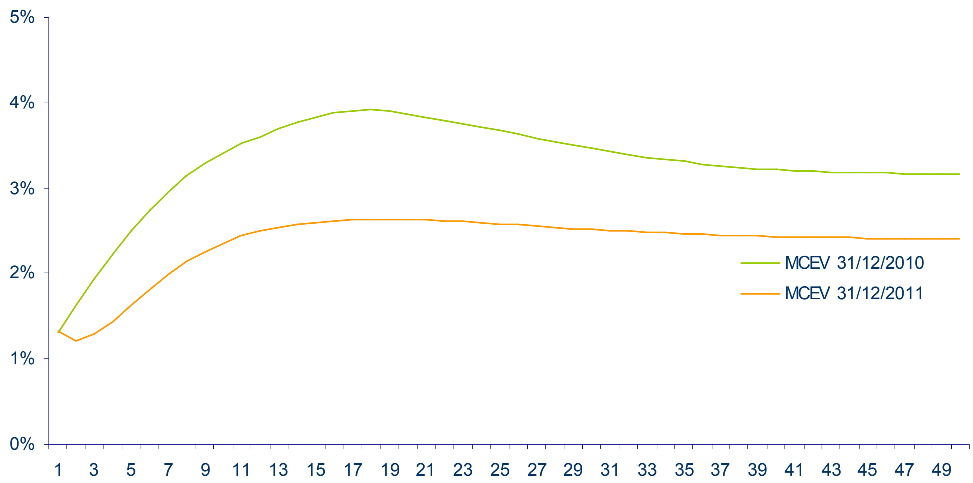
5. Assumptions

5.1 Financial assumptions

The Embedded Value calculations are based on economic conditions as at 31/12/2011.

5.1.1 Reference interest rate curve

The data used to describe the initial state of the yield curve is taken from the SWAP yield curve supplied by Barrie & Hibbert at 31/12/2011. After stripping the coupons, the curve is smoothed and reduced by 10 bp for credit risk.



In compliance with Principle 14 of the MCEV© principles, CNP Assurances includes a liquidity premium in the reference yield curve. The market liquidity premium matches the Maximum [0; 50% * (Spread of corporate bonds -40)] +10 bp, the spread of corporate bonds being determined as the margin on the swap rate of the iBoxx € Corporates bond index. The premium amounts to 108 bp above the SWAP yield curve. Only a fraction of this premium is allocated to different categories of contracts. The following table summarizes the liquidity premium selected for each category, in reference to the SWAP rate:

Category	2010	2011
Unit-linked savings	-	49 bp
Individual risk	27 bp	49 bp
Credit insurance	27 bp	79 bp
Group risk	27 bp	79 bp
Euro savings	41 bp	79 bp
Individual retirement savings	41 bp	79 bp
Group retirement savings	41 bp	79 bp

5.1.2 Calibration of the interest rate model

The economic scenario generator used for nominal rates is the Libor Market Model (LMM) with two factors. The swaption volatility output parameters are as follows.

Swaption 20 year maturity	1 year	2 years	5 years	10 years	20 years
MCEV© 31/12/2010	24.0%	21.9%	18.2%	17.5%	21.7%
MCEV© 31/12/2011	38.5%	35.3%	30.3%	28.7%	29.2%

The actual rates are generated using the Vasicek model with two factors, which has been calibrated on treasury bonds indexed-linked to inflation.

5.1.3 Calibration of the equities model

A different level of volatility for each projection term between 1 and 10 years was used to generate the share index (deterministic volatility model); these are given in the table below.

Maturity	1 year	2 years	5 years	10 years	20 years
MCEV© 31/12/2010	24.1%	24.6%	25.8%	27.4%	27.4%
MCEV© 31/12/2011	29.3%	28.0%	27.5%	27.9%	27.9%

The volatility parameters have been calibrated on the basis of implicit forward ATM volatilities on the Eurostoxx index at 31/12/2011.

The correlation coefficients between the various factors (share, actual rates and nominal rates) are determined by Barrie Hibbert on the basis of econometric tests and expert opinion.

Property volatility is set at 15%.

5.1.4 Economic Assumptions for Brazil

		2012	2013	2014	2015	2016	2017	Post 2017
MCEV© 10	Discount rate	13.1%	12.8%	12.0%	12.3%	11.9%	11.6%	11.3%
	Yield of the assets	11.0%	10.4%	10.0%	9.7%	9.0%	8.5%	8.0%
	Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk Premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
MCEV© 11	Discount rate	12.5%	12.9%	12.6%	12.5%	11.9%	11.6%	11.3%
	Yield of the assets	10.0%	10.7%	10.2%	10.0%	9.0%	8.5%	8.0%
	Inflation	5.5%	5.1%	4.9%	4.7%	4.7%	4.7%	4.7%
	Risk Premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The euro-to-real (EUR/BRL) exchange rate weakened from 2.2209 on 31/12/2010 to 2.4159 on 31/12/2011.

5.1.5 Economic assumptions for Italy, Portugal and Spain

The values used to determine the initial yield curve at 31/12/2011 for the Italy, Portugal and Spain region are the state borrowing rates at 31/12/2011. No liquidity premium was added to these reference curves.

Reference curve	1 year	2 years	5 years	10 years	20 years
MCEV© 31/12/2011 - Italy	4.64%	5.08%	6.11%	6.87%	7.08%
MCEV© 31/12/2011 - Portugal	15.22%	15.90%	16.55%	14.19%	9.26%
MCEV© 31/12/2011 - Spain	3.21%	3.47%	4.26%	5.49%	6.30%

5.2 Tax rate

The tax rate used to calculate Embedded Value is the standard corporate tax rate applied in countries where the CNP Assurances Group operates:

	France	Italy	Spain	Portugal	Brazil
MCEV© 31/12/2010	34.43%	32.32%	30%	29%	40% [9]
MCEV© 31/12/2011	36.10% [10]	34.32%	30%	29%	40% [9]

The tax credits observed in France that reduce the standard corporate tax rate are valued elsewhere.

5.3 Cost of capital for residual non-hedgeable risks

A rate of 5% is applied to the capital relating to non-modelled and asymmetrical risks. The capital allocated for uncertainty in assumptions is subject to the frictional costs of holding that capital.

The average rate applied to the capital was 2.7% on 31/12/10 and 2.8% on 31/12/2011.

5.4 Non-economic assumptions

5.4.1 Expenses

For each accounting year, CNP Assurances Group carries out a functional cost analysis: acquisition, management, claims, investment costs and other technical and non-technical expenses. A breakdown by company, product group and network is then analysed. The expenses basis resulting from this analysis has been lowered by €17 million for exceptional expenses, as observed in the accounts at 31/12/2011.

Furthermore, for European entities, there is a 2% inflation rate per annum on unit costs.

5.4.2 Claims and persistency assumptions

The non-economic assumptions, the experienced mortality and morbidity, the lapse rates and claim rate assumptions are determined by each entity on the basis of their best estimate at the date of valuation. They stem from an analysis of current and past experience observed in each valued portfolio.

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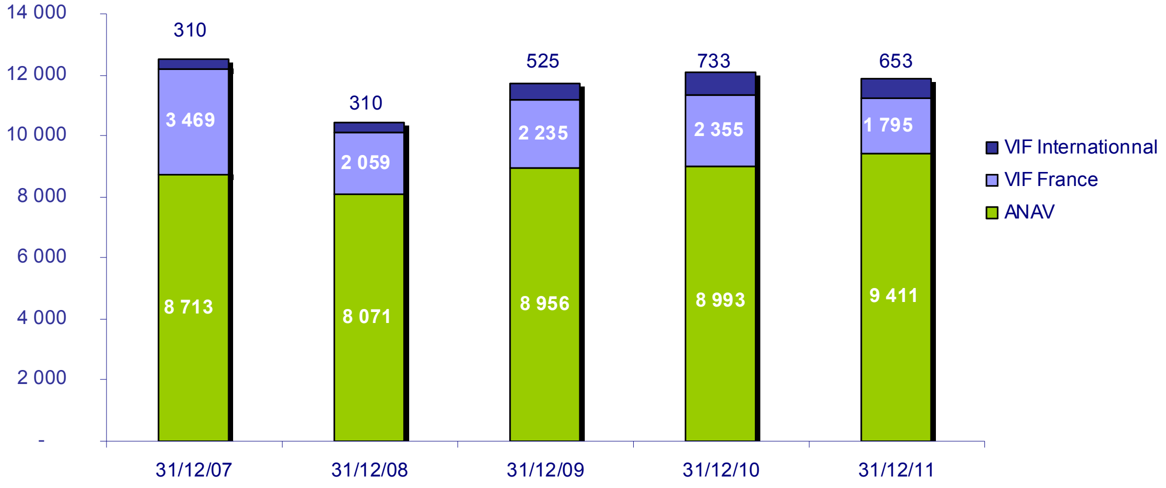
[9] With the exception of Caixa Consorcio, for which the tax rate has been maintained at 34%.

[10] Exceptional increase applied to tax paid in 2012 and 2013.

6. MCEV© evolution from the 31/12/2007

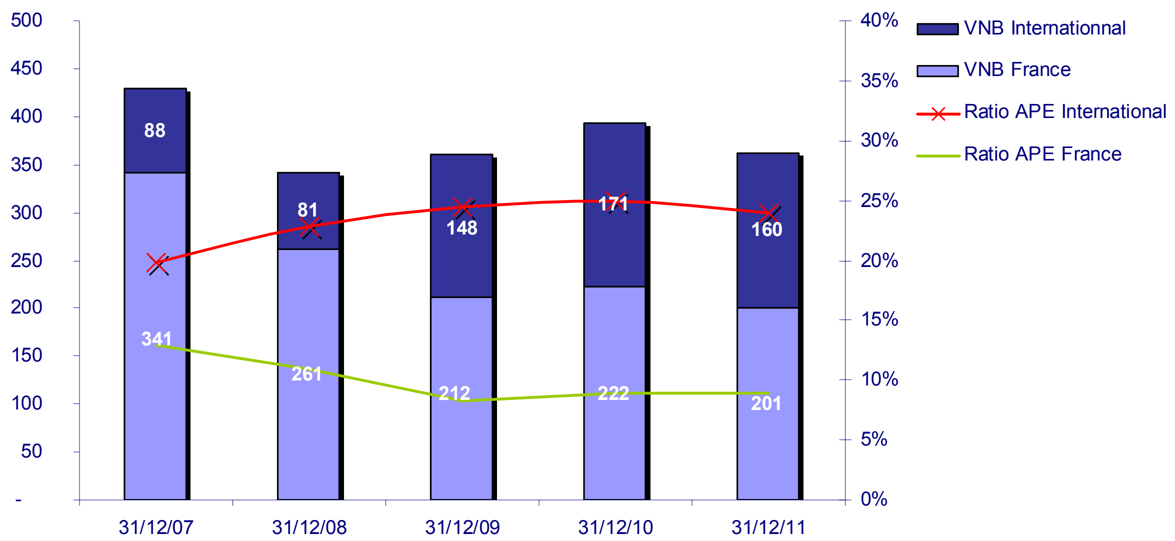
6.1 MCEV© evolution from the 31/12/2007



(*) At constant exchange rates the VIF International would amount to €701m€ with the Group MCEV© €11,907m.

The historic MCEV©, established in accordance with the MCEV© principles, demonstrates the resilience of the Group's MCEV© to various shocks and the increasing part of the International in the VIF.

6.2 VNB evolution from the 31/12/2007



(*) At constant exchange rates, the International VNB would amount to €171m, with the Group VNB €372m.

7. Milliman's Opinion

Milliman, independent actuarial firm, has reviewed the Embedded Value figures of CNP Assurances Group as at 31 December 2011. In the course of our work, we have reviewed the methodology, the assumptions used and the calculations performed internally by the company according to the directives and under the management responsibility. Our review has covered the Embedded Value as at 31 December 2011, the 2011 New Business Value, the analysis of earnings between the Embedded Value as at 31 December 2010 and as at 31 December 2011 and the sensitivities.

Milliman has concluded that the methodology used complies with principles 1 to 16 of "The European Insurance CFO Forum Market Consistent Embedded Value Principles" and that the calculations have been made in conformity with this methodology.
CNP Assurances Group added a 79 bp liquidity premium in excess of the SWAP rate to derive the reference rate for Individual Savings in Euros, Individual and Group Retirement Savings, Group Risk Business and Credit Life Insurance; CNP Assurances Group also added a 49 bp liquidity premium in excess of the SWAP rate to derive the reference rate for Unit-Linked business and Individual Risk business.
The portfolios of CNP Unicredit Vita (Italian subsidiary of CNP Assurances), CNP Vida (Spanish subsidiary of CNP Assurances), CNP Italia (Italian branch of CNP Assurances) and Barclays Vida y Pensiones (subsidiary of CNP Assurances operating in Spain, Portugal and Italy) have been valued using the relevant Government Bonds yield curve.
The calculations performed for the Brazilian subsidiary (Caixa Seguros) have been carried out according to a Traditional Embedded Value approach which allows for the risks through the use of a risk premium.

Moreover, the information disclosed in "CNP Assurances – Embedded Value report 31/12/2011" complies with the current CFO Forum European Embedded Value principles.

In arriving at these conclusions, we have relied on data and information provided by CNP Assurances Group without undertaking an exhaustive review of them. We have performed limited high-level checks and reconciliations as well as more detailed analysis on some specific portfolios. We have checked that all the issues brought forward during our review had no material impact at the group level.

The calculation of Embedded Value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, most of which are beyond the management's control. Although the assumptions used represent estimates which CNP Assurances Group and Milliman believe are altogether reasonable, actual future experience may vary from that assumed in the calculation of the Embedded Value results.